

DEPARTMENT OF DEVELOPMENTAL SERVICES

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**DEPARTMENT OF DEVELOPMENTAL SERVICES
REQUEST FOR FUNDING****I. SUMMARY OF REQUEST**

The Department of Developmental Services (DDS) requests that the First 5 California Children and Families Commission (Commission) fund \$50,000,000 for new regional center services provided to new children aged 0 to 5 through the Early Start Program, the Prevention Program, and pursuant to the Lanterman Developmental Disabilities Services Act (Lanterman Act) in Fiscal Year 2009-2010. Critical services for the new recipients have not been funded, and DDS anticipates that the total cost for these children will exceed \$100,000,000 in Fiscal Year 2009-2010.

II. BACKGROUND

DDS provides community-based services to approximately 243,000 individuals with developmental disabilities (consumers) and their families through a statewide system of 21 regional centers. Regional centers are private, nonprofit agencies that DDS contracts with for the provision of services and supports to persons with developmental disabilities.

Regional centers diagnose individuals; assess eligibility for individuals; and help plan, access, coordinate and monitor the necessary services and supports for consumers.

It is anticipated that regional centers will provide services and supports to approximately 80,000 infants and toddlers aged 0 through 5 in the 2009-2010 Fiscal Year. Based upon the needs of the parents and the children, services provided to infants, toddlers, and their families have included: assistive technology, audiology services, counseling, nutritional services, health services, medical services for diagnostic/evaluation purposes, infant/toddler intervention programs, nursing services, nutrition services, occupational therapy, physical therapy, infant stimulation, parent training, psychological services, speech therapy, and vision services.

"Building Partnerships, Supporting Choices"

A. Individuals Aged 3 and Older

Pursuant to the Lanterman Act, families with minor children who have developmental disabilities and adults with developmental disabilities are entitled to community-based services and supports from regional centers. Depending on the individual needs of the consumer, the services and supports could include: day program or residential services, information, referrals, assessments, diagnoses, assistance in finding and utilizing community and other resources, and family support.

B. Individuals Aged 0 through 2

1. Early Start Program

Families whose infants or toddlers have a significant developmental delay or an established risk for developmental delay or disability can participate in the Early Start Program. The Early Start Program is partially funded through the federal Individuals with Disabilities Education Act (IDEA), 20 U.S.C. section 1400, et seq. Teams of service coordinators, healthcare providers, early intervention specialists, therapists, and parent resource specialists can evaluate and assess infants and toddlers and provide appropriate early intervention services to children eligible for California's Early Intervention Program.

2. Prevention Program

Effective October 1, 2009, families whose infants or toddlers are at risk of a developmental disability, but are not eligible for the Early Start Program, are enrolled in a Prevention Program that serves as a safety net to provide a limited array of services, including intake, assessment, case management, and referral to community resources.

C. Growth in New Cases and Expenditures

Regional centers are experiencing unprecedented growth in the number of new infants and toddlers requesting services from the system. A large number of these children have been diagnosed with autism. The continued growth of new children needing early childhood services has outpaced resources. The chart below summarizes the additional budget impact associated with the continued growth in consumers and the related costs.

Fiscal Year	Growth of New Cases Between 0 and 5 Years of Age	Expenditures for Growth of New Cases Between 0 and 5 Years of Age
2005-06	33,700	\$59,000,000
2006-07	36,300	\$66,000,000
2007-08	42,400	\$87,000,000
2008-09	41,500	\$90,000,000

D. Lack of Funding For Growth in Caseload

The DDS budget appropriation was \$50,000,000 below the anticipated need for the cost of services. Specifically, Governor Schwarzenegger vetoed \$50,000,000 from DDS's budget for Fiscal Year 2009-2010, stating in part, "I am reducing Regional Center Purchase of Services by \$50,000,000 for services to children up to age five, as these services are due to program growth and thus eligible for funding from the California Children and Families Commission. I am directing the Secretary for the Health and Human Services Agency, the Department of Developmental Services, and the Department of Finance to immediately request funds from the Commission for this purpose." (Assem. Bill No. 3x_1 2008-2009 Special Session, Ch. 1, § 18.30.)

Following the reduction in regional center purchase of service funds, DDS directed regional centers not to stop funding these critical services while it sought funds from the Commission. Between July 2009 and January 2010, regional centers spent \$51,058,820 on services for new consumers and individuals at risk of developmental disabilities between the ages of 0 and 5.

Because regional centers continue to serve the families of new infants and toddlers, DDS anticipates spending at least an additional \$50,000,000 on services for new consumers and individuals at risk of developmental disabilities between the ages of 0 and 5 by the end of Fiscal Year 2009-2010.

III. LEGAL STANDARD FOR COMMISSION FUNDING REQUESTS

Proposition 10, the California Children and Families Act, was approved by voters in November 1998. The original ballot measure contained a section that is codified in Revenue and Taxation Code Section 30131.4. This section provides that no

moneys in the California Children and Families Trust Fund shall be used to supplant state or local General Fund money for any purpose, and that these funds shall be used only to supplement existing levels of service and not to fund existing levels of service. The Attorney General's Office has interpreted this statute to mean that no moneys from the California Children and Families Trust Fund shall be used to take the place of existing funding that currently exists for any purposes, but, rather, moneys collected pursuant to the California Children and Families Act are to be used to add to existing levels of services that currently exist and to supplement those levels. In short, Commission funds shall be used to augment, add to or enhance existing programs, funds, grants and/or services.

IV. ANALYSIS

DDS's request for \$50,000,000 is consistent with California Revenue and Taxation Code Section 30131.4. First, the funds DDS seeks would be used to supplement existing regional center services for new children aged 0 to 5 through the Early Start Program, the Prevention Program, and pursuant to the Lanterman Act.

Second, the funds DDS seeks would not supplant any General Fund dollars. While the regional centers have paid for new services and added new consumers to their caseloads during Fiscal Year 2009-2010, the DDS contracts with the regional centers do not include sufficient funding for these services. The \$50,000,000 was neither appropriated in the Budget Act of 2009-10 nor allocated to the regional centers in the contracts between DDS and the regional centers.

The appropriation was not set until the Governor acted on the Budget bill. The amount approved by the Governor in the Budget Act constitutes the actual appropriation. (Cal. Const., art. IV, §§ 10, 12.) Therefore, the use of Commission funds for payment to DDS of \$50,000,000 would not constitute supplantation of the General Fund.

Additionally, it is well settled that a child's overall health and development can make an important difference in how he or she will do in school. A child who does not receive necessary audiology or vision services or speech therapy might struggle to keep up with peers and even experience learning difficulties. Likewise, a child who does not receive critical nutritional or health services might miss school due to poor health. Further, more than any other time in their lives, infants and toddlers are growing and developing at an amazing rate. They must receive adequate nutrition, intervention services, and treatment for chronic and acute conditions. In addition, the parents of a child with a developmental disability or at risk of a developmental disability must receive critical information from health care professionals to help their child maximize his or her potential.

Furthermore, funding an expansion of Early Start Program, Prevention Program, and Lanterman Act services for children between 0 and 5 years of age is consistent with the Commission's 2008 Strategic Plan. Specifically, the expansion is consistent with the Commission's vision that all children enter school ready to achieve their greatest potential, as well as:

- *Strategy 1.1* – Increase the number and depth of state and national partnerships and affiliations.
- *Strategy 1.3* – Facilitate and support health care coverage and quality care for all children 0 to 5.
- *Strategy 1.4* – Facilitate and support early care and educational development for all children 0 to 5.
- *Strategy 1.5* – Facilitate and support policies and programs that promote family self-sufficiency.
- *Strategy 3.2* – Share information and messages with California's diverse populations through partnerships.
- *Objective 3.2.2* – Establish partnerships with at least two public agencies with similar goals, linking First 5 California's name and/or program with their name for increased effectiveness.

Finally, if the Commission chooses not to fund the new services for the regional centers' infant and toddler caseload growth in the current fiscal year, DDS will be unable to provide all of the necessary services to the infants and toddlers in need of regional center services, jeopardizing the individuals' progress toward minimizing the risk of developing a developmental disability or ameliorating the impact of their disability. In addition, the federal funds that DDS receives for the administration of the Early Start Program would be at risk.

V. CONCLUSION

DDS respectfully requests that the Commission fund new regional center services for children between 0 and 5 years of age who have only begun receiving such services in Fiscal Year 2009-2010. The new regional center services for the new caseload are not fully funded, but serve a critical role for the affected children. Funding the \$50,000,000 is consistent with the Commission's statutory authority and mission statement, and no reasonable alternatives exist to serve the relevant infants and toddlers. Therefore, DDS requests the Commission approve its request.