

STATE CAPITOL  
SACRAMENTO, CA 95814  
TEL (916) 851-4015  
FAX (916) 323-4529

2105 S. BASCOM AVE.  
SUITE 154  
CAMPBELL, CA 95008  
TEL (408) 558-1291  
FAX (408) 558-1296

100 PASEO DE SAN ANTONIO  
SUITE 209  
SAN JOSE, CA 95113  
TEL (408) 286-8318  
FAX (408) 286-2338

# California State Senate

SENATOR  
JIM BEALL  
FIFTEENTH SENATE DISTRICT



COMMITTEES  
PUBLIC EMPLOYMENT  
AND RETIREMENT  
CHAIR  
BANKING AND  
FINANCIAL INSTITUTIONS  
BUDGET AND  
FISCAL REVIEW  
COASTAL CONSERVANCY  
GOVERNANCE AND FINANCE  
HEALTH  
JOINT LEGISLATIVE AUDIT  
TRANSPORTATION  
AND HOUSING  
SUBCOMMITTEE  
BUDGET AND FISCAL  
REVIEW SUBCOMMITTEE #2  
ON RESOURCES,  
ENVIRONMENTAL  
PROTECTION, ENERGY  
AND TRANSPORTATION  
CHAIR

March 13, 2014

Ellen M. Corbett  
Senate Majority Leader  
Chair, Senate Budget Subcommittee 3  
State Capitol, Room 313  
Sacramento, CA 95814

Dear Senator Corbett:

Under the Lanterman Act, people with developmental disabilities are entitled to services and support that enable them to live a more independent and normal life. More than 260,000 individuals with developmental disabilities receive services from California Regional Centers and their 65,000 service providers.

Inadequate service provider rates have hindered California's ability to meet our basic obligations to Californians with developmental disabilities. Provider rates for residential and day programs lag far behind inflation making it difficult for many service providers to remain open.

The gap between rates and inflation continues to grow. Since July 2000, the Consumer Price Index has increased 36.6%. Yet, residential care facilities and day program providers received only minimal rate increases during the same time period. One increase was granted in 2006 and then reversed in 2008 with other deep cuts to total more than \$1 billion cut from the community system in the last 5 years. Considering inflation and cuts, rates have virtually been frozen since 1998.

I respectfully request the Senate Budget Subcommittee 3 direct the Department of Developmental Services (DDS) to analyze the general fund cost to update rates from the time of the reductions, adjusted for inflation. Analysis should be broken into the following areas:

- Community Care Facilities
- Intermediate Care Facilities
- Supportive Living Services
- Day Programs
- Employment Programs

I realize that the cost of total restoration is outside our reach today. However, we must begin to make in-roads to address the gap. There are 260,000 consumers living in the community that need our help and have waited five years for us to respond. That is why, I also request the Subcommittee direct DDS to analyze the general fund cost of an across-the-board increase of 5% to both elements of the community side of the DDS Budget (Item 4300) -- 5% for regional center operations and 5% for purchase of services.

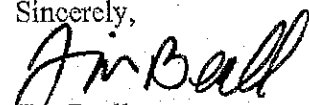
Understanding the impact of inadequate rates is the first step in a broader discussion as Legislators consider modest investments to restore lost funding for human, medical, and mental health services.

In addition to fiscal analysis, I've attached a budget proposal from the Lanterman Coalition for your consideration. The proposal puts forth eight recommendations, which includes modernizing DDS' arduous based rate model and removes failed policies that were intended to cut state costs, but have only served to increase providers' administrative overhead.

I believe these recommendations will increase DDS' effectiveness and outcomes in fulfilling the promise of the Lanterman Act and should be explored further by the Senate Budget Subcommittee 3.

Thank you in advance for your consideration.

Sincerely,

  
Jim Beall  
State Senate, District 15

# Take Action

Join Senator Beall and the Lanterman Coalition to urge Senator Corbett, Chair of the Senate Budget Subcommittee 3 and Assemblymember Weber, Chair of the Assembly Budget Subcommittee 1 to include an across-the-board 5% increase for DDS community providers and to support the Lanterman Coalition's proposal. The proposal puts forth eight recommendations including modernizing the Department of Developmental Services' arduous based rate model and removing failed policies that were intended to cut state costs but in fact, only served to increase providers' administrative overhead.

Inadequate service community provider rates have hindered California's ability to meet our basic obligations to Californians with developmental disabilities. Provider rates for residential and day programs lag far behind inflation making it difficult for many service providers to remain open.

An estimated 260,000 consumers living in the community need our help and have waited for five years for us to respond.

To make our children a priority in Sacramento, I need your help and the help of everyone you know. Take a stand by sending a letter of support and join my Facebook page or follow me on twitter to get the latest updates including co-authors, amendments and committee analysis and actions.

To view the Lanterman Coalition's proposal visit:

<http://www.thearca.org/53.html>

**Fax, mail or email your support letters to:**

**Hon. Jim Beall  
State Capitol Room 2068  
Sacramento, CA 95814  
(408)-558-1296 fax**

Contact Sunshine Borelli at (408) 558-11295 or [sunshine.borelli@sen.ca.gov](mailto:sunshine.borelli@sen.ca.gov) with questions or concerns. Thank you again for your support.