



Dialogue

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Update - California's State Budget Crisis

From the Executive Director

For Now, We're Holding Our Own

By Bill Bowman



As promised in the Fall 2001 issue, here is a special edition of *Dialogue* to inform you of the implications the Governor's proposed 2002-

2003 budget has for people with developmental disabilities.

According to the Governor's proposed budget, any potential negative effect on the regional centers is fairly minimal. The budget as proposed provides a net increase of \$148 million to the regional center system to accommodate caseload growth and higher service utilization. Incorporated in that increase is a \$52 million "savings" or reduction. Since the system is expected to grow by 9,725 consumers between July, 2002 and June, 2003, the per capita amount (average dollars per consumer) would actually decrease from the current level. That translates to less money for services.

Still, in these tight economic times, any increase is something for which to be thankful. Held against a \$2 billion potential total allocation for developmental services, \$52 million does not constitute a crisis.

It is too early to predict the final outcome of the state budget. Things could change and likely will before it's all done. The purpose of this publication is to help keep you informed. Inside you will find a flowchart of the annual budget process — how it works its way through the state government — as well as frequently asked questions about RCOC funding. To stay abreast of the twists and turns inherent in this process, I urge you read the newspaper and consider what others are saying about the budget as it develops. Elizabeth Hill, the state's nonpartisan Legislative Analyst, is a good source of objective scrutiny. The Webpage for the Legislative Analyst's Office is www.lao.ca.gov. There you will find an overview of the Governor's budget and an assessment of its viability.

Other Websites you might want to look up are Governor Davis, www.governor.ca.gov, where you can find a link to his proposed budget, or go directly to the budget at the Department of Finance Website at www.dof.ca.gov. The state senate and assembly homepages are www.senate.ca.gov and www.assembly.ca.gov.

Please take advantage of the available information and stay tuned for updates and bulletins from us as the budget picture becomes clearer over time.

Did You Know?

What has happened in the past during a budget crisis:

1983 – The Governor called a special session of the legislature that passed a bill (40X) leaving us with little more than beds, meals and day programs.

1992 – Emergency legislation permitted the state to cut funding for services. Regional centers were forced to say "no" to people needing support to live in their community, and to families who needed services for their children.

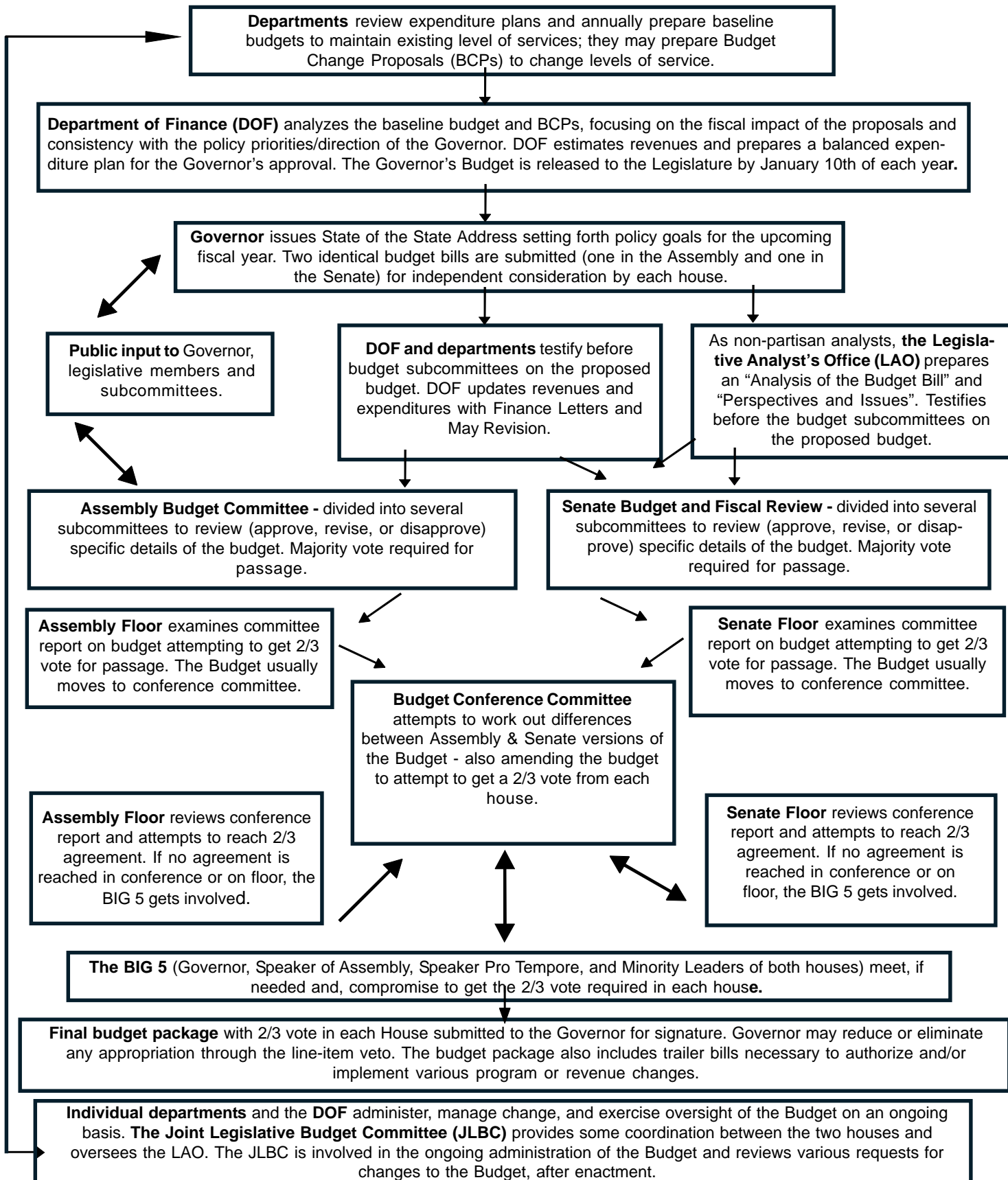
Since 1992, the funding for community supports has not kept up with increased costs, and we have never recovered from the last recession.

Information courtesy of Tri-Counties Regional Center.

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THE ANNUAL BUDGET PROCESS



Information from the California Department of Finance Webpage, www.dof.ca.gov

Where RCOC Gets Its Funding

Here are answers to some frequently asked questions.

Where does the Regional Center's budget come from?

All 21 regional centers are private nonprofit corporations that contract with the State of California, Department of Developmental Services (DDS). DDS determines each regional center's annual allocation for each fiscal year from July to June. Seventy percent of the funding for regional centers is from the State of California General Fund and 30 percent is from federal Medicaid Waiver and other federal programs.

How is the allocation amount determined?

The allocation is determined primarily by expenditures in the prior year plus estimates for growth and rate increases.

Regional centers are required to estimate and report total projected expenditures for each fiscal year. Every August, DDS provides regional centers with "planning allocations." The regional centers then compare the planning allocation to their projected expenditures. To project expenditures, regional centers calculate a base, which consists of what a center spent in the fourth quarter of the last fiscal year. The center then adds to this an estimate for growth and rate increases for services and provides a total number to DDS. RCOC is projecting that 91 percent of its entire allocation is already committed for Fiscal Year 2001-2002. The remainder of the allocation will be used for rate increases and growth.

What is "growth"?

Growth includes new consumers becoming eligible as well as additional services for existing consumers.

How is the Regional Center's allocation used?

About 81 percent of RCOC's total funding goes directly to service providers responsible for residential care, day programs, respite care, transportation and other services provided to the more than 12,000 people currently served by RCOC. That is the Purchase of Service portion of the allocation. The rest of RCOC's funding – called Operations – supports the staff members who work directly with people with developmental disabilities to coordinate services, assessment and assistance; program planning, evaluations, and provide administrative support.

Is the Regional Center like an insurance company?

No, there are no deductibles or co-payments and there is no list of covered services. Services and supports are driven by the person-centered Individual Program Plan, which specifies the goals and objectives that the consumer and circle of support decide upon in order to achieve and maintain as independent, productive and "normal" a life as possible in the community. The Regional Center has a stewardship role as dictated by the Lanterman Act (Welfare & Institutions Code, Division 4.5) to first identify generic resources to provide a needed service before regional center purchases the

service. Generic resources include private insurance and public agencies.

Are Regional Center services like welfare?

No, the Regional Center allocation is not divided by the number of consumers served so that each person receives the same amount of dollars in services. Services are based on need as determined individually in the Individual Program Plan.

For more information about how regional centers operate, look up the Lanterman Act on the DDS Website at www.dds.ca.gov.

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*The board of directors meets at 6:00 p.m. at 801 Civic Center Drive West, Santa Ana.
The public is welcome.*

The Regional Center of Orange County has four locations to serve you:

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Santa Ana Office

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RCOC Web site: www.rcocdd.com

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The Regional Center of Orange County is a nonprofit, private agency that contracts with the California Department of Developmental Services to provide services to individuals with developmental disabilities.

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