

California State Senate

STATE CAPITOL
SACRAMENTO, CA 95814
TEL (916) 651-4016
FAX (916) 651-4916

SENATOR.GROVE@SENATE.CA.GOV

SENATOR
SHANNON GROVE

SIXTEENTH SENATE DISTRICT

DISTRICT OFFICE
5701 TRUXTUN AVE., SUITE 150
BAKERSFIELD, CA 93309
TEL (661) 323-0443
FAX (661) 323-0446

7248 JOSHUA LANE
YUCCA VALLEY, CA 92284
TEL (760) 228-3136
FAX (760) 228-2462



February 28, 2019

The Honorable Holly Mitchell
Senate Budget Committee
State Capitol Building, Room 5019
Sacramento, CA 95814

The Honorable Philip Ting
Assembly Budget Committee
State Capitol Building, Room 6026
Sacramento, CA 95814

Dear Chairs Mitchell and Ting:

We write to you today united in support of three budget actions needed to improve the system of community-based services for individuals with intellectual and developmental disabilities (I/DD). Our Caucus seeks approval for the following:

1. Re-investment of the savings that result from the closure of Developmental Centers (DCs) back into the I/DD community (\$100 million annual savings following closure of DCs).
2. An 8 percent across-the-board payment rate increase for I/DD providers (General Fund cost of \$290 million, matched by \$200 million in federal funds).
3. Restoration of benefits removed in the recession, such as social recreation and camp services, and the removal of the uniform holiday schedule (General Fund costs of \$22 million and \$29 million, respectively).

Re-Invest Savings From Closure of DCs. The nonpartisan Legislative Analyst's Office released a report in 2018 estimating that the system would save a net of \$100 million annually from closing the DCs—large, outdated institutional settings where thousands of I/DD individuals once lived. With these institutions set to close by the end of 2019, now is the time to invest the General Fund savings into community services.

Increase Rates for Providers. Adequate payments to providers are critical to ensuring quality community services for individuals with I/DD. Unfortunately, due to lack of

sufficient funding, some programs have been forced to close their doors, and other providers report that they compete with fast-food restaurants in the hourly wages they can afford to offer. In addition to these anecdotes, the I/DD community expects that the provider rate study set for release this week on March 1 will confirm that payment rates are insufficient to deliver quality services to disabled individuals. However, translating the rate study into much-needed rate reforms will be challenging within existing budget deadlines.

Given the budget's time restrictions, Senate Republicans **urge the Budget Chairs to approve an 8 percent across-the-board increase for provider rates.** This increase would cost approximately \$290 million General Fund and would bring in potentially \$200 million in federal matching funds. This infusion will provide the system with enough stability to survive another budget year, while giving the Legislature time to process the rate study and work on comprehensive rate reform. Additional urgency results from federal regulations for home- and community-based services, which are set to take effect in three years. Providers need stable funding to help adapt their programs in preparation for the new requirements.

Restore Benefits. During the recession, the state made major cuts to community services for I/DD individuals, such as eliminating benefits like social recreation and camps. Since then, our state's overall budget has grown to reach a \$21 billion surplus and record-high revenues, but these benefits have not been restored. Until the recession, social recreation and camp services were a popular service option for I/DD individuals and families. These services were important for children and adults to make friends, benefit from physical activity such as gymnastics and swimming, and participate in cultural activities like theater, music, or art. In addition, Senate Republicans call for permanently repealing the Uniform Holiday Schedule, an unnecessary budget-savings measure that forces providers to take unpaid holidays and reduces options for consumers.

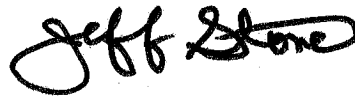
Summary. Senate Republicans know that we can do better than the status quo for our I/DD neighbors and family members. Community services providers and I/DD consumers should not have to settle for under paid staff because they cannot afford to compensate people fairly to care for high-needs consumers. Senate Republicans will continue fighting to improve the community services system – the state's budget surplus

and the DC closures together provide a critical opportunity to fulfill the promises set out decades ago in the Lanterman Act. We respectfully ask that you support these three budget requests.

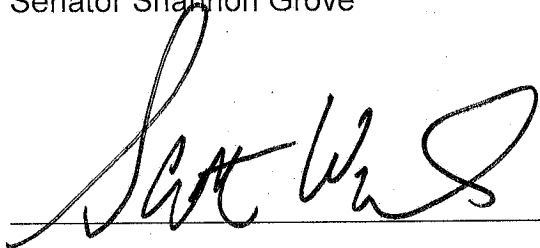
Sincerely,



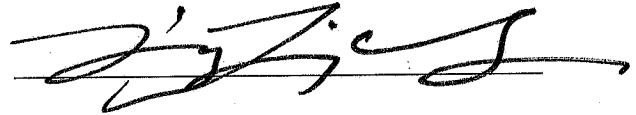
Senator Shannon Grove



Senator Jeff Stone



Senator Scott Wilk



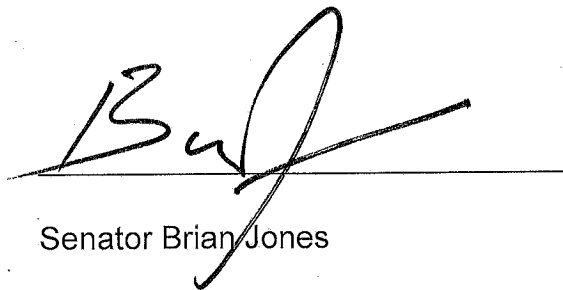
Senator Ling Ling Chang



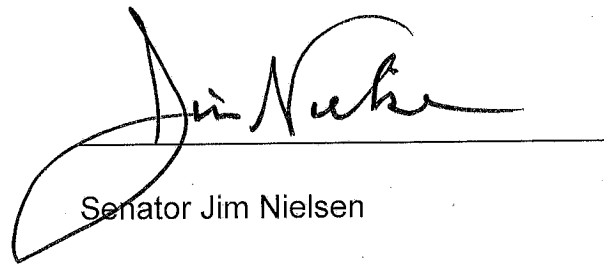
Senator John Moorlach



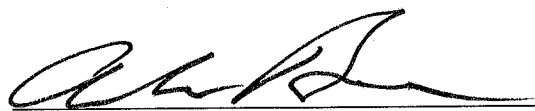
Senator Patricia Bates



Senator Brian Jones



Senator Jim Nielsen



Senator Andreas Borgeas



Senator Mike Morrell