



CDCAN REPORT

CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK

ADVOCACY WITHOUT BORDERS: ONE COMMUNITY

REPORT #093-2009 MARCH 10, 2009 – TUESDAY

California Disability Community Action Network Disability Rights News goes out to over 45,000 people with disabilities, mental health needs, seniors, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino, African American communities, policy makers and others across California.

To reply to this report write: **MARTY OMOTO** at martyomoto@rcip.com

Website: www.cdcan.us

California Budget Crisis

Orange County Regional Center Warns of Closure

Tells State It Will Run Out of Funds Before May 1

Says All Regional Centers Facing Budget Shortfall

Over 16,000 Children & Adults Impacted

News Sends Shockwaves In Orange County – Civil Rights Law for People with Developmental Disabilities Could Face Suspension If State Does Not Fund Regional Center Shortfall This Year

SACRAMENTO, CA (CDCAN) [Updated 03/10/09 09:20 PM (Pacific Time)] - The Regional Center of Orange County, which coordinates and oversees the community-based services to over 16,000 children and adults with developmental disabilities in Orange County, officially notified the Department of Developmental Services that, barring additional funds from the State, it will be forced to stop paying providers and close its doors as early as May 1, 2009. Over 3,000 of that number served are at risk infants.

Nearly 240,000 children and adults with developmental disabilities in California are served by community-based services provided by community organizations and individuals, funded by the 21 non-profit regional centers under the Department of Developmental Services.

The Regional Center of Orange County said that all the other 20 non-profit regional centers are facing budget shortfalls to their budgets that fund community-based services – called “purchase of services” or “POS”. Orange County said that because its deficit is the largest of the 21 regional centers, it will run out of money first. Some advocates who know of the dire situation, say the shortfall for all 21 regional centers could total well over \$100 million and possibly over \$150 million.

It is not certain if the Department of Developmental Services responded officially to the Regional Center of Orange County letter or to other notices from other regional centers. The issue was raised by CDCAN at two public forums held by the Department of Developmental Services in Sacramento on February 19, and in Los Angeles on March 2.

No reasons for the shortfall in Orange County – or the other regional centers – were cited in the letter by the Regional Center of Orange County letter to the Department of Developmental Services. However some advocates have said that the State last year was not accurate in projecting the growing caseload of children and adults with developmental disabilities – especially with the growing cases of children diagnosed with autism spectrum disorders.

News Sends Shockwaves As Regional Centers Deal With More Cuts

The news sent shockwaves throughout the county and across the State, at a time when the Legislature and Governor passed a State Budget in February that approved more cuts to regional centers in the current budget year that ends June 30, 2009 – and well over \$100 million additional cuts in the 2009-2010 State Budget year that begins July 1, 2009.

Last September the Legislature and Governor – after a three month stalemate – approved the 2008-2009 State Budget that included over \$410 million in cuts to regional centers.

Closure Would Mean Suspension of Lanterman Act

If the Orange County regional center is forced to close, the Lanterman Developmental Disabilities Services Act, the nation's only civil rights law for children and adults with developmental disabilities – which includes autism spectrum disorders, down syndrome, and cerebral palsy – would be suspended for the first time in its 40 year history if the State fails to fund the regional center budget shortfalls.

The Lanterman Act is named after Republican Assemblymember Frank Lanterman who authored the original 1969 legislation which would was approved by a Republican controlled Legislature and signed by then Governor Ronald Reagan.

Regional Center of Orange County Says It Needs Up To \$52 Million

The Orange County regional center, on its website, said that it run out of money by April 30, 2009 and will need between \$40 million and \$50 million more to make it through the end of the 2008-2009 State Budget year, June 30, 2009, if it is to continue to fund services without interruption or closure.

On its official website, at <http://www.rcocdd.com/news/budget/budget01.htm#agreement> the following information was posted:

“For the Lanterman Promise to be sustained, there must be sufficient funds to pay for needed services and supports for Californians with developmental disabilities and their families. Currently, all regional centers -- including RCOC -- are expecting to use up the funds they have been allocated to spend on services before the end of the 2008-09 fiscal year. Each regional center's financial situation is different, but RCOC estimates that it will exhaust its current funding allocation on April 30, 2009 and will need approximately \$40 to \$52 million more to pay for services in the remainder of this fiscal year.

Without assurance from the State that we will receive these additional funds before April 1, we will have to notify service providers, consumers and families that we will not be able to pay for services from May 1, 2009 through June 30, 2009. RCOC, along with the other regional centers, advised the Department of Developmental Services (DDS) of this situation early in the budget year and we have now provided the required formal notification letter. DDS must now go to the Legislature to seek additional funding to meet the statewide deficit if they do not have the resources to fund regional centers deficits.”

The regional center it had already informed its local state legislators of the dire situation.

Background of Regional Center of Orange County

Regional Center of Orange County serves over 16,000 children and adults with developmental disabilities in Orange County. It does not serve persons beyond Orange County.

Main office:

801 Civic Center Drive West, Suite 100
Santa Ana, CA 92701 Janis White, Interim
(714) 796-5100

Board of Directors:

The Board of Directors meetings are at 6:00 p.m. on the first Thursday of every other month, in the Board room at 801 Civic Center Drive West, Santa Ana.

Chad Arnett (board member – consumer)
Clare Bonn – Vendor Advisory Committee Liaison
Jay Connor – Board Secretary (board member – consumer)
Cheryl Day (board member – consumer)
Joseph DeCarlo (board member)
Sylvia Delgado (board member – consumer)
Christian F. Dubia, Jr. – Chair (board member – parent)
Lore Flavell (board member – parent)
Alan H. Martin (board member – parent)

Kathy McCrystal (board member – consumer)
Tresa Oliveri – Vice Chair (board member – parent)
Thomasina Parker, Treasurer (board member – parent)
Martha Patarroyo (board member – parent)
Jud Robert (board member)
Steve Tanner (board member - parent)
Ken Smart (Legal Counsel)

LETTER FROM REGIONAL CENTER OF ORANGE COUNTY

Regional Center of Orange County

February 26, 2009

*Ms. Terri Delgadillo, Director
Department of Developmental Services
1600 Ninth Street, Room 240, MS 2-9
Sacramento, CA 95814*

Re: Insufficient Purchase of Service Allocation for Fiscal Year 2008-09

Dear Ms. Delgadillo:

In accordance with the Department of Developmental Services (DDS) / Regional Center contract, the Regional Center of Orange County (RCOC) notified DDS in October 2008 that it does not have sufficient Purchase of Service funds in fiscal year 2008-09 to meet the needs of those it serves. In addition to the discussion that the Executive Committee of the Board of Directors and I had with you on February 2, 2009 regarding the deficit, I know that Janis White, RCOC's Interim Executive Director, has also discussed it with Mark Hutchinson, DDS' Chief Deputy Director and Karyn Meyreles, DDS' Acting Deputy Director, Administration. The purpose of this letter is to identify the steps that RCOC must take to address the deficit if DDS is unable to allocate the additional funds.

It is my understanding that all regional centers are reporting a deficit. Because RCOC has the largest deficit in the regional center system, it will exhaust its POS allocation first. RCOC requested an opinion from its General Counsel, Kennard R. Smart, Jr., regarding the deficit and possible consequences, see attached. Mr. Smart states as follows:

“RCOC may not spend or obligate more money for Consumer services than the Legislature has appropriated. So long as funds remain, the right to services at state expense must be granted to each Consumer; as soon as the appropriated funds are exhausted, the Consumer's entitlement to necessary services can no longer be implemented but must be financed through an additional appropriation if the Legislature so chooses.”

“In the event the Legislature does not appropriate the necessary funds this fiscal year to cover RCOC's projected Deficit for the remainder of the fiscal year, then RCOC will have no money to pay for necessary services provided by vendors for Consumers. RCOC will have to send a cancellation notice to vendors thirty days prior to the date that RCOC will no longer pay for services to Consumers, which is currently anticipated to be May 1, 2009. Each vendor will have to decide what, if any, uncompensated services it will provide for Consumers. There will be no legal obligation for the vendor to provide the services.”

If RCOC does not receive additional POS funds, RCOC will be required to send cancellation notices to vendors before April 1, 2009 – thirty days prior to the anticipated date of May 1, 2009. Also at that time, RCOC will send notices to families and consumers.

In order to provide a lifeline to providers and consumers and to make available every dollar that it can from its Operations allocation, RCOC would close on the currently anticipated date of May 1, 2009 if it does not receive additional POS funds. RCOC's lifeline would be available to address the "immediate danger" situations.

In a year in which the State has faced an unprecedented fiscal crisis, we understand the issues associated with requesting a deficiency appropriation and the uncertainty of the Legislature approving it. The Board of Directors and employees of RCOC understand that this is an especially challenging time for you and everyone at DDS. While we appreciate that you are working on this issue, we also hope that you can understand the gravity and urgency of RCOC's situation and our obligation under the Lanterman Act to our consumers, families and providers. We respectfully request that you advise us of your plans to ensure that the people we serve do not experience a loss of service as we near the end of this fiscal year.

*Sincerely,
[signed]*

*Christian F. Dubia, Jr.
Chair, RCOC Board of Directors*

Enclosure: as noted

*c: RCOC Board Members
Kennard R. Smart, Jr., Woodruff, Spradlin & Smart
Janis White, RCOC Interim Executive Director
Regional Center Executive Directors
ARCA*

URGENT!!!!
PLEASE HELP CDCAN CONTINUE ITS WORK!!!
CDCAN Townhall Telemeetings, reports and alerts and other activities cannot continue without your help.

To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 45,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues.

Please send your contribution/donation (make payable to "CDCAN" or "California Disability Community Action Network):

**CDCAN
1225 8th Street Suite 480
Sacramento, CA 95814**

You can also donate via credit card – paypal on the CDCAN site working again!

MANY, MANY THANKS to FEAT of Sacramento (Families for Early Autism Treatment), RESCoalition, Easter Seals of Southern California, Tri-Counties Regional Center, Westside Regional Center, Regional Center of the East Bay, Friends of Children with Special Needs, UCP of Orange County, UCP of Los Angeles and Ventura Counties, Alta California Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Manteca CAPS, Training Toward Self Reliance, UCP, California NAELA, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, , Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California