

**ASSOCIATION OF REGIONAL CENTER AGENCIES
REGIONAL CENTER OPERATIONS – WHAT IS THIS?
JANUARY 12, 2015**

The Regional Center Budget

The regional center budget has two major components; Purchase of Service (POS) and Regional Center Operations (OPS). The POS budget provides funds for the services purchased from some 60,000 community vendors who provide a wide range of services to the 280,000 people in California who have a developmental disability (clients). The OPS budget provides funds to operate the 21 regional centers in California. The regional center OPS budget provides funding for both direct services to the clients and basic regional center operations and administration.

Direct Services

The direct services to regional center clients and their families are provided from the model of case management/service coordination. Values, philosophy, duties, and responsibilities are frequently specified in the Lanterman Developmental Disabilities Services Act, including timelines. All direct services are provided by an assigned service coordinator who is knowledgeable, skillful, culturally sensitive, and linguistically competent. The following summary of such services includes, but is not limited to:

- Outreach and case-finding:
 - Regional center staff reach out to other systems of care, such as education and healthcare, to educate them about referral, eligibility, and services available.
 - Regional center staff also participate in various forums, fairs, etc. to reach out to families and professionals as to the availability of services.
- Initial intake, assessment and eligibility determination (applicants > 36 months of age):
 - Within 15 days, all applicants/families receive information about services provided by the regional center and by other agencies in the community, including conservatorship, financial resources, mental health, housing, education, work and vocational training, medical, dental, recreation, and other services or programs that may be useful to applicants/families; and a decision to provide assessment to determine eligibility.
 - Within 120 days, an assessment is completed that may include the provision or procurement of necessary tests and evaluations, collection and review of available historical and diagnostic data, and summarization of developmental levels and service needs.
 - A decision regarding meeting the eligibility criteria and information regarding due process as well as advocacy agencies.
- Intake, assessment, eligibility determination, and service planning (applicants < 36 months of age):
 - Within 45 days, a comprehensive assessment and initial Individual Family Service Plan is completed.
 - Required services are initiated within 45 days.
- Support/service assessment, planning, and coordination:
 - Initial planning – to develop the Individual Program Plan or Individual Family Service Plan (under age three).

- Complete a comprehensive assessment of individual and family needs respecting strengths, preferences, and priorities:
- Service needs may include personal and home care; educational; health/well-being; behavioral; emotional/mental; health therapies/supplies/equipment; work and adult supports; transportation; housing; financial; etc.
- Identify support/service options to meet their needs, focusing on natural supports, generic services, private and community resources, and purchased services.
- Development of the individual plan document, to include identification of desired outcomes, measurement, and timeframes.
- Annual review/re-assessment and plan updates – for all individuals enrolled in the Home and Community-Based Services waiver and for infants/toddlers under three years of age.
 - Facilitate participation and exploration of service needs and options, support decision-making, respect preferences, value dignity of risk (youth and adults), ensure least-restrictive setting, and promote community membership.
 - Conduct health reviews – consultations with clinical specialists and coordination with community health professionals.
- Continual re-assessment/plan modification – responsive to individual/family changes and requests.
- Complete/update the Client Development and Evaluation Report, including diagnostic code compliance and documentation of changes.
- Supporting individuals to move from one residential setting to another.
- Supporting clients and families through a range of crises experienced by them.
- Support/service advocacy.
 - Information and support to all individuals/families to access any and all generic services that can provide support/services to meet all or part of the identified need(s), including, but not limited to:
 - Public school – assure all services that are educationally necessary are included in the Individualized Education Program, and that such services are provided in the least-restrictive setting.
 - In-Home Supportive Services – assistance with application, assessment, and appeal when eligibility is denied and services are reduced.
 - Supplemental Security Income – assistance with application and appeals when denied.
 - MediCal – applications and annual re-determinations.
 - Assisting clients with legal issues/involvement with criminal/probate/mental health court.
 - Court appearances/testimony/reports.
 - Diversion (Penal Code 1001.21).
 - Competency hearings/training (Penal Code 1370.1).
 - Commitment hearings – Welfare and Institutions Code § 6500, Lanterman Petris-Short .
 - Conservatorship reports – initial and annual.
 - Supporting individuals who are parents involved with dependency court.

- Recommendations to Superior Court.
 - Interfacing with county oversight agency.
 - Reunification plans.
 - Foster care placement/need determination/rates.
- Investigation of special incidents –
 - Reports including physical injury, lost clients, and suspected abuse.
 - Follow up and assistance as required.
 - Development of an agency risk mitigation plan.
- Assisting individuals and family members with voter registration.
- Assisting individuals and family with advocating for their civil, legal, and service rights.
- Support/service monitoring: to assure quality, progress toward outcomes, and satisfaction.
 - Periodic review of Individual Program Plan – all individuals.
 - Periodic Review of Individual Family Service Plan – all infants and toddlers.
 - Quarterly reviews for all individuals receiving supports from/ residing in:
 - Licensed living arrangement
 - Community Care Facility (CCF), Intermediate Care Facility (ICF), Skilled Nursing Facility (SNF).
 - Supported living.
 - Certified home – foster family agency and family home agency.
 - Continual re-assessment in response to:
 - Changes in client/family need.
 - Any noted concerns with service provision.
- System advocacy.
 - Regional center staff participate in individual meetings and multi-disciplinary teams to advocate for regional center clients.
 - Mental health, children’s services, adult protective services, education, criminal justice, housing, etc.
 - Regional center staff advocate for accessibility to these services and provide education regarding developmental disabilities to other systems of care.
- Documentation/capture of Federal Financial Participation:
 - Information/assistance to families with minor children – “institutional deeming” enrollment into MediCal.
 - Case management identification note recording (Title 19).
 - Enrollment/re-certification for Home and Community-Based Services waiver.
 - Identification of “qualifiers” and additional reporting requirements for Home and Community-Based Services waiver.
 - Nursing Home Reform review and documentation.
 - Money Follows the Person – form completion.
- Documentation/capture for the state financial programs:
 - Parental Fee Program (minors residing in out-of-home settings).
 - Family Financial Participation Program (FCPP).
 - Annual Family Program Fee (AFPF).
- Moving residents from the state developmental centers.
 - Completion of comprehensive assessments.
 - Coordination with Regional Resource Development Program and state developmental center staff in transition planning.

- Identification of community service options.
- Work with client and family regarding transition plan and pre-movement coordination.
- Participation in and report writing for commitment hearings.
- Transition plan implementation, including securing of community health professionals.
- Intensive monitoring.
- Resource needs assessment/development.
 - Identifying services needed in the area.
 - Developing and reviewing Requests for Proposals to develop needed services.
 - Oversight of program design and the actual resource development.
- Quality assurance/resource monitoring.
 - Provide system/outcomes orientation training to new providers.
 - Ensure regular quality reviews of providers to enhance the service quality.
 - Provide follow up to any complaints received regarding providers.
 - Regular on-site reviews of all licensed group homes and site-based day programs.
- Support/information/training.
 - Website – continual updates and development.
 - Books, materials, and resource information – continual expansion and assuring availability in multiple languages.
 - Mailings – conferences, trainings, and events.
 - Trainings - clients and parent groups.
 - Trainings – service coordinators.

Regional Center Operations and Administration

Regional center operations and administration include:

- Arranging for and paying basic business expenses such as facility rent, utilities, telephones, insurance, etc.
- Basic payroll and personnel functions including staff recruitment.
- Vendoring care providers who will serve the clients.
 - Ensuring they have the proper qualifications/credentials to provide the service.
 - Recording and updating necessary information on all service providers.
- Reviewing the invoices submitted by the service providers and paying them for service rendered to the clients.
- General accounting functions:
 - Produce monthly invoices to DDS for reimbursement.
 - Produce monthly financial reports to the regional center’s board of directors.
 - Produce and file quarterly payroll tax returns.
 - Produce and file annual information returns.
 - Reconcile bank statements on monthly basis.
- Provide information technology support to direct service staff and administrative staff.

The Core Staffing Formula

Approximately 91% of the OPS budget is determined using a calculation known as the Core Staffing Formula (CSF). The CSF was developed in 1978 and implemented in 1980. It was based on then-current assumptions about the number of staff positions required to operate a regional center, and the state salaries for comparable positions. In it, some positions are allocated based on the number of individuals served by each center (*e.g.*, service coordinators), while other positions are allocated on a “one-per-

center” basis (e.g., executive director). As noted in the 1999 Citygate Associates study of the core staffing formula:

“The Core Staffing Formula has outlived its usefulness. The Lanterman Act (the primary mandate for DDS and RC services) has undergone major changes in the past seven years. The local catchment areas have all had varying levels of growth and change. When originally defined, each of the 21 RCs was intended to serve approximately the same number of consumers. In 1991-98, workload in RCs varied from 2,000 to 13,500 consumers, averaging 6,700. Information systems and automation were unknown in 1978. The Core Staffing Formula budgets for a different operating environment than exists today.”

The 1980 Budget Bill contained the following provision:

“Provided further, that the Department of Developmental Services shall develop a methodology for determining regional center operations contract totals using uniform salary levels and uniform formulas for calculating fringe benefits and operating expenses, and reflecting regional variation in prevailing salary levels consistent with prevailing rates recommended by the State Personnel Board for state employee salaries. Such a methodology shall be used by the department to determine contract totals proposed for regional center operations in fiscal year 1981-82.”

Consequently, when state salaries were adjusted, the core staffing formula was, too. But this practice was halted in 1991 in response to a state fiscal crisis and never resumed. The last major adjustment to the formula, in 1998, was to service coordinator salaries, due to federal and public pressure.

If this practice had continued, as originally conceived by the Legislature, the regional center budget would be \$224 million more today than it is.

Caseload Ratios

Ever-increasing caseload ratios are a key concern for regional centers. The most significant factor in their increase has been the salary budgeted for each service coordinator. Service coordinators make up approximately 54% of the regional center workforce, and the core staffing formula sets the position’s salary at \$34,032. By way of comparison, the current state equivalent salary is \$50,340. But regional centers must compete with local counties for skilled case management staff. In Contra Costa County the salary for similar positions is \$62,841; in Kern County it is \$61,071. Had the budgeted annual salary for the service coordinator position kept pace with inflation, it would now be in excess of \$61,000 per year.

This reality leaves regional centers no choice but to pay more than budgeted salaries (the average real salary is \$46,121) by hiring fewer service coordinators and other critical employees, using that money for more realistic salary levels. Those coordinators who are hired must therefore carry a larger caseload. This is a problem that continues to grow, demonstrated by the fact that in 2011 regional centers employed only 88% of the service coordinators they were statutorily required to have; by 2014 the percentage dropped to 84%, with centers employing 661 fewer service coordinators statewide than they need to meet required caseload ratios. And as other key regional center positions go unfilled in order to allow centers to pay service coordinators more than is budgeted by the state, service coordinators must also fulfill more functions, leaving them even less time to spend directly working with each individual.

Other Considerations

In order to maximize the federal funding that supports California's developmental services system, regional centers must perform a number of tasks related to certifying each individual's disability and provide quality documentation regarding interactions with each individual, his or her needs, and the services provided. This certification requires detailed reviews of the records for over a hundred thousand individuals each and every year for compliance with federal standards, in addition to needed in-person contact.

Since 1999 there have been even more changes to both the Lanterman Act and the demands placed on regional center staff. The largest regional center now serves over 27,000 clients. Additionally, other factors have contributed to the erosion of the regional centers' ability to effectively meet the many mandates required of them. For instance:

- The fringe benefit rate to cover expenses such as health insurance premiums and retirement has remained the same at 23.7% since the Core Staffing Formula was implemented in 1981. Whereas, the fringe benefit rate for state workers has continued to increase to its current benefit rate, at about 48%.
- Over the years various ongoing unallocated reductions were imposed, resulting in an annual funding reduction of \$44 million system-wide, which equated to a 7.6% reduction in the core staffing formula during the 2013-14 fiscal year.
- Leases, particularly long-term commercial leases that regional centers must enter into, oftentimes contain escalator clauses that force annual rents upwards regardless of the rate of inflation during any given year, further straining regional centers' operations budgets.
- As was the case with most service provider rates, from February 1, 2009, through June 30, 2010, regional center operations budgets were decreased by 3%. From July 1, 2010, through June 30, 2012, this reduction was increased to 4.25%. Though eventually reversed, these cuts forced regional centers to use some combination of layoffs, furloughs, and hiring freezes, further stressing each center's capacity to meet the needs of its community.

The number of various types of services, the development of new services, the expectations for service outcomes, and the monitoring and oversight for quality improvement and assurance have all increased dramatically through the years. But the core staffing formula does not account for the additional staff positions needed to perform this work. Community services are meant to ensure the needs of individuals and their families are met. If these services cannot be developed or sustained, the results can include health and safety issues for the individuals, excessive strains on families, and any number of other concerns.

For a more detailed discussion of the underfunding of the regional center operations budget see the ARCA document: *Funding the Work of California's Regional Centers* [tinyurl.com/RC-OPS-report]. For more information regarding the underfunding of the Purchase of Service budget see the ARCA document: *Inadequate Rates for Service Provision in California* [tinyurl.com/POS-rates].