



**LEGISLATION AND PUBLIC POLICY  
COMMITTEE (LPPC)  
MEETING NOTICE/AGENDA**

Posted at [www.scdd.ca.gov](http://www.scdd.ca.gov)

**DATE:** March 5, 2014

**TIME:** 10:00 a.m. – 3:00 p.m.

**LOCATION:** State Council on Developmental Disabilities  
1507 21<sup>st</sup> Street, Suite 210  
Sacramento, CA 95811  
916/322-8481

**Teleconference Site:**

**Area Board 7  
2580 North First Street, Suite 240  
San Jose, CA 95131**

*Pursuant to Government Code Sections 11123.1 and 11125(f), individuals with disabilities who require accessible alternative formats of the agenda and related meeting materials and/or auxiliary aids/services to participate in the meeting, should contact Michael Brett at 916/322-8481 or [michael.brett@scdd.ca.gov](mailto:michael.brett@scdd.ca.gov) by 5 pm on February 26, 2014.*

Page

- |                              |          |
|------------------------------|----------|
| 1. CALL TO ORDER             | J. Lewis |
| 2. ESTABLISHMENT OF QUORUM   | J. Lewis |
| 3. WELCOME AND INTRODUCTIONS | J. Lewis |

4. **APPROVAL OF 2/5/14 MINUTES** J. Lewis 3

5. **PUBLIC COMMENTS**

*This item is for members of the public to comment and/or present information to the Council. Each person will be afforded up to three minutes to speak. Written requests, if any, will be considered first. The Council will also provide a public comment period, not to exceed a total of seven minutes, for public comment prior to action on each agenda item.*

6. **MEMBER REPORTS** All

7. **LEGISLATIVE PLATFORM** M. Polit 08

8. **LEGISLATION**

A. Status of Bills with Council Position M. Polit 13

B. AB 1089 (Calderon), Foster RC Transfers M. Polit

C. SB 579 (Berryhill), as amended M. Polit

D. AB 1335 (Maienschein), Sentencing of Sex Offenders M. Polit

E. AB 1626 (Maienschein), Restore SEP Rates M. Polit 19

9. **CO-PAY/DEDUCTIBLES FOR IPP SERVICES** J. Lewis

10. **PARENTAL FEE** M. Polit 22

11. **LONG TERM SERVICES AND SUPPORTS** M. Polit

12. **PLANNING FOR NEXT MEETING** J. Lewis

13. **ADJOURNMENT** J. Lewis

DRAFT

**Legislative and Public Policy Committee (LPPC) Minutes**

**February 5, 2014**

**Members Present**

Janelle Lewis, Chair  
Connie Lapin  
Ray Ceragioli  
April Lopez  
David Forderer (Tel)  
Lisa Davidson

**Members Absent**

David Mulvaney  
Brian Gutierrez  
Tho Vinh Bah  
Jennifer Allen  
Dan Boomer

**Others Attending**

Mark Polit (Staff)  
Robert Philips (Staff)  
Anastasia Bacigalupo (Staff) (Tel)  
George Lewis (AB 6)  
Karim Alipourfard (Staff)  
George McElory (Parent) (Tel)  
Joyce McNair (Parent)

**1. CALL TO Order**

Chairperson Lewis Called the meeting to order at 10.07 AM

**2. ESTABLISHMENT OF A QUORUM**

A quorum was established

**3. WELCOME AND INTRODUCTIONS**

Members introduced themselves.

#### **4. APPROVAL OF JANUARY 14, 2014 MINUTES**

Connie Lapin Moved and Lisa Davidson seconded to approve the minutes as amended. Motion Passed (6-0-0).

#### **5. PUBLIC COMMENTS:**

None

#### **6. MEMBER REPORTS**

1. Lisa Davidson talked about Music Rocks Autism. They will be spreading autism awareness this year in Santa Anna California through a concert. The money raised will purchase instruments for students with autism.
2. Janelle Lewis talked about and distributed the printed copies of Dr. Carl Cohn's Power Point Presentation on the Special Education Task Force's purpose, membership, goals, and public participation. Janelle also discussed the impact of the common core state standards on special education students.
3. Ray Ceragioli discussed distributing 95 copies of the report of the Task Force on the Future of Developmental Centers at a meeting of the Fairview DC Family and Friends. He also distributed copies of two court decisions affecting conservator rights.
4. Connie Lapin talked about several issues including law officer training and Self Determination. Emily Island of Autism Society of Los Angeles has a film for family training on dealing with law enforcement personnel. The emphasis is that the officer's training not only should be on Police procedures, but also on understanding of the type of disability and what to expect and what to do.

#### **7. LEGISLATIVE PLATFORM**

Mark presented the committee's working draft of the Legislative Platform. Members made recommendations for changes. Mark took notes and said he would present the revised version at their March meeting. The committee hopes to have it ready to present to the council at their next meeting.

## **8. LEGISLATION**

A-. Status of Bills with Council Position – Mark Polit reported that AB 1595 (Chesbro), sponsored by the Council, was just introduced to bring state law into compliance with the federal law governing Council funding and operations. SB 577 (Pavley), co-sponsored by the Council, passed the Senate without a dissenting vote. SB 663 (Lara) on victims of crime against people with developmental disabilities also passed out of the Senate without any dissenting votes. AB 420 (Dickenson) on suspension of students for “willful defiance” was put on the inactive list while the author tries to address concerns of the Governor.

B. AB 1089 (Calderon), Transfer of Foster Children. Mark presented SEIU's and ARCA's proposed amended version of the bill. The committee discussed this version and the draft prepared by the author. The committee hopes to be able to review an amended bill at the next meeting.

C. SB 579 (Berryhill), Commission on Oversight of Regional Center Services. This bill would have the Legislature establish a Commission to hold hearings, gather information, and make a recommendation (By September 30, 2016) on the best methods of oversight for services now licensed by Community Care Licensing. Mark Polit presented the most recent amendments to the bill which addressed the main concern of the LPPC – representation of advocates, consumers and family members on the proposed commission. The LPPC directed staff to work with the sponsor to gain greater balance on the Commission by having at least three members of the proposed Commission include a consumer, a family member and an advocate. The LPPC also asked for information on “advisory groups to provide special input.”

D. AB 1335 (Maienschein), sentencing of sex offenders. The Committee asked staff to seek information from the DA and Disability Rights California on this bill.

## **9. CO-PAY/DEDUCTIBLES FOR IPPSERVICES**

Janelle Lewis distributed an announcement on an information hearing on the implementation of SB 946 (Steinberg). The hearing will be on March 4, 2013 at 1:30PM. Mark Polit described the need for collection of data on the impact on families.

## **10. PARENTAL FEE**

George McElroy, a parent, was invited by the Committee to call in through teleconference. He expressed his sense of frustration with the parental fee procedures, claiming the Department shows inconsistency and inaccuracy in setting parental fees of persons with disabilities. He said he is the parent of a 16 year old boy with sever autism who resides in a 24/7 care facility in Los Angeles. His fee has been set at different levels during the appeals process. He is willing to take legal action if it is not resolved. He also said the fees are too high, based on poor assumptions in the USDA schedule of family expenses, and that parents should have the right to appeal. He recommended a cap on the family fee of 4% of adjusted gross income. He also said that DDS forms indicate and the Lanterman Act requires that the parental fees are used to grow new programs, but that it appears to just go into the general fund.

Mark Polit shared an email from Eric Gelber, Legislative Director at DDS. Mark explained that the Lanterman Act requires that the SCDD approve any change in the parental fee schedule. However, the trailer bill language of 2009 that increased the fee specifically exempted DDS from the State Council review and approval for that increase. Mr. McElroy said that the Council had approved a subsequent increase in 2012.

Members were sympathetic to Mr. McElroy's grievances and scheduled a further discussion for the March 5 LPPC meeting.

Mark Polit summarized the issues from the discussion that the LPPC may want to consider for recommendations to the Council. The Committee concurred with this summary:

- (1) Are the fees fair? The fees are based on the USDA chart for family expenses for children. But the chart assumes that the children go to private school. Also the chart assumes that housing expenses are evenly split among the adults and children of the household. But when a child moves out of the home, the rent or mortgage does not go down.
- (2) Are the fees too high? Should there be a cap based on a percentage of the family's adjusted gross income? What should that cap be?
- (3) Should there be appeal rights for the amount of the fee for a third party adjudication, such as in the fair hearing process.

- (4) Are DDS internal procedures for assigning parental fees consistent with statute? (This is an implementation issue, not a policy issue, and it was not clear how the Council could address this).
- (5) Has the Council's approval of fees been restored?
- (6) Should funds collected from the families be directed to the Program Development Fund for creation of new and innovative services?

## **11. LONGTERM SERVICES AND SUPPORTS**

The December 11, 2013 letter from California Collaborative for Long Term Services and Supports (CCLTSS) was presented to the committee. Mark suggested that the LPPC may consider recommending some of these items to the Council to allow us to work with other active organization and groups on goals aimed at long-term care issues. The Committee asked that Mark summarize the key issues in a format for Committee action at the next meeting.

## **10. PLANNING FOR NEXT MEETING**

Next LPPC meeting to be held on March 5, 2014 from 10 AM to 3 PM.

## **11. ADJOURNMENT**

Chairperson Lewis adjourned the meeting at 2:50 PM.

## **Agenda Item 7**

### **Legislative Platform**

**Please review the attached version of the legislative platform. The highlighted sections have been revised as directed by the committee.**

**State Council on DD**  
**2013 – 2014 Legislative and Public Policy Platform**  
**DRAFT – February 20, 2013**

The State Council on Developmental Disabilities (Council) is established by state and federal law, the Lanterman Act and the federal Developmental Disabilities and Bill of Rights Act.

The Council advocates for the development and implementation of policies and practices that achieve self-determination, independence, productivity and inclusion in all aspects of community life for Californians with developmental disabilities and their families. To that end, the Council develops and implements goals, objectives, and strategies designed to improve and enhance the availability and quality of services and supports.

The Council is comprised of 31 members appointed by the Governor, including individuals with disabilities and their families and representatives from Disability Rights California, the University Centers for Excellence in Developmental Disabilities, and state agencies.

In addition to the Council's Sacramento headquarters, 13 regional offices provide services to individuals with developmental disabilities and their families including, but not limited to, advocacy assistance, training, monitoring and public information. Area Boards strive to ensure that appropriate laws, regulations and policies pertaining to the rights of individuals are observed and protected.

This document conveys the Council's position on major policy issues that affect individuals with developmental disabilities and their families.

#### **PROMISE OF THE LANTERMAN ACT**

The Lanterman Act promises to honor the needs and choices of each person with a developmental disability to live integrated, productive lives in their home community by establishing an array of quality services throughout the state. Access to needed services and supports shall not be undermined through categorical service elimination, service caps, means testing, or family cost participation fees and other financial barriers. California shall not impose artificial limitations or reductions in

community-based services and supports that would compromise the health and safety of persons with developmental disabilities.

## **SELF-DETERMINATION**

Individuals with developmental disabilities and their families must be given the option to control their service dollars and their services through Self-Determination. With the support of those they choose and trust, people with developmental disabilities and their families are best suited to understand their own unique needs, develop their own life goals, and to construct those services and supports most appropriate to reach their full potential. Self-Determination gives individuals the tools and the basic human right to pursue life, liberty and happiness in the ways that they choose.

## **EMPLOYMENT**

A regular job with competitive pay gives people an opportunity to contribute and be valued at a work site; a chance to build relationships with co-workers, be a part of their communities, contribute to their local economies, reduce poverty and their reliance on state support, and have a life of greater dignity.

*Integrated competitive employment* is the priority outcome for working age individuals with developmental disabilities, regardless of the severity of their disability. Policies and practices must set expectations for employment, promote collaboration between state agencies, and remove barriers to integrated competitive employment through access to information, benefits counseling, job training, postsecondary education, and appropriate provider rates that incentivize quality employment outcomes.

## **EQUITY**

Regional center services and supports must be distributed equitably so that individuals receive culturally and linguistically competent services and supports that meet their needs, regardless of their race, ethnicity or income. Disparities in services can result in severe health, economic, and quality of life consequences.

## **EDUCATION**

Schools shall implement the goals of the Individuals with Disabilities Education Act (IDEA) to provide children with disabilities with free appropriate public education,

and prepare them for post-secondary education, employment, and independent living. To the maximum extent possible, students with disabilities should be educated alongside their non-disabled peers in the least restrictive environment. School districts and other educational authorities need to be held accountable for implementing the letter and the intent of IDEA, in all aspects, including measureable post-secondary goals.

## **TRANSITION TO ADULT LIFE**

### **HEALTH CARE**

Individuals should be reimbursed for insurance co-pays, co-insurance and deductibles, when their health insurance covers therapies that are on their IPPs.

California has an obligation to assure that individuals with disabilities have continuity of care, a full continuum of health care services and equipment, and access to plain language information and supports to make informed decisions about their health care options.

California has an obligation to support the health care of individuals with developmental disabilities with co-existing health conditions that require routine preventative care, as well as mental health treatment, dental care, durable medical equipment, and attention to gender specific health issues.

### **HOUSING**

Increase and enhance community integrated living options for individuals with developmental disabilities through access to housing subsidy programs and neighborhood education to reduce discrimination. Permanently affordable, accessible, and sustained housing options must be continually developed to meet both current and future needs.

### **SELF-ADVOCACY**

Individuals with developmental disabilities must be provided the opportunity and support to assume their rightful leadership in the service system and society, including voting and other civic responsibilities. Self-advocates must have access to enhanced training, plain language materials, and policy making opportunities.

## **COMMUNITY PARTICIPATION**

Individuals with developmental disabilities must have access to and be supported to participate in their communities, with their non-disabled peers, through opportunities such as education, employment, recreation, organizational affiliations, spiritual development, and civic responsibilities.

## **TRANSPORTATION**

Access to transportation is essential to the education, employment and inclusion of individuals with disabilities. Individuals with developmental disabilities must be a part of transportation planning and policymaking to assure their needs and perspectives are heard and addressed. Mobility training must be a standard program among public transportation providers to increase the use of public transportation and reduce reliance on more costly segregated systems.

## **VICTIMS OF CRIME**

Individuals with developmental disabilities have a right to be safe. Unfortunately, they experience a much greater rate of victimization, and a far lower rate of prosecution for crimes against them, than does the general public. The same level of due process protections must be provided to all people. Individuals with disabilities need to be trained and supported in personal safety, how to protect themselves against becoming victims of crime, and to understand how their participation in identification and prosecution can impact outcomes. Law enforcement personnel should be trained in how to work with people with developmental disabilities who are victims of crimes or simply encounter during the course of their duties.

## **QUALITY OF SERVICES AND SUPPORTS**

The State of California must ensure that public monies are used to achieve meaningful outcomes for individuals with developmental disabilities and their families. The state must streamline burdensome and duplicative regulations and processes that do not lead to positive outcomes for people with developmental disabilities and their families. California's quality assessment and oversight systems must measure what matters, make it public, and use the results to improve the system of services and supports.



State Council on Developmental Disabilities

• website • [www.scdd.ca.gov](http://www.scdd.ca.gov) • email • [council@scdd.ca.gov](mailto:council@scdd.ca.gov)

1507 21st Street, Suite 210  
Sacramento, CA 95811



STATE OF CALIFORNIA  
Edmund G. Brown Jr.  
Governor

(916) 322-8481  
(916) 443-4957 fax  
(916) 324-8420 TTY

## Legislative Update February 21, 2014

### COUNCIL SPONSORED LEGISLATION

**Intent Language Introduced. AB 1595 (Chesbro) – SPONSOR.** To bring state law governing funding and operations of the State Council into compliance with the federal DD Act.

**Passed Senate to Assembly. SB 577 (Pavley) – CO-SPONSOR.** The bill would create a service category for employment preparation. Sponsor is CDSA.

### COUNCIL SUPPORT POSITIONS

**Passed Senate to Assembly. SB 663 (Lara), Victims of Crime –** Establishes training requirements for law enforcement on investigation of crimes against people with developmental disabilities. Encourages special investigation units for crimes against people with developmental disabilities. Amends scheduling requirements for cases involving crimes against people with developmental disabilities.

**Passed Senate to Assembly. SB 579 (Berryhill) - SB 579** seeks to establish a commission to take public testimony and make recommendations for changes to regulation governing the oversight of community care facilities and center based day services. The commission would be guided by 10 principles currently contained in SB 579. Council position is **Support if Amended** to provide for more consumer and family representation on the commission.

**Inactive File. AB 420 (Dickinson) -** Limits the ability of school districts to suspend or expel any student who has “disrupted school activities or otherwise willfully defied the valid authority” of school personnel. Willful defiance is used disproportionately on students from minority populations and students with developmental disabilities. AB 420 brings a greater emphasis on working with students to help them better cope with their behavioral issues, rather than removing them from school.

*“The Council advocates, promotes & implements policies and practices that achieve self-determination, independence, productivity & inclusion in all aspects of community life for Californians with developmental disabilities and their families.”*

**Inactive File. SB 1 (Steinberg)**

**Held in Assembly Appropriations. SB 391 (DeSaulnier)**

Both bills are critical for funding affordable housing for low income populations, including people with developmental disabilities. These bills also present an opportunity to increase the availability of affordable and accessible housing units.



State Council on Developmental Disabilities

• website • [www.scdd.ca.gov](http://www.scdd.ca.gov) • email • [council@scdd.ca.gov](mailto:council@scdd.ca.gov)

1507 21st Street, Suite 210  
Sacramento, CA 95811



STATE OF CALIFORNIA

Edmund G. Brown Jr.  
Governor

(916) 322-8481  
(916) 443-4957 fax  
(916) 324-8420 TTY

## PROPOSED LEGISLATIVE CONCEPTS For AB 1595 (Chesbro)

### INTRODUCTION & BACKGROUND

The California State Council on Developmental Disabilities (the Council) is established pursuant to federal and state law to advocate for the rights of people with intellectual and developmental disabilities and promote policies and practices that help people achieve self-determination, independence, productivity and inclusion in all aspects of community life.

This document summarizes the major concepts for changes to state law that are needed to ensure continued funding of the Council and its regional offices (the Area Boards) by bringing state law into compliance with the federal law that funds the Council.

The Developmental Disabilities Assistance and Bill of Rights Act of 2000 (DD Act) provides the federal authority for and funds the State Councils on Developmental Disabilities, Protection & Advocacy Systems (Disability Rights California in this state), and University Centers for Excellence in Developmental Disabilities Education (UCEDDs). The federal Administration on Intellectual and Developmental Disabilities (AIDD) is responsible for administering the DD Act.

The AIDD in a recent Monitoring and Technical Assistance Review System (MTARS) report identified several provisions of state law that AIDD concluded conflicted with the federal DD Act. These findings were central to the AIDD to freeze the SCDD's access to its federal grant and put the Council on a cost-reimbursement basis, which will not be lifted until California demonstrates that it will come into compliance with the federal law that funds the Council. This document summarizes the major concepts for changes to state law that are needed to ensure compliance with the federal DD Act.

This legislation will focus only on those parts of state law that describe the responsibilities and functioning of the State Council and the Area Boards: California Welfare and Institutions Code (WIC), Division 4.5, Chapter 2. This will not affect people's rights and services under the Lanterman Act, nor the IPP or the Regional Center system.

For a state as large and diverse as California, the Council is unwavering in its commitment to work through its regional offices to address the geographic, racial and ethnic diversity of the state. The Council will also continue to receive input from consumers, families and other stakeholders from the various regions of California through the regional advisory committees.

*"The Council advocates, promotes & implements policies and practices that achieve self-determination, independence, productivity & inclusion in all aspects of community life for Californians with developmental disabilities and their families."*

**PROPOSED STATUTORY CHANGES**  
**(PENDING STATE COUNCIL APPROVAL)**

**Council Structure and Functions**

The federal DD Act funds operations of the Council including those of its staff in regional offices, currently referred to as Area Boards. The proposed legislation seeks to ensure, as required by federal law, that there is one State Council unified in purpose, direction and responsibility to define and carry out the California State Plan. These changes will maintain the regional advisory committees that are currently known as the Boards of the Area Boards but clarify their role as advisory, to conform to the need for clarity of Council authority in federal law.

The regional offices of the Council are vital to its structure in order to address the geographic, ethnic and language diversity of the state. The Council will continue to carry out its work across this large and diverse state through its headquarters and regional offices.

1. Clarify that the Council shall have the authority to establish the Council organizational structure and remove the provisions in current statute that mandate to the Council the establishment of deputy director positions within Council staff.
2. Clarify that the Area Boards are State Council Regional Offices
3. Add language that the Council shall establish State Council Regional Offices that are accessible to and responsive to the diverse geographic, ethnic and language needs of consumers and families throughout the state. As required by federal law, provide that the Council has the full authority on how it uses its funds in establishing, maintaining and operating the regional offices.
4. Add language to ensure that the State Plan is responsive to the needs of California's diverse geographic, racial, ethnic and language communities, the Council and its regional offices, as appropriate, shall obtain input from consumers, families and other stakeholders throughout the various regions of California.
5. Ensure involvement of consumers and families and others at the regional level by transforming the appointed Area Boards to State Council Regional Advisory Committees.
  - a. Add provisions that State Council Regional Offices shall have State Council Regional Advisory Committees which reflect the geographic, disability, and racial, ethnic and language diversity of the local region.
  - b. Add provisions which ensure that the responsibilities of the State Council Regional Advisory Committees advise the Council on local issues, providing input for the Council to consider in the formulation of the State Plan, and provide a source of data for the Council's Regional Office reporting on the State Plan implementation.

6. Adjust language throughout state statute to change current references to “the area boards” to refer to “the Council”, “State Council Regional Offices”, or “State Council Regional Advisory Committees,” as appropriate.
7. The Council, including its regional offices, shall continue to perform its functions as delineated in the DD Act and state law.

## **Council Membership**

The following changes to state law seek to ensure compliance with federal law by eliminating a perception of a conflict of interest of the Council and the Area Board members appointed to the Council, reducing the complexity of the appointments process, reducing vacancies in Council membership, and giving the Governor full appointment authority for Council members by eliminating the requirement that candidates be chosen only from a pre-selected nomination by the Area Board.

1. Provide that the Governor shall have the sole authority to appoint Council members.
2. Make the following changes to the membership requirements to reduce unnecessary vacancies and allow for a more efficient appointment process:
  - a. Specify that a member’s term begins on the date of their appointment;
  - b. Ensure that while there are membership terms, a member may serve until a replacement is named as required by federal law.
  - c. Require that the Council notifies the Governor in writing six months in advance of the expiration of a Council member’s term or immediately if a vacancy is experienced for other reasons.
  - d. Ensure better coordination between the Council and the Governor regarding appointments by ensuring that members of the Council, including non-agency members of the Council and State Council Regional Advisory Committees have the opportunity to provide the Governor with information about potential Council members. The Council is proceeding to establish a membership committee in bylaws that will coordinate with the Governor’s Office and make recommendations on appointments to Council.
3. Current statute requires one “at large” member to be an immediate relative/conservator of a current DC resident. As required by the DD Act, change the language to read: “At least one is an immediate relative or conservator of an individual with developmental disabilities who resides or previously resided in an institution or an individual with developmental disabilities who currently/previously resided in an institution.”
4. Ensure that the SCDD is free from potential conflicts of interest by changing the requirement that 13 Council members be appointed by the Governor from the Area Boards. Instead the Governor will appoint 20 “non-agency” members, as currently defined, who reflect the geographic, disability and racial, ethnic and language diversity of

the state. Of these 20 non-agency members, at least one shall be from the geographic area of each of the Council's regional offices. Each non-agency member of the Council shall be a liaison of the State Council to the local region constituency and to a State Council Regional Advisory Committee.

### **Authority of Executive Director to Hire Staff**

This section brings state statute into compliance with the federal DD Act provision that the Council Executive Director shall have the authority to hire Council staff.

1. Provide that the Executive Director of the Council shall have the authority to hire all Council staff by removing conflicting provisions in state law:
  - a. Remove the requirement that the Governor appoints any Council staff positions.
  - b. Remove the requirement that the executive directors of the Council's regional offices are hired or removed after obtaining the approval of the Area Board.

**For more information:**

Mark Polit, Deputy Director of Policy and Planning  
State Council on Developmental Disabilities  
916-322-8481

**ASSEMBLY BILL**

**No. 1626**

---

**Introduced by Assembly Member Maienschein  
(Principal coauthor: Assembly Member Atkins)  
(Coauthors: Assembly Members Chesbro, Salas, and Weber)**

February 10, 2014

---

An act to amend Section 4860 of the Welfare and Institutions Code, relating to developmental services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1626, as introduced, Maienschein. Developmental services: habilitation.

Existing law, the Lanterman Developmental Disabilities Services Act, authorizes the State Department of Developmental Services to contract with regional centers to provide services and support to individuals with developmental disabilities. Existing law requires habilitation services to be provided to an adult who receives services for the developmentally disabled when he or she satisfies specified eligibility requirements. If a consumer is referred for vocational rehabilitation services and placed on a waiting list for certain reasons, the regional center is required to authorize appropriate services for the consumer until services can be provided by the vocational rehabilitation program. Existing law requires providers of individualized or group-supported employment services to be paid at an hourly rate of \$30.82, and requires an interim program provider to be paid a fee of \$360 or \$720, as specified.

This bill would increase the hourly rate paid to providers of individualized and group-supported employment services to \$34.24,

and increase the fees paid to interim program providers to \$400 and \$800, respectively.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 4860 of the Welfare and Institutions Code  
 2 is amended to read:

3 4860. (a) (1) The hourly rate for supported employment  
 4 services provided to consumers receiving individualized services  
 5 shall be ~~thirty dollars and eighty-two cents (\$30.82)~~; *thirty-four*  
 6 *dollars and twenty-four cents (\$34.24)*.

7 (2) Job coach hours spent in travel to consumer worksites may  
 8 be reimbursable for individualized services only when the job  
 9 coach travels from the vendor's headquarters to the consumer's  
 10 worksite or from one consumer's worksite to another, and only  
 11 when the travel is one way.

12 (b) The hourly rate for group services shall be ~~thirty dollars and~~  
 13 ~~eighty-two cents (\$30.82)~~; *thirty-four dollars and twenty-four cents*  
 14 *(\$34.24)*, regardless of the number of consumers served in the  
 15 group. Consumers in a group shall be scheduled to start and end  
 16 work at the same time, unless an exception that takes into  
 17 consideration the consumer's compensated work schedule is  
 18 approved in advance by the regional center. The department, in  
 19 consultation with stakeholders, shall adopt regulations to define  
 20 the appropriate grounds for granting these exceptions. When the  
 21 number of consumers in a supported employment placement group  
 22 drops to fewer than the minimum required in subdivision (r) of  
 23 Section 4851, the regional center may terminate funding for the  
 24 group services in that group, unless, within 90 days, the program  
 25 provider adds one or more regional centers, or Department of  
 26 Rehabilitation-funded supported employment consumers to the  
 27 group.

28 (c) Job coaching hours for group services shall be allocated on  
 29 a prorated basis between a regional center and the Department of  
 30 Rehabilitation when regional center and Department of  
 31 Rehabilitation consumers are served in the same group.

32 (d) When Section 4855 applies, fees shall be authorized for the  
 33 following:

1 (1) A ~~three-hundred-sixty-dollar (\$360)~~ *four-hundred-dollar*  
2 *(\$400)* fee shall be paid to the program provider upon intake of a  
3 consumer into a supported employment program. No fee shall be  
4 paid if that consumer completed a supported employment intake  
5 process with that same supported employment program within the  
6 previous 12 months.

7 (2) A ~~seven-hundred-twenty-dollar (\$720)~~ *An*  
8 *eight-hundred-dollar (\$800)* fee shall be paid upon placement of  
9 a consumer in an integrated job, except that no fee shall be paid  
10 if that consumer is placed with another consumer or consumers  
11 assigned to the same job coach during the same hours of  
12 employment.

13 (3) A ~~seven-hundred-twenty-dollar (\$720)~~ *An*  
14 *eight-hundred-dollar (\$800)* fee shall be paid after a 90-day  
15 retention of a consumer in a job, except that no fee shall be paid  
16 if that consumer has been placed with another consumer or  
17 consumers, assigned to the same job coach during the same hours  
18 of employment.

19 (e) Notwithstanding paragraph (4) of subdivision (a) of Section  
20 4648, the regional center shall pay the supported employment  
21 program rates established by this section.

## **Agenda Item 10**

### **Parental Fee Program**

**Attached are sections of documents submitted by George McElroy at the request of the Committee**

(1) Excerpt from the July 18, 2012 State Council packet demonstrating Council addressed a reduction in rates at that Council meeting. Minutes of that meeting reflect approval of the rate reduction.

(2) Excerpt from the DDS budget “Estimates” for 2014/15

(3) Excerpt from the DDS FISMA Report that identifies risks for negative exposure to the Department, including the Parental Fee Program. The document also addresses the mitigations that the Department is undertaking to reduce those risks.



## **COUNCIL MEETING NOTICE/AGENDA**

Posted on [www.scdd.ca.gov](http://www.scdd.ca.gov)

**DATE:** Wednesday, July 18, 2012  
**TIME:** 10 a.m. – 5 p.m.  
**LOCATION:** Hilton Sacramento Arden West  
 2200 Harvard Street  
 Sacramento, CA 95815  
 (916) 922-4700

*Pursuant to Government code Sections 11123.1 and 11125(f), individuals with disabilities who require accessible alternative formats of the agenda and related meeting materials and/or auxiliary aids/services to participate in this meeting should contact Robin Maitino at (916) 322-8481 or email [robin.maitino@scdd.ca.gov](mailto:robin.maitino@scdd.ca.gov). Requests must be received by 5:00 pm, July 13, 2012.*

*\*Denotes action items*

	<u>Page</u>
1. CALL TO ORDER	L. Shipp
2. ESTABLISHMENT OF QUORUM	L. Shipp
3. WELCOME/INTRODUCTIONS	L. Shipp
4. PUBLIC COMMENTS	

*This item is for members of the public only to provide comments and/or present information to the Council on matters **not** on the agenda. Each person will be afforded up to three minutes to speak. Written requests, if any, will be considered first. The Council will provide a public comment period, not to exceed a total of seven minutes, for public comment prior to action on each agenda item.*

	5.	<b>*APPROVAL OF MAY MEETING MINUTES</b>	L. Shipp	3
→	6.	<b>*PROPOSED PARENTAL FEE SCHEDULE</b>	DDS	14 ←
	7.	<b>*YOUTH LEADERSHIP FORUM</b>	C. Risley	18
	8.	<b>*TARJAN CENTER SPONSORSHIP REQUEST</b>	C. Risley	24
	9.	<b>COMMITTEE REPORTS</b>		
		<b>A. PROGRAM DEVELOPMENT COMMITTEE</b>	L. Cooley	
		(i) Cycle 35 Request for Proposal Update		32
		<b>B. LEGISLATIVE AND PUBLIC POLICY</b>	R. Ceragioli	
		*(i) Senate Bill 1186- Special Access		61
		*(ii) Senate Bill 1051- Reports		72
		*(iii) Senate Bill 1522- Reports		86
		*(iv) Senate Bill 1392- Developmental Services		91
		*(v) Senate Bill 1228- Small Skilled Nursing		99
		*(vi) Senate Bill 1267- Genetic Information		115
		(vii) AB 2338- Employment First Update		124
		(viii) 2012-13 Budget Update		134
		<b>C. SELF-ADVOCATES ADVISORY COMMITTEE</b>	J. Allen	
	10.	<b>"GET SAFE" PRESENTATION-</b> Stuart Haskin, Executive Director, Get Safe USA		203
	11.	<b>STATEWIDE SELF-ADVOCACY NETWORK</b>	J. Allen	
	12.	<b>COUNCIL MEMBERS' UPDATES</b>	All	
	13.	<b>ADJOURNMENT</b>	L. Shipp	

For additional information regarding this agenda, please contact Robin Maitino,  
1507 21<sup>st</sup> Street, Suite 210, Sacramento, CA 95811, (916) 322-8481

**DEPARTMENT OF DEVELOPMENTAL SERVICES**

1600 NINTH STREET, Room 240 MS 2-13  
SACRAMENTO, CA 95814  
TDD 654-2054 (For the Hearing Impaired)  
(916) 654-1897



June 29, 2012

**RECEIVED**

JUL 03 2012

Leroy G. Shipp  
Chairperson  
State Council on Developmental Disabilities  
1507 21<sup>st</sup> Street, Suite 210  
Sacramento, CA 95814

2012-13 Proposed Schedule Update For The Parental Fee Program Pursuant To  
Welfare & Institutions Code 4784 (A).

Dear Mr. Shipp:

As you know, the Parental Fee program assesses a fee to parents of children under the age of 18 who receive 24-hour out-of-home services purchased with State funds through a regional center. Parents are assessed a fee based on their ability to pay. Fees are scaled to gross annual family income, the number of persons dependent on the income, and the age of the child in placement. Legislation was passed in 2009 amending the Parental Fee Program and approving changes to the Parental Fee Schedule, the first increase to program fees since 2003. The 2009 fee increase was spread over 3 years for current program participants. All parents entering into the program effective July 1, 2009, and after were assessed using the new fee schedule. Other program changes included updating the Parental Fee schedule in accordance with the United States Department of Agriculture's (USDA) "Expenditures on Children by Families" and exempting parents with incomes at or below the Federal Poverty Level (FPL) from assessment of the parental fee. The Department of Developmental Services (DDS) assesses the fee after referral from regional centers when an out-of-home placement for a minor child occurs. The assessment is based on documentation and information provided by the participating parents. If the parents choose not to provide income information, the program sets the maximum fee for the age of the child.

Consistent with governing statute for the Parental Fee program, Welfare and Institutions Code, (WIC) section 4784 (a), I have reviewed and recommend adjusting the Parental Fee schedule for fiscal year 2012/13. WIC section 4677 (c) requires the State Council's approval to these adjustments. Overall, no rating categories will receive a fee increase. Ninety-three percent (93%) of the ratings categories for annual incomes between \$20,000 and \$130,001 will receive a fee decrease. There is no proposed change to the

**"Building Partnerships, Supporting Choices"**

Leroy G. Shipp, Chairperson

June 29, 2012

Page two

change to the fees in the remaining seven percent (7%) of ratings categories for annual incomes over \$130,001. Though this re-evaluation could result in an increased fee for the remaining seven percent (7%) whose incomes are above \$130,000, DDS proposes to hold the fee at the existing level for this group of ratings categories, which in essence provides for no increase, but no decrease. The enclosed Parental Fee Schedule details the proposed fees for rating category by age of the child, annual income and family size, as proposed for an effective date of July 1, 2012. A participating parent with a child age 13 in out-of-home placement, an annual income of \$35,698, and three dependents will see a decrease of \$40 per month. The prior fee was \$375 per month, and the proposed fee for this family is \$335. The preparation of the proposed fee schedule used the same methods as the 2009 fee schedule, using updated FPL information, and updated statistics for 2010 from the USDA report, and an adjustment to reflect the consumer price index for 2011.

I hereby request your approval of the enclosed Parental Fee Schedule for 2012/13. If approved, the fee changes will be implemented starting with the August 2012 billing for July 2012 fees. Upon approval, the new fee schedule will be posted online at <http://www.dds.ca.gov/ParentalFee>.

For any questions regarding the Parental Fee Program, please contact Karyn Meyreles, Deputy Director, Administration Division at (916) 654-3432.

Sincerely,

  
TERRI DELGADILLO  
Director

Enclosure

cc: Eileen Richey, ARCA  
John Popadak, ARCA  
Nancy Bargmann, DDS  
Bev Humphrey, DDS  
Brian Winfield, DDS  
Don Chipman, DDS  
Shane Schilling, DDS

State of California  
**DEPARTMENT OF  
DEVELOPMENTAL SERVICES**  
Client Financial Services Section  
1600 Ninth Street, Room 205, MS 2-3  
Sacramento, CA 95814  
(916) 654-3319  
TDD 654-2054 (For the Hearing  
Impaired)  
Toll Free 800-862-0007



## PARENT'S FINANCIAL RESPONSIBILITY MONTHLY PARENTAL FEE

Parents of children under the age of 18 who receive 24-hour out-of-home services provided by the State or purchased with State funds through a regional center are required to pay a fee depending on their ability to pay. Ability to pay is determined by use of a *Parental Fee Schedule*, established by the Director of the State Department of Developmental Services (DDS), and by application of provisions in Subchapter 2, Title 17, of the California Code of Regulations (CCR).

Statutory authority for financial responsibility is in Sections 4677, 4782, and 4784, of Division 4.5 of the Welfare and Institutions Code (WIC), otherwise known and cited as the Lanterman Developmental Disabilities Services Act.

WIC, Section 4677, establishes the Developmental Disabilities Program Developmental Fund, called the Program Development Fund (PDF). All parental fees collected are remitted to the State Treasury for deposit into the PDF. The purpose of the PDF is to provide resources needed to initiate new programs which are consistent with the State Plan. Any excess parental fees may be used for other lawful purposes only when specifically appropriated for such other purposes.

WIC, Section 4782, provides specific authority for parental financial responsibility, stating in part that "Parents of children under the age of 18 who are receiving 24-hour out-of-home care services through a regional center or who are residents in a state hospital . . . shall be required to pay a fee depending on their ability to pay, but not to exceed (1) the cost of caring for a normal child at home, as determined by the Director of DDS, or (2) the cost of services provided, whichever is less. DDS shall determine, assess, and collect all parental fees..."

WIC, Section 4784, provides that the Director of DDS establish, annually review, and adjust as needed, a schedule for parental fees; that such schedule is exempt from the provisions of the Administrative Procedures Act; and that in determining the amount parents will pay, the Director gives consideration to the following factors:

1. prior medical expenses;
2. whether the child is living at home;
3. parental payments for medical expenses (current), clothing, incidentals, and other items considered necessary to the normal rearing of a child; and,
4. transportation expenses incurred in visiting a child

The Parental Financial Responsibility Program is in Subchapter 2, Sections 50201 through 50241, Title 17 of the CCR. Among others, these regulations provide that parental fees shall be effective as of the first day of the month following the month that a client is placed in a 24-hour out-of-home facility; allow deductions from gross family income for specific client-related expenditures, major unusual expenditures; travel expenses to visit the client; and, set down program responsibilities for DDS and the regional centers.

### The Department of Developmental Services shall:

1. determine, assess, bill, and collect all parental fees;
2. inform parents, in writing, of the parental fee determination results;
3. inform parents of their right to appeal the ability to pay determination and/or the amount of the fee;
4. handle all requests for parental fee appeals, notifying the appellant and the appropriate regional center of the appeal results; and,
5. remit all parental fee payments received from parents or a regional center to the State Treasury for deposit into the PDF.

### Regional Centers shall:

1. inform parents that the parental fee determination is required by law; that parents having the ability will be required to pay; and that the *Parental Fee Schedule* is established by the Director of DDS;
2. provide parents with a package containing an Informational Letter, a Family Financial Statement (FFS), and a preaddressed, postage-paid envelope for their convenience in returning the completed FFS; and,
3. inform parents that their failure or refusal to complete and return the completed FFS within 30 days of the date on the Informational Letter will result in the Department's assessing a parental fee at the full cost of services or the maximum fee, whichever is less.



**PARENTAL FEE SCHEDULE**

Effective July 1, 2012

1. Find your family size (the number of persons in household per tax filing status).
2. Find the age of your child receiving services
3. Follow that row across the chart to your annual household income to get monthly fee amount

Family Size	Client Age	\$ 0 thru \$15,000	\$15,001 thru \$20,000	\$20,001 thru \$25,000	\$25,001 thru \$30,000	\$30,001 thru \$35,000	\$35,001 thru \$40,000	\$40,001 thru \$45,000	\$45,001 thru \$50,000	\$50,001 thru \$55,000	\$55,001 thru \$60,000	\$60,001 thru \$65,000	\$65,001 thru \$70,000	\$70,001 thru \$75,000	\$75,001 thru \$80,000	\$80,001 thru \$85,000	\$85,001 thru \$90,000	\$90,001 thru \$95,000
		2-3	0-6	\$0	\$0	\$147	\$220	\$294	\$367	\$441	\$514	\$588	\$661	\$735	\$808	\$882	\$955	\$1,029
	7-12	\$0	\$0	\$149	\$224	\$299	\$374	\$448	\$523	\$598	\$673	\$747	\$822	\$897	\$972	\$1,046	\$1,121	\$1,195
	13-18	\$0	\$0	\$94	\$168	\$251	\$335	\$419	\$503	\$586	\$670	\$754	\$838	\$922	\$1,005	\$1,089	\$1,173	\$1,257
4	0-6	\$0	\$0	\$59	\$118	\$176	\$235	\$294	\$353	\$412	\$470	\$529	\$588	\$647	\$706	\$764	\$823	\$882
	7-12	\$0	\$0	\$60	\$120	\$179	\$239	\$299	\$359	\$419	\$478	\$538	\$598	\$658	\$717	\$777	\$837	\$897
	13-18	\$0	\$0	\$57	\$134	\$201	\$268	\$335	\$402	\$469	\$536	\$603	\$670	\$737	\$804	\$871	\$938	\$1,005
5	0-6	\$0	\$0	\$92	\$138	\$183	\$229	\$275	\$321	\$367	\$413	\$459	\$504	\$550	\$596	\$642	\$688	\$734
	7-12	\$0	\$0	\$93	\$140	\$187	\$233	\$280	\$326	\$373	\$420	\$466	\$513	\$560	\$606	\$653	\$700	\$746
	13-18	\$0	\$0	\$105	\$157	\$209	\$261	\$314	\$366	\$418	\$470	\$523	\$575	\$627	\$679	\$732	\$784	\$836
6	0-6	\$0	\$0	\$0	\$107	\$143	\$179	\$215	\$250	\$286	\$322	\$358	\$393	\$429	\$465	\$501	\$537	\$573
	7-12	\$0	\$0	\$0	\$109	\$146	\$182	\$218	\$255	\$291	\$327	\$364	\$400	\$437	\$473	\$509	\$546	\$582
	13-18	\$0	\$0	\$0	\$122	\$163	\$204	\$245	\$285	\$325	\$367	\$408	\$448	\$489	\$530	\$571	\$611	\$651
7 or more	0-6	\$0	\$0	\$0	\$112	\$140	\$167	\$195	\$223	\$251	\$279	\$307	\$335	\$363	\$391	\$419	\$447	\$475
	7-12	\$0	\$0	\$0	\$113	\$142	\$170	\$199	\$227	\$255	\$284	\$312	\$340	\$368	\$397	\$426	\$454	\$482
	13-18	\$0	\$0	\$0	\$127	\$159	\$191	\$223	\$254	\$286	\$318	\$350	\$382	\$414	\$446	\$478	\$510	\$542

\*Parental fee begins at 100% of the Federal Poverty level based on family size and income

Family Size	Client Age	\$95,001 thru \$100,000	\$100,001 thru \$105,000	\$105,001 thru \$110,000	\$110,001 thru \$115,000	\$115,001 thru \$120,000	\$120,001 thru \$125,000	\$125,001 thru \$130,000	\$130,001 thru \$135,000	\$135,001 thru \$140,000	\$140,001 thru \$145,000	\$145,001 thru \$150,000	\$150,001 thru \$155,000	\$155,001 thru \$160,000	\$160,001 thru \$165,000	\$165,001 thru \$170,000	\$170,001 thru \$175,000	\$175,001 thru \$180,000	Over \$175,000 = 100% of Coalt
		2-3	0-6	\$1,176	\$1,248	\$1,323	\$1,395	\$1,470	\$1,543	\$1,617	\$1,690	\$1,764	\$1,795	\$1,795	\$1,795	\$1,795	\$1,795	\$1,795	\$1,795
	7-12	\$1,196	\$1,271	\$1,345	\$1,420	\$1,495	\$1,570	\$1,644	\$1,719	\$1,770	\$1,770	\$1,770	\$1,770	\$1,770	\$1,770	\$1,770	\$1,770	\$1,770	\$1,770
	13-18	\$1,340	\$1,424	\$1,508	\$1,591	\$1,675	\$1,759	\$1,843	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877	\$1,877
4	0-6	\$941	\$1,000	\$1,058	\$1,117	\$1,176	\$1,235	\$1,293	\$1,352	\$1,411	\$1,470	\$1,529	\$1,587	\$1,646	\$1,705	\$1,764	\$1,785	\$1,785	\$1,785
	7-12	\$957	\$1,016	\$1,076	\$1,136	\$1,196	\$1,256	\$1,315	\$1,375	\$1,435	\$1,495	\$1,555	\$1,614	\$1,674	\$1,734	\$1,770	\$1,770	\$1,770	\$1,770
	13-18	\$1,072	\$1,139	\$1,206	\$1,273	\$1,340	\$1,407	\$1,474	\$1,541	\$1,608	\$1,675	\$1,742	\$1,809	\$1,876	\$1,943	\$1,977	\$1,977	\$1,977	\$1,977
5	0-6	\$734	\$780	\$825	\$871	\$917	\$963	\$1,009	\$1,055	\$1,101	\$1,147	\$1,192	\$1,238	\$1,284	\$1,330	\$1,376	\$1,422	\$1,468	\$1,468
	7-12	\$746	\$793	\$839	\$886	\$933	\$979	\$1,026	\$1,073	\$1,119	\$1,166	\$1,213	\$1,259	\$1,306	\$1,352	\$1,398	\$1,444	\$1,490	\$1,490
	13-18	\$836	\$888	\$941	\$993	\$1,045	\$1,098	\$1,150	\$1,202	\$1,254	\$1,307	\$1,359	\$1,411	\$1,463	\$1,516	\$1,568	\$1,621	\$1,673	\$1,673
6	0-6	\$572	\$608	\$644	\$680	\$715	\$751	\$787	\$823	\$859	\$894	\$930	\$966	\$1,002	\$1,037	\$1,073	\$1,108	\$1,144	\$1,144
	7-12	\$582	\$618	\$655	\$691	\$728	\$764	\$800	\$837	\$873	\$909	\$946	\$982	\$1,019	\$1,055	\$1,091	\$1,128	\$1,164	\$1,164
	13-18	\$652	\$693	\$734	\$775	\$815	\$856	\$897	\$938	\$978	\$1,019	\$1,060	\$1,101	\$1,141	\$1,182	\$1,223	\$1,264	\$1,305	\$1,305
7 or more	0-6	\$446	\$474	\$502	\$530	\$558	\$586	\$614	\$642	\$670	\$698	\$725	\$753	\$781	\$809	\$837	\$865	\$893	\$893
	7-12	\$454	\$482	\$511	\$539	\$567	\$596	\$624	\$653	\$681	\$709	\$738	\$766	\$794	\$823	\$851	\$880	\$908	\$908
	13-18	\$509	\$541	\$572	\$604	\$636	\$668	\$700	\$731	\$763	\$795	\$827	\$859	\$891	\$923	\$955	\$987	\$1,019	\$1,019

\*For incomes over \$175,000, the parental fee is determined via the same method as the fees shown on this page

**APPEAL PROCESS**

Parent(s) dissatisfied with the determination of ability to pay results or the amount of the parental fee may

Within 30 days from the date on the Fee Notification Letter, request an appeal. Such request must be in writing and addressed to:

This Parental Fee Schedule enables parents to estimate the amount of their monthly parental fee. The actual amount may be different from the above depending on allowable deduction to annual income or family size

DEPARTMENT OF DEVELOPMENTAL SERVICES

Client Financial Services

1600 Ninth Street, Room 205, MS 2-3

Sacramento, CA 94244-2020

**FOR LEGISLATIVE REVIEW**

November 2013  
REGIONAL CENTER  
LOCAL ASSISTANCE ESTIMATE  
*for*  
FISCAL YEAR  
2014-15  
Governor's Budget



STATE OF CALIFORNIA  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
JANUARY 10, 2014

**Program Development Fund/Parental Fees**

**DESCRIPTION:**

Parents of children under the age of 18 years who receive 24-hour out-of-home services provided by the State or purchased with State funds through a regional center are required to pay a fee depending on their ability to pay. Parents of children under the age of 18 years who live at home and receive qualifying services from a regional center whose adjusted gross family income is at or above 400 percent of the federal poverty level are required to pay an annual fee. The purpose of the Program Development Fund (PDF) is to provide resources needed to initiate new programs which are consistent with the State Plan (Welfare and Institutions Code Sections 4677, 4782, and 4785).

**ASSUMPTIONS/METHODOLOGY:**

PDF amounts are based on current information regarding projected revenues.

**FUNDING:**

Expenditure of PDF funds is reflected in the Purchase of Services, Miscellaneous Services estimate.

**CHANGE FROM PRIOR ESTIMATE:**

Reflects an update of revenues for Parental Fee based upon the net effect of a ~~change in~~ **number of individuals in the Parental Fee Program and a proposed fee increase based on recently updated United States Department of Agriculture average costs to raise a child.**

**EXPENDITURES:**

	Enacted Budget	Updated 2013-14	2013-14 Request	2014-15	2014-15 Over 2013-14	2014-15 Over Enacted Budget
Parental Fees	\$2,067,000	\$2,005,000	-\$62,000	\$1,905,000	-\$100,000	-\$162,000
Annual Family Program Fees	3,903,000	3,903,000	0	3,903,000	0	0
<b>TOTAL</b>	<b>\$5,970,000</b>	<b>\$5,908,000</b>	<b>-\$62,000</b>	<b>\$5,808,000</b>	<b>-\$100,000</b>	<b>-\$162,000</b>

E - 34

**DEPARTMENT OF DEVELOPMENTAL SERVICES**

1600 NINTH STREET, Room 240, MS 2-13  
SACRAMENTO, CA 95814  
TDD 654-2054 (For the Hearing Impaired)  
(916) 654-1899



**DATE:** December 30, 2013

**TO:** Diana S. Dooley, Secretary  
Health and Human Services Agency

**FROM:** Mark Hutchinson, Chief Deputy Director  
Department of Developmental Services

**SUBJECT:** Review of the Systems of Internal Control

In accordance with the Financial Integrity and State Managers Accountability (FISMA) Act of 1983, Government Code Sections 13400 through 13407, I am submitting the enclosed report describing the review of our systems of internal control for the biennial period ended December 31, 2013.

As statutorily required, Department of Developmental Services is in compliance with Government Code Section 12439. The discussion of that compliance is incorporated into the report.

If you have any questions regarding the enclosed report, please call Michael Masui, Chief of Vendor Audits, at (916) 654-2769.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Hutchinson'.

MARK HUTCHINSON  
Chief Deputy Director

Enclosure

cc: See next page

**"Building Partnerships, Supporting Choices"**

## Evaluation of Risks and Controls

---

The following is a discussion of areas perceived to have potential material risk that could result in negative exposure to DDS. Material risks are defined as those process outcomes having a high likelihood of occurrence and a significant fiscal, political, legal and/or negative media exposure to DDS. This report does not focus on minor risks perceived to have little significance or likelihood of occurrence. In addition, this report discusses controls in place or to be implemented by DDS to mitigate and/or prevent the identified risks. It is DDS' intention to address the mitigation of the perceived risks.

The following are the potentially material risks identified during the risk assessment process:

### Risk #1: Compliance with Control Agency Requirements

The establishment of an effective administrative internal process is needed to improve coordination of communication among various Divisions within DDS. DDS' decentralized organizational structure with the HQ, four DCs, and one OF works well in ensuring specific Divisional needs are addressed and met promptly and efficiently. However, since the various Divisions are each performing individual personnel, contracting and procurement functions without an effective Administrative monitoring process to ensure compliance with the various control agencies' requirements, there is a risk of losing delegation authority for those functions.

As an example, the process for obtaining quotes and awarding contracts needs to comply with the Department of General Services (DGS) requirements. However, DDS' HQ may not always be aware of the process for awarding contracts at the DCs, which may lead to non-compliance with DGS's requirements. The loss of delegation authority will have a direct impact on DDS' day-to-day operations. Therefore, it is critical that DDS maintain its delegation authority for the administrative functions by ensuring it maintains compliance with the laws and regulations, precedential decisions, audit findings, and directives of its control agencies.

### Mitigation of Risk:

DDS will provide training to staff performing the various administrative functions, which may include training for contracts and procurement, inventory, attendance reporting, payroll and transactions, exams and hiring, classification and pay, and labor relations. In addition, DDS will provide clarification of roles and responsibilities for staff and management in the area of administrative services.

DDS also intends to develop a formal process to provide timely information and directives related to compliance issues that impact administrative services in HQ, DCs, and CF.

Further, DDS will develop a formal internal review process to ensure that HQ, DCs, and CF are maintaining compliance with its control agency requirements. This process may include peer-to-peer reviews, internal control reviews by subject matter experts, compliance reporting, or other effective methods of monitoring.

**Risk #2: Collection of Annual Family Fee and Parental Fee Program**

**Annual Family Fee**

Effective July 1, 2011, parents whose adjusted gross family income is at or above 400 percent of the Federal Poverty Level (FPL), and who are receiving qualifying services through RCs for their children ages 0-17, shall be assessed an Annual Family Program Fee (AFPF) as prescribed by Welfare and Institutions Code, Section 4785.

Assessment of the AFPF will take place at the time of development, scheduled review, or modification of the consumer's Individual Program Plan (IPP) or Individualized Family Services Plan (IFSP). Parents have to complete an AFPF registration form with their case worker or other RC personnel at the time of the fee assessment.

However, inconsistent application of program criteria by RCs may result in a failure to assess eligible families or produce an incorrect assessment amount on the family. In the absence of a consistent and standardized methodology for identification of eligible families and assessment amount, there is a risk of over and under application of the fee assessments. This could ultimately result in the program not being correctly and uniformly administered. Enhanced program identification and tracking procedures between DDS and RCs are critical to providing a consistent and accurate assessment of the family fee.

In addition, the lack of consistent identification and documentation of assessed fees has made it more difficult for effective collection of delinquent accounts as required by the State Administrative Manual (SAM) Section 8776.5.

**Mitigation of Risk:**

DDS staff is currently participating in a joint DDS and RC workgroup intended to enhance information exchange of vital program elements between RCs and DDS' program staff. This effort will provide DDS management with more detailed

and accurate reporting information regarding the assessed population, parent identification for collection, and program revenue estimates. DDS staff is also in the process of seeking a "third party" source of parent taxpayer data to better facilitate the referral of delinquent parents to the Franchise Tax Board for offset and collection of delinquent fees. In addition, DDS staff is currently developing a process whereby families will be able to pay the fee by credit card. This enhanced payment option will provide greater convenience for the families needing to pay the assessed fee.

DDS' staff will continue to poll and monitor RCs regarding their assessment process to continually refine the overall assessment program and documentation of parent information for timely collection of the fees. Further, DDS will provide additional technical assistance to RCs regarding program requirements and responsibilities and best practices.

#### Parental Fee Program

The Parental Fee Program (PFP) assesses a fee to parents of children under the age of 18 who receive 24-hour out-of-home services purchased with State funds through a RC. Parents are required to pay a parental fee based on their ability to pay. The fee is determined using a Parental Fee Schedule established by DDS under the provisions of Title 17, Subchapter 2, of the California Code of Regulations. The statutory authority for financial responsibility is in the Welfare and Institutions Code, Sections 4677, 4782 and 4784.

Program collection efforts must comply with SAM Section 8776.5 requiring specific collection activity on delinquent accounts. Collection measures must be evenly applied to all delinquent accounts to comply with State rules and to affect the highest potential for revenue while ensuring consistent treatment to all program parents.

#### Mitigation of Risk:

DDS' Client Financial Services (CFS) staff will work closely with DDS' Office of Legal Affairs including litigation where appropriate to ensure consistent collection efforts in compliance with SAM 8776.5. Enhanced vetting of delinquent accounts will also increase compliance and fee revenue. CFS staff is currently reviewing and evaluating several data sources to ensure the most accurate and timely source of data is being reported for use of identifying program eligible consumers. CFS staff will also provide comprehensive technical assistance and support to RCs to ensure prompt notification to DDS of eligible parents to appropriately assess the fee at the time the child is placed into 24-hour care. In addition, CFS staff is currently developing a process for acceptance of credit cards from parents as payment of assessed fees. This enhanced payment option will provide parents with a greater convenience in paying assessed fees.