

DRAFT

**Department of Developmental Services
Proposed Trailer Bill Legislation
Fiscal Year 2026-27**

Sunsetting Outdated Legislative Reporting Language

Amend Welfare and Institutions Code 4429 as follows:

(a) The department shall biennially report to the Legislature its acts and proceedings for the two years ending the June 30th last preceding, with such facts regarding the management of the institution for the developmentally disabled as it deems necessary for the information of the Legislature, including estimates of the amounts required for the use of such hospitals and the reasons therefor, and including annual reports for each state hospital.

(b) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4430 as follows:

(a) The department shall report to the Legislature the prospective needs for the care, custody, and treatment of developmentally disabled persons, together with its recommendations therefor. For the purpose of preventing overcrowding, it shall recommend such plans for the development of additional medical facilities as, in its judgment, will best meet the requirements of such persons.

(b) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4474.1 as follows:

(a) Whenever the State Department of Developmental Services proposes the closure of a state developmental center, the department shall be required to submit a detailed plan to the Legislature not later than April 1 immediately prior to the fiscal year in which the plan is to be implemented, and as a part of the Governor's proposed budget. A plan submitted to the Legislature pursuant to this section, including any modifications made pursuant to subdivision (b), shall not be implemented without the approval of the Legislature.

(b) A plan submitted on or before April 1 immediately prior to the fiscal year in which the plan is to be implemented may be subsequently modified during the legislative review process.

(c) Prior to submission of the plan to the Legislature, the department shall solicit input from the State Council on Developmental Disabilities, the Association of

Regional Center Agencies, the protection and advocacy agency specified in Section 4901, the local regional center, consumers living in the developmental center, parents, family members, guardians, and conservators of persons living in the developmental centers or their representative organizations, persons with developmental disabilities living in the community, developmental center employees and employee organizations, community care providers, the affected city and county governments, and business and civic organizations, as may be recommended by local state Senate and Assembly representatives.

(d) Prior to the submission of the plan to the Legislature, the department shall confer with the county in which the developmental center is located, the regional centers served by the developmental center, and other state departments using similar occupational classifications, to develop a program for the placement of staff of the developmental center planned for closure in other developmental centers, as positions become vacant, or in similar positions in programs operated by, or through contract with, the county, regional centers, or other state departments, including, but not limited to, the community state staff program, use of state staff for mobile health and crisis teams in the community, and use of state staff in new state-operated models that may be developed as a component of the closure plan.

(e) Prior to the submission of the plan to the Legislature, the department shall confer with the county in which the developmental center is located, and shall consider recommendations for the use of the developmental center property.

(f) Prior to the submission of the plan to the Legislature, the department shall hold at least one public hearing in the community in which the developmental center is located, with public comment from that hearing summarized in the plan.

(g) The plan submitted to the Legislature pursuant to this section shall include all of the following:

(1) A description of the land and buildings at the developmental center.

(2) A description of existing lease arrangements at the developmental center.

(3) A description of resident characteristics, including, but not limited to, age, gender, ethnicity, family involvement, years of developmental center residency, developmental disability, and other factors that will determine service and support needs.

(4) A description of stakeholder input provided pursuant to subdivisions (c), (d), and (e), including a description of local issues, concerns, and recommendations regarding the proposed closure, and alternative uses of the developmental center property.

(5) The impact on residents and their families.

(6) A description of the unique and specialized services provided by the developmental center, including, but not limited to, crisis facilities, health and dental clinics, and adaptive technology services.

- (7) A description of the assessment process and community placement decision process that will ensure necessary services and supports are in place prior to a resident transitioning into the community.
 - (8) Anticipated alternative placements for residents.
 - (9) A description of how the department will transition the client rights advocacy contract provided at the developmental center pursuant to Section 4433 to the community.
 - (10) A description of how the well-being of the residents will be monitored during and following their transition into the community.
 - (11) The impact on regional center services.
 - (12) Where services will be obtained that, upon closure of the developmental center, will no longer be provided by that facility.
 - (13) A description of the potential job opportunities for developmental center employees, activities the department will undertake to support employees through the closure process, and other efforts made to mitigate the effect of the closure on employees.
 - (14) The fiscal impact of the closure.
 - (15) The timeframe in which closure will be accomplished.
- (h) This section shall remain in effect until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4474.12 as follows:

- (a) The department shall seek to modify the contract in existence on January 1, 2017, for the conduct of a movers longitudinal study to include all of the following:
 - (1) A requirement that at least 250 individuals who meet the following criteria participate in the study:
 - (A) Volunteered to participate in the study.
 - (B) Proportionately selected from among individuals who have moved into the community from Sonoma Developmental Center, Fairview Developmental Center, or Porterville Developmental Center.
 - (C) Proportionately selected from among individuals who have moved into the community at different stages of the closure process.
 - (2) A requirement that the study follow a sample of individuals described in paragraph (1) for a two-year period after the individual moves into the community from the developmental center.
 - (3) A requirement that the study include individuals who move into the community from a developmental center during the first year of the study, and during each subsequent year of the study, until the developmental centers identified in subparagraph (B) of paragraph (1) close.
 - (4) A requirement that researchers conducting the study meet with each individual participating in the study at intervals of three months, six months, one year, and two years following the person's move into the community from the

developmental center to discuss the individual's quality of life and services and supports.

(b) The movers longitudinal study described in this section is one element of the quality assurance instrument required pursuant to Section 4571.

(c) (1) For purposes of conducting the study, the department shall maintain and update the addresses of, and contact information for, former residents of the centers who relocated as a result of the closure of the centers.

(2) The department shall ensure, to the extent permitted by law, that researchers conducting the study have access to data and other information necessary to conduct the study, including the addresses of, and contact information for, former residents of the centers who relocated due to the closure of the centers.

(d) The department shall annually submit interim reports to the Legislature regarding the study in accordance with the requirements of Section 9795 of the Government Code. The reports shall include information about consumer and family satisfaction and adequacy of community services. Upon the completion of the study as described in subdivision (a), the department shall submit the study to the Legislature, in accordance with the requirements of Section 9795 of the Government Code.

(e) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4474.15 as follows:

(a) The State Department of Developmental Services shall include an update to the Legislature in the 2017–18 May Revision regarding how the department will provide access to crisis services after the closure of a developmental center and how the state will maintain its role in providing residential services to those whom private sector vendors cannot or will not serve. As part of this plan, the department shall assess the option of expanding the community state staff program authorized in Section 4474.2 to allow the department's employees to serve as regional crisis management teams that provide assessment, consultation, and resolution for persons with developmental disabilities in crisis in the community.

(b) The State Department of Developmental Services shall post on its Internet Web site a monthly progress report regarding the development of residential capacity by each regional center. The report shall include information on monthly targets for individuals moving out of a developmental center based on transition activities and community resource development activities by each regional center. The report shall also provide an explanation of any targets that have not been met.

(c) Commencing July 1, 2017, and until December 31, 2020, the State Department of Developmental Services shall provide quarterly updates to the appropriate policy and fiscal committees of the Legislature on the steps foreseen, planned, and completed in the development of services under the

department's update to the Legislature pursuant to subdivision (a), including any planned services or residences intended to facilitate transitions or diversions from institutes for mental disease, or other restrictive settings in the community, or the secure treatment program at Porterville Developmental Center. These updates may be made in conjunction with planned quarterly updates on closure activities for developmental centers.

(d) (1) The requirement for submitting a report imposed under subdivision (a) is inoperative on January 1, 2020, pursuant to Section 10231.5 of the Government Code.

(2) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(e) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4474.2 as follows:

(a) Notwithstanding any other law, the department may operate any facility, provide its employees to assist in the operation of any facility, or provide other necessary services and supports if, in the discretion of the department, it determines that the activity will assist in meeting the goal of successfully transitioning developmental center residents to community living or deflecting the admission of individuals with developmental disabilities to a developmental center, an institution for mental disease, an out-of-state placement, a general acute care hospital, or an acute psychiatric hospital. The department may contract with any entity for the use of the department's employees to provide services and supports in furtherance of this goal.

(b) (1) The department shall prepare a report on the use of the department's employees in providing services in the community pursuant to this section. The report shall include data on the number and classification of state employees working in the community program. The report shall include recommendations on whether the program should be continued or ways in which the program may be improved. Notwithstanding Section 10231.5 of the Government Code, the report shall be submitted with the Governor's proposed budget for the 2015–16 fiscal year to the fiscal committees of both houses of the Legislature and annually thereafter.

(2) This subdivision shall remain in effect only until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4620.3 as follows:

(a) To provide more uniformity and consistency in the administrative practices and services of regional centers throughout the state, promote appropriateness of services, maximize efficiency of funding, address the state budget deficit, ensure consistency with Lanterman Act values, maintain the entitlement to

services, and improve cost-effectiveness, the department, in collaboration with stakeholders, shall develop best practices for the administrative management of regional centers and for regional centers to use when purchasing services for consumers and families.

(b) In developing regional center administrative management best practices, the department shall consider the establishment of policies and procedures to ensure prudent fiscal and program management by regional centers; effective and efficient use of public resources; consistent practices to maximize the use of federal funds; detection and prevention of fraud, waste, and abuse; and proper contracting protocols.

(c) In developing purchase of services best practices, the department shall consider eligibility for the service; duration of service necessary to meet objectives set in an individual program plan; frequency and efficacy of the service necessary to meet objectives in an individual program plan; impact on community integration; service providers' qualifications and performance; rates; parental and consumer responsibilities pursuant to Sections 4646.4, 4659, and 4677 of this code and Section 95004 of the Government Code; and self-directed service options.

(d) The department shall ensure that implementation of best practices that impact individual services and supports are made through the individual program planning process provided for in this division or an individualized family service plan pursuant to Section 95020 of the Government Code, and that consumers and families are notified of any exceptions or exemptions to the best practices and their appeal rights established in Section 4701.

(e) Purchase of services best practices developed pursuant to this section may vary by service category and may do all of the following:

(1) Establish criteria determining the type, scope, amount, duration, location, and intensity of services and supports purchased by regional centers for consumers and their families.

(2) Modify payment rates.

(3) Reflect family and consumer responsibilities, pursuant to Sections 4646.4, 4659, and 4677 of this code and Section 95004 of the Government Code.

(f) Purchase of services best practices shall include provisions for exceptions to ensure the health and safety of the consumer or to avoid out-of-home placement or institutionalization.

(g) Best practices developed pursuant to this section shall not do either of the following:

(1) Endanger a consumer's health or safety.

(2) Compromise the state's ability to meet its commitments to the federal Centers for Medicare and Medicaid Services for participation in the Home and Community-Based Services Waiver or other federal funding of services for persons with developmental disabilities.

(h) (1) The department shall submit the proposed best practices to the fiscal and applicable policy committees of the Legislature by no later than May 15, 2011.

This submission shall include a description of the process followed to collaborate with system stakeholders; the anticipated impact of the best practices, coupled with prior reductions on consumers, families, and providers; estimated cost savings associated with each practice; and draft statutory language necessary to implement the best practices. Implementation of the best practices shall take effect only upon subsequent legislative enactment.

(2) This subdivision shall remain in effect only until July 1, 2026, and as of that date is repealed.

Amend Welfare and Institutions Code 4691 as follows:

(a) The Legislature reaffirms its intent that community-based day programs be planned and provided as part of a continuum of services to enable persons with developmental disabilities to approximate the pattern of everyday living available to people of the same age without disabilities. The Legislature further intends that standards be developed to ensure high-quality services, and that equitable ratesetting procedures based upon those standards be established, maintained, and revised, as necessary. The Legislature intends that ratesetting procedures be developed for all community-based day programs, which include adult development centers, activity centers, infant day programs, behavior management programs, social recreational programs, and independent living programs.

(b) For the purpose of ensuring that regional centers may secure high-quality services for persons with developmental disabilities, the State Department of Developmental Services shall promulgate regulations establishing program standards and an equitable process for setting rates of state payment for community-based day programs. These regulations shall include, but are not limited to, all of the following:

(1) The standards and requirements related to the operation of the program including, but not limited to, staff qualifications, staff-to-client ratios, client entrance and exit criteria, program design, program evaluation, program and client records and documentation, client placement, and personnel requirements and functions.

(2) The allowable cost components of the program including salary and wages, staff benefits, operating expenses, and management organization costs where two or more programs are operated by a separate and distinct corporation or entity.

(3) The rate determination processes for establishing rates, based on the allowable costs of the allowable cost components. Different rate determination processes may be developed for establishing rates for new and existing programs, and for the initial and subsequent years of implementation of the regulations. The processes shall include, but are not limited to, all of the following:

(A) The procedure for identification and grouping of programs by type of day program and approved staff-to-client ratio.

(B) The requirements for an identification of the program, cost, and other information, if any, which the program is required to submit to the department or the regional center, the consequences, if any, for failure to do so, and the timeframes and format for submission and review.

(C) The ratesetting methodology.

(D) A procedure for adjusting rates as a result of anticipated and unanticipated program changes and fiscal audits of the program and a procedure for appealing rates, including the timeframes for the program to request an adjustment or appeal, and for the department to respond.

(E) A procedure for increasing established rates and the allowable range of rates due to cost-of-living adjustments.

(F) A procedure for increasing established rates as a result of Budget Act appropriations made pursuant to the ratesetting methodology established pursuant to Section 4691.5 and subdivision (c) of this section.

The department shall develop these regulations in consultation with representatives from organizations representing the developmental services system as determined by the department. The State Council on Developmental Disabilities, and other organizations representing regional centers, providers, and clients shall have an opportunity to review and comment upon the proposed regulations prior to their promulgation. The department shall promulgate these regulations for all community-based day programs by July 1, 1990.

(c) Upon the promulgation of regulations pursuant to subdivision (b), and pursuant to Section 4691.5, and by September 1 of each year thereafter, the department shall establish rates pursuant to the regulations. Rate increases during the 1990–91 and 1991–92 fiscal years shall be limited to those specified in subdivision (b). For the 1992–93 fiscal year and all succeeding fiscal years, any increases proposed during those years in the rates of reimbursement established pursuant to the regulations, except for rate increases due to rate appeals and rate adjustments based on unanticipated program changes, shall be subject to the appropriation of sufficient funds in the Budget Act, for those purposes, to fully provide the proposed increase to all eligible programs for the entire fiscal year. If the funds appropriated in the Budget Act are not sufficient to fully provide for the proposed increase in the rates of reimbursement for all eligible programs for the entire fiscal year, the proposed increase shall be limited to the level of funds appropriated. The increases proposed in the rates of reimbursement shall be reduced equitably among all eligible providers in accordance with funds appropriated and the eligible programs shall be reimbursed at the reduced amount for the entire fiscal year.

(d) Using the reported costs of day programs reimbursed at a permanent rate and the standards and ratesetting processes promulgated pursuant to subdivision (b) as a basis, the department shall report to the Legislature as follows:

(1) By April 15, 1993, and every odd year thereafter, the difference between permanent rates for existing programs and the rates of those programs based upon their allowable costs and client attendance, submitted pursuant to the regulations specified in subdivision (b). In reporting the difference, the department shall also identify the amount of the difference associated with programs whose rates are above the allowable range of rates, which is available for increasing the rates of programs whose rates are below the allowable range, to within the allowable range, and any other pertinent cost or rate information which the department deems necessary.

(2) By April 15, 1994, and every even year thereafter, the level of funding, if any, which was not appropriated to reimburse providers at the proposed rates reported the prior fiscal year pursuant to paragraph (1), and any other pertinent cost or rate information which the department deems necessary.

(3) The April 15, 1996, report pursuant to paragraph (2) shall be prepared jointly by the department and organizations representing community-based day program providers, as determined by the department. That report shall also include a review of the ratesetting process and recommendations, if any, for its modification.

(4) This subdivision shall remain in effect only until July 1, 2026, and as of that date is repealed.

(e) Rates established by the department pursuant to subdivision (b) are exempt from the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) The department shall ensure that the regional centers monitor compliance with program standards.

Amend Government Code 14672.9 as follows:

(f) In addition to rent paid by the nonprofit corporation to the state, the nonprofit corporation shall pay the state 50 percent of the gross rental income resulting from any subleases pursuant to subdivision (c) through June 30, 2024, and 75 percent of the gross rental income from July 1, 2024, to July 1, 2053. Any proceeds received by the state shall be deposited in a special account within the General Fund to be known as the Developmental Disabilities Services Account. All funds within this account shall be held without regard to fiscal years and shall be available for appropriation by the Legislature for the benefit of persons with developmental disabilities. Any interest accruing to moneys deposited in the account also shall accrue to the account.

~~On or before April 15 of each year beginning in 1987, the State Department of Developmental Services shall submit a report to the Assembly Ways and Means Committee and the Senate Appropriations Committee. The report shall include, but not be limited to, the following information:~~

- ~~(1) The amount of funds in the Developmental Disabilities Services Account in the General Fund.~~
- ~~(2) The department's priorities for expenditure of these funds.~~

Section 70 of Chapter 758 of the Statutes of 2008 is repealed:

~~The State Department of Developmental Services shall provide an update to the appropriate policy and fiscal committees of the Legislature during the fall legislative interim on an annual basis, beginning in the 2008-09 fiscal year, regarding the impact of the adopted freezes and various cost containment measures on clients and service levels. The policy committees of the Legislature may choose to hold informational hearings on these issues to further review and explore the prioritization and levels at which a cost containment measure or measures may be proposed for modification or elimination and shall report these findings for consideration in the annual subcommittee budget process or in legislation, where appropriate.~~

Section 19 of Chapter 26 of the Statutes of 2016 is repealed:

~~The State Department of Developmental Services shall report quarterly to the Joint Legislative Budget Committee the estimated amount of General Fund expenditures used to backfill federal funding as a result of the decertification of intermediate care facility units at the Sonoma Developmental Center.~~

Section 53 of Chapter 171 of the Statutes of 2001 is repealed:

~~The State Department of Developmental Services shall provide the fiscal committees of the Legislature with copies of finalized data analyses, including statistical analyses of variances and results of data survey work, conducted as part of the second phase of the Purchases of Services Study to be completed in 2002.~~

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