



Date: December 9, 2008  
To: The Lanterman Community

Nearly six years ago, in January of 2003, the Board of Directors of Lanterman Regional Center adopted a position paper entitled, “Toward a Sustainable Entitlement for the Developmental Services System: A Regional Center Perspective.” We developed this paper in response to the financial crisis facing the state of California at that time – a budget shortfall significantly greater than any other in the State’s history. Our great concern was that given the scarcity of public resources, the escalating rate of service growth and the cost of those services in the regional center system would not be sustainable in the long term. We were also concerned that the statutory entitlement to services could be threatened. Therefore, we decided to take a proactive position and offer our perspective on the challenges and recommend potential solutions.

Our position paper included a set of recommendations for changes to the developmental services system that we believed would result in a more equitable and cost-effective entitlement program under the Lanterman Act and help ensure that it could be sustained for future generations of individuals with developmental disabilities and their families. Many of the recommendations were based on Lanterman Regional Center’s experience over the years as we have tried to meet the needs of clients and families while being good stewards of public funds. The recommendations also reflected strategies that have been used successfully by this regional center and others to address challenges in our local communities.

At the time we developed the position paper in 2003 we saw serious threats to the entitlement looming on the horizon. We now find ourselves face-to-face with those threats. We have entered the sixth year of a rate freeze on purchase of services, and this freeze has now been made permanent. In addition, the Governor has now proposed an additional 3% across the board rate reduction for service providers. The lack of rate increases has deeply affected community service providers whose cost of doing business has continued to increase. Since July 1, 2008, the rate freeze has included negotiated rates, a reimbursement system that was intended to fairly compensate new and innovative types of services for which traditional rate models were



inappropriate or wholly inadequate. Further, we have had no funds for resource development that would enable regional centers to facilitate development of innovative services based on advances in knowledge and technology.

Mandates by the state to limit spending have repeatedly failed to achieve this objective because they have left unaddressed the structural issues that are at the heart of this ever-worsening problem. The regional center population continues to increase at a rate significantly greater than the population growth in the state and the cost of services far outpaces what would be expected for the increase in the client population and the rate of inflation.

The financial situation in the state has continued to worsen and the state is now facing a budget deficit of historic proportions. In recognition of the seriousness of the escalating fiscal crisis, Governor Schwarzenegger has, for the second time in a year, called an emergency session of the Legislature. His proposal to the Legislature includes the aforementioned 3% decrease in service provider rates as well as a 3% reduction in regional center operations budgets.

We believe that everyone associated with the regional center system has a responsibility to contribute to the search for solutions that will result in a fair, equitable and sustainable developmental services system. To that end, we have reaffirmed our support for the position put forth in the January 2003 paper and have revised it to reflect the economic and political events that have occurred since its initial publication. This revision includes expanded discussion of some issues, most notably the use of cost-effective services and supports, particularly those provided in integrated (included) settings and those with a preventive focus. We believe that only a comprehensive approach, based on thoughtful analysis and empirically-based policy development, can result in effective solutions to the problems we face.

We believe the recommendations contained in the revised document, taken together, provide a realistic policy framework and effective tools for addressing the structural problems which represent a serious threat to the viability of the development services system. They would facilitate movement of the system in a positive direction by moderating cost escalation, allowing



the state to better predict the growth of the program from year to year, and better ensuring equity within and across regional centers. We believe our recommendations, if implemented, will contribute significantly to ensuring that the system created by the Lanterman Act will be sustained for future generations. The Legislature has already implemented two of our recommendations: re-instituting the provision that parents have a responsibility for their child with a disability as they would for a non-disabled child, and expanding the Family Cost Participation Program.

We are committed to sustaining the entitlement of the Lanterman Act. This can only be achieved, however, if we undertake to seriously and realistically address the current challenges to the system. To do otherwise is to allow continued deterioration of the community-based service system that will be extremely difficult to reverse and will result in increasing inequities and unaddressed needs. The Governor and the Legislature must seize the opportunity at this critical juncture to make the investment in rational system change that ensures fairness, cost-effectiveness and accountability in the context of a community-based service system that is sustainable for future generations of people with developmental disabilities and their families.

Our intent is to give this paper wide distribution. It is being sent to Governor Schwarzenegger, state departments, and members of the Legislature. This is an important time in our history and a most critical time for all of our voices to be heard. We are hopeful that this paper makes a positive contribution to the search for solutions.

Gary Pancer

President and Chair of the Board of Directors