



REGIONAL CENTER
OF ORANGE COUNTY

Dear Consumers, Families, and Service Providers:

For some time now, the effect of the global recession on California tax revenues and state-funded services has been front page news. The predicted state budget shortfall through 2009-2010 grew to \$26.2 billion as the economy continued to worsen. Like every other area of state government, funding for services for people with developmental disabilities and their families has been reduced significantly. **By the end of this fiscal year, the regional center system is being required to save a total of \$384 million in state tax dollars.** I wish I could promise that the worst is behind us; however, it appears that California’s economy may not improve for some time, and some experts predict that even more cuts could be needed before this fiscal year is over.

My purpose in writing this letter is to provide you with an overview of the budget situation as it stands now, and to assure you that while the future is uncertain, you should have no doubt that **RCOC remains committed to meeting the needs of the people we serve.**

A summary from the Department of Developmental Services (DDS) of each of the current year’s budget cuts and cost-savings measures is posted on RCOC’s Web site (www.rcocdd.com), along with the text of AB 9 -- the legislation that was passed by the Legislature and signed by the Governor -- as well as some Frequently-Asked Questions (FAQs). This budget-related legislation, sometimes called “Trailer Bill Language,” instructs DDS and regional centers on how we must implement the cuts made by the Legislature. The \$384 million in cuts and cost-savings measures combines:

- proposals that were submitted earlier this year by DDS to save \$100 million;
- other measures intended to yield \$234 million in savings that were suggested by a stakeholder group formed by DDS; and
- a cut of \$50 million to services for children up to age 5 that the Governor made using his line-item veto authority, specifying that it would be replaced with funds from the California Children and Families Commission (Prop 10).

The measures range from one-time savings through simple cuts, to creating all-new and less-costly service models, and implementing new eligibility and service regulations. **The \$384 million is in addition to the 3% cut to regional center operations and 3% cut to service providers that were passed this past February.** It also accounts only for California’s share of the cost of services, and does not include the reduction in federal funds the state will receive as a result of the lower state spending. As such, the actual reductions to funding for the community care system during this fiscal year are much higher.

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However, **because the Orange County community is a long-time leader in stewardship, some of the new standards and requirements being implemented statewide are already in place in Orange County.** For example, the new statewide requirements for cost-effective transportation and the ban on experimental treatments are already embodied in RCOC's Governance Policies. Also, all regional centers are now prohibited from purchasing several services that RCOC and many other regional centers have not traditionally funded. These include social recreational activities, as well as art, dance and music programs, which RCOC's Purchase of Service Guidelines has deemed to be a parent's responsibility.

A number of the cost-savings measures contained in this year's budget, such as those limiting eligibility for Early Start, appear to be aimed primarily at lowering future cost growth, rather than cutting services for people already receiving services. However, **if your current services are going to be affected by these changes, you will receive a phone call from your RCOC service coordinator. Your service coordinator will discuss your specific situation with you, as well as your appeal options.**

While the challenges our community now faces are significant, I am hopeful about the future of RCOC and the community care system as a whole. We are fortunate to have an abundance of talented, dedicated and creative individuals and organizations in Orange County. **We are a diverse community, yet we are united in our unwavering commitment to Lanterman Act principles.** I am confident that together we will ensure that these principles are upheld.

Sincerely,



Larry Landauer
Executive Director