

AMENDED IN ASSEMBLY MAY 11, 2015

AMENDED IN ASSEMBLY MAY 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1405

Introduced by Assembly Member Grove

(Coauthors: Assembly Members Achadjian, Baker, Chávez, Lackey, Mayes, Olsen, Mark Stone, Waldron, and Wilk)

February 27, 2015

An act to add Section 14670.09 to the Government Code, *and* to add Section 4474.9 to the Welfare and Institutions Code, ~~and to amend the Budget Act of 2014 (Chapter 25 of the Statutes of 2014) by amending Items 4300-003-0001 and 4300-101-0001 of Section 2.00 of that act,~~ relating to developmental services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1405, as amended, Grove. Developmental centers: closure.

Existing law vests in the State Department of Developmental Services jurisdiction over state hospitals referred to as developmental centers for the provision of residential care to individuals with developmental disabilities. Existing law requires the State Department of Developmental Services to comply with procedural requirements when closing a developmental center, including submitting a detailed plan to the Legislature and holding at least one public hearing. Under existing law, the department allocates funds to private nonprofit entities known as regional centers, which are required to provide, or arrange for the provision of, services and supports for persons with developmental disabilities.

This bill would require the department to close the Fairview Developmental Center and the Sonoma Developmental Center ~~on or before an unspecified date; no later than July 1, 2018.~~ The bill would create a task force to determine the use of the properties and develop a plan for benefiting individuals with developmental disabilities in community-based programs and settings, and would require the task force to consist of 15 members, as specified.

Existing law requires the Director of General Services to lease specified property located at the Sonoma Developmental Center only for an agricultural or open-space purpose consistent with specified requirements. *Existing provisions of the California Constitution, approved by the voters at the November 4, 2014, statewide general election, establish the Budget Stabilization Account in the General Fund and require the Controller, commencing with the 2015–16 fiscal year and each fiscal year thereafter, to transfer from the General Fund to the account a specified percentage of estimated General Fund revenues.*

The bill would additionally require the director, on or after ~~an unspecified date, July 1, 2018,~~ to lease all or part of the parcels at the Sonoma Developmental Center and the Fairview Developmental Center. The bill would require ~~an unspecified percentage~~ *any use of these parcels to be ratified by a vote of the appropriate state and local government agencies with the authority over those local land use decisions, as specified.* The bill would also require 50% of the net proceeds received by the state from the lease of these properties to go to the *Budget Stabilization Account until the state's debts to which that fund is obligated are paid and, after that time, to the General Fund* and the rest to be deposited in the Lanterman Act Community-Based Services Fund, created by the bill. The bill would require all moneys in the Lanterman Act Community-Based Services Fund to be continuously appropriated without regard to fiscal years to the State Department of Developmental Services to augment existing purchase of services funds used by regional centers to purchase services and supports for persons with developmental disabilities. By creating a continuously appropriated fund, the bill would make an appropriation.

~~The Budget Act of 2014 appropriates \$260,659,000 from the General Fund to the State Department of Developmental Services for the support of the department's developmental centers, and appropriates \$2,645,629,000 from the General Fund to the department for local assistance to regional centers.~~

~~This bill would amend the Budget Act of 2014 by revising items of appropriation for the State Department of Developmental Services related to developmental centers and regional centers, thereby making an appropriation. The bill would also state the intent of the Legislature to transfer current funding for the operations of the Fairview Developmental Center and the Sonoma Developmental Center to fund purchase of services at regional centers.~~

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 14670.09 is added to the Government
2 Code, to read:

3 14670.09. (a) Notwithstanding any other law, the Director of
4 General Services shall, on or after _____, *July 1, 2018*, lease, for
5 current market value, all or part of the parcels at the Sonoma
6 Developmental Center, located at 15000 Arnold Drive, in Eldridge,
7 Sonoma County and the Fairview Developmental Center, located
8 at 2501 Harbor Boulevard, in Costa Mesa, Orange County. *Any*
9 *use of these parcels shall be ratified by a vote of the appropriate*
10 *state and local government agencies with the authority over those*
11 *local land use decisions. If the state or local government agencies*
12 *choose to use all or part of these parcels for public use, or*
13 *designate them as open lands, those agencies shall be subject to*
14 *the requirements of this section and Section 4474.9 of the Welfare*
15 *and Institutions Code.*

16 (b) Notwithstanding any other law, the net proceeds received
17 by the state from the lease of the property shall be deposited as
18 follows:

19 (1) _____ *Fifty percent to the Budget Stabilization Account*
20 *established in Section 20 of Article XVI of the California*
21 *Constitution until the state's debts to which that fund is obligated*
22 *are paid and, after that time, to the General Fund.*

23 (2) (A) _____ *Fifty percent to the Lanterman Act*
24 *Community-Based Services Fund, hereby created in the State*
25 *Treasury. Notwithstanding Section 13340, all moneys in the fund*
26 *are continuously appropriated without regard to fiscal years to the*

1 State Department of Developmental Services to augment existing
2 purchase of services funds used by regional centers to purchase
3 services and supports for persons with developmental ~~disabilities~~
4 *disabilities*.

5 (B) The moneys in the Lanterman Act Community-Based
6 Services Fund shall be used to supplement, and not supplant,
7 existing funds for purchase of services by regional centers.

8 (3) “Net proceeds” for the purposes of this subdivision means
9 gross proceeds less all costs necessary for the completion of the
10 transaction, including costs incurred by the Department of General
11 Services.

12 SEC. 2. Section 4474.9 is added to the Welfare and Institutions
13 Code, to read:

14 4474.9. (a) The department shall close the Fairview
15 Developmental Center and the Sonoma Developmental Center ~~on~~
16 ~~or before~~ ; *no later than July 1, 2018*.

17 (b) (1) A task force is hereby established to advise the
18 department. The task force shall determine the use of the properties
19 and develop a plan for benefiting individuals with developmental
20 disabilities in community-based programs and settings.

21 (2) The task force shall consist of 15 members as follows:

22 (A) Eleven members appointed by the Governor, at least three
23 of whom shall be family members of an individual residing at a
24 state developmental center, at least three of whom shall be a
25 director of a regional center, and at least three of whom shall be
26 directors or chief executive officers of community-based nonprofit
27 organizations that help individuals with developmental disabilities
28 find housing, employment, day programs, and other services in
29 the community.

30 (B) Two members appointed by the Speaker of the Assembly.

31 (C) Two members appointed by the President pro Tempore of
32 the Senate.

33 ~~SEC. 3. Item 4300-003-0001 of Section 2.00 of the Budget~~
34 ~~Act of 2014 is amended to read:~~

35		
36	4300-003-0001—For support of Department of Developmental	
37	Services, for Developmental Centers.....	_____
38	Schedule:	
39	(1) 20-Developmental Centers Program.....	_____
40	(2) Reimbursements.....	-250,116,000

- 1 (3) Amount payable from the Federal Trust
- 2 Fund (Item 4300-003-0890)..... -384,000
- 3 Provisions:
- 4 1. ~~A loan shall be available from the General Fund to the~~
- 5 ~~State Department of Developmental Services not to~~
- 6 ~~exceed a cumulative total of \$27,000,000. The loan~~
- 7 ~~funds will be transferred to this item as needed to meet~~
- 8 ~~cashflow needs due to delays in collecting reimburse-~~
- 9 ~~ments from the Health Care Deposit Fund and are~~
- 10 ~~subject to the repayment provisions of Section 16351~~
- 11 ~~of the Government Code.~~
- 12 2. ~~Upon order of the Department of Finance, the Con-~~
- 13 ~~troller shall transfer such funds as are necessary be-~~
- 14 ~~tween this item and Item 4300-001-0001 in order to~~
- 15 ~~appropriately align General Fund and Medi-Cal reim-~~
- 16 ~~bursements from the State Department of Health Care~~
- 17 ~~Services with budgeted activities. Within 10 working~~
- 18 ~~days after approval of a transfer as authorized by this~~
- 19 ~~provision, the Department of Finance shall notify the~~
- 20 ~~chairpersons of the fiscal committees of each house~~
- 21 ~~of the Legislature and the Chairperson of the Joint~~
- 22 ~~Legislative Budget Committee of the transfer, includ-~~
- 23 ~~ing the amount transferred, how the amount was deter-~~
- 24 ~~mined, and how the amount will be utilized.~~
- 25 3. ~~Upon order of the Department of Finance, the Con-~~
- 26 ~~troller shall transfer such funds as are necessary be-~~
- 27 ~~tween this item and Item 4300-101-0001. Within 10~~
- 28 ~~working days after approval of a transfer as authorized~~
- 29 ~~by this provision, the Department of Finance shall~~
- 30 ~~notify the chairpersons of the fiscal committees in each~~
- 31 ~~house of the Legislature and the Chairperson of the~~
- 32 ~~Joint Legislative Budget Committee of the transfer,~~
- 33 ~~including the amount transferred, how the amount~~
- 34 ~~transferred was determined, and how the amount~~
- 35 ~~transferred will be utilized.~~
- 36 4. ~~The State Department of Developmental Services~~
- 37 ~~(DDS) shall notify the chairperson of each fiscal~~
- 38 ~~committee and policy committee of each house of the~~
- 39 ~~Legislature of specific outcomes resulting from cita-~~
- 40 ~~tions and the results of annual surveys conducted by~~

1 the State Department of Public Health, as well as
 2 findings of any other governmental agency authorized
 3 to conduct investigations or surveys of state develop-
 4 mental centers. The DDS shall forward the notifica-
 5 tions, including a copy of the specific findings, to the
 6 chairpersons of the committees within 10 working
 7 days of its receipt of these findings. The DDS also
 8 shall forward these findings, within three working days
 9 of submission, to the appropriate investigating agency.
 10 In addition, the DDS shall provide notification to the
 11 chairpersons of the committees, within three working
 12 days, of its receipt of information concerning any in-
 13 vestigation initiated by the United States Department
 14 of Justice and the private nonprofit corporation desig-
 15 nated by the Governor pursuant to Division 4.7 (com-
 16 mencing with Section 4900) of the Welfare and Insti-
 17 tutions Code or concerning any findings or recommen-
 18 dations resulting from any of these investigations.

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20 SEC. 4. Item 4300-101-0001 of Section 2.00 of the Budget
 21 Act of 2014 is amended to read:

22

23 4300-101-0001—For local assistance, Department of Develop-
 24 mental Services, for Regional Centers.....

25 Schedule:

26 (1) 10.10.010-Operations.....	576,631,000
27 (2) 10.10.020-Purchase of Services.....	
28 (3) 10.10.060-Early Intervention Pro- 29 gram.....	19,450,000
30 (4) 10.10.080-Prevention Program.....	2,003,000
31 (5) Reimbursements.....	-1,970,694,000
32 (6) Amount payable from the Developmen- 33 tal Disabilities Program Development 34 Fund (Item 4300-101-0172).....	-5,808,000
35 (7) Amount payable from the Developmen- 36 tal Disabilities Services Account (Item 37 4300-101-0496).....	-150,000
38 (8) Amount payable from the Federal Trust 39 Fund (Item 4300-101-0890).....	-52,367,000

Provisions:

- 1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.
- 2. A loan or loans shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of \$395,000,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund. All moneys so transferred shall be repaid as soon as sufficient reimbursements have been collected to meet immediate cash needs and in installments as reimbursements accumulate if the loan is outstanding for more than one year.
- 3. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2) in order to more accurately reflect expenditures in the Early Intervention Program (Part C of the Individuals with Disabilities Education Act).
- 4. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority from Schedule (4) 10.10.080-Prevention Program to Schedule (2) 10.10.020-Purchase of Services to more accurately reflect expenditures in the Prevention and Early Start Programs.

~~SEC. 5.~~

~~SEC. 3.~~ It is the intent of the Legislature to transfer current funding for the operations of the Fairview Developmental Center

1 and the Sonoma Developmental Center to fund purchase of services
2 at regional centers.

3 ~~SEC. 6.~~

4 *SEC. 4.* This act is an urgency statute necessary for the
5 immediate preservation of the public peace, health, or safety within
6 the meaning of Article IV of the Constitution and shall go into
7 immediate effect. The facts constituting the necessity are:

8 In order to, at the earliest possible time, facilitate the orderly
9 closure of the developmental centers described in this act, it is
10 necessary that this act take effect immediately.

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