

AMENDED IN SENATE AUGUST 26, 2015

CALIFORNIA LEGISLATURE—2015–16 SECOND EXTRAORDINARY SESSION

SENATE BILL

No. 1

**Introduced by Senator Beall
(Principal coauthors: Senators Monning and Pavley)**

July 2, 2015

An act to amend Sections 4648.4, ~~4681.3~~, 4681.6, 4688.21, 4689.8, 4691.9, and 4860, and to add Sections 4681.2, 4690.7, 4795, and 4796 to, the Welfare and Institutions Code, relating to developmental services.

LEGISLATIVE COUNSEL’S DIGEST

SB 1, as amended, Beall. Developmental services: funding.

(1) The Lanterman Developmental Disabilities Services Act requires the State Department of Developmental Services to contract with regional centers to provide services and supports to individuals with developmental disabilities. Under existing law, the regional centers purchase needed services for individuals with developmental disabilities through approved service providers or arrange for those services through other publicly funded agencies. The annual ~~budget~~ *Budget Act* also appropriates funds to the department to fund regional center operations.

This bill would require the department, subject to an appropriation by the Legislature for these purposes, to increase the funding paid to a regional center for the regional center’s operating budget by 10%, and to increase funding to enable the regional center and the regional center’s purchase-of-service vendors to fund certain costs related to minimum wage requirements. The bill would also require the department to develop a 10-year financial sustainability plan to ensure that the state’s community-based developmental services system effectively serves all individuals with developmental disabilities.

(2) Existing law establishes specified rates to be paid to certain service providers and the rates to be paid for certain developmental services. Existing law requires that rates to be paid to other developmental service providers either be set by the department or negotiated between the regional center and the service provider.

This bill would increase the rates established by existing law by 10%, as specified, and would require a 10% increase to the rates set by the department and the rates negotiated between regional centers and service providers, as specified.

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 4648.4 of the Welfare and Institutions
2 Code is amended to read:

3 4648.4. (a) Notwithstanding any other law, commencing July
4 1, 2006, rates for services listed in paragraphs (1), (2), with the
5 exception of travel reimbursement, (3) to (8), inclusive, (10), and
6 (11) of subdivision (b), shall be increased by 3 percent, subject to
7 funds specifically appropriated for this increase in the Budget Act
8 of 2006. The increase shall be applied as a percentage, and the
9 percentage shall be the same for all providers. Any subsequent
10 change shall be governed by subdivision (b).

11 (b) Notwithstanding any other law, except for subdivision (a),
12 no regional center may pay any provider of the following services
13 or supports a rate that is greater than the rate that is in effect on or
14 after June 30, 2008, unless the increase is required by a contract
15 between the regional center and the vendor that is in effect on June
16 30, 2008, or the regional center demonstrates that the approval is
17 necessary to protect the consumer's health or safety and the
18 department has granted prior written authorization:

- 19 (1) Supported living services.
- 20 (2) Transportation, including travel reimbursement.
- 21 (3) Socialization training programs.
- 22 (4) Behavior intervention training.
- 23 (5) Community integration training programs.
- 24 (6) Community activities support services.
- 25 (7) Mobile day programs.
- 26 (8) Creative art programs.

(9) Supplemental day services program supports.

(10) Adaptive skills trainers.

(11) Independent living specialists.

(c) Notwithstanding subdivisions (a) and (b), and subject to an appropriation of funds by the Legislature for these purposes, a regional center shall increase rates for services listed in paragraphs (1), (2), with the exception of travel reimbursement, and (3) to (11), inclusive, of subdivision (b), ~~where if~~ the rates are determined through a negotiation between the regional center and the provider, by 10 percent above the levels that otherwise would have been in effect on the effective date of the act that added this subdivision, unless the rate for a service was increased pursuant to another provision of the act that added this subdivision.

SEC. 2. Section 4681.3 of the Welfare and Institutions Code is amended to read:

4681.3. (a) Notwithstanding any other provision of this article, for the 1996–97 fiscal year, the rate schedule authorized by the department in operation June 30, 1996, shall be increased based upon the amount appropriated in the Budget Act of 1996 for that purpose. The increase shall be applied as a percentage, and the percentage shall be the same for all providers.

(b) Notwithstanding any other provision of this article, for the 1997–98 fiscal year, the rate schedule authorized by the department in operation on June 30, 1997, shall be increased based upon the amount appropriated in the Budget Act of 1997 for that purpose. The increase shall be applied as a percentage, and the percentage shall be the same for all providers.

(c) Notwithstanding any other provision of this article, for the 1998–99 fiscal year, the rate schedule authorized by the department in operation on June 30, 1998, shall be increased commencing July 1, 1998, based upon the amount appropriated in the Budget Act of 1998 for that purpose. The increase shall be applied as a percentage, and the percentage shall be the same for all providers.

(d) Notwithstanding any other provision of this article, for the 1998–99 fiscal year, the rate schedule authorized by the department in operation on December 31, 1998, shall be increased January 1, 1999, based upon the cost-of-living adjustments in the Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled appropriated in the Budget Act of

1 1998 for that purpose. The increase shall be applied as a percentage
2 and the percentage shall be the same for all providers.

3 (e) Notwithstanding any other provision of this article, for the
4 1999–2000 fiscal year, the rate schedule authorized by the
5 department in operation on June 30, 1999, shall be increased July
6 1, 1999, based upon the amount appropriated in the Budget Act
7 of 1999 for that purpose. The increase shall be applied as a
8 percentage and the percentage shall be the same for all providers.

9 (f) In addition, commencing January 1, 2000, any funds available
10 from cost-of-living adjustments in the Supplemental Security
11 Income/State Supplementary Payment (SSI/SSP) for the 1999–2000
12 fiscal year shall be used to further increase the community care
13 facility rate. The increase shall be applied as a percentage, and the
14 percentage shall be the same for all providers.

15 (g) Notwithstanding any other ~~provision of law or regulation,~~
16 ~~law,~~ for the 2006–07 fiscal year, the rate schedule in effect on June
17 30, 2006, shall be increased on July 1, 2006, by 3 percent, subject
18 to funds specifically appropriated for this increase in the Budget
19 Act of 2006. The increase shall be applied as a percentage and the
20 percentage shall be the same for all providers. Any subsequent
21 increase shall be governed by Sections 4681.5 and 4681.6.

22 (h) *Notwithstanding any other law, for the 2015–16 fiscal year,*
23 *the rate schedule and rates set by the department that are in effect*
24 *on June 30, 2015, shall be increased by 10 percent, subject to*
25 *funds specifically appropriated for this purpose. The increase shall*
26 *be applied as a percentage and the percentage shall be the same*
27 *for all providers. The increase required by this subdivision shall*
28 *be in addition to the rate changes required by Chapter 23 of the*
29 *Statutes of 2015.*

30 ~~SEC. 2.~~

31 SEC. 3. Section 4681.2 is added to the Welfare and Institutions
32 Code, to read:

33 4681.2. Notwithstanding any other law, and subject to an
34 appropriation of funds by the Legislature for these purposes, the
35 department shall increase the rates set for community care facilities
36 serving persons with developmental disabilities by 10 percent
37 above the levels that otherwise would have been in effect on the
38 effective date of the act that added this section.

1 ~~SEC. 3.~~

2 *SEC. 4.* Section 4681.6 of the Welfare and Institutions Code
3 is amended to read:

4 4681.6. (a) Notwithstanding any other law, commencing July
5 1, 2008:

6 (1) A regional center shall not pay an existing residential service
7 provider, for services ~~where~~ *for which* rates are determined through
8 a negotiation between the regional center and the provider, a rate
9 higher than the rate in effect on June 30, 2008, unless the increase
10 is required by a contract between the regional center and the vendor
11 that is in effect on June 30, 2008, or the regional center
12 demonstrates that the approval is necessary to protect the
13 consumer's health or safety and the department has granted prior
14 written authorization.

15 (2) A regional center shall not negotiate a rate with a new
16 residential service provider, for services ~~where~~ *for which* rates are
17 determined through a negotiation between the regional center and
18 the provider, that is higher than the regional center's median rate
19 for the same service code and unit of service, or the statewide
20 median rate for the same service code and unit of service,
21 whichever is lower. The unit of service designation shall conform
22 with an existing regional center designation or, if none exists, a
23 designation used to calculate the statewide median rate for the
24 same service. The regional center shall annually certify to the
25 department its median rate for each negotiated rate service code,
26 by designated unit of service. This certification shall be subject to
27 verification through the department's biennial fiscal audit of the
28 regional center.

29 (b) Notwithstanding subdivision (a), commencing July 1, 2014,
30 regional centers may negotiate a rate adjustment with residential
31 service providers regarding rates that are otherwise restricted
32 pursuant to subdivision (a), if the adjustment is necessary in order
33 to pay employees no less than the minimum wage as established
34 by Section 1182.12 of the Labor Code, as amended by Chapter
35 351 of the Statutes of 2013, and only for the purpose of adjusting
36 payroll costs associated with the minimum wage increase. The
37 rate adjustment shall be specific to the unit of service designation
38 that is affected by the increased minimum wage, shall be specific
39 to payroll costs associated with any increase necessary to adjust
40 employee pay only to the extent necessary to bring pay into

1 compliance with the increased state minimum wage, and shall not
2 be used as a general wage enhancement for employees paid above
3 the minimum wage. Regional centers shall maintain documentation
4 on the process to determine, and the rationale for granting, any
5 rate adjustment associated with the minimum wage increase.

6 (c) Notwithstanding subdivision (a), commencing July 1, 2015,
7 regional centers may negotiate a rate adjustment with residential
8 service providers regarding rates that are otherwise restricted
9 pursuant to subdivision (a), if the adjustment is necessary to
10 implement Article 1.5 (commencing with Section 245) of Chapter
11 1 of Part 1 of Division 2 of the Labor Code, as added by Chapter
12 317 of the Statutes of 2014. The rate adjustment may be applied
13 only if a minimum of 24 hours or three days of paid sick leave per
14 year was not a benefit provided to employees as of June 30, 2015,
15 and shall be specific to payroll costs associated with any increase
16 necessary to compensate an employee up to a maximum of 24
17 hours or three days of paid sick leave in each year of employment.

18 (d) Notwithstanding subdivision (a), and subject to an
19 appropriation of funds by the Legislature for these purposes,
20 regional centers shall increase the rates paid to residential service
21 providers, for services—~~where~~ *for which* rates are determined
22 through a negotiation between the regional center and the provider,
23 by 10 percent above the levels that otherwise would have been in
24 effect on the effective date of the act that added this subdivision.

25 (e) For purposes of this section, “residential service provider”
26 includes Adult Residential Facilities for Persons with Special
27 Health Care Needs, as described in Section 4684.50.

28 (f) This section shall not apply to those services for which rates
29 are determined by the State Department of Health Care Services,
30 or the State Department of Developmental Services, or are usual
31 and customary.

32 ~~SEC. 4.~~

33 *SEC. 5.* Section 4688.21 of the Welfare and Institutions Code
34 is amended to read:

35 4688.21. (a) The Legislature places a high priority on
36 opportunities for adults with developmental disabilities to choose
37 and customize day services to meet their individualized needs;
38 have opportunities to further the development or maintenance of
39 employment and volunteer activities; direct their services; pursue
40 postsecondary education; and increase their ability to lead

1 integrated and inclusive lives. To further these goals, a consumer
2 may choose a tailored day service or vouchered community-based
3 training service, in lieu of any other regional center vendored day
4 program, look-alike day program, supported employment program,
5 or work activity program.

6 (b) (1) A tailored day service shall do both of the following:

7 (A) Include an individualized service design, as determined
8 through the individual program plan (IPP) and approved by the
9 regional center, that maximizes the consumer's individualized
10 choices and needs. This service design may include, but may not
11 be limited to, the following:

12 (i) Fewer days or hours than in the program's approved day
13 program, look-alike day program, supported employment program,
14 or work activity program design.

15 (ii) Flexibility in the duration and intensity of services to meet
16 the consumer's individualized needs.

17 (B) Encourage opportunities to further the development or
18 maintenance of employment, volunteer activities, or pursuit of
19 postsecondary education; maximize consumer direction of the
20 service; and increase the consumer's ability to lead an integrated
21 and inclusive life.

22 (2) The type and amount of tailored day service shall be
23 determined through the IPP process, pursuant to Section 4646.
24 The IPP shall contain, but not be limited to, the following:

25 (A) A detailed description of the consumer's individualized
26 choices and needs and how these choices and needs will be met.

27 (B) The type and amount of services and staffing needed to
28 meet the consumer's individualized choices and needs, and unique
29 health and safety and other needs.

30 (3) The staffing requirements set forth in Section 55756 of Title
31 17 of the California Code of Regulations and subdivision (r) of
32 Section 4851 of this code shall not apply to a tailored day service.

33 (4) For currently vendored programs wishing to offer a tailored
34 day service option, the regional center shall vendor a tailored day
35 service option upon negotiating a rate and maximum units of
36 service design that includes, but is not limited to, the following:

37 (A) A daily or hourly rate and maximum units of service design
38 that does not exceed the equivalent cost of four days per week of
39 the vendor's current rate, if the vendor has a daily day program
40 rate.

1 (B) A rate and maximum units of service design that does not
2 exceed the equivalent cost of four-fifths of the hours of the vendor's
3 current rate, if the vendor has an hourly rate.

4 (5) The regional center shall ensure that the vendor is capable
5 of complying with, and will comply with, the consumer's IPP,
6 individual choice, and health and safety needs.

7 (6) For new programs wishing to offer a tailored day service
8 option, the regional center shall vendor a tailored day service option
9 upon negotiating a rate and maximum units of service design. The
10 rate paid to the new vendor shall not exceed four-fifths of the
11 temporary payment rate or the median rate, whichever is applicable.

12 (7) Notwithstanding any other law, and subject to an
13 appropriation of funds by the Legislature for these purposes, the
14 rates paid to tailored day service providers shall be increased by
15 10 percent above the levels that otherwise would have been in
16 effect on the effective date of the act that added this paragraph.

17 (8) Effective July 1, 2011, and prior to the time of development,
18 review, or modification of a consumer's IPP, regional centers shall
19 provide information about tailored day service to eligible adult
20 consumers. A consumer may request information about tailored
21 day services from the regional center at any time and may request
22 an IPP meeting to secure those services.

23 (c) (1) A vouchered community-based training service is
24 defined as a consumer-directed service that assists the consumer
25 in the development of skills required for community integrated
26 employment or participation in volunteer activities, or both, and
27 the assistance necessary for the consumer to secure employment
28 or volunteer positions or pursue secondary education.

29 (2) Implementation of vouchered community-based training
30 service is contingent upon the approval of the federal Centers for
31 Medicare and Medicaid Services.

32 (3) Vouchered community-based training service shall be
33 provided in natural environments in the community, separate from
34 the consumer's residence.

35 (4) A consumer, parent, or conservator vendored as a vouchered
36 community-based training service shall utilize the services of a
37 financial management services (FMS) entity. The regional center
38 shall provide information about available financial management
39 services and shall assist the consumer in selecting a FMS vendor
40 to act as coemployer.

1 (5) A parent or conservator shall not be the direct support worker
2 employed by the vouchered community-based training service
3 vendor.

4 (6) If the direct support worker is required to transport the
5 consumer, the vouchered community-based training service vendor
6 shall verify that the direct support worker can transport the
7 consumer safely and has a valid California driver's license and
8 proof of insurance.

9 (7) (A) The rate for vouchered community-based training
10 service shall not exceed thirteen dollars and forty-seven cents
11 (\$13.47) per hour. The rate includes employer-related taxes and
12 all transportation needed to implement the service, except as
13 described in paragraph (8). The rate does not include the cost of
14 the FMS.

15 (B) Notwithstanding subparagraph (A), and subject to an
16 appropriation of funds by the Legislature for these purposes, the
17 rate described in subparagraph (A) shall be fourteen dollars and
18 eighty-two cents (\$14.82) per hour.

19 (8) A consumer vendored as a vouchered community-based
20 training service shall also be eligible for a regional center-funded
21 bus pass, if appropriate and needed.

22 (9) Vouchered community-based training service shall be limited
23 to a maximum of 150 hours per quarter. The services to be provided
24 and the service hours shall be documented in the consumer's IPP.

25 (10) A direct support worker of vouchered community-based
26 training service shall be an adult who possesses the skill, training,
27 and experience necessary to provide services in accordance with
28 the IPP.

29 (11) Effective July 1, 2011, and prior to the time of development,
30 review, or modification of a consumer's IPP, regional centers shall
31 provide information about vouchered community-based training
32 service to eligible adult consumers. A consumer may request
33 information about vouchered community-based training service
34 from the regional center at any time and may request an IPP
35 meeting to secure those services.

36 (12) The type and amount of vouchered community-based
37 training service shall be determined through the IPP process
38 pursuant to Section 4646. The IPP shall contain, but not be limited
39 to, the following:

1 (A) A detailed description of the consumer's individualized
2 choices and needs and how these choices and needs will be met.

3 (B) The type and amount of services and staffing needed to
4 meet the consumer's individualized choices and unique health and
5 safety and other needs.

6 (d) The department may adopt emergency regulations for
7 tailored day service or vouchered community-based training
8 service. The adoption, amendment, repeal, or readoption of a
9 regulation authorized by this subdivision is deemed to be necessary
10 for the immediate preservation of the public peace, health and
11 safety, or general welfare, for purposes of Sections 11346.1 and
12 11349.6 of the Government Code, and the department is hereby
13 exempted from the requirement that it describe specific facts
14 showing the need for immediate action. A certificate of compliance
15 for these implementing regulations shall be filed within 24 months
16 following the adoption of the first emergency regulations filed
17 pursuant to this subdivision.

18 ~~SEC. 5.~~

19 *SEC. 6.* Section 4689.8 of the Welfare and Institutions Code
20 is amended to read:

21 4689.8. (a) Notwithstanding any other law, commencing July
22 1, 2008:

23 (1) A regional center shall not pay an existing supported living
24 service provider, for services ~~where~~ *for which* rates are determined
25 through a negotiation between the regional center and the provider,
26 a rate higher than the rate in effect on June 30, 2008, unless the
27 increase is required by a contract between the regional center and
28 the vendor that is in effect on June 30, 2008, or the regional center
29 demonstrates that the approval is necessary to protect the
30 consumer's health or safety and the department has granted prior
31 written authorization.

32 (2) A regional center shall not negotiate a rate with a new
33 supported living service provider, for services ~~where~~ *for which*
34 rates are determined through a negotiation between the regional
35 center and the provider, that is higher than the regional center's
36 median rate for the same service code and unit of service, or the
37 statewide median rate for the same service code and unit of service,
38 whichever is lower. The unit of service designation shall conform
39 with an existing regional center designation or, if none exists, a
40 designation used to calculate the statewide median rate for the

1 same service. The regional center shall annually certify to the State
2 Department of Developmental Services its median rate for each
3 negotiated rate service code, by designated unit of service. This
4 certification shall be subject to verification through the
5 department's biennial fiscal audit of the regional center.

6 (b) Notwithstanding subdivision (a), and subject to an
7 appropriation of funds by the Legislature for these purposes,
8 regional centers shall increase the rates paid to supported living
9 service providers, for services ~~where~~ *for which* rates are determined
10 through a negotiation between the regional center and the provider,
11 by 10 percent above the levels that otherwise would have been in
12 effect on the effective date of the act that added this subdivision.

13 ~~SEC. 6.~~

14 *SEC. 7.* Section 4690.7 is added to the Welfare and Institutions
15 Code, to read:

16 4690.7. (a) Notwithstanding any other law, and subject to an
17 appropriation of funds by the Legislature for these purposes, the
18 department shall increase the rates set for nonresidential service
19 providers by 10 percent above the levels that otherwise would have
20 been in effect on the effective date of the act that added this section.

21 ~~SEC. 7.~~

22 *SEC. 8.* Section 4691.9 of the Welfare and Institutions Code
23 is amended to read:

24 4691.9. (a) Notwithstanding any other law, commencing July
25 1, 2008:

26 (1) A regional center shall not pay an existing service provider,
27 for services where rates are determined through a negotiation
28 between the regional center and the provider, a rate higher than
29 the rate in effect on June 30, 2008, unless the increase is required
30 by a contract between the regional center and the vendor that is in
31 effect on June 30, 2008, or the regional center demonstrates that
32 the approval is necessary to protect the consumer's health or safety
33 and the department has granted prior written authorization.

34 (2) A regional center shall not negotiate a rate with a new service
35 provider, for services where rates are determined through a
36 negotiation between the regional center and the provider, that is
37 higher than the regional center's median rate for the same service
38 code and unit of service, or the statewide median rate for the same
39 service code and unit of service, whichever is lower. The unit of
40 service designation shall conform with an existing regional center

1 designation or, if none exists, a designation used to calculate the
2 statewide median rate for the same service. The regional center
3 shall annually certify to the State Department of Developmental
4 Services its median rate for each negotiated rate service code, by
5 designated unit of service. This certification shall be subject to
6 verification through the department's biennial fiscal audit of the
7 regional center.

8 (b) Notwithstanding subdivision (a), commencing July 1, 2014,
9 regional centers may negotiate a rate adjustment with providers
10 regarding rates if the adjustment is necessary in order to pay
11 employees no less than the minimum wage as established by
12 Section 1182.12 of the Labor Code, as amended by Chapter 351
13 of the Statutes of 2013, and only for the purpose of adjusting
14 payroll costs associated with the minimum wage increase. The
15 rate adjustment shall be specific to the unit of service designation
16 that is affected by the increased minimum wage, shall be specific
17 to payroll costs associated with any increase necessary to adjust
18 employee pay only to the extent necessary to bring pay into
19 compliance with the increased state minimum wage, and shall not
20 be used as a general wage enhancement for employees paid above
21 the increased minimum wage. Regional centers shall maintain
22 documentation on the process to determine, and the rationale for
23 granting, any rate adjustment associated with the minimum wage
24 increase.

25 (c) Notwithstanding any other law or regulation, commencing
26 January 1, 2015, rates for personal assistance and supported living
27 services in effect on December 31, 2014, shall be increased by
28 5.82 percent, subject to funds specifically appropriated for this
29 increase for costs due to changes in federal regulations
30 implementing the federal Fair Labor Standards Act of 1938 (29
31 U.S.C. Sec. 201 et seq.). The increase shall be applied as a
32 percentage, and the percentage shall be the same for all applicable
33 providers. As used in this subdivision, both of the following
34 definitions shall apply:

35 (1) "Personal assistance" is limited only to those services
36 provided by vendors classified by the regional center as personal
37 assistance providers, pursuant to the miscellaneous services
38 provisions contained in Title 17 of the California Code of
39 Regulations.

1 (2) “Supported living services” are limited only to those services
2 defined as supported living services in Title 17 of the California
3 Code of Regulations.

4 (d) Notwithstanding subdivision (a), commencing July 1, 2015,
5 regional centers may negotiate a rate adjustment with existing
6 service providers for services for which rates are determined
7 through negotiation between the regional center and the provider,
8 if the adjustment is necessary to implement Article 1.5
9 (commencing with Section 245) of Chapter 1 of Part 1 of Division
10 2 of the Labor Code, as added by Chapter 317 of the Statutes of
11 2014. The rate adjustment may be applied only if a minimum of
12 24 hours or three days of paid sick leave per year was not a benefit
13 provided to employees as of June 30, 2015, and shall be specific
14 to payroll costs associated with any increase necessary to
15 compensate an employee up to a maximum of 24 hours or three
16 days of paid sick leave in each year of employment.

17 (e) Notwithstanding subdivision (a), and subject to an
18 appropriation of funds by the Legislature for these purposes,
19 regional centers shall increase the rates paid to service providers,
20 for services—~~where~~ *for which* rates are determined through a
21 negotiation between the regional center and the provider, by 10
22 percent above the levels that otherwise would have been in effect
23 on the effective date of the act that added this subdivision.

24 (f) This section shall not apply to those services for which rates
25 are determined by the State Department of Health Care Services,
26 or the State Department of Developmental Services, or are usual
27 and customary.

28 ~~SEC. 8.~~

29 *SEC. 9.* Section 4795 is added to the Welfare and Institutions
30 Code, to read:

31 4795. (a) The department shall, subject to an appropriation of
32 funds by the Legislature for these purposes, increase the funding
33 provided to a regional center for the regional center’s operating
34 budget by 10 percent above the levels that otherwise would have
35 been in effect on the effective date of the act that added this section.

36 (b) The department shall, subject to an appropriation of funds
37 by the Legislature for these purposes, increase the funding provided
38 to a regional center to enable the regional center and regional
39 center’s purchase-of-service vendors to fund all of the following
40 costs associated with minimum wage requirements:

1 (1) The costs ~~necessary~~ to comply with a statewide minimum
2 wage requirement.

3 (2) The costs ~~necessary~~ to comply with minimum wage
4 requirements enacted by local governments that exceed the
5 statewide minimum wage.

6 (3) The costs ~~necessary~~ to increase compensation for exempt,
7 salaried employees to comply with wage orders issued by the
8 Industrial Welfare Commission or any other state regulatory
9 agency.

10 (4) Any other wage adjustments that vendors are required to
11 make in response to minimum wage increases mandated by state
12 or federal statutes, regulations, or other authorities.

13 ~~SEC. 9.~~

14 *SEC. 10.* Section 4796 is added to the Welfare and Institutions
15 Code, to read:

16 4796. The department shall develop a 10-year financial
17 sustainability plan to ensure that the state's community-based
18 developmental services system effectively serves all individuals
19 with developmental disabilities.

20 ~~SEC. 10.~~

21 *SEC. 11.* Section 4860 of the Welfare and Institutions Code is
22 amended to read:

23 4860. (a) (1) (A) The hourly rate for supported employment
24 services provided to consumers receiving individualized services
25 shall be thirty dollars and eighty-two cents (\$30.82).

26 (B) Notwithstanding subparagraph (A), and subject to an
27 appropriation of funds by the Legislature for these purposes, the
28 rate described in subparagraph (A) shall be thirty-three dollars and
29 ninety cents (\$33.90).

30 (2) Job coach hours spent in travel to consumer worksites may
31 be reimbursable for individualized services only when the job
32 coach travels from the vendor's headquarters to the consumer's
33 worksite or from one consumer's worksite to another, and only
34 when the travel is one way.

35 (b) (1) The hourly rate for group services shall be thirty dollars
36 and eighty-two cents (\$30.82), regardless of the number of
37 consumers served in the group. Consumers in a group shall be
38 scheduled to start and end work at the same time, unless an
39 exception that takes into consideration the consumer's compensated
40 work schedule is approved in advance by the regional center. The

department, in consultation with stakeholders, shall adopt regulations to define the appropriate grounds for granting these exceptions. When the number of consumers in a supported employment placement group drops to fewer than the minimum required in subdivision (r) of Section 4851, the regional center may terminate funding for the group services in that group, unless, within 90 days, the program provider adds one or more regional centers, or Department of Rehabilitation-funded supported employment consumers to the group.

(2) Notwithstanding paragraph (1), and subject to an appropriation of funds by the Legislature for these purposes, the rate described in paragraph (1) shall be thirty-three dollars and ninety cents (\$33.90).

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

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

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

(B) Notwithstanding subparagraph (A), and subject to an appropriation of funds by the Legislature for these purposes, the fee described in subparagraph (A) shall be ~~three-hundred-ninety-six-dollars~~ *three hundred ninety-six dollars* (\$396).

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

(B) Notwithstanding subparagraph (A), and subject to an appropriation of funds by the Legislature for these purposes, the fee described in subparagraph (A) shall be ~~seven-hundred-ninety-two-dollars~~ *seven hundred ninety-two dollars* (\$792).

1 (3) (A) A seven-hundred-twenty-dollar (\$720) fee shall be paid
2 after a 90-day retention of a consumer in a job, except that no fee
3 shall be paid if that consumer has been placed with another
4 consumer or consumers, assigned to the same job coach during
5 the same hours of employment.

6 (B) Notwithstanding subparagraph (A), and subject to an
7 appropriation of funds by the Legislature for these purposes, the
8 fee described in subparagraph (A) shall be
9 ~~seven-hundred-ninety-two-dollars~~ *seven hundred ninety-two dollars*
10 (\$792).

11 (e) Notwithstanding paragraph (4) of subdivision (a) of Section
12 4648, the regional center shall pay the supported employment
13 program rates established by this section.

14 ~~SEC. 11. The Legislature declares that the changes made by~~
15 ~~this act are not intended to result in the substantial impairment of~~
16 ~~any contract. To the extent any contract would be substantially~~
17 ~~impaired as a result of the application of any change made by this~~
18 ~~act, it is the intent of the Legislature that the change apply only to~~
19 ~~contracts renewed or entered into on or after the effective date of~~
20 ~~this act.~~

21 *SEC. 12. The rate increases for developmental services*
22 *required by this act shall supplement, and not supplant, increases*
23 *to those rates made by the Budget Act of 2015 and Chapter 23 of*
24 *the Statutes of 2015.*

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