

**Introduced by Senator Stone**

February 27, 2015

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An act to add Sections 4474.6 and 4474.7 to the Welfare and Institutions Code, relating to developmental services.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 639, as introduced, Stone. 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 department 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 submit a plan to the Legislature by April 1, 2016, to close the Sonoma Developmental Center and the Fairview Developmental Center. The bill would require the plan to meet existing requirements for closing a developmental center and to additionally include, specified components, including a closure plan that will result in each of the 2 developmental centers closing no later than December 31, 2018, except as specified. The bill would also require the plan to include a plan for using the properties occupied by the 2 developmental centers, as specified, and would require the department to work with the Department of General Services to estimate potential revenues that may be generated from different options for use of the properties.

The bill would state the intent of the Legislature that the department minimize the expenditure of state funds related to any developmental center residential units that are decertified for failure to meet federal or state health and safety laws or regulations or that receive notification from a state or federal regulator that they are at risk of decertification for failure to meet those laws or regulations, and that funds previously used to operate developmental centers instead be shifted to support community-based services for individuals with developmental disabilities.

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. The Legislature finds and declares all of the  
2     following:

3     (a) California's vision to create fulfilling lives for individuals  
4     with developmental disabilities launched in 1969 with the passage  
5     of the Lanterman Developmental Disabilities Services Act,  
6     authored by Assembly Member Frank Lanterman and signed by  
7     Governor Ronald Reagan. However, the Lanterman Act's vision  
8     is now threatened by neglect of the community service system and  
9     wasteful spending on outdated state institutions.

10    (b) State-operated institutions known as developmental centers  
11    consume a disproportionate share of state spending. The  
12    developmental center budget totals over \$563 million for the  
13    2014–15 fiscal year, or \$504,000 for each of the roughly 1,100  
14    developmental center residents in those centers. Compare this to  
15    the average of \$17,000 spent on each of the 280,000 individuals  
16    with developmental disabilities that reside and receive services in  
17    the community.

18    (c) Additionally, the developmental center system is plagued  
19    with health and safety problems that threaten the well-being of  
20    residents. The Sonoma Developmental Center lost its federal  
21    certification in 2012 due to significant health and safety violations,  
22    which not only harmed residents but also resulted in the loss of  
23    millions of dollars annually in federal funds. The other  
24    developmental centers are also facing the possibility of  
25    decertification based on violations of federal health and safety  
26    standards.

(d) The Legislature finds that it would not be prudent to continue spending state funds in a potentially futile effort to restore decertified residential units to good standing. Instead, residents of units that do not meet health and safety standards would be better served by receiving priority for transferring to community-based residences with appropriate services and supports.

(e) The closure process for the Agnews Developmental Center, which moved out its last resident in 2009, began in 2003. The closure process for the Lanterman Developmental Center took over four years. While care and caution were essential to ensure that residents found suitable housing and services in their communities, closing these facilities took more time than necessary to achieve those goals.

(f) The State Department of Developmental Services conducted an extensive stakeholder process known as the Developmental Services Task Force that produced a roadmap in January 2014 for the future of the developmental center system. It is the intent of the Legislature to carry out the principles reflected in that roadmap.

(g) It is essential that California recommit itself to vibrant and sustainable community services that will maximize opportunities for disabled individuals to thrive in their own neighborhoods. The Legislature intends to close additional developmental centers and shift the funds now being spent ineffectively for developmental center operations to shore up the community services system instead.

SEC. 2. Section 4474.6 is added to the Welfare and Institutions Code, to read:

4474.6. (a) The department shall submit a plan to the Legislature by April 1, 2016, to close the Sonoma Developmental Center and the Fairview Developmental Center. The plan shall meet the requirements of Section 4474.1 and shall additionally include, but is not limited to, all of the following components:

(1) A closure plan that will result in each of the two developmental centers closing no later than December 31, 2018. If the department concludes that it is not feasible to close the two developmental centers by that date, the plan shall provide a detailed rationale for that conclusion and a revised date for closure of each of the two centers. The revised date shall not be later than December 31, 2019.

1 (2) A plan to reduce developmental center staff in an efficient  
2 manner that facilitates shifting funds from developmental center  
3 operations to community services as warranted by the transition  
4 of the developmental center population to the community.

5 (3) A plan for using the properties occupied by the two  
6 developmental centers to benefit the developmentally disabled  
7 community on an ongoing basis. The department shall work with  
8 the Department of General Services to estimate potential revenues  
9 that may be generated from different options for use of the  
10 properties. These options shall include, but may not be limited to,  
11 the following:

12 (A) Providing ongoing revenues to support community-based  
13 services through lease or rental agreements between the Department  
14 of Developmental Services and private entities, local governments,  
15 or other state departments.

16 (B) Developing community-based, integrated housing resources  
17 for use by individuals with developmental disabilities in a manner  
18 similar to the Harbor Village development located adjacent to the  
19 Fairview Developmental Center.

20 (C) Other proposals for commercial development that would  
21 provide ongoing revenues to the state for purposes of supporting  
22 community-based services for individuals with developmental  
23 disabilities.

24 (b) The plan described in subdivision (a) shall be submitted in  
25 compliance with Section 9795 of the Government Code.

26 SEC. 3. Section 4474.7 is added to the Welfare and Institutions  
27 Code, to read:

28 4474.7. (a) It is the intent of the Legislature that the department  
29 minimize the expenditure of state funds related to any  
30 developmental center residential units that are decertified for failure  
31 to meet federal or state health and safety laws or regulations or  
32 that receive notification from a state or federal regulator that they  
33 are at risk of decertification for failure to meet of those laws or  
34 regulations. The department shall instead give residents of any of  
35 those units priority for moving to a community-based residence  
36 with appropriate community supports and services, as determined  
37 by the resident's individual program plan.

38 (b) It is the intent of the Legislature that funds previously used  
39 to operate developmental centers instead be shifted to support

1 community-based services for individuals with developmental  
2 disabilities.

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