ANALYSIS OF CALIFORNIA'S COMMITMENT TO DEVELOPMENTAL DISABILITIES SERVICES*

David Braddock, Ph.D.
Professor in Psychiatry, University of Colorado School of Medicine
Director, State of the States in Developmental Disabilities Project

and

Richard Hemp, M.A.
State of the States in Developmental Disabilities Project
Department of Psychiatry, University of Colorado School of Medicine

JANUARY 23, 2004

INTRODUCTION

This paper addresses five questions on the provision of services for California's citizens with developmental disabilities. Specifically:

1. How does California's spending for developmental disabilities services compare to other states?
2. What is California's "fiscal effort" for developmental disabilities spending compared to other states?
3. To what extent does California capture federal financial support for developmental disabilities services, especially from the Medicaid Home and Community Based (HCBS) Waiver?
4. How does California compare to other states in the provision of out-of-home residential services for persons with developmental disabilities? and,
5. What are the most important factors influencing the growing demand for services for persons with developmental disabilities in California?

---

* Preparation of this report was funded by a subcontract from the California Alliance for Inclusive Communities, Inc. (CAIC) and by a grant from the Center for Disability Studies and Community Inclusion, USC University Center of Excellence, Grant # 90DD0540 from the Administration on Developmental Disabilities.

1. GROWTH IN DD SPENDING IN CALIFORNIA HAS HISTORICALLY APPROXIMATED THE AVERAGE STATE'S PERFORMANCE.

Inflation-adjusted developmental disabilities spending in California advanced 5.8% per year during fiscal years 1977-2002*, slightly above the average rate of 5.2% nationwide. California ranked 29th among the states and those 28 states posted greater average annual increases of from 6-12% per year. ***Table 1*** ranks the states' average rate of growth over the past 25 years. To adjust for inflation we used the state and local government sub-index of the implicit price deflator index (Bureau of Economic Analysis, 2003).

TABLE 1

STATES RANKED BY AVERAGE ANNUAL INFLATION-ADJUSTED GROWTH IN DD SPENDING: 1977-2002

RANK	STATE	% GROWTH	RANK	STATE	% GROWTH
1	Nevada	12.1%	27	Arkansas	6.0%
2	Arizona	9.4%	28	Alaska	6.0%
3	Maine	8.5%	29	**CALIFORNIA**	**5.8%**
4	New Mexico	8.1%	30	South Carolina	5.8%
5	Oklahoma	8.0%	31	Ohio	5.6%
6	Delaware	7.8%	32	Indiana	5.6%
7	New Hampshire	7.7%	33	South Dakota	5.3%
8	Connecticut	7.4%	34	New York	5.1%
9	West Virginia	7.4%	35	Missouri	4.8%
10	Utah	7.3%	36	Maryland	4.7%
11	Oregon	6.9%	37	Colorado	4.6%
12	North Dakota	6.9%	38	Virginia	4.5%
13	Tennessee	6.8%	39	Texas	4.4%
14	Louisiana	6.8%	40	Iowa	4.2%
15	Washington	6.7%	41	District of Columbia	4.2%
16	Mississippi	6.6%	42	Wisconsin	4.1%
17	Vermont	6.5%	43	Georgia	4.1%
18	Wyoming	6.5%	44	Nebraska	3.9%
19	Rhode Island	6.4%	45	Michigan	3.9%
20	Idaho	6.3%	46	Kansas	3.9%
21	North Carolina	6.2%	47	Illinois	3.8%
22	Minnesota	6.1%	48	Pennsylvania	3.8%
23	Kentucky	6.1%	49	Montana	3.4%
24	Florida	6.1%	50	Alabama	3.2%
25	Massachusetts	6.1%	51	Hawaii	2.7%
26	New Jersey	6.0%		**UNITED STATES**	**5.2%**

Source: Braddock, Hemp, & Rizzolo (in press).

2. FISCAL EFFORT FOR DD SERVICES IN CALIFORNIA HAS CONSISTENTLY LAGGED BEHIND THE AVERAGE STATE'S PERFORMANCE.

Fiscal effort is a ratio that is utilized to rank states according to the proportion of their total statewide personal income devoted to the financing of mental

* Note: In this paper "fiscal year 2002" is July 1, 2001 - June 30, 2002 for California and all other states except Alabama, DC, and Michigan (10/1-9/30 fiscal year); New York (4/1-3/31); and Texas (9/1-8/31).

retardation/developmental disabilities (MR/DD) services (Braddock, 2002; Rizzolo, Hemp, Braddock, & Pomeranz-Essley, 2004). Fiscal effort is defined as a state's spending for MR/DD services per $1,000 of total state-wide aggregate personal income. Comparing states' fiscal effort levels enables distinctions to be made between those states that have a strong financial commitment and those that do not (Bahl, 1982). This knowledge is useful as an objective standard of comparison among the states in policy making (Caiden, 1978).

Figure 1 illustrates fiscal effort for MR/DD services in California and the United States. The California effort has been consistently below the U.S. average for each of the past 25 years, ranking below 60% or more of the states each year. California's effort advanced from $1.82 in 1977 to $3.30 in 2002 and there were essentially five distinct periods of change over that span of time. First, during 1977 to 1981, fiscal effort advanced 21% from $1.82 to $2.20, slightly less than the U.S. increase of 23%. However, in the second period, 1981 to 1984, the rate of change in California's fiscal effort level diverged greatly from the U.S., dropping 10% while the U.S. effort increased 5%.

In the third period, 1984 to 1995, fiscal effort in both California and the U.S. advanced steadily, except for three years in which California effort levels declined slightly (1987, 1990, and 1992). Over-all, California effort increased 47% and the nation's effort increased 37% between 1984 and 1995. During the fourth period, 1995 to 1998, fiscal effort declined 1% in the U.S. and 7% in California.

In the final period, 1998-02, spending increased 12% in the U.S. and 21% in California. However, California's 2002 fiscal effort of $3.30 was still 16% below the U.S. effort of $3.94. **California ranked 39th among the states in 2002 fiscal effort for**

MR/DD services (*Table 2*). The State had ranked 37th in fiscal year 1997, dropping two positions in ranking from 1997 to 2002.

TABLE 2
2002 FISCAL EFFORT RANKINGS FOR MR/DD SERVICES*

STATE	TOTAL	COMMUNITY	INSTITUTIONAL	STATE	TOTAL	COMMUNITY	INSTITUTIONAL
Maine	1	1	42	Montana	27	24	29
Minnesota	2	3	37	Delaware	28	31	16
Rhode Island	3	2	43	Mississippi	29	46	2
New York	4	4	22	Nebraska	30	32	18
North Dakota	5	5	7	Tennessee	31	36	15
Iowa	6	19	1	Indiana	32	33	26
Connecticut	7	9	5	New Hampshire	33	22	47
Wyoming	8	10	19	New Jersey	34	40	10
Louisiana	9	25	3	Missouri	35	39	13
Vermont	10	6	50	Washington	36	35	27
Ohio	11	17	9	Utah	37	37	21
Pennsylvania	12	14	17	Michigan	38	26	45
Oklahoma	13	20	11	**CALIFORNIA**	**39**	**34**	**32**
West Virginia	14	7	41	Illinois	40	42	8
Massachusetts	15	16	23	Arizona	41	30	40
Wisconsin	16	23	6	Texas	42	44	25
New Mexico	17	8	48	Kentucky	43	50	20
Arkansas	18	29	4	Colorado	44	38	44
South Dakota	19	18	24	Maryland	45	41	38
Idaho	20	15	31	Virginia	46	47	28
Oregon	21	13	36	Georgia	47	45	35
District of Columbia	22	11	46	Alabama	48	48	33
Kansas	23	21	30	Florida	49	49	34
North Carolina	24	28	12	Hawaii	50	43	49
South Carolina	25	27	14	Nevada	51	51	39
Alaska	26	12	50				

*"Fiscal effort" is spending for MR/DD services per $1,000 of aggregate state-wide personal income; states ranked, highest to lowest, on 2002 total fiscal effort.

Source: Rizzolo et al. (2004).

The California In-home Supportive Services (IHSS) Program California's IHSS program is administered by the California Department of Social Services and provides personal care for up to nine hours a day for some children with developmental disabilities, for adults living in supported or independent living, and for adults living with their family or in their own home. These supports are not included in the States of the States determination of fiscal effort. This analysis determines a lower bound and upper bound estimate of California's IHSS program expenditure for people with developmental disabilities in 2002. This estimated IHSS spending is then added to California's fiscal effort. The estimation is highly advantageous to California's fiscal effort since most other states also have personal care programs not administered by their principal state MR/DD agencies, and therefore spending for these programs is not included in the fiscal effort calculation.

Detailed recipient and cost data are available for the overall IHSS program, but not specifically for the program's consumers with developmental disabilities (California DSS, 2001, 2002). In December 2001 (i.e., state fiscal year 2002), there were 269,369

IHSS recipients and an annual expenditure (excepting administration costs) of $1.875 billion. Recipients who were blind/disabled constituted 53.5% of all IHSS recipients (California DSS, 2002). The blind/disabled expenditure was estimated to be $1.003 billion, or 53.5% of total IHSS spending in fiscal year 2002.

The Social Security Administration (2002) reported that 18.3% of California's blind/disabled SSI/SSP recipients had mental retardation and related developmental disabilities in fiscal year 2002 (December 2001). Applying this percentage to the previously determined blind/disabled IHSS expenditure of $1.003 billion yields an estimated $184 million in IHSS benefits for the 26,538 recipients with DD. This represents an average recipient cost of $580 per month, equal to the average cost in the IHSS program overall. Since people with developmental disabilities may utilize more hours overall than the average blind/disabled recipient, this calculation clearly represents a lower bound estimate of DD IHSS expenditure. To determine an upper bound estimate, we assume that the entire blind/disabled expenditure of $1.003 billion would be used for the 18.3% of blind/disabled recipients who have DD, representing a cost per recipient of $3,171 per month.

Effect on California's Fiscal Effort When the estimated $184 million in IHSS spending for DD recipients is added to total 2002 DD spending in the State, California's fiscal effort increases to $3.46/$1,000 of personal income. This is an advance of four positions to 35th in 2002 fiscal effort ranking. When all resources for blind/disabled IHSS recipients are included, a highly dubious proposition adding $1.003 billion to state DD spending, California would still be in the lower half of the states (rank of 27th). **In conclusion, California ranks significantly below the national norm for DD fiscal effort, even when the estimated IHSS expenditure is included in the calculations.**

3. CALIFORNIA IS UNDERUTILIZING THE HOME AND COMMUNITY BASED SERVICES WAIVER COMPARED TO OTHER STATES.

Waiver Utilization Rapid growth in HCBS Waiver spending across the nation is testimony to the flexibility that the Waiver affords states in financing family-based services and individualized residential and day/work programs. Therefore, an important state priority is to maximize the level of Medicaid Waiver reimbursement for MR/DD long-term care services and supports.

California captures HCBS Waiver funding for DD services at a rate significantly below that of the average state. Per capita Waiver spending in California (federal-state Waiver spending per citizen of the general population) was $24 in 2002. This was 53% of the U.S. average of $45 per capita and the state ranked 41st nationally (***Table 3***). California must increase the State's federal Waiver reimbursement of $438 million by 85%, to $809 million, in order to match the U.S. average per capita spending in 2002.

Unmatched State Funds Unmatched state funds are determined by subtracting the following from total MR/DD spending in a given state: a) current federal/state/local Medicaid spending (i.e., spending for ICFs/MR, the HCBS Waiver, and other Medicaid

TABLE 3

FEDERAL-STATE WAIVER SPENDING PER CAPITA IN FISCAL YEAR 2002*

Rank	State	Waiver Recipients	Federal-State Spending	State Population	Per Capita	Rank	State	Waiver Recipients	Federal-State Spending	State Population	Per Capita
1	Rhode Island	2,674	$160,748,298	1,080,173	$149	27	Tennessee	4,340	$255,794,997	5,819,184	$44
2	Minnesota	14,514	$722,809,199	5,031,023	$144	28	Utah	3,546	$99,782,831	2,311,734	$43
3	Vermont	1,885	$75,798,207	618,977	$122	29	Iowa	5,062	$119,482,849	2,941,823	$41
4	Maine	2,200	$149,871,432	1,296,262	$116	30	Washington	11,499	$226,068,869	6,051,910	$37
5	Connecticut	5,890	$386,343,742	3,470,256	$111	31	South Carolina	4,536	$145,003,945	4,115,507	$35
6	New York	43,330	$2,112,265,026	19,145,337	$110	32	Michigan	8,338	$352,617,126	10,044,635	$35
7	Wyoming	1,507	$53,829,149	499,293	$108	33	Missouri	7,936	$182,733,357	5,679,138	$32
8	New Hampshire	2,812	$118,700,136	1,275,313	$93	34	Louisiana	4,007	$143,195,523	4,497,318	$32
9	New Mexico	2,794	$156,591,772	1,857,603	$84	35	Alabama	4,652	$136,619,067	4,508,387	$30
10	Alaska	867	$51,730,746	638,808	$81	36	North Carolina	5,931	$252,054,786	8,346,611	$30
11	Pennsylvania	22,916	$967,676,049	12,384,102	$78	37	Florida	25,214	$473,721,703	16,767,908	$28
12	Massachusetts	11,739	$499,327,766	6,443,644	$77	38	Hawaii	1,560	$34,813,473	1,235,346	$28
13	South Dakota	2,164	$59,144,973	764,241	$77	39	Virginia	5,367	$201,810,632	7,278,722	$28
14	Wisconsin	11,228	$410,135,178	5,447,449	$75	40	Georgia	8,190	$223,556,231	8,556,791	$26
15	Kansas	6,050	$189,486,268	2,707,689	$70	41	CALIFORNIA	45,094	$851,940,618	34,869,686	$24
16	Oregon	7,509	$243,068,502	3,517,842	$69	42	Ohio	7,797	$261,449,704	11,410,239	$23
17	North Dakota	2,011	$43,202,309	635,787	$68	43	Kentucky	1,602	$91,752,590	4,097,444	$22
18	Oklahoma	4,198	$223,674,674	3,492,974	$64	44	Idaho	1,139	$28,024,342	1,340,483	$21
19	Nebraska	2,419	$108,406,685	1,728,861	$63	45	Indiana	3,820	$125,452,418	6,167,894	$20
20	West Virginia	2,837	$111,085,601	1,801,109	$62	46	Illinois	8,800	$244,792,522	12,592,556	$19
21	Colorado	6,335	$247,254,510	4,522,524	$55	47	Arkansas	2,486	$52,846,015	2,736,652	$19
22	Delaware	547	$43,554,732	808,719	$54	48	Texas	6,380	$272,458,625	21,810,182	$12
23	Arizona	13,241	$285,263,826	5,459,988	$52	49	Nevada	1,086	$24,139,748	2,190,456	$11
24	New Jersey	7,486	$402,982,000	8,588,867	$47	50	Mississippi	1,474	$25,878,011	2,886,344	$9
25	Montana	1,459	$42,001,494	911,438	$46	51	District of Columbia	225	$2,714,286	598,044	$5
26	Maryland	6,763	$246,441,344	5,432,289	$45		UNITED STATES	367,456	$12,940,097,886	288,415,558	$45

*States ranked by federal-state Waiver spending per capita; the 2002 state population data were adjusted for the state fiscal year by averaging 7/1/01 and 7/1/02 data from the U.S. Bureau of the Census (2002).

Source: Rizzolo et al. (2004).

services including personal assistance, targeted case management, clinic services, rehabilitative services, and administrative services; b) SSI state supplement payments; and c) any other federal funds (i.e., Title XX/Social Services Block Grant (SSBG) funds, Waiver participants' federal social security benefits, and other rehabilitation, education, or discretionary federal funds for institutional or community services). The balance, "unmatched state funds," consists almost exclusively of state general funds and local government funds not being used to match federal Medicaid funds (Hemp, Braddock, Parish, & Smith, 2001; Rizzolo et al., 2004).

In 2002, California's potentially available unmatched funds totaled $959.4 million, or 26% of the State's total DD spending of $3.75 billion*. California had significantly more unmatched funds than the U.S. average (14%) and exceeded the unmatched funding levels in 46 other states. In absolute terms, California's nearly $1.0 billion in unmatched funds was larger than the amount in any other state (***Table 4***).

* The $3.75 billion is comprised of the following expenditure components: 1) $2.75 billion in federal-state funding for the California Department of Developmental Services community services, developmental centers, and headquarters support (California DDS, 2002); 2) $.32 billion for State Supplemental Payments (SSP) for DDS recipients budgeted in the California Department of Social Services; 3) $.29 billion in federal Supplemental Security Income and Adult Disabled Child benefits for HCBS Waiver participants (an estimated $545 per month for 45,094 participants); and 4) $.39 billion for private, Medi-Cal reimbursed Intermediate Care Facility/Developmental Disabilities (ICF/DD) spending that is budgeted for in the California Department of Health Services. Including SSP payments, federal Social Security benefits, and federal-state ICF/DD funding is consistent with the State of the States study methodology that is applicable to all states.

TABLE 4

STATE FUNDS POTENTIALLY AVAILABLE TO MATCH ADDITIONAL FEDERAL MEDICAID FUNDING: 2002

RANK	STATE[1]	TOTAL MR/DD SPENDING[2]	UNMATCHED FUNDS[3]	UNMATCHED % OF TOTAL SPENDING
1	Ohio	$1,733,369,455	$549,907,313	32%
2	Delaware	$109,446,475	$32,272,237	29%
3	Connecticut	$909,044,373	$244,753,756	27%
4	New Jersey	$1,155,861,043	$310,116,925	27%
5	**CALIFORNIA**	**$3,746,775,414**	**$959,357,496**	**26%**
6	Virginia	$583,718,685	$139,331,104	24%
7	Alaska	$84,859,817	$19,941,395	23%
8	Texas	$1,611,354,356	$372,857,692	23%
9	Massachusetts	$1,204,149,167	$277,059,950	23%
10	District of Columbia	$106,144,602	$23,637,429	22%
11	Missouri	$555,615,769	$121,018,849	22%
12	Illinois	$1,358,129,581	$288,541,247	21%
13	Oregon	$449,626,582	$90,353,850	20%
14	Maryland	$460,426,959	$91,626,384	20%
15	Iowa	$512,463,036	$91,484,870	18%
16	North Carolina	$990,651,668	$173,059,053	17%
17	Georgia	$548,198,477	$90,957,995	17%
18	Nevada	$80,704,304	$12,714,769	16%
	UNITED STATES	**$34,641,167,070**	**$4,908,623,595**	**14%**

[1]The 18 states that had the highest percentages of unmatched state funds and exceeded the U.S. (14%).
[2]"Total MR/DD Spending": Federal, state, and local spending for institutional and community services; see footnote on previous page.
[3]"Unmatched Funds": See text for definition.
Source: Rizzolo et al. (2004).

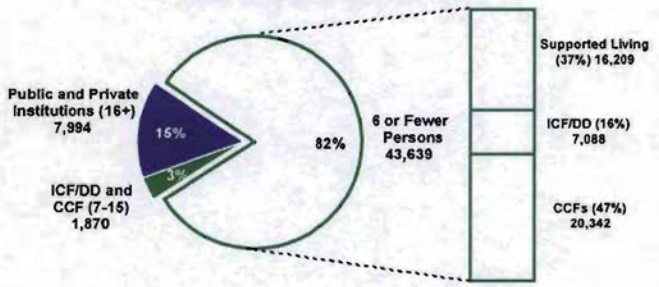
4. THE UTILIZATION OF OUT-OF-HOME RESIDENTIAL SERVICES IN CALIFORNIA IS BELOW THAT OF THE AVERAGE STATE.

Residential services in California include state-operated institutions (termed developmental centers), private intermediate care facilities/developmental disabilities (ICFs/DD), community care facilities (CCFs), nursing facilities, and supported independent living. California served 53,503 individuals with DD in 2002 in all types of out-of-home residential services (***Figure 2***). This was a utilization rate of 153 per 100,000 of the general population (per capita). The State's rate was below the U.S. per capita of 160, and

FIGURE 2

CALIFORNIA

Individuals with DD Served by Residential Setting: 2002



People with DD Served: 53,503

Source: Rizzolo et al. (2004).

California ranked 33rd among the states in this regard. During 1992-2002, California's out-of-home utilization rate increased by an average 1.0% per year. This was below the U.S. rate of 1.3% per year, and California ranked 33rd nationally in this regard.

5. WHAT ARE THE MOST IMPORTANT FACTORS INFLUENCING THE INCREASING DEMAND FOR COMMUNITY DD SERVICES IN CALIFORNIA?

The demand for community services for people with developmental disabilities has increased significantly over the past two decades in California and across the U.S. This was in part due to pent-up demand as individuals moved from state-operated institutions, private MR/DD institutions, and geriatric nursing facilities to a range of smaller scale community residential and support options. As noted above, the residential care system's "net growth" per year was 1.3% in the U.S. and 1.0% in California during the 1992-2002 period.

In a recent study by the University of Minnesota (Prouty, Smith, & Lakin, 2003), states reported that from 42,613 to 59,813 adults with mental retardation/developmental disabilities nationwide were on waiting lists for residential services in 2002, and were not receiving residential services. California did not report residential services waiting list data to Prouty et al. (2003). Nevertheless, the Legislative Analyst's Office (2003) projects 5-6% annual growth in California regional centers' caseload and spending through fiscal year 2009.

Most of the growing demand for DD community services in California is being influenced by the following factors: 1) youth aging out of special education programs; 2) the increased longevity of persons with developmental disabilities; 3) the impact of the growing number of aging caregivers; and 4) relocation of residents with DD from public and private institutions to community settings.

Youth Aging Out of Special Education Youth with mental retardation and related developmental disabilities age out or otherwise exit special education services and many of these individuals will require community residential services, day activity or work programs. The U.S. Department of Education (2002) reported that, in school year 1999-00, 3,641 students with mental retardation and closely related developmental disabilities in California graduated with a diploma, received a certificate, reached the maximum age (21 years) for special education, or were otherwise no longer receiving special education. This number included 2,947 students with mental retardation, 436 students with multiple disabilities, and 258 students with autism. In addition, exiting special education students in California included 45,124 students with specific learning disabilities, and a small proportion of this group may also one day require supervised out-of-home community residential supports.

Increased Longevity of Persons with MR/DD Another factor that impacts on the growing demand for MR/DD services in California is the growing lifespan of persons with mental retardation and developmental disabilities. The mean age at death for persons

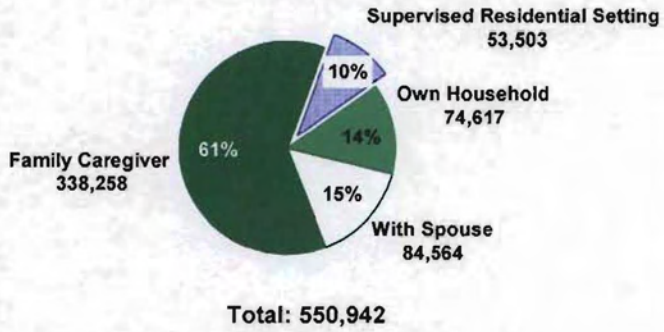
with mental retardation was 66.2 years in 1993, substantially increased from 59.1 years in the 1970s. This compares to a mean age at death of the general population of 70.4 years (Janicki, Dalton, Henderson, & Davidson, 1999). With continued improvement in their health status, individuals with mental retardation, particularly those without severe impairments, can be expected to have a life span equal to that of the general population. As the lifespan of persons with MR/DD increases, they require residential care services for longer periods of time. This directly impacts on the capacities of MR/DD service delivery systems (Braddock 1998, 1999) and is a significant cause of increasing demand for residential services in California.

Aging Caregivers The third contributing component to the waiting list is the rapid growth in aging family caregivers. Persons with developmental disabilities residing with aging caregivers represent one of the most critically important components of states' residential and community services waiting lists (Braddock, 1998, 1999).

In 2002, based on an MR/DD prevalence estimate of 1.58% (Larson, Lakin, Anderson, Kwak, Lee, & Anderson, 2001) an estimated 550,942 children and adults with developmental disabilities resided in the state of California (***Figure 3***). Ten percent were residents of supervised residential settings, and the balance lived on their own (14%), with spouses (15%), or with family caregivers (61%).

Included with the 338,258 persons with developmental disabilities living with family caregivers were 73,446 who lived with caregivers aged 60 years or more (***Figure 4***). The number living with aging family caregivers substantially exceeded the total of 53,503 persons with developmental disabilities currently served in all types of supervised residential settings in California, including those in nursing facilities.

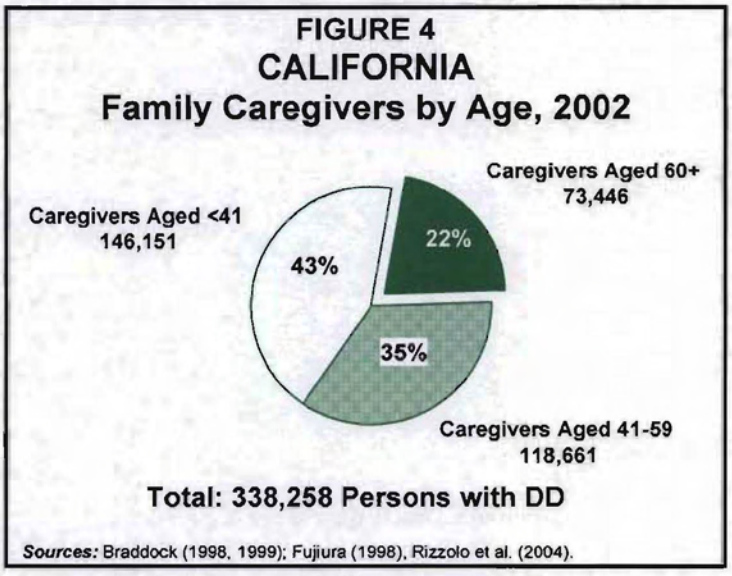
FIGURE 3
CALIFORNIA
Individuals with DD by Living Arrangement, 2002



Sources: Braddock (1998, 1999); Fujiura (1998), Rizzolo et al. (2004).

The number of aging caregivers in California is substantial today and will grow significantly in the years ahead. The first members of the baby boom generation, born during 1946 to 1964, will reach age 60 in 2006 and the youngest boomers will attain that age in 2024. Largely because of the aging of the baby boom generation, the U.S. Bureau of the Census (1996) projected that the number of Americans aged 65+ years would double from 35 million in the year 2000 to 70 million in the year 2030.

The number of Californians aged 65 years or older is projected to increase from 3.4 million in 2000 to 6.4 million in 2025; in each year from 2000 to 2025 the absolute number of projected Californians aged 65+ surpasses the number in every other state. California's total population is by far the largest of any state, and the State's projected population growth from 2000 to 2025, 52%, is greater than the projected growth in every other state and more than double the U.S. population growth rate projection of 22% (U.S. Bureau of the Census, 2003).



Public and Private Institutions A substantial proportion, if not all, of the 3,726 persons with developmental disabilities residing in California state institutions and an additional 2,848 persons in large private institutions (ICFs/DD and CCFs for 16 or more persons) are, with appropriate community infrastructure supports in place, suitable for placement in community residential settings. In 2002, nine states no longer utilized state-operated institutions. The states were Alaska, DC, Hawaii, Maine, New Hampshire, New Mexico, Rhode Island, Vermont, and West Virginia. Michigan and Minnesota had only 181 and 37 persons, respectively, remaining in their state-operated facilities (Rizzolo et al, 2004). California's Agnews Developmental Center is scheduled for closure in 2005 (Senate Office of Research, 2003), which would leave six developmental centers and two mental health/developmental disabilities units in the State.

SUMMARY AND CONCLUSION

California ranks significantly below the average state in fiscal effort for developmental disabilities services. The State will need to significantly increase its financial commitment for developmental disabilities services over the next decade to match the average state's performance. The number of persons with DD residing in California's residential care system grew 1.0% per year during the past decade, and the State ranked 33rd nationally in this regard. Maximizing Medicaid Waiver reimbursement for community-based services continues to be a critical issue. In 2002, California ranked 41st in federal-state Waiver spending per capita (of the general population), and also had a greater absolute level of unmatched state funds than any other state. It is imperative for the State to continue the development and expansion of HCBS Waiver funded services.

REFERENCES

Bahl, R. (1982). Fiscal health of state and local governments: 1982 and beyond. *Public Budgeting and Finance,* 2, 5-21.

Braddock, D. (Ed.). (2002). *Disability at the dawn of the 21st Century.* Washington, DC: American Association on Mental Retardation.

Braddock, D. (1999). Aging and developmental disabilities: Demographic and policy issues affecting American families. *Mental Retardation, 37*, 155-161.

Braddock, D. (1998, September 18). *Aging and developmental disabilities: Demographic and policy issues affecting American families.* Washington, DC: Statement before the Senate Special Committee on Aging, hart Senate office Building.

Braddock, D., Hemp, R., & Rizzolo, M.C. (in press). The state of the states in developmental disabilities: 2004. *Mental Retardation.*

Bureau of Economic Analysis. (2003, September). *Quantity and price indexes for gross domestic product (index numbers, 1996=100)(Table 7.1).* Washington, DC: U.S. Department of Commerce. [available at: http://www.bea.doc.gov/bea/ARTICLES/2003/09September/D-Pages/0903DpgA.pdf]

Caiden, N. (1978). *Collection of data on public expenditures for care of the mentally disabled.* (Memorandum prepared for Commission on the Mentally Disabled). Washington, DC: American Bar Association, Division of Public Service Activities.

California Department of Developmental Services (DDS). (2002, September 5). *Department of Developmental Services budget act, fiscal year 2002-03 [estimated expenditures for 2001-02].* Sacramento: Author.

California Department of Social Services (DSS). (2002, June). *In-home supportive services recipient report: IHSS: Keeping the quality of life at home.* Sacramento: Research and Development Division, Data Analysis and Publications Branch, Adult Programs Analysis Team.

California Department of Social Services (DSS). (2001, October). *In-home supportive services: IHSS providers, characteristics of caregivers in the in-home supportive services program.* Sacramento: Research and Development Division, Data Analysis and Publications Branch, Adult Programs Analysis Team.

Fujiura, G.T. (1998). Demography of family households. *American Journal on Mental Retardation, 103*(2), 225-235.

Hemp, R., Braddock, D., Parish, S., & Smith, G. (2001). Trends and milestones: Leveraging federal funding in the states to address *Olmstead* and growing waiting lists. *Mental Retardation,3*, 241-243.

Janicki, M.P., Dalton, A.J., Henderson, C.M., & Davidson, P.W. (1999). Mortality and morbidity among older adults with intellectual disability: Health service considerations. *Disability and Rehabilitation, 21*(5/6), 284-294.

Larson, S., Lakin, K.C., Anderson, L., Kwak, N., Lee, J.H., & Anderson, D. (2001). Prevalence of mental retardation and developmental disabilities: Estimates from the 1995/95 National Health Interview Survey Disability Supplements (NHIS-D). *American Journal on Mental Retardation, 106*(3), 231-252.

Legislative Analyst's Office. (2003, November). *California's fiscal outlook: LAO projections through 2008-09*. Sacramento: Author.

Prouty, R.W., Smith, G., & Lakin, K.C. (Eds.) (2003, June). *Residential services for persons with developmental disabilities: Status and trends through 2002.* Minneapolis, MN: University of Minnesota, College of Education and Human Development, Institute on Community Integration/UCEDD, Research and Training Center on Community Living.

Rizzolo, M.C., Hemp, R., Braddock, D., & Pomeranz-Essley, A. (2004). *The state of the states in developmental disabilities*. Boulder, CO: University of Colorado, Department of Psychiatry and Coleman Institute for Cognitive Disabilities.

Senate Office of Research. (2003, October). *An overview of California's draft Olmstead plan: Transitioning persons with disabilities from institutions to community settings under U.S. Supreme Court requirements.* Sacramento: Author. [Available at: http://www.sen.ca.gov/sor/REPORTS/REPORTS_BY_SUBJ/HEALTH/OLMSTEADFYI102003.PDF]

Social Security Administration. (2002, June). *SSI annual statistical report 2001*. Baltimore: Office of Policy, Office of Research, Evaluation, and Statistics.

U.S. Bureau of the Census. (2003). *Resident population by state. Series A projections.* Washington, DC: Author. [Available at: http://www.census.gov/population/projections/state/stpjage.txt]

U.S. Bureau of the Census. (1996, April). *Current population reports. Special studies (P23-190)*. Washington, DC: U.S. Government Printing Office.

U.S. Department of Education. (2002). *To assure the free appropriate public education of all children with disabilities: Twenty-fourth annual report to Congress on the Implementation of the Individuals with Disabilities Education Act.* Washington, DC: Author.

Legislative Analyst's Office. (2003, November). *California's fiscal outlook: LAO projections through 2008-09*. Sacramento: Author.

Prouty, R.W., Smith, G., & Lakin, K.C. (Eds.) (2003, June). *Residential services for persons with developmental disabilities: Status and trends through 2002.* Minneapolis, MN: University of Minnesota, College of Education and Human Development, Institute on Community Integration/UCEDD, Research and Training Center on Community Living.

Rizzolo, M.C., Hemp, R., Braddock, D., & Pomeranz-Essley, A. (2004). *The state of the states in developmental disabilities*. Boulder, CO: University of Colorado, Department of Psychiatry and Coleman Institute for Cognitive Disabilities.

Senate Office of Research. (2003, October). *An overview of California's draft Olmstead plan: Transitioning persons with disabilities from institutions to community settings under U.S. Supreme Court requirements.* Sacramento: Author. [Available at: http://www.sen.ca.gov/sor/REPORTS/REPORTS_BY_SUBJ/HEALTH/OLMSTEADFYI102003.PDF]

Social Security Administration. (2002, June). *SSI annual statistical report 2001*. Baltimore: Office of Policy, Office of Research, Evaluation, and Statistics.

U.S. Bureau of the Census. (2003). *Resident population by state. Series A projections.* Washington, DC: Author. [Available at: http://www.census.gov/population/projections/state/stpjage.txt]

U.S. Bureau of the Census. (1996, April). *Current population reports. Special studies (P23-190)*. Washington, DC: U.S. Government Printing Office.

U.S. Department of Education. (2002). *To assure the free appropriate public education of all children with disabilities: Twenty-fourth annual report to Congress on the Implementation of the Individuals with Disabilities Education Act.* Washington, DC: Author.