



## **VOTE FOR FY 2025 SUPPLEMENTAL FUNDING FOR THE ARIZONA DES/DIVISION OF DEVELOPMENTAL DISABILITIES WITHOUT UNREASONABLE CONDITIONS**

The Morris Institute for Justice (MIJ), Disability Rights Arizona (DRAZ), and the Arizona Center for Disability Law (ACLPI) write to express support for approval of the Fiscal Year (FY) 2025 supplemental funding to continue funding for the Arizona Department of Economic Security/Division of Developmental Disabilities.

Approval of the supplemental funding in FY 2025 will allow the agency to provide services for members and their families during May and June 2025. Unless the legislature acts to approve funding, many DDD members and their families will not receive critical services necessary for their health, safety, community integration and continued habilitation. Not only will this negatively impact children, youth and adults living with developmental disabilities as well as their family members, not funding DDD may pose dangers to DDD members. Dangers include causing adverse health outcomes that require hospitalization and medical care, risking safety, and causing regression in adaptive skills and behaviors.

*DRAZ strongly opposes HB 2945 (and other similar measures) that dangle FY 2025 supplemental funding for critical DD services contingent upon accepting unreasonable conditions for the receipt of the funding.* The bill burdens the State's exercise of waivers and flexibilities necessary for the State to best provide Medicaid services to eligible Arizonans with developmental disabilities. Additionally, the bill takes money from other sources relied upon by the community, resulting in the exacerbation of problems with programmatic and social determinants of health for a broader population of vulnerable Arizonans. The bill also interferes with how the State should approach determining the hours of selected authorized services by imposing inflexible and arbitrary caps despite an inadequate network of service providers.

Supplemental funding for a budgetary year is not a novel concept. Arizona's Empowerment Scholarship Account (ESA) is a program administered by the Arizona Department of Education (ADE) and funded by state tax dollars to provide education options for Arizona students. The ESA program experienced cost overruns in an amount totaling more than \$385 million for the past two years. The Legislature approved supplemental funding of \$274.8 million for the ESA program in FY 2024. Budgets approved by former Governor Doug Ducey included supplemental budgetary funding in Fiscal Years 2016-2023.

## **Loss of Critical Services**

DDD members depend on services provided through DDD and its contract providers to meet their daily needs. Those services include nursing services, respite services, habilitation services in group homes and in-home services, day treatment programs, employment readiness services, and caregiving services. These services are critical to members who receive them, and disruption of those essential services will cause significant harm to DDD members, including safety concerns, regression in skills and behavior, and increased isolation, in Arizona.

This is not a theoretical concern. DDD depends, in part, on an array of small and medium-sized contract providers to deliver these critical services and those agencies cannot provide services if they are not paid. As a practical matter, even if providers could weather the consequences of DDD not paying for their services for about 17% of the contract year, DD members do not have sufficient time to locate and have DDD approve alternative services in May and June. These businesses will be forced to shutter, and their employees will be forced to search for employment elsewhere. This means there may be delays in reestablishing services that extend into FY 2026. If these providers are unable to sustain services, people with developmental disabilities and their families/support networks will bear the negative impact.

## **Risk of Institutionalization and Reduction of Service Providers**

DDD members living in the community with community-based services and supports are particularly at risk of negative impacts by any DDD budget shortfalls. Smaller DDD contract providers generally are those providing community-based services and are less likely to be able to weather uncertainty concerning potential loss of funding or actual funding cuts. This will have the effect of reducing the number of community providers available and those serving members in community-based settings and may require more DDD members to receive services in institutional settings instead of the community. This movement would be contrary to the community integration mandate in the Americans with Disabilities Act, as interpreted through *Olmstead v. L.C.*, 527 U.S. 581 (1999), which requires the state to provide community-based services to people with disabilities where appropriate, where they are wanted by the individual, and where they can be reasonably accommodated. DDD members should have options and robust opportunities to live in the community and receive services that meet their needs, and any failure to fund will impact members receiving community-based services most acutely and place them at risk of institutionalization.

Reduction of community-based services would harm people with developmental disabilities in Arizona and be contrary to *Olmstead*. The legislature can act to prevent this harm by authorizing supplemental funding.

In conclusion, MIJ, DRAZ, and ACLPI urge you to ensure DDD services can continue uninterrupted for Arizonans with developmental disabilities by approving supplemental funding for DDD for FY 2025.