

FOR LEGISLATIVE REVIEW

NOVEMBER ESTIMATE

**LOCAL ASSISTANCE FOR
REGIONAL CENTERS**

2008-09 GOVERNOR'S BUDGET



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

January 10, 2008

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**2007-08 Adjusted Budget to 2008-09 November Estimate
Current Year 2007-08**

	Adjusted Budget CY 2007-08	2008-09 November Estimate CY 2007-08	2008-09 November Estimate Request CY 2007-08
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$432,294,000	\$437,527,000	\$5,233,000
2. Federal Compliance	39,565,000	39,565,000	0
3. Projects	25,824,000	26,328,000	504,000
4. Operations Total	<u>\$497,683,000</u>	<u>\$503,420,000</u>	<u>\$5,737,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$782,540,000	\$774,928,000	-\$7,612,000
2. Medical Facilities	22,784,000	22,971,000	187,000
3. Day Programs	763,431,000	750,447,000	-12,984,000
4. Habilitation Services	150,570,000	148,064,000	-2,506,000
5. Transportation	212,418,000	204,863,000	-7,555,000
6. Support Services	551,343,000	576,232,000	24,889,000
7. In-Home Respite	188,062,000	197,821,000	9,759,000
8. Out-of-Home Respite	54,642,000	53,403,000	-1,239,000
9. Health Care	84,526,000	81,865,000	-2,661,000
10. Miscellaneous	318,028,000	322,526,000	4,498,000
11. Self-Directed Services (SDS)	137,000	160,000	23,000
a. Pre-SDS Cost of SDS Consumers (Savings)	-1,264,000	-395,000	869,000
b. SDS Cost of SDS Consumers (Cost)	1,138,000	485,000	-653,000
c. Deposit to SDS Risk Pool Fund	63,000	20,000	-43,000
d. One-time Transition Costs	200,000	50,000	-150,000
12. ICF-DD Day Programs/Transportation Services	-44,000,000	0	44,000,000
13. Transfer to Developmental Centers	0	676,000	676,000
14. POS Total (Items 1 thru 13)	<u>\$3,084,481,000</u>	<u>\$3,133,956,000</u>	<u>\$49,475,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	<u>\$3,602,259,000</u>	<u>\$3,657,471,000</u>	<u>\$55,212,000</u>
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,224,804,000	\$2,223,104,000	-\$1,700,000
2. General Fund - Other	925,870,000	979,096,000	53,226,000
	1,298,934,000	1,244,008,000	-54,926,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,194,890,000	\$1,251,902,000	\$57,012,000
2. HCBS Waiver Administration	822,507,000	843,457,000	20,950,000
3. Medicaid Administration	2,153,000	4,722,000	2,569,000
4. Targeted Case Management (TCM)	14,436,000	14,285,000	-151,000
5. TCM Administration	146,023,000	135,850,000	-10,173,000
6. Title XX Block Grant	4,319,000	4,481,000	162,000
a. Social Services	147,902,000	147,903,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	387,000	182,000	-205,000
8. Self-Directed HCBS Waiver Administration	575,000	434,000	-141,000
9. Medicaid	0	44,000,000	44,000,000
10. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,265,000	\$1,075,000	-\$190,000
D. Public Transportation Account	\$128,806,000	\$128,806,000	\$0
E. Federal Funds	\$52,494,000	\$52,584,000	\$90,000
1. Early Start/Part C Grant	52,038,000	52,038,000	0
2. Foster Grandparent Program	456,000	546,000	90,000
F. GRAND TOTAL	<u>\$3,602,259,000</u>	<u>\$3,657,471,000</u>	<u>\$55,212,000</u>

FUNDING SUMMARY
COMPARISON OF ENACTED CY 2007-08 BUDGET TO THE 2008-09 NOVEMBER ESTIMATE

CY 2007-08

	A	B	C	D	E	F
	Enacted Budget CY 2007-08	Budget Adjustments ^{a/} CY 2007-08	Adjusted Budget CY 2007-08 (Cols A + B)	2008-09 November Estimate CY 2007-08	November Estimate Request CY 2007-08 (Cols D - C)	Change from Enacted Budget CY 2007-08 (Cols D - A)
I. BUDGET ITEMS:						
A. Operations						
1. Staffing	\$432,294,000	\$0	\$432,294,000	\$437,527,000	\$5,233,000	\$5,233,000
2. Federal Compliance	39,565,000	0	39,565,000	39,565,000	0	0
3. Projects	25,697,000	127,000	25,824,000	26,328,000	504,000	631,000
4. Operations Total	<u>\$497,556,000</u>	<u>\$127,000</u>	<u>\$497,683,000</u>	<u>\$503,420,000</u>	<u>\$5,737,000</u>	<u>\$5,864,000</u>
B. Purchase of Services (POS)						
1. Community Care Facilities	\$782,540,000	\$0	\$782,540,000	\$774,928,000	-\$7,612,000	-\$7,612,000
2. Medical Facilities	22,784,000	0	22,784,000	22,971,000	187,000	187,000
3. Day Programs	763,431,000	0	763,431,000	750,447,000	-12,984,000	-12,984,000
4. Habilitation Services	150,570,000	0	150,570,000	148,064,000	-2,506,000	-2,506,000
5. Transportation	212,418,000	0	212,418,000	204,863,000	-7,555,000	-7,555,000
6. Support Services	551,343,000	0	551,343,000	576,232,000	24,889,000	24,889,000
7. In-Home Respite	188,062,000	0	188,062,000	197,821,000	9,759,000	9,759,000
8. Out-of-Home Respite	54,642,000	0	54,642,000	53,403,000	-1,239,000	-1,239,000
9. Health Care	84,526,000	0	84,526,000	81,865,000	-2,661,000	-2,661,000
10. Miscellaneous	318,028,000	0	318,028,000	322,526,000	4,498,000	4,498,000
11. Self-Directed Services (SDS)	137,000	0	137,000	160,000	23,000	23,000
a. Pre-SDS Cost of SDS Consumers (Savings)	-1,264,000	0	-1,264,000	-395,000	869,000	869,000
b. SDS Cost of SDS Consumers (Cost)	1,138,000	0	1,138,000	485,000	-653,000	-653,000
c. Deposit to SDS Risk Pool Fund	63,000	0	63,000	20,000	-43,000	-43,000
d. One-time Transition Costs	200,000	0	200,000	50,000	-150,000	-150,000
12. ICF-DD Day Programs/Transportation Services	-44,000,000	0	-44,000,000	0	44,000,000	44,000,000
13. Transfer to Developmental Centers	N/A	0	0	676,000	676,000	676,000
14. POS Total (Items 1 thru 13)	<u>\$3,084,481,000</u>	<u>\$0</u>	<u>\$3,084,481,000</u>	<u>\$3,133,956,000</u>	<u>\$49,475,000</u>	<u>\$49,475,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	<u>\$3,602,132,000</u>	<u>\$127,000</u>	<u>\$3,602,259,000</u>	<u>\$3,657,471,000</u>	<u>\$55,212,000</u>	<u>\$55,339,000</u>
II. FUND SOURCES:						
A. General Fund Total						
1. General Fund Match	\$2,224,677,000	\$127,000	\$2,224,804,000	\$2,223,104,000	-\$1,700,000	-\$1,573,000
2. General Fund - Other	925,870,000	0	925,870,000	979,096,000	53,226,000	53,226,000
	1,298,807,000	127,000	1,298,934,000	1,244,008,000	-54,926,000	-54,799,000
B. Reimbursements						
1. Home and Community-Based Services (HCBS) Waiver	\$1,194,890,000	\$0	\$1,194,890,000	\$1,251,902,000	\$57,012,000	\$57,012,000
2. HCBS Waiver Administration	822,507,000	0	822,507,000	843,457,000	20,950,000	20,950,000
3. Medicaid Administration	2,153,000	0	2,153,000	4,722,000	2,569,000	2,569,000
4. Targeted Case Management (TCM)	14,436,000	0	14,436,000	14,285,000	-151,000	-151,000
5. TCM Administration	146,023,000	0	146,023,000	135,850,000	-10,173,000	-10,173,000
6. Title XX Block Grant	4,319,000	0	4,319,000	4,481,000	162,000	162,000
a. Social Services	147,902,000	0	147,902,000	147,903,000	1,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	56,000,000	0	0
7. Self-Directed HCBS Waiver	387,000	0	387,000	182,000	-205,000	-205,000
8. Self-Directed HCBS Waiver Administration	575,000	0	575,000	434,000	-141,000	-141,000
9. Medicaid	0	0	0	44,000,000	44,000,000	44,000,000
10. Vocational Rehabilitation	588,000	0	588,000	588,000	0	0
C. Program Development Fund / Parental Fees						
	\$1,265,000	\$0	\$1,265,000	\$1,075,000	-\$190,000	-\$190,000
D. Public Transportation Account						
	\$128,806,000	\$0	\$128,806,000	\$128,806,000	\$0	\$0
E. Federal Funds						
1. Early Start/Part C Grant	\$52,494,000	\$0	\$52,494,000	\$52,584,000	\$90,000	\$90,000
2. Foster Grandparent Program	52,038,000	0	52,038,000	52,038,000	0	0
	456,000	0	456,000	546,000	90,000	90,000
F. GRAND TOTAL	<u>\$3,602,132,000</u>	<u>\$127,000</u>	<u>\$3,602,259,000</u>	<u>\$3,657,471,000</u>	<u>\$55,212,000</u>	<u>\$55,339,000</u>

a/ Budget Adjustments Include:

1. State Council on Developmental Disabilities (SCDD) Retirement Adjustment -\$7,000.
2. SCDD Employee Compensation Adjustment \$134,000.

**2008-09 Adjusted Budget to 2008-09 November Estimate
Budget Year 2008-09**

	Adjusted Budget BY 2008-09	2008-09 November Estimate BY 2008-09	2008-09 November Estimate Request BY 2008-09
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$432,294,000	\$497,291,000	\$64,997,000
2. Federal Compliance	39,565,000	39,430,000	-135,000
3. Projects	25,839,000	27,032,000	1,193,000
4. Subtotal (Items 1 thru 3)	<u>\$497,698,000</u>	<u>\$563,753,000</u>	<u>\$66,055,000</u>
5. New Major Assumption: Increased Access to Mental Health Services	N/A	\$740,000	\$740,000
6. Operations Total (Items 4 thru 5)	<u>\$497,698,000</u>	<u>\$564,493,000</u>	<u>\$66,795,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$782,540,000	\$917,042,000	\$134,502,000
2. Medical Facilities	22,784,000	25,347,000	2,563,000
3. Day Programs	763,431,000	812,960,000	49,529,000
4. Habilitation Services	150,570,000	167,459,000	16,889,000
5. Transportation	212,418,000	229,059,000	16,641,000
6. Support Services	551,343,000	839,670,000	288,327,000
7. In-Home Respite	188,062,000	223,722,000	35,660,000
8. Out-of-Home Respite	54,642,000	58,144,000	3,502,000
9. Health Care	84,526,000	93,108,000	8,582,000
10. Miscellaneous	318,028,000	419,427,000	101,399,000
11. Self-Directed Services (SDS)	137,000	1,278,000	1,141,000
a. Pre-SDS Cost of SDS Consumers (Savings)	-1,264,000	-23,684,000	-22,420,000
b. SDS Cost of SDS Consumers (Cost)	1,138,000	22,878,000	21,740,000
c. Deposit to SDS Risk Pool Fund	63,000	1,184,000	1,121,000
d. One-time Transition Costs	200,000	900,000	700,000
12. ICF-DD Day Programs/Transportation Services	-44,000,000	0	44,000,000
13. Subtotal (Items 1 thru 12)	<u>\$3,084,481,000</u>	<u>\$3,787,216,000</u>	<u>\$702,735,000</u>
14. New Major Assumption: Adjustment to Purchase of Services Increase	N/A	-192,697,000	-192,697,000
15. POS Total (Items 13 thru 14)	<u>\$3,084,481,000</u>	<u>\$3,594,519,000</u>	<u>\$510,038,000</u>
C. Early Start/Part C: Other Agency Costs	<u>\$20,095,000</u>	<u>\$20,095,000</u>	<u>\$0</u>
D. GRAND TOTAL	<u>\$3,602,274,000</u>	<u>\$4,179,107,000</u>	<u>\$576,833,000</u>
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,224,819,000	\$2,603,819,000	\$379,000,000
2. General Fund - Other	925,870,000	1,073,833,000	147,963,000
	1,298,949,000	1,529,986,000	231,037,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,194,890,000	\$1,357,095,000	\$162,205,000
2. HCBS Waiver Administration	822,507,000	921,982,000	99,475,000
3. Medicaid Administration	2,153,000	4,729,000	2,576,000
4. Targeted Case Management (TCM)	14,436,000	14,992,000	556,000
5. TCM Administration	146,023,000	151,954,000	5,931,000
6. Title XX Block Grant	4,319,000	4,481,000	162,000
a. Social Services	147,902,000	147,903,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	387,000	8,773,000	8,386,000
8. Self-Directed HCBS Waiver Administration	575,000	1,693,000	1,118,000
9. Medicaid	0	44,000,000	44,000,000
10. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,265,000	\$1,147,000	-\$118,000
D. Mental Health Services Fund	\$0	\$740,000	\$740,000
E. Public Transportation Account	\$128,806,000	\$140,899,000	\$12,093,000
F. Federal Funds	\$52,494,000	\$75,407,000	\$22,913,000
1. Early Start/Part C Grant	52,038,000	74,861,000	22,823,000
2. Foster Grandparent Program	456,000	546,000	90,000
G. GRAND TOTAL	<u>\$3,602,274,000</u>	<u>\$4,179,107,000</u>	<u>\$576,833,000</u>

FUNDING SUMMARY
COMPARISON OF ENACTED CY 2007-08 BUDGET TO THE 2008-09 NOVEMBER ESTIMATE

Budget Year 2008-09

	A	B	C	D	E	F
	Enacted Budget CY 2007-08	Budget Adjustments^{a/} BY 2008-09	Adjusted Budget BY 2008-09 (Cols A + B)	2008-09 November Estimate BY 2008-09	November Estimate Request BY 2008-09 (Cols D - C)	Change from Enacted Budget CY 2007-08 (Cols D - A)
I. BUDGET ITEMS:						
A. Operations						
1. Staffing	\$432,294,000	\$0	\$432,294,000	\$497,291,000	\$64,997,000	\$64,997,000
2. Federal Compliance	39,565,000	0	39,565,000	39,430,000	-135,000	-135,000
3. Projects	25,697,000	142,000	25,839,000	27,032,000	1,193,000	1,335,000
4. Subtotal (Items 1 thru 3)	\$497,556,000	\$142,000	\$497,698,000	\$563,753,000	\$66,055,000	\$66,197,000
5. New Major Assumption: Increased Access to Mental Health Services	N/A	N/A	\$0	\$740,000	\$740,000	\$740,000
6. Operations Total (Items 4 thru 5)	\$497,556,000	\$142,000	\$497,698,000	\$564,493,000	\$66,795,000	\$66,937,000
B. Purchase of Services (POS)						
1. Community Care Facilities	\$782,540,000	\$0	\$782,540,000	\$917,042,000	\$134,502,000	\$134,502,000
2. Medical Facilities	22,784,000	0	22,784,000	25,347,000	2,563,000	2,563,000
3. Day Programs	763,431,000	0	763,431,000	812,960,000	49,529,000	49,529,000
4. Habilitation Services	150,570,000	0	150,570,000	167,459,000	16,889,000	16,889,000
5. Transportation	212,418,000	0	212,418,000	229,059,000	16,641,000	16,641,000
6. Support Services	551,343,000	0	551,343,000	839,670,000	288,327,000	288,327,000
7. In-Home Respite	188,062,000	0	188,062,000	223,722,000	35,660,000	35,660,000
8. Out-of-Home Respite	54,642,000	0	54,642,000	58,144,000	3,502,000	3,502,000
9. Health Care	84,526,000	0	84,526,000	93,108,000	8,582,000	8,582,000
10. Miscellaneous	318,028,000	0	318,028,000	419,427,000	101,399,000	101,399,000
11. Self-Directed Services (SDS)	137,000	0	137,000	1,278,000	1,141,000	1,141,000
a. Pre-SDS Cost of SDS Consumers (Savings)	-1,264,000	0	-1,264,000	-23,684,000	-22,420,000	-22,420,000
b. SDS Cost of SDS Consumers (Cost)	1,138,000	0	1,138,000	22,878,000	21,740,000	21,740,000
c. Deposit to SDS Risk Pool Fund	63,000	0	63,000	1,184,000	1,121,000	1,121,000
d. One-time Transition Costs	200,000	0	200,000	900,000	700,000	700,000
12. ICF-DD Day Programs/Transportation Services	-44,000,000	0	-44,000,000	0	44,000,000	44,000,000
13. Subtotal (Items 1 thru 12)	\$3,084,481,000	\$0	\$3,084,481,000	\$3,787,216,000	\$702,735,000	\$702,735,000
14. New Major Assumption: Adjustment to Purchase of Services Increase	N/A	N/A	\$0	-\$192,697,000	-\$192,697,000	-\$192,697,000
15. POS Total (Items 13 thru 14)	\$3,084,481,000	\$0	\$3,084,481,000	\$3,594,519,000	\$510,038,000	\$510,038,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$3,602,132,000	\$142,000	\$3,602,274,000	\$4,179,107,000	\$576,833,000	\$576,975,000
II. FUND SOURCES:						
A. General Fund Total						
1. General Fund Match	\$2,224,677,000	\$142,000	\$2,224,819,000	\$2,603,819,000	\$379,000,000	\$379,142,000
2. General Fund - Other	925,870,000	0	925,870,000	1,073,833,000	147,963,000	147,963,000
3. General Fund - Other	1,298,807,000	142,000	1,298,949,000	1,529,986,000	231,037,000	231,179,000
B. Reimbursements						
1. Home and Community-Based Services (HCBS) Waiver	\$1,194,890,000	\$0	\$1,194,890,000	\$1,357,095,000	\$162,205,000	\$162,205,000
2. HCBS Waiver Administration	822,507,000	0	822,507,000	921,982,000	99,475,000	99,475,000
3. HCBS Waiver Administration	2,153,000	0	2,153,000	4,729,000	2,576,000	2,576,000
4. Medicaid Administration	14,436,000	0	14,436,000	14,992,000	556,000	556,000
5. Targeted Case Management (TCM)	146,023,000	0	146,023,000	151,954,000	5,931,000	5,931,000
6. TCM Administration	4,319,000	0	4,319,000	4,481,000	162,000	162,000
7. Title XX Block Grant						
a. Social Services	147,902,000	0	147,902,000	147,903,000	1,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	56,000,000	0	0
8. Self-Directed HCBS Waiver	387,000	0	387,000	8,773,000	8,386,000	8,386,000
9. Self-Directed HCBS Waiver Administration	575,000	0	575,000	1,693,000	1,118,000	1,118,000
10. Medicaid	0	0	0	44,000,000	44,000,000	44,000,000
11. Vocational Rehabilitation	588,000	0	588,000	588,000	0	0
C. Program Development Fund / Parental Fees						
1. Program Development Fund / Parental Fees	\$1,265,000	\$0	\$1,265,000	\$1,147,000	-\$118,000	-\$118,000
D. Mental Health Services Fund						
1. Mental Health Services Fund	\$0	\$0	\$0	\$740,000	\$740,000	\$740,000
E. Public Transportation Account						
1. Public Transportation Account	\$128,806,000	\$0	\$128,806,000	\$140,899,000	\$12,093,000	\$12,093,000
F. Federal Funds						
1. Federal Funds	\$52,494,000	\$0	\$52,494,000	\$75,407,000	\$22,913,000	\$22,913,000
1. Early Start/Part C Grant	52,038,000	0	52,038,000	74,861,000	22,823,000	22,823,000
2. Foster Grandparent Program	456,000	0	456,000	546,000	90,000	90,000
G. GRAND TOTAL	\$3,602,132,000	\$142,000	\$3,602,274,000	\$4,179,107,000	\$576,833,000	\$576,975,000

a/ Budget Adjustments Include:

1. State Council on Developmental Disabilities (SCDD) Retirement Adjustment -\$7,000.
2. SCDD Employee Compensation Adjustment \$149,000.

2008-09 November Estimate
Current Year 2007-08 to Budget Year 2008-09

	2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09	Difference
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$437,527,000	\$497,291,000	\$59,764,000
2. Federal Compliance	39,565,000	39,430,000	-135,000
3. Projects	26,328,000	27,032,000	704,000
4. Subtotal (Items 1 thru 3)	<u>\$503,420,000</u>	<u>\$563,753,000</u>	<u>\$60,333,000</u>
5. New Major Assumption: Increased Access to Mental Health Services	N/A	\$740,000	\$740,000
6. Operations Total (Items 4 thru 5)	<u>\$503,420,000</u>	<u>\$564,493,000</u>	<u>\$61,073,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$774,928,000	\$917,042,000	\$142,114,000
2. Medical Facilities	22,971,000	25,347,000	2,376,000
3. Day Programs	750,447,000	812,960,000	62,513,000
4. Habilitation Services	148,064,000	167,459,000	19,395,000
5. Transportation	204,863,000	229,059,000	24,196,000
6. Support Services	576,232,000	839,670,000	263,438,000
7. In-Home Respite	197,821,000	223,722,000	25,901,000
8. Out-of-Home Respite	53,403,000	58,144,000	4,741,000
9. Health Care	81,865,000	93,108,000	11,243,000
10. Miscellaneous	322,526,000	419,427,000	96,901,000
11. Self-Directed Services	160,000	1,278,000	1,118,000
a. Pre-SDS Cost of SDS Consumers (Savings)	-395,000	-23,684,000	-23,289,000
b. SDS Cost of SDS consumers (Cost)	485,000	22,878,000	22,393,000
c. Deposit to SDS Risk Pool Fund	20,000	1,184,000	1,164,000
d. One-time Transition Costs	50,000	900,000	850,000
12. ICF-DD Day Programs/Transportation Services	0	0	0
13. Transfer to Developmental Centers	676,000	0	-676,000
14. Subtotal (Items 1 thru 13)	<u>\$3,133,956,000</u>	<u>\$3,787,216,000</u>	<u>\$653,260,000</u>
15. New Major Assumption: Adjustment to Purchase of Services Increase	N/A	-192,697,000	-192,697,000
16. POS Total (Items 14 thru 15)	<u>\$3,133,956,000</u>	<u>\$3,594,519,000</u>	<u>\$460,563,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	<u>\$3,657,471,000</u>	<u>\$4,179,107,000</u>	<u>\$521,636,000</u>
II. FUND SOURCES:			
A. General Fund Total	\$2,223,104,000	\$2,603,819,000	\$380,715,000
1. General Fund Match	979,096,000	1,073,833,000	94,737,000
2. General Fund - Other	1,244,008,000	1,529,986,000	285,978,000
B. Reimbursements	\$1,251,902,000	\$1,357,095,000	\$105,193,000
1. Home and Community-Based Services (HCBS) Waiver	843,457,000	921,982,000	78,525,000
2. HCBS Waiver Administration	4,722,000	4,729,000	7,000
3. Medicaid Administration	14,285,000	14,992,000	707,000
4. Targeted Case Management (TCM)	135,850,000	151,954,000	16,104,000
5. TCM Administration	4,481,000	4,481,000	0
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	182,000	8,773,000	8,591,000
8. Self-Directed HCBS Waiver Administration	434,000	1,693,000	1,259,000
9. Medicaid	44,000,000	44,000,000	0
10. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,075,000	\$1,147,000	\$72,000
D. Mental Health Services Fund	\$0	\$740,000	\$740,000
E. Public Transportation Account	\$128,806,000	\$140,899,000	\$12,093,000
F. Federal Funds	\$52,584,000	\$75,407,000	\$22,823,000
1. Early Start/Part C Grant	52,038,000	74,861,000	22,823,000
2. Foster Grandparent Program	546,000	546,000	0
G. GRAND TOTAL	<u>\$3,657,471,000</u>	<u>\$4,179,107,000</u>	<u>\$521,636,000</u>

**2008-09 November Estimate with Budget-Balancing Reductions
Current Year 2007-08**

	2008-09 November Estimate CY 2007-08	2008-09 November Estimate Budget-Balancing Reductions			2008-09 November Estimate with Budget-Balancing Reductions CY 2007-08
		Reduce CPP Operations CY 2007-08	Reduce RC HIPAA Operations CY 2007-08	Total Budget-Balancing Reductions CY 2007-08	
I. BUDGET ITEMS:					
A. Operations	\$503,420,000	-\$660,000	-\$46,000	-\$706,000	\$502,714,000
B. Purchase of Services (POS)	3,133,956,000	0	0	0	3,133,956,000
C. Early Start/Part C: Other Agency Costs	20,095,000	0	0	0	20,095,000
D. GRAND TOTAL	\$3,657,471,000	-\$660,000	-\$46,000	-\$706,000	\$3,656,765,000
II. FUND SOURCES:					
A. General Fund Total	\$2,223,104,000	-\$660,000	-\$23,000	-\$683,000	\$2,222,421,000
1. General Fund Match	979,096,000	0	-23,000	-23,000	979,073,000
2. General Fund - Other	1,244,008,000	-660,000		-660,000	1,243,348,000
B. Reimbursements	\$1,251,902,000	\$0	-\$23,000	-\$23,000	\$1,251,879,000
1. Home and Community-Based Services (HCBS) Waiver	843,457,000	0	0	0	843,457,000
2. HCBS Waiver Administration	4,722,000	0	0	0	4,722,000
3. Medicaid Administration	14,285,000	0	0	0	14,285,000
4. Targeted Case Management (TCM)	135,850,000	0	0	0	135,850,000
5. TCM Administration	4,481,000	0	-23,000	-23,000	4,458,000
6. Title XX Block Grant					
a. Social Services	147,903,000	0	0	0	147,903,000
b. Temporary Assistance for Needy Families	56,000,000	0	0	0	56,000,000
7. Self-Directed HCBS Waiver	182,000	0	0	0	182,000
8. Self-Directed HCBS Waiver Administration	434,000	0	0	0	434,000
9. Medicaid	44,000,000	0	0	0	44,000,000
10. Vocational Rehabilitation	588,000	0	0	0	588,000
C. Program Development Fund / Parental Fees	\$1,075,000	\$0	\$0	\$0	\$1,075,000
D. Public Transportation Account	\$128,806,000	\$0	\$0	\$0	\$128,806,000
E. Federal Funds	\$52,584,000	\$0	\$0	\$0	\$52,584,000
1. Early Start/Part C Grant	52,038,000	0	0	0	52,038,000
2. Foster Grandparent Program	546,000	0	0	0	546,000
F. GRAND TOTAL	\$3,657,471,000	-\$660,000	-\$46,000	-\$706,000	\$3,656,765,000

**2007-08 Adjusted Budget to 2008-09 November Estimate with Budget-Balancing Reductions
Current Year 2007-08**

	Adjusted Budget CY 2007-08	2008-09 November Estimate with Budget-Balancing Reductions CY 2007-08	2008-09 November Estimate Request with Budget-Balancing Reductions CY 2007-08
I. BUDGET ITEMS:			
A. Operations	\$497,683,000	\$502,714,000	\$5,031,000
B. Purchase of Services (POS)	3,084,481,000	3,133,956,000	49,475,000
C. Early Start/Part C: Other Agency Costs	20,095,000	20,095,000	0
D. GRAND TOTAL	\$3,602,259,000	\$3,656,765,000	\$54,506,000
II. FUND SOURCES:			
A. General Fund Total	\$2,224,804,000	\$2,222,421,000	-\$2,383,000
1. General Fund Match	925,870,000	979,073,000	53,203,000
2. General Fund - Other	1,298,934,000	1,243,348,000	-55,586,000
B. Reimbursements	\$1,194,890,000	\$1,251,879,000	\$56,989,000
1. Home and Community-Based Services (HCBS) Waiver	822,507,000	843,457,000	20,950,000
2. HCBS Waiver Administration	2,153,000	4,722,000	2,569,000
3. Medicaid Administration	14,436,000	14,285,000	-151,000
4. Targeted Case Management (TCM)	146,023,000	135,850,000	-10,173,000
5. TCM Administration	4,319,000	4,458,000	139,000
6. Title XX Block Grant			
a. Social Services	147,902,000	147,903,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	387,000	182,000	-205,000
8. Self-Directed HCBS Waiver Administration	575,000	434,000	-141,000
9. Medicaid	0	44,000,000	44,000,000
10. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,265,000	\$1,075,000	-\$190,000
D. Public Transportation Account	\$128,806,000	\$128,806,000	\$0
E. Federal Funds	\$52,494,000	\$52,584,000	\$90,000
1. Early Start/Part C Grant	52,038,000	52,038,000	0
2. Foster Grandparent Program	456,000	546,000	90,000
F. GRAND TOTAL	\$3,602,259,000	\$3,656,765,000	\$54,506,000

2008-09 November Estimate with Budget-Balancing Reductions
Budget Year 2008-09

	2008-09 November Estimate Budget-Balancing Reductions											2008-09 November Estimate with Budget- Balancing Reductions BY 2008-09
	Rollback Devereux Maintenance BY 2008-09	Redesign Family Cost Participation Program BY 2008-09	Extend POS Cost Containment Measures BY 2008-09	Negotiated Rate Reduction BY 2008-09	Reduce SEP Provider Rates by 10% BY 2008-09	Reduce Clients' Right Advocacy Agreement by 10% BY 2008-09	Reduce CPP Operations BY 2008-09	Extend Operations Cost Containment Measures BY 2008-09	Reduce RC HIPAA Operations BY 2008-09	Total Budget- Balancing Reductions BY 2008-09		
I. BUDGET ITEMS:												
A. Operations	\$564,493,000	\$0	\$0	\$0	\$0	\$0	-\$512,000	-\$2,000,000	-\$36,857,000	-\$141,000	-\$39,510,000	\$524,983,000
B. Purchase of Services (POS)	3,594,519,000	-1,185,000	-773,000	-311,403,000	-18,324,000	-9,556,000	0	0	0	0	-341,241,000	3,253,278,000
C. Early Start/Part C: Other Agency Costs	20,095,000	0	0	0	0	0	0	0	0	0	0	20,095,000
D. GRAND TOTAL	\$4,179,107,000	-\$1,185,000	-\$773,000	-\$311,403,000	-\$18,324,000	-\$9,556,000	-\$512,000	-\$2,000,000	-\$36,857,000	-\$141,000	-\$380,751,000	\$3,798,356,000
II. FUND SOURCES:												
A. General Fund Total	\$2,603,819,000	-\$1,185,000	-\$773,000	-\$214,577,000	-\$14,245,000	-\$7,740,000	-\$512,000	-\$2,000,000	-\$20,496,000	-\$71,000	-\$261,599,000	\$2,342,220,000
1. General Fund Match	1,073,833,000	0	0	-96,826,000	-4,079,000	-1,816,000	0	0	-16,030,000	-71,000	-118,822,000	955,011,000
2. General Fund - Other	1,529,986,000	-1,185,000	-773,000	-117,751,000	-10,166,000	-5,924,000	-512,000	-2,000,000	-4,466,000	0	-142,777,000	1,387,209,000
B. Reimbursements	\$1,357,095,000	\$0	\$0	-\$96,826,000	-\$4,079,000	-\$1,816,000	\$0	\$0	-\$16,030,000	-\$70,000	-\$118,821,000	\$1,238,274,000
1. Home and Community-Based Services (HCBS) Waiver	921,982,000	0	0	-96,826,000	-4,079,000	-1,816,000	0	0	0	0	-102,721,000	819,261,000
2. HCBS Waiver Administration	4,729,000	0	0	0	0	0	0	0	0	0	0	4,729,000
3. Medicaid Administration	14,992,000	0	0	0	0	0	0	0	0	0	0	14,992,000
4. Targeted Case Management (TCM)	151,954,000	0	0	0	0	0	0	0	-16,030,000	0	-16,030,000	135,924,000
5. TCM Administration	4,481,000	0	0	0	0	0	0	0	0	-70,000	-70,000	4,411,000
6. Title XX Block Grant												
a. Social Services	147,903,000	0	0	0	0	0	0	0	0	0	0	147,903,000
b. Temporary Assistance for Needy Families	56,000,000	0	0	0	0	0	0	0	0	0	0	56,000,000
7. Self-Directed HCBS Waiver	8,773,000	0	0	0	0	0	0	0	0	0	0	8,773,000
8. Self-Directed HCBS Waiver Administration	1,693,000	0	0	0	0	0	0	0	0	0	0	1,693,000
9. Medicaid	44,000,000	0	0	0	0	0	0	0	0	0	0	44,000,000
10. Vocational Rehabilitation	588,000	0	0	0	0	0	0	0	0	0	0	588,000
C. Program Development Fund / Parental Fees	\$1,147,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,147,000
D. Mental Health Services Fund	\$740,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$740,000
E. Public Transportation Account	\$140,899,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,899,000
F. Federal Funds	\$75,407,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$331,000	\$0	-\$331,000	\$75,076,000
1. Early Start/Part C Grant	74,861,000	0	0	0	0	0	0	0	-331,000	0	-331,000	74,530,000
2. Foster Grandparent Program	546,000	0	0	0	0	0	0	0	0	0	0	546,000
G. GRAND TOTAL	\$4,179,107,000	-\$1,185,000	-\$773,000	-\$311,403,000	-\$18,324,000	-\$9,556,000	-\$512,000	-\$2,000,000	-\$36,857,000	-\$141,000	-\$380,751,000	\$3,798,356,000

**2008-09 Adjusted Budget to 2008-09 November Estimate with Budget-Balancing Reductions
Budget Year 2008-09**

	Adjusted Budget BY 2008-09	2008-09 November Estimate with Budget-Balancing Reductions BY 2008-09	2008-09 November Estimate Request with Budget-Balancing Reductions BY 2008-09
I. BUDGET ITEMS:			
A. Operations	\$497,698,000	\$524,983,000	\$27,285,000
B. Purchase of Services (POS)	3,084,481,000	3,253,278,000	168,797,000
C. Early Start/Part C: Other Agency Costs	20,095,000	20,095,000	0
D. GRAND TOTAL	\$3,602,274,000	\$3,798,356,000	\$196,082,000
II. FUND SOURCES:			
A. General Fund Total	\$2,224,819,000	\$2,342,220,000	\$117,401,000
1. General Fund Match	925,870,000	955,011,000	29,141,000
2. General Fund - Other	1,298,949,000	1,387,209,000	88,260,000
B. Reimbursements	\$1,194,890,000	\$1,238,274,000	\$43,384,000
1. Home and Community-Based Services (HCBS) Waiver	822,507,000	819,261,000	-3,246,000
2. HCBS Waiver Administration	2,153,000	4,729,000	2,576,000
3. Medicaid Administration	14,436,000	14,992,000	556,000
4. Targeted Case Management (TCM)	146,023,000	135,924,000	-10,099,000
5. TCM Administration	4,319,000	4,411,000	92,000
6. Title XX Block Grant			
a. Social Services	147,902,000	147,903,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	387,000	8,773,000	8,386,000
8. Self-Directed HCBS Waiver Administration	575,000	1,693,000	1,118,000
9. Medicaid	0	44,000,000	44,000,000
10. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,265,000	\$1,147,000	-\$118,000
D. Mental Health Services Fund	\$0	\$740,000	\$740,000
E. Public Transportation Account	\$128,806,000	\$140,899,000	\$12,093,000
F. Federal Funds	\$52,494,000	\$75,076,000	\$22,582,000
1. Early Start/Part C Grant	52,038,000	74,530,000	22,492,000
2. Foster Grandparent Program	456,000	546,000	90,000
G. GRAND TOTAL	\$3,602,274,000	\$3,798,356,000	\$196,082,000

**2008-09 November Estimate with Budget-Balancing Reductions
Current Year 2007-08 to Budget Year 2008-09**

	2008-09 November Estimate with Budget-Balancing Reductions CY 2007-08	2008-09 November Estimate with Budget-Balancing Reductions BY 2008-09	Difference
I. BUDGET ITEMS:			
A. Operations	\$502,714,000	\$524,983,000	\$22,269,000
B. Purchase of Services (POS)	3,133,956,000	3,253,278,000	119,322,000
C. Early Start/Part C: Other Agency Costs	20,095,000	20,095,000	0
D. GRAND TOTAL	\$3,656,765,000	\$3,798,356,000	\$141,591,000
II. FUND SOURCES:			
A. General Fund Total	\$2,222,421,000	\$2,342,220,000	\$119,799,000
1. General Fund Match	979,073,000	955,011,000	-24,062,000
2. General Fund - Other	1,243,348,000	1,387,209,000	143,861,000
B. Reimbursements	\$1,251,879,000	\$1,238,274,000	-\$13,605,000
1. Home and Community-Based Services (HCBS) Waiver	843,457,000	819,261,000	-24,196,000
2. HCBS Waiver Administration	4,722,000	4,729,000	7,000
3. Medicaid Administration	14,285,000	14,992,000	707,000
4. Targeted Case Management (TCM)	135,850,000	135,924,000	74,000
5. TCM Administration	4,458,000	4,411,000	-47,000
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	182,000	8,773,000	8,591,000
8. Self-Directed HCBS Waiver Administration	434,000	1,693,000	1,259,000
9. Medicaid	44,000,000	44,000,000	0
10. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,075,000	\$1,147,000	\$72,000
D. Mental Health Services Fund	\$0	\$740,000	\$740,000
E. Public Transportation Account	\$128,806,000	\$140,899,000	\$12,093,000
F. Federal Funds	\$52,584,000	\$75,076,000	\$22,492,000
1. Early Start/Part C Grant	52,038,000	74,530,000	22,492,000
2. Foster Grandparent Program	546,000	546,000	0
G. GRAND TOTAL	\$3,656,765,000	\$3,798,356,000	\$141,591,000

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Detailed Comparison of Prior Year 2006-07: Budget Act Appropriation vs 2007-08 May Revision

	Budget Act Appropriation PY 2006-07	Proposed Governor's Budget PY 2006-07	Proposed Final Budget PY 2006-07	Chg From Prop Governor's Budget PY 2006-07	Chg From Budget Act Appropriation PY 2006-07
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$418,039,000	\$417,475,000	\$416,309,000	-\$1,166,000	-\$1,730,000
2. Federal Compliance	39,770,000	40,118,000	40,118,000	0	348,000
3. Projects	25,980,000	26,152,000	25,527,000	-625,000	-453,000
4. Operations Total	\$483,789,000	\$483,745,000	\$481,954,000	-\$1,791,000	-\$1,835,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$695,566,000	\$687,852,000	\$681,324,000	-\$6,528,000	-\$14,242,000
2. Medical Facilities	17,610,000	17,807,000	14,086,000	-3,721,000	-3,524,000
3. Day Programs	696,710,000	699,779,000	700,781,000	1,002,000	4,071,000
4. Habilitation Services	144,726,000	148,427,000	147,961,000	-466,000	3,235,000
5. Transportation	209,973,000	203,547,000	199,503,000	-4,044,000	-10,470,000
6. Support Services	461,075,000	487,550,000	487,790,000	240,000	26,715,000
7. In-Home Respite	149,152,000	165,179,000	170,621,000	5,442,000	21,469,000
8. Out-of-Home Respite	50,065,000	47,546,000	49,513,000	1,967,000	-552,000
9. Health Care	78,374,000	82,876,000	76,671,000	-6,205,000	-1,703,000
10. Miscellaneous	229,255,000	268,308,000	268,941,000	633,000	39,686,000
11. Subtotal (Items 1 thru 10)	\$2,732,506,000	\$2,808,871,000	\$2,797,191,000	-\$11,680,000	\$64,685,000
12. New Major Assumptions					
a. 2007-08 November Estimate					
(1) Minimum Wage Increases (Included in POS Above)	N/A	(\$26,350,000)	(\$26,350,000)	0	(\$26,350,000)
13. Transfer to Developmental Centers					
a. Community Placement Plan Savings ^{a/} (Included in POS Above)	N/A	(\$-369,000)	(\$-3,577,000)	(\$-3,208,000)	(\$-3,577,000)
14. POS Total (Items 11 through 13)	\$2,732,506,000	\$2,808,871,000	\$2,797,191,000	-\$11,680,000	\$64,685,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$3,236,390,000	\$3,312,711,000	\$3,299,240,000	-\$13,471,000	\$62,850,000
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,088,359,000	\$2,140,131,000	\$2,117,067,000	-\$23,064,000	\$28,708,000
2. General Fund - Other	878,593,000	905,790,000	914,613,000	8,823,000	36,020,000
	1,209,766,000	1,234,341,000	1,202,454,000	-31,887,000	-7,312,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,094,057,000	\$1,118,606,000	\$1,128,248,000	\$9,642,000	\$34,191,000
2. HCBS Waiver Administration	741,312,000	755,479,000	757,618,000	2,139,000	16,306,000
3. Medicaid Administration	2,167,000	2,149,000	2,149,000	0	-18,000
4. Targeted Case Management (TCM)	13,574,000	12,753,000	13,714,000	961,000	140,000
5. TCM Administration	127,716,000	140,391,000	145,957,000	5,566,000	18,241,000
6. Title XX Block Grant	2,875,000	3,521,000	4,319,000	798,000	1,444,000
a. Social Services	147,903,000	147,903,000	147,903,000	0	0
b. Temporary Assistance For Needy Families	56,000,000	56,000,000	56,000,000	0	0
7. Vocational Rehabilitation	2,510,000	410,000	588,000	178,000	-1,922,000
C. Program Development Fund/Parental Fees					
	\$1,732,000	\$1,732,000	\$1,267,000	-\$465,000	-\$465,000
D. Developmental Disabilities Services Account					
	\$3,000	\$3,000	\$3,000	\$0	\$0
E. Federal Funds					
1. Early Start/Part C Grant	\$52,239,000	\$52,239,000	\$52,655,000	\$416,000	\$416,000
2. Foster Grandparent Program	51,783,000	51,783,000	52,161,000	378,000	378,000
3. Real Choice Systems Change Grant	456,000	456,000	456,000	0	0
	N/A	N/A	38,000	38,000	38,000
F. GRAND TOTAL	\$3,236,390,000	\$3,312,711,000	\$3,299,240,000	-\$13,471,000	\$62,850,000

Note: The above amounts EXCLUDE the following FY 2006-07 reappropriations: \$37,000 for affordable housing contract, and up to \$2,000,000 for CADDIS changes.

a/ Represents amounts transferred to developmental centers, based on the General Fund savings to the Community Placement Plan in FY 2006-07.

Executive Highlights

I. CURRENT YEAR (CY) 2007-08 COSTS AND FUND SOURCES

In the current year, reimbursements and other fund sources are projected to increase by \$56.9 million, resulting in a 2007-08 General Fund savings of \$1.7 million as shown in the table below. At the same time, it is estimated regional centers will need \$5.7 million more in Operations and \$49.5 million more in Purchase of Services, for a total of \$55.2 million more than projected in the 2007-08 Adjusted Budget.

CY 2007-08 Costs <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
Total Costs	\$3,602.3	\$3,657.5	\$55.2
Operations	497.7	503.4	5.7
Purchase of Services	3,084.5	3,134.0	49.5
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,602.3	\$3,657.5	\$55.2
General Fund (GF)	2,224.8	2,223.1	-1.7
GF Match	(925.9)	(979.1)	(53.2)
GF Other	(1,298.9)	(1,244.0)	(-54.9)
Reimbursements	1,194.9	1,251.9	57.0
Program Development Fund	1.3	1.1	-0.2
Public Transportation Account	128.8	128.8	0.0
Federal Funds	52.5	52.6	0.1

Other changes from the 2007-08 Adjusted Budget to the November Estimate are as follows:

A. Caseload

Based on actual data through July 2007, the community caseload is re-estimated to be 221,655 on January 31, 2008, which is 2,425 more than the previous estimate of 219,230 for 2007-08. This mid-year caseload is assumed to be the average for 2007-08 and is used to estimate regional center Operations costs.

CY 2007-08 Caseload <i>as of January 31, 2008</i>			
	Adjusted Budget	November Estimate	Difference
Total Community Caseload	219,230	221,655	2,425
Active Caseload (Age 3 & Older)	190,925	191,725	800
Early Start (Birth through 2 Years)	28,305	29,930	1,625

CY 2007-08 (continued)**B. Total Costs: \$55.2 Million Increase****1. Operations: \$5.7 Million Increase****a. Staffing: \$5.2 Million Increase**

Estimated 2007-08 Staffing costs were revised as shown in the table below:

2007-08 Staffing <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Core Staffing	\$427.8	\$432.8	\$5.0
(2) Intake and Assessment	-4.5	-4.5	0.0
(3) Community Placement Plan (CPP)	21.9	22.4	0.5
(4) Placement Continuation for Agnews Closure	0.3	0.3	0.0
(5) Unallocated Reduction	-10.6	-10.6	0.0
(6) Cost Containment	-6.0	-6.0	0.0
(7) Staffing for Collection of FFP for Contracted Services	2.2	2.2	0.0
(8) Staffing for Self-Directed HCBS Waiver	1.2	0.9	-0.3
Total	\$432.3	\$437.5	\$5.2

Changes reflect the following:

- **Core Staffing**: The \$5.0 million increase in Core Staffing reflects the change in the projected community caseload on January 1, 2008 from the Adjusted Budget (219,230 consumers) to the November Estimate (221,655 consumers), an increase of 2,425 consumers.
- **Community Placement Plan**: The \$0.5 million increase for the Community Placement Plan is the net result of (1) a decrease of \$0.5 million to reflect the transfer of two contracts associated with the closure of Agnews Developmental Center (DC) (technical assistance on housing issues and evaluation of SB 962 pilots) from this Staffing line item to Projects on pages B-4 and B-5 below, and (2) an increase of \$0.5 due to 16 additional placements from Agnews DC into the community in 2007-08. (See the Agnews Closure fiscal charts on pages B-26 to B-34 of this Section; Section E, CPP, pages E-16.1 to E-16.14; and Section G, Agnews Closure Update, for more information.)

CY 2007-08 (continued)

- Staffing for Self-Directed Home and Community-Based Services Waiver: The Self-Directed Services (SDS) program will cap individual budgets in exchange for increased consumer control over services. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services of a 1915(c) Home and Community-Based Services (HCBS) Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on March 1, 2008. Five regional centers will implement SDS in 2007-08, and the remaining 16 regional centers will implement SDS in 2008-09. The \$0.3 million decrease in regional center Operations costs is due to a change in the roll-out schedule, from 11 to 5 regional centers implementing SDS in 2007-08 and from 10 to 16 regional centers in 2008-09 and a reduction in consumer enrollments, from 400 to 100 in 2007-08. Preparing the regional centers for implementation of SDS will include fiscal, service coordination, quality assurance and information systems training and integration. The slower roll out in the current year will allow for improved assessment of initial implementation prior to full roll out at all 21 regional centers. (See Section E, pages E-1.4 to E-1.5, for detail on the Operations component of SDS, and pages E-14.1 to -14.3, for detail on the POS component.)

b. Federal Compliance: No Change

Estimated 2007-08 Federal Compliance costs have not changed from the 2007-08 May Revision.

CY 2007-08 (continued)c. Projects: \$0.5 Million Increase

Estimated 2007-08 Project costs were revised as follows:

2007-08 Projects (in thousands)			
	Adjusted Budget	November Estimate	Difference
(1) Information Technology	\$4,967	\$4,967	\$0
(a) Applications Support	3,167	3,167	0
(b) Data Processing	1,800	1,800	0
(2) Clients' Rights Advocacy Contract	5,121	5,121	0
(3) Life Quality Assessment Contract	4,866	4,866	0
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,197	2,197	0
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent/Senior Companion Programs	1,149	1,149	0
(8) Special Incident Rptg/Risk Assessment	833	833	0
(9) Sherry S. Court Case	534	534	0
(10) Movers Evaluation Contract	600	600	0
(11) Enhancing FFP, Phase II, Consultant	530	530	0
(12) University Enterprises, Inc.	155	125	-30
(13) Affordable Housing	90	94	4
(14) Cost Containment	-490	-490	0
(15) Self-Directed Services: Training & Development	200	200	0
Transfers from Staffing:			
(16) Agnews Closure: Technical Assistance on Housing Issues	Incl. in Staffing	280	280
(17) Evaluation of SB 962 Pilots	Incl. in Staffing	250	250
Total	\$25,824	\$26,328	\$504

Changes reflect the following:

- University Enterprises, Inc.: DDS contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. The \$30,000 decrease reflects a reduction of one-time fiscal year (FY) 2006-07 costs for analysis of service reports and budget methodology for the SDS program.
- Affordable Housing: DDS has an interagency agreement (IA) with the Department of Housing and Community Development (HCD) for

CY 2007-08 (continued)

technical assistance on housing-related issues. When the agreement was renewed in June 2007, HCD increased their budget by \$4,000.

- Agnews Closure: Technical Assistance on Housing Issues: DDS' IA with HCD includes \$280,000 for technical assistance on housing issues related to the closure of Agnews Developmental Center. This item was previously displayed with Staffing for CPP (in item I.B.1.a. above) and is being moved to this category, Projects, because it is not staffing-related. The amount of the IA has not changed.
- Evaluation of SB 962 Pilots: A comprehensive evaluation of the SB 962 pilot project will be conducted, with findings reported to the Legislature and Administration. This item was previously displayed with Staffing for CPP (in item I.B.1.a. above) and is being moved to this category, Projects, because it is not staffing related. The \$250,000 cost of the evaluation in 2007-08 has not changed.

2. Purchase of Services (POS): \$49.5 Million Increase

Estimated 2007-08 POS costs were revised as shown in the table below:

2007-08 Purchase of Services <i>(in millions)</i>			
POS Category	Adjusted Budget	November Estimate	Difference
a. Base	\$2,725.7	\$2,694.3	-\$31.4
b. Updated Caseload, Utilization and Expenditure Data	196.2	235.8	39.6
c. Community Placement Plan (CPP)	97.2	93.8	-3.4
d. Placement/Deflection Continuation	64.2	64.2	0.0
e. Self Directed Services	0.2	0.2	0.0
f. Minimum Wage Increases	45.0	45.0	0.0
g. ICF-DD Day Programs/Transportation Services	-44.0	0.0	44.0
h. Transfer to Developmental Centers	0.0	0.7	0.7
Total	\$3,084.5	\$3,134.0	\$49.5

Changes reflect the following:

- Base: November Estimate base expenditures of \$2.7 billion were estimated using updated POS expenditure data and input from the regional centers, resulting in a decrease of \$31.4 million.

CY 2007-08 (continued)

- Updated Caseload, Utilization and Expenditure Data: Updated caseload and expenditure data through May of 2007 were used to update this projection, resulting in an increase of \$39.6 million.
- Community Placement Plan: CPP reflects the POS costs for individuals to either be placed from developmental centers (DC) into the community or, for those individuals who have been referred to a DC, to be deflected from potential DC admission. The CPP estimate is comprised of regular CPP and CPP related to the closure of Agnews DC. Agnews costs were updated for 2007-08, and regular CPP costs are the same as the 2007-08 May Revision. The Agnews update reduced costs by \$3.4 million and includes 16 additional placements from Agnews DC into the community in 2007-08. Due to the current status of the Agnews closure process and the time required for acquisition and completion of housing, the pace of residents moving into the community is more gradual than originally anticipated. Therefore, \$0.7 million of this savings is being transferred to the DC budget pursuant to the Budget Act of 2007, Item 4300-101-0001, Provision 1, and Welfare and Institutions Code, Section 4418.25(d), which states that General Funds allocated for CPP that are not used for that purpose may be transferred to the DC budget if their population exceeds the budgeted level.

(See the Agnews Closure fiscal charts on pages B-26 to B-34 of this Section; Section E, pages E-16.1 to E-16.14; and Section G, Agnews Closure Update, for more information.)

- Self-Directed Services: The SDS program will cap individual budgets in exchange for increased consumer control over services. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by CMS of a 1915(c) HCBS Waiver and adoption of state regulations, DDS will roll out SDS on March 1, 2008. Five regional centers will implement SDS in 2007-08, and the remaining 16 regional centers will implement SDS in 2008-09. Maximum waiver enrollment of approximately 9,000 consumers will be reached over a five-year period. The individual budget allocation to consumers will result, in the aggregate, in a cost savings in the State General Fund. All services in the SDS program will be SDHCBS Waiver "billable," resulting in 100 percent of the services allowed to receive federal reimbursement. In addition, funding is included for one-time, non-annual purchases at an estimated average of \$500 (General Fund) per consumer for those transitioning to SDS for person-centered planning and development of the consumer's individual budget. POS costs are estimated to be \$0.2 million (offset by \$0.2 million General Fund savings) in 2007-08. This \$0.2 million reflects (1) updated POS expenditure data on which the monthly cost per

CY 2007-08 (continued)

consumer is based, and (2) frontloading of one month of POS costs for the individual budget. The pilot regional centers report increased spending for start-up costs in the initial month(s) of individual budget implementation. The consumer's individual budget year will cross fiscal years. (See Section E, pages E-14.1 to E-14.3, for detail on the POS component of SDS, and pages E-1.4 to E-1.5, for detail on the Operations component.)

- Intermediate Care Facility/Developmentally Disabled (ICF/DD) Day Program/Transportation Services: Prior to 2007-08, DDS expended \$88.0 million for day program and transportation services to ICF/DD residents who were not eligible for federal financial participation (FFP). The 2007-08 Enacted Budget for DDS reflected a reduction of \$44.0 million in regional center day program and transportation expenditures for ICF/DD residents, and the budget for the Department of Health Care Services (DHCS) was to reflect an increase of \$44.0 million, which, when added to the ICF/DD rate, would increase General Fund savings by generating FFP through an all-inclusive ICF/DD rate.

Through legislative action, Budget Bill language in the Budget Act of 2007 was adopted requiring that the State Plan Amendment (SPA) seeking FFP in the day program and transportation services of ICF/DD residents be constructed in a manner that was seamless to consumers and providers and that it retain the individual program plan process as the means for determining the resident's day and transportation services. Consistent with Budget Bill language and the SPA submitted to CMS, the day program and transportation expenditures are being retained in the DDS' budget, and an ICF/DD supplemental reimbursement program is being established to provide the FFP to DDS via Medicaid reimbursements from DHCS. CMS has not yet approved the SPA.

Therefore, the \$44.0 million reduction in regional center expenditures reflected in the Budget Act of 2007 is being shown in this November Estimate as an increase in reimbursements from DHCS for 2007-08 and 2008-09 (items I.C.2.i. and II.C.2.i. below). (See Section E, page E-26, for more information.)

C. Fund Sources**1. General Fund: \$1.7 Million Decrease**

The net General Fund need in 2007-08 is expected to decrease by \$1.7 million due to a projected \$55.2 million increase in Operations and Purchase of Services (described above), a projected increase of

CY 2007-08 (continued)

\$57.0 million in reimbursements, a projected decrease in the Program Development Fund of \$0.2 million, and a projected increase of \$0.1 million in federal funds.

2. Reimbursements: \$57.0 Million Increase

Current year 2007-08 reimbursements were revised to reflect updated expenditure and eligibility data as indicated in the following table:

CY 2007-08 Reimbursements			
<i>(in millions)</i>			
Reimbursement	Adjusted Budget	November Estimate	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$822.5	\$843.4	\$20.9
b. HCBS Waiver Administration	2.2	4.7	2.5
c. Medicaid Administration	14.4	14.3	-0.1
d. Targeted Case Management (TCM)	146.0	135.9	-10.1
e. TCM Administration	4.3	4.5	0.2
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	56.0	0.0
g. Self-Directed HCBS Waiver	0.4	0.2	-0.2
h. Self-Directed HCBS Waiver Administration	0.6	0.4	-0.2
i. Medicaid	0.0	44.0	44.0
j. Vocational Rehabilitation	0.6	0.6	0.0
Total	\$1,194.9	\$1,251.9	\$57.0

In addition, the above changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July 2006 through June 2007 and assumes enrollment growth to 76,530 by June 2008, resulting in an increase of \$20.9 million in HCBS Waiver reimbursements.
- HCBS Waiver Administration and TCM: CMS recently approved a rate-setting methodology for the TCM program which distributes administrative costs previously included in TCM to other programs. As a result, FFP from the TCM program in the current year has been reduced by \$10.1 million and FFP for HCBS Waiver Administration has increased by \$2.5 million.

CY 2007-08 (continued)

- Medicaid Administration: This estimate reflects the most current available data, producing a decrease of \$0.1 million.
- TCM Administration: This estimate reflects the most current available data, producing an increase of \$0.2 million.
- Self-Directed HCBS Waiver: The SDS program will cap individual budgets in exchange for increased control over services. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by CMS of a 1915(c) HCBS Waiver and adoption of state regulations, DDS will roll out SDS on March 1, 2008. Five regional centers will implement SDS in 2007-08, and the remaining 16 regional centers will implement SDS in 2008-09. Maximum waiver enrollment of approximately 9,000 consumers will be reached over a five-year period. The individual budget allocation to consumers will result, in the aggregate, in a cost savings in the State General Fund. All services in the SDS program will be SDHCBS Waiver "billable," resulting in 100 percent of the services allowed to receive federal reimbursement. The \$0.2 million decrease in SDHCBS Waiver reimbursements reflects (1) updated POS expenditure data on which the monthly cost per consumer is based, and (2) frontloading of one month of POS costs for the individual budget. (See Section E, pages E-24.1 to E-24.2, for detail on SDHCBS Waiver reimbursements, and pages E-14.1 to E-14.3 for detail on the POS estimate.)
- Self-Directed HCBS Waiver Administration: SCHCBS Waiver Administration funds are for the proper and efficient administration of the SCHCBS Waiver. The \$0.2 million decrease in reimbursements for regional center SDS Operations costs is due to a change in the roll-out schedule from 11 to 5 regional centers implementing SDS in 2007-08 and from 10 to 16 regional centers in 2008-09. Preparing the regional centers for implementation of SDS will include fiscal, service coordination, quality assurance and information systems training and integration. The slower roll out in the current year is an acknowledgement of the complexity of this task for both DDS and the regional centers. (See Section E, pages E-25.1 to E-25.2, for detail on SCHCBS Waiver Administration reimbursements, and pages E-1.4 to E-1.5, for detail on the Operations Estimate.)
- Medicaid: Prior to 2007-08, DDS expended \$88.0 million for day program and transportation services to ICF/DD residents who were not eligible for FFP. The 2007-08 Enacted Budget for DDS reflected a reduction of \$44.0 million in regional center day program and transportation expenditures for ICF/DD residents, and the budget for

CY 2007-08 (continued)

DHCS reflected an increase of \$44.0 million, which, when added to the ICF/DD rate, would increase General Fund savings by generating FFP through an all-inclusive ICF/DD rate.

Through legislative action, Budget Bill language in the Budget Act of 2007 was adopted requiring that the SPA seeking FFP in the day program and transportation services of ICF/DD residents be constructed in a manner that was seamless to consumers and providers and that it retain the individual program plan process as the means for determining the resident's day and transportation services. Consistent with Budget Bill language and the SPA submitted to CMS, the day program and transportation expenditures are being retained in the DDS' budget, and an ICF/DD supplemental reimbursement program is being established to provide the FFP to DDS via Medicaid reimbursements from DHCS. CMS has not yet approved the SPA.

Therefore, the \$44.0 million reduction in regional center expenditures reflected in the Budget Act of 2007 is being shown in this November Estimate as an increase in reimbursements from DHCS for 2007-08 and 2008-09. (See Section E, pages E-26, for more information.)

3. Program Development Fund: \$0.2 Million Decrease

The \$0.2 million reduction represents the most recent information on available funds.

4. Federal Funds: \$0.1 Million Increase

The \$0.1 million increase reflects the most current available data on Early Start grant funds.

II. BUDGET YEAR (BY) 2008-09 COSTS AND FUND SOURCES

The November Estimate includes a total 2008-09 need of \$4.2 billion that reflects a lower rate of growth than in prior years. This includes the cost of community services for consumers who transitioned from the Agnews Developmental Center due to closure, that correspond to savings in the Developmental Center budget. The increase of \$576.8 million from the 2008-09 Adjusted Budget, is shown in the table below:

BY 2008-09 Costs			
<i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
Total Costs	\$3,602.3	\$4,179.1	\$576.8
Operations	497.7	564.5	66.8
Purchase of Services	3,084.5	3,594.5	510.0
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,602.3	\$4,179.1	\$576.8
General Fund (GF)	2,224.8	2,603.8	379.0
GF Match	(925.9)	(1,073.8)	(147.9)
GF Other	(1,298.9)	(1,530.0)	(231.1)
Reimbursements	1,194.9	1,357.1	162.2
Program Development Fund	1.3	1.2	-0.1
Mental Health Services Fund	0.0	0.7	0.7
Public Transportation Account	128.8	140.9	12.1
Federal Funds	52.5	75.4	22.9

Other significant changes from the 2008-09 Adjusted Budget to the November Estimate are as follows:

BY 2008-09 (continued)A. Caseload

The 2007-08 Adjusted Budget reflects an estimated community caseload of 219,230 on January 31, 2008. For the 2008-09 November Estimate, the community caseload is projected to increase by 12,895, or 5.9 percent, to 232,125 on January 31, 2009. This mid-year caseload is assumed to be the seasonally adjusted average for 2008-09 and is used to estimate regional center Operations costs.

BY 2008-09 Caseload <i>as of January 31, 2009</i>			
	Adjusted Budget	November Estimate	Difference
Total Community Caseload	219,230	232,125	12,895
<i>Active Caseload (Age 3 & Older)</i>	<i>190,925</i>	<i>199,200</i>	<i>8,275</i>
<i>Early Start (Birth through 2 Years)</i>	<i>28,305</i>	<i>32,925</i>	<i>4,620</i>

B. Total Increase: \$576.8 Million1. Operations: \$66.8 Million Increasea. Staffing: \$65.0 Million Increase

Estimated 2008-09 costs for Staffing were revised as follows:

2008-09 Staffing <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Core Staffing (Includes Sunset Cost Containment Trailer Bill Language (TBL))	\$427.8	\$486.6	\$58.8
(2) Intake and Assessment: Sunset Cost Containment TBL	-4.5	0.0	4.5
(3) Community Placement Plan	21.9	21.1	-0.8
(4) Placement Continuation for Agnews Closure	0.3	0.6	0.3
(5) Unallocated Reduction	-10.6	-10.6	0.0
(6) Cost Containment	-6.0	-6.0	0.0
(7) Staffing for Collection of FFP for Contracted Services	2.2	2.2	0.0
(8) Staffing for Self-Directed HCBS Waiver	1.2	3.4	2.2
Total	\$432.3	\$497.3	\$65.0

BY 2008-09 (continued)

Changes reflect the following:

- Core Staffing (Includes Sunset Cost Containment TBL): The \$58.8 million increase in Core Staffing reflects (1) \$26.4 million associated with updated caseload, facility, vendor and expenditure data, and (2) \$32.4 million related to the sunset of cost containment TBL on June 30, 2008. FY 2003-04 TBL (AB 1762) Section 49, a temporary cost containment measure, amended regional center caseload ratios from one case manager for every 62 consumers to one case manager for every 66 consumers for all consumers who (1) have not moved from a developmental center since April 14, 1993; (2) are not three years of age; and (3) are not enrolled in the HCBS Waiver. This provision has been continued into 2007-08; however, it will sunset on July 1, 2008.
- Intake and Assessment: Sunset Cost Containment TBL: The \$4.5 million increase in Intake and Assessment reflects the sunset of cost containment TBL June 30, 2008. FY 2002-03 TBL (AB 442) Section 32, a temporary cost containment measure, allowed regional centers to increase from 60 to 120 days the amount of time to complete assessments, following initial intake, on individuals applying for services, except in specific circumstances. This provision has continued into 2007-08; however, it will sunset on July 1, 2008.
- Community Placement Plan: The \$0.8 million decrease in CPP reflects net updated Operations costs associated with the Agnews DC Closure Plan: (1) a \$1.8 million reduction in regional center staffing which will convert from resource development, assessment and placement activities to quality assurance in 2008-09, (2) a \$0.9 million increase to reflect an increase in the number of Agnews employees who will temporarily augment and enhance the services and supports needed to transition Agnews DC consumers into the community, (3) a \$0.4 million increase for transfer of the Agnews DC Foster Grandparent/Senior Companion program to San Andreas Regional Center, and (4) a \$0.3 million reduction to reflect discontinuation of consultant services for technical assistance on housing issues related to the Agnews DC Closure Plan.

Also included for 2007-08 in the Adjusted Budget and this November Estimate is a \$0.5 million legislative augmentation which adds four new positions (three Chief Health Care Community Specialists and one Assistant Health Care Community Specialist) at the three Bay Area regional centers supporting the Agnews Closure. Due to the

BY 2008-09 (continued)

volume of consumers at San Andreas Regional Center, they will receive the additional Assistant position. These resources are critical in order to ensure that all responsible parties are providing appropriate, high-quality health care services to consumers.

(See the Agnews Closure fiscal charts on pages B-26 to B-34 of this Section; Section E, CPP, pages E-16.1 to E-16.14; and Section G, Agnews Closure Update, for more information.)

- Placement Continuation for Agnews Closure: 2008-09 Placement Continuation Operations costs for consumers moving from Agnews DC into the community in 2007-08 were increased by \$0.3 due to the additional community placements in 2007-08 from the 2008-09 Adjusted Budget to the November Estimate.
- Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver: The SDS program will cap individual budgets in exchange for increased control over services. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services of a 1915(c) HCBS Waiver and adoption of state regulations, DDS will roll out SDS on March 1, 2008. Five regional centers will implement SDS in 2007-08, and the remaining 16 regional centers will implement SDS in 2008-09. The \$2.2 million increase in 2008-09 regional center Operations costs is due to the timing of the roll-out schedule for regional center implementation of SDS, from 5 regional centers implementing in 2007-08 to the remaining 16 regional centers in 2008-09. It is assumed there will be approximately 1,800 new SDS program enrollees in 2008-09. (See Section E, pages E-1.4 to E-1.5, for detail on the Operations component of SDS, and pages E-14.1 to E-14.3, for detail on the POS component.)

BY 2008-09 (continued)b. Federal Compliance: \$0.1 Million Decrease

Estimated 2008-09 costs for Federal Compliance are shown in the table below:

2008-09 Federal Compliance <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Home and Community-Based Services (HCBS) Waiver	\$21.1	\$21.1	\$0.0
(2) Accelerated HCBS Waiver Enrollments	1.2	0.9	-0.3
(3) Compliance w/HCBS Waiver Requirements	9.2	9.2	0.0
(4) Case Managers to Meet HCBS Waiver Requirements	3.3	3.5	0.2
(5) Targeted Case Management	4.1	4.1	0.0
(6) Nursing Home Reform/Pre-Admission Screening and Resident Review	0.6	0.6	0.0
Total	\$39.5	\$39.4	-\$0.1

The following minor adjustments were made:

- Accelerated HCBS Waiver Enrollments: These costs were decreased by \$0.3 General Fund to reflect 645 fewer Waiver enrollments, from 2,680 enrollments in 2007-08 to 2,035 enrollments in 2008-09.
- Case Managers to Meet HCBS Waiver Requirements: This item is intended to ensure compliance with CMS' requirement that the HCBS Waiver participant to case manager ratio of 62:1 is consistently met. These costs were increased by \$0.2 million to reflect the increase in case managers in Core Staffing based on updated caseload projections for 2008-09. (See Section E, page E-2.5, for the fiscal detail.)

BY 2008-09 (continued)c. Projects: \$1.2 Million Increase

Estimated 2008-09 costs for Projects were revised as shown in the table below:

2008-09 Projects <i>(in thousands)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Information Technology	\$4,967	\$4,967	\$0
(a) Applications Support	3,167	3,167	0
(b) Data Processing	1,800	1,800	0
(2) Clients' Rights Advocacy Contract	5,121	5,373	252
(3) Life Quality Assessment Contract	4,881	4,985	104
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,197	2,197	0
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent / Senior Companion Program	1,149	1,655	506
(8) Special Incident Rptg/Risk Assessment	833	940	107
(9) Sherry S. Court Case	534	534	0
(10) Movers Evaluation Contract	600	600	0
(11) Enhancing FFP, Phase II, Consultant	530	530	0
(12) University Enterprises, Inc.	155	175	20
(13) Affordable Housing	90	94	4
(14) Cost Containment	-490	-490	0
(15) Self-Directed Services: Trng & Dev	200	200	0
Transfers from Staffing:			
(16) Agnews Closure: Technical Assistance on Housing Issues	In Staffing	0	0
(17) Evaluation of SB 962 Pilots	In Staffing	200	200
Total	\$25,839	\$27,032	\$1,193

In addition to updated caseload projections, changes reflect the following:

- University Enterprises, Inc.: The increase of \$20,000 reflects contractor analysis of current forecasting methodologies, including methodology changes and training of staff on revised methods and related statistical information.
- Affordable Housing: DDS has an IA with HCD for technical assistance on housing-related issues. When the agreement was renewed in June 2007, HCD increased their budget by \$4,000.

BY 2008-09 (continued)

- Evaluation of SB 962 Pilots: A comprehensive evaluation of the SB 962 pilot project will be conducted, with findings reported to the Legislature and Administration. This item was previously displayed with Staffing for CPP (in item II.B.1.a. above) and is being moved to this category, Projects, because it is not staffing related. Funding for the evaluation of the SB 962 pilots is being reduced by \$50,000 since the evaluation is expected to be completed and costs phased out in 2008-09.
- d. New Major Assumption, Increased Access to Mental Health Services: \$0.7 Million Increase (Mental Health Services Fund)

DDS, in collaboration with DMH, will coordinate services to provide consumers with developmental disabilities and mental health issues (dually diagnosed), who are not served or are underserved, access to community mental health resources. Consistent with the requirements of the Mental Health Services Act (MHSA - Proposition 63), DDS, in consultation with DMH, will identify best practice models and provide training to enhance the effectiveness of the regional center and county mental health service systems to better identify and provide a competent response for those consumers who are dually diagnosed. To accomplish this, DDS requires a total of \$740,000 in increased reimbursement and position authority. A companion Budget Change Proposal for DDS Headquarters staff has been submitted. (See Section E, pages E-3.7 to E-3.12, for detail.)

BY 2008-09 (continued)2. Purchase of Services (POS): \$510.0 Million Increase

The total POS need is estimated to be \$3.6 billion, reflecting a decrease in the rate of growth over prior years. This represents an increase of \$510.0 million from the Adjusted Budget. The following table displays historical POS growth since FY 1996-97:

Historical POS Growth 2008-09 November Estimate (Dollars in Thousands)		
Fiscal Year	Actual Expenditures	% Change
1996-97	788,304	12.4%
1997-98	888,675	12.7%
1998-99	1,045,198	17.6%
1999-00	1,229,673	17.6%
2000-01	1,467,815	19.4%
2001-02	1,660,542	13.1%
2002-03	1,820,360	9.6%
2003-04	1,949,085	7.1%
2004-05	2,190,890	12.4% a/
2005-06	2,370,350 b/	8.2%
2006-07	2,711,467 b/c/	14.4% c/
2007-08	3,133,956 b/d/	15.6% d/
2008-09	3,594,519 b/e/	14.7% e/

a/ 6.2% of this increase is due to inclusion of the Habilitation Services program which was transferred to DDS from DOR in 2004-05. The remaining 6.2% increase is due to normal growth.

b/ Projected.

c/ 5.0% of this increase is due to the impact of the following major increases: (1) \$70.1 million for a 3% Provider Rate Increase, effective 7/1/06, (2) \$38.1 million for legislative actions, and (3) \$26.4 million for the Minimum Wage Increase, effective 1/1/07. The remaining 9.4% increase is due to normal growth.

d/ 5.8% of this increase is due to the impact of the following program changes: (1) \$73.6 million for a 3% Provider Rate Increase, effective 7/1/06, (2) \$36.1 million for legislative actions, and (3) \$71.4 million for Minimum Wage Increases, effective 1/1/07 and 1/1/08. The remaining 9.8% increase is due to normal growth.

e/ 5.7% of this increase is due to the impact of the following program changes: (1) \$73.6 million for a 3% Provider Rate Increase, effective 7/1/06, (2) \$39.0 million for legislative actions, (3) \$89.2 million for Minimum Wage Increases, effective 1/1/07 and 1/1/08, and (4) \$1.3 million for Self-Directed Services. The remaining 9.0% increase is due to normal growth.

BY 2008-09 (continued)

Commencing in FY 2002-03 forward, the Administration has proposed annually, and the Legislature has adopted, many temporary cost containment measures that will sunset on June 30, 2008. This November Estimate displays the fiscal impact of allowing the following cost containment strategies to sunset in 2008-09: community care facility service-level freeze, rate freezes for contracted services, community-based day programs, in-home respite service providers, and habilitation services; non-community placement plan start-up suspension; no pass-through of SSI/SSP increases to providers.

Future Cost Containment: Status of Rate Standardization

- Rate Standardization/Cost Avoidance Project: Efforts will involve regulations and proposed legislation regarding negotiated rates.
- Supported Living Services (SLS) Rate Standardization: DDS intends to implement revised supported living regulations. These regulations were based on the Department's comprehensive review and analysis of SLS statute and regulation, regional center POS policies for SLS, discussions of the SLS workgroup of the Service Delivery Reform Committee, SLS-related fair hearings for the most recent three years, annual SLS cost and utilization statistics from FY 1996-97 forward, and information gathering through interviews with staff at seven regional centers and meetings with stakeholders, including Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, Association of Regional Center Agencies, and consumer/parent representatives. The regulations are being implemented for the purpose of cost avoidance.

BY 2008-09 (continued)

- a. The following POS items have been revised or added based on updated caseload and expenditure projections or new major assumptions:

2008-09 Purchase of Services <i>(in millions)</i>			
POS Category	Adjusted Budget	November Estimate	Difference
(1) Base	\$2,725.7	\$3,037.5	\$311.8
(2) Updated Caseload, Utilization and Expenditure Data	196.2	256.4	60.2
(3) Community Placement Plan (CPP)	97.3	53.0	-44.3
(4) Placement/Deflection Continuation	64.2	109.8	45.6
(5) Self-Directed Services	0.1	1.3	1.2
(6) Minimum Wage Increases	45.0 a/	17.8 b/	-27.2
(7) ICF-DD Day Programs/Transportation Services	-44.0	0.0	44.0
(8) Sunset Cost Containment Trailer Bill Language	N/A	311.4	311.4
(9) New Major Assumption: Adjustment to POS Increase	N/A	-192.7	-192.7
Total	\$3,084.5	\$3,594.5	\$510.0

a/ \$45.0 million, plus \$26.4 million in the Base above, equal a total of \$71.4 million for 1/1/07 (full-year) and 1/1/08 (half-year) minimum wage increases in 2007-08.

b/ \$17.8 million, plus \$71.4 million in the Base above, equal a total of \$89.2 million for 1/1/07 (full-year) and 1/1/08 (full-year) minimum wage increases in 2008-09.

In addition to updated caseload and expenditure projections, these changes reflect the following:

- **Base:** The 2008-09 base costs of \$3,037.5 million increased by \$311.8 million from the 2007-08 base. The 2008-09 base is comprised of the total 2007-08 POS budget authority, minus one-time 2007-08 expenditures. Therefore, the \$311.8 million difference between the 2007-08 and the 2008-09 bases reflects authorized 2007-08 expenditures for continuous items beyond the 2007-08 base.
- **Updated Caseload, Utilization, and Expenditure Data:** Updated caseload and expenditure data were used to update this projection, resulting in an increase of \$60.2 million from the Adjusted Budget.
- **Community Placement Plan:** CPP reflects the costs to place individuals from DCs into the community and to deflect individuals who have been referred to the DC for potential admission. The

BY 2008-09 (continued)

CPP estimate is comprised of regular CPP and CPP related to the closure of Agnews DC. The 2008-09 CPP was reduced by \$44.3 million to reflect the closure of Agnews DC on June 30, 2008. This estimate will be updated in the 2008-09 May Revision using regional center plans to be submitted in December 2007 and January 2008. (See the Agnews Closure fiscal charts on pages B-26 to B-34 of this Section; Section E, pages E-16.1 to E-16.14; and Section G, Agnews Closure Update, for more information.)

- Placement/Deflection Continuation: These costs are for consumers who, under the CPP (including the Agnews Closure Plan) in the prior year, (a) moved from a developmental center into the community or (b) deflected away from placement in a DC. Costs for 2008-09 are preliminarily estimated to increase by \$45.6 million from the Adjusted Budget. (See the Agnews Closure fiscal charts on pages B-26 to B-34 of this Section; Section F, pages F-4.1 to F-4.4; and Section G, Agnews Closure Update, for more information.)
- Self-Directed Services: Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the CMS of a 1915(c) HCBS Waiver and adoption of state regulations, DDS will roll out SDS on March 1, 2008. Five regional centers will implement SDS in 2007-08, and the remaining 16 regional centers will implement SDS in 2008-09. This estimate includes the projected increase in enrolled consumers of 1,800 in 2008-09. POS costs are estimated to be \$1.3 million in 2008-09. (See pages B-6 to B-7 and Section E, pages E-14.1 to E-14.3, for more information on the POS component of SDS; and pages E-1.4 to E-1.5, for detail on the Operations component.)
- Minimum Wage: On January 1, 2008, the California minimum wage will increase by \$0.50 to \$8.00 per hour. This increase, enacted with Chapter 203, Statutes of 2006 (AB 1835), will impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care, and supported living services. The fiscal impact of the January 1, 2008 increase is estimated to be \$17.8 million in 2008-09. (See Section F, pages F-14.1 to F-14.3, for the fiscal detail.)
- ICF/DD Day Programs/Transportation Services: The Department of Health Care Services (DHCS) has submitted to the federal CMS

BY 2008-09 (continued)

a request to amend the California State Plan for Medicaid Services to allow the collection of FFP for day program and non-medical transportation services received by regional center consumers residing in ICFs/DD. This amendment would establish an ICF/DD supplemental reimbursement program to reimburse the State for the cost of day program and non-medical transportation. Upon implementation of this program, 50 percent of the costs will be eligible for FFP. Approximately \$44 million in federal revenue could be received based upon current state General Fund expenditures. CMS has not yet approved the State Plan Amendment.

Therefore, the \$44.0 million reduction in regional center expenditures reflected in the Budget Act of 2007 is being shown in this November Estimate as an increase in reimbursements from DHCS for 2007-08 and 2008-09. (See page B-7 above and Section E, page E-26, for more information.)

- New Major Assumption, Adjustment to Purchase of Services Increase:

The current estimating model used to forecast POS costs projects significant cost growth in 2008-09 in Community Care Facilities, Day Programs, Support Services, In-Home Respite, and Miscellaneous Services. A review of these projected cost increases indicates that caseload is growing but is being outstripped by significantly increased costs for services and the number of services provided. Given the unexplained growth in costs and the projected future growth of the program, projected caseload growth was fully funded using the average cost per consumer. POS costs are being reduced by \$192.7 million (\$112.7 million General Fund) until more detail is gathered on other POS cost drivers. (See Section E, pages E-15.1 to E-15.2, for more information.)

C. Fund Sources**1. General Fund: \$379.0 Million Increase**

The 2008-09 General Fund need is estimated to increase by \$379.0 million from the Adjusted Budget. This increase is the net result of caseload and utilization updates for Operations and POS, new major assumptions, and increases in reimbursements.

BY 2008-09 (continued)2. Reimbursements: \$162.2 Million Increase

2008-09 reimbursements have been revised based on updated caseload and expenditure data:

2008-09 Reimbursements <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$822.5	\$922.0	\$99.5
b. HCBS Waiver Administration	2.2	4.7	2.5
c. Medicaid Administration	14.4	15.0	0.6
d. Targeted Case Management (TCM)	146.0	151.9	5.9
e. TCM Administration	4.3	4.5	0.2
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	56.0	0.0
g. Self-Directed (SD) HCBS Waiver	0.4	8.8	8.4
h. SDHCBS Waiver Administration	0.6	1.7	1.1
i. Medicaid	0.0	44.0	44.0
i. Vocational Rehabilitation	0.6	0.6	0.0
Total	\$1,194.9	\$1,357.1	\$162.2

In addition, the above changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July 2006 through June 2007 and assumes enrollment growth to 78,135 by June 2009 and the sunset of the Cost Containment Trailer Bill Language on June 30, 2008, resulting in an increase of \$99.5 million in HCBS Waiver reimbursements.
- HCBS Waiver Administration: CMS recently approved a rate-setting methodology for the TCM program which distributes administrative costs previously included in TCM to other programs. As a result FFP from the TCM program has been reduced, and FFP for HCBS Waiver Administration has increased by \$2.5 million.
- Medicaid Administration: This estimate reflects the most current available data, producing an increase of \$0.6 million.
- Target Case Management (TCM): The \$5.9 million increase in TCM is the net result of (1) a \$10.1 million reduction due to CMS' recent approval of a TCM rate-setting methodology which distributes administrative costs

BY 2008-09 (continued)

previously included in TCM to other programs, and (2) a \$16.0 million increase related to the June 30, 2008 sunset of Cost Containment Trailer Bill Language.

- TCM Administration: This estimate reflects the most current available data, producing an increase of \$0.2 million.
- SDHCBS Waiver: This estimate was increased by \$8.4 million to reflect the continuing phase-in implementation of the SDS program in 2008-09. (See page B-9 and Section E, pages E-24.1 to E-24.2, for more information on SDHCBS Waiver reimbursements, and pages E-14.1 to E-14.3 for detail on the POS estimate.)
- SDHCBS Waiver Administration: This estimate was increased by \$1.1 million to reflect the continuing phase-in implementation of the SDS program in 2008-09. (See page B-9 and Section E, pages E-25.1 to E-25.2, for more information on SDHCBS Waiver Administration reimbursements, and pages E-1.4 to E-1.5 for detail on the Operations estimate.)
- Medicaid: This estimate includes \$44.0 million in day program and transportation funding for ICF/DD residents. See pages B-9 to B-10 above and Section E, page E-26, for more information.)

3. Program Development Fund: \$0.1 Million Decrease

This estimate was updated to reflect the latest available data, resulting in a decrease of \$0.1 million. (See Section E, page E-28, for more information.)

4. Mental Health Services Fund: \$0.7 Million Increase

DDS, in collaboration with DMH, will coordinate services to provide consumers with developmental disabilities and mental health issues (dually diagnosed), who are not served or are underserved, access to community mental health resources. Consistent with the requirements of the Mental Health Services Act (MHSA - Proposition 63), DDS, in consultation with DMH, will identify best practice models and provide training to enhance the effectiveness of the regional center and county mental health service systems to better identify and provide a competent response for those consumers who are dually diagnosed. To accomplish this, DDS requires a total of \$740,000 in increased reimbursement and position authority. A companion Budget Change Proposal for DDS Headquarters staff has been submitted. (See Section E, pages E-3.7 to E-3.12, for detail.)

BY 2008-09 (continued)5. Public Transportation Account (PTA): \$12.1 Million Increase

The regional centers contract with vendors to provide a number of services to consumers, including transportation services provided by public transit, specialized transportation companies, service providers, and families. These services allow individuals with developmental disabilities to participate in services and other activities identified in their individual program plans. The \$12.1 million increase reflects updated transportation expenditure data. (See Section E, page E-29, for more information.)

6. Federal Funds: \$22.9 Million Increase

This increase is due to a \$0.1 million increase in federal Foster Grandparent program funds and a one-time drawdown of \$22.8 million in unspent federal Early Start grant funds for early intervention services. California will be taking advantage of the opportunity to access Early Start grant funds that have already been awarded to the State. (See Section E, pages E-30.1 to E-31, for more information.)

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2007-08**

		2007-08 Budget Act	2008-09 November Estimate CY 2007-08	Difference	
		A	B	B - A	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base	Total	\$73,754,000	\$73,754,000	\$0
		<i>General Fund</i>	39,347,759	39,347,759	0
		<i>Other</i>	34,406,241	34,406,241	0
		PYs	967.0	967.0	0.0
		Year Beginning Population	204	220	16
2.	Placements Into the Community	Total	-\$12,722,000	-\$11,456,000	\$1,266,000
		<i>General Fund</i>	-6,787,000	-6,111,000	676,000
		<i>Other</i>	-5,935,000	-5,345,000	590,000
		PYs	-158.0	-145.0	13.0
		Placements	-188	-204	-16
		Deaths	-6	-6	0
3.	Consumer Transfers to Other DCs	Total	-\$430,000	-\$430,000	\$0
		<i>General Fund</i>	-229,000	-229,000	0
		<i>Other</i>	-201,000	-201,000	0
		Population	-10	-10	0
4.	State Employees in the Community	Total	\$9,459,000	\$9,459,000	\$0
	Clinical Staff (RC Operations)	Subtotal	1,554,000	1,554,000	0
	<i>Clinical Staff</i>		1,432,100	1,432,100	0
	<i>Admin for Clinical Staff</i>		0	0	0
	<i>Operating Expense & Equipment</i>		121,900	121,900	0
	Direct Support Services (RC Purchase of Services)	Subtotal	7,663,000	7,663,000	0
	<i>Direct Support Services</i>		6,474,900	6,474,900	0
	<i>Admin for Direct Support Services</i>		0	0	0
	<i>Operating Expense & Equipment</i>		1,188,100	1,188,100	0
	Administrative Staff (SDC)	Subtotal	242,000	242,000	0
	<i>Personal Services</i>		218,000	218,000	0
	<i>Operating Expense & Equipment</i>		24,000	24,000	0
	PYs		3.0	3.0	0.0
	Primary Care Clinic and Closure Services	Subtotal	0	0	0
	<i>Personal Services</i>		0	0	0
	<i>Operating Expense & Equipment</i>		0	0	0
	PYs		0.0	0.0	0.0
	<i>General Fund</i>		129,000	129,000	0
	<i>Other</i>		9,330,000	9,330,000	0
5.	Administrative Staff for Closure	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
6.	Warm Shut Down	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
	<i>General Expenses</i>		0	0	0
	<i>Facilities Operations</i>		0	0	0
	<i>Contracts</i>		0	0	0
	<i>Vehicle Operations</i>		0	0	0
	<i>Utilities</i>		0	0	0
	<i>Staffing</i>		0	0	0
	<i>General Fund</i>		0	0	0
	<i>Other</i>		0	0	0

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2007-08**

		2007-08 Budget Act	2008-09 November Estimate CY 2007-08	Difference
		A	B	B - A
7.	Foster Grandparent/Senior Companion Program	Total	\$0	\$0
		PYs	0.0	0.0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
8.	Staff Costs for Closure Plan	Total	\$4,918,000	\$4,918,000
			828,000	828,000
			496,000	496,000
			3,595,000	3,595,000
		<i>General Fund</i>	2,624,000	2,624,000
		<i>Other</i>	2,294,000	2,294,000
9.	Facility Preparation	Total	\$73,000	\$73,000
		<i>General Fund</i>	39,000	39,000
		<i>Other</i>	34,000	34,000
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$105,000	\$105,000
		<i>General Fund</i>	56,000	56,000
		<i>Other</i>	49,000	49,000
11.	Regional Resource Development Projects	Total	\$0	\$0
		PYs	0.0	0.0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
12.	Agnews Staffing Plan	Total	\$731,000	\$731,000
		PYs	10.0	10.0
		<i>General Fund</i>	390,000	390,000
		<i>Other</i>	341,000	341,000
Total Developmental Centers Costs of Closure		Total	\$75,888,000	\$77,154,000
		PYs	822.0	835.0
		<i>General Fund</i>	35,569,759	36,245,759
		<i>Other</i>	40,318,241	40,908,241
Year Ending Population			0	0
REGIONAL CENTERS				
13.	Community Placement Plan			
A)	Operations	Total	\$8,407,000	\$9,388,000
			6,323,000	6,805,000
			1,554,000	1,554,000
			280,000	280,000
			250,000	250,000
			0	499,000
		<i>General Fund</i>	7,300,000	7,823,000
		<i>Other</i>	1,107,000	1,565,000
B)	Purchase of Services (POS)	Total	\$44,245,000	\$40,843,000
		Placements	188	204
			10,933,000	12,400,000
			0	0
			33,312,000	28,443,000
		<i>General Fund</i>	32,604,000	29,496,000
		<i>Other</i>	11,641,000	11,347,000
	<i>(FYI: State Employees in the Community costs included in POS above)</i>		<i>(7,663,000)</i>	<i>(7,663,000)</i>
Total Community Placement Plan (A+B)		Total	\$52,652,000	\$50,231,000
		Placements	188	204
		<i>General Fund</i>	39,904,000	37,319,000
		<i>Other</i>	12,748,000	12,912,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2007-08**

		2007-08 Budget Act	2008-09 November Estimate CY 2007-08	Difference
		A	B	B - A
14.	Placement Continuation			
A)	Operations			
	Total	\$338,000	\$297,000	-\$41,000
	1. Client Program Coordinators (CPC)	91,000	53,000	-38,000
	2. Nurse Consultant	17,000	14,000	-3,000
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	230,000	230,000	0
	General Fund	142,000	121,000	-21,000
	Other	196,000	176,000	-20,000
B)	Purchase of Services (POS)			
	Total	\$32,485,000	\$32,485,000	\$0
	Prior Year Placements	70	70	0
	Placement Continuation (property management and lease)	32,485,000	32,485,000	0
	General Fund	25,215,000	24,502,000	-713,000
	Other	7,270,000	7,983,000	713,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)
	Total Placement Continuation (A+B)	\$32,823,000	\$32,782,000	-\$41,000
	Prior Year Placements	70	70	0
	General Fund	25,357,000	24,623,000	-734,000
	Other	7,466,000	8,159,000	693,000
	Total Regional Center Costs of Closure	\$85,475,000	\$83,013,000	-\$2,462,000
	General Fund	65,261,000	61,942,000	-3,319,000
	Other	20,214,000	21,071,000	857,000
	GRAND TOTAL - COSTS OF CLOSURE	Total \$161,363,000	\$160,167,000	-\$1,196,000
	PYs	822.0	835.0	13.0
	General Fund	100,830,759	98,187,759	-2,643,000
	Other	60,532,241	61,979,241	1,447,000
	Year Ending Population	0	0	0

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2008-09**

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09	Difference	
		A	B	B - A	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base	Total	\$73,754,000	\$0	-\$73,754,000
		<i>General Fund</i>	39,347,759	0	-39,347,759
		<i>Other</i>	34,406,241	0	-34,406,241
		PYs	967.0	0.0	-967.0
		Year Beginning Population	204	0	-204
2.	Placements Into the Community	Total	-\$12,722,000	\$0	\$12,722,000
		<i>General Fund</i>	-6,787,000	0	6,787,000
		<i>Other</i>	-5,935,000	0	5,935,000
		PYs	-158.0	0.0	158.0
		Placements	-188	0	188
		Deaths	-6	0	6
3.	Consumer Transfers to Other DCs	Total	-\$430,000	\$0	\$430,000
		<i>General Fund</i>	-229,000	0	229,000
		<i>Other</i>	-201,000	0	201,000
		Population	-10	0	10
4.	State Employees in the Community	Total	\$9,459,000	\$24,536,000	\$15,077,000
	Clinical Staff (RC Operations)	Subtotal	1,554,000	2,542,900	988,900
	<i>Clinical Staff</i>		1,432,100	2,327,500	895,400
	<i>Admin for Clinical Staff</i>		0	0	0
	<i>Operating Expense & Equipment</i>		121,900	215,400	93,500
					0.0
	Direct Support Services (RC Purchase of Services)	Subtotal	7,663,000	17,539,100	9,876,100
	<i>Direct Support Services</i>		6,474,900	15,451,500	8,976,600
	<i>Admin for Direct Support Services</i>		0	0	0
	<i>Operating Expense & Equipment</i>		1,188,100	2,087,600	899,500
	Administrative Staff (SDC)	Subtotal	242,000	485,000	243,000
	<i>Personal Services</i>		218,000	437,000	219,000
	<i>Operating Expense & Equipment</i>		24,000	48,000	24,000
		PYs	3.0	6.0	3.0
	Primary Care Clinic and Closure Services	Subtotal	0	3,969,000	3,969,000
	<i>Personal Services</i>		0	3,185,000	3,185,000
	<i>Operating Expense & Equipment</i>		0	784,000	784,000
		PYs	0.0	24.0	24.0
		<i>General Fund</i>	129,000	475,000	346,000
		<i>Other</i>	9,330,000	24,061,000	14,731,000
5.	Administrative Staff for Closure	Total	\$0	\$335,000	\$335,000
		PYs	0.0	5.0	5.0
		<i>General Fund</i>	0	195,000	195,000
		<i>Other</i>	0	140,000	140,000
6.	Warm Shut Down	Total	\$0	\$4,836,000	\$4,836,000
		PYs	0.0	25.0	25.0
	<i>General Expenses</i>		0	75,000	75,000
	<i>Facilities Operations</i>		0	30,000	30,000
	<i>Contracts</i>		0	1,203,000	1,203,000
	<i>Vehicle Operations</i>		0	154,000	154,000
	<i>Utilities</i>		0	1,089,000	1,089,000
	<i>Staffing</i>		0	2,285,000	2,285,000
		<i>General Fund</i>	0	2,822,000	2,822,000
		<i>Other</i>	0	2,014,000	2,014,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2008-09**

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09	Difference
		A	B	B - A
7.	Foster Grandparent/Senior Companion Program	Total	\$0	-\$384,000
		PYs	0.0	0.0
		<i>General Fund</i>	0	-318,000
		<i>Other</i>	0	-66,000
8.	Staff Costs for Closure Plan	Total	\$4,918,000	\$0
				-\$4,918,000
			828,000	0
			496,000	0
			3,595,000	0
		<i>General Fund</i>	2,624,000	0
		<i>Other</i>	2,294,000	0
9.	Facility Preparation	Total	\$73,000	\$0
		<i>General Fund</i>	39,000	0
		<i>Other</i>	34,000	0
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$105,000	\$0
		<i>General Fund</i>	56,000	0
		<i>Other</i>	49,000	0
11.	Regional Resource Development Projects	Total	\$0	\$1,479,000
		PYs	0.0	13.0
		<i>General Fund</i>	0	863,000
		<i>Other</i>	0	616,000
12.	Agnews Staffing Plan	Total	\$731,000	\$293,000
		PYs	10.0	3.0
		<i>General Fund</i>	390,000	156,000
		<i>Other</i>	341,000	137,000
Total Developmental Centers Costs of Closure		Total	\$75,888,000	\$31,095,000
		PYs	822.0	76.0
		<i>General Fund</i>	35,569,759	4,193,000
		<i>Other</i>	40,318,241	26,902,000
	Year Ending Population	0	0	0
REGIONAL CENTERS				
13.	Community Placement Plan			
A)	Operations	Total	\$8,407,000	\$8,087,000
				-\$320,000
			6,323,000	4,845,000
			1,554,000	2,543,000
			280,000	0
			250,000	200,000
			0	499,000
		<i>General Fund</i>	7,300,000	5,817,000
		<i>Other</i>	1,107,000	2,270,000
B)	Purchase of Services (POS)	Total	\$44,245,000	\$0
		Placements	188	0
				-188
			10,933,000	0
			0	0
			33,312,000	0
		<i>General Fund</i>	32,604,000	0
		<i>Other</i>	11,641,000	0
	<i>(FYI: State Employees in the Community costs included in POS above)</i>		<i>(7,663,000)</i>	<i>(0)</i>
				<i>-(7,663,000)</i>
Total Community Placement Plan (A+B)		Total	\$52,652,000	\$8,087,000
		Placements	188	0
		<i>General Fund</i>	39,904,000	5,817,000
		<i>Other</i>	12,748,000	2,270,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2008-09**

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09	Difference	
		A	B	B - A	
14.	Placement Continuation				
A)	Operations				
	Total	\$338,000	\$587,000	\$249,000	
	1. Client Program Coordinators (CPC)	91,000	58,000	-33,000	
	2. Nurse Consultant	17,000	297,000	280,000	
	3. State Employees in the Community	0	0	0	
	4. Clinical Staff	0	0	0	
	5. Increased Access to Oral Health Care	230,000	232,000	2,000	
	General Fund	142,000	206,000	64,000	
	Other	196,000	381,000	185,000	
B)	Purchase of Services (POS)				
	Total	\$32,485,000	\$96,636,000	\$64,151,000	
	Prior Year Placements	70	204	134	
	Placement Continuation (property management and lease)	32,485,000	96,636,000	64,151,000	
	General Fund	25,215,000	61,603,000	36,388,000	
	Other	7,270,000	35,033,000	27,763,000	
	(FYI: State Employees in the Community costs included in POS above)	(0)	(17,539,000)	(17,539,000)	
	Total Placement Continuation (A+B)	\$32,823,000	\$97,223,000	\$64,400,000	
	Prior Year Placements	70	204	134	
	General Fund	25,357,000	61,809,000	36,452,000	
	Other	7,466,000	35,414,000	27,948,000	
	Total Regional Center Costs of Closure	\$85,475,000	\$105,310,000	\$19,835,000	
	General Fund	65,261,000	67,626,000	2,365,000	
	Other	20,214,000	37,684,000	17,470,000	
	GRAND TOTAL - COSTS OF CLOSURE	Total	\$161,363,000	\$136,405,000	-\$24,958,000
		PYs	822.0	76.0	-746.0
		General Fund	100,830,759	71,819,000	-29,011,759
		Other	60,532,241	64,586,000	4,053,759
	Year Ending Population	0	0	0	

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2007-08 TO BUDGET YEAR 2008-09**

		2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09	Change from CY 2007-08 to BY 2008-09	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base	Total	\$73,754,000	\$0	-\$73,754,000
		<i>General Fund</i>	39,347,759	0	-39,347,759
		<i>Other</i>	34,406,241	0	-34,406,241
		PYs	967.0	0.0	-967.0
		Year Beginning Population	220	0	-220
2.	Placements Into the Community	Total	-\$11,456,000	\$0	\$11,456,000
		<i>General Fund</i>	-6,111,000	0	6,111,000
		<i>Other</i>	-5,345,000	0	5,345,000
		PYs	-145.0	0.0	145.0
		Placements	-204	0	204
		Deaths	-6	0	6
3.	Consumer Transfers to Other DCs	Total	-\$430,000	\$0	\$430,000
		<i>General Fund</i>	-229,000	0	229,000
		<i>Other</i>	-201,000	0	201,000
		Population	-10	0	10
4.	State Employees in the Community	Total	\$9,459,000	\$24,536,000	\$15,077,000
	Clinical Staff (RC Operations)	Subtotal	1,554,000	2,542,900	988,900
	<i>Clinical Staff</i>		1,432,100	2,327,500	895,400
	<i>Admin for Clinical Staff</i>		0	0	0
	<i>Operating Expense & Equipment</i>		121,900	215,400	93,500
					0.0
	Direct Support Services (RC Purchase of Services)	Subtotal	7,663,000	17,539,100	9,876,100
	<i>Direct Support Services</i>		6,474,900	15,451,500	8,976,600
	<i>Admin for Direct Support Services</i>		0	0	0
	<i>Operating Expense & Equipment</i>		1,188,100	2,087,600	899,500
	Administrative Staff (SDC)	Subtotal	242,000	485,000	243,000
	<i>Personal Services</i>		218,000	437,000	219,000
	<i>Operating Expense & Equipment</i>		24,000	48,000	24,000
		PYs	3.0	6.0	3.0
	Primary Care Clinic and Closure Services	Subtotal	0	3,969,000	3,969,000
	<i>Personal Services</i>		0	3,185,000	3,185,000
	<i>Operating Expense & Equipment</i>		0	784,000	784,000
		PYs	0.0	24.0	24.0
		<i>General Fund</i>	129,000	475,000	346,000
		<i>Other</i>	9,330,000	24,061,000	14,731,000
5.	Administrative Staff for Closure	Total	\$0	\$335,000	\$335,000
		PYs	0.0	5.0	5.0
		<i>General Fund</i>	0	195,000	195,000
		<i>Other</i>	0	140,000	140,000
6.	Warm Shut Down	Total	\$0	\$4,836,000	\$4,836,000
		PYs	0.0	25.0	25.0
	<i>General Expenses</i>		0	75,000	75,000
	<i>Facilities Operations</i>		0	30,000	30,000
	<i>Contracts</i>		0	1,203,000	1,203,000
	<i>Vehicle Operations</i>		0	154,000	154,000
	<i>Utilities</i>		0	1,089,000	1,089,000
	<i>Staffing</i>		0	2,285,000	2,285,000
		<i>General Fund</i>	0	2,822,000	2,822,000
		<i>Other</i>	0	2,014,000	2,014,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2007-08 TO BUDGET YEAR 2008-09**

		2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09	Change from CY 2007-08 to BY 2008-09
7.	Foster Grandparent/Senior Companion Program	Total	\$0	-\$384,000
		PYs	0.0	0.0
		<i>General Fund</i>	0	-318,000
		<i>Other</i>	0	-66,000
8.	Staff Costs for Closure Plan	Total	\$4,918,000	\$0
				-\$4,918,000
	Staff Transition Costs	828,000	0	-828,000
	Overtime for Consumer Transfers and Escort	496,000	0	-496,000
	Costs for Lump-Sum Buyout	3,595,000	0	-3,595,000
		<i>General Fund</i>	2,624,000	0
		<i>Other</i>	2,294,000	0
9.	Facility Preparation	Total	\$73,000	\$0
		<i>General Fund</i>	39,000	0
		<i>Other</i>	34,000	0
10.	Consumer Relocation Costs (Moving vans, transportation vehicles, etc.)	Total	\$105,000	\$0
		<i>General Fund</i>	56,000	0
		<i>Other</i>	49,000	0
11.	Regional Resource Development Projects	Total	\$0	\$1,479,000
		PYs	0.0	13.0
		<i>General Fund</i>	0	863,000
		<i>Other</i>	0	616,000
12.	Agnews Staffing Plan	Total	\$731,000	\$293,000
		PYs	10.0	3.0
		<i>General Fund</i>	390,000	156,000
		<i>Other</i>	341,000	137,000
Total Developmental Centers Costs of Closure		Total	\$77,154,000	\$31,095,000
		PYs	835.0	76.0
		<i>General Fund</i>	36,245,759	4,193,000
		<i>Other</i>	40,908,241	26,902,000
	Year Ending Population	0	0	-14,006,241
				0
REGIONAL CENTERS				
13.	Community Placement Plan	Total	\$9,388,000	\$8,087,000
A)	Operations			-\$1,301,000
	1. Unified Operations Costs	6,805,000	4,845,000	-1,960,000
	2. State Employees in the Community	1,554,000	2,543,000	989,000
	3. Consultant Services - Tech. Assistance on Housing Issues	280,000	0	-280,000
	4. Evaluation of Licensing Pilots	250,000	200,000	-50,000
	5. Foster Grandparent/Senior Companion Program	499,000	499,000	0
		<i>General Fund</i>	7,823,000	5,817,000
		<i>Other</i>	1,565,000	2,270,000
B)	Purchase of Services (POS)	Total	\$40,843,000	\$0
		Placements	204	0
	1. Start-up Costs (resource development)	12,400,000	0	-12,400,000
	2. Assessments	0	0	0
	3. Placements (property management and lease)	28,443,000	0	-28,443,000
		<i>General Fund</i>	29,496,000	0
		<i>Other</i>	11,347,000	0
	(FYI: State Employees in the Community costs included in POS above)	(7,663,000)	(0)	-(7,663,000)
Total Community Placement Plan (A+B)		Total	\$50,231,000	\$8,087,000
		Placements	204	0
		<i>General Fund</i>	37,319,000	5,817,000
		<i>Other</i>	12,912,000	2,270,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2007-08 TO BUDGET YEAR 2008-09**

		2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09	Change from CY 2007-08 to BY 2008-09
14.	Placement Continuation			
A)	Operations			
	Total	\$297,000	\$587,000	\$290,000
	1. Client Program Coordinators (CPC)	53,000	58,000	5,000
	2. Nurse Consultant	14,000	297,000	283,000
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	230,000	232,000	2,000
	General Fund	121,000	206,000	85,000
	Other	176,000	381,000	205,000
B)	Purchase of Services (POS)			
	Total	\$32,485,000	\$96,636,000	\$64,151,000
	Prior Year Placements	70	204	134
	Placement Continuation (property management and lease)	32,485,000	96,636,000	64,151,000
	General Fund	24,502,000	61,603,000	37,101,000
	Other	7,983,000	35,033,000	27,050,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(17,539,000)	(17,539,000)
	Total Placement Continuation (A+B)			
	Total	\$32,782,000	\$97,223,000	\$64,441,000
	Prior Year Placements	70	204	134
	General Fund	24,623,000	61,809,000	37,186,000
	Other	8,159,000	35,414,000	27,255,000
	Total Regional Center Costs of Closure			
	Total	\$83,013,000	\$105,310,000	\$22,297,000
	General Fund	61,942,000	67,626,000	5,684,000
	Other	21,071,000	37,684,000	16,613,000
	GRAND TOTAL - COSTS OF CLOSURE			
	Total	\$160,167,000	\$136,405,000	-\$23,762,000
	PYs	835.0	76.0	-759.0
	General Fund	98,187,759	71,819,000	-26,368,759
	Other	61,979,241	64,586,000	2,606,759
	Year Ending Population	0	0	0

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

There are no future fiscal issues to report at this time.

NEW MAJOR ASSUMPTIONS

OPERATIONS

Increased Access to Mental Health Services

Mental Health Services Funds (MHSF) in the amount of \$740,000, ongoing, will be used to implement services and trainings at the local level to more effectively address the needs of consumers who have both a developmental disability and a co-occurring mental illness (dually diagnosed). Since 2000-01 the numbers of dually diagnosed consumers have increased by 75 percent. This figure represents 10.25 percent of the total population served by DDS. Also since 2000-01, the POS costs related to providing services to persons with a dual diagnosis have increased by 280 percent. The California Department of Developmental Services (DDS), will collaborate with the Department of Mental Health (DMH) to achieve this objective. A companion BCP will provide new positions at Headquarters to oversee the MHSF activities at the statewide level. Specifically, these funds will be used to provide Consultation Services (\$65,000, ongoing) to both agencies to enhance delivery of collaborative services at regional centers and local mental health agencies; to provide Service Provider and Family/Consumer Training (\$270,000, ongoing); to increase community clinical capacity by conducting Best Practice Training for Clinicians (\$270,000, ongoing); and by launching Regional Planning Projects (\$135,000, ongoing) at the local level.

Change from Prior Estimate: This is a new major assumption beginning in 2008-09.

NEW MAJOR ASSUMPTIONS

PURCHASE OF SERVICES

Adjustment to Purchase of Services Increase

The current estimating model used to project Purchase of Services (POS) costs projects significant cost growth in 2008-09 in Community Care Facilities, Day Programs, Support Services, In-Home Respite, and Miscellaneous Services. A review of these projected cost increases indicates that caseload is growing, but is being outstripped by significantly increased costs for services and the number of services provided. Given the unexplained growth in costs and the projected future growth of the program, projected caseload growth was funded while more detail is gathered on other POS cost drivers.

Change from Prior Estimate: This is a new major assumption beginning in 2008-09.

UNCHANGED MAJOR ASSUMPTIONS

OPERATIONS

Staffing

- Personal Services
- Operating Expenses
- 60 to 120 Days for Intake and Assessment (CY 2007-08 only)
- Caseload Ratio Increases (CY 2007-08 only)
- Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver
- Staffing for Collection of Federal Financial Participation (FFP) for Contracted Services

Federal Compliance

- HCBS Waiver
- Accelerated HCBS Waiver Enrollments
- Compliance with HCBS Waiver Requirements
- Case Managers to Meet HCBS Waiver Requirements
- Targeted Case Management
- Nursing Home Reform

Projects

- Information Technology
- Clients' Rights Advocacy
- Life Quality Assessment
- Direct Support Professional Training
- Administrative Hearings
- Wellness
- Foster Grandparent/Senior Companion
- Special Incident Reporting/Risk Assessment
- Sherry S. Court Case
- Movers' Evaluation
- FFP Enhancement
- University Enterprises, Inc.
- Affordable Housing
- Cost Containment
- Self-Directed Services: Training and Development
- Agnews Closure: Technical Assistance on Housing Issues
- Evaluation of SB 962 Projects

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES

Community Care Facilities

- Base
- SSI/SSP Increases (No Pass Through) (CY 2007-08 only)
- Utilization Change/Growth
- Average Cost Increase
- Service-Level Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases
- Community Placement Plan
- Placement/Deflection Continuation

Medical Facilities

- Base
- Utilization Change/Growth
- Gap Resource Development
- Community Placement Plan
- Placement/Deflection Continuation

Day Programs

- Base
- Utilization Change/Growth
- Average Cost Increase
- Temporary Payment Rate Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Increased Wages and Rates
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases
- Community Placement Plan
- Placement Continuation
- Program Days Adjustment

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Habilitation Services Program

- Work Activity Program (WAP)
- Supported Employment Program
- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Rate Reduction and Rate Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Increased Rates for Supported Employment
- Increased Wages and Rates for WAP
- WAP Minimum Wage Increases

Transportation

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Contracted-Services Rate Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services

Support Services

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Independent Living Supplement
- Contracted-Services Rate Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Increased Wages and Rates for Look-Alike Day Programs
- Minimum Wage Increases

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

In-Home Respite

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Rate Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases

Out-of-Home Respite

- Base
- Utilization Change/Growth
- 3% Provider Rate Increase
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases

Health Care

- Base
- Utilization Change/Growth
- Medi-Cal Dental Cap for Adults
- Medicare Part D Prescription Drug Benefit
- Community Placement Plan
- Placement/Deflection Continuation
- Provider Resources for Collection of FFP for Contracted Services

Miscellaneous

- Base
- Utilization Change/Growth
- Suspension of Non-CPP Start Up (CY 2007-08 only)
- Contracted-Services Rate Freeze (CY 2007-08 only)
- 3% Provider Rate Increase
- Increased Wages and Rates for Look-Alike Day Programs
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Government Claims

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Self-Directed Services

FUND SOURCES

General Fund
HCBS Waiver
HCBS Waiver Administration
Medicaid Administration
Targeted Case Management (TCM)
TCM Administration
Title XX Block Grant
Self-Directed HCBS Waiver
Self-Directed HCBS Waiver Administration
Medicaid
Vocational Rehabilitation
Program Development Fund/Parental Fees
Developmental Disabilities Services Account
Public Transportation Account
Early Start Grant
Foster Grandparent Program

HISTORY OF DISCONTINUED MAJOR ASSUMPTIONS

Discontinued Assumptions Since 2007-08 May Revision	Year/Reason Discontinued in 2008-09 November Estimate	
	CY 2007-08	BY 2008-09
<p>OPERATIONS:</p> <ul style="list-style-type: none"> • Medicare Part D Prescription Drug Benefit • Expansion of Autistic Spectrum Disorders Initiative • Capitol People First v. DDS <p>PURCHASE OF SERVICES:</p> <ul style="list-style-type: none"> • Targeted Start Up 	<p>Costs through 2006-07</p> <p>One-time costs in 2006-07</p> <p>Costs through 2006-07</p> <p>One-time costs in 2006-07</p>	

CASELOAD
Current Year 2007-08

	2007-08 May Revision CY 2007-08	2008-09 November Estimate CY 2007-08		
	<i>Estimated Caseload as of 1/31/08</i>	<i>Estimated Caseload as of 1/31/08</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	190,925	191,725	800	0.4%
B. Early Start (Birth through 2 Years)	28,305	29,930 b/	1,625	5.7%
C. Total Community Caseload	219,230	221,655	2,425	1.1%
D. Total Developmental Center (DC) Population	2,635 a/	2,645 a/	10	0.4%
E. Total Regional Center Caseload (C + D)	221,865	224,300	2,435	1.1%

a/ The CY 2007-08 caseload estimate is consistent with the 2007-08 May Revision and 2008-09 November Estimate for the DC Population, which reflects the following:

	07-08 May <u>Revision</u>	08-09 November <u>Estimate</u>	
Average Total Population	2,634	2,644	rounded to 2,645
On Leave	<u>-24</u>	<u>-24</u>	
Total In-Center Population	2,610	2,620	

b/ Represents forecast of 29,660 with seasonal adjustment index applied.

CASELOAD
Budget Year 2008-09

	2007-08 May Revision CY 2007-08	2008-09 November Estimate BY 2008-09		
	<i>Estimated Caseload as of 1/31/08</i>	<i>Estimated Caseload as of 1/31/09</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	190,925	199,200	8,275	4.3%
B. Early Start (Birth through 2 Years)	28,305	32,925	4,620	16.3%
C. Total Community Caseload	219,230	232,125	12,895	5.9%
D. Total Developmental Center (DC) Population	2,635 a/	2,470 a/	-165	-6.3%
E. Total Regional Center Caseload (C + D)	221,865	234,595	12,730	5.7%

a/ The following caseload estimates are consistent with the 2007-08 May Revision and the 2008-09 November Estimate for CY 2007-08 and BY 2008-09, respectively, for the DC Population, which reflects the following:

	07-08 May <u>Revision</u>	08-09 November <u>Estimate</u>	
Average Total Population	2,634	2,471	rounded to 2,470
On Leave	<u>-24</u>	<u>-22</u>	
Total In-Center Population	2,610	2,449	

CASELOAD
Current Year 2007-08 vs. Budget Year 2008-09

	2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09		
	<i>Estimated Caseload as of 1/31/08</i>	<i>Estimated Caseload as of 1/31/09</i>	<i>Annual Change</i>	<i>Percent Annual Change</i>
A. Active Caseload (Age 3 & Older)	191,725	199,200	7,475	3.9%
B. Early Start (Birth through 2 Years)	29,930 c/	32,925	2,995	10.0%
C. Total Community Caseload	221,655	232,125	10,470	4.7%
D. Total Developmental Center (DC) Population	2,645 a/	2,470 b/	-175	-6.6%
E. Total Regional Center Caseload (C + D)	224,300	234,595	10,295	4.6%

a/ The CY 2007-08 caseload estimate is consistent with the 2008-09 November Estimate for the DC Population, which reflects the following:

	<u>CY 2007-08</u>	
Average Total Population	2,644	rounded to 2,645
On Leave	<u>-24</u>	
Total In-Center Population	2,620	

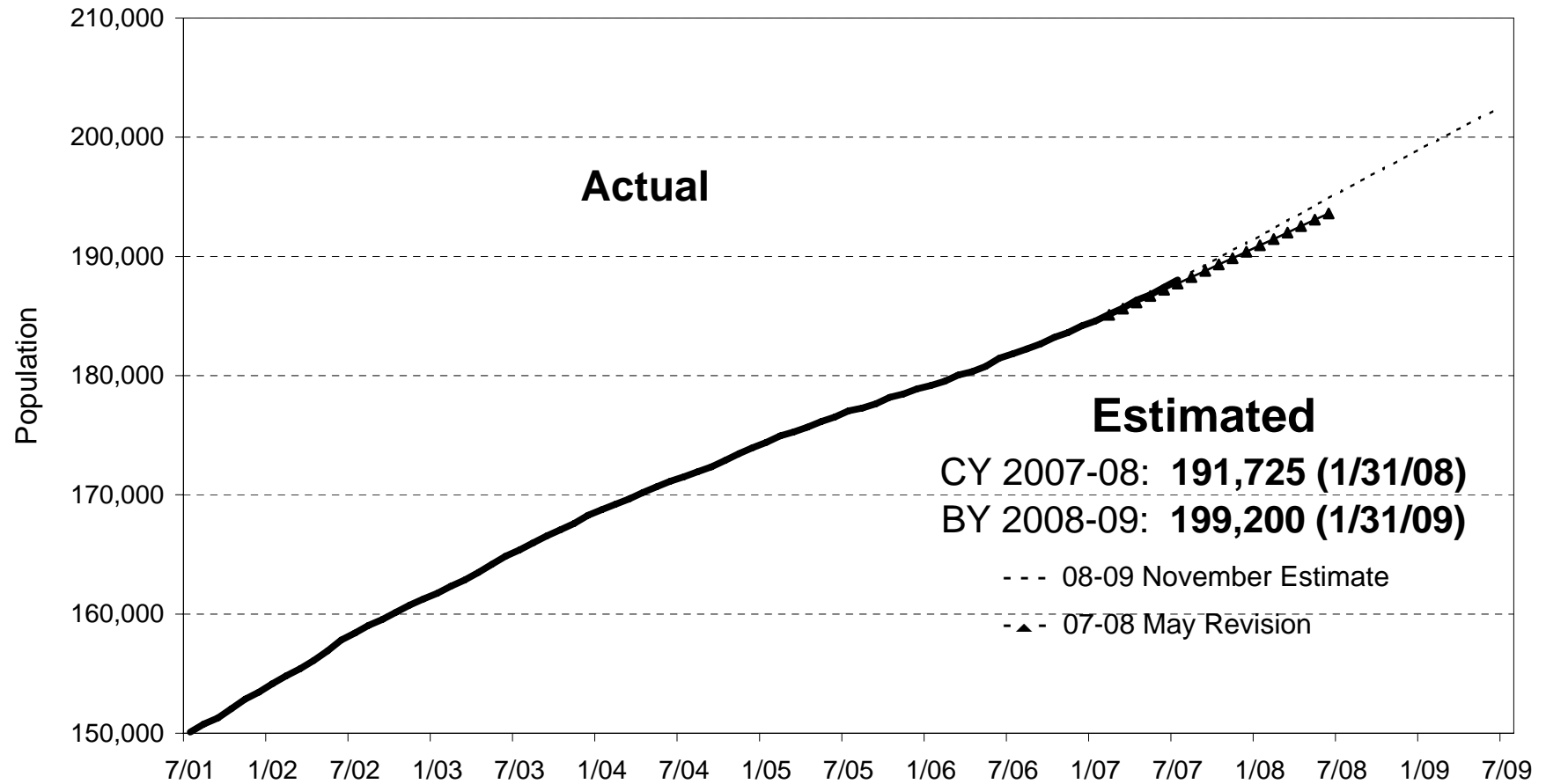
b/ The BY 2008-09 caseload estimate is consistent with the 2008-09 November Estimate for the DC population, which reflects the following:

	<u>BY 2008-09</u>	
Average Total Population	2,471	rounded to 2,470
On Leave	<u>-22</u>	
Total In-Center Population	2,449	

c/ Represents forecast of 29,660 with seasonal adjustment index applied.

Active Status Caseload

(Age 3 & Older)
Trend Analysis



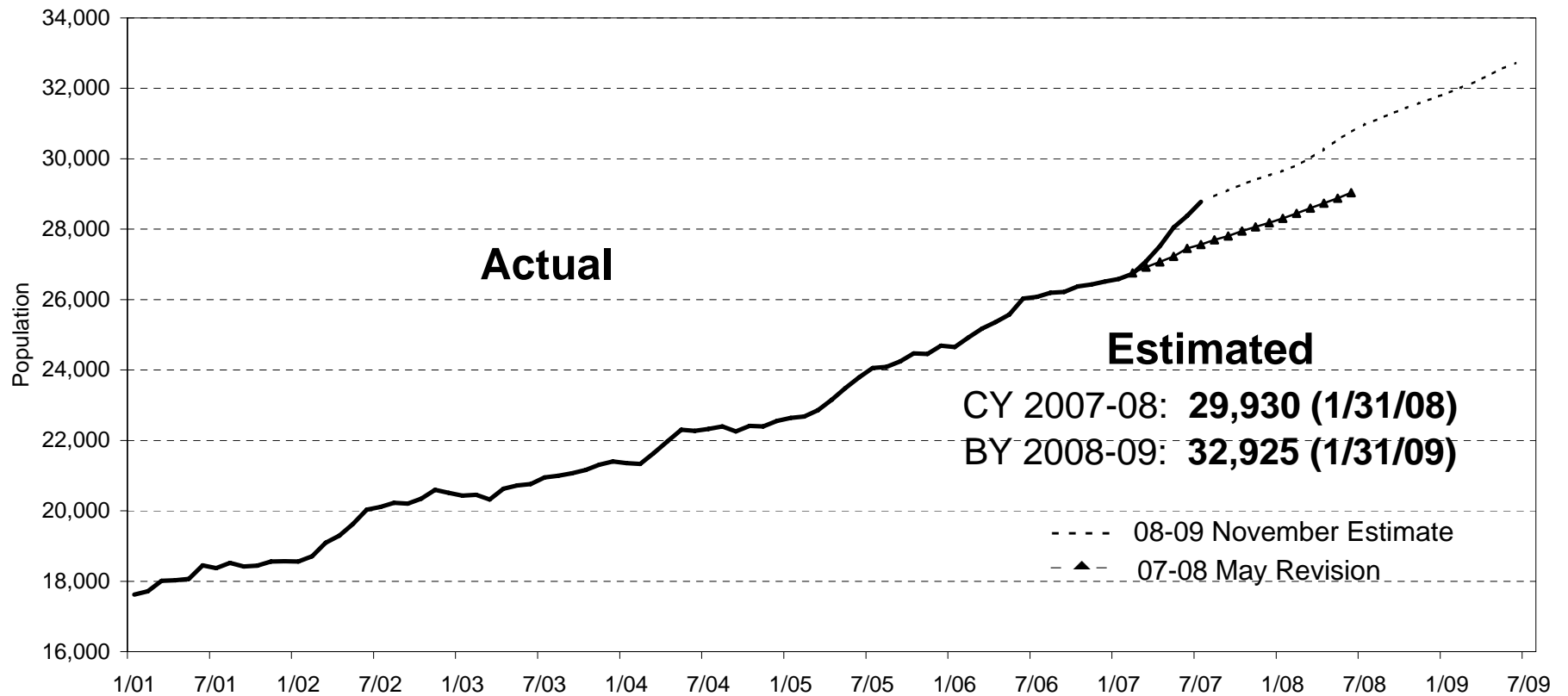
Data Set: 7/01 through 7/07

Model: CSUS Model

Early Start Caseload

Birth through 2 Years

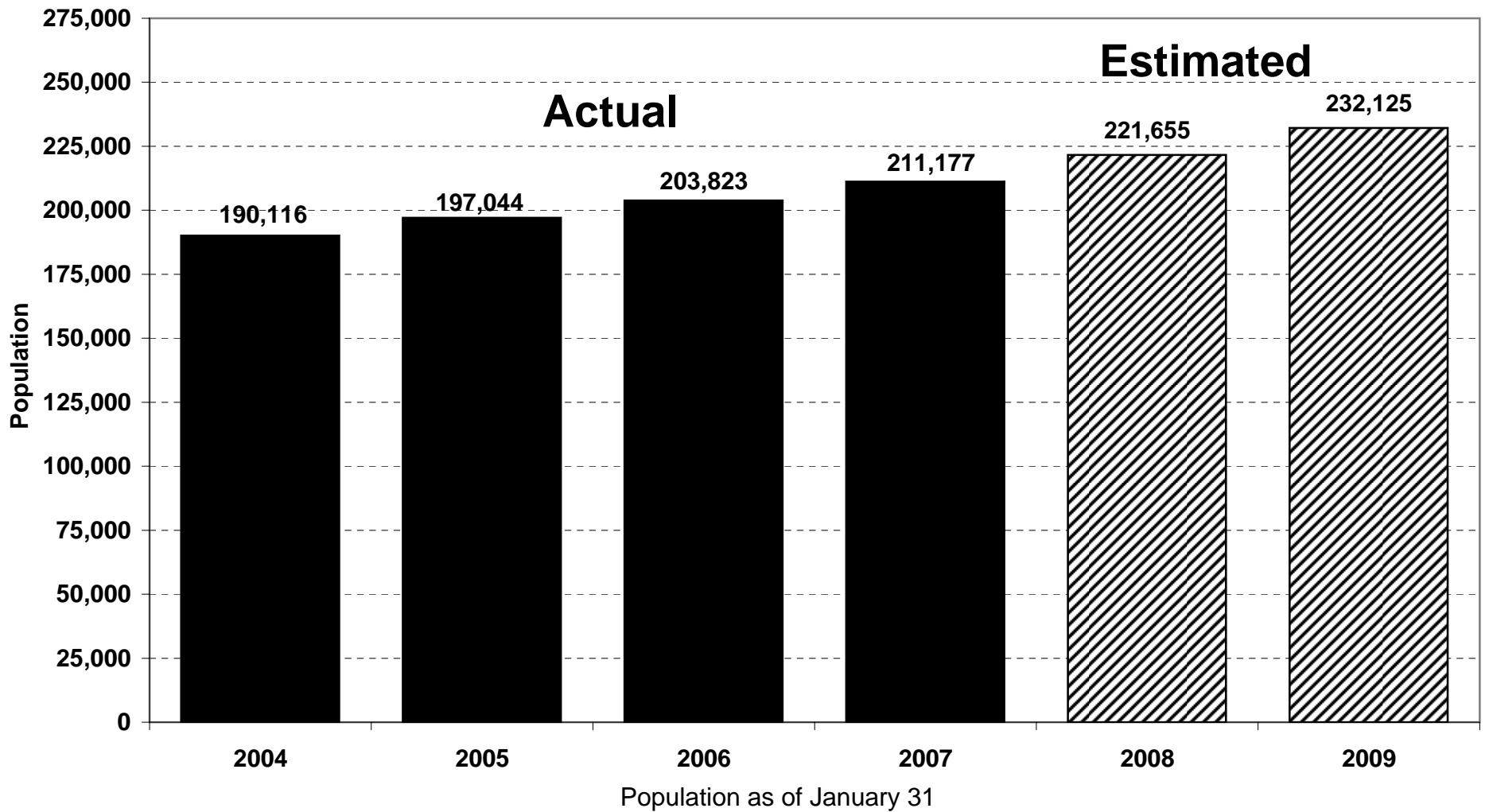
Client Master File Trend Analysis



Data Set: 1/01 - 7/07

Model: Statgraphics ARIMA w/ Constant

Community Caseload



Staffing

DESCRIPTION:

Staffing includes personal services and operating expenses for Core Staffing, Community Placement Plan (CPP), and Placement Continuation staff.

KEY DATA/ASSUMPTIONS:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> Caseload data is from the Client Master File. Caseload Projections: (See Section D, Population, for detail) <ul style="list-style-type: none"> Active Caseload (Age 3 and Over) 191,725 199,200 Early Start (Birth through 2 Years, High-Risk and Active) 29,930 32,925 		
Total Community Caseload	221,655	232,125
<ul style="list-style-type: none"> Developmental Center (DC) Population 2,645 2,470 		
Total Regional Center Caseload	224,300	234,595
Informational:		
<ul style="list-style-type: none"> Community Care Facility (CCF) Consumers (including Placement Continuation) 23,464 23,769 Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers 74,653 77,279 Early Start (Assessment, High-Risk and Active) 34,230 37,505 CPP Placements 221 103 Placement Continuation Consumers 246 378 Intake cases per month 4,351 4,647 Vendors 49,271 49,271 Mediations per year 400 400 		
<ul style="list-style-type: none"> Core Staffing: <ul style="list-style-type: none"> CY 2007-08 <ul style="list-style-type: none"> Effective January 1, 2004 through July 1, 2008, pursuant to the Welfare and Institutions Code (WIC) Section 4643, the following adjustments have been made to the core staffing formulas: Modify Mandated Caseload Ratios for Client Program Coordinators (CPCs): Amends existing law to increase the maximum average CPC-to-consumer caseload ratio from 1:62 to 1:66, and increases the limit of a CPC carrying in excess of 79 consumers for more than 60 days to 84 consumers for more than 60 days. However, consumers in the Early Start Program and consumers who are enrolled in the HCBS Waiver shall be maintained at the current staffing levels. The mandated CPC caseload requirement sunsets on July 1, 2008, after which CPC-to-consumer caseload ratio returns to 1:62. Modify Mandated Caseload Ratios for CPCs: Changes existing law so that consumers who have moved from a state developmental center to the community since April 14, 1993, and have resided in the community for at least 12 months, shall receive service coordination as proposed under the methodology explained directly above. Revise Supervising Counselor Ratios: Increases the ratios for Supervising Counselors from 1:8 CPCs to 1:10 CPCs. Revise Clerical Ratios: Increases the ratios for Secretaries I and II from 1:4 to 1:6 for specified professional positions. 		

Staffing

KEY DATA/ASSUMPTIONS (continued):

- **Core Staffing (continued):**
 - BY 2008-09
 - Effective July 1, 2008, WIC Section 4643 will sunset; therefore, BY 2008-09 Core Staffing reflects the impact of this sunset. The estimated 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision.
 - Intake and Assessment
 - Welfare and Institutions Code Section 4643 extends the time period (from 60 days to 120 days) for regional centers to perform intake and assessment to determine eligibility for services. This provision will sunset on July 1, 2008. The estimated 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision.
 - Rent costs are updated based on the 2008-09 November Estimate Rent Survey.
- **Community Placement Plan**
 - This estimate is based on projected costs and historical experience and is developed through negotiated plans with each regional center. See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail.

METHODOLOGY:

CORE STAFFING

PERSONAL SERVICES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Direct Services and Administration:	\$295,413,000	\$308,167,000
Total Estimated Number of Positions:		
CY 2007-08	8,515.02	
BY 2008-09	8,895.76	
See Attachment A for Core Staffing Expenditure Detail. See Attachment B for Core Staffing Formulas.		
● Fringe Benefits:	\$70,013,000	\$73,035,000
Based on 23.7% per position.		
● Salary Savings:	-\$12,244,000	-\$12,731,000
Client Program Coordinators:	1.0% Per Position	-1,746,000
All Other Staff:	5.5% Per Position	-10,985,000
● Early Start /Part C Administrative and Clinical Support:	\$694,000	\$694,000
Includes salaries, fringe benefits and salary savings.		
TOTAL PERSONAL SERVICES	\$353,876,000	\$369,165,000

Staffing

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
OPERATING EXPENSES:		
<ul style="list-style-type: none"> ● Operating Expenses: \$32,784,000 \$34,005,000 Base amount plus the following adjustments: Professional Positions: \$3,400 Per New Position Clerical Positions: \$2,400 Per New Position 		
<ul style="list-style-type: none"> ● Rent: \$46,176,000 \$51,049,000 Base amount plus the following adjustments: CY 2007-08: \$6,314 Per New Position BY 2008-09: \$6,744 Per New Position 		
TOTAL OPERATING EXPENSES	\$78,960,000	\$85,054,000
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language \$0 \$32,392,000 The provision that increased Client Program Coordinator (CPC) ratio change from 1:62 to 1:66 sunsets on 7/1/08. BY 2008-09 expenditures reflect costs associated with the CPC ratio of 1:62. 		
SUBTOTAL/TOTAL, CORE STAFFING	\$432,836,000	\$486,611,000
INTAKE AND ASSESSMENT	-\$4,465,000	\$0
<ul style="list-style-type: none"> ● CY 2007-08 expenditures reflect savings as a result of extending the amount of time allowable for regional centers to perform intakes and assessments from 60 to 120 days. BY 2008-09 reflects the sunset of Welfare and Institutions Code Section 4643 effective 7/1/08 which changes the amount of time allowable for regional centers to perform intakes and assessments from 120 to 60 days. 		
COMMUNITY PLACEMENT PLAN:	\$22,359,000	\$21,058,000
<ul style="list-style-type: none"> ● See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 		
PLACEMENT CONTINUATION FOR CLOSURE OF AGNEWS DEVELOPMENTAL CENTER (DC)	\$297,000	\$587,000
<ul style="list-style-type: none"> ● Client Program Coordinators: Core Staffing currently includes a marginal change in the case management staffing ratio, from 1:62 to 1:45, for the first year after placement from a DC into the community. This item adds 1 additional year of case management at 1:45 for consumers moving out of Agnews DC. 53,000 58,000 		
<ul style="list-style-type: none"> ● Nurse Consultants for SB 962 Homes: Provides 1 Nurse Consultant position (ongoing) for every 25 consumers placed in SB 962 homes. 14,000 297,000 		
<ul style="list-style-type: none"> ● Oral Health Care: Provides 1 Dental Coordinator position at each of the 3 Bay Area regional centers. 230,000 232,000 		

Staffing

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
UNALLOCATED REDUCTION	-\$10,559,000	-\$10,559,000
COST CONTAINMENT	-\$5,968,000	-\$5,968,000
STAFFING FOR COLLECTION OF FFP FOR CONTRACTED SERVICES	\$2,159,000	\$2,177,000

- Funding provides one Community Program Specialist I and one Account Clerk II for each regional center. This funding will be required until the regional centers have a billing system that prevents the processing of vendor invoices that do not include the individual consumer data required to support Home and Community-Based Services Waiver billing.

See page E-1.14 for the fiscal detail.

STAFFING FOR SELF-DIRECTED HOME AND COMMUNITY-BASED WAIVER

	\$868,000	\$3,385,000
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- Implementation of the Self-Directed Services (SDS) program is contingent on the Department applying for, and receiving approval of a Centers for Medicare & Medicaid Services (CMS) Self-Directed Home and Community-Based Services (SD-HCBS) Waiver. It is anticipated that enrollment in the SDS Waiver will start in March 2008. Currently, the Department is actively working on aspects of the SDS program. Stakeholder review of draft regulations has been initiated in preparation of the rulemaking package, to be submitted to the Office of Administrative Law. Submittal of the SD-HCBS Waiver application to CMS will be coordinated to achieve a waiver effective date that coincides with the effective date of the regulations and implementation of the SDS program.

Regional center staff will be phased in as indicated in the Assumptions below.

This major assumption reflects the need for regional center positions as follows:

Add 1 Self-Directed Services Director (SDSD) position at each regional center, to be phased in six months prior to implementation of SDS at each regional center, and 1 Federal Compliance Coordinator (FCC) position to be phased in at the time of implementation at each regional center in accordance with the schedule below.

Staffing

CY 2007-08

BY 2008-09

METHODOLOGY (continued):

STAFFING FOR SELF-DIRECTED HOME AND COMMUNITY-BASED WAIVER (continued)

- Add 1 Self-Directed Services Director (SDSD) position at each regional center, to be phased in six months prior to implementation of SDS at each regional center, and 1 Federal Compliance Coordinator (FCC) position to be phased in at the time of implementation at each regional center in accordance with the schedule below:

March, 2008: 1 regional center	July, 2008: 4 regional centers
April, 2008: 1 regional center	Aug., 2008: 4 regional centers
May, 2008: 1 regional center	Sept., 2008: 4 regional centers
June, 2008: 2 regional centers	Oct., 2008: 4 regional centers

- 1 additional FCC will be added for every 1,000 new SD-HCBS Waiver enrollees at each regional center.
- There will be approximately 100 new SDS program enrollees in FY 2007-08 and 1,800 new SDS program enrollees in BY 2008-09.

See pages E-1.16 to E-1.17 for the fiscal detail and pages E-14.1 to E-14.3 for the Purchase of Service impact.

• TOTAL EXPENDITURES

\$437,527,000

\$497,291,000

FUNDING:

The funding for Staffing expenditures is comprised of reimbursements from: Targeted Case Management (TCM) and TCM Administration (50% Federal Financial Participation (FFP)/50% GF Match), Medicaid Administration (75% FFP/25% GF Match), HCBS Waiver Administration (50% FFP/50% GF Match), SD-HCBS Waiver Administration (FFP/50% GF Match), and federal funding for the Early Start program. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures from the current year to the budget year is based on updated caseload data.

Staffing

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL EXPENDITURES:		
TOTAL	\$437,527,000	\$497,291,000
General Fund	\$273,438,000	\$312,840,000
General Fund Match	143,205,000	160,739,000
General Fund Other	130,233,000	152,101,000
Reimbursements	\$151,429,000	\$169,434,000
Medicaid Administration	12,335,000	13,042,000
HCBS Waiver Administration	3,289,000	3,296,000
Targeted Case Management	130,890,000	146,922,000
TCM Administration	4,481,000	4,481,000
SDS Waiver Administration	434,000	1,693,000
Federal Funds	\$12,660,000	\$15,017,000
Early Start	12,660,000	15,017,000

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2007
to the 2008-09 November Estimate
CY 2007-08

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2007 FY 2007-08	2008-09 November Estimate CY 2007-08			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$8,793,532	112.15	\$79,271	\$8,890,243	\$96,711
(b) Psychologist	9,263,960	224.30	41,754	9,365,422	101,462
(c) Nurse	4,123,379	112.15	37,171	4,168,728	45,349
(d) Nutritionist	3,120,461	112.15	28,130	3,154,780	34,319
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,877,802	52.00	92,034	4,785,768	-92,034
(b) Consulting Pharmacist	3,203,850	52.00	60,450	3,143,400	-60,450
(c) Behavioral Psychologist	2,913,516	52.00	54,972	2,858,544	-54,972
(d) Nurse	2,675,334	52.00	50,478	2,624,856	-50,478
(3) SB 1038 Health Reviews					
(a) Physician	1,771,655	20.16	92,034	1,855,405	83,750
(b) Nurse	4,535,953	94.10	50,478	4,749,980	214,027
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,320,576	62.16	38,036	2,364,318	43,742
(2) Intake Worker	19,238,934	621.57	31,532	19,599,345	360,411
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	18,132,871	350.18	52,392	18,346,631	213,760
(4) Client Program Coordinator (CPC), 1:66 Consumers	60,006,243	1,770.42	34,032	60,250,933	244,690
(5) CPC (Waiver, Early Start only), 1:62 Consumers	56,258,640	1,686.87	34,032	57,407,560	1,148,920
(6) CPC, Quality Assurance for ARM	1,518,508	44.52	34,032	1,515,105	-3,403
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	47,153	0.95	52,392	49,772	2,619
(8) CPC, DSS Incidental Medical Care Regs	341,172	9.49	37,824	358,950	17,778
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,858,344	35.81	52,392	1,876,158	17,814
(2) CPC	12,070,810	358.10	34,032	12,186,859	116,049
d. Early Intervention					
(1) General					
(a) Prevention Coordinator	876,792	21.00	41,752	876,792	0
(b) High-Risk Infant Case Manager	856,905	21.00	40,805	856,905	0
(c) Genetics Associate	798,714	21.00	38,034	798,714	0
(2) Early Start / Part C					
(a) Supervising Counselor	1,033,170	20.86	52,392	1,092,897	59,727
(b) CPC	6,710,089	208.57	34,032	7,098,054	387,965
(c) Administrative and Clinical Support (See Page 2)					
e. Community Services					
(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,669,209	26.19	50,844	1,331,604	-337,605
(3) Program Evaluator	898,653	21.00	42,793	898,653	0
(4) Resource Developer	898,653	21.00	42,793	898,653	0
(5) Transportation Coordinator	898,653	21.00	42,793	898,653	0
(6) Administrative Services Analyst (SB 1039 Consumer Complaints)	449,327	10.50	42,793	449,327	0
(7) Developmental Center Liaison	250,657	6.61	38,036	251,418	761
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	9,431	0.15	52,392	7,859	-1,572
(b) CPC (Supplement at 1:45 Consumers)	59,896	1.50	34,032	51,048	-8,848
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	340,024	6.53	52,392	342,120	2,096
(2) QA/CPC	2,206,975	65.33	34,032	2,223,311	16,336
(3) Nurses	1,636,497	32.67	50,478	1,649,116	12,619
g. Mediation					
(1) Clinical Staff	7,093	0.11	64,484	7,093	0
(2) Supervising Counselor	52,916	1.01	52,392	52,916	0
(3) CPC	17,356	0.51	34,032	17,356	0
h. Expansion of Autism Spectrum Disorders (ASD) Initiative					
(1) ASD Clinical Specialist	1,371,888	21.00	65,328	1,371,888	0
(2) ASD Program Coordinator	1,318,464	21.00	62,784	1,318,464	0
i. SUBTOTAL DIRECT SERVICES	<u>\$240,660,871</u>	<u>6,396.62</u>	<u>\$243,272,414</u>	<u>\$243,272,414</u>	<u>\$2,611,543</u>

Attachment A**CORE STAFFING, CY 2007-08 (continued)**

	Budget Act of 2007 FY 2007-08	2008-09 November Estimate CY 2007-08			
		Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	2,958,818	74.65	39,887	2,977,565	18,747
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	555,772	16.98	36,468	619,227	63,455
(5) Revenue Clerk	1,321,344	63.21	20,617	1,303,201	-18,143
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,802,843	373.83	18,397	6,877,351	74,508
c. Information Systems and Human Resources					
(1) Information Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(2) Information Systems Assistant	1,000,692	21.00	47,652	1,000,692	0
(3) Information Systems Assistant (SIR)	500,346	10.50	47,652	500,346	0
(4) Privacy Officer (HIPAA)	898,653	21.00	42,793	898,653	0
(5) Personal Computer Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(6) Training Officer	1,099,728	21.00	52,368	1,099,728	0
(7) Training Officer (SIR)	549,864	10.50	52,368	549,864	0
(8) Human Resources Manager	1,067,724	21.00	50,844	1,067,724	0
d. Clerical Support					
(1) Office Supervisor	489,867	21.00	23,327	489,867	0
(2) PBX/Mail/File Clerk	1,378,188	63.00	21,876	1,378,188	0
(3) Executive Secretary	1,148,490	52.50	21,876	1,148,490	0
(4) MD/Psychologist Secretary II	225,226	10.08	23,388	235,751	10,525
(5) MD/Psychologist Secretary I	3,640,166	168.23	21,876	3,680,199	40,033
(6) Secretary II	3,500,716	149.99	23,388	3,507,966	7,250
(7) Secretary I	15,750,816	851.93	18,757	15,979,651	228,835
e. SUBTOTAL ADMINISTRATION	\$51,715,028	2,118.40		\$52,140,238	\$425,210
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.h. + Item A.2.e.)	\$292,375,899	8,515.02		\$295,412,652	\$3,036,753
a. CPCs	139,189,689			141,109,176	1,919,487
b. All Other Staff	153,186,210			154,303,476	1,117,266
4. Fringe Benefits					
a. CPCs 23.7%	\$32,987,956			\$33,442,875	\$454,919
b. All Other Staff 23.7%	36,305,132			36,569,924	264,792
c. Total Fringe Benefits	\$69,293,088			\$70,012,799	\$719,711
5. Salary Savings					
a. CPCs 1.0%	-\$1,721,776			-\$1,745,521	-\$23,745
b. All Other Staff 5.5%	-10,422,024			-10,498,037	-76,013
c. Total Salary Savings	-\$12,143,800			-\$12,243,558	-\$99,758
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	\$694,000			\$694,000	\$0
7. TOTAL PERSONAL SERVICES (Items A.3. + A.4. + A.5. + A.6.) ROUNDED	\$350,219,187	8,515.00		\$353,875,893	\$3,656,706
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$32,479,000			\$32,784,000	\$305,000
2. Rent	45,061,000			46,176,000	1,115,000
3. Subtotal Operating Expenses and Rent	\$77,540,000			\$78,960,000	\$1,420,000
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	\$427,759,000			\$432,836,000	\$5,077,000

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2007
to the 2008-09 November Estimate
BY 2008-09

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2007 FY 2007-08	2008-09 November Estimate BY 2008-09			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$8,793,532	117.29	\$79,271	\$9,297,696	\$504,164
(b) Psychologist	9,263,960	234.58	41,754	9,794,653	530,693
(c) Nurse	4,123,379	117.29	37,171	4,359,787	236,408
(d) Nutritionist	3,120,461	117.29	28,130	3,299,368	178,907
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,877,802	53.00	92,034	4,877,802	0
(b) Consulting Pharmacist	3,203,850	53.00	60,450	3,203,850	0
(c) Behavioral Psychologist	2,913,516	53.00	54,972	2,913,516	0
(d) Nurse	2,675,334	53.00	50,478	2,675,334	0
(3) SB 1038 Health Reviews					
(a) Physician	1,771,655	21.32	92,034	1,962,165	190,510
(b) Nurse	4,535,953	99.51	50,478	5,023,066	487,113
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,320,576	66.39	38,036	2,525,210	204,634
(2) Intake Worker	19,238,934	663.86	31,532	20,932,834	1,693,900
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	18,132,871	366.97	52,392	19,226,292	1,093,421
(4) Client Program Coordinator (CPC), 1:66 Consumers	60,006,243	1,823.74	34,032	62,065,520	2,059,277
(5) CPC (Waiver, Early Start only), 1:62 Consumers	56,258,640	1,800.89	34,032	61,287,888	5,029,248
(6) CPC, Quality Assurance for ARM	1,518,508	45.10	34,032	1,534,843	16,335
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	47,153	0.96	52,392	50,296	3,143
(8) CPC, DSS Incidental Medical Care Regs	341,172	9.57	37,824	361,976	20,804
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,858,344	36.79	52,392	1,927,502	69,158
(2) CPC	12,070,810	367.87	34,032	12,519,352	448,542
d. Early Intervention					
(1) General					
(a) Prevention Coordinator	876,792	21.00	41,752	876,792	0
(b) High-Risk Infant Case Manager	856,905	21.00	40,805	856,905	0
(c) Genetics Associate	798,714	21.00	38,034	798,714	0
(2) Early Start / Part C					
(a) Supervising Counselor	1,033,170	22.85	52,392	1,197,157	163,987
(b) CPC	6,710,089	228.52	34,032	7,776,993	1,066,904
(c) Administrative and Clinical Support (See Page 2)					
e. Community Services					
(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,669,209	26.19	50,844	1,331,604	-337,605
(3) Program Evaluator	898,653	21.00	42,793	898,653	0
(4) Resource Developer	898,653	21.00	42,793	898,653	0
(5) Transportation Coordinator	898,653	21.00	42,793	898,653	0
(6) Administrative Services Analyst (SB 1039 Consumer Complaints)	449,327	10.50	42,793	449,327	0
(7) Developmental Center Liaison	250,657	6.14	38,036	233,541	-17,116
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	9,431	0.23	52,392	12,050	2,619
(b) CPC (Supplement at 1:45 Consumers)	59,896	2.30	34,032	78,274	18,378
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	340,024	6.74	52,392	353,122	13,098
(2) QA/CPC	2,206,975	67.43	34,032	2,294,778	87,803
(3) Nurses	1,636,497	33.71	50,478	1,701,613	65,116
g. Mediation					
(1) Clinical Staff	7,093	0.11	64,484	7,093	0
(2) Supervising Counselor	52,916	1.01	52,392	52,916	0
(3) CPC	17,356	0.51	34,032	17,356	0
h. Expansion of Autism Spectrum Disorders (ASD) Initiative					
(1) ASD Clinical Specialist	1,371,888	21.00	65,328	1,371,888	0
(2) ASD Program Coordinator	1,318,464	21.00	62,784	1,318,464	0
i. SUBTOTAL DIRECT SERVICES	\$240,660,871	6,700.66	\$254,490,312	\$13,829,441	

Attachment A**CORE STAFFING, BY 2008-09 (continued)**

	Budget Act of 2007 FY 2007-08	2008-09 November Estimate BY 2008-09			
		Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	2,958,818	77.28	39,887	3,082,467	123,650
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	555,772	16.98	36,468	619,227	63,455
(5) Revenue Clerk	1,321,344	64.03	20,617	1,320,107	-1,237
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,802,843	390.97	18,397	7,192,675	389,832
c. Information Systems and Human Resources					
(1) Information Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(2) Information Systems Assistant	1,000,692	21.00	47,652	1,000,692	0
(3) Information Systems Assistant (SIR)	500,346	10.50	47,652	500,346	0
(4) Privacy Officer (HIPAA)	898,653	21.00	42,793	898,653	0
(5) Personal Computer Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(6) Training Officer	1,099,728	21.00	52,368	1,099,728	0
(7) Training Officer (SIR)	549,864	10.50	52,368	549,864	0
(8) Human Resources Manager	1,067,724	21.00	50,844	1,067,724	0
d. Clerical Support					
(1) Office Supervisor	489,867	21.00	23,327	489,867	0
(2) PBX/Mail/File Clerk	1,378,188	63.00	21,876	1,378,188	0
(3) Executive Secretary	1,148,490	52.50	21,876	1,148,490	0
(4) MD/Psychologist Secretary II	225,226	10.66	23,388	249,316	24,090
(5) MD/Psychologist Secretary I	3,640,166	175.94	21,876	3,848,863	208,697
(6) Secretary II	3,500,716	154.33	23,388	3,609,470	108,754
(7) Secretary I	15,750,816	895.41	18,757	16,795,205	1,044,389
e. SUBTOTAL ADMINISTRATION	<u>\$51,715,028</u>	<u>2,195.10</u>		<u>\$53,676,657</u>	<u>\$1,961,630</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.h. + Item A.2.e.)	<u>\$292,375,899</u>	<u>8,895.76</u>		<u>\$308,166,969</u>	<u>\$15,791,071</u>
a. CPCs	139,189,689			147,936,980	8,747,291
b. All Other Staff	153,186,210			160,229,989	7,043,780
4. Fringe Benefits					
a. CPCs 23.7%	\$32,987,956			\$35,061,064	\$2,073,108
b. All Other Staff 23.7%	36,305,132			37,974,507	1,669,375
c. Total Fringe Benefits	<u>\$69,293,088</u>			<u>\$73,035,571</u>	<u>\$3,742,483</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,721,776			-\$1,829,980	-\$108,204
b. All Other Staff 5.5%	-10,422,024			-10,901,247	-479,223
c. Total Salary Savings	<u>-\$12,143,800</u>			<u>-\$12,731,227</u>	<u>-\$587,427</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	\$694,000			\$694,000	\$0
7. TOTAL PERSONAL SERVICES (Items A.3. + A.4. + A.5. + A.6.) ROUNDED	<u>\$350,219,187</u>	<u>8,896.00</u>		<u>\$369,165,313</u>	<u>\$18,946,127</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$32,479,000			\$34,005,000	\$1,526,000
2. Rent	45,061,000			51,049,000	5,988,000
3. Subtotal Operating Expenses and Rent	<u>\$77,540,000</u>			<u>\$85,054,000</u>	<u>\$7,514,000</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$427,759,000</u>			<u>\$454,219,000</u>	<u>\$26,460,000</u>
D. SUNSET COST CONTAINMENT TRAILER BILL LANGUAGE	\$0			\$32,392,000	32,392,000
E. TOTAL CORE STAFFING (Items C. + D.)	<u>\$427,759,000</u>			<u>\$486,611,000</u>	<u>\$58,852,000</u>

Attachment B
CORE STAFFING FORMULAS

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. <u>PERSONAL SERVICES</u>	
1. DIRECT SERVICES	
a. <u>Clinical</u>	
(1) <u>Intake and Assessment</u>	
(a) Physician (minimum of 1)	1.0 position : 2,000 total consumers
(b) Psychologist	1.0 position : 1,000 total consumers
(c) Nurse (minimum of 1)	1.0 position : 2,000 total consumers
(d) Nutritionist (minimum of 1)	1.0 position : 2,000 total consumers
(2) <u>Clinical Support Teams</u>	
(a) Physician/Psychiatrist	1.0 position : 1,700 consumers in community care facilities (CCF) and supported living and those with severe behavior and/or medical problems
(b) Consulting Pharmacist	1.0 position : 1,700 " "
(c) Behavioral Psychologist	1.0 position : 1,700 " "
(d) Nurse	1.0 position : 1,700 " "
(3) <u>SB 1038 Health Reviews</u>	
(a) Physician	1.5 hours : Referral/1,778 hrs./ full-time equivalent (FTE) position
(b) Nurse	1.75 hours : Individual program plan (IPP) review/1,778 hrs./FTE position
b. <u>Intake/Case Management</u>	
(1) Supervising Counselor: Intake (effective January 1, 2004 through July 1, 2008)	1.0 position : 10 Intake Workers
(2) Intake Worker	1.0 position : 14 monthly intake cases (assume average intake case lasts 2 mos.)
(3) Supervising Counselor: Case Management (effective January 1, 2004 through July 1, 2008)	1.0 position : 10 CPCs in Items b.(4 and 5) below
(4) Client Program Coordinator (CPC) (effective January 1, 2004 through July 1, 2008)	1.0 position : 62 Waiver and Early Start consumers (excluding CPP placements)
(5) CPC (effective January 1, 2004 through July 1, 2008)	1.0 position : 66 consumers (all other consumers, excluding CPP placements)
(6) CPC, Quality Assurance for Alternative Residential Model	1.0 position : 527 CCF consumers
(7) Supervising Counselor: DSS Incidental Medical Care Regulations	1.0 position : 10 CPCs in item b.(8) below
(8) CPC, DSS Incidental Medical Care Regulations	1.0 position : 2.5 hrs x 8 visits per year to CCF consumers who rely on others to perform activities of daily living

CORE STAFFING CLASSIFICATION**STAFFING FORMULA****A. PERSONAL SERVICES (continued)****1. DIRECT SERVICES (continued)****c. Quality Assurance/Quarterly Monitoring**

(1) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	10 CPCs in Item c.(2) below
(2) CPC	10 hrs./yr.	: CCF consumer/1,778 hrs./FTE
	14 hrs./yr.	: Supported/Independent Living consumer/1,778 hrs./FTE
	10 hrs./yr.	: Skilled Nursing Facility and Intermediate Care Facility consumer/1,778 hrs./FTE
	10 hrs./yr.	: Family Home Agency consumer/1,778 hrs./FTE

d. Early Intervention

(1) <u>General</u>		
(a) Prevention Coordinator	1.0 position	: RC
(b) High-Risk Infant Case Mgr.	1.0 position	: RC
(c) Genetics Associate	1.0 position	: RC
(2) <u>Early Start/Part C</u>		
(a) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	: 10 CPCs in Item d.(2)(b) below
(b) CPC:		
Marginal positions from:	1.0 position	: 62 children<age 3yrs.
to:	1.0 position	: 45 children<age 3yrs.*

e. Community Services

(1) Special Incident Coordinator	1.0 position	: RC
(2) Vendor Fiscal Monitor	0.5 position	: RC plus 1: every 3,140 vendors
(3) Program Evaluator	1.0 position	: RC
(4) Resource Developer	1.0 position	: RC
(5) Transportation Coordinator	1.0 position	: RC
(6) Administrative Services Analyst (SB 1039, Chapter 414, Statutes of 1997) Consumer Complaints	0.5 position	: RC
(7) Developmental Center Liaison	1.0 position	: 400 DC consumers
(8) Diversion	4.0 positions	: 21 RCs
(9) Placement Continuation		
(a) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	: 10 CPCs in Item e.(9)(b) below
(b) CPC:		
1. Marginal positions from:	1.0 position	: 62 CPP Placements
2. to:	1.0 position	: 45 CPP Placements

* Note: This 1:45 staffing ratio is a funding methodology, not a required caseload ratio.

CORE STAFFING CLASSIFICATION	STAFFING FORMULA	
A. PERSONAL SERVICES (continued)		
1. DIRECT SERVICES (continued)		
f. Special Incident Reporting (SIR)		
(1) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	10 CPCs in Item f. (2) below
(2) QA/CPC	1.0 position	: RC plus 1: every 5,000 consumers
(3) Nurse	0.5 position	: RC plus 0.5: every 5,000 consumers
g. Mediation		
(1) Clinical Staff	2.0 hours	: 25% of annual mediations/ 1,778 hrs /FTE position
(2) Supervising Counselor	4.5 hours	: mediation/1,778 hrs./FTE position
(3) CPC	4.5 hours	: 50% of annual mediations/ 1,778 hrs./FTE position
h. Expansion of Autism Spectrum Disorders (ASD) Initiative		
(1) ASD Clinical Specialist (effective January 1, 2007)	1.0 position	: RC
(2) ASD Program Coordinator (effective January 1, 2007)	1.0 position	: RC
2. ADMINISTRATION		
a. Executive Staff		
(1) Director	1.0 position	: RC
(2) Administrator	1.0 position	: RC
(3) Chief Counselor	1.0 position	: RC
b. Fiscal		
(1) Federal Program Coordinator (Enhancing FFP, Phase I)	1.0 position	: RC
(2) Federal Compliance Specialist (Enhancing FFP, Phase II)	1.0 position	: 1,000 HCBS Waiver consumers
(3) Fiscal Manager	1.0 position	: RC
(4) Program Technician II, FCPP	0.5 position	: RC
	1.0 position	: 1,778 hours of FCPP determinations
(5) Revenue Clerk	1.0 position	: 400 consumers for whom RCs are representative payee
(6) Account Clerk (Enhancing FFP, Phase II)	1.0 position	: RC
(7) Account Clerk	1.0 position	: 600 total consumers
c. Information Systems and Human Resources		
(1) Information Systems Manager	1.0 position	: RC
(2) Information Systems Assistant	1.0 position	: RC
(3) Information Systems Assistant, SIR	0.5 position	: RC
(4) Privacy Officer, HIPAA	1.0 position	: RC
(5) Personal Computer Systems Manager	1.0 position	: RC
(6) Training Officer	1.0 position	: RC
(7) Training Officer, SIR	0.5 position	: RC
(8) Human Resources Manager	1.0 position	: RC

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. PERSONAL SERVICES (continued)	
2. ADMINISTRATION (continued)	
d. Clerical Support	
(1) Office Supervisor (2) PBX/Mail/File Clerk (3) Executive Secretary (4) MD/Psychologist Secretary II	1.0 position : RC 3.0 positions : RC 2.5 positions : RC 1.0 position : 2 Physicians in Item 1.a.(3)(a), SB 1038 Health Reviews
(5) MD/Psychologist Secretary I	1.0 position : 2 Physicians/Psychologists in Items 1.a.(1)(a) and (b), Clinical Intake and Assessment
(6) Secretary II (effective January 1, 2004 through July 1, 2008)	1.0 position : 6 professionals in Items: 1.a.(3)(b), SB 1038 Health Reviews 1.b.(7) and (8), DDS Incidental Medical Care Regulations 1.c., Quality Assurance/ Quarterly Monitoring 1.e.(1), (2) and (9)(a) and (b) Community Services 1.e.(9)2., Community Services (see Secty I, line 1.e.(9)1., below) 1.f.(1) thru (3), Special Incident Reporting 2.b.(1), Federal Program Coordinators (FFP Phase I) 2.b.(2), Federal Compliance Coordinators (FFP Phase II) 2.c., Information Systems and Human Resources
(7) Secretary 1 (effective January 1, 2004 through July 1, 2008)	1.0 position : 6 professionals in Items: 1.a.(1)(c) and (d), Clinical Intake and Assessment 1.b.(1) to (6), Intake/Case Mgt. 1.d., Early Intervention 1.e.(3), (4), (6) to (8), Community Services 1.e.(9)1., Community Services (see Secty II, line 1.e.(9)2., above)

Staffing for Collection of FFP for Contracted Services (Operations)

			<u>CY 2007-08</u>	<u>BY 2008-09</u>
STAFFING				
PERSONAL SERVICES:				
	<u>Positions</u>	<u>Salary</u>		
• Positions and Salaries				
Community Program Specialist I	21.00	\$42,948	\$901,908	\$901,908
Account Clerk II	<u>21.00</u>	29,220	<u>613,620</u>	<u>613,620</u>
Total, Positions and Salaries	42.00		<u>\$1,515,528</u>	<u>\$1,515,528</u>
• Fringe Benefits (@ 23.7%):			359,180	359,180
• Salary Savings (@ -5.5%):			<u>-103,109</u>	<u>-103,109</u>
Total Personal Services			<u>\$1,771,599</u>	<u>\$1,771,599</u>
OPERATING EXPENSES:				
• Operating Expenses:				
Professional Positions: \$3,400	Per Position		\$71,400	\$71,400
Clerical Positions: 2,400	Per Position		50,400	50,400
• Rent Factor:				
CY 2007-08 \$6,314	Per Position		265,188	
BY 2008-09 6,744	Per Position			283,248
Total Operating Expenses			<u>\$386,988</u>	<u>\$405,048</u>
TOTAL STAFFING			<u>\$2,158,587</u>	<u>\$2,176,647</u>
(Rounded)			\$2,159,000	\$2,177,000

FUNDING:

General Fund and Home and Community-Based Services (HCBS) Waiver Administration.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

The rent factor for BY 2008-09 is higher than the rent factor for CY 2007-08.

		<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:			
	TOTAL	\$2,159,000	\$2,177,000
	General Fund	\$1,440,000	\$1,451,000
	<i>General Fund Match</i>	719,000	726,000
	<i>General Fund Other</i>	721,000	725,000
	Reimbursements	\$719,000	\$726,000
	<i>HCBS Waiver Administration</i>	719,000	726,000

**Staffing for Self-Directed
Home and Community-Based Services Waiver
(Operations)**

METHODOLOGY:

CY 2007-08 BY 2008-09

PERSONAL SERVICES:

	<u>Positions</u>	<u>Salary</u>		
● Administration				
● SDSA/FCC	1.00	\$57,437	57,437	57,437
● Secretary II (1:6 professionals)	0.17	\$28,736	4,885	4,885
● Total Positions and Salaries	<u>1.17</u>		<u>\$62,322</u>	<u>\$62,322</u>
● Fringe Benefits:	23.7%	Per Position	\$14,770	\$14,770
● Salary Savings:	5.5%	Per Position	-4,240	-4,240
Total Personal Services			<u><u>\$72,852</u></u>	<u><u>\$72,852</u></u>

OPERATING EXPENSES:

● Operating Expenses:				
Professional Positions:	\$3,400	Per Position	\$3,400	\$3,400
Clerical Positions:	\$2,400	Per Position	408	408
● Rent:				
CY 2007-08	\$6,314	Per Position	7,387	
BY 2008-09	\$6,811	Per Position		7,969
Total Operating Expenses			<u>\$11,195</u>	<u>\$11,777</u>
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDSA/FCC + SECRETARY			<u><u>\$84,047</u></u>	<u><u>\$84,629</u></u>

MONTHLY EXPENDITURES FOR 1.0 SDSA/FCC + SECRETARY

CY 2007-08 \$84,047 ÷ 12 mos. = \$7,004

<u>CY 2007-08 Cost per Month</u>	<u># of Positions</u>		<u>Expenditures</u>	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 07	0.0	0.0	\$0	\$0
Aug 07	0.0	0.0	0	0
Sep 07	1.0	0.0	7,004	0
Oct 07	2.0	0.0	14,008	0
Nov 07	3.0	0.0	21,012	0
Dec 07	5.0	0.0	35,020	0
Jan 08	9.0	0.0	63,036	0
Feb 08	13.0	0.0	91,052	0
Mar 08	17.0	1.0	119,068	7,004
Apr 08	21.0	2.0	147,084	14,008
May 08	21.0	3.0	147,084	21,012
Jun 08	21.0	5.0	147,084	35,020
Totals			\$791,452	\$77,044
TOTAL EXPENDITURES, FY 2007-08 (SDSD + FCC Phased In)				\$868,496
Rounded				\$868,000

**Staffing for Self-Directed
Home and Community-Based Services Waiver
(Operations)**

METHODOLOGY (continued):

BY 2008-09 \$84,629 ÷ 12 mos. = \$7,052

BY 2008-09 Cost per Month	# of Positions		Expenditures	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 08	21.0	9.0	148,092	63,468
Aug 08	21.0	13.0	148,092	91,676
Sep 08	21.0	17.0	148,092	119,884
Oct 08	21.0	21.0	148,092	148,092
Nov 08	21.0	21.0	148,092	148,092
Dec 08	21.0	21.0	148,092	148,092
Jan 09	21.0	21.0	148,092	148,092
Feb 09	21.0	21.0	148,092	148,092
Mar 09	21.0	21.0	148,092	148,092
Apr 09	21.0	21.0	148,092	148,092
May 09	21.0	21.0	148,092	148,092
Jun 09	21.0	21.0	148,092	148,092
Totals			\$1,777,104	\$1,607,856
TOTAL EXPENDITURES, FY 2008-09 (SDSD + FCC Phased In)				\$3,384,960
Rounded				\$3,385,000

FUNDING:

Funding for SD-HCBS Waiver Administration is 50% FFP and 50% General Fund.

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2007-08 costs reflect phased-in regional center implementation schedule.

CY 2007-08 BY 2008-09

EXPENDITURES:

TOTAL	\$868,000	\$3,385,000
General Fund	\$434,000	\$1,692,000
<i>General Fund Match</i>	434,000	1,692,000
<i>General Fund Other</i>	0	
Reimbursements	\$434,000	\$1,693,000
<i>SD-HCBS Waiver Administration</i>	434,000	1,693,000

Federal Compliance

DESCRIPTION:

With the support of the Department of Health Care Services (the federally-recognized single state agency for Medicaid), the Department of Developmental Services utilizes federal funding combined with state General Fund expenditures to meet the mandate established by the Lanterman Developmental Disabilities Services Act. Services are provided to persons with developmental disabilities through a system of 21 not-for-profit agencies called regional centers. Federal financial participation in state programs is provided through the Home and Community-Based Services (HCBS) Waiver, and the Targeted Case Management (TCM) and Nursing Home Reform (NHR) programs.

There are both fiscal and program requirements placed on the regional centers that enable the State to receive federal funding. This workload includes ongoing tasks, such as reviewing choice statements, handling complex notice of action issues related to the HCBS Waiver, completing annual HCBS Waiver certification/recertification forms, preparing for program audits, determining billable services, reconciling data, ensuring records are maintained in accordance with applicable federal requirements for accuracy and completeness, reviewing case records, participating in training on HCBS Waiver policies and procedures, resolving eligibility/compliance issues, etc. In addition, the regional centers receive HCBS Waiver funding through the State Medicaid Plan for case management services and service coordination provided under the TCM and NHR programs. Both of these programs require documentation of services provided.

ASSUMPTIONS/METHODOLOGY:

CY 2007-08 BY 2008-09

- | | | |
|---|--------------|--------------|
| <ul style="list-style-type: none"> ● HCBS Waiver <p style="margin-left: 20px;">Operations costs for HCBS Waiver activities in CY and BY are based upon 6.5% of 1995-96 HCBS Waiver reimbursements of \$325,148,000. (100% General Fund)</p> | \$21,135,000 | \$21,135,000 |
| <ul style="list-style-type: none"> ● Accelerated HCBS Waiver Enrollments <p style="margin-left: 20px;">Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% General Fund)</p> <p style="margin-left: 20px;">Reason for Year-to-Year Change:</p> <p style="margin-left: 20px;">BY 2008-09 expenditures reflect 645 fewer HCBS Waiver enrollments than in CY 2007-08.</p> | \$1,158,000 | \$880,000 |

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Compliance with HCBS Waiver Requirements <p>Provides funding to ensure that the regional center system maintains compliance with the HCBS Waiver. Functions include maintaining service coordinator-to-consumer caseload ratios at not more than 1:62; performing quarterly face-to-face monitoring of consumers residing in out-of-home living arrangements; clinical consultation, monitoring, and review of consumers' medications; and developing and annually reviewing Waiver consumers' individual program plans and Client Developmental Evaluation Reports. See the attachment on page E-2.4 for fiscal detail.</p> <p>CY and BY: \$3,950,000 GF Match, \$3,300,000 Targeted Case Management, \$1,950,000 Medicaid Administration</p> 	\$9,200,000	\$9,200,000
<ul style="list-style-type: none"> ● Case Managers to Meet HCBS Waiver Requirements <p>An April 21, 2006 letter from the Centers for Medicare and Medicaid Services (CMS) indicated that the State must "review and revise, as needed, its policies to assure that the waiver participant to case manager ratio of 62:1 is consistently met." This augmentation by the California Legislature is intended to ensure further compliance. See the attachment on page E-2.5 for fiscal detail.</p> <p>CY: \$1,660,000 GF Match, \$1,660,000 Targeted Case Management BY: \$1,732,000 GF Match, \$1,732,000 Targeted Case Management</p> <p>Reason for Year-to-Year Change: BY 2008-09 expenditures reflect an increase in HCBS Waiver consumers from CY 2007-08.</p> 	\$3,320,000	\$3,463,000
<ul style="list-style-type: none"> ● Targeted Case Management <p>Operations costs for TCM activities in CY and BY are based upon 5.8% of 1995-96 TCM reimbursements of \$71,181,000. (100% General Fund)</p> 	\$4,129,000	\$4,129,000

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued): CY 2007-08 BY 2008-09

- **Nursing Home Reform/Pre-Admission Screening and Resident Review (PASRR)** \$623,000 \$623,000

Operations costs for regional centers to perform activities associated with NHR and to handle the increased workload of processing PASRR Levels I and II screening and evaluation activities. Persons determined to be eligible for services under the Lanterman Act will result in an increase in the number of consumers who require regional center case management and other specialized services. Regional centers, through clinical assessments, will identify individuals who meet the expanded federal definition of developmental disability.
(100% General Fund)

- **TOTAL EXPENDITURES** \$39,565,000 \$39,430,000

FUNDING:

See Assumptions/Methodology above for detail.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

See Assumptions/Methodology above for detail.

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$39,565,000	\$39,430,000
General Fund	\$32,655,000	\$32,448,000
<i>General Fund Match</i>	5,610,000	5,682,000
<i>General Fund Other</i>	27,045,000	26,766,000
Reimbursements	\$6,910,000	\$6,982,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>TCM</i>	4,960,000	5,032,000

Attachment

**Compliance with Home and Community-Based Services Waiver Requirements
(Operations)
CY 2007-08 and BY 2008-09**

	<u>Positions</u>	<u>Monthly Salary</u>	<u>Annual Salary</u>	<u>Annual Salary Cost</u>	<u>Benefit %</u>	<u>Annual Benefit Cost</u>	<u>Operating Expenses (OE) Annually PP</u>	<u>Rent Annually PP</u>	<u>Annual OE Total</u>	<u>Total Annual Salaries & OE (rounded)</u>
Service Coordinators	103.1	\$3,512	\$42,144	\$4,345,046	32.2%	\$1,399,105	\$4,248	\$4,200	\$870,989	\$6,600,000
Physicians	9.0	9,443	113,316	1,019,844	29.5%	300,854	7,632	5,388	117,180	1,400,000
Psychologists	13.7	4,824	57,888	793,066	28.4%	225,231	5,688	4,416	138,425	1,200,000
Totals	125.8			\$6,157,956		\$1,925,190			\$1,126,594	\$9,200,000

TOTAL EXPENDITURES:

\$9,200,000

FUNDING:

These positions are eligible for the following reimbursements: Targeted Case Management (TCM) (50% Federal Financial Participation (FFP)) and Medicaid Administration (75% FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	TOTAL	CY 2007-08 and BY 2008-09
		\$9,200,000
General Fund		\$3,950,000
<i>General Fund Match</i>		3,950,000
<i>General Fund Other</i>		0
Reimbursements		\$5,250,000
<i>Medicaid Administration</i>		1,950,000
<i>TCM</i>		3,300,000

Attachment
Increase in Case Managers to Meet Federal Audit Requirements
(Operations)

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions	1,541.20	1,595.65
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x <u>2.9%</u> x	<u>2.9%</u>
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	44.69	46.27
D. CPC Salary	x <u>\$39,606</u> x	<u>\$39,606</u>
E. Total CPC Salary Expenditures (Item C x Item D)	\$1,769,992	\$1,832,570
F. Supervising Counselors (at 1:10 CPCs)		
CY 44.69 x 1/10 = 4.47	4.47	
BY 46.27 x 1/10 = 4.63		4.63
G. Supervising Counselor Salary	x <u>\$62,784</u> x	<u>\$62,784</u>
Total Supervising Counselor Salary Expenditures (Item F x Item G)	\$280,644	\$290,690
H. Secretary II (at 1:6 CPCs and Supervising Counselors)		
CY 44.69 + 4.47 = 49.16		
49.16 x 1/6 = 8.19	8.19	
BY 46.27 + 4.63 = 50.90		
50.90 x 1/6 = 8.48		8.48
I. Secretary II Salary	x <u>\$28,736</u> x	<u>\$28,736</u>
Total Secretary II Salary Expenditures (Item H x Item I)	\$235,348	\$243,681
J. Fringe Benefits		
CPCs 23.7%	\$419,488	\$434,319
All Other Staff 23.7%	+ <u>122,290</u> +	<u>126,646</u>
	\$541,778	\$560,965
K. Salary Savings		
CPCs 1.0%	-\$21,895	-\$22,669
All Other Staff 5.5%	+ <u>-35,106</u> +	<u>-36,356</u>
	-\$57,001	-\$59,025
L. Total Personal Services (Item E + Item G + Item I + Item K)	\$2,770,761	\$2,868,881
M. Operating Expenses		
Professional Positions \$3,400	\$167,144	\$173,060
Clerical Positions \$2,400	19,656	20,352
Rent		
CY 2007-08 \$6,314	362,108	
BY 2008-09 \$6,744	+ <u>400,459</u> +	<u>400,459</u>
Total Operating Expenses	\$548,908	\$593,871
N. Total Costs (Item L + Item M)	\$3,319,669	\$3,462,752
Rounded	<u>\$3,320,000</u>	<u>\$3,463,000</u>
	General Fund	\$1,660,000
	General Fund Match	1,660,000
	General Fund Other	0
	Reimbursements	\$1,660,000
	Targeted Case Management	1,660,000

a/ Assume the vacancy percentage related to all CPCs applies to HCBS Waiver-related CPCs.

b/ Need to cover these vacancies to meet the CMS compliance audit recommendation.

Projects

DESCRIPTION:

This category of the regional center operating expenses includes various contracts, programs, and projects as described below:

ASSUMPTIONS/METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Information Technology Costs 	\$4,967,000	\$4,967,000
<ul style="list-style-type: none"> ● Applications Support ● Data Processing 	<p style="margin-left: 20px;">3,167,000</p> <p style="margin-left: 20px;">1,800,000</p>	<p style="margin-left: 20px;">3,167,000</p> <p style="margin-left: 20px;">1,800,000</p>
(100% General Fund)		
<ul style="list-style-type: none"> ● Clients' Rights Advocacy 	\$5,121,000	\$5,373,000
The Department contracts with Protection and Advocacy, Inc., for clients' rights advocacy services for regional center consumers.		
(100% General Fund)		
Reason for Year-to-Year Change:		
This contract is based on a per capita average cost. In BY 2008-09, the community population is estimated to increase by 10,470 consumers.		
<ul style="list-style-type: none"> ● Life Quality Assessment 	\$4,866,000	\$4,985,000
The Department contracts with the State Council on Developmental Disabilities (SCDD) to conduct life quality assessments of consumers served by the regional centers. (100% General Fund)		
Change from Prior Estimate:		
The CY 2007-08 estimate was increased by \$127,000 to reflect employee compensation and retirement adjustments for SCDD staff.		
Reason for Year-to-Year Change:		
The number of assessments is estimated to increase by 485 in BY 2008-09.		

Projects

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY (continued):

<ul style="list-style-type: none"> ● Direct Support Professional Training <p>Welfare and Institutions Code (WIC) Section 4695.2, Statutes of 1998, mandates all direct support service professionals working in licensed community care facilities to complete two 35-hour competency-based training courses or pass challenge tests within the first two years of employment. The Department contracts with the Department of Education which in turn administers the training through the Regional Occupational Centers and Programs. (80% of CY and BY costs are eligible for Home and Community-Based Services (HCBS) Waiver Administration: 50% General Fund Match/50% FFP.)</p> <p>CY and BY: \$716,000 General Fund Other, \$1,433,000 General Fund Match, \$1,433,000 HCBS Waiver Administration</p>	\$3,582,000	\$3,582,000
<ul style="list-style-type: none"> ● Office of Administrative Hearings <p>Federal law requires the Department to have a process to adjudicate disputes involving Medicaid beneficiaries; both the fair hearing and mediation processes satisfy this requirement. The Department contracts with the Office of Administrative Hearings to: (1) conduct fair hearings to resolve conflicts between regional centers and their consumers. Section 4700 et seq. of the Lanterman Act requires regional centers to offer mediation to consumers whose services are proposed to be terminated, reduced, or suspended, and (2) provide mediation services. (100% General Fund)</p>	\$2,197,000	\$2,197,000
<ul style="list-style-type: none"> ● Wellness Projects <p>WIC Sections 4696 and 4646.5 contain requirements that are fulfilled through the Wellness Initiative. Project priorities are determined annually by a selection committee comprised of legislative staff, advocacy groups, consumers, regional center representatives and the Community Services and Supports Division within DDS. The types of projects generally fall into the following categories: health professional training programs, medication reviews, health assessments, specialty clinics, telemedicine, resource development for persons with a dual diagnosis, training programs for parents and consumers, and dental health programs and services. (100% General Fund)</p>	\$1,490,000	\$1,490,000
<ul style="list-style-type: none"> ● Foster Grandparent/Senior Companion <p>Through these programs, men and women, 60 years of age and older, devote up to 20 hours a week to help people with developmental disabilities lead more independent and productive lives. CY: \$693,000 General Fund, \$546,000 Federal Funds BY: \$1,109,000 General Fund, \$546,000 Federal Funds</p> <p>Reason for Year-to-Year Change: BY 2008-09 expenditures reflect costs associated with the transfer of Foster Grandparent/Senior Companion programs from Agnews Developmental Center to San Andreas Regional Center.</p>	\$1,149,000	\$1,655,000

Projects

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY (continued):

<ul style="list-style-type: none"> ● Special Incident Reporting/Risk Assessment <p>The Department contracts for the services of an independent specialized risk-assessment and mitigation contractor, possessing a multidisciplinary capacity, to conduct key activities such as data analysis, training, mortality reviews, site reviews, and to provide services related to protecting the health, safety and well-being of consumers. (100% General Fund)</p> <p>Reason for Year-to-Year Change:</p> <p>BY 2008-09 expenditures reflect additional resources necessary to provide regional centers with increased technical support in order to address regional center specific and statewide risk management priorities.</p>	\$833,000	\$940,000
<ul style="list-style-type: none"> ● Sherry S. Court Case <p>In 1981 the Supreme Court ruled In Re Hop that before an adult is admitted to a developmental center, he/she must be afforded due process through a court hearing to determine if such a placement is warranted. Subsequently, in the Sherry S. case, the court ruled that a conservator or parent of an adult has authority to admit that adult through the Hop process. This estimate reflects the regional center costs of processing Hop actions for regional center consumers. (100% General Fund)</p>	\$534,000	\$534,000
<ul style="list-style-type: none"> ● Movers Evaluation <p>Pursuant to WIC Section 4418.1, the Department contracts with an independent agency to track and monitor all persons moved from developmental centers into community settings to ensure they are receiving necessary services and supports. (100% General Fund)</p>	\$600,000	\$600,000
<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II <p>These costs are associated with legal support for federal program activities. (100% General Fund)</p>	\$530,000	\$530,000
<ul style="list-style-type: none"> ● University Enterprises, Inc. <p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. (100% General Fund)</p> <p>Change from Prior Estimate:</p> <p>Anticipated contract increase for FY 2007-08 did not occur.</p> <p>Reason for Year-to-Year Change:</p> <p>Increased expenditures in BY 2008-09 reflect contractor analysis of current forecasting methodology, including methodology changes and training of staff on revised methods and related statistical information.</p>	\$125,000	\$175,000

Projects

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY (continued):

<ul style="list-style-type: none"> ● Affordable Housing <p>In 1994, pursuant to the court decision commonly referred to as the Coffelt Settlement Agreement, funds were allocated to create affordable housing for persons with developmental disabilities. Funding was allocated on a per capita basis to four geographic regions throughout California to provide affordable housing to very low-income individuals receiving services from the regional centers. Annual loan forgiveness for the term of twenty years was stipulated to occur based on each project's compliance with the Standard and Regulatory Agreement. Fiscal review and site monitoring activities are required annually. Technical assistance on additional housing-related issues is obtained through an interagency agreement (IA) with the Department of Housing and Community Development (HCD) as needed. (100% General Fund)</p> <p>Change from Prior Estimate:</p> <p>CY 2007-08 and BY 2008-09 expenditures increased by \$4,000 from the 2007-08 May Revision due to inflationary factors affecting salaries and benefits.</p>	\$94,000	\$94,000
<ul style="list-style-type: none"> ● Cost Containment <p>2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% General Fund)</p>	-\$490,000	-\$490,000
<ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development <p>In anticipation of the SDS program implementation expected to occur in March 2008, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers. (100% General Fund)</p> <p>Change from Prior Estimate:</p> <p>These costs were identified as one-time expenditures in the 2007-08 May Revision for FY 2007-08. It has since been determined that additional training and additional materials development and publication is necessary in BY 2008-09.</p>	\$200,000	\$200,000

Projects

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY (continued):

- | | | |
|---|-----------|-----|
| <ul style="list-style-type: none"> ● Agnews Closure: Technical Assistance on Housing Issues | \$280,000 | \$0 |
|---|-----------|-----|

Consultation services from the Department of Housing and Community Development, California Housing Finance Agency and others are needed to implement the requirements of AB 2100 and other related housing activities. Technical assistance will be provided to the Department on housing issues related to the Agnews DC Closure Plan, including, but not limited to, fiscal analysis, implementation of the Bay Area Housing Plan, and agreements among multiple contracting entities including RCs and proposed housing owners, developers and service providers. Consultants are also assisting in the review of a long-term plan for managing and monitoring properties that will be purchased and will provide feedback and recommendations on the overall viability of the housing element.

Reason for Year-to-Year Change:

Consultation for housing will not be needed beyond CY 2007-08 because the development of housing for individuals moving from Agnews and associated technical issues will be concluded, and all consumers will be moved from Agnews by the closure date of June 30, 2008.

- | | | |
|--|-----------|-----------|
| <ul style="list-style-type: none"> ● Evaluation of SB 962 Pilots | \$250,000 | \$200,000 |
|--|-----------|-----------|

A comprehensive evaluation of the SB 962 pilot project is required by statute and necessary, given the many complex policy, programmatic, and fiscal issues this innovative program presents. The evaluation is conducted by an independent organization or agency which will present its findings in a report to the Legislature and Administration. Areas to be addressed in the evaluation include basic descriptive information about the facilities and clients, costs, consumer access to medical and dental services, extent of consumers' community integration and satisfaction, program staffing, effectiveness, etc. The evaluation is to be submitted by January 1, 2009.

Reason for Year-to-Year Change:

Funding is reduced in BY 2008-09 because the report to the Legislature is due in 2008-09, so the costs are being phased out.

- | | | |
|---|--------------|--------------|
| <ul style="list-style-type: none"> ● TOTAL EXPENDITURES | \$26,328,000 | \$27,032,000 |
|---|--------------|--------------|

FUNDING:

See Assumptions/Methodology above for detail.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

See Assumptions/Methodology above for detail.

Projects

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$26,328,000	\$27,032,000
General Fund	\$24,349,000	\$25,053,000
<i>General Fund Match</i>	1,433,000	1,433,000
<i>General Fund Other</i>	22,916,000	23,620,000
Reimbursements	\$1,433,000	\$1,433,000
<i>HCBS Waiver Administration</i>	1,433,000	1,433,000
Federal Funds	\$546,000	\$546,000
<i>Foster Grandparent Program</i>	546,000	546,000

New Major Assumption Increased Access to Mental Health Services (Operations)

DESCRIPTION:

Summary

The Department of Developmental Services (DDS), in collaboration with the Department of Mental Health (DMH), will coordinate services to provide consumers with developmental disabilities and mental health issues (dually diagnosed), who are not served and underserved, access to community mental health resources. To accomplish this, DDS requests a total of \$740,000 in Mental Health Services Funds and position authority. A companion Budget Change Proposal (BCP) has been submitted.

Nature of Request

Consistent with the requirements of the Mental Health Services Act (MHSA - Proposition 63), DDS, in consultation with DMH, will identify best practice models and provide training to enhance the effectiveness of the regional center and county mental health service systems to better identify and provide a competent response for those consumers who are dually diagnosed (i.e. have a developmental disability and a mental illness). Based on the 2008-09 November Estimate:

- 50% of the estimated 2008-09 developmental centers' average total population (1,235) have a dual diagnosis.
- 10% of the estimated 2008-09 statewide population of consumers, living in the community, (19,920) have a dual diagnosis.
- Approximately 17% of consumers with a dual diagnosis use psycho-active medications.
- As clinical expertise in this area increases, and innovative programs are developed, the percentages of the number of individuals identified with a dual diagnosis are expected to increase.

In 2006, the regional centers reported 1,413 Unplanned Psychiatric Hospitalizations on their Special Incident Report, submitted to DDS.

In 2005, DDS contracted with an independent consultant (Webb & Associates) to assess the needs of consumers who are "difficult to serve". The consultant reported the following:

- 1 in 6 persons (16%) served by DDS have a dual diagnosis as indicated by an Axis I and/or Axis II diagnosis using the Diagnostic Statistical Manual (DSM IV-TR);
- Over 323 people frequently utilize crisis services, often resulting in multiple psychiatric admissions and/or repeated entries into the criminal justice system, with many community placements described as "tenuous";
- Many individuals reside in vulnerable residence types such as county jail or juvenile detention facilities, long after what is considered appropriate, due to the lack of specialized support in the community.

An informal survey was conducted by the Mental Health/Developmental Disability Collaborative. The survey was directed to psychiatric hospitals and county juvenile halls. For the quarter January through March, 2004, the following was reported:

Psychiatric Hospitals:

- 31 adults were waiting placement out of the hospital;
- The total length of stay in the hospital was 326 days;
- The total number of administrative days was 278; and
- The number adults with multiple admissions was 78.

New Major Assumption Increased Access to Mental Health Services (Operations)

DESCRIPTION (continued):

Nature of Request (continued)

Juvenile Halls:

- 203 adolescents were waiting placement out of the juvenile halls;
- The total length of stay in the juvenile halls was 1,183 days;
- The total number of administrative days was 847; and
- The number of juveniles with multiple admissions was 140.

Through the identification and training of best practice models, DDS will improve clinical capacity and effectiveness of direct services. Additionally, DDS will ensure ongoing statewide technical assistance to promote interagency collaboration regarding access to mental health services for consumers with a dual diagnosis. This request has three major components:

- 1) Training community clinical and service professionals on best practice models.
- 2) Training regional center service providers, regional center service coordinators, county mental health staff, families, and consumers on early identification of problems, coordination of care, day to day support, and care giving strategies.
- 3) Ongoing technical assistance for clinical support, coordination of care and interagency collaboration for the purpose of improving timely access to service and avoiding hospitalization in psychiatric facilities.

Means to evaluate the outcomes of the proposed components will include a review of the Unplanned Hospitalization numbers, as reported by the regional centers on their Special Incident Reporting system, and include the number of administrative days reported by the regional centers on the annual Crisis Services Report.

Funding for this New Major Assumption would include \$740,000, ongoing, to implement services and trainings at the local level to more effectively address consumers who are dually diagnosed. Specifically, these funds will provide Consultation Services to both agencies; Training for Service Providers and Families/Consumers; Best Practices Training for Clinicians to increase community clinical capacity; and Regional Planning Projects at the local level.

DDS will ensure ongoing statewide technical assistance to solidify interagency collaboration regarding access to mental health services for consumers with a dual diagnosis.

Including this proposal and the companion BCP, DDS requests a total of \$1,061,000 in Mental Health Services Funds and position authority to establish two Consulting Clinical Psychologists and one Community Program Specialist III based at Headquarters.

New Major Assumption Increased Access to Mental Health Services (Operations)

DESCRIPTION (continued):

Nature of Request (continued)

DDS plans to coordinate the activities, outlined below, with DMH:

- 1) Regional Best Practice Training (\$270,000): DDS and DMH will co-sponsor a series of training sessions on best practice models for regional center staff, community clinicians, and county mental health staff to better serve consumers with a dual diagnosis. These training sessions will include:
 - a. Evidence-based models for effective services for consumers who are dually diagnosed.
 - b. Early identification of social-emotional warning signs, mental health triage and referral to appropriate services.
 - c. Developmental considerations and resources and referrals for infants and toddlers who are at risk of mental health problems.
 - d. Regional planning sessions among representatives from critical service systems to address:
 - i. Local needs assessment
 - ii. Best practice models most suitable for each region
 - iii. Coordinated funding and implementation strategies
 - iv. Specific work plans
- 2) Statewide Training for Families, Service Providers, Service Coordinators, and Consumers (\$270,000):
 - a. Specialized training will be provided to family members, service providers, service coordinators, and consumers concerning:
 - i. Early identification of problems resulting from mental illness;
 - ii. Coordinating care with psychiatrists and other local mental health professionals;
 - iii. Day to day support and management for consumers with dual diagnosis; and
 - iv. Key information in developmental guidance and special care-giving strategies for infants who are victims of abuse and neglect and are served by regional centers.

New Major Assumption Increased Access to Mental Health Services (Operations)

DESCRIPTION (continued):

Nature of Request (continued)

3) Regional Planning Project (\$135,000):

- a. Three regional planning projects will be convened with regional center representatives experienced in working with individuals with a dual diagnosis, consumers/family members, community mental health professionals, and other stakeholders to address opportunities and obstacles towards improving the delivery systems at the local level. The two Consulting Clinical Psychologists, in coordination with DMH, and constituents from both systems, will develop local community needs assessments that include, but are not limited to the following components:
 - i. Identify consumers at risk who represent multiple inpatient hospitalizations, ongoing placement problems, and high costs without satisfactory resolution of their mental illness and resulting behaviors;
 - ii. Assess the need for inpatient diversion programs with a goal of maintaining a consumer's residence in the least restrictive environment;
 - iii. Identify the need for mobile urgent care teams;
 - iv. Evaluate the use of 23-hour crisis beds for future assessment and observation, thereby avoiding inpatient admissions;
 - v. Assess the need for aftercare options following intensive treatment;
 - vi. Assess the need for Crisis Residential Facilities and evaluate successful programs and research options for programs with blended funding, including the use of federal funds; and,
 - vii. Investigate the use of Developmental Centers as a community resource, for example, in assessing and monitoring consumers who are titrating off medications.

- 4) Regional Center Technical Assistance and Liaison Support (\$65,000) will provide consultation services to support the DDS and DMH co-sponsored Mental Health Task Force (MHTF) for Persons with Developmental Disabilities.

Background/History

The Little Hoover Commission on State Government Organization and Economy, May 5, 2004, released its report on the consequences of fragmented service delivery systems. The Commission found that California had not developed a mental health system that prioritizes prevention, equips practitioners with state of the art tools, and ensures quality outcomes. The Commission also found that the State had not set in methodical order its resources in a coordinated strategic effort that made the best use of resources.

There are studies showing a significant portion of population groups with developmental disabilities that have co-occurring mental disorders and that these populations remain underserved because their specific issues are not adequately addressed in this continuum of care.

Memorandums of Understanding (MOU), Welfare & Institution Code in the Lanterman Act 4696. (b), are in place between regional centers and their corresponding county mental health agencies. Often these MOUs are not followed to their fullest intent. Counties provide services based on their individual resources. These resources vary from county to county and are fragmented due to allocation of funds. Consequently, there are many diverse groups vying for these resources.

New Major Assumption Increased Access to Mental Health Services (Operations)

DESCRIPTION (continued):

Background/History (continued)

Consumers with a dual diagnosis frequently have difficulty accessing mental health services. Professionals in the mental health field have received traditional training; however, training on prevention and treatment services, and resources for persons with developmental disabilities, is not a typical part of their training. Professionals from the field of developmental disabilities lack the knowledge and resources in working with mental health issues and the mental health service delivery system.

The service system is also recognizing the need to establish early and effective intervention to infants and toddlers. Infants and toddlers are referred to regional centers if they are at risk of a developmental disability due to abuse and neglect, drug exposure, and family mental health issues. These risk factors are highly correlated with mental health diagnoses in later life. Early and effective intervention to this population is necessary to preserve the family, mitigate developmental disabilities and mental health diagnoses, and avoid more costly crisis services.

Persons with dual diagnoses are over-represented in locked facilities, remain for prolonged periods and incur excessive treatment costs upon release, all of which results in increased costs for both county mental health agencies and regional centers.

In November 2004, voters approved Proposition 63, creating the Mental Health Services Act (MHSA). The MHSA allocates funds to assist state agencies in meeting all responsibilities of the Act. This authorizes DDS and DMH to work to:

- Provide access to mental health programs that are specifically tailored to the needs of persons with a developmental disability with co-occurring mental health disorders; and,
- Develop innovative programs that focus on early intervention and treatment for children and families impacted by mental health issues.

The MHSA provides a broad outlook on services needed in the community. Timely treatment of mental illness can mitigate many of the consequences of inadequate services, including deflections from expensive and restrictive institutional settings.

County mental health professionals report that they lack the necessary expertise and staffing to adequately support and insure the safety of persons who are dually diagnosed. County psychiatric facilities focus on psychiatric episodes and use an episodic care model including emergency intake, evaluation, stabilization, and then a quick discharge for psychiatric incidents. Individuals who are dually diagnosed require a longer length of stay in order to adequately assess and treat their multiple issues. As a result of the lack of a continuum of care for this population, county mental health agencies report that once admitted into a psychiatric facility, a person with a dual diagnosis will often remain untreated for days, or even weeks, costing the state needlessly. Focused regional planning will identify service gaps and appropriate treatment options for future development of innovative programs.

Since 1996, DDS and DMH have co-sponsored a Mental Health Task Force (MHTF) for Persons with Developmental Disabilities. The MHTF does not have ongoing funding for its support. Membership is voluntary and inconsistent. Multiple agencies are represented with the collective goal of promoting a better understanding of how the two systems inter-relate; developing ways in which services can be accessed by persons who fall under the auspices of both systems; and, sharing information regarding new and innovative services developed for persons with a dual diagnosis.

**New Major Assumption
Increased Access to Mental Health Services
(Operations)**

IMPLEMENTATION DATE:

July 1, 2008.

ASSUMPTIONS/METHODOLOGY:

Funding will be used to implement services and trainings to more effectively address consumers who are dually diagnosed. Specifically, these funds will provide the following ongoing components at the local level:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
• Regional Best Practice Training	\$0	\$270,000
• Statewide Training for Families, Service Providers, Service Coordinators, and Consumers	0	270,000
• Regional Center Technical Assistance and Liaison Support	0	65,000
• Regional Planning Projects	0	135,000
TOTAL EXPENDITURES	<u>\$0</u>	<u>\$740,000</u>

FUNDING:

100% Mental Health Services Fund.

CHANGE FROM PRIOR ESTIMATE:

This is a new major assumption beginning in BY 2008-09.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	\$740,000
General Fund	\$0	\$0
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	0	0
Mental Health Services Fund	\$0	\$740,000

Community Care Facilities

DESCRIPTION:

Pursuant to Health and Safety Code Section 1502 (a)(1), (4), (5), or (6) and Section 1569.2(k), regional centers contract with Community Care Facilities (CCFs). CCFs are licensed by the Department of Social Services (DSS) to provide 24-hour non-medical residential care to children and adults with developmental disabilities who are in need of personal services, supervision, and/or assistance essential for self-protection or sustenance of daily living activities.

KEY DATA/ASSUMPTIONS:

- CCF Population and Expenditure Data Source: UFS 203-0-S-0 and 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on FY 2003-04 expenditures.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 95.7% of persons in CCFs), the regional centers fund only the portion of the facility costs that is above the SSI/SSP level of payment (i.e., the "net" costs). Funds for the SSI/SSP grants are in the DSS budget. This factor is incorporated in the CCF estimate.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09 the prior-year estimate, with the following adjustments, was used as the base:	\$659,066,000	\$736,880,000
● Prior Year Costs	659,066,000	N/A
● Prior Year Estimate	N/A	774,928,000
● Less Community Placement Plan One-Time Costs	N/A	-38,048,000
● SSI/SSP Increase Effective 6/1/08:	-\$5,616,000	-\$9,276,000
<p>Effective 1/1/07, the SSI/SSP rate is \$916. The rate is assumed to increase to \$950 on 6/1/08. For CY 2007-08, SSI/SSP rate increases will not be passed through to CCF providers, resulting in an offset to regional center costs.</p>		
● Sunset Cost Containment Trailer Bill Language	\$0	\$9,276,000
<p>The CY 2007-08 provision not to pass the SSI/SSP rate increase through to CCF providers will sunset on July 1, 2008. BY 2008-09 costs reflect rate increases passed through to CCF providers.</p>		

Community Care Facilities

METHODOLOGY (continued):

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$33,744,000	\$36,702,000
<ul style="list-style-type: none"> ● Caseload Growth 	10,486,000	11,234,000
<p>These estimates were based on forecasting models specific to the April 2002 through March 2007 CCF population data.</p> <p>An ARIMA (Auto Regressive Integrated Moving Average) model was used to forecast CCF caseload growth. The ARIMA procedure models a discrete time series as a function of constant, autoregressive terms, and moving-average terms.</p> <p>Estimated Caseload Growth:</p> <p style="margin-left: 40px;">CY 2007-08: 4,098 Person Months</p> <p style="margin-left: 40px;">BY 2008-09: 4,072 Person Months</p> <p>Average Cost per Person Month:</p> <p style="margin-left: 40px;">CY 2007-08: \$2,560</p> <p style="margin-left: 40px;">BY 2008-09: \$2,760</p>		
<ul style="list-style-type: none"> ● Average Cost Increase: 	23,258,000	25,468,000
<p>Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p>The net base amount (which excludes Community Placement Plan costs, rate adjustments and program changes) was multiplied by 3.6% to project the average cost increase. The 3.6% increase is based on the estimated increase in the average cost per person month from 2005-06 to 2006-07.</p>		
<ul style="list-style-type: none"> ● Service-Level Freeze: 	In Base	
<p>The Budget Act of 2003 amended Welfare and Institutions Code Section 4681.5 to prohibit regional centers from approving any service-level increase for specified residential service providers unless DDS has granted prior written authorization. This freeze continues in CY 2007-08. CY 2007-08 savings from this freeze are reflected in the CCF base.</p>		
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: 		\$47,350,000
<p>The service-level freeze provision detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision.</p>		

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$38,048,000	\$17,010,000
<ul style="list-style-type: none"> ● Placement / Deflection Continuation: These are the continuing costs for consumers residing in CCFs who, under the Community Placement Plan in the prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See pages F-4.1 and F-4.4 for detail. 	\$33,534,000	\$72,684,000
<ul style="list-style-type: none"> <li style="margin-left: 20px;">(a) Placement <li style="margin-left: 20px;">(b) Deflection 	<p>18,028,000</p> <p>15,506,000</p>	<p>57,178,000</p> <p>15,506,000</p>
<ul style="list-style-type: none"> ● 3 Percent Rate Increase: A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. Program Costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09. 	In Trends	In Trends
<ul style="list-style-type: none"> ● Collection of FFP for Contracted Services: This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in FY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09. 	In Trends	In Trends

Community Care Facilities

METHODOLOGY (continued):

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Minimum Wage Increase: AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2007-08 remain in the base for BY 2008-09. See Section F, Auxiliary Tables, Charts and Graphs, pages F-14.1 to F-14.3, for a summary of minimum wage cost increases. 	\$16,152,000	\$6,416,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$774,928,000	\$917,042,000

FUNDING:

CCF expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver and the Title XX Block Grant, which includes Temporary Assistance for Needy Families (TANF). Based on actual FY 2006-07 billing data, approximately 80% of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2007-08 and BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data including seven months of additional caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects increased costs due to the sunset of cost containment trailer bill language and projected increases in caseload and expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$774,928,000	\$917,042,000
General Fund	\$479,839,000	\$572,719,000
<i>General Fund Match</i>	289,811,000	339,045,000
<i>General Fund Other</i>	190,028,000	233,674,000
Reimbursements	\$295,089,000	\$344,323,000
<i>HCBS Waiver FFP</i>	289,811,000	339,045,000
<i>Title XX TANF</i>	5,278,000	5,278,000

Medical Facilities

DESCRIPTION:

Pursuant to the Health and Safety Code, Sections 1250, 1255.6, and 1255.7, among others, the regional centers vendor Intermediate Care Facilities (ICFs) for consumers not eligible for Medi-Cal. ICFs are health facilities licensed by the Licensing and Certification Division of the State Department of Health Care Services to provide 24-hour-per-day services and certified for Medi-Cal reimbursement for services. The types of ICFs providing services for Californians with developmental disabilities are: ICF/DD (Developmentally Disabled), ICF/DD-H (Habilitative), ICF/DD-N (Nursing), and ICF/DD-CN (Continuous Nursing).

KEY DATA/ASSUMPTIONS:

- Assumptions regarding caseload and facility growth are based on the 2007-08 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed ICFs for CY 2007-08 and BY 2008-09 are provided by the Department of Health Care Services, effective August 1, 2007, as follows:
\$174.58 for DD-Hs, \$212.02 for DD-Ns, and \$391.20 for DD-CNs.
- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	94	94
DD-N	156	156
- 3.7% of the consumers in Medical Facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
• Base: For each fiscal year, prior-year estimated costs, with the following adjustments, were used as the base.	\$10,821,000	\$19,454,000
Prior-Year Estimate	10,821,000	22,971,000
Less Gap Resource Development in Base	N/A	-1,814,000
Less Community Placement Plan One-Time Costs	N/A	-1,703,000
• Utilization Change/Growth:	\$672,000	\$672,000

It is assumed that 3.7% of the persons in medical facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

Medical Facilities

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Gap Resource Development: 	\$1,814,000	\$1,814,000
<ul style="list-style-type: none"> ● New Facilities: <p style="margin-left: 20px;">Gap is the time period between licensure and certification of small health facilities when Medi-Cal does not cover any person's facility costs.</p> <p style="margin-left: 20px;">In CY 2007-08 and BY 2008-09, it is assumed 17 DD-H facilities will need gap funding for 2 consumers each for an average of 60 days, and 28 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days.</p>	1,350,000	1,350,000
<ul style="list-style-type: none"> ● Change of Ownership Facilities <p style="margin-left: 20px;">It is estimated that three ICF/DD-H and three ICF/DD-N providers will sell their facilities during CY 2007-08 and BY 2008-09. This will result in having to pay for continued consumer care in the form of gap funding during the ownership transition period, which averages 60 days.</p>	464,000	464,000
<ul style="list-style-type: none"> ● Community Placement Plan: <p style="margin-left: 20px;">These are costs for individuals moving from a developmental center into a Medical Facility. See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail.</p>	\$1,703,000	\$1,667,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers residing in Medical Facilities who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after deflection. See pages F-4.1 and F-4.4 for detail.</p>	\$7,961,000	\$1,740,000
(a) Placement	7,961,000	1,740,000
(b) Deflection	0	0

Medical Facilities

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
• TOTAL EXPENDITURES	\$22,971,000	\$25,347,000

FUNDING:

Medical Facility expenditures are funded by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the change in caseload from the current year to the budget year.

EXPENDITURES:

TOTAL	\$22,971,000	\$25,347,000
General Fund	\$22,971,000	\$25,347,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	22,971,000	25,347,000
Reimbursements	\$0	\$0

Day Programs

DESCRIPTION:

Day programs are community-based programs for individuals served by a regional center. Pursuant to Section 4648 of the Lanterman Act, day programs are available when those services are included in that person's Individual Program Plan. Day program services may be at a fixed location or out in the community.

Types of services available through a day program include:

- Developing and maintaining self-help and self-care skills.
- Developing the ability to interact with others, making one's needs known and responding to instructions.
- Developing self-advocacy and employment skills.
- Developing community integration skills such as accessing community services.
- Improving behaviors through behavior management.
- Developing social and recreational skills.

KEY DATA/ASSUMPTIONS:

- Day Program Consumer and Expenditure Data Source: UFS 203-0-S-0 and 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on Fiscal Year (FY) 2004-05 expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
● Base: Actual FY 2006-07 expenditures were used to develop the Current Year (CY) 2007-08 base. For Budget Year (BY) 2008-09, the prior-year estimate, with the following adjustment, was used for the base:	\$689,921,000	\$744,894,000
● Prior Year Costs	689,921,000	N/A
● Prior Year Estimate	N/A	750,447,000
● Less Community Placement Plan One-Time Costs	N/A	-5,553,000
● Utilization Change/Growth:	\$27,984,000	\$30,736,000

Caseload Growth

The population growth is estimated to be 25,255 person months in CY 2007-08 and 27,430 person months in BY 2008-09. The CY and BY estimates are based on a simple ARIMA model of Day Program consumer data from April 2001 through March 2007.

The CY person-month growth of 25,255 was multiplied by the estimated CY average monthly cost per person of \$1,108 to project CY utilization change/growth expenditures of \$27,984,000. The BY growth of 27,430 was multiplied by the average monthly cost per person of \$1,120 to project BY utilization change/growth expenditures of \$30,736,000.

Day Programs

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<i>Average Cost Increase:</i> Reflects the cost of new community-based day programs.	\$7,459,000	\$7,900,000
<p>CY 2007-08 base net costs of \$678,051,000 (which exclude the FY 2006-07 cost of Community Placement Plan [CPP] placements, rate adjustments and program changes) were multiplied by 1.1 percent to project an average cost increase of \$7,459,000. The 1.1 percent is based on the estimated increase in the average cost per person per month from FY 2005-06 to FY 2006-07. The BY 2007-08 base net costs of \$718,198,000 were also multiplied by 1.1 percent to project an average cost increase of \$7,900,000.</p>		
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: 	In Trends	In Trends
<p>The Budget Act of 2003 amended the Welfare and Institutions Code Section 4691.6(b), (c), (d) and (e), establishing a freeze on rate increases for specified programs. Specifically, the following was provided:</p>		
<p>(1) Prohibits the Department from approving a rate adjustment that would result in a higher payment rate for a community-based day program, in-home respite service agency or work activity program than the rate that is in effect on or after June 30, 2003, and allows exceptions for the protection of the consumer’s health and safety.</p>		
<p>(2) Prohibits the approval of any program design modifications or revendorization of a community-based day program or in-home respite service agency provider, if the change would result in a rate increase.</p>		
<p>(3) Prohibits the approval of any anticipated rate adjustments for community-based day program or in-home respite service agency providers unless the regional center demonstrates the rate increase is necessary to protect the consumer’s health or safety.</p>		
<p>The impact of this freeze is reflected in the trends.</p>		

Day Programs

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: 	\$0	\$10,396,000
<p><i>Average Cost Increase:</i></p> <p>The rate freeze provision detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision. It reflects only the cost of converting rates for providers with temporary payment rates to permanent payment rates.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$5,553,000	\$2,717,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing Day Programs who were moved from a developmental center into the community under the CPP in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.4 for detail.</p>	\$5,784,000	\$10,378,000
<ul style="list-style-type: none"> ● Program Days Adjustment: <p>There will be one fewer program day in CY 2007-08 and in BY 2008-09 compared to FY 2006-07.</p>	-\$3,101,000	\$0
<ul style="list-style-type: none"> ● Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in FY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>	In Trends	In Trends

Day Programs

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none">• 3 Percent Provider Rate Increase:	In Trends	In Trends
<p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>		
<ul style="list-style-type: none">• Provider Resources for Collection of Federal Financial Participation (FFP) for Contracted Services:	In Trends	In Trends
<p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in FY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>		

Day Programs

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
• Minimum Wage Increases:	\$16,847,000	\$5,939,000
<p>AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2007-08 remain in the base for BY 2008-09. See Section F, Auxiliary Tables, Charts and Graphs, pages F-14.1 to F-14.3, for a summary of minimum wage cost increases.</p>		
• TOTAL EXPENDITURES	\$750,447,000	\$812,960,000

FUNDING:

Day Program expenditures are funded by the General Fund, Medicaid, HCBS Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), and the Early Start Grant. Based on actual FY 2006-07 billing data, approximately 52 percent of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is FFP. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect five months of additional caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects increased costs due to the rate freeze provisions sunsetting on July 1, 2008 and a projected increase in caseload.

Day Programs

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$750,447,000	\$812,960,000
General Fund	\$448,365,000	\$459,716,000
<i>General Fund Match</i>	231,877,000	265,220,000
<i>General Fund Other</i>	216,488,000	194,496,000
Reimbursements	\$291,581,000	\$323,353,000
<i>HCBS Waiver FFP</i>	196,273,000	229,615,000
<i>Title XX Social Services</i>	57,477,000	55,907,000
<i>Title XX TANF</i>	2,226,000	2,226,000
<i>Medicaid</i>	35,605,000	35,605,000
Federal Funds	\$10,501,000	\$29,891,000
<i>Early Start Grant</i>	10,501,000	29,891,000

Habilitation Services Program

DESCRIPTION:

This estimate reflects the resources necessary for the Department of Developmental Services (DDS) to administer the Habilitation (Work) Services Program (HSP), as required in Section 2, Chapter 13 (commencing with Section 4850) of Division 4.5 of the Welfare and Institutions Code. These services currently are provided chiefly by the regional center under the authorization of the Lanterman Act (Welfare and Institutions Code 19350[b]), and are authorized under Section 4850.1 of Chapter 13 of Division 4.5 of the Welfare and Institutions Code.

Changes in caseload levels, Work Activity Program (WAP) consumer days attended, consumer work hours, Supported Employment Program (SEP) job coaching hours, and service provider rates affect WAP and SEP funding requirements and Home and Community-Based Services (HCBS) Waiver reimbursement funding. These changes require annual, and sometimes biannual, adjustments to WAP and SEP funding levels. Welfare and Institutions Code Section 4859(a) requires that WAP service provider rates be set biennially. Rates were last set in Fiscal Year (FY) 2000-01. AB 1752 (Chapter 225, Statutes of 2003) reduced WAP rates by 5 percent, effective July 1, 2003. AB 747 (Chapter 659, Statutes of 2003) suspended biennial rate adjustments for WAPs until July 1, 2006 [Welfare and Institutions Code Section 19356(c)].

Work Activity Program:

WAP services are provided, for the most part, in a sheltered setting, although sometimes services include work experiences in integrated group settings within the community.

These services are provided to individuals with developmental disabilities who are regional center consumers. Caseload growth is impacted by referrals from the regional centers. Services as identified in the regional center's Individual Program Plan are purchased for individuals for as long as necessary. WAP services are paid on a per-consumer-day basis.

Supported Employment Program:

Supported employment provides opportunities for persons with developmental disabilities to work in the community, in integrated settings, with support services provided by community rehabilitation programs. These services enable consumers to learn necessary job skills and maintain employment. SEPs provide services for individually employed consumers (Individual Placements), as well as consumers employed in group settings (Group Placements).

The caseload is affected by regional centers referring consumers for supported employment from WAPs, day programs, schools or other programs. Caseload is also impacted by employment opportunities within the community and the ability of consumers to obtain and maintain employment. These factors are critical as these services are only purchased when the consumer is employed.

For supported employment, Department of Rehabilitation's (DOR) Vocational Rehabilitation (VR) program provides (1) services leading to job development and placement and (2) the initial support services necessary for a person to become stable on the job. Once the person has learned the job tasks, is performing the job at a consistent level and needs minimal support services, the funding is transitioned to the regional center for a minimum of 60 days prior to closure of the consumer's VR program case. This assures that the consumer's stability is maintained for at least 60 days prior to VR case closure. The regional center continues to provide supported employment services throughout the term of employment. Consumers who are unsuccessful in the VR program have their cases closed and usually return to regional center-funded WAP services.

Habilitation Services Program

DESCRIPTION (continued):

Group Placement:

Group placements occur in the community (integrated setting), and consist of small groups of three to eight individuals with disabilities, either working at an employer's work site or rotating work assignments such as in janitorial or landscaping crews. The supported employment services that are provided include job skills training, supervision of work performed, and other on-the-job support services that enable the individuals to continue in employment. Generally, the services are provided full-time for all hours the individuals are in the work setting. VR normally funds the first three to six months of a group placement and the intake fee for new consumers. After stabilization, the consumer is transitioned to regional center funding.

AB 2779 (Chapter 329, Statutes of 1998) changed the methodology for paying for Group Placement job coaching from a per-consumer-hour basis to a per-job-coach-hour basis. Previously, providers had an individual rate per consumer hour for Group Placement services. Effective July 1, 2000, the Legislature approved a 3 percent increase in the job coaching rate to \$28.33 per hour.

These increases and the change in methodology from paying on a per-consumer-hour basis to a per-job-coach-hour basis for Group Placement led to significant increases in caseload and expenditures that created large deficiencies for FY 1999-00 and FY 2000-01. The growth in caseload is assumed to be a result of the service providers' ability to provide increased employment opportunities.

The increases in expenditures are directly related to the increase in participation (caseload, days attended, hours worked, job coaching hours). To control rising costs in FY 2002-03 and beyond, the Budget Trailer Bill (AB 444, Chapter 1022, Statutes of 2002) contained language amending Welfare and Institutions Code Section 19356.6(a) to increase the minimum number of DOR SEP consumers in a group from three to four.

The expected savings would be generated by creating fewer groups with the increase in caseload, thereby requiring fewer job coaching hours than if groups of three were established. Groups of three SEP consumers that were approved and working prior to July 1, 2002 (the effective date of the legislation) have until June 30, 2005 to achieve the new minimum size requirement. The FY 2004-05 Trailer Bill specifies the documentation service providers must submit to approve the extension of the funding for established groups of 1:3 until June 30, 2005.

Effective July 1, 2003, the Budget Trailer Bill (AB 1753, Chapter 226, Statutes of 2003) reduced the job coaching rate by 2.5 percent to \$27.62 per hour.

The Legislature increased the Budget Act of 2005 by \$1.4 million, restoring the SEP Group job coach ratio from 1:4 to 1:3. This amount is reflected in the base for Current Year (CY) 2007-08 and Budget Year (BY) 2008-09. Effective July 1, 2006, in the Budget Act of 2006, the Legislature approved a 24 percent increase in the job coaching rate to \$34.24 per hour.

Habilitation Services Program

DESCRIPTION (continued):

Individual Placement:

Individual Placements provide for individualized employment in the community. Consumers are traditionally hired directly by the employer, and are expected to become more independent over time. The supported employment services provided include job skill training, supervision of work performed, and other ancillary support services both on and off the job that enable the individual to continue in employment. The number of service hours provided is generally greater early in the job placement and decrease as the individual learns the job and is able to perform the job functions more independently. The initial, more intensive, job coaching services, as well as the intake and placement fees, are paid by VR. The regional center funds the job coaching once the consumer has stabilized (usually 20 percent intervention for 60 days).

AB 2779 (Chapter 329, Statutes of 1998) increased the hourly rate for Individual Placement job coaching to \$27.50 per job coaching hour. Previously, providers had an individual rate per job coach hour for Individual Placement (the statewide average job coaching rate was \$22.86 per hour). Effective July 1, 2000, the Legislature approved a 3 percent increase in the job coaching rate to \$28.33 per hour. These rate changes led to significant increases in caseload and expenditures that created large deficiencies for FY 1999-00 and FY 2000-01. The growth in caseload is assumed to be a result of the service providers' ability to provide increased employment. Effective July 1, 2003, the Budget Trailer Bill (AB 1753, Chapter 226, Statutes of 2003) reduced the job coaching hourly rate by 2.5 percent to \$27.62 per hour. Effective July 1, 2006, in the Budget Act of 2006, the Legislature approved a 24 percent increase in the job coaching rate to \$34.24 per hour.

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source: UFS 203-0-S-0 and 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.
- AB 747 (Chapter 659, Statutes of 2003) suspended the biennial rate adjustment for WAP until July 1, 2006. This suspended the need to collect cost statements beginning in FY 2003-04 while maintaining the rate freeze and the permanent simultaneous AB 1752 5 percent rate rollback. Subsequent Trailer Bill Language continued the rate freeze through CY 2007-08.
- Authorizing statute: Welfare and Institutions Code Sections 4850 through 4867.
- The DDS will use currently-established rates for the 2008-09 November Estimate.
- The DDS will begin collecting CY 2007-08 cost reporting data in FY 2007-08 for rates that would be in effect commencing July 1, 2008.

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
Work Activity Program:	\$65,710,000	\$71,902,000
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> ● Prior Year Costs 63,359,000 ● Prior Year Estimate N/A ● Less Community Placement Plan One-Time Costs N/A 	<ul style="list-style-type: none"> \$63,359,000 	<ul style="list-style-type: none"> \$65,693,000 N/A 65,710,000 -17,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	<ul style="list-style-type: none"> \$982,000 	<ul style="list-style-type: none"> \$903,000

WAP expenditure data for the period April 2001 through March 2007 were used to update CY 2007-08 and BY 2008-09. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two intervention variables were statistically significant. Starting July 2003, the model detected the combined impact of the FY 2003-04 biennial rate adjustment suspension and the simultaneous 5 percent rate reduction. Additionally, the data point at December 2006 was abnormally high and therefore, represented a one-point intervention.

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Work Activity Program (continued):		
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: 	In Trends	In Trends
<p>AB 1752 (Chapter 225, Statutes of 2003) and AB 1753 (Chapter 226, Statutes of 2003) combined provided the following:</p> <ol style="list-style-type: none"> (1) Reduced WAP rates by 5 percent, from \$28.33 to \$27.62 effective July 1, 2003, (2) Established the job coaching hourly rate at \$27.62, which represented a 2.5 percent reduction from the previous rate, and (3) Suspended the biennial rate adjustment for WAP for one year. <p>Item (3) suspended the need to collect cost statements in FY 2003-04. Subsequent Trailer Bill Language continued the suspension through FY 2007-08. The impact of the reductions and suspension is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: <p><i>Average Cost Increase:</i></p> <p>The reduction and suspension provisions detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset and the restoration of Items (1) and (2) is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision. The suspension reflects only the cost of converting rates for providers with temporary payment rates to permanent payment rates.</p>	\$0	\$4,804,000
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$17,000	\$17,000
<ul style="list-style-type: none"> ● Placement Continuation: <p>These are the continuing costs for consumers utilizing WAP services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See pages F-4.1 through F-4.4 for detail.</p>	\$3,000	\$3,000

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Work Activity Program (continued):		
<ul style="list-style-type: none"> • 3 Percent Rate Increase for Providers: 	In Trends	In Trends
<p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>		
<ul style="list-style-type: none"> • Minimum Wage Increases: 	\$1,349,000	\$482,000
<p>AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2007-08 remain in the base for BY 2008-09. See Section F, Auxiliary Tables, Charts and Graphs, pages F-14.1 to F-14.3, for a summary of minimum wage cost increases.</p>		
<ul style="list-style-type: none"> • Legislative Augmentation to Enhance Wages and Rates: 	In Trends	In Trends
<p>The Legislature provided a total of \$19.1 million in FY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>		

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Supported Employment Program:	\$82,354,000	\$95,557,000
SEP costs are comprised of hourly-based services that are billed the month following the month services were provided.		
HSP Group Placement:	\$62,048,000	\$70,066,000
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> ● Prior Year Costs 61,211,000 ● Prior Year Estimate N/A ● Less Community Placement Plan One-Time Costs N/A 	\$61,211,000	\$61,947,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>HSP Group Placement expenditure data for the period April 2001 through March 2007 were used to update CY 2007-08 and BY 2008-09. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two intervention variables was statistically significant. Effective July 2005, the Legislature restored the SEP Group Job Coach Ratio from 1:4 to 1:3 and effective July 2006, the 3 percent rate increase for providers combined with the legislative augmentation to increase the SEP job coach rate increased the hourly rate from \$27.62 to \$34.24.</p>	-\$185,000	\$47,000

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Group Placement (continued):		
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: 	In Trends	In Trends
<p>AB 1752 (Chapter 225, Statutes of 2003) and AB 1753 (Chapter 226, Statutes of 2003) combined provided the following:</p> <ol style="list-style-type: none"> (1) Reduced WAP rates by 5 percent, from \$28.33 to \$27.62 effective July 1, 2003, (2) Established the job coaching hourly rate at \$27.62, which represented a 2.5 percent reduction from the previous rate, and (3) Suspended the biennial rate adjustment for WAP for one year. <p>Item (3) suspended the need to collect cost statements in FY 2003-04. Subsequent Trailer Bill Language continued the suspension through FY 2007-08. The impact of the reductions and suspension is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: 	\$0	\$5,766,000
<p><i>Average Cost Increase:</i></p> <p>The reduction and suspension provisions detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset and the restoration of Items (1) and (2) is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision. The suspension reflects only the cost of converting rates for providers with temporary payment rates to permanent payment rates.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$101,000	\$101,000

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Group Placement (continued):		
<ul style="list-style-type: none"> ● Placement Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing HSP Group Placement services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.4 for detail.</p>	\$279,000	\$279,000
<ul style="list-style-type: none"> ● 3 Percent Rate Increase for Providers: <p style="margin-left: 20px;">A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>	In Trends	In Trends
<ul style="list-style-type: none"> ● Restoration of SEP Group Job Coach Ratio from 1:4 to 1:3: <p style="margin-left: 20px;">The Legislature provided for an increase to the Budget Act of 2005.</p>	In Base	In Base
<ul style="list-style-type: none"> ● Legislative Augmentation to Increase SEP Job Coach Rate: <p style="margin-left: 20px;">The Legislature provided a total of \$15.9 million in FY 2006-07 for a rate increase to enhance wages for SEPs, both Group and Individual Placement, that meet specified criteria. Of the \$15.9 million, a total of \$2.4 million will be transferred to DOR via interagency agreement, of which \$1.9 million will be SEP Group Placement funds. FY 2006-07 costs remain in the base for CY 2007-08 and BY 2008-09. The CY cost reflects three months of service only. This amount was annualized for BY 2008-09. The CY costs remain in the base for BY 2008-09.</p>	\$642,000	\$1,926,000

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Individual Placement:	\$20,306,000	\$25,491,000
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: 	\$19,166,000 19,166,000 N/A N/A	\$20,295,000 N/A 20,306,000 -11,000
	\$703,000	\$609,000

Monthly SEP Individual Placement expenditure data from April 2001 through March 2007 were used to update CY 2007-08 and BY 2008-09. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Three intervention variables were statistically significant: (1) Effective July 2003, the hourly job coach rate was reduced to \$27.62 per AB 1753. (2) Effective July 2006, the 3 percent rate increase for providers combined with the legislative augmentation to increase the SEP job coach rate increased the hourly rate from \$27.62 to \$34.24. See items below for more detail. (3) The data point at December 2006 was abnormally high and therefore, represented a one-point intervention.

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Individual Placement (continued):		
<ul style="list-style-type: none"> ● Placement Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing HSP Individual Placement services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.4 for detail.</p>	\$92,000	\$0
<ul style="list-style-type: none"> ● 3 Percent Rate Increase for Providers: <p style="margin-left: 20px;">A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. Program costs are assumed to remain in the trends for CY 2007-08 and BY 2008-09.</p>	In Trends	In Trends
<ul style="list-style-type: none"> ● Legislative Augmentation to Increase SEP Job Coach Rate: <p style="margin-left: 20px;">The Legislature provided a total of \$15.9 million in FY 2006-07 for a rate increase to enhance wages for SEPs, both Group and Individual Placement, that meet specified criteria. Of the \$15.9 million, a total of \$2.4 million was transferred to DOR via interagency agreement, of which \$0.5 million was SEP Individual Placement funds. FY 2006-07 costs remain in the base for CY 2007-08 and BY 2008-09. The CY cost reflects three months of service only. This amount was annualized for BY 2008-09. The CY costs remain in the base for BY 2008-09.</p>	\$334,000	\$1,001,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$148,064,000	\$167,459,000

Habilitation Services Program

FUNDING:

Habilitation Services expenditures are funded by the General Fund, HCBS Waiver, and the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families. Based on actual FY 2006-07 billing data, approximately 63 percent, 42 percent, and 27 percent of WAP, SEP Group, and SEP Individual Placement expenditures, respectively, are eligible for the HCBS Waiver reimbursement. Of the HCBS Waiver amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The caseload and expenditures have been updated and reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects increased costs due to the restoration of the reduction in wage rates on July 1, 2003 and the suspension of cost statements sunsetting on July 1, 2008.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$148,064,000	\$167,459,000
General Fund	\$95,116,000	\$107,877,000
<i>General Fund Match</i>	<i>39,052,000</i>	<i>45,686,000</i>
<i>General Fund Other</i>	<i>56,064,000</i>	<i>62,191,000</i>
Reimbursements	\$52,948,000	\$59,582,000
<i>HCBS Waiver FFP</i>	<i>39,053,000</i>	<i>45,687,000</i>
<i>Title XX Social Services</i>	<i>13,888,000</i>	<i>13,888,000</i>
<i>Title XX TANF</i>	<i>7,000</i>	<i>7,000</i>

Transportation

DESCRIPTION:

Pursuant to Sections 4501, 4502, 4512, and 4646, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers.

Transportation services are provided so persons with a developmental disability may participate in programs and/or other activities identified in the Individual Program Plan. A variety of sources may be used to provide transportation including: public transit and other providers; specialized transportation companies; day programs and/or residential vendors; and family members, friends, and others. Transportation services may include help in boarding and exiting a vehicle as well as assistance and monitoring while being transported.

KEY DATA/ASSUMPTIONS:

Transportation Expenditure Data Source:

UFS 203-0-S-0 and UFS 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09 the prior year estimate, with the following adjustment, was used as the base: 	\$196,538,000	\$203,559,000
<ul style="list-style-type: none"> ● Prior Year Costs 	196,538,000	N/A
<ul style="list-style-type: none"> ● Prior Year Estimate 	N/A	204,863,000
<ul style="list-style-type: none"> ● Less Community Placement Plan One-Time Costs 	N/A	-1,304,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$5,507,000	\$5,225,000

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through March 2007 Transportation expenditure data (excluding CPP placement and placement continuation).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA (Auto Regressive Integrated Moving Average) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. A transfer function was specified for June 2005, to remove one-time costs from the normal growth trend that had been identified for that month. A second intervention was found to be statistically significant beginning July 2006 and is assumed to be related to the 3 percent rate increase budgeted for providers of specified services. See item below for detail.

Transportation

METHODOLOGY (continued):

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$1,304,000	\$559,000
<ul style="list-style-type: none"> ● Placement Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Transportation services who were moved from a developmental center into the community under the Community Placement Plan in the prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.4 for detail.</p>	\$1,514,000	\$2,477,000
(a) Placement	1,514,000	2,477,000
(b) Deflection	0	0
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze: <p style="margin-left: 20px;">Welfare and Institutions Code Section 4648.4(b) prohibits regional centers from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after July 1, 2007, unless 1) the increase is required by a contract in effect on June 30, 2007, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p style="margin-left: 20px;">The impact of this freeze is reflected in the base.</p>	In Base	In Base
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: <p style="margin-left: 20px;"><i>Contracted-Services Rate Freeze:</i></p> <p style="margin-left: 20px;">The rate freeze provision detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision.</p>	\$0	\$17,239,000

Transportation

METHODOLOGY (continued):

CY 2007-08

BY 2008-09

- **3 Percent Provider Rate Increase:**

In Trends

In Trends

A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, cost for all programs totaled \$70,146,000. It's assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.

- **Provider Resources for Collection of Federal Financial Participation (FFP) for Contracted Services:**

In Trends

In Trends

This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.7 million in both CY 2007-08 and BY 2008-09 Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected. See Fund Sources, HCBS Waiver, for more information.

- **TOTAL EXPENDITURES**

\$204,863,000

\$229,059,000

Transportation

FUNDING:

Transportation expenditures are funded by the Public Transportation Account, Home and Community-Based Services (HCBS) Waiver, the Early Start Grant, Vocational Rehabilitation (DOR), Medicaid, and the Title XX Block Grant. Based on actual FY 2006-07 HCBS Waiver billing data, approximately 55 percent of Transportation expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The Public Transportation Account portion is that which is neither FFP nor General Fund.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including five months of additional data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects increased costs due to the contracted services rate freeze sunsetting on July 1, 2008 and an increase in projected expenditures.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$204,863,000	\$229,059,000
General Fund	-\$8,395,000	-\$8,395,000
<i>General Fund Match</i>	8,395,000	8,395,000
<i>General Fund Other</i>	-16,790,000	-16,790,000
Public Transportation Account (PTA)	\$128,806,000	\$140,899,000
<i>PTA Match</i>	58,789,000	68,776,000
<i>PTA Other</i>	70,017,000	72,123,000
Reimbursements	\$84,174,000	\$95,731,000
<i>HCBS Waiver FFP</i>	58,789,000	68,776,000
<i>Vocational Rehabilitation</i>	588,000	588,000
<i>Medicaid</i>	8,395,000	8,395,000
<i>Title XX Social Services</i>	15,483,000	17,053,000
<i>Title XX TANF</i>	919,000	919,000
Federal Funds	\$278,000	\$824,000
<i>Early Start Grant</i>	278,000	824,000

Support Services

DESCRIPTION:

Pursuant to Sections 4501, 4502, 4512, 4646, 4648 and 4689, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Support Services include a broad range of services to adults who choose to live in homes they themselves own or lease in the community.

Included in the Support Services expenditures are Independent Living Supplement payments to adults who are in independent living and supported living settings and receiving SSI/SSP grant payments from the Social Security Administration (the SSI portion), along with a supplemental payment from the State (the SSP portion). Regional centers have been supplementing these persons in the amount of the SSI/SSP grant reductions to assure that they will be able to remain in these settings instead of having to go into community care facilities.

KEY DATA/ASSUMPTIONS:

Support Services Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated October 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.

METHODOLOGY:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: 	<p>\$476,657,000</p> <p>476,657,000</p> <p>N/A</p> <p>N/A</p> <p>\$78,175,000</p>	<p>\$567,826,000</p> <p>N/A</p> <p>576,232,000</p> <p>-8,406,000</p> <p>\$90,932,000</p>

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through May 2007 Support Services expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).

A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention was found to be statistically significant for Support Services starting July 2006, assumed to be related to the 3 percent rate increase budgeted for providers of specified services. See item below for detail.

Support Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$8,406,000	\$7,310,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Support Services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See pages F-4.1 through F-4.4 for detail.</p>	\$10,697,000	\$11,764,000
(a) Placement	7,841,000	8,908,000
(b) Deflection	2,856,000	2,856,000
<ul style="list-style-type: none"> ● Independent Living Supplement: Based on Client Master File (CMF) data as of August 16, 2007, it is estimated the following consumers will live in supported/independent living (SL/IL) arrangements. Of these totals, based on the 2007-08 May Revision Regional Center Survey (February 2007), estimated persons who are part of a couple, who will receive their monthly supplemental payment of \$53.14, as well as the remainder who will receive their monthly payments of \$41.60 as individuals, are also displayed. All consumers are assumed to receive their payments in each month of the fiscal year. Prior year costs remain in the base, therefore only the incremental costs are added. 	\$70,000	\$401,000
	<u>CY 2007-08</u>	<u>BY 2008-09</u>
Total SL/IL Consumers	19,740	20,530
Part of a Couple	- 1,415	- 1,465
Individuals	18,325	19,065
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze <p style="margin-left: 20px;">Welfare and Institutions Code Section 4648.4(b) prohibits regional centers, during FY 2007-08, from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after July 1, 2007, unless 1) the increase is required by a contract in effect on June 30, 2007, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p style="margin-left: 20px;">The impact of this freeze is reflected in the base.</p>	In Base	In Base

Support Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: <div style="margin-left: 20px;"> <p><i>Contracted-Services Rate Freeze:</i></p> <p>The rate freeze provision detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision.</p> </div> 	\$0	\$160,431,000
<ul style="list-style-type: none"> ● 3 Percent Rate Increase for Providers: <div style="margin-left: 20px;"> <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000 for FY 2006-07. It is assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.</p> </div> 	In Trends	In Trends
<ul style="list-style-type: none"> ● Legislative Augmentation to Enhance Wages and Rates: <div style="margin-left: 20px;"> <p>The Legislature provided a total of \$19.1 million in FY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Of this total, the Look-Alike Day Programs increase was estimated to be \$2,958,000. Of this \$2,958,000, \$946,000 was for Support Service costs. It is assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.</p> </div> 	In Trends	In Trends

Support Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> Minimum Wage Increases: AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2007-08 remain in the base for BY 2008-09. See Section F, Auxiliary Tables, Charts and Graphs, page F-14.1 to F 14.3, for a summary of minimum wage cost increases. 	\$2,227,000	\$1,006,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$576,232,000	\$839,670,000

FUNDING:

Support Services expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), and the Early Start Grant. Based on actual FY 2006-07 billing data, approximately 68 percent of Support Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects costs due to the contracted services rate freeze provisions sunsetting on July 1, 2008 and an increase in projected expenditures.

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$576,232,000	\$839,670,000
General Fund	\$367,932,000	\$600,554,000
<i>General Fund Match</i>	175,101,000	204,848,000
<i>General Fund Other</i>	192,831,000	395,706,000
Reimbursements	\$207,722,000	\$237,468,000
<i>HCBS Waiver FFP</i>	175,102,000	204,848,000
<i>Title XX Social Services</i>	26,238,000	26,238,000
<i>Title XX TANF</i>	6,382,000	6,382,000
Federal Funds	\$578,000	\$1,648,000
<i>Early Start Grant</i>	578,000	1,648,000

In-Home Respite

DESCRIPTION:

Pursuant to Section 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. In-Home Respite includes those services that are intermittent or regularly scheduled temporary non-medical care and/or supervision services provided in the consumer's home.

KEY DATA/ASSUMPTIONS:

In-Home Respite Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.

METHODOLOGY:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: 	<p>\$168,619,000</p> <p><i>168,619,000</i></p> <p style="text-align: center;"><i>N/A</i></p> <p style="text-align: center;"><i>N/A</i></p> <p>\$20,729,000</p>	<p>\$197,821,000</p> <p style="text-align: center;"><i>N/A</i></p> <p style="text-align: center;"><i>197,821,000</i></p> <p style="text-align: center;"><i>0</i></p> <p>\$20,544,000</p>

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through May 2007 In-Home Respite expenditure data (excluding CPP placement and placement continuation).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Five interventions/events were found to be statistically significant. An intervention was identified beginning December 2002, possibly related to a spending holdback. Two additional events beginning October 2004 and December 2004, were assumed to be related to vouchered respite regulation changes. Another intervention was identified, starting July 2006, assumed to be related to the 3 percent rate increase for providers of specified services. A fifth intervention was identified, related to the minimum wage increase effective January 1, 2007. Refer to the following pages for more detail.

In-Home Respite

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$0	\$0
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing In-Home Respite services who, under the Community Placement Plan in the prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/ deflection. See Pages F-4.1 through F-4.4 for detail.</p>	\$47,000	\$1,000
(a) Placement	47,000	1,000
(b) Deflection	0	0
<ul style="list-style-type: none"> ● Rate Freeze: <p style="margin-left: 20px;">The Budget Act of 2003 (Trailer Bill Language, AB 1762, Chapter 230, Statutes of 2003) amended Welfare and Institutions Code Section 4691.6(b), (c), (d) and (e), establishing a freeze on rate increases for specified programs. Specifically, the following was provided:</p>	In Trends	In Trends
(1) Prohibits the Department, during FY 2007-08, from approving a rate adjustment that would result in a higher payment rate for a community-based day program, in-home respite service agency or work activity program than the rate that is in effect on or after June 30, 2003, and allows exceptions for the protection of the consumer's health and safety.		
(2) Prohibits the approval of any program design modifications or revendorization of a community-based day program or in-home respite service agency provider, if the change would result in a rate increase.		
(3) Prohibits the approval of any anticipated rate adjustments for community-based day program or in-home respite service agency providers unless the regional center demonstrates the rate increase is necessary to protect the consumer's health or safety.		

The impact of this freeze is reflected in the trends.

In-Home Respite

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

- **Sunset Cost Containment Trailer Bill Language:**

Rate Freeze

<p>The rate freeze provision detailed in the previous item will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision. It reflects only the cost of converting rates for providers with temporary payment rates to permanent payment rates.</p>	\$0	\$1,428,000
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- **Family Cost Participation Program (FCPP):**

<p>The FCPP was authorized by SB 1103 (Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5 percent - 80 percent on families with incomes greater than 400 percent of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous Services. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Although the program was effective January 1, 2005, savings were phased in through December 2005. For the 2007-08 May Revision, a new estimating methodology that used actual expenditure data was designed. Based on this new methodology, a forecast, prepared by University Enterprises, Inc., estimated the total annual POS savings to the regional center system to be \$3,095,000 per year. This projection, which is consistent with the 2007 Report to the Legislature, is assumed to be in the historical trends. This program will sunset on June 30, 2009.</p>	In Trends	In Trends
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In-Home Respite

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

- | | In Trends | In Trends |
|--|-------------|-------------|
| <ul style="list-style-type: none"> ● 3 Percent Rate Increase for Providers: <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000 for FY 2006-07. It is assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.</p> | In Trends | In Trends |
| <ul style="list-style-type: none"> ● Provider Resources for Collection of FFP for Contracted Svc: <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.7 million in both CY 2007-08 and BY 2008-09 Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected. It is assumed that these costs will remain in the trends in BY 2008-09. See Fund Sources, HCBS Waiver, for more information.</p> | In Trends | In Trends |
| <ul style="list-style-type: none"> ● Minimum Wage Increases: <p>AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional</p> | \$8,426,000 | \$3,928,000 |

In-Home Respite

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

Minimum Wage Increases (cont.):

center costs by \$45,044,000 and \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2007-08 remain in the base for BY 2008-09. See Section F, Auxiliary Tables, Charts and Graphs, page F-14.1 to F-14.3, for a summary of minimum wage cost increases.

- **TOTAL EXPENDITURES** \$197,821,000 \$223,722,000

FUNDING:

In-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2006-07 billing data, approximately 56 percent of In-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects increased costs due to the rate freeze provisions sunsetting on July 1, 2008 and an increase in projected expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$197,821,000	\$223,722,000
General Fund	\$119,468,000	\$135,224,000
<i>General Fund Match</i>	51,114,000	59,797,000
<i>General Fund Other</i>	68,354,000	75,427,000
Reimbursements	\$77,562,000	\$86,245,000
<i>HCBS Waiver FFP</i>	51,113,000	59,796,000
<i>Title XX Social Services</i>	13,267,000	13,267,000
<i>Title XX TANF</i>	13,182,000	13,182,000
Federal Funds	\$791,000	\$2,253,000
<i>Early Start Grant</i>	791,000	2,253,000

Out-of-Home Respite

DESCRIPTION:

Pursuant to Section 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Out-of-Home Respite includes supervision services that are provided in licensed residential and day care facilities and camping services.

KEY DATA/ASSUMPTIONS:

Out-of-Home Respite Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior year estimate, with the following adjustment, was used as the base: 	\$48,885,000	\$53,235,000
<ul style="list-style-type: none"> ● Prior Year Costs 	<i>48,885,000</i>	<i>N/A</i>
<ul style="list-style-type: none"> ● Prior Year Estimate 	<i>N/A</i>	<i>53,403,000</i>
<ul style="list-style-type: none"> ● Less Community Placement Plan One-Time Costs 	<i>N/A</i>	<i>-168,000</i>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$4,189,000	\$4,607,000

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through March 2007 Out-of-Home Respite expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two interventions/events were found to be statistically significant. A data point at July 2005 was abnormally high and, therefore, represented a one-point intervention. Another intervention beginning March 2006 was assumed to be related to the implementation of the Family Cost Participation Program (FCPP). See item on next page for more detail.

Out-of-Home Respite

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$168,000	\$150,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Out-of-Home Respite services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.4 for detail.</p>	\$118,000	\$133,000
(a) Placement	118,000	133,000
(b) Deflection	0	0
<ul style="list-style-type: none"> ● Family Cost Participation Program (FCPP): <p style="margin-left: 20px;">The FCPP was authorized by SB 1103 (Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5 percent - 80 percent on families with incomes greater than 400 percent of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous Services. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Although the program was effective January 1, 2005, savings were phased in through December 2005. For the 2007-08 May Revision, a new estimating methodology that used actual expenditure data was designed. Based on this new methodology, a forecast, prepared by University Enterprises, Inc., estimated the total annual POS savings to the regional center system to be \$3,095,000 per year. This projection, which is consistent with the 2007 Report to the Legislature, is assumed to be in the historical trends. This program will sunset on June 30, 2009.</p>	In Trends	In Trends

Out-of-Home Respite

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> <p>• Provider Resources for Collection of FFP for Contracted Services</p> <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in FY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.7 million in both CY 2007-08 and BY 2008-09 Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected. It is assumed that these costs will remain in the base in CY 2007-08 and BY 2008-09. See Fund Sources, HCBS Waiver, for more information.</p> 	In Base	In Base
<ul style="list-style-type: none"> <p>• 3 Percent Rate Increase for Providers:</p> <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000 for FY 2006-07. It is assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.</p> 	In Trends	In Trends

Out-of-Home Respite

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

- | | | |
|--|---------------------|---------------------|
| <ul style="list-style-type: none"> ● Minimum Wage Increases: <p>AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2007-08 remain in the base for BY 2008-09. See Section F, Auxiliary Tables, Charts and Graphs, page F-14.1 to F-14.3, for a summary of minimum wage cost increases.</p> | <p>\$43,000</p> | <p>\$19,000</p> |
| <ul style="list-style-type: none"> ● TOTAL EXPENDITURES | <p>\$53,403,000</p> | <p>\$58,144,000</p> |

FUNDING:

Out-of-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2006-07 billing data, approximately 12 percent percent Out-of-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including five months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

Out-of-Home Respite

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$53,403,000	\$58,144,000
General Fund	\$30,484,000	\$34,296,000
<i>General Fund Match</i>	2,952,000	3,454,000
<i>General Fund Other</i>	27,532,000	30,842,000
Reimbursements	\$22,688,000	\$23,189,000
<i>HCBS Waiver FFP</i>	2,952,000	3,453,000
<i>Title XX Social Services</i>	7,469,000	7,469,000
<i>Title XX TANF</i>	12,267,000	12,267,000
Federal Funds	\$231,000	\$659,000
<i>Early Start Grant</i>	231,000	659,000

Health Care

DESCRIPTION:

Pursuant to Sections 4646 and 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Health Care services include those that are medical/health care-related.

KEY DATA/ASSUMPTIONS:

Health Care Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated June 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.

METHODOLOGY:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: <p style="margin-left: 20px;">CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through March 2007 Health Care expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p> <p style="margin-left: 20px;">A simple ARIMA model was used to forecast utilization change/growth.</p> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Health Care services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.4 for detail.</p> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	<p>\$70,523,000</p> <p>70,523,000</p> <p>N/A</p> <p>N/A</p> <p>\$8,651,000</p> <p>\$1,528,000</p> <p>\$1,163,000</p> <p>1,163,000</p> <p>0</p>	<p>\$80,337,000</p> <p>N/A</p> <p>81,865,000</p> <p>-1,528,000</p> <p>\$8,638,000</p> <p>\$458,000</p> <p>\$3,675,000</p> <p>3,675,000</p> <p>0</p>

Health Care

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

- **Medicare Part D Prescription Drug Benefit:** In Base In Base

Effective January 1, 2006, a new federal law was enacted called the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). This law designated Medicare as the primary benefit program when a person is dually eligible for both Medicare and Medi-Cal. Because some medications previously covered under Medi-Cal (pre-MMA) will no longer be covered under MMA, it is expected that all dually eligible regional center consumers will incur an additional medication cost. Estimated annual Purchase of Service funding totaling \$4,765,000 is being used to pay for (1) insurance plan premiums or (2) medications not covered by a selected plan that prior to MMA were covered by Medi-Cal, whichever is most cost effective. This was a new major assumption in the 2005-06 May Revision and revised in the 2006-07 May Revision to reflect ongoing costs and a smaller proportion of drugs excluded under Part D starting in FY 2006-07. It is assumed that these costs will remain in the base in CY 2007-08 and BY 2008-09.

- **Provider Resources for Collection of FFP for Contracted Services:** In Trends In Trends

This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.7 million in both CY 2007-08 and BY 2008-09 in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected. It is assumed that these costs will remain in the trends in BY 2008-09. See Fund Sources, HCBS Waiver, for more information.

Health Care

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
• Medi-Cal Dental Cap for Adults:	In Trends	In Trends
<p>This was a new major assumption in the 2005-06 May Revision. Effective January 1, 2006, a limit of \$1,800 per year was placed on dental services provided to qualified adults ages 21 years and older by the California Department of Health Care Services. Regional centers would then be required to pay for costs that are greater than \$1,800 for their adult consumers on Medi-Cal. This major assumption was revised in the 2006-07 May Revision to reflect reduced prorated costs due to the reduced number of consumers exceeding their \$1,800 deductible within the last six months of FY 2005-06. It is assumed that these costs will remain in the trends in CY 2007-08 and BY 2008-09.</p>		
• TOTAL EXPENDITURES	\$81,865,000	\$93,108,000

FUNDING:

Health Care expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2006-07 billing data, approximately 8 percent of Health Care expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including five months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$81,865,000	\$93,108,000
General Fund	\$74,378,000	\$80,768,000
<i>General Fund Match</i>	2,952,000	3,453,000
<i>General Fund Other</i>	71,426,000	77,315,000
Reimbursements	\$5,134,000	\$5,636,000
<i>HCBS Waiver FFP</i>	2,952,000	3,454,000
<i>Title XX TANF</i>	2,182,000	2,182,000
Federal Funds	\$2,353,000	\$6,704,000
<i>Early Start Grant</i>	2,353,000	6,704,000

Miscellaneous Services

DESCRIPTION:

Pursuant to Section 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Miscellaneous Services comprise those services which cannot be otherwise classified in the other Purchase of Services budget categories. They include, among others: tutors, special education teachers aides, recreational therapists, speech pathologists, mobility training specialists, and counseling.

KEY DATA/ASSUMPTIONS:

Miscellaneous Services Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated October 1, 2007. Data were adjusted for lag based on FY 2004-05 expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual FY 2006-07 expenditures were used to develop the CY 2007-08 base. For BY 2008-09, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Rounding Adjustment ● Utilization Change/Growth: 	<p>\$229,511,000</p> <p>229,511,000</p> <p>N/A</p> <p>N/A</p>	<p>\$285,545,000</p> <p>N/A</p> <p>322,526,000</p> <p>-36,982,000</p> <p>1,000</p>
<p>CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through May 2007 Miscellaneous Services expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p>	\$53,047,000	\$53,051,000

A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two interventions were statistically significant. Data points at June 2001 and June 2002 were abnormally high and, therefore, represented one-point interventions.

Miscellaneous Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$36,982,000	\$22,978,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation <p>These are the continuing costs for consumers utilizing Miscellaneous services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.4 for detail.</p>	\$2,986,000	\$6,715,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	2,986,000 0	6,715,000 0
<ul style="list-style-type: none"> ● Downsizing Large Facilities: <p>A total of \$3,732,000 is in the base for each CY 2007-08 and BY 2008-09 for downsizing from larger facilities to smaller CCFs, MFs and Supported/Independent Living.</p>	In Base	In Base
<ul style="list-style-type: none"> ● Suspension of Non-CPP Start-Up: <p>Welfare and Institutions Code Section 4781.5 suspends the utilization of purchase of service funds for the purpose of start-up of new or expansion of existing programs that promote and provide integrated work, social, civic, volunteer or recreational options for consumers.</p> <p>The impact of this suspension is reflected in the base.</p>	In Base	In Base
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze <p>Welfare and Institutions Code Section 4648.4(b) prohibits regional centers, during FY 2007-08, from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after July 1, 2007, unless 1) the increase is required by a contract in effect on June 30, 2007, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p>The impact of this freeze is reflected in the base.</p>	In Base	In Base

Miscellaneous Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>									
METHODOLOGY (continued):											
<ul style="list-style-type: none"> ● Sunset Cost Containment Trailer Bill Language: <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$51,138,000</td> </tr> <tr> <td><i>Suspension of Non-CPP Start-Up:</i></td> <td style="text-align: right;">0</td> <td style="text-align: right;">32,772,000</td> </tr> </table> <p>The rate freeze detailed above will sunset on July 1, 2008. The estimated BY 2008-09 fiscal impact of this sunset is based on the 2007-08 Budget Act and will be updated in the 2008-09 May Revision.</p> <p><i>Contracted Services Rate Freeze:</i></p> <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: right;">0</td> <td style="text-align: right;">18,366,000</td> </tr> </table> 		\$0	\$51,138,000	<i>Suspension of Non-CPP Start-Up:</i>	0	32,772,000		0	18,366,000		
	\$0	\$51,138,000									
<i>Suspension of Non-CPP Start-Up:</i>	0	32,772,000									
	0	18,366,000									
<ul style="list-style-type: none"> ● Family Cost Participation Program (FCPP): <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: right;">In Trends</td> <td style="text-align: right;">In Trends</td> </tr> </table> <p>The FCPP was authorized by SB 1103 (Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5 percent - 80 percent on families with incomes greater than 400 percent of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous Services. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Although the program was effective January 1, 2005, savings were phased in through December 2005. For the 2007-08 May Revision, a new estimating methodology that used actual expenditure data was designed. Based on this new methodology, a forecast, prepared by University Enterprises, Inc., estimated the total annual POS savings to the regional center system to be \$3,095,000 per year. This projection, which is consistent with the 2007 Report to the Legislature, is assumed to be in the historical trends. This program will sunset on June 30, 2009.</p> 		In Trends	In Trends								
	In Trends	In Trends									

Miscellaneous Services

CY 2007-08

BY 2008-09

METHODOLOGY (continued):

- **3 Percent Rate Increase for Providers:**

In Trends

In Trends

A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000 for FY 2006-07. It is assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.

- **Provider Resources for Collection of FFP for Contracted Svc:**

In Trends

In Trends

This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in FY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.7 million in both CY 2007-08 and BY 2008-09 Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected. It is assumed that these costs will remain in the trends in BY 2008-09. See Fund Sources, HCBS Waiver, for more information.

Miscellaneous Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in FY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Of this total, the Look-Alike Day Programs increase was estimated to be \$2,958,000. Of this \$2,958,000, \$2,012,000 was for Miscellaneous Services costs. It is assumed that these costs will remain in the trends for CY 2007-08 and BY 2008-09.</p> 	In Trends	In Trends
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$322,526,000	\$419,427,000

FUNDING:

Miscellaneous Services expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), the Early Start Grant, and Program Development Funds. Based on actual FY 2006-07 billing data, approximately 22 percent of Miscellaneous Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects costs due to the suspension of non-CPP startup and contracted services rate freeze provisions sunseting on July 1, 2008 and an increase in projected expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$322,526,000	\$419,427,000
General Fund	\$261,850,000	\$345,606,000
<i>General Fund Match</i>	27,413,000	32,069,000
<i>General Fund Other</i>	234,437,000	313,537,000
Reimbursements	\$55,050,000	\$59,707,000
<i>HCBS Waiver FFP</i>	27,412,000	32,069,000
<i>Title XX Social Services</i>	14,081,000	14,081,000
<i>Title XX TANF</i>	13,557,000	13,557,000
Federal Funds	\$4,551,000	\$12,967,000
<i>Early Start Grant</i>	4,551,000	12,967,000
Program Development Funds	\$1,075,000	\$1,147,000

Cost Containment: Self-Directed Services (Purchase of Services)

DESCRIPTION:

Welfare and Institutions Code 4685.7 established the Self-Directed Services (SDS) program, a voluntary program enabling consumers to have more control of their services and to manage a finite amount of funds allocated to the consumer's individual budget to pay for services specified in the consumer's Individual Program Plan (IPP). Intensive person-centered planning is required to develop an IPP and an individual budget reflective of a consumer's need. Program and fiscal monitoring will be uniquely different in order to assure consumers receive necessary services and supports, consumer safeguards are established, cost neutrality required by Centers for Medicare and Medicaid Services (CMS) occurs, and state and federal funding is used for its intended purpose. In addition to the benefits of increased federal financial participation, the SDS program provides participants individual budget allocations which in the long-term have potential to slow regional center purchase of service (POS) growth trends.

The SDS program is uniquely designed to ensure maximum opportunities for consumers to be fully integrated into the community. Consequently, services and supports in the SDS program are designed to be individually customized to meet the needs of the participant. According to statute, individuals eligible to receive SDS cannot reside in nor receive day services in traditionally designed group settings (i.e. group homes, workshops). However, individuals not initially eligible due to their living arrangement or day services at the time of enrollment may request the regional center to provide person-centered planning in order for the individual to transition into the SDS program.

Originally approved in the Budget Act of 2005 (Chapter 38, Statutes of 2005), the SDS program was delayed pending the outcome of the California Developmental Disabilities Information System (CADDIS). Subsequently, it was determined that CADDIS would not be implemented; instead, modifications to the existing information systems will need to be made to accommodate the specific requirements of the SDS program. The Department is actively working on aspects of the SDS program. Stakeholders have reviewed draft regulations, part of the preparation of the rulemaking package to be submitted to the Office of Administrative Law. Submission of the Self-Directed Home and Community-Based Services (SDHCBS) Waiver application to CMS will be coordinated to achieve a waiver effective date that coincides with the effective date of the regulations and the implementation of the SDS program.

It is now anticipated that enrollment in the SDS Waiver will begin with a phase-in of 100 consumers in five regional centers during the latter part of CY 2007-08, followed by a continued phase-in in BY 2008-09 of 1,800 consumers across all 21 regional centers. Maximum waiver enrollment of approximately 9,000 consumers across all 21 regional centers is anticipated to occur over a five-year period. The aggregate of all individual budget allocations to consumers will result in a cost savings to the General Fund. Additionally, the SDS program proposes to achieve federal reimbursement (50/50 match) for both consumer services and for administrative effort. All services in the SDS program will be waiver "billable," with the result that 100 percent of the services will be allowed to receive federal reimbursement.

Regional centers will be required to coordinate implementation of the SDS program and to provide program monitoring in accordance with SDS Waiver requirements. This cost containment opportunity will require regional center staff to ensure that regional centers appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative efforts. Costs for these regional center Operations activities are reflected on pages E-1.4 to E-1.5 and E-1.16 to E-1.17 of this section.

Cost Containment: Self-Directed Services (Purchase of Services)

IMPLEMENTATION DATE:

The 2008-09 November Estimate assumes implementation of the SDS program will begin on March 1, 2008. The schedule below phases in enrollment at each regional center.

March 2008	1 regional center	April 2008	1 regional center
May 2008	1 regional center	June 2008	2 regional centers
July 2008	4 regional centers	August 2008	4 regional centers
September 2008	4 regional centers	October 2008	4 regional centers

KEY DATA/ASSUMPTIONS:

The following assumptions have been revised to develop the estimated fiscal impact of program implementation:

- CY 2007-08
 - For the CY 2007-08 cost/savings estimate, it is assumed enrollment of participants will begin in March 2008, and 100 consumers will receive SDS by the end of the first year.
 - The average cost per consumer per month for regional center POS is estimated to be \$1,580. This is based on an average of the last quarter of FY 2004-05 and first quarter of FY 2005-06 expenditure data for 74,822 consumers. These consumers were all identified as meeting eligibility requirements for the SDHCBS Waiver.
- BY 2008-09
 - The average cost per consumer per month for regional center POS is estimated to be \$1,836. This is based on the 2007-08 May Revision projected HCBS Waiver expenditures for 74,653 consumers to be enrolled in the Waiver on January 1, 2008.
- The average one-time transition cost per consumer is estimated to be \$500.
- Upon approval of his/her individual budget, each consumer will receive an advance of one month of that individual budget allocation to ensure that sufficient funding is available to the consumer to begin implementation of his/her SDS program plan.

Without Self-Directed Services

- Total annual CY 2007-08 pre-SDS POS costs for 100 consumers (phased in over 4 months) are estimated to be \$395,000.
- Total annual BY 2008-09 pre-SDS POS costs for 1,800 consumers (phased in over 12 months) are estimated to be \$23,684,000.

With Self-Directed Services

- With SDS, finite and individual budgets are assumed to be 95 percent of historical aggregate expenditures.
Total CY 2007- 08 costs for 100 consumers phased-in over 4 months are estimated to be \$505,000.
Total BY 2008-09 costs for 1,800 new consumers phased-in over 12 months and annualized costs for the consumers placed in CY are estimated to be \$24,062,000.
- 5 percent of the SDS consumers' historical expenditures will be set aside in a risk pool fund for their unanticipated needs.

Cost Containment - Self-Directed Services (Purchase of Services)

KEY DATA/ASSUMPTIONS (continued):

- 68 percent of the consumers participating in SDS will be eligible to be included in the SDHCBS Waiver; therefore, 68 percent of the total SDS costs will be 100 percent billable to the SDHCBS Waiver.
- 24 percent of the consumers on the Department's existing HCBS will transfer to the SDHCBS Waiver in CY and in BY. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.4). However, transfer from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for FFP.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Estimated SDS cost of services	\$505,000	\$24,062,000
● Estimated pre-SDS cost for consumers	<u>395,000</u>	<u>23,684,000</u>
● Difference	\$110,000	\$378,000
● SDS Risk Pool Fund	(20,000)	(1,184,000)
● One-time Transition Costs	<u>50,000</u>	<u>900,000</u>
● Total Net Expenditures	\$160,000	\$1,278,000

FUNDING:

SDS will be funded by the General Fund and SDHCBS Waiver.

CHANGE FROM PRIOR ESTIMATE:

Implementation of 400 SDS enrollments beginning March 1, 2008 (assumed in the Budget Act of 2007) has been revised to 100 enrollments beginning March 1, 2008. Regional center rollout has been changed from 11 to 5 regional centers in CY.

Upon approval of his/her individual budget, each consumer will receive an advance of one month of that individual budget allocation.

REASON FOR YEAR-TO-YEAR CHANGE:

An additional 1,800 consumers will enroll in the SDS program in BY.

EXPENDITURES:

	TOTAL	\$160,000	\$1,278,000
General Fund	-\$22,000		-\$7,495,000
<i>General Fund Match</i>	<i>181,000</i>		<i>8,773,000</i>
<i>General Fund Other</i>	<i>-223,000</i>		<i>-17,452,000</i>
<i>SDS Risk Pool Fund</i>	<i>20,000</i>		<i>1,184,000</i>
Reimbursements	\$182,000		\$8,773,000
<i>SDHCBS Waiver</i>	<i>182,000</i>		<i>8,773,000</i>

Cost Containment Summary (Purchase of Services)

DESCRIPTION:

Objectives are (1) to continue cost containment efforts in BY 2008-09 through proposals effectuated in earlier fiscal years, and (2) to continue existing and implement additional proposals in BY 2008-09 that will permanently contain service costs while offering flexibility and consistency in obtaining needed services.

ASSUMPTIONS:

In the current year, the Department is employing multiple means to reduce regional centers' expenditures, including the following:

CY 2007-08

- Continue Temporary Cost Containment Measures: Continue temporary cost containment measures in CY 2007-08 (unallocated reduction, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and Supplemental Security Income/State Supplementary Payment (SSI/SSP) pass through elimination). These temporary measures are proposed to contain costs temporarily until more permanent measures can be implemented.
- Continue Revision of Eligibility Definition: Reduce the intake population growth by prospectively applying the federal standard (PL 95-602 [1978] amended in 1996) for "substantial disability" to Lanterman Developmental Disabilities Services Act eligibility criteria, requiring a person to have deficits in at least three of the following seven life domains as described in California Code of Regulations, Title 17, Section 54001: communication skills; learning; self-care; mobility; self-direction; capacity for independent living; and economic self-sufficiency. Effective July 1, 2003, this was a permanent measure estimated to result in a cumulative annual population reduction of 405 consumers.
- Reduced Growth Trend: Reduce growth trends due to the influence of cost containment measures.
- Continue Family Cost Participation Program: Implemented a Family Cost Participation Program (FCPP) effective January 1, 2005, for specified services purchased by regional centers for children 3-17 years of age whose parents have the ability to pay. Savings to the General Fund were phased in by the end of December 2005. This program sunsets on June 30, 2009.
- Self-Directed Services: Pursuant to Welfare and Institutions Code 4685.7, and upon approval by the Centers for Medicare and Medicaid Services of a 1915(c) Health and Community-Based Services (HCBS) Waiver, the Department will roll-out Self-Directed Services (SDS) on March 1, 2008. SDS is a model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. SDS is scheduled to be implemented through a phased in enrollment of 100 individuals and 5 regional centers beginning March 2008.
- Continue Rate Standardization/Cost Avoidance Project: Efforts will involve regulations and proposed legislation regarding negotiated rates.

Cost Containment Summary (Purchase of Services)

ASSUMPTIONS (CY 2007-08 continued):

- Continue Supported Living Services Rate Standardization: The Department intends to implement revised supported living regulations. These regulations were based on the Department's comprehensive review and analysis of supported living services (SLS) statute and regulation, regional center purchase of service policies for SLS, discussions of the SLS workgroup of the Service Delivery Reform Committee, SLS-related fair hearings for the most recent three years, annual SLS cost and utilization statistics from FY 1996-97 forward, and information gathering through interviews with staff at seven regional centers and meetings with stakeholders, including Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, Association of Regional Center Agencies, and consumer/parent representatives. The regulations are being implemented for the purpose of cost avoidance.

BY 2008-09

- Continue Temporary Measures: Continue temporary cost containment measures in BY 2008-09 (unallocated reduction, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and SSI/SSP pass through elimination). These temporary measures are proposed to contain costs temporarily until more permanent measures can be implemented.
- Continue Revision of Eligibility Definition: See CY 2007-08 above for description.
- Continue Family Cost Participation Program: See CY 2007-08 above for description.
- Self-Directed Services: Pursuant to Welfare and Institutions Code 4685.7, and upon approval by the Centers for Medicare and Medicaid Services of a 1915(c) Health and Community-Based Services (HCBS) Waiver, the Department will roll-out Self-Directed Services (SDS) on March 1, 2008. SDS is a model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. SDS will continue phased in enrollment of an additional 1,800 individuals and the remaining 16 regional centers in BY 2008-09.
- Continue Rate Standardization/Cost Avoidance Project: Efforts will involve regulations and proposed legislation regarding negotiated rates.
- Continue Supported Living Services Rate Standardization: Based upon a comprehensive review and analysis of SLS statute, regulation, policy and practice, and input from regional centers and broadly representative stakeholders, in FY 2006-07 the Department developed draft regulations for the purpose of cost avoidance. The regulations are being implemented for the purpose of cost avoidance.

New Major Assumption Adjustment to Purchase of Services Increase (Purchase of Services)

DESCRIPTION:

The current estimating model used to project Purchase of Service (POS) costs projects significant cost growth in 2008-09 in the following areas:

- Community Care Facilities (\$77.9 million)¹
- Day Programs (\$39.2 million)¹
- Support Services (\$127.9 million)¹
- In-Home Respite (\$34.3 million)¹
- Miscellaneous Services (\$50.3 million)¹

A review of these projected cost increases indicates that caseload is growing, but is being outstripped by significantly increased costs for services and the number of services provided. The available information is insufficient to explain the higher cost of services and the increased utilization of services. A number of factors could be responsible for increased costs including, but not limited to: 1) the transition of children from public school funding to regional center funding, 2) aging parents who require increasing support to maintain their adult children at home or who require their children to be placed out of home, 3) the increasing longevity of consumers requiring more support services, 4) the movement of consumers from developmental centers who require significant community based services, and 5) the increase in children diagnosed with autism, who often require more specialized, expensive services. While this budget includes budget balancing reductions to address some of these growth factors, e.g. freezing negotiated rates that are not currently frozen, other cost drivers require additional evaluation.

Given the unexplained growth in costs and the projected future growth of the program, projected caseload growth was fully funded using the average cost per consumer while more detail is gathered on other POS cost drivers to determine if the projection models appropriately capture the influence of these factors in determining growth.

IMPLEMENTATION DATE:

Implementation will be effective July 1, 2008.

FUNDING:

These expenditures are assumed to be funded by the General Fund, the Home and Community-Based Services Waiver, and Federal Funds.

CHANGE FROM PRIOR ESTIMATE:

This is a new major assumption in BY 2008-09.

¹ It should be noted that these estimated costs reflect the impact of continuing cost containment measures that have been implemented for the last six years, and which are projected to result in cost savings of approximately \$311.4 million in 2008-09.

**New Major Assumption
Adjustment to Purchase of Services Increase
(Purchase of Services)**

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	-\$192,697,000
General Fund	\$0	-\$112,739,000
<i>General Fund Match</i>	0	-64,761,000
<i>General Fund Other</i>	0	-47,978,000
Reimbursements	\$0	-\$64,761,000
<i>HCBS Waiver FFP</i>	0	-64,761,000
Federal Funds	\$0	-\$15,197,000
<i>Early Start Grant</i>	0	-15,197,000

Community Placement Plan

DESCRIPTION:

This estimate is based on projected costs and historical experience derived from individualized assessments of community services and supports needs, and reflects what is actually needed to place an individual from the developmental center (DC) into the community and to deflect individuals who have been referred to the DC for potential admission. Community Placement Plans (CPPs) are developed through negotiations with each regional center (RC) and are based on individualized planning efforts.

This estimate reflects Operations and Purchase of Service (POS) resources needed to:

- Facilitate movement from the DC.
- Stabilize current community living arrangements.
- Deflect the admission of these individuals to a DC.
- Work with the DCs and families in identifying individuals for movement.

The CPP estimate is comprised of three components: Regular CPP, Unified CPP and Agnews Other CPP. Unified CPP represents a focused regional effort for resource development, placement and deflection in support of the June 30, 2008 closure of Agnews DC, and includes Operations and POS funding for the three Bay Area RCs: Golden Gate, East Bay and San Andreas. Agnews Other includes resources needed for any other RCs that will receive individuals into the community who are currently residing at Agnews DC. Regular CPP represents all other community placement costs associated with moving residents from DCs, excluding Agnews, into the community.

See Section G for a comprehensive status update on the Agnews Closure Plan.

CPP funding covers these Operations and POS categories:

OPERATIONS:

Personal Services:

- **Resource Development:** Positions needed to develop community living arrangements for consumers moving from DCs into the community. These positions are critical to developing living arrangements that will safely meet the challenges of people moving into the community.
- **Assessment:** Positions needed to identify DC residents ready for placement in community living arrangements. Proper comprehensive assessment is critical to community placement and should minimize re-admission to the DC and/or unstable and cost-inefficient community placement.
- **Placement:** Positions for placement activities. Individuals in the DCs have, on average, more complex "unique" placement needs that will be addressed by these staff. For the Unified Plan, one Nurse Consultant position (ongoing) is provided for every 25 consumers placed in SB 962 homes. These positions provide the statutorily-required, at least monthly, face-to-face health and medical oversight for persons living in SB 962 homes and participate in the development and monitoring of the Individual Health Care Plans required by SB 962. The funding for these positions was moved to CPP starting FY 2006-07, consistent with the Department's policy of including resource development and placement year costs in CPP. Ongoing funding for these positions is required in FY 2007-08.

Community Placement Plan

DESCRIPTION (continued):

Personal Services (continued):

- **Crisis Service Teams:** Positions for crisis services which include a behavioral team, a clinical team and an emergency response team.
- **Quality Management Staff:** Positions in the Unified Plan to conduct enhanced quality management activities that will apply to all new providers in the Unified Plan.

Operating Expenses:

Costs for office space, furniture, computers, travel, training and rent are included.

State Employees in the Community: As part of the Unified CPP, the Department will use Agnews employees to augment and enhance the services and supports needed to transition Agnews DC consumers into the community. Up to 200 state employees are proposed to work in the community service delivery for CY 2007-08 and BY 2008-09. Clinical staff will be provided by Agnews employees to support consumers through the provision of clinical oversight and quality assurance activities. Staff will also provide direct client care. Salaries are based on equivalent state employee salaries.

Consultant Services – Technical Assistance on Housing Issues: Consultation services for CY 2007-08 from the Department of Housing and Community Development, California Housing Finance Agency and others are needed to implement the requirements of AB 2100 and other related housing activities. Technical assistance will be provided to the Department on housing issues related to the Agnews DC Closure Plan, including, but not limited to, fiscal analysis, implementation of the Bay Area Housing Plan, and agreements among multiple contracting entities including RCs and proposed housing owners, developers and service providers. Consultants will also assist in the review of a long-term plan for managing and monitoring properties that will be purchased and will provide feedback and recommendations on the overall viability of the housing element.

Evaluation of SB 962 Pilots: A comprehensive evaluation of the SB 962 pilot project is required by statute and necessary, given the many complex policy, programmatic, and fiscal issues this innovative program presents. The evaluation will be conducted by an independent organization or agency which will present its findings in a report to the Legislature and Administration. Areas to be addressed in the evaluation include basic descriptive information about the facilities and clients, costs, consumer access to medical and dental services, extent of consumers' community integration and satisfaction, program staffing, effectiveness, etc. The evaluation is to be submitted by January 1, 2009.

Health Care Community Specialists: Four Health Care Community Specialists have been added by the Legislature in CY 2007-08. These positions will be responsible for the health plan coordination for individuals moving to the community from Agnews DC.

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES:

- **Expenditure Plan: Community Resource Development:** The Budget Act of 2004 appropriated \$11,115,000 General Fund to the Department to facilitate the development of community-based living options for the current residents of Agnews DC. This funding was reappropriated in the Budget Act of 2005.

On September 22, 2005, on behalf of the Department, the Department of Finance submitted an expenditure plan and the Bay Area Housing Plan, per Welfare and Institutions Code §4688.5 and the Budget Act of 2005, to the Joint Legislative Budget Committee (JLBC) for its review. The JLBC approved the expenditure plan on November 8, 2005.

- **Start-Up:** These costs are related to development of new facilities/programs and program expansion, including housing corporation costs: Formulation of non-profit agencies to assist low income consumers to acquire affordable housing and to increase the stock of affordable Bay Area housing through purchase, rehabilitation or construction of real property.
- **Assessment:** Individualized and comprehensive identification of consumer supports and services needs for stabilized community living.
- **Placement:** Consumers move into community settings based on consumer-specific information. This will include Unified CPP funding for up to 200 Agnews employees to augment and enhance the services that will be needed to transition Agnews consumers into the community for CY 2007-08 and BY 2008-09. These employees have had long-term relationships with the transitioning consumers. They possess specialized knowledge, skills, and abilities and will assure the stability of living arrangements, continuity of services designed to meet the special needs of Agnews residents and the ongoing quality of care, health and safety. Agnews employees will provide direct care, direct clinical and therapeutic interventions, and crisis services. Salaries for this estimate are based on equivalent state employee salaries.
- **Deflection:** Placement POS for residential costs of facilities developed with CY CPP start-up to deflect admission from a DC. These facilities are developed based on a comprehensive analysis of DC admission data, current trends in needed services specific to the RC, and other local issues.

KEY DATA/ASSUMPTIONS:

- **Data Source:** For the 2008-09 November Estimate, Agnews Unified and Agnews Other CPP costs for CY 2007-08 and BY 2008-09 have been updated, based on CPPs received from the regional centers in August 2007. Regular CPP costs are assumed to be the same as in the 2007-08 May Revision for both CY 2007-08 and BY 2008-09. For BY 2008-09, there are no anticipated costs associated with Agnews Unified and Agnews Other due to the closure of the Agnews Developmental Center on June 30, 2008.
- Department of Health Services approved rates, as of August 2006, used for:
 - Intermediate Care Facilities/Developmentally Disabled – Nursing Facilities
 - Intermediate Care Facilities/Developmentally Disabled – Habilitation Facilities

Community Placement Plan

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
• OPERATIONS TOTAL	\$22,359,000	\$21,058,000
• Regular CPP	12,971,000	12,971,000
• Unified Plan	9,388,000	8,087,000
• PURCHASE OF SERVICES TOTAL	\$93,821,000	\$52,978,000
• Regular CPP	52,978,000	52,978,000
• Agnews Unified Plan	38,610,000	0
• Agnews Other RCs	2,233,000	0
• TOTAL EXPENDITURES	\$116,180,000	\$74,036,000
• Total Regular CPP	65,949,000	65,949,000
• Total Agnews Unified Plan	47,998,000	8,087,000
• Total Agnews Other RCs	2,233,000	0

See pages E-16.6 to E-16.14 for detail.

FUNDING:

CPP expenditures are funded by the General Fund, Home and Community-Based Services Waiver, the Title XX Block Grant, and the Early Start Grant. For funding detail, please see the methodologies for the respective budget categories listed below.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most recent individualized consumer data submitted by the RCs in December 2006 for Regular CPP and in August 2007 for Unified CPP.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year reflects costs associated with the closure of the Agnews Developmental Center on June 30, 2008.

Community Placement Plan

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$116,180,000	\$74,036,000
RC Operations	\$22,359,000	\$21,058,000
RC Purchase of Services	\$93,821,000	\$52,978,000
<i>Community Care Facilities</i>	38,048,000	17,010,000
<i>Medical Facilities</i>	1,703,000	1,667,000
<i>Day Programs</i>	5,553,000	2,717,000
<i>Work Activity Program</i>	17,000	17,000
<i>Supported Employment Program: Group Placement</i>	101,000	101,000
<i>Supported Employment Program: Individual Placement</i>	11,000	11,000
<i>Transportation</i>	1,304,000	559,000
<i>Support Services</i>	8,406,000	7,310,000
<i>In-Home Respite</i>	0	0
<i>Out-of-Home Respite</i>	168,000	150,000
<i>Health Care</i>	1,528,000	458,000
<i>Miscellaneous Services</i>	36,982,000	22,978,000

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
CY 2007-08**

For the 2008-09 November Estimate, the regional centers have updated Agnews Unified and Agnews Other CPP costs for CY 2007-08. Regular CPP costs are assumed to be the same as in the 2007-08 May Revision.

CPP Activity	2007-08 May Revision	2008-09 November Estimate: CY 2007-08					CY 2007-08 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$21,378,000	\$12,971,000	9,388,000	0	\$9,388,000	\$22,359,000	\$981,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$31,188,000	\$20,255,000	11,625,000	775,000	\$12,400,000	\$32,655,000	\$1,467,000
B. Assessment	647,000 214 consumers	647,000 214 consumers	0 0 consumers	0 0 consumers	0 0 consumers	647,000 214 consumers	0 0 consumers
C. Placement	53,510,000 364 consumers	20,198,000 176 consumers	26,985,000 193 consumers	1,458,000 11 consumers	28,443,000 204 consumers	48,641,000 380 consumers	-4,869,000 16 consumers
D. Deflection	11,878,000 153 consumers	11,878,000 153 consumers	0 0 consumers	0 0 consumers	0 0 consumers	11,878,000 153 consumers	0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$97,223,000	\$52,978,000	38,610,000	2,233,000	\$40,843,000	\$93,821,000	-\$3,402,000
III. TOTAL CPP (I. + II.E.)	\$118,601,000	\$65,949,000	47,998,000	2,233,000	\$50,231,000	\$116,180,000	-\$2,421,000 b/

a/ See Section G for a comprehensive status update on the Agnews Closure Plan.

b/ The CY 2007-08 estimate reflects an increase to the 2007-08 May Revision of 16 consumers being placed into the community from Agnews Developmental Center (DC). Per the Budget Act of 2007, Item 4300-101-0001, Provision 1 and Welfare & Institutions Code 4418.25 (d), funds allocated for CPP that are not used for that purpose may be transferred to Item 4300-003-0001 for expenditure in the state developmental centers if their populations exceed the budgeted level. Therefore, a Budget Revision is being processed to transfer \$676,000 in General Fund savings from the Regional Center POS budget to the DC budget, due to this decrease in community placements.

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
BY 2008-09**

For the 2008-09 November Estimate, Regular BY 2008-09 CPP costs are assumed to be the same as BY 2007-08 costs in the 2007-08 May Revision. BY 2008-09 CPP costs will be updated in the 2008-09 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2007.

CPP Activity	2007-08 May Revision	2008-09 November Estimate: BY 2008-09					BY 2008-09 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$21,378,000	\$12,971,000	8,087,000	0	\$8,087,000	\$21,058,000	-\$320,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$31,188,000	\$20,255,000	0	0	\$0	\$20,255,000	-\$10,933,000
B. Assessment	647,000 214 consumers	647,000 214 consumers	0 0 consumers	0 0 consumers	0 0 consumers	647,000 214 consumers	0 0 consumers
C. Placement	53,510,000 364 consumers	20,198,000 176 consumers	0 0 consumers	0 0 consumers	0 0 consumers	20,198,000 176 consumers	-33,312,000 -188 consumers
D. Deflection	11,878,000 153 consumers	11,878,000 153 consumers	0 0 consumers	0 0 consumers	0 0 consumers	11,878,000 153 consumers	0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$97,223,000	\$52,978,000	0	0	\$0	\$52,978,000	-\$44,245,000
III. TOTAL CPP (I. + II.E.)	\$118,601,000	\$65,949,000	8,087,000	0	\$8,087,000	\$74,036,000	-\$44,565,000

a/ See Section G for a comprehensive status update on the Agnews Closure Plan.

COMMUNITY PLACEMENT PLAN

Operations

CY 2007-08

Current Year 2007-08					
Regular CPP		Agnews		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing**1. Personal Services**

a. Resource Development	53.75	\$4,772,500	22.80	\$2,122,500	76.55	\$6,895,000
b. Quality Assurance/ Management	6.80	594,800	9.00	958,300	15.80	1,553,100
c. Assessment	19.90	1,640,000	6.60	873,000	26.50	2,513,000
d. Placement	44.00	3,174,800	19.75	1,439,100	63.75	4,613,900
e. Crisis Services Teams	8.60	1,227,500	0.00	0	8.60	1,227,500
f. Nurse Consultants for SB 962 Homes	0.00	0	4.26	240,000	4.26	240,000
g. Legislative Augmentation: Resources for Health Care Community Specialists	0.00	0	4.00	503,000	4.00	503,000
h. Total Personal Services	133.05	\$11,409,600	66.41	\$6,135,900	199.46	\$17,545,500

2. Operating Expenses

a. Operating Expenses		\$442,700		\$192,700		\$635,400
b. Rent		845,500		369,500		1,215,000
c. Training, Travel, Consultants		273,400		66,000		339,400
d. Nurse Consultants for SB 962 Homes		0		41,000		41,000
e. Total Operating Expenses		\$1,561,600		\$669,200		\$2,230,800

3. State Employees in the Community

a. Personal Services		\$0	16.25	\$1,432,100		\$1,432,100
b. Operating Expenses		0		121,900		121,900
c. Total Clinical Staff		\$0	16.25	\$1,554,000		\$1,554,000

**4. Subtotal Staffing
(Rounded)**

		\$12,971,200	82.66	\$8,359,100		\$21,330,300
		\$12,971,000	83.00	\$8,359,000		\$21,330,000

B. Projects**1. Consultant Services: Technical
Assistance on Housing Issues**

		\$0		\$280,000		\$280,000
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2. Evaluation of SB 962 Pilots

		0		250,000		250,000
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**3. Foster Grandparent/Senior
Companion Programs**

		0		499,000		499,000
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4. Subtotal Projects

		\$0		\$1,029,000		\$1,029,000
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**C. Total (A + B)
(Rounded)**

		\$12,971,200		\$9,388,100		\$22,359,300
		\$12,971,000		\$9,388,000		\$22,359,000

COMMUNITY PLACEMENT PLAN

Operations

BY 2008-09

Budget Year 2008-09					
Regular CPP		Agnews		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing**1. Personal Services**

a. Resource Development	53.75	\$4,772,500	0.00	\$450,000	53.75	\$5,222,500
b. Quality Assurance/ Management	6.80	594,800	26.00	3,026,500	32.80	3,621,300
c. Assessment	19.90	1,640,000	0.00	0	19.90	1,640,000
d. Placement	44.00	3,174,800	5.15	365,600	49.15	3,540,400
e. Crisis Services Teams	8.60	1,227,500	0.00	0	8.60	1,227,500
f. Legislative Augmentation: Resources for Health Care Community Specialists	0.00	0	4.00	503,000	4.00	503,000
g. Total Personal Services	133.05	\$11,409,600	35.15	\$4,345,100	168.20	\$15,754,700

2. Operating Expenses

a. Operating Expenses		\$442,700		\$103,900		\$546,600
b. Rent		845,500		197,900		1,043,400
c. Training, Travel, Consultants		273,400		198,000		471,400
d. Total Operating Expenses		\$1,561,600		\$499,800		\$2,061,400

3. State Employees in the Community

a. Personal Services		\$0	18.50	\$2,327,500		\$2,327,500
b. Operating Expenses		0		215,400		215,400
c. Total Clinical Staff		\$0	18.50	\$2,542,900		\$2,542,900

**4. Subtotal Staffing
(Rounded)**

		\$12,971,200	53.65	\$7,387,800		\$20,359,000
		\$12,971,000	54.00	\$7,388,000		\$20,359,000

B. Projects

1. Evaluation of SB 962 Pilots		\$0		\$200,000		\$200,000
2. Foster Grandparent/Senior Companion Programs		\$0		\$499,000		\$499,000
3. Subtotal Projects		\$0		\$699,000		\$699,000

**C. Total (A + B)
(Rounded)**

		\$12,971,200		\$8,086,800		\$21,058,000
		\$12,971,000		\$8,087,000		\$21,058,000

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Current Year 2007-08

For the 2008-09 November Estimate, the regional centers have updated Agnews Unified and Other CPP for CY 2007-08. Regular CY 2007-08 CPP costs are assumed to be the same as in the 2007-08 May Revision.

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	CY 2007-08 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,655,000	\$32,655,000
B. Assessment	214	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$647,000	\$647,000
C. Placement	380	\$27,349,000	\$2,158,000	\$535,000	\$4,262,000	\$5,553,000	\$17,000	\$101,000	\$11,000	\$1,304,000	\$1,975,000	\$0	\$168,000	\$1,528,000	\$3,680,000	\$48,641,000
D. Deflection b/	153	\$8,541,000		\$1,168,000	\$2,169,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,878,000
E. 2008-09 NOV EST 2007-08 TOTAL c/		\$35,890,000	\$2,158,000	\$1,703,000	\$6,431,000	\$5,553,000	\$17,000	\$101,000	\$11,000	\$1,304,000	\$1,975,000	\$0	\$168,000	\$1,528,000	\$36,982,000	\$93,821,000
F. 2007-08 MAY REV 2007-08 TOTAL		\$40,099,000	\$2,192,000	\$1,667,000	\$6,081,000	\$5,989,000	\$17,000	\$101,000	\$11,000	\$1,367,000	\$1,896,000	\$0	\$181,000	\$1,775,000	\$35,847,000	\$97,223,000
G. DIFFERENCE		-\$4,209,000	-\$34,000	\$36,000	\$350,000	-\$436,000	\$0	\$0	\$0	-\$63,000	\$79,000	\$0	-\$13,000	-\$247,000	\$1,135,000	-\$3,402,000

a/ Start-Up Cost: This is related to start-up funds needed for **144** new facilities/programs and **17** program expansions.

b/ A "deflection" is defined as a person who is in a community setting and who is deflected away from placement in a developmental center.

c/ The above start-up, assessment, placement and deflection amounts include **\$7,663,000** for State Employees in the Community (related to closure of Agnews Developmental Center).

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Budget Year 2008-09

For the 2008-09 November Estimate, Regular CPP costs are reflected for BY 2008-09. Regular BY 2008-09 CPP costs are assumed to be the same as FY 2007-08 costs in the 2007-08 May Revision. It is assumed there are no costs for Unified and Other CPP, as Agnews Developmental Center will close on June 30, 2008. BY 2008-09 CPP costs will be updated in the 2008-09 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2007.

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	BY 2008-09 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,255,000	\$20,255,000
B. Assessment	214	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$647,000	\$647,000
C. Placement	176	\$8,469,000	\$0	\$499,000	\$3,545,000	\$2,717,000	\$17,000	\$101,000	\$11,000	\$559,000	\$1,596,000	\$0	\$150,000	\$458,000	\$2,076,000	\$20,198,000
D. Deflection b/	153	\$8,541,000	\$0	\$1,168,000	\$2,169,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,878,000
E. 2008-09 NOV EST 2008-09 TOTAL		\$17,010,000	\$0	\$1,667,000	\$5,714,000	\$2,717,000	\$17,000	\$101,000	\$11,000	\$559,000	\$1,596,000	\$0	\$150,000	\$458,000	\$22,978,000	\$52,978,000
F. 2007-08 MAY REV 2007-08 TOTAL		\$40,099,000	\$2,192,000	\$1,667,000	\$6,081,000	\$5,989,000	\$17,000	\$101,000	\$11,000	\$1,367,000	\$1,896,000	\$0	\$181,000	\$1,775,000	\$35,847,000	\$97,223,000
G. DIFFERENCE		-\$23,089,000	-\$2,192,000	\$0	-\$367,000	-\$3,272,000	\$0	\$0	\$0	-\$808,000	-\$300,000	\$0	-\$31,000	-\$1,317,000	-\$12,869,000	-\$44,245,000

a/ Start-Up Cost: This is related to start-up funds needed for **126** new facilities/programs and **15** program expansions.

b/ A "deflection" is defined as a person who is in a community setting and who is deflected away from placement in a developmental center.

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Current Year 2007-08

For the 2008-09 November Estimate, the regional centers have updated Agnews Unified and Agnews Other CPP costs for CY 2007-08. Regular CPP costs are assumed to be the same as in the 2007-08 May Revision.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																		
● Community Care Facilities (CCF)																		
● Residential Facilities	25	14%	177	\$746,000				\$412,000		\$17,000	\$11,000	\$65,000	\$521,000		\$11,000	\$4,000	\$567,000	\$2,354,000
Avg Cost/Consumer Mo				\$4,215				\$2,328	\$96	\$62	\$367	\$2,944		\$62	\$23	\$3,203	\$13,300	
● Specialized Residential Facilities (SRF)	99	56%	673	\$7,702,000				\$1,491,000		\$69,000		\$322,000	\$508,000		\$128,000	\$332,000	\$504,000	\$11,056,000
Avg Cost/Consumer Mo				\$11,444				\$2,215	\$103		\$478	\$755		\$190	\$493	\$749	\$16,427	
● Intermediate Care Facilities (ICF)	20	11%	131	\$21,000		\$499,000		\$437,000				\$79,000	\$346,000		\$6,000	\$37,000	\$448,000	\$1,873,000
Avg Cost/Consumer Mo				\$160		N/A		\$3,336				\$603	\$2,641		\$46	\$282	\$3,420	\$10,488
● Supported Living	31	18%	224					\$3,545,000		\$32,000		\$82,000	\$212,000		\$5,000	\$84,000	\$544,000	\$4,850,000
Avg Cost/Consumer Mo								\$15,826	\$143		\$366	\$946		\$22	\$375	\$2,429	\$21,652	
● Other (Own Home, etc.)	1	1%	6					\$31,000				\$11,000	\$9,000		\$1,000	\$13,000	\$65,000	
Avg Cost/Consumer Mo								\$5,167				\$1,833	\$1,500		\$167	\$2,167	\$10,834	
Subtotal	176	100%	1,211	\$8,469,000	\$0	\$499,000	\$3,545,000	\$2,717,000	\$17,000	\$101,000	\$11,000	\$559,000	\$1,596,000	\$0	\$150,000	\$458,000	\$2,076,000	\$20,198,000
Agnews Other CPP																		
● CCF																		
● Residential Facilities	2	18%	16	\$66,000				\$59,000				\$18,000	\$32,000		\$10,000	\$0	\$0	\$185,000
Avg Cost/Consumer Mo				\$4,125				\$3,688				\$1,125	\$2,000		\$625	\$0	\$0	\$11,563
● SRF 4-Bed - Hallmark	2	18%	16	\$164,000				\$76,000				\$25,000	\$40,000		\$8,000	\$5,000	\$28,000	\$346,000
Avg Cost/Consumer Mo				\$10,250				\$4,750				\$1,563	\$2,500		\$500	\$313	\$1,750	\$21,626
● ICF	3	27%	25					\$128,000				\$44,000	\$38,000		\$14,000	\$37,000	\$261,000	
Avg Cost/Consumer Mo								\$5,120				\$1,760	\$1,520		\$560	\$1,480	\$10,440	
● Supported Living	4	37%	21					\$252,000				\$42,000	\$142,000		\$8,000	\$95,000	\$666,000	
Avg Cost/Consumer Mo								\$12,000				\$2,000	\$6,762		\$381	\$4,524	\$31,715	
Subtotal	11	100%	78	\$230,000	\$0	\$0	\$252,000	\$390,000	\$0	\$0	\$0	\$129,000	\$252,000	\$0	\$18,000	\$27,000	\$160,000	\$1,458,000

Continued on next page.

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Current Year 2007-08 (continued)

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Agnews Unified CPP																		
● CCF																		
● Residential Facilities	1	1%	9	\$31,000				\$16,000				\$4,000						\$51,000
Avg Cost/Consumer Mo				\$3,444				\$1,778				\$444						\$5,666
● SRF 3-Bed - Hallmark GGRC	23	12%	133	\$2,715,000				\$381,000				\$80,000						\$3,176,000
Avg Cost/Consumer Mo				\$20,414				\$2,865				\$602						\$23,881
Transition Costs a/				\$112,000														\$112,000
● SRF 3-Bed - Hallmark RCEB	16	8%	100	\$2,051,000				\$293,000				\$55,000						\$2,399,000
Avg Cost/Consumer Mo				\$20,510				\$2,930				\$550						\$23,990
Transition Costs a/				\$240,000														\$240,000
● SRF 3-Bed - Hallmark SARC	18	9%	100	\$1,969,000				\$175,000				\$46,000						\$2,190,000
Avg Cost/Consumer Mo				\$19,690				\$1,750				\$460						\$21,900
Transition Costs a/				\$91,000														\$91,000
● SRF 4-Bed - Hallmark RCEB	6	3%	45	\$875,000				\$132,000				\$25,000						\$1,032,000
Avg Cost/Consumer Mo				\$87,500				\$13,200				\$2,500						\$22,934
Transition Costs a/				\$91,000														\$91,000
● SRF 4-Bed - Hallmark SARC	20	10%	100	\$2,056,000				\$173,000				\$65,000						\$2,294,000
Avg Cost/Consumer Mo				\$20,560				\$1,730				\$650						\$22,940
Transition Costs a/				\$67,000														\$67,000
● SB 962 4-Bed Hallmark GGRC	7	4%	32	\$699,000				\$95,000				\$19,000						\$813,000
Avg Cost/Consumer Mo				\$21,844				\$2,969				\$594						\$25,407
Transition Costs a/				\$111,000														\$111,000
Other Placements c/			6	\$105,000														\$105,000
● SB 962 4-Bed Hallmark RCEB	3	1%	11	\$240,000				\$32,000				\$6,000						\$278,000
Avg Cost/Consumer Mo				\$21,818				\$2,909				\$545						\$25,272
Transition Costs a/				\$22,000														\$22,000
● SB 962 5-Bed Hallmark RCEB	17	9%	97	\$1,866,000				\$284,000				\$53,000						\$2,203,000
Avg Cost/Consumer Mo				\$19,237				\$2,928				\$546						\$22,711
Transition Costs a/				\$213,000														\$213,000
Other Placements c/			12	\$190,000														\$190,000
● SB 962 5-Bed Hallmark SARC	56	29%	231	\$4,443,000				\$551,000				\$149,000						\$5,143,000
Avg Cost/Consumer Mo				\$19,234				\$2,385				\$645						\$22,264
Transition Costs a/				\$273,000														\$273,000
Other Placements c/			12	\$190,000														\$190,000
● Adult Family Home Agencies																		
● Adult Family Home	2	1%	17		\$101,000			\$30,000				\$11,000						\$142,000
Avg Cost/Consumer Mo					\$5,941			\$1,765				\$647						\$8,353
● Family Teaching Home (FTH) Hallmark SARC	15	8%	134		\$1,857,000			\$233,000				\$87,000						\$2,177,000
Avg Cost/Consumer Mo					\$13,858			\$1,739				\$649						\$16,246
Transition Costs a/					\$200,000													\$200,000
● ICF	2	1%	20			\$36,000		\$35,000				\$13,000						\$84,000
Avg Cost/Consumer Mo						N/A		\$1,750				\$650						\$2,400
● Supported Living	5	3%	30				\$465,000	\$16,000				\$3,000					\$2,000	\$486,000
Avg Cost/Consumer Mo							\$15,500	\$533				\$100					\$67	\$16,200
● Other (Own Home, etc.)	2	1%	12															\$0
Avg Cost/Consumer Mo																		\$0
● Additional Services & Supports b/												\$127,000			\$1,043,000	\$1,442,000		\$2,612,000
Subtotal	193	100%	1,101	\$18,650,000	\$2,158,000	\$36,000	\$465,000	\$2,446,000	\$0	\$0	\$0	\$616,000	\$127,000	\$0	\$0	\$1,043,000	\$1,444,000	\$26,985,000
TOTAL	380	100%	2,390	\$27,349,000	\$2,158,000	\$535,000	\$4,262,000	\$5,553,000	\$17,000	\$101,000	\$11,000	\$1,304,000	\$1,975,000	\$0	\$168,000	\$1,528,000	\$3,680,000	\$48,641,000

a/ Represents temporary lease payments needed until the home is fully occupied. Total cost for specific residence type = facility line item cost + transition cost
b/ Supplemental services needed to support an individual for pre-placement and for the initial period of placement.
c/ Represents temporary lease payments needed while a facility is vacant

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Budget Year 2008-09

For the 2008-09 November Estimate, regular CPP costs are assumed to be the same as in the 2007-08 May Revision. There are no anticipated costs associated with Agnews Unified and Agnews Other due to the closure of the Agnews Developmental Center on June 30, 2008.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																		
● Community Care Facilities (CCF)																		
● Residential Facilities	25	14%	177	\$746,000				\$412,000	\$17,000		\$11,000	\$65,000	\$521,000		\$11,000	\$4,000	\$567,000	\$2,354,000
Avg Cost/Consumer Mo				\$4,215				\$2,328	\$96	\$62	\$367	\$2,944		\$62	\$23	\$3,203	\$13,300	
● Specialized Residential Facilities (SRF)	99	56%	673	\$7,702,000				\$1,491,000		\$69,000		\$322,000	\$508,000		\$128,000	\$332,000	\$504,000	\$11,056,000
Avg Cost/Consumer Mo				\$11,444				\$2,215		\$103	\$478	\$755		\$190	\$493	\$749	\$16,427	
● Intermediate Care Facilities (ICF)	20	11%	131	\$21,000		\$499,000		\$437,000				\$79,000	\$346,000		\$6,000	\$37,000	\$448,000	\$1,873,000
Avg Cost/Consumer Mo				\$160		N/A		\$3,336				\$603	\$2,641		\$46	\$282	\$3,420	\$10,488
● Supported Living	31	18%	224				\$3,545,000	\$346,000		\$32,000		\$82,000	\$212,000		\$5,000	\$84,000	\$544,000	\$4,850,000
Avg Cost/Consumer Mo							\$15,826	\$1,545		\$143		\$366	\$946		\$22	\$375	\$2,429	\$21,652
● Other (Own Home, etc.)	1	1%	6					\$31,000				\$11,000	\$9,000			\$1,000	\$13,000	\$65,000
Avg Cost/Consumer Mo								\$5,167				\$1,833	\$1,500		\$167	\$2,167	\$10,834	\$10,834
TOTAL	176	100%	1,211	\$8,469,000	\$0	\$499,000	\$3,545,000	\$2,717,000	\$17,000	\$101,000	\$11,000	\$559,000	\$1,596,000	\$0	\$150,000	\$458,000	\$2,076,000	\$20,198,000

General Fund

DESCRIPTION:

The General Fund is the main operating fund of the State. It accounts for transactions related to resources obtained and used for those services that do not need to be accounted for in another fund.

ASSUMPTIONS/METHODOLOGY: CY 2007-08 BY 2008-09

General Fund:

The Department's appropriation for General Fund consists of two components: (1) General Fund Match and (2) General Fund Other. The detail of these two components follows:

- General Fund Match: \$979,096,000 \$1,073,833,000

This portion of General Fund is required to use as a match to reimbursements received from the Department of Health Care Services (DHCS). These reimbursements are originally funded by the federal government and passed through DHS (the federally-recognized single state agency for Medicaid). The federal financial participation (FFP) costs are established by utilizing the Federal Medical Assistance Program (FMAP) percentages. They are as follows:

FMAP % of General Fund Match	<u>CY</u>	<u>BY</u>		
<i>Home and Community-Based Services (HCBS) Waiver</i>	50.00%	50.00%	784,667,000	853,206,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	4,722,000	4,729,000
<i>Medicaid Administration</i>	25.00%	25.00%	4,762,000	4,998,000
<i>Targeted Case Management (TCM)</i>	50.00%	50.00%	135,849,000	151,954,000
<i>TCM Administration</i>	50.00%	50.00%	4,481,000	4,481,000
<i>Self-Directed HCBS Waiver</i>	50.00%	50.00%	181,000	8,773,000
<i>Self-Directed HCBS Waiver Administration</i>	50.00%	50.00%	434,000	1,692,000
<i>Medicaid</i>	50.00%	50.00%	44,000,000	44,000,000

- General Fund Other: \$1,244,008,000 \$1,529,986,000

These costs consist of the remainder of total regional center expenditures not included in the General Fund Match, Reimbursements, Program Development Fund, Developmental Disabilities Services Account, or Federal Funds.

- **TOTAL EXPENDITURES** **\$2,223,104,000 \$2,603,819,000**

General Fund

FUNDING:

These General Funds are reflected in the Operations and Purchase of Services methodologies on the preceding pages.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures from the current year to the budget year is based on the most current available data.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$2,223,104,000	\$2,603,819,000
General Fund	\$2,223,104,000	\$2,603,819,000
<i>General Fund Match</i>	979,096,000	1,073,833,000
<i>General Fund Other</i>	1,244,008,000	1,529,986,000

Home and Community-Based Services Waiver

DESCRIPTION:

The Home and Community-Based Services (HCBS) Waiver program enables the Department of Developmental Services (DDS) to provide a broad array of home and community-based services to eligible individuals who, without these services, would require the level of care provided in an intermediate care facility for the developmentally disabled.

KEY DATA/ASSUMPTIONS:

Data Source: Medicaid Waiver Total Billed Dollar Amounts and Client Counts report, dated 9/5/07 (July 2006 - June 2007 data used).

The HCBS Waiver enrollment cap is 80,000 as of 10/1/07, and will be 85,000 as of 10/1/08.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Base:	\$1,517,007,000	\$1,645,206,000
● CY 2007-08		
Total estimated expenditures based on FY 2006-07 billing data (July 2006 - June 2007)	1,528,749,000	
Less Community Placement Plan One-Time Costs	-11,622,000	
Less Enhancing FFP for Additional Services One-Time Costs	-120,000	
● BY 2008-09		
Total Estimated prior-year HCBS Waiver Expenditures		1,686,913,000
Less Community Placement Plan One-Time Costs		-41,587,000
Less Enhancing FFP for Additional Services One-Time Costs		-120,000
● Annual Growth (New RC Consumers)	\$33,696,000	\$32,545,000
● CY Annual Growth		
● 2007-08 Annual Growth	18,996,000	
Add 6 months of annual growth costs in CY for 2,730 consumers who will be new to the RC system and added to the HCBS Waiver in CY 2007-08 (2,730 x \$14,000 (annual cost/consumer) x .5 (6 months) = \$19,110,000) less \$114,000 for 38 consumers who will be enrolled in the Self-Directed (SD) HCBS Waiver instead of this HCBS Waiver. (\$19,110,000 - 114,000 = \$18,996,000).		
● 2006-07 Annual Growth Continuation	14,700,000	
Add 6 months of costs to annualize growth costs in BY for 2,450 consumers who were added to the HCBS Waiver and phased-in during CY 2006-07 (2,450 x \$12,000 (annual cost/consumer) x .5 (6 months) = \$14,700,000).		
● BY Annual Growth		
● 2008-09 Annual Growth		13,853,000
Add 6 months of annual growth costs in CY for 2,720 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2007-08 (2,720 x \$14,000 (annual cost/consumer) x .5 (6 months) = \$19,040,000) less \$5,187,000 for 893 consumers who will be enrolled in the SDHCBS Waiver instead of this HCBS Waiver in BY. (\$19,040,000 - 5,187,000 = \$13,853,000).		
● 2006-07 Annual Growth Continuation		18,692,000
Add 6 months of costs to annualize growth costs in BY for 2,730 consumers who were added to the HCBS Waiver and phased-in during CY 2007-08 (2,730 x \$14,000 (annual cost/consumer) x .5 (6 months) = \$19,110,000) less \$418,000 for continuation costs for the 38 consumers placed in CY. (\$19,110,000 - 418,000 = \$18,692,000).		

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Increase of Waiver Cap - Growth 	\$19,408,000	\$8,384,000
<ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● 2007-08 Increase of Waiver Cap Growth <ul style="list-style-type: none"> Growth for 1,435 consumers added in CY 2006-07 <li style="margin-left: 40px;">1,435 Beginning 10/1/06, new consumers were phased in each month <li style="margin-left: 40px;">x x \$10,000 Cost per consumer per year <li style="margin-left: 40px;">\$14,350,000 Estimated HCBS Waiver-eligible annual costs <li style="margin-left: 40px;">41.57% Phase-in factor to annualize CY costs <li style="margin-left: 40px;">\$5,966,000 Subtotal CY 2007-08 Waiver-eligible costs ● 2006-07 Increase of Waiver Cap Growth Continuation <ul style="list-style-type: none"> Annualize growth for 2,269 consumers added in CY 2006-07 <li style="margin-left: 40px;">2,269 Beginning 10/1/06, new consumers were phased in each month <li style="margin-left: 40px;">x x \$10,000 Cost per consumer per year <li style="margin-left: 40px;">\$22,690,000 Estimated HCBS Waiver-eligible annual costs <li style="margin-left: 40px;">59.24% Phase-in factor to annualize CY costs <li style="margin-left: 40px;">\$13,442,000 Subtotal CY 2007-08 Waiver-eligible costs ● BY 2008-09 <ul style="list-style-type: none"> ● 2007-08 Increase of Waiver Cap Growth Continuation <ul style="list-style-type: none"> Annualize growth for 1,435 consumers added in CY 2006-07 <li style="margin-left: 40px;">1,435 Beginning 10/1/06, new consumers will be phased in each month <li style="margin-left: 40px;">x x \$10,000 Cost per consumer per year <li style="margin-left: 40px;">\$14,350,000 Estimated HCBS Waiver-eligible annual costs <li style="margin-left: 40px;">58.43% Phase-in factor to annualize CY costs <li style="margin-left: 40px;">\$8,384,000 Subtotal CY 2007-08 Waiver-eligible costs 	5,966,000	13,442,000
<ul style="list-style-type: none"> ● Community Placement Plan (CPP) <p>The annual cost for the total number of HCBS Waiver-eligible CPP placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.</p>	\$41,587,000	\$16,066,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>The annual estimated Placement/Deflection Continuation costs for the total number of HCBS Waiver-eligible placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.</p>	\$30,961,000	\$75,445,000
<ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 321 Waiver-eligible consumers: 	41,587,000	
<ul style="list-style-type: none"> ● BY 2008-09 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 142 Waiver-eligible consumers: 		16,066,000
<ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 184 Waiver-eligible consumers: 	30,961,000	
<ul style="list-style-type: none"> ● BY 2008-09 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 318 Waiver-eligible consumers: 		75,445,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● SSI/SSP Increase/RC Savings 	-\$4,493,000	-\$7,421,000
<ul style="list-style-type: none"> ● Increasing FFP for Services Added to the HCBS Waiver <p>New residences may require modifications, such as ramps, grab bars and wider doors to make the residences safe and accessible. FFP is claimed for costs up to 180 days prior to a consumer transitioning from an institution to the community when he/she may become eligible for the HCBS Waiver.</p>	\$120,000	\$90,000
<ul style="list-style-type: none"> ● 3% Rate Increase for Providers <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2008-09 November Estimate, HCBS Waiver-billable costs for all programs are assumed to be in the base.</p>	In Base	In Base
<ul style="list-style-type: none"> ● Provider Resources for Collection of FFP for Contracted Services <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in FY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs were reflected in the re-negotiated contracts with these vendors. These costs are assumed to be more than offset by the additional HCBS Waiver reimbursements that will be collected (see next item).</p>	\$307,000	In Base
<ul style="list-style-type: none"> ● Collection of FFP for Contracted Services <p>The State receives fifty percent federal reimbursement for regional center expenditures which are HCBS Waiver-eligible services and are provided to qualifying consumers. Currently, however, the State is not collecting approximately \$12.8 million annually in federal HCBS Waiver-eligible expenditures that could replace State General Funds. The otherwise HCBS Waiver-billable services for which the State cannot now bill the federal government are those purchased through bulk contract mechanisms. Although contract billing is more administratively efficient for vendors and the regional centers, it does not include the detailed information for each individual consumer necessary to support the HCBS Waiver billing requirements.</p>	\$25,579,000	In Base
<ul style="list-style-type: none"> ● Legislative Augumentation: Increase Rates for Supported Employment Programs <p>The Legislature provided a total of \$15.9 million in FY 2006-07 for a rate increase to enhance wages for Supported Employment Programs that meet specified criteria. Current year costs remain in the base for BY 2008-09.</p>	\$360,000	\$1,079,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> <p>• Legislative Augmentation: Increase Wage Rates for Day and Work Activity Programs</p> <p>The Legislature provided a total of \$19.1 million in FY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Current year and BY costs are assumed to be in the base.</p> 	<p>In Base</p>	<p>In Base</p>
<ul style="list-style-type: none"> <p>• HCBS Waiver Decrease due to Self-Directed HCBS Waiver</p> <ul style="list-style-type: none"> <p>• CY 2007-08</p> <p>It is assumed that 100 consumers will be phased into Self-Directed Services beginning 3/1/08. It is assumed that 24% or 24 of the 100 consumers will transfer from the HCBS Waiver to the new SDHCBS Waiver at a rate of 6 consumers per month. It is assumed that the average monthly HCBS waiver-billable costs for these consumers who will no longer be on the HCBS Waiver is \$1,043. The total CY 2007-08 HCBS Waiver-billable costs for these consumers are estimated to be \$63,000. Therefore, it is assumed that when these HCBS Waiver-eligible consumers transfer to the SDHCBS Waiver, there will be a reduction to the HCBS Waiver of \$63,000.</p> <p>• BY 2008-09</p> <p>It is assumed that 1,800 consumers will be phased into Self-Directed Services beginning 7/1/08. It is assumed that 24% or 432 of the 1,800 consumers will transfer from the HCBS Waiver to the new SDHCBS Waiver at a rate of 36 consumers per month. It is assumed that the average monthly HCBS waiver-billable costs for these consumers who will no longer be on the HCBS Waiver is \$1,043. The total BY 2008-09 HCBS Waiver-billable costs for these consumers are estimated to be \$2,929,000. In addition to the costs for the 432 new consumers moving from the HCBS Waiver, continuation costs for the CY movers are estimated to be \$237,000. Therefore, it is assumed that when these HCBS Waiver-eligible consumers transfer to the SDHCBS Waiver, there will be a reduction to the HCBS Waiver of \$3,166,000 (\$2,929,000 + 237,000).</p> 	<p>-\$63,000 -63,000</p>	<p>-\$3,166,000</p> <p style="text-align: right;">-3,166,000</p>
<ul style="list-style-type: none"> <p>• Minimum Wage Increases</p> <p>AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$71,394,000 and \$89,184,000 in CY 2007-08 and BY 2008-09, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Supported Living, and Respite Programs. The CY base reflects 6 months of the January 1, 2007 increase. The CY estimate includes the remaining 6 months of the January 1, 2007 increase as well as 6 months of the January 1, 2008 increase. These costs will remain in the base for BY. The BY estimate includes only remaining 6 months of the January 1, 2008 estimate.</p> 	<p>\$22,444,000</p>	<p>\$11,606,000</p>
<ul style="list-style-type: none"> <p>• Sunset Cost Containment Measures</p> <p>Purchase of Service cost containment measures contained in the regional centers' 2007-08 budget will sunset on June 30, 2008. This item reflects the impact of this sunset on HCBS Waiver reimbursements in BY 2008-09. (Please see the item below and the new major assumption in Section E, pages E-15.1 to E-15.2, both titled Reinstating Cost Containment Measures, which reinstate these cost containment measures in BY 2008-09.)</p> 	<p>N/A</p>	<p>\$193,652,000</p>

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
• New Major Assumption: Adjustment to POS Increase	N/A	-129,522,000
• TOTAL EXPENDITURES	\$1,686,913,000	\$1,843,964,000
• Federal Medical Assistance Percentage	50.00%	50.00%
• Total FFP	\$843,457,000	\$921,982,000
• General Fund Match	\$784,667,000	\$853,206,000
• Public Transportation Account (PTA) Match	\$58,789,000	\$68,776,000

FUNDING:

Home and Community-Based Services Waiver reimbursements fund a broad array of purchase of service costs for eligible individuals, as reflected in the POS methodologies, Pages E-4.1 through E-15.10, and as displayed on Pages E-18.5 and E-18.6. These home and community-based services are in all of the POS budget categories, except Medical Facilities and Self-Directed Services.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current data available. Any updates to the HCBS Waiver cap, new enrollments, per capita costs, phase-in assumptions, and rate increases are reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects higher expenditures in the budget year due to estimated increases in HCBS Waiver-eligible consumers and services.

Home and Community-Based Services Waiver**Estimated Distribution in Purchase of Services****EXPENDITURES:**

	Estimated % of Costs Billable to HCBS Waiver	% of Actual 2006-07 Waiver Expenditures by Budget Category	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,686,913,000	\$1,843,964,000
GF Match			784,667,000	853,206,000
PTA Match			58,789,000	68,776,000
FFP (from DHS)			843,457,000	921,982,000
FMAP			50.00%	50.00%
SUBTOTAL: PURCHASE OF SERVICES			\$1,686,913,000	\$1,973,486,000
GF Match			784,667,000	917,967,000
PTA Match			58,789,000	68,776,000
FFP (from DHS)			843,457,000	986,743,000
Community Care Facilities	80%	34.36%	579,622,000	678,090,000
GF Match			289,811,000	339,045,000
FFP			289,811,000	339,045,000
Day Programs	52%	23.27%	392,545,000	459,230,000
GF Match			196,272,000	229,615,000
FFP			196,273,000	229,615,000
Work Activity Program	63%	2.63%	44,366,000	51,903,000
GF Match			22,183,000	25,951,000
FFP			22,183,000	25,952,000
Supported Employment Placement/Group	42%	1.66%	28,003,000	32,760,000
GF Match			14,001,000	16,380,000
FFP			14,002,000	16,380,000
Supported Employment Placement/Individual	27%	0.34%	5,736,000	6,710,000
GF Match			2,868,000	3,355,000
FFP			2,868,000	3,355,000
Transportation	55%	6.97%	117,578,000	137,552,000
GF Match			0	0
PTA Match			58,789,000	68,776,000
FFP			58,789,000	68,776,000
Support Services	68%	20.76%	350,203,000	409,696,000
GF Match			175,101,000	204,848,000
FFP			175,102,000	204,848,000
In-Home Respite	56%	6.06%	102,227,000	119,593,000
GF Match			51,114,000	59,797,000
FFP			51,113,000	59,796,000
Out-of-Home Respite	12%	0.35%	5,904,000	6,907,000
GF Match			2,952,000	3,454,000
FFP			2,952,000	3,453,000
Health Care	8%	0.35%	5,904,000	6,907,000
GF Match			2,952,000	3,453,000
FFP			2,952,000	3,454,000
Miscellaneous	22%	3.25%	54,825,000	64,138,000
GF Match			27,413,000	32,069,000
FFP			27,412,000	32,069,000

Home and Community-Based Services Waiver

Estimated Distribution in Purchase of Services

EXPENDITURES (continued):

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
NEW MAJOR ASSUMPTION: Adjustment to POS Increase	\$0	-\$129,522,000
<i>GF Match</i>	0	-64,761,000
<i>FFP (from DHS)</i>	0	-64,761,000

Home and Community-Based Services Waiver Administration

DESCRIPTION:

The Home and Community-Based Services (HCBS) Waiver program enables the Department of Developmental Services to provide a broad array of home and community-based services to eligible individuals who, without these services, would require the level of care provided in an intermediate care facility for the mentally retarded. These HCBS Waiver Administration funds are for the proper and efficient administration of the HCBS Waiver.

Training for Direct Support Professional (DSP) Staff:

Welfare and Institutions Code Section 4695.2, Statutes of 1998, mandates all direct support professionals (DSPs) working in licensed community care facilities (CCFs) to either pass competency tests or satisfactorily complete each of 2 consecutive 35-hour training segments within 2 years of the date of hire. The testing and training program is being conducted through an interagency agreement with the Department of Education (DOE). This estimate of Operations costs covers the costs of challenge tests, training and the interagency agreement with DOE.

Collection of FFP for Contracted Services

Regional center staff will renegotiate contracts with vendors, liaison with DDS experts on changes required to expand and enhance existing billing options, train vendors and regional center personnel involved in the billing process, key enter necessary attendance and other required billing data from paper invoices submitted by vendors, and review, adjust and/or correct attendance data after data is uploaded to the Uniform Fiscal System to assure proper payment to vendors. These resources will allow the State to collect HCBS Waiver Administration reimbursements.

FFP Enhancement (Related to 2003-04 Enhancing FFP BCP):

The CMS-approved rate-setting methodology for the Targeted Case Management program distributes administrative costs previously included in targeted case management to other programs. As a result, federal financial participation (FFP) from the TCM program in the current year has been shifted to HCBS Waiver Administration reimbursements.

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY:

- | | |
|--|-----------------------------------|
| <ul style="list-style-type: none"> ● Training for DSP Staff ● CY: Total cost of DSP Training is \$3,582,000 ● BY: Total cost of DSP Training is \$3,582,000 ● 80% of the consumers residing in CCFs are HCBS Waiver eligible; therefore, it is assumed that 80% of the DSP Training costs are eligible for HCBS Waiver Administration reimbursement. ● CY cost: \$3,582,000 x 80% = \$2,866,000 ● BY cost: \$3,582,000 x 80% = \$2,866,000 ● The federal financial participation (FFP) portion of the total HCBS Waiver Administration-eligible costs is 50%. ● These costs are reflected in the DSP Training estimate, under Operations, Projects, page E-3.2. | <p>\$2,866,000 \$2,866,000</p> |
|--|-----------------------------------|

Home and Community-Based Services Waiver Administration

	<u>CY 2007-08</u>	<u>BY 2008-09</u>						
ASSUMPTIONS/METHODOLOGY:								
<ul style="list-style-type: none"> ● Staffing for Collection of FFP for Contracted Services <table style="float: right; border: none;"> <tr> <td style="width: 15%;"></td> <td style="text-align: right; width: 15%;">\$1,438,000</td> <td style="text-align: right; width: 15%;">\$1,452,000</td> </tr> </table> <ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,159,000. ● Assume 1/3 or 33% of the total community population is HCBS Waiver eligible. ● Assume 1/3 or 33% of the total costs would be FFP. (\$2,159,000 x 33% = \$720,000) ● Assume GF Match = FFP (\$719,000) ● Total HCBS Waiver Administration (\$719,000 + 719,000 = \$1,438,000) ● BY 2008-09 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,179,000. ● Assume 1/3 or 33% of the total community population is HCBS Waiver eligible. ● Assume 1/3 or 33% of the total costs would be FFP. (\$2,179,000 x 33% = \$726,000) ● Assume GF Match = FFP (\$726,000) ● Total HCBS Waiver Administration (\$726,000 + 726,000 = \$1,452,000) ● These costs are reflected under Operations, Staffing, page E-1.15. ● FFP Enhancement (related to 2003-04 Enhancing FFP BCP): <table style="float: right; border: none;"> <tr> <td style="width: 15%;"></td> <td style="text-align: right; width: 15%;">\$5,140,000</td> <td style="text-align: right; width: 15%;">\$5,140,000</td> </tr> </table> <ul style="list-style-type: none"> ● CY Total RC Administrative Costs are \$5,140,000 ● BY Total RC Administrative Costs are \$5,140,000 ● The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. 		\$1,438,000	\$1,452,000		\$5,140,000	\$5,140,000		
	\$1,438,000	\$1,452,000						
	\$5,140,000	\$5,140,000						

FUNDING:

Funding for HCBS Waiver Administration is 50% FFP and 50% General Fund.

CHANGE FROM PRIOR ESTIMATE:

Added FFP Enhancement-related reimbursements.

REASON FOR YEAR-TO-YEAR CHANGE:

The rent factor in the Staffing for Collection of FFP estimate increased from CY to BY.

EXPENDITURES:

TOTAL HCBS WAIVER ADMINISTRATION	\$9,444,000	\$9,458,000
<i>Federal Financial Participation</i>	4,722,000	4,729,000
<i>General Fund Match</i>	4,722,000	4,729,000

Medicaid Administration

DESCRIPTION:

Clinical Support Teams and SB 1038 Health Reviews

Clinical support teams ensure the regional centers' ability to adequately monitor the health care of consumers with severe behavior and/or medical problems; to provide health-related consultation to these consumers, their families, providers and other community health professionals; to ensure careful and complete mortality reviews for these consumers' deaths; and to ensure health care access and advocacy for these consumers.

In addition, clinical support teams complete yearly reviews of medications, health care plans and behavioral plans for all consumers in community care facilities and supported and independent living arrangements. Clinical teams also review circumstances leading to all deaths of these consumers.

Pursuant to SB 1038 (Chapter 1043, Statutes of 1998), regional center physicians and nurses (with clerical support) provide medical reviews for the remainder of the community consumers who are not getting medical reviews from the clinical support teams.

Compliance with Home and Community-Based Services (HCBS) Waiver Requirements

Regional center physicians and psychiatrists perform activities, including clinical consultation, monitoring and review of consumers' medications, to ensure the regional center system maintains compliance with the HCBS Waiver.

Agnews Closure

Consistent with passage of AB 1378 (Chapter 538, Statutes of 2005) Agnews Developmental Center employees will provide clinical support services to ensure the health and well being of Agnews' residents as they transition into the community consistent with the Department's Interagency Agreement for Medicaid Administration with the Department of Health Services.

Nurse consultants will monitor consumer health care plans and health care for Agnews residents living in SB 962 homes. One dental coordinator at each of the Bay Area Regional Centers (Regional Center of the East Bay, San Andreas Regional Center and Golden Gate Regional Center) will promote and coordinate dental resources for Agnews residents that have moved into the community.

State employees in the community may participate in all Medicaid Administration activities, including clinical support teams, SB 1038 health reviews, and compliance with HCBS waiver requirements.

ASSUMPTIONS/METHODOLOGY:

- The cost of providing health reviews is provided to DDS by the regional centers each year.
- CY and BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2005-06 data collected from the regional centers (\$19,444,000).
 - 72% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 72% of costs are eligible for Medicaid Administration (MA) reimbursement ($\$19,444,000 \times .72 = \$14,000,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$14,000,000 \times .75 = \$10,500,000$).

Medicaid Administration

METHODOLOGY (continued)

- Staffing for Compliance with HCBS Waiver Requirements
 - CY 2007-08 and BY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$2,600,000.
 - 100% of these costs are eligible for MA because related staff will be working only with HCBS Waiver consumers.
 - The FFP portion of total MA-eligible costs is 75% ($\$2,600,000 \times .75 = \$1,950,000$).
- Closure of Agnews Developmental Center, State Employees in the Community
 - CY 2007-08
 - Total personal services and operating costs related to MA are estimated to be \$1,554,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$1,554,000 \times .95 = \$1,476,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,476,000 \times .75 = \$1,107,000$).
 - BY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$2,543,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$2,543,000 \times .95 = \$2,416,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$2,416,000 \times .75 = \$1,812,000$).
- Closure of Agnews Developmental Center, Placement Continuation
 - CY 2007-08
 - Nurse Consultants
 - Total personal services and operating costs related to MA are estimated to be \$295,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$295,000 \times .95 = \$280,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$280,000 \times .75 = \$210,000$).
 - Dental Coordinators
 - Total personal services and operating costs related to MA are estimated to be \$198,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$198,000 \times .95 = \$188,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$188,000 \times .75 = \$141,000$).
 - BY 2007-08
 - Nurse Consultants
 - Total personal services and operating costs related to MA are estimated to be \$297,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$297,000 \times .95 = \$282,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$282,000 \times .75 = \$212,000$).
 - Dental Coordinators
 - Total personal services and operating costs related to MA are estimated to be \$198,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$198,000 \times .95 = \$188,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$188,000 \times .75 = \$141,000$).

Medicaid Administration

METHODOLOGY (continued)

- Legislative Augmentation: Resources for Health Care Community Specialists
 - CY 2007-08 and BY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$503,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$503,000 \times .75 = \$377,000$).

FUNDING:

The Medicaid Administration (MA) reimbursement is 75% federal funds and 25% General Fund. These MA funds are reflected in the Operations Core Staffing estimate on pages E-1.1 to E-1.14 and the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amount reflects the most current available data and information and includes the costs associated with the 2007-08 legislative augmentation, Resources for Health Care Community Specialists.

REASON FOR YEAR TO YEAR CHANGE:

The personal services and operating expenses for State Employees in the Community were updated using the latest available data.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL MEDICAID ADMINISTRATION	\$19,047,000	\$19,990,000
<i>Federal Financial Participation</i>	<i>14,285,000</i>	<i>14,992,000</i>
<i>General Fund Match</i>	<i>4,762,000</i>	<i>4,998,000</i>

Targeted Case Management

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services provided by regional centers (RCs) for specific client groups. There are approximately 138,000 Medi-Cal eligible persons in the RC system. Federal legislation enacted in 1986 defined these case management services as services which "...will assist individuals...in gaining access to needed medical, social, educational, and other services." This means that the cost for most of the RC case manager's time spent on Medi-Cal eligible developmentally disabled persons is eligible for federal financial participation (FFP).

KEY DATA/ASSUMPTIONS:

CY 2007-08 and BY 2008-09: Source data is from the TCM Regional Center Billed Units report dated 8/8/07: May 2006 - April 2007.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Base: TCM expenditures are based on actual TCM billable units for 12 months (May 2006 - April 2007) multiplied by the regional center TCM rates effective July 2007. 	\$261,729,000	\$261,729,000
<ul style="list-style-type: none"> ● Staffing for Compliance with Home and Community-Based Services (HCBS) Waiver Requirements See Operations, Federal Compliance, pages E-2.2 to E-2.4, for more information. <ul style="list-style-type: none"> ● CY 2007-08 and BY 2008-09 <ul style="list-style-type: none"> ● Total personal services and operating costs related to TCM are estimated to be \$6,600,000. ● 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. ● The FFP portion of total TCM-eligible costs is 50% (\$6,600,000 x .50 = \$3,300,000). 	\$6,600,000	\$6,600,000
<ul style="list-style-type: none"> ● Closure of Agnews Developmental Center See pages E-1.3 and E-16.1 to E-16.14 for more information. <ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● Placement Continuation: Client Program Coordinators (CPCs) <ul style="list-style-type: none"> ● The total personal services and operating expenses for CPCs is \$50,000. ● Assume 95% of the total cost is eligible for TCM reimbursement (\$53,000 x .95 = \$50,000). ● The FFP portion of the total TCM eligible costs is 50% (\$50,000 x .50 = \$25,000). ● BY 2008-09 <ul style="list-style-type: none"> ● Placement Continuation: Client Program Coordinators <ul style="list-style-type: none"> ● The total personal services and operating expenses for CPCs is \$59,000. ● Assume 95% of the total cost is eligible for TCM reimbursement (\$59,000 x .95 = \$56,000). ● The FFP portion of the total TCM eligible costs is 50% (\$56,000 x .50 = \$28,000). 	\$50,000	\$56,000

Targeted Case Management

METHODOLOGY (continued)

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Case Managers to Meet Federal HCBS Waiver Requirements <div style="margin-left: 20px;"> <p>See pages E-2.2 and E-2.5 for more information.</p> <ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● Total personal services and operating expenses related to TCM are estimated to be \$3,320,000. ● 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver ● The FFP portion of total TCM-eligible costs is 50% (\$3,320,000 x .50 = \$1,660,000). ● BY 2008-09 <ul style="list-style-type: none"> ● Total personal services and operating expenses related to TCM are estimated to be \$3,463,000. ● 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. ● The FFP portion of total TCM-eligible costs is 50% (\$3,463,000 x .50 = \$1,732,000). </div> 	\$3,320,000	\$3,463,000
<ul style="list-style-type: none"> ● Sunset Cost Containment Measures <ul style="list-style-type: none"> ● BY 2008-09 <ul style="list-style-type: none"> ● Total personal services and operating expenses related to TCM are estimated to be \$32,060,000. ● 100% of these costs are eligible for TCM. ● The FFP portion of total TCM-eligible costs is 50% (\$32,060,000 x .50 = \$16,030,000). 	n/a	\$32,060,000
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$271,699,000	\$303,908,000

Targeted Case Management

FUNDING:

Targeted Case Management reimbursements fund regional center Operations costs for: (1) the case management services provided by Client Program Coordinators (CPCs), Secretaries for CPCs, Supervising Counselors for CPCs, (2) HIPAA Privacy Officers (reflected under Operations, Staffing, pages E-1.1 to E-1.14, (3) the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, (4) the Closure of Agnews DC estimate on page E-1.3, and (5) the Case Managers to meet Federal HCBS Waiver Requirements estimate on pages E-2.2 and E-2.5.

CY 2007-08 FFP = 50.00% of Total TCM Expenditures

BY 2008-09 FFP = 50.00% of Total TCM Expenditures

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amounts reflect the most current available data, rates and information.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the projected caseload increase for the Legislative Augmentation to Increase Case Managers to Meet Federal Audit Requirements.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL TARGETED CASE MANAGEMENT	\$271,699,000	\$303,908,000
<i>Federal Financial Participation</i>	135,850,000	151,954,000
<i>General Fund Match</i>	135,849,000	151,954,000

Targeted Case Management Administration

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services for specific client groups. There are approximately 132,000 Medi-Cal eligible persons in the regional center (RC) system. Federal legislation enacted in 1986 defined case management services as services which "...will assist individuals...in gaining access to needed medical, social, educational, and other services." This means that the cost for most of the RC case manager's time spent on Medi-Cal eligible developmentally disabled persons and the cost of providing administrative support to the case management program are both eligible for federal financial participation (FFP). These TCM Administration funds are for the proper and efficient administration of the TCM.

KEY DATA/ASSUMPTIONS:

- TCM Administration reimbursements in the current and budget years will be \$4,481,000.
- Source of Data: DDS Fiscal Systems - CALSTARS reports

METHODOLOGY:

Utilizing a time survey, DDS gathers records of time spent by DDS headquarters personnel providing administrative case management assistance to the regional centers. These surveys are used to allocate headquarters salaries, wages and benefits and a portion of the Department's statewide cost allocation related to administrative case management support.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
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	\$8,962,000	\$8,962,000
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FUNDING:

Funding for Targeted Case Management Administration is 50% FFP and 50% General Fund. TCM Administration funds are reflected in the Core Staffing estimate, under Operations, Pages E-1.1 to E-1.14.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL TCM ADMINISTRATION	\$8,962,000	\$8,962,000
<i>Federal Financial Participation</i>	4,481,000	4,481,000
<i>General Fund Match</i>	4,481,000	4,481,000

Title XX Block Grant

DESCRIPTION:

Social Services: The State has received federal Title XX Block Grant funds for social services since 1981. Each state has wide discretion in determining the range of services to be provided and how the funds are to be distributed. There is no state match requirement for these funds. In California, the program is administered by the California Department of Social Services. Federal statute establishes five service goals:

1. Achieving or maintaining economic self-support to prevent, reduce or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including the reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Temporary Assistance for Needy Families (TANF): These Title XX Block Grant funds are available for regional center expenditures for children under age 18 whose family income is less than 200 percent of the income official poverty line (as defined by the federal Office of Management and Budget) applicable to a family of the size involved.

KEY DATA/ASSUMPTIONS:

The DDS portion of the Title XX Block Grant is determined by the Department of Social Services.

FUNDING:

The Title XX Block Grant is determined by the Department of Social Services.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

No change

Title XX Block Grant

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL TITLE XX BLOCK GRANT	\$203,903,000	\$203,903,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	57,477,000	55,907,000
<i>Habilitation Services</i>	13,888,000	13,888,000
<i>Transportation</i>	15,483,000	17,053,000
<i>Support Services</i>	26,238,000	26,238,000
<i>In-Home Respite</i>	13,267,000	13,267,000
<i>Out-of-Home Respite</i>	7,469,000	7,469,000
<i>Miscellaneous Services</i>	14,081,000	14,081,000
TANF	\$56,000,000	\$56,000,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	5,278,000	5,278,000
<i>Day Programs</i>	2,226,000	2,226,000
<i>Habilitation Services</i>	7,000	7,000
<i>Transportation</i>	919,000	919,000
<i>Support Services</i>	6,382,000	6,382,000
<i>In-Home Respite</i>	13,182,000	13,182,000
<i>Out-of-Home Respite</i>	12,267,000	12,267,000
<i>Health Care</i>	2,182,000	2,182,000
<i>Miscellaneous Services</i>	13,557,000	13,557,000

Self-Directed Home and Community Based Services Waiver

DESCRIPTION:

Welfare and Institutions Code Section 4685.5 (c), as amended by AB 1762 (Chapter 230, Statutes of 2003) authorized the continuation and expansion of the Self-Determination Pilot Projects (self-directed services) contingent on the State of California applying for a Centers for Medicare and Medicaid Services (CMS) Independence Plus Waiver. The Budget Act of 2005 Trailer Bill language implements the Self-Directed Services (SDS) program. Since enactment, the Administration has continued to refine its proposal based on input from legislative staff and stakeholders.

The proposed waiver for the expansion of SDS, known as the Self-Directed Home and Community Based Services (SDHCBS) Waiver, will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund.

SDS enables consumers to be in control of their services and to manage a finite amount of funds allocated to an individual budget in order to pay for services specified in the consumer's Individual Program Plan (IPP). Intensive person-centered planning is required to develop an IPP and individual budget reflective of a consumer's need. Program and fiscal monitoring will be uniquely different in order to assure consumers receive necessary services and supports, consumer safeguards are established, cost neutrality required by CMS occurs, and state and federal funding is used for its intended purpose.

IMPLEMENTATION DATE:

The 2008-09 November Estimate assumes implementation of the SDS program will begin March 1, 2008.

KEY DATA/ASSUMPTIONS:

The following assumptions have been used to develop the estimated fiscal impact of program implementation:

- Implementation and enrollment of up to 9,000 consumers will be phased in over five years.
- For CY 2007-08, it is assumed enrollment of participants will begin March 1, 2008, and 100 consumers will receive SDS by the end of the first fiscal year.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,580 in CY (retained from the 2007-08 May Revision) and updated in BY to \$1,836.
- With self-directed services finite and individual budgets assumed to be 95% of historical aggregate expenditures, total costs for 100 consumers are estimated to be \$505,000, phased in over 4 months in CY and \$24,062,000 phased in over 12 months in BY.
- 5% of the SDS consumers' historical expenditures will be set aside for their unanticipated needs.

Self-Directed Home and Community Based Services Waiver

KEY DATA/ASSUMPTIONS (continued):

- 68% of the consumers participating in self-directed services will be eligible to be included in the SDHCBS Waiver; therefore, 68% of their ongoing costs will be 100% billable to the SDHCBS Waiver.
- 24% of the consumers on the Department's existing Home and Community-Based Services Waiver will transfer to the SDHCBS Waiver in BY 2007-08. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.4). However, transfers from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for federal financial participation.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Self-Directed Services Expenditures	\$505,000	\$24,062,000
● % of SDHCBS Waiver-Eligible Consumers	68%	68%
● % of Self-Directed Services billable to the SDHCBS Waiver	100%	100%
● Risk Pool Fund	\$20,000	\$1,184,000
● Total Costs Eligible for SDHCBS Waiver	\$363,000	\$17,546,000
● FMAP %	50%	50%
● Total SDHCBS Waiver Reimbursements	\$182,000	\$8,773,000
● Total General Fund Match	\$181,000	\$8,773,000
● One-time Transition Costs (\$500 per consumer) 100% GF	\$50,000	\$900,000
● Total Self-Directed Services Expenditures	\$555,000	\$24,962,000

FUNDING:

The SDHCBS Waiver reimbursements will fund a broad array of self-directed POS costs for eligible individuals whose expenditures are in the POS category Self-Directed Services.

CHANGE FROM PRIOR ESTIMATE:

Implementation of SDS enrollments beginning March 1, 2008 has been revised from 400 to 100 enrollments.

REASON FOR YEAR-TO-YEAR CHANGE:

An additional 1,800 consumers will be phased-in in budget year.

EXPENDITURES:

	TOTAL		
	\$363,000	\$17,546,000	
General Fund	\$181,000	\$8,773,000	
<i>General Fund Match</i>	181,000	8,773,000	
<i>General Fund Other</i>	0	0	
Reimbursements	\$182,000	\$8,773,000	
<i>Self-Directed Home and Community Based Services Waiver</i>	182,000	8,773,000	

Self-Directed Home and Community Based Services Waiver Administration

DESCRIPTION:

Welfare and Institutions Code Section 4685.5 (c), as amended by AB 1762 (Chapter 230, Statutes of 2003) authorized the continuation and expansion of the Self-Determination Pilot Projects (self-directed services) contingent on the State of California applying for a Centers for Medicare and Medicaid Services (CMS) Independence Plus Waiver. The Budget Act of 2005 trailer bill language implements the Self-Directed Services (SDS) program.

The proposed waiver for SDS, known as the Self-Directed Home and Community Based Services (SDHCBS) Waiver, will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund.

SDHCBS Waiver Administration funds are for the proper and efficient administration of the SDHCBS Waiver. The SDHCBS Waiver will significantly impact the regional centers' administrative workload through increased efforts in the following areas:

- Providing comprehensive pre-service and ongoing training to regional center consumers and service providers.
- Ensuring determinations are made appropriately regarding SDS participant eligibility.
- Fairly and equitably determining participant individual budget allocations and re-assessing when needed.
- Ensuring financial management service entities are vendorized.
- Obtaining background checks of prospective service providers, at the consumer's request, as required by CMS.

- Ensuring quality services and supports are provided in a manner that is consistent with the Individual Program Plan and individual budget allocation.
- Ensuring the consumer's health and safety is protected and specifying emergency back-up plans for each consumer.

- Ensuring service providers meet the requisite qualifications as specified in the Waiver.

Ultimately, increased staff time, increased fiscal services monitoring and increased program monitoring will be required of the regional centers. Therefore, the cost containment opportunity will require staff to ensure that regional centers appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative effort.

IMPLEMENTATION DATE:

The 2008-09 November Estimate assumes a March 1, 2008 implementation of the SDS program.

Self-Directed Home and Community Based Services Waiver Administration

ASSUMPTIONS/METHODOLOGY:

CY 2007-08 BY 2008-09

- **Regional Center Operations Costs for SDHCBS Waiver Administration**
 - Staffing for SDHCBS Waiver Administration are being phased in over two years, beginning in September 2007. CY 2007-08 personal services and operating costs are estimated to be \$868,000 and BY 2008-09 personal services and operating costs are estimated to be \$3,385,000.

- **TOTAL SDHCBS WAIVER ADMINISTRATION-ELIGIBLE COSTS** \$868,000 \$3,385,000

FUNDING:

Funding for SDHCBS Waiver Administration is 50% FFP and 50% General Fund. SDHCBS Waiver Administration expenditures are reflected in the Staffing for Self-Directed Home and Community Based Services Waiver estimate. See Operations, pages E-1.4 and E-3.10 to E-3.12, for more information.

CHANGE FROM PRIOR ESTIMATE:

Implementation of SDS has been delayed from January 1, 2008 to March 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin in CY 2007-08.

EXPENDITURES:

SDHCBS WAIVER ADMINISTRATION	\$868,000	\$3,385,000
<i>Federal Financial Participation</i>	<i>434,000</i>	<i>1,693,000</i>
<i>General Fund Match</i>	<i>434,000</i>	<i>1,692,000</i>

Medicaid

DESCRIPTION:

Intermediate Care Facility/Developmentally Disabled (ICF/DD) Day Programs/Transportation Services:

Prior to 2007-08, DDS expended \$88.0 million for day program and transportation services to ICF/DD residents who were not eligible for federal financial participation (FFP). The 2007-08 Enacted Budget for DDS reflected a reduction of \$44.0 million in regional center day program and transportation expenditures for ICF/DD residents, and the budget for the Department of Health Care Services (DHCS) was to reflect an increase of \$44.0 million, which, when added to the ICF/DD rate, would increase General Fund savings by generating FFP through an all-inclusive ICF/DD rate.

Through legislative action, Budget Bill language in the Budget Act of 2007 was adopted requiring that the State Plan Amendment (SPA) seeking FFP in the day program and transportation services of ICF/DD residents be constructed in a manner that was seamless to consumers and providers and retained the individual program plan process as the means for determining the resident's day and transportation services. Consistent with Budget Bill language and the SPA submitted to the Centers for Medicare and Medicaid Services (CMS), the day program and transportation expenditures are being retained in DDS' budget, and an ICF/DD supplemental reimbursement program being established to provide the FFP to DDS via Medicaid reimbursements from DHCS. CMS has not yet approved the SPA.

Therefore, the \$44.0 million reduction in regional center expenditures reported in the Budget Act of 2007 is shown in this Estimate as an increase in reimbursements from DHCS for 2007-08 and 2008-09.

IMPLEMENTATION DATE:

The State has requested that CMS approve the SPA with a July 1, 2007 effective date.

ASSUMPTIONS/METHODOLOGY:

The total expenditures for adult day program and non-medical transportation services received by regional center consumers residing in an ICF are estimated to be \$88,000,000 in CY and BY.

FUNDING:

Funding for Medicaid is 50% FFP and 50 General Fund. Expenditures related to this reimbursement are reflected in Day Programs and Transportation. See Purchase of Services, pages E-6.1 - E-6.6 and E-8.1 - E-8.4.

CHANGE FROM PRIOR ESTIMATE:

This is a new reimbursement.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
Total Medicaid Expenditures	\$88,000,000	\$88,000,000
Federal Financial Participation	44,000,000	44,000,000
General Fund Match	44,000,000	44,000,000

Vocational Rehabilitation/Work Activity Program (VR/WAP)

DESCRIPTION:

The Vocational Rehabilitation/Work Activity Program (VR/WAP) was started in FY 1989-90 for consumers enrolled in the Habilitation Services Program (HSP). HSP provides habilitation services identified in the Lanterman Act as an entitlement service for regional center consumers and is funded by the General Fund and the Home and Community-Based Services Waiver. Administration of HSP was transferred from the Department of of Rehabilitation (DOR) to DDS on July 1, 2004. HSP has two main service components: sheltered workshop services provided in a WAP and supported employment services provided in an integrated community setting. The rationale of the VR/WAP is that federally funded VR services could assist WAP clients to move out of sheltered workshop environments into community integrated supported employment. DDS provides transportation services to and from VR/WAP.

ASSUMPTIONS:

This program is only open to HSP consumers enrolled in a work activity program. The projected VR/WAP caseload for both CY 2007-08 and BY 2008-09 is 1,118. In FY 2006-07, an increase in the rate for supported employment resulted in an increase in the supported employment caseload and a respective increase in the utilization of VR/WAP services to support the transition from WAP to supported employment.

FUNDING:

VR/WAP is cost neutral to DDS.

RC transportation dollars are reimbursed from DOR which uses the General Fund to generate federal VR funds. Upon enactment of the State Budget Act, DOR authorizes an advance of VR dollars (75% of the total DDS dollars transferred) back to DDS. DDS then redirects the advance amount to increase the transportation expenditure authority to regional centers. Regional centers continue to purchase transportation throughout the year, except that for VR/WAP participants, invoices are now submitted to DOR for the amount of transportation costs incurred for each participant. These invoices serve as documentation on how VR funds are being used and for DOR to track offsets to the advance until the advance is depleted. Thereafter, DOR makes monthly reimbursements to DDS based on subsequent invoices until the remaining 25% is reimbursed.

This VR funding is reflected in the Purchase of Services Transportation estimate on Pages E-8.1 to E-8.4.

CHANGE FROM PRIOR ESTIMATE:

Increased reimbursements are based on FY 2006-07 actual reimbursements from DOR.

REASON FOR YEAR-TO-YEAR CHANGE:

No change

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$588,000	\$588,000

Program Development Fund/Parental Fees

DESCRIPTION:

Parents of children under the age of 18 years who receive 24-hour out-of-home services provided by the State or purchased with State funds through a regional center are required to pay a fee depending on their ability to pay. All parental fees collected are remitted to the State Treasury for deposit into the Program Development Fund (PDF). The purpose of the PDF is to provide resources needed to initiate new programs which are consistent with the State Plan (Welfare and Institutions Code Sections 4677, 4782, and 4785).

ASSUMPTIONS:

PDF amounts are based on the most recent information regarding available funds.

FUNDING:

The purpose of the Program Development Fund shall be to provide resources needed to initiate new programs, consistent with approved priorities for program development in the State Plan. Expenditure of PDF funds is reflected in the POS Miscellaneous Services estimate.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated revenue and expenditure projections.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$1,075,000	\$1,147,000

Mental Health Services Fund

DESCRIPTION:

Initiative Statute (Proposition 63) imposes an additional tax on taxable income over \$1 million to provide funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults and seniors. Consistent with the requirements of the Mental Health Services Act (MHSA - Proposition 63), the Department of Developmental Services, in consultation with the Department of Mental Health, will identify best practice models and provide training to enhance the effectiveness of the regional center and county mental health service systems to better identify and provide a competent response for those consumers who are dually diagnosed (i.e. have a developmental disability and a mental illness). (See Operations, Increased Access to Mental Health Services, Pages E-3.7 to E-3.12, for more information.)

ASSUMPTIONS/METHODOLOGY:

Funding will be used to implement services and trainings to more effectively address consumers who are dually diagnosed. Specifically, these funds will provide the following ongoing components at the local level:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
• Regional Best Practice Training	\$0	\$270,000
• Statewide Training for Families, Service Providers, Service Coordinators, and Consumers	0	270,000
• Regional Center Technical Assistance and Liaison Support	0	65,000
• Regional Planning Projects	0	135,000
• TOTAL EXPENDITURES	\$0	\$740,000

FUNDING:

These funds are reflected in the Increased Access to Mental Health Services estimate, under Operations, Pages E-3.7 to E-3.12.

CHANGE FROM PRIOR ESTIMATE:

These funds are associated with the New Major Assumption, Increased to Access Mental Health Services beginning in BY 2008-09.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$0	\$740,000
General Fund	\$0	\$0
Mental Health Services Fund	\$0	\$740,000

Public Transportation Account

DESCRIPTION:

The Public Transportation Account (PTA) supports the State's transportation planning, mass transportation, Intercity Rail programs, and State Transportation Improvement Program transit projects. PTA resources are derived primarily from sales taxes on gasoline and diesel fuels. Government Code Section 14506 defines mass transportation as movement of groups of people within urban areas, between rural communities, and between cities. As such, the State provides transportation to persons with developmental disabilities through public transit and other providers, specialized transportation companies, and day programs and/or residential vendors.

ASSUMPTIONS:

The CY 2007-08 PTA will fund \$128,806,000 for transportation services.

The BY 2008-09 PTA will fund \$140,899,000 for transportation services.

FUNDING:

These costs are reflected in the Transportation estimate, under Purchase of Services, page E-8.4.

CHANGE FROM PRIOR ESTIMATE:

Updated Transportation expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated Transportation expenditures.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
Public Transportation Account	\$128,806,000	\$140,899,000
<i>PTA Match for HCBS Waiver</i>	58,789,000	68,776,000
<i>PTA Other</i>	70,017,000	72,123,000

Early Start Part C Grant

DESCRIPTION:

Part C of the federal Individuals with Disabilities Education Act (IDEA) provides federal grant funding for states to develop and operate early intervention programs for families and their children with developmental delays, disabilities, or conditions which place them at high risk of disabilities from birth to under age 3 years. The program, known as Early Start in California, is administered according to federal Department of Education regulations, found in Title 34 of the Code of Federal Regulations, Sections 303.1 through 303.654. The program is also administered according to State regulations found in Title 17 of the California Code of Regulations, Sections 52000 through 52175. California has designated the State Department of Developmental Services to act as its lead agency for preparing the annual grant application and for receiving and administering the federal funds. DDS allocates a significant portion of the federal funding to regional centers for local program operation. Also, DDS has an interagency agreement with the California Department of Education to provide funding for local education agency programs and services, in accordance with the California Early Intervention Services Act, contained in Title 14 of the Government Code, Sections 95000 through 95029.

KEY DATA/ASSUMPTIONS:

CY 2007-08: Federal Office of Special Education Programs (OSEP) Grant letter, dated July 3, 2006.

BY 2008-09: Federal OSEP Grant letter, posted June 6, 2007.

CY 2007-08

BY 2008-09

METHODOLOGY:

The Part C IDEA Grant funds are used to pay costs for the additional federal requirements imposed by the Part C program. Funds are disbursed in this order (1) other agencies, (2) RC Operations and (3) RC Purchase of Services (POS). Services and costs for this age group are already included in the forecasts for Operations and each of the POS budget categories displayed below.

<ul style="list-style-type: none"> ● Other Agencies 	\$20,095,000	\$20,095,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Department of Education: Additional federal requirements include shorter time lines for conducting evaluation, assessment and program plan development, provision of year-round services, service coordination and administrative services, and provision of services to children with solely low incidence disabilities in regions where such services to this age group were not provided prior to Part C implementation. 	14,435,000	14,435,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> System Requirements: Funding is required for public awareness and a comprehensive system of personnel development, mediation and due process hearings conducted by the State Office of Administrative Hearings, and collaboration with Department of Health Services' Children's Medical Services. 	2,910,000	2,910,000

Early Start Part C Grant

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Family Resource Centers: Funds pay for services that are provided by 33 contractors. Services, which are specified in Government Code 95024(d)(2), include parent-to-parent support, information dissemination, public awareness and family professional collaboration activities.	2,750,000	2,750,000
<ul style="list-style-type: none"> ● RC Operations 	\$12,660,000	\$15,017,000
Early Start Part C Operations costs are estimated based on a funding methodology that provides the allocation necessary for regional centers to meet the additional federal Part C requirements. The funding methodology is the cost differential between funding case managers at a ratio of 1:62 (1 case manager for every 62 children) vs 1:45. The 1:45 ratio is a funding mechanism and NOT a caseload requirement. This cost differential includes staff in related positions (supervising counselors and secretaries). Reflected in the cost estimate is an increase in staffing ratio, effective 1/1/04, for supervising counselors from 1:8 to 1:10 and for secretaries from 1:4 to 1:6.		
<ul style="list-style-type: none"> ● RC Purchase of Services 	\$19,283,000	\$39,749,000
The remaining Part C Grant funds, after funding system requirements and RC Operations, are used for Purchase of Services. The following estimates are based on the proportion of total POS expenditures in FY 2006-07 by budget category, which reflects mid-year increases not necessarily applicable to the forecast period.		
Day Programs	10,501,000	21,623,000
Transportation	278,000	596,000
Support Services	578,000	1,192,000
In-Home Respite	791,000	1,630,000
Out-of-Home Respite	231,000	477,000
Health Care	2,353,000	4,850,000
Miscellaneous Services	4,551,000	9,381,000
<ul style="list-style-type: none"> ● New Major Assumption: Adjustment to POS Increase 	N/A	-\$15,197,000
See Section E, pages E-15.1 to E-15.2, for more information.		
<ul style="list-style-type: none"> ● TOTAL DISBURSEMENTS 	\$52,038,000	\$74,861,000

Early Start Part C Grant

FUNDING:

The annual Part C Grant is independently determined by OSEP. Included in BY 2008-09 is an estimated one-time drawdown of \$22.9 million in unspent federal grant funds for early intervention services. California will be taking advantage of the opportunity to access funds that have already been awarded by OSEP. Of the \$108 million available for drawdown in July 2008, it is estimated that a total of \$74,861,000 can be accessed without jeopardizing federal maintenance of effort requirements. The total is 100 percent federal funds and does not require a state General Fund match.

CHANGE FROM THE APPROPRIATION:

The grant amount and disbursements reflect the most current available data and information. CY 2007-08 and BY 2008-09 appropriations were revised.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL Federal Funds	\$52,038,000	\$74,861,000
Grant	51,938,000	51,927,000
Additional Grant Funds	0	22,934,000
Rollover	100,000	0

Foster Grandparent Program Federal Funds

DESCRIPTION:

The Foster Grandparent Program gives men and women, 60 years of age and older, the opportunity to serve their community by sharing their time and attention with children under the age of 22 years who have developmental disabilities. Foster grandparents volunteer in the community schools, developmental centers, Head Start centers, foster homes and pre-schools. (See Operations, Projects, Page E-3.2, for more detail on the total regional center costs for this program.)

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
ASSUMPTIONS/METHODOLOGY:		
• Foster Grandparent Program Grant	\$546,000	\$546,000
The Foster Grandparent program grant is used as a fund source for specified operations costs in five regional centers: Valley Mountain, Tri-Counties, Kern, Central Valley and San Andreas.		
• TOTAL EXPENDITURES	\$546,000	\$546,000

FUNDING:

These federal funds are reflected in the Foster Grandparent/Senior Companion Programs estimate, under Operations, Projects, Page E-3.2.

CHANGE FROM PRIOR ESTIMATE:

Expenditures reflect increased costs associated with the transfer of Foster Grandparent/Senior Companion programs from Agnews Developmental Center to San Andreas Regional Center.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$546,000	\$546,000
General Fund	\$0	\$0
Reimbursements	\$0	\$0
Federal Funds	\$546,000	\$546,000
<i>Foster Grandparent Program</i>	<i>546,000</i>	<i>546,000</i>

Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2007-08

	Adjusted Budget CY 2007-08	2008-09 November Estimate CY 2007-08	Difference
POPULATION			
Active (Age 3 & Older)	190,925	191,725	800
Early Start (Birth through 2 Years)	28,305	29,930	1,625
Total Community Population	219,230	221,655	2,425
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$427,759,000	\$432,836,000	\$5,077,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	21,881,000	22,359,000	478,000
D. Placement Continuation for Agnews Closure	338,000	297,000	-41,000
E. Unallocated Reduction	-10,559,000	-10,559,000	0
F. Cost Containment	-5,968,000	-5,968,000	0
G. Staffing for Collection of FFP for Contracted Services	2,159,000	2,159,000	0
H. Staffing for Self-Directed HCBS Waiver	1,149,000	868,000	-281,000
I. Total Staffing	\$432,294,000	\$437,527,000	\$5,233,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	1,158,000	1,158,000	0
C. Compliance with HCBS Waiver Requirements	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirements	3,320,000	3,320,000	0
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	623,000	623,000	0
G. Total Federal Compliance	\$39,565,000	\$39,565,000	\$0
III. PROJECTS			
A. Information Technology Costs:	\$4,967,000	\$4,967,000	\$0
1. Applications Support	3,167,000	3,167,000	0
2. Data Processing	1,800,000	1,800,000	0
B. Clients' Rights Advocacy Contract	5,121,000	5,121,000	0
C. Life Quality Assessment Contract	4,866,000	4,866,000	0
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,197,000	2,197,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Programs	1,149,000	1,149,000	0
H. Special Incident Reporting/Risk Assessment Contract	833,000	833,000	0
I. Sherry S. Court Case / Los Angeles County Hops	534,000	534,000	0
J. Movers Evaluation Contract	600,000	600,000	0
K. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
L. University Enterprises, Inc. (formerly CSUS Foundation)	155,000	125,000	-30,000
M. Affordable Housing	90,000	94,000	4,000
N. Cost Containment	-490,000	-490,000	0
O. Self-Directed Services: Training and Development	200,000	200,000	0
P. Agnews Closure: Technical Assistance on Housing Issues	In item 1.C. above	280,000	280,000
Q. Evaluation of SB 962 Pilots	In item 1.C. above	250,000	250,000
R. Total Projects	\$25,824,000	\$26,328,000	\$504,000
IV. GRAND TOTAL	\$497,683,000	\$503,420,000	\$5,737,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2008-09

	Adjusted Budget CY 2007-08	2008-09 November Estimate BY 2008-09	Difference
POPULATION			
Active (Age 3 & Older)	190,925	199,200	8,275
Early Start (Birth through 2 Years)	28,305	32,925	4,620
Total Community Population	219,230	232,125	12,895
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$427,759,000	\$486,611,000	\$58,852,000
B. Intake and Assessment	-4,465,000	0	4,465,000
C. Community Placement Plan	21,881,000	21,058,000	-823,000
D. Placement Continuation for Agnews Closure	338,000	587,000	249,000
E. Unallocated Reduction	-10,559,000	-10,559,000	0
F. Cost Containment	-5,968,000	-5,968,000	0
G. Staffing for Collection of FFP for Contracted Services	2,159,000	2,177,000	18,000
H. Staffing for Self-Directed HCBS Waiver	1,149,000	3,385,000	2,236,000
I. Total Staffing	\$432,294,000	\$497,291,000	\$64,997,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	1,158,000	880,000	-278,000
C. Compliance with HCBS Waiver Requirements	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirements	3,320,000	3,463,000	143,000
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	623,000	623,000	0
G. Total Federal Compliance	\$39,565,000	\$39,430,000	-\$135,000
III. PROJECTS			
A. Information Technology Costs:	\$4,967,000	\$4,967,000	\$0
1. Applications Support	3,167,000	3,167,000	0
2. Data Processing	1,800,000	1,800,000	0
B. Clients' Rights Advocacy Contract	5,121,000	5,373,000	252,000
C. Life Quality Assessment Contract	4,881,000	4,985,000	104,000
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,197,000	2,197,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Programs	1,149,000	1,655,000	506,000
H. Special Incident Reporting/Risk Assessment Contract	833,000	940,000	107,000
I. Sherry S. Court Case / Los Angeles County Hops	534,000	534,000	0
J. Movers Evaluation Contract	600,000	600,000	0
K. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
L. University Enterprises, Inc. (formerly CSUS Foundation)	155,000	175,000	20,000
M. Affordable Housing	90,000	94,000	4,000
N. Cost Containment	-490,000	-490,000	0
O. Self-Directed Services: Training and Development	200,000	200,000	0
P. Agnews Closure: Technical Assistance on Housing Issues	In item 1.C. above	0	0
Q. Evaluation of SB 962 Pilots	In item 1.C. above	200,000	200,000
R. Total Projects	\$25,839,000	\$27,032,000	\$1,193,000
IV. NEW MAJOR ASSUMPTION			
A. Increased Access to Mental Health Services	\$0	\$740,000	\$740,000
B. Total New Major Assumption	\$0	\$740,000	\$740,000
IV. GRAND TOTAL	\$497,698,000	\$564,493,000	\$66,795,000

Purchase of Services

	CY 2007-08			BY 2008-09		
	Adjusted Budget <u>CY 2007-08</u>	November Estimate <u>CY 2007-08</u>	Difference <u>CY 2007-08</u>	Adjusted Budget <u>BY 2008-09</u>	November Estimate <u>BY 2008-09</u>	Difference <u>BY 2008-09</u>
A. Base	\$2,725,692,000	\$2,694,277,000	-\$31,415,000	\$2,725,692,000	\$3,037,486,000	\$311,794,000
B. Updated Population, Utilization and Expenditure Data	196,207,000	235,800,000	39,593,000	196,207,000	256,432,000	60,225,000
C. Community Placement Plan (CPP)	97,223,000	93,821,000	-3,402,000	97,223,000	52,978,000	-44,245,000
D. Placement/Deflection Continuation	64,178,000	64,178,000	0	64,178,000	109,849,000	45,671,000
E. Self-Directed Services	137,000	160,000	23,000	137,000	1,278,000	1,141,000
F. Minimum Wage	45,044,000	45,044,000	0	45,044,000	17,790,000	-27,254,000
G. ICF-DD Day Programs/Transportation Services	-44,000,000	0	44,000,000	-44,000,000	0	44,000,000
H. Sunset Cost Containment Trailer Bill Language	N/A	N/A	0	N/A	311,403,000	311,403,000
I. Transfer to Developmental Centers	0	676,000	676,000	0	0	0
J. New Major Assumption: Adjustment to Purchase of Services Increase	N/A	N/A	0	N/A	-192,697,000	-192,697,000
K. TOTAL	\$3,084,481,000	\$3,133,956,000	\$49,475,000	\$3,084,481,000	\$3,594,519,000	\$510,038,000

**Purchase of Services
Summary of Utilization Change/Growth**

CY 2007-08

	2007-08 Adjusted Budget CY 2007-08	2008-09 November Estimate CY 2007-08	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$26,756,000	\$33,744,000	\$6,988,000
1. Caseload Growth	<i>11,333,000</i>	<i>10,486,000</i>	<i>-847,000</i>
2. Average Cost Increase	<i>15,423,000</i>	<i>23,258,000</i>	<i>7,835,000</i>
B. Medical Facilities	673,000	672,000	-\$1,000
C. Day Programs	37,858,000	35,443,000	-\$2,415,000
1. Caseload Growth	<i>30,287,000</i>	<i>27,984,000</i>	<i>-2,303,000</i>
2. Average Cost Increase	<i>7,571,000</i>	<i>7,459,000</i>	<i>-112,000</i>
D. Habilitation Services	2,325,000	1,500,000	-825,000
1. Work Activity Program	<i>455,000</i>	<i>982,000</i>	<i>527,000</i>
2. Supported Employment (SE) Group	<i>1,033,000</i>	<i>-185,000</i>	<i>-1,218,000</i>
3. SE Individual Placements	<i>837,000</i>	<i>703,000</i>	<i>-134,000</i>
E. Transportation	9,950,000	5,507,000	-4,443,000
F. Support Services	46,382,000	78,175,000	31,793,000
G. In-Home Respite	8,737,000	20,729,000	11,992,000
H. Out-of-Home Respite	4,846,000	4,189,000	-657,000
I. Health Care	5,467,000	8,651,000	3,184,000
J. Miscellaneous	46,217,000	53,048,000	6,831,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$189,211,000	\$241,658,000	\$52,447,000

**Purchase of Services
Summary of Utilization Change/Growth**

BY 2008-09

	2007-08 Adjusted Budget CY 2007-08	2008-09 November Estimate BY 2008-09	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$26,756,000	\$36,702,000	\$9,946,000
1. Caseload Growth	11,333,000	11,234,000	-99,000
2. Average Cost Increase	15,423,000	25,468,000	10,045,000
B. Medical Facilities	673,000	672,000	-1,000
C. Day Programs	37,858,000	38,636,000	778,000
1. Caseload Growth	30,287,000	30,736,000	449,000
2. Average Cost Increase	7,571,000	7,900,000	329,000
D. Habilitation Services	2,325,000	1,559,000	-766,000
1. Work Activity Program	455,000	903,000	448,000
2. Supported Employment (SE) Group	1,033,000	47,000	-986,000
3. SE Individual Placements	837,000	609,000	-228,000
E. Transportation	9,950,000	5,225,000	-4,725,000
F. Support Services	46,382,000	90,932,000	44,550,000
G. In-Home Respite	8,737,000	20,544,000	11,807,000
H. Out-of-Home Respite	4,846,000	4,607,000	-239,000
I. Health Care	5,467,000	8,638,000	3,171,000
J. Miscellaneous	46,217,000	53,051,000	6,834,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$189,211,000	\$260,566,000	\$71,355,000

Purchase of Services
Summary of Utilization Change/Growth

CY 2007-08 and BY 2008-09

	2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$33,744,000	\$36,702,000	\$2,958,000
1. Caseload Growth	10,486,000	11,234,000	748,000
2. Average Cost Increase	23,258,000	25,468,000	2,210,000
B. Medical Facilities	672,000	672,000	0
C. Day Programs	35,443,000	38,636,000	3,193,000
1. Caseload Growth	27,984,000	30,736,000	2,752,000
2. Average Cost Increase	7,459,000	7,900,000	441,000
D. Habilitation Services	1,500,000	1,559,000	59,000
1. Work Activity Program	982,000	903,000	-79,000
2. Supported Employment (SE) Group	-185,000	47,000	232,000
3. SE Individual Placements	703,000	609,000	-94,000
E. Transportation	5,507,000	5,225,000	-282,000
F. Support Services	78,175,000	90,932,000	12,757,000
G. In-Home Respite	20,729,000	20,544,000	-185,000
H. Out-of-Home Respite	4,189,000	4,607,000	418,000
I. Health Care	8,651,000	8,638,000	-13,000
J. Miscellaneous	53,048,000	53,051,000	3,000
K. TOTAL	\$241,658,000	\$260,566,000	\$18,908,000

Purchase of Services
Placement and Deflection Continuation
Current Year 2007-08

For the 2008-09 November Estimate, CY 2007-08 Placement and Deflection Continuation (PDC) costs have not yet been updated and are, therefore, assumed to be the same as the 2007-08 May Revision. CY 2007-08 costs will be updated in the 2008-09 May Revision.

Living Arrangement	# of Consumers	% of Total Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total	
			CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual								
A. REGULAR CPP																		
● Community Care Facilities (CCF)																		
● Residential Facilities	41	23%	492	\$2,170,000			\$1,267,000			\$167,000	\$924,000	\$1,000	\$6,000	\$52,000	\$1,213,000	\$5,800,000		
Avg Annual Cost/Consumer				\$52,927			\$30,902			\$4,073	\$22,537	\$24	\$146	\$1,268	\$29,585	\$141,462		
● Specialized Residential Facilities (SRF)	79	45%	948	\$8,003,000			\$1,917,000		\$127,000	\$445,000	\$643,000		\$62,000	\$470,000	\$622,000	\$12,289,000		
Avg Annual Cost/Consumer				\$101,304			\$24,266		\$1,608	\$5,633	\$8,139		\$785	\$5,949	\$7,873	\$155,557		
● Adult Family Home Agencies	1	1%	12		\$61,000		\$18,000			\$6,000	\$18,000			\$18,000	\$4,000	\$125,000		
Avg Annual Cost/Consumer					\$61,000		\$18,000			\$6,000	\$18,000			\$18,000	\$4,000	\$125,000		
● Intermediate Care Facilities (ICF)	25	14%	300			\$1,308,000	\$493,000			\$133,000	\$86,000		\$13,000	\$92,000	\$717,000	\$2,842,000		
Avg Annual Cost/Consumer						N/A	\$19,720			\$5,320	\$3,440		\$520	\$3,680	\$28,680	\$61,360		
● Supported Living	30	17%	360				\$4,659,000	\$679,000	\$3,000	\$152,000	\$167,000	\$297,000	\$14,000	\$198,000	\$111,000	\$6,280,000		
Avg Annual Cost/Consumer							\$155,300	\$22,633	\$100	\$5,067	\$5,567	\$9,900	\$467	\$6,600	\$3,700	\$209,334		
Subtotal	176	100%	2,112	\$10,173,000	\$61,000	\$1,308,000	\$4,659,000	\$4,374,000	\$3,000	\$279,000	\$0	\$918,000	\$1,968,000	\$1,000	\$95,000	\$830,000	\$2,667,000	\$27,336,000
B. AGNEWS OTHER CPP																		
● CCF																		
● Residential Facilities	5	50%	60	\$254,000		\$139,000				\$30,000	\$81,000	\$7,000	\$12,000	\$21,000		\$544,000		
Avg Annual Cost/Consumer				\$50,800		N/A				\$6,000	\$16,200	\$1,400	\$2,400	\$4,200		\$81,000		
● SRF 1 bed	1	10%	12	\$101,000		\$25,000				\$6,000	\$50,000			\$11,000		\$193,000		
Avg Annual Cost/Consumer				\$101,000		N/A				\$6,000	\$50,000			\$11,000		\$168,000		
● SRF 3 bed	1	10%	12	\$102,000		\$23,000					\$23,000			\$11,000		\$159,000		
Avg Annual Cost/Consumer				\$102,000		N/A					\$23,000			\$11,000		\$136,000		
● SRF 4 bed	3	30%	36	\$395,000		\$171,000				\$56,000	\$89,000	\$20,000	\$11,000	\$49,000		\$791,000		
Avg Annual Cost/Consumer				\$131,667		N/A				\$18,667	\$29,667	\$6,667	\$3,667	\$16,333		\$206,668		
Subtotal	10	100%	120	\$852,000	\$0	\$358,000	\$0	\$0	\$0	\$92,000	\$243,000	\$0	\$27,000	\$23,000	\$92,000	\$0	\$1,687,000	

Continued on next page.

Purchase of Services
Placement and Deflection Continuation
Current Year 2007-08 (continued)

Living Arrangement	# of Consumers	% of Total Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total	
			CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual								
C. AGNEWS UNIFIED CPP																		
● CCF																		
● Residential Facilities	4	7%	48	\$176,000														
Avg Annual Cost/Consumer				\$44,000				\$83,000			\$22,000					\$281,000		
								\$20,750			\$5,500					\$70,250		
● SRF 3-Bed - Hallmark RCEB	2	3%	24	\$697,000				\$76,000			\$13,000					\$786,000		
Avg Annual Cost/Consumer				\$348,500				\$38,000			\$6,500					\$393,000		
● SRF 3-Bed - Hallmark SARC	5	8%	60	\$813,000				\$105,000			\$27,000					\$945,000		
Avg Annual Cost/Consumer				\$162,600				\$21,000			\$5,400					\$189,000		
● SRF 4-Bed - Hallmark RCEB	2	3%	24	\$758,000				\$76,000			\$13,000					\$847,000		
Avg Annual Cost/Consumer				\$379,000				\$38,000			\$6,500					\$423,500		
● SRF 4-Bed - Hallmark SARC	4	7%	48	\$1,041,000				\$83,000			\$31,000					\$1,155,000		
Avg Annual Cost/Consumer				\$260,250				\$20,750			\$7,750					\$288,750		
● SB 962 4-Bed Hallmark GGRC	4	7%	48	\$1,076,000				\$144,000			\$29,000					\$1,249,000		
Avg Annual Cost/Consumer				\$269,000				\$36,000			\$7,250					\$312,250		
● SB 962 5-Bed Hallmark SARC	1	2%	12	\$423,000				\$29,000			\$8,000					\$460,000		
Avg Annual Cost/Consumer				\$423,000				\$29,000			\$8,000					\$460,000		
● Adult Family Home Agencies																		
● Adult Family Home	5	8%	60		\$355,000			\$105,000			\$39,000					\$499,000		
Avg Annual Cost/Consumer					\$71,000			\$21,000			\$7,800					\$99,800		
● Family Teaching Home (FTH) Hallmark SARC	7	12%	84		\$1,603,000			\$146,000			\$54,000					\$1,803,000		
Avg Annual Cost/Consumer					\$229,000			\$20,857			\$7,714					\$257,571		
● Intermediate Care Facilities (ICF)	19	32%	228			\$6,295,000		\$510,000			\$107,000	\$130,000		\$132,000	\$216,000	\$7,390,000		
Avg Annual Cost/Consumer						N/A		\$26,842			\$5,632	\$6,842		\$6,947	\$11,368	\$57,631		
● Supported Living	5	8%	60					\$885,000			\$7,000				\$2,000	\$927,000		
Avg Annual Cost/Consumer								\$177,000			\$1,400				\$400	\$185,400		
● Other (Own Home, etc.)	2	3%	24					\$20,000			\$3,000	\$15,000	\$19,000		\$26,000	\$83,000		
Avg Annual Cost/Consumer								\$10,000			\$1,500	\$7,500	\$9,500		\$13,000	\$41,500		
● Additional Services & Supports a/												\$184,000			\$81,000	\$103,000		
Subtotal	60	100%	720	\$4,984,000	\$1,958,000	\$6,295,000	\$885,000	\$1,410,000	\$0	\$0	\$0	\$353,000	\$329,000	\$19,000	\$0	\$241,000	\$319,000	\$16,793,000
D. TOTAL PLACEMENT CONTINUATION (A. + B. + C.)																		
	246	100%	2,952	\$16,009,000	\$2,019,000	\$7,961,000	\$5,544,000	\$5,784,000	\$3,000	\$279,000	\$92,000	\$1,514,000	\$2,297,000	\$47,000	\$118,000	\$1,163,000	\$2,986,000	\$45,816,000
E. DEFLECTION CONTINUATION																		
	137	100%	1,644	\$15,386,000	\$120,000	\$0	\$2,856,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,362,000
F. TOTAL CONTINUATION (D. + E.)																		
	383	100%	4,596	\$31,395,000	\$2,139,000	\$7,961,000	\$8,400,000	\$5,784,000	\$3,000	\$279,000	\$92,000	\$1,514,000	\$2,297,000	\$47,000	\$118,000	\$1,163,000	\$2,986,000	\$64,178,000

a/ Supplemental services needed to support an individual for pre-placement and for the initial period of placement.

Purchase of Services
Placement and Deflection Continuation
Budget Year 2008-09

For the 2008-09 November Estimate, Agnews Unified and Agnews Other Placement and Deflection Continuation (PDC) costs have been projected based on updated estimated CY 2007-08 Community Placement Plan placements. Regular PDC cost are assumed to be the same as the 2007-08 May Revision. All BY 2008-09 CPP and PDC costs will be updated in the 2008-09 May Revision based on the CPPs received from the regional centers in December 2007 (Regular CPP) and January 2008 (Unified CPP).

Living Arrangement	# of Consumers	% of Total	Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. REGULAR CPP																		
● Community Care Facilities (CCF)																		
● Residential Facilities	41	23%	492	\$2,170,000				\$1,267,000				\$167,000	\$924,000	\$1,000	\$6,000	\$52,000	\$1,213,000	\$5,800,000
Avg Annual Cost/Consumer				\$52,927				\$30,902				\$4,073	\$22,537	\$24	\$146	\$1,268	\$29,585	\$141,462
● Specialized Residential Facilities (SRF)	79	45%	948	\$8,003,000				\$1,917,000		\$127,000		\$445,000	\$643,000		\$62,000	\$470,000	\$622,000	\$12,289,000
Avg Annual Cost/Consumer				\$101,304				\$24,266		\$1,608		\$5,633	\$8,139	\$785	\$5,949	\$7,873	\$7,873	\$155,557
● Adult Family Home Agencies	1	1%	12		\$61,000			\$18,000				\$6,000	\$18,000		\$18,000	\$4,000	\$4,000	\$125,000
Avg Annual Cost/Consumer					\$61,000			\$18,000				\$6,000	\$18,000		\$18,000	\$4,000	\$4,000	\$125,000
● Intermediate Care Facilities (ICF)	25	14%	300			\$1,308,000		\$493,000				\$133,000	\$86,000		\$13,000	\$92,000	\$717,000	\$2,842,000
Avg Annual Cost/Consumer						N/A		\$19,720				\$5,320	\$3,440	\$520	\$3,680	\$28,680	\$61,360	\$61,360
● Supported Living	30	17%	360				\$4,659,000	\$679,000	\$3,000	\$152,000		\$167,000	\$297,000		\$14,000	\$198,000	\$111,000	\$6,280,000
Avg Annual Cost/Consumer							\$155,300	\$22,633	\$100	\$5,067		\$5,567	\$9,900	\$467	\$6,600	\$3,700	\$3,700	\$209,334
Subtotal	176	100%	2,112	\$10,173,000	\$61,000	\$1,308,000	\$4,659,000	\$4,374,000	\$3,000	\$279,000	\$0	\$918,000	\$1,968,000	\$1,000	\$95,000	\$830,000	\$2,667,000	\$27,336,000
B. AGNEWS OTHER CPP																		
● CCF																		
● Residential Facilities	2	18%	24	\$96,000				\$73,000				\$22,000	\$40,000		\$25,000	\$1,000	\$0	\$257,000
Avg Annual Cost/Consumer				\$48,000				\$36,500				\$11,000	\$20,000		\$12,500	\$500	\$0	\$128,500
● SRF 4-Bed - Hallmark	2	18%	24	\$240,000				\$114,000				\$37,000	\$60,000		\$13,000	\$7,000	\$40,000	\$511,000
Avg Annual Cost/Consumer				\$120,000				\$57,000				\$18,500	\$30,000		\$6,500	\$3,500	\$20,000	\$255,500
● Intermediate Care Facilities (ICF)	3	27%	36					\$184,000				\$64,000	\$54,000		\$20,000	\$54,000	\$376,000	\$376,000
Avg Annual Cost/Consumer								\$61,333				\$21,333	\$18,000		\$6,667	\$18,000	\$125,333	\$125,333
● Supported Living	4	37%	48				\$576,000	\$285,000				\$96,000	\$295,000		\$17,000	\$203,000	\$1,472,000	\$1,472,000
Avg Annual Cost/Consumer							\$144,000	\$71,250				\$24,000	\$73,750		\$4,250	\$50,750	\$368,000	\$368,000
Subtotal	11	100%	132	\$336,000	\$0	\$0	\$576,000	\$656,000	\$0	\$0	\$0	\$219,000	\$449,000	\$0	\$38,000	\$45,000	\$297,000	\$2,616,000

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Purchase of Services
Placement and Deflection Continuation
Budget Year 2008-09 (continued)

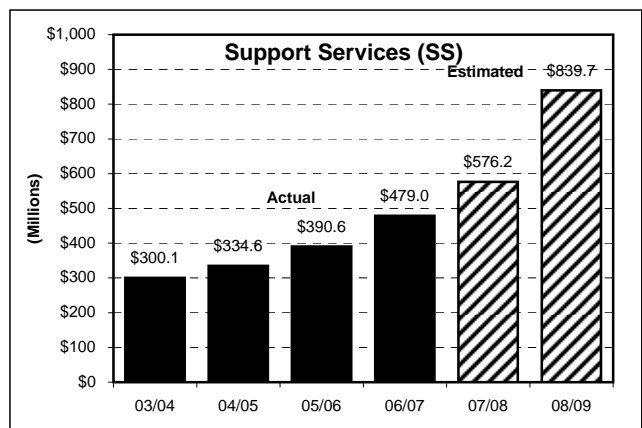
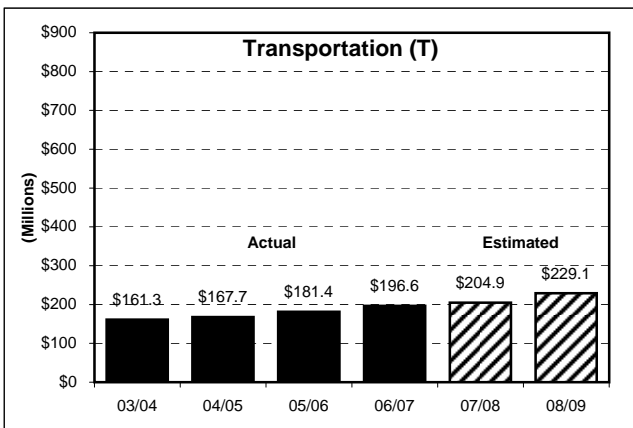
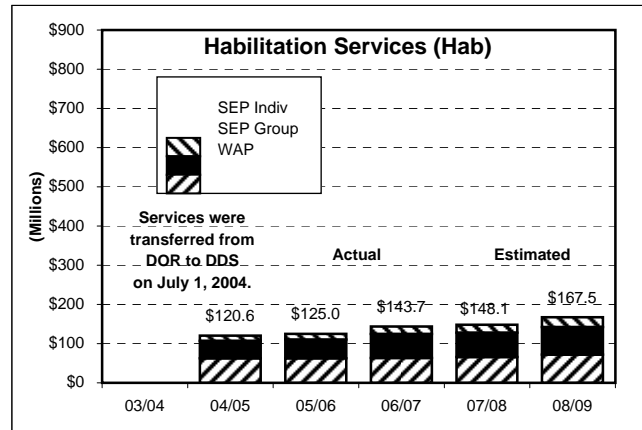
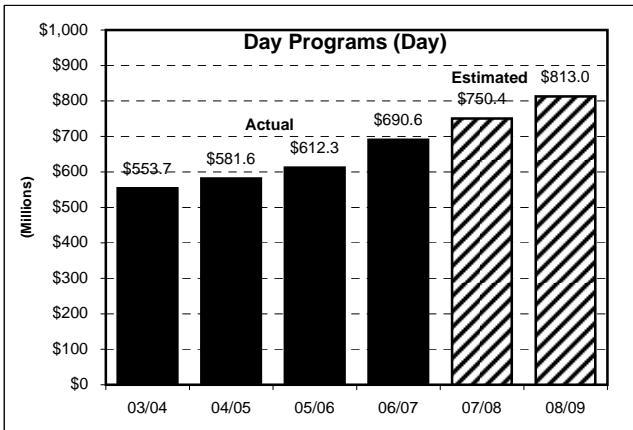
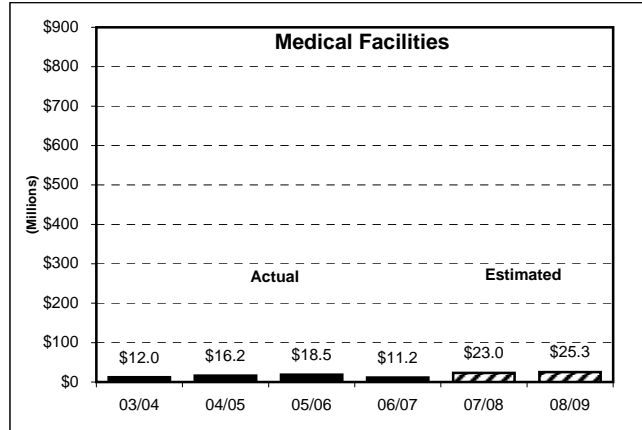
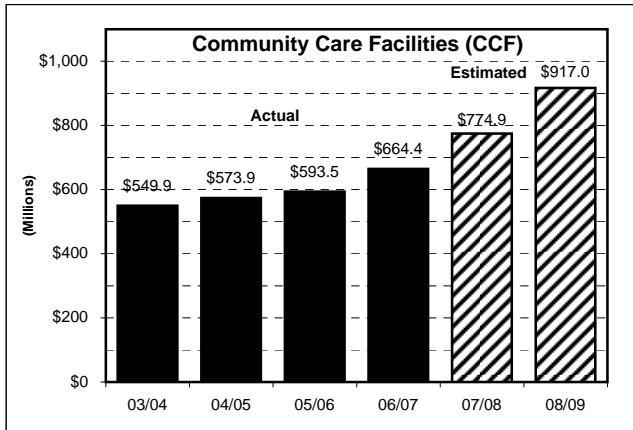
Living Arrangement	# of Consumers	% of Total	Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
C. AGNEWS UNIFIED CPP																		
• CCF																		
• Residential Facilities	1	1%	12	\$42,000				\$21,000				\$5,000						\$68,000
Avg Annual Cost/Consumer				\$42,000				\$21,000				\$5,000						\$68,000
• SRF 3-Bed - Hallmark GGRC	23	12%	276	\$5,896,000				\$792,000				\$166,000						\$6,854,000
Avg Annual Cost/Consumer				\$256,348				\$34,435				\$7,217						\$298,000
• SRF 3-Bed - Hallmark RCEB	16	8%	192	\$4,342,000				\$562,000				\$106,000						\$5,010,000
Avg Annual Cost/Consumer				\$271,375				\$35,125				\$6,625						\$313,126
• SRF 3-Bed - Hallmark SARC	18	9%	216	\$4,429,000				\$378,000				\$104,000						\$4,911,000
Avg Annual Cost/Consumer				\$246,056				\$21,000				\$5,778						\$272,834
• SRF 4-Bed - Hallmark RCEB	6	3%	72	\$1,541,000				\$211,000				\$40,000						\$1,792,000
Avg Annual Cost/Consumer				\$256,833				\$35,167				\$6,667						\$298,667
• SRF 4-Bed - Hallmark SARC	20	10%	240	\$5,075,000				\$416,000				\$156,000						\$5,647,000
Avg Annual Cost/Consumer				\$253,750				\$20,800				\$7,800						\$282,350
• SB 962 4-Bed Hallmark GGRC	7	4%	84	\$2,168,000				\$248,000				\$50,000						\$2,466,000
Avg Annual Cost/Consumer				\$309,714				\$35,429				\$7,143						\$352,287
Other Placements				\$211,000														\$211,000
• SB 962 4-Bed Hallmark RCEB	3	1%	36	\$857,000				\$105,000				\$20,000						\$982,000
Avg Annual Cost/Consumer				\$285,667				\$35,000				\$6,667						\$327,334
• SB 962 5-Bed Hallmark RCEB	17	9%	204	\$4,391,000				\$598,000				\$112,000						\$5,101,000
Avg Annual Cost/Consumer				\$258,294				\$35,176				\$6,588						\$300,058
Other Placements				\$381,000														\$381,000
• SB 962 5-Bed Hallmark SARC	56	29%	672	\$14,000,000				\$1,582,000				\$425,000						\$16,007,000
Avg Annual Cost/Consumer				\$250,000				\$28,250				\$7,589						\$285,838
Other Placements				\$381,000														\$381,000
• Adult Family Home Agencies																		
• Adult Family Home	2	1%	24		\$142,000			\$42,000				\$16,000						\$200,000
Avg Annual Cost/Consumer					\$71,000			\$21,000				\$8,000						\$100,000
• Family Teaching Home (FTH)																		
Hallmark SARC	15	8%	180		\$2,752,000			\$312,000				\$117,000						\$3,181,000
Avg Annual Cost/Consumer					\$183,467			\$20,800				\$7,800						\$212,067
• Intermediate Care Facilities (ICF)	2	1%	24			\$432,000		\$42,000				\$16,000						\$490,000
Avg Annual Cost/Consumer						N/A		\$21,000				\$8,000						\$29,000
• Supported Living	5	3%	60					\$935,000				\$7,000					\$4,000	\$985,000
Avg Annual Cost/Consumer								\$187,000				\$1,400					\$800	\$197,000
• Other (Own Home, etc.)	2	1%	12															\$0
Avg Cost/Consumer Mo																		\$0
• Additional Services & Supports a/												\$321,000	\$0	\$0	\$2,800,000	\$3,747,000		\$6,868,000
Subtotal	193	100%	2,292	\$43,714,000	\$2,894,000	\$432,000	\$935,000	\$5,348,000	\$0	\$0	\$0	\$1,340,000	\$321,000	\$0	\$0	\$2,800,000	\$3,751,000	\$61,535,000
D. TOTAL PLACEMENT CONTINUATION (A. + B. + C.)																		
380	100%	4,536	\$54,223,000	\$2,955,000	\$1,740,000	\$6,170,000	\$10,378,000	\$3,000	\$279,000	\$0	\$2,477,000	\$2,738,000	\$1,000	\$133,000	\$3,675,000	\$6,715,000	\$91,487,000	
E. DEFLECTION CONTINUATION																		
137	100%	1,644	\$15,386,000	\$120,000	\$0	\$2,856,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,362,000
F. TOTAL CONTINUATION b/ (D. + E.)																		
517	100%	6,180	\$69,609,000	\$3,075,000	\$1,740,000	\$9,026,000	\$10,378,000	\$3,000	\$279,000	\$0	\$2,477,000	\$2,738,000	\$1,000	\$133,000	\$3,675,000	\$6,715,000	\$109,849,000	

a/ Supplemental services needed to support an individual for pre-placement and for the initial period of placement.

b/ The above start-up, assessment, placement and deflection amounts include \$17,539,100 for State Employees in the Community (related to closure of Agnews Developmental Center).

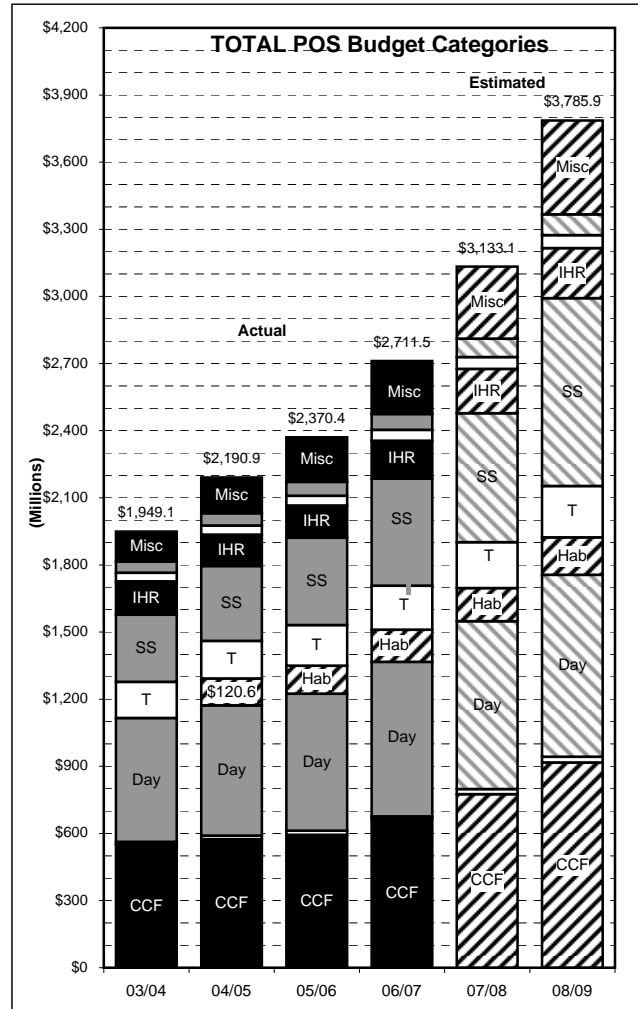
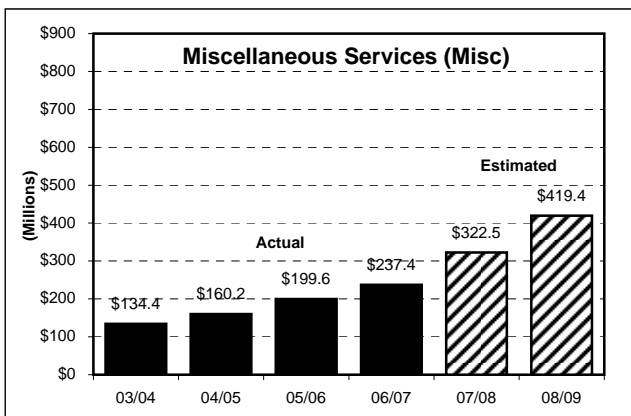
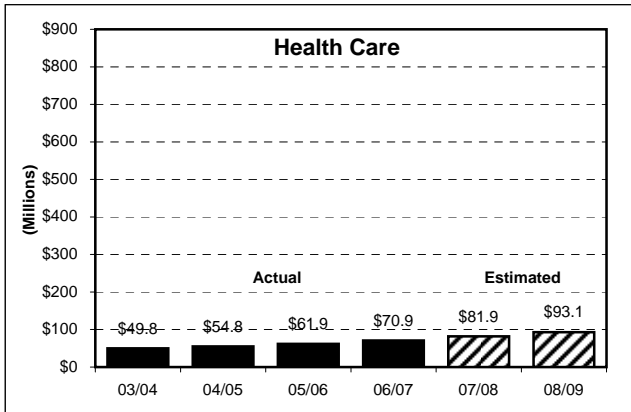
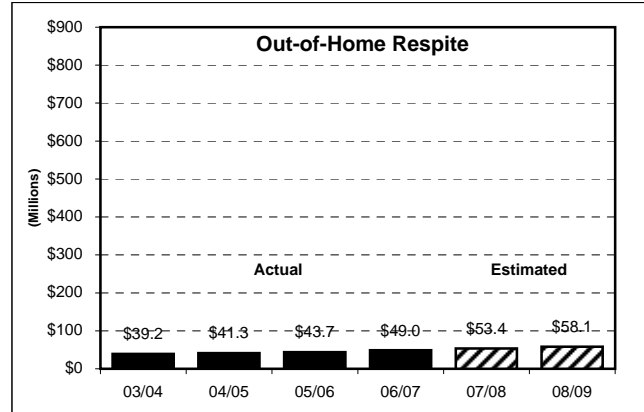
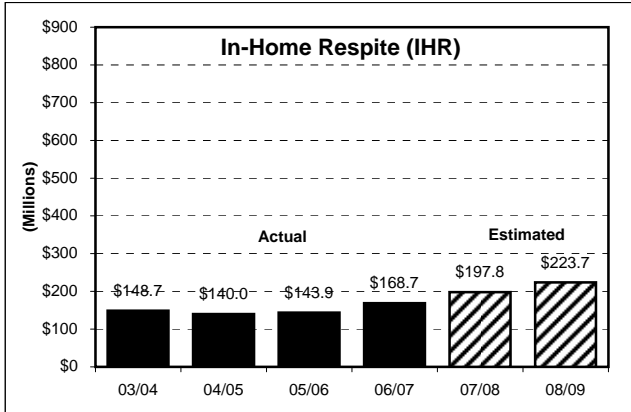
Purchase of Services **TOTAL EXPENDITURES** by Budget Category

(Excludes Self-Directed Services and Major Assumptions)



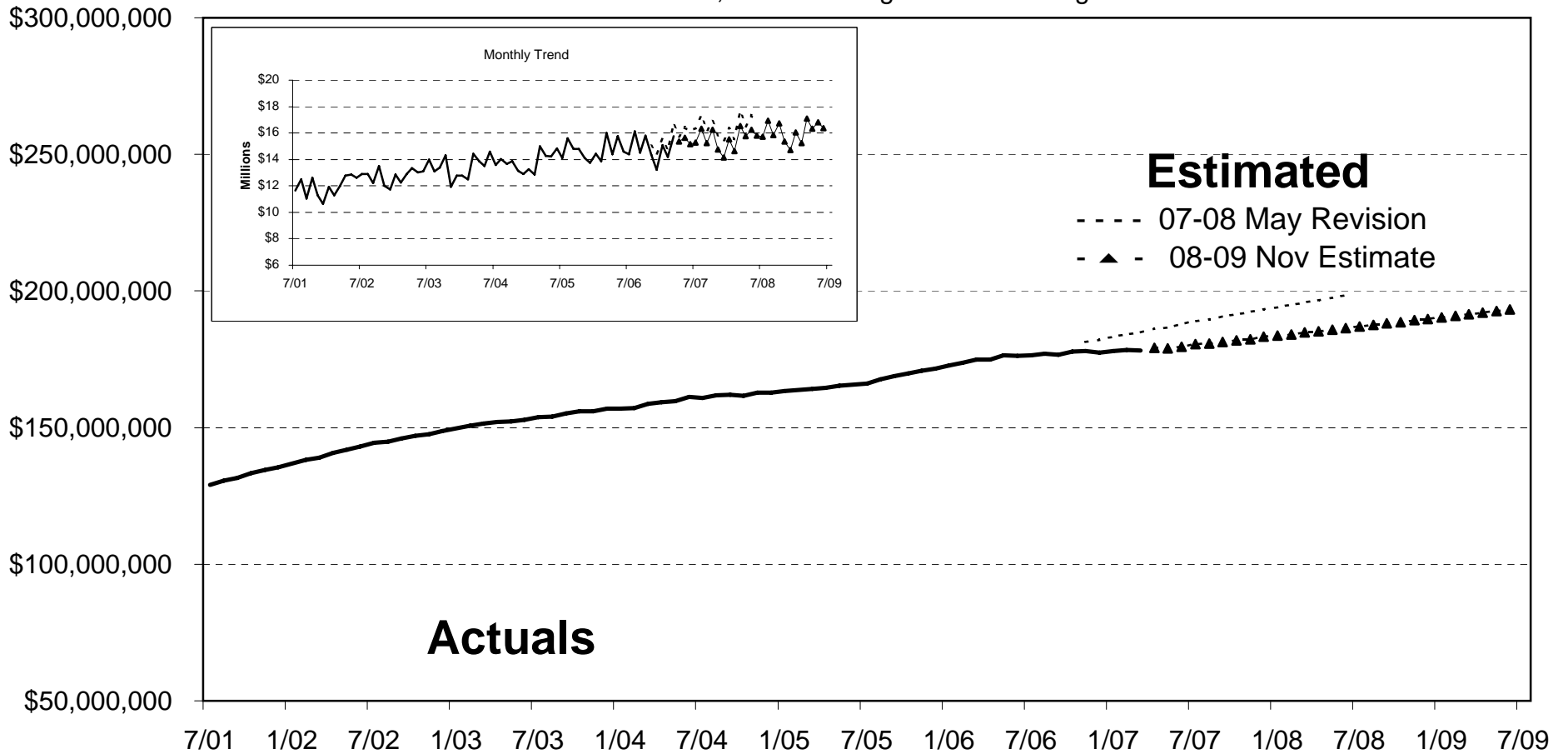
Purchase of Services TOTAL EXPENDITURES by Budget Category

(Excludes Self-Directed Services and Major Assumptions)



Purchase of Services TRANSPORTATION

12-month Moving Total Trend
Excludes CPP, Includes Program/Rate Changes



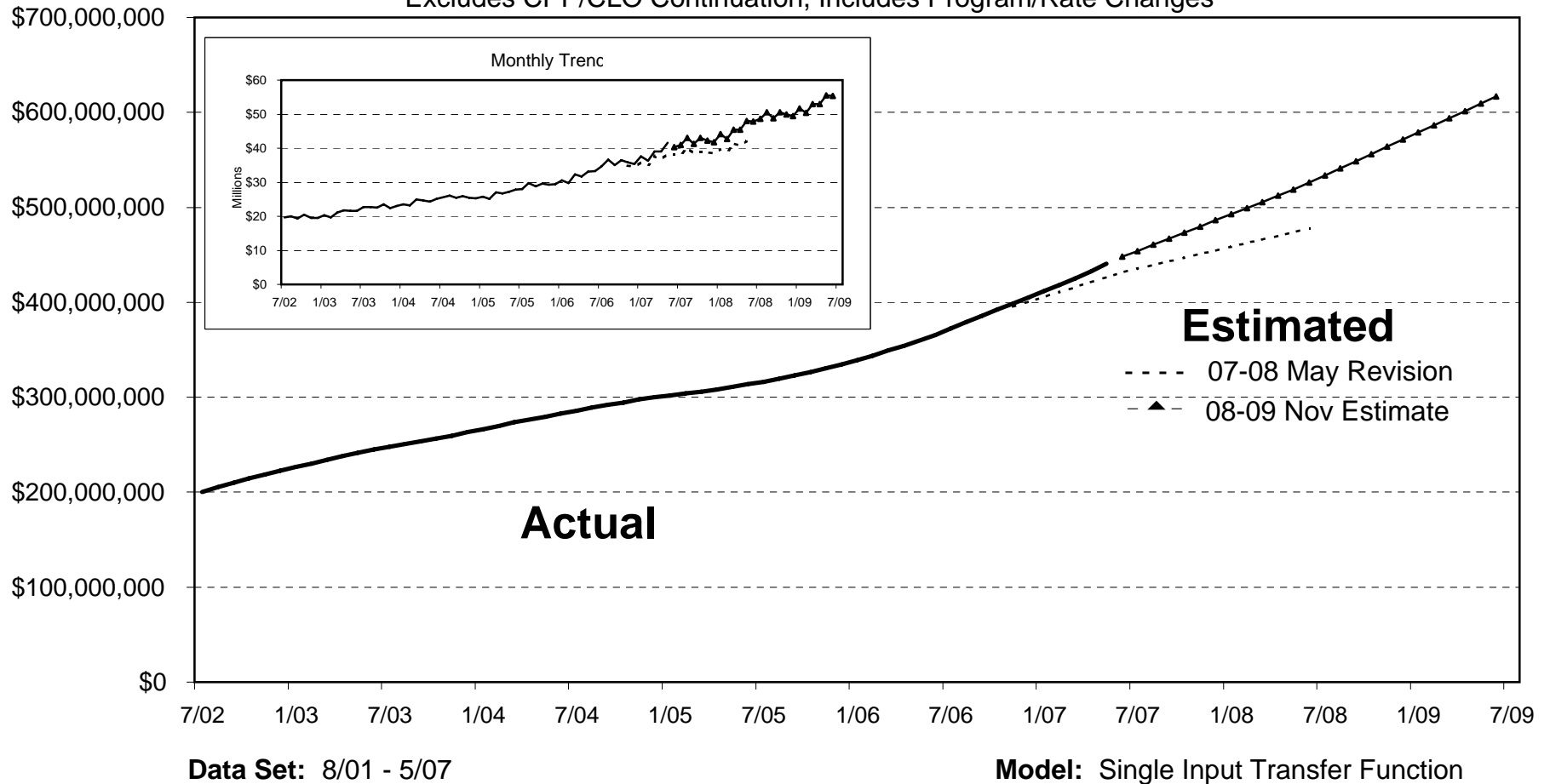
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Model: CSUS Multiple Transfer Function

Purchase of Services **SUPPORT SERVICES**

12-month Moving Total Trend

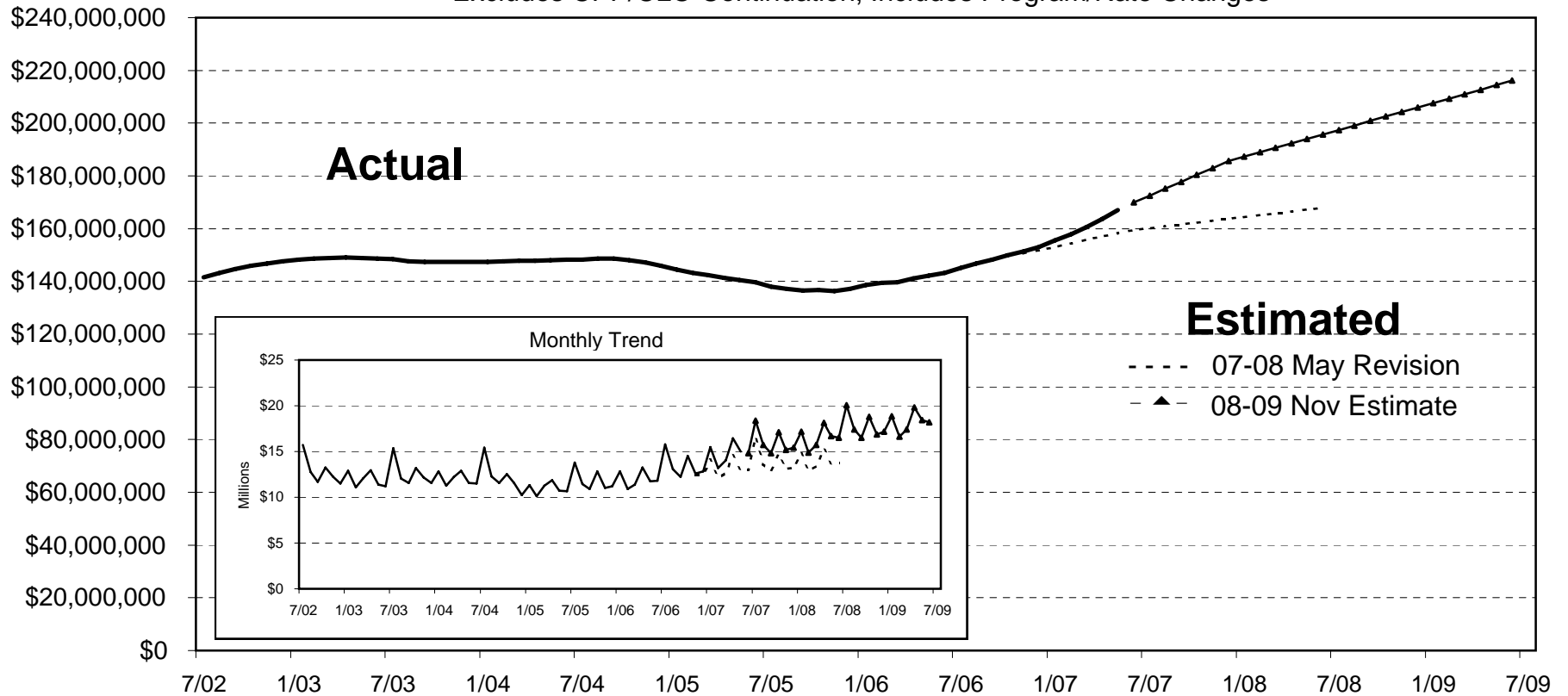
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services IN-HOME RESPITE SERVICES

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



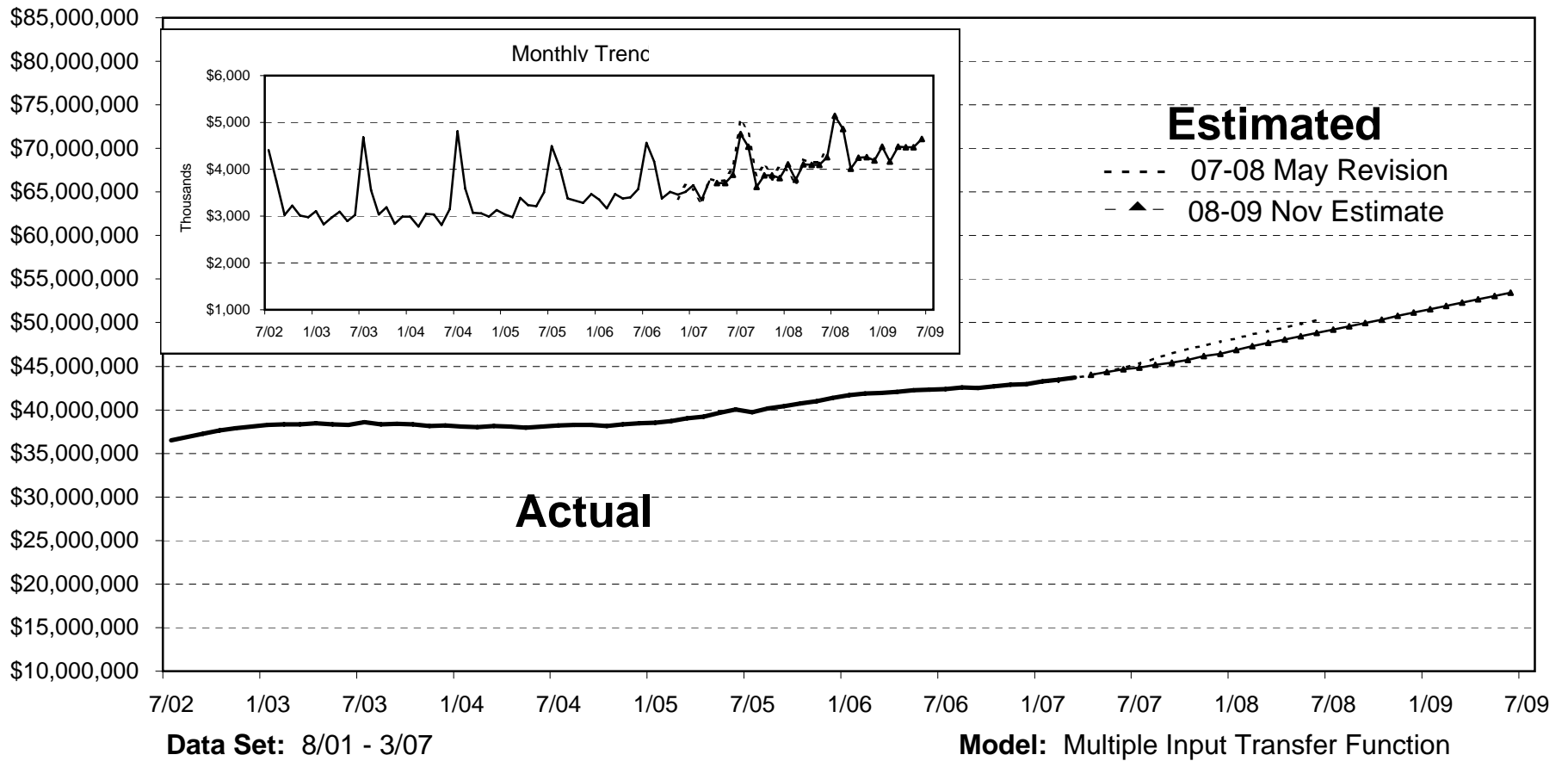
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Model: Multiple Input Transfer Function

Purchase of Services OUT-OF-HOME RESPITE SERVICES

12-month Moving Total Trend

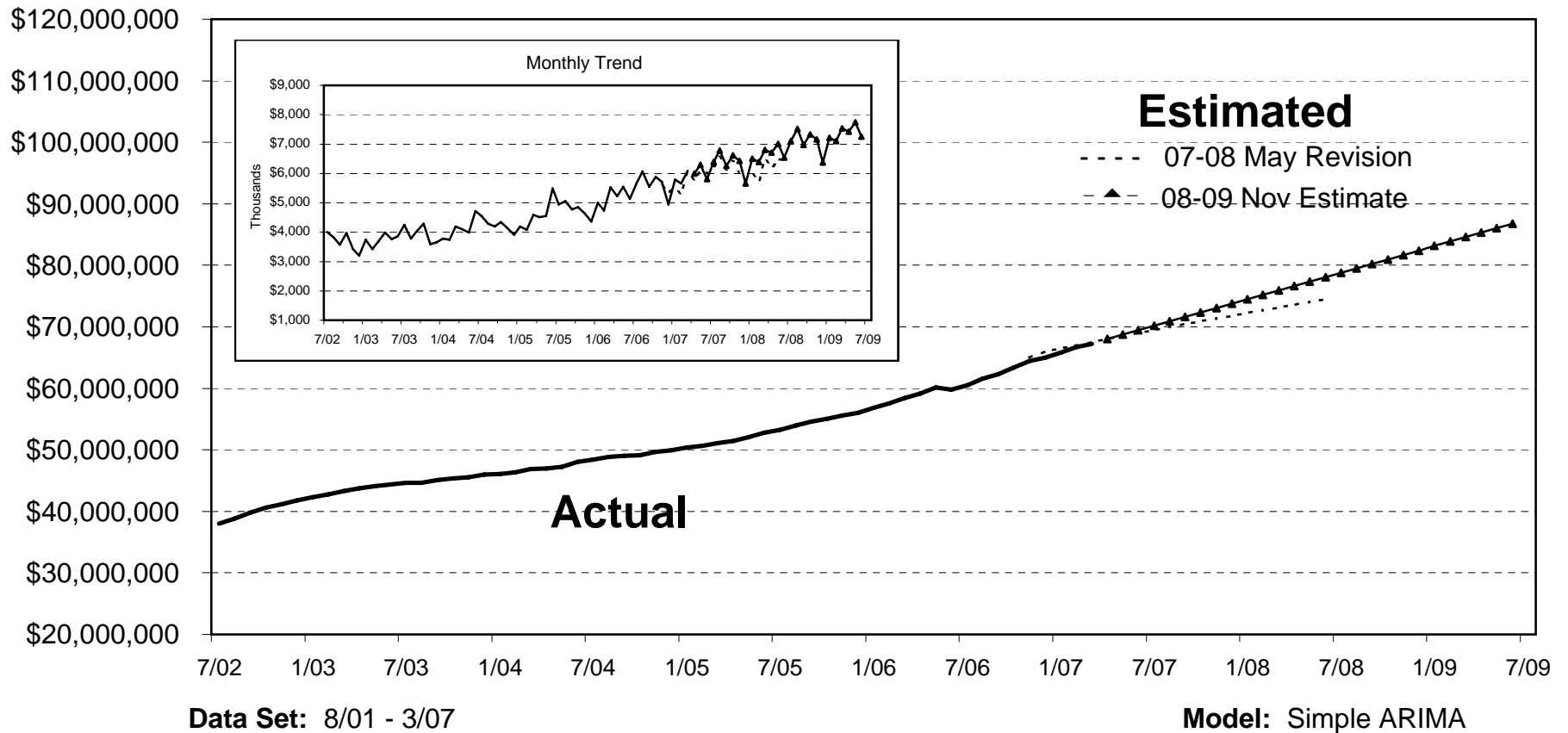
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services HEALTH CARE SERVICES

12-month Moving Total Trend

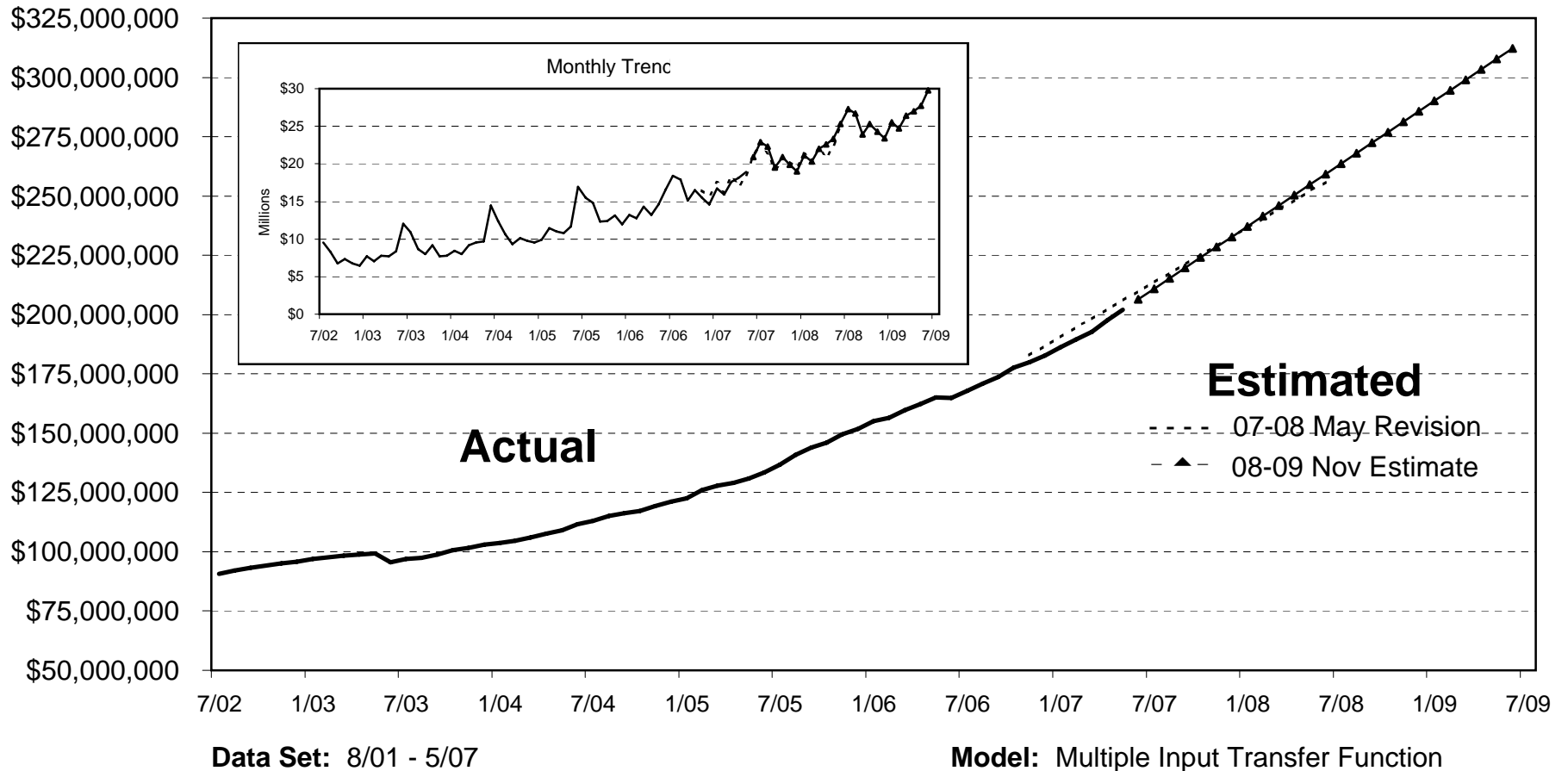
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services MISCELLANEOUS SERVICES

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Reimbursements
Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS <i>a/</i>	2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09
A. Home and Community-Based Services (HCBS) Waiver	\$1,686,913,000	\$1,843,964,000
1. Reimbursement (from DHS) = 50%	843,457,000	921,982,000
2. DDS GF Match = 50%	784,667,000	853,206,000
3. PTA Match (Purchase of Services)	58,789,000	68,776,000
B. HCBS Waiver Administration	\$9,444,000	\$9,458,000
1. Reimbursement (from DHS) = 50%	4,722,000	4,729,000
2. DDS GF Match = 50% (Operations)	4,722,000	4,729,000
C. Medicaid Administration	\$19,047,000	\$19,990,000
1. Reimbursement (from DHS) = 75%	14,285,000	14,992,000
2. DDS GF Match = 25% (Operations)	4,762,000	4,998,000
D. Targeted Case Management (TCM)	\$271,699,000	\$303,908,000
1. Reimbursement (from DHS) = 50%	135,850,000	151,954,000
2. DDS GF Match = 50% (Operations)	135,849,000	151,954,000
E. Targeted Case Management Administration	\$8,962,000	\$8,962,000
1. Reimbursement (from DHS) = 50%	4,481,000	4,481,000
2. DDS GF Match = 50% (Operations)	4,481,000	4,481,000
F. Title XX Block Grant	\$203,903,000	\$203,903,000
1a. Social Services (from DSS) = 100%	147,903,000	147,903,000
1b. Temporary Assistance for Needy Families (TANF) (from DSS) = 100%	56,000,000	56,000,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Home and Community Based Services (SD-HCBS) Waiver	\$363,000	\$17,546,000
1. Reimbursement (from DHS) = 50%	182,000	8,773,000
2. DDS GF Match = 50% (Purchase of Services)	181,000	8,773,000
H. Self-Directed Home and Community Based Services Waiver Administration	\$868,000	\$3,385,000
1. Reimbursement (from DHS) = 50%	434,000	1,693,000
2. DDS GF Match = 50% (Operations)	434,000	1,692,000
I. Medicaid	\$88,000,000	\$88,000,000
1. Reimbursement (from DHS) = 50%	44,000,000	44,000,000
2. DDS GF Match = 50% (Purchase of Services)	44,000,000	44,000,000
J. Vocational Rehabilitation (VR)	\$588,000	\$588,000
1. VR Reimbursement (from DOR) 100%	588,000	588,000
2. DDS GF Match (Purchase of Services)	0	0
K. TOTAL	\$2,289,787,000	\$2,499,704,000
1. Reimbursements	1,251,902,000	1,357,095,000
2. Total GF Match	979,096,000	1,073,833,000
3. Total PTA Match	58,789,000	68,776,000

a/ Reimbursements are funds received via other state agencies.

Collection of FFP for Contracted Services

	CY 2007-08				
	(A) Total (B + E)	(B) Federal Funds	Fund Sources		
			(C)	(D)	(E)
			General Fund (GF)		
		GF Match	GF Other	Total GF (C + D)	
A. Additional Contracted Services FFP	\$0	\$12,790,000 a/			-\$12,790,000
1. Contract Transportation		10,350,000			
2. Other Contract Services		2,440,000			
B. Resources Needed to Capture Additional FFP					
1. RC Operations Costs -Temporary Workload Implementation Costs	\$2,159,000	\$719,000 b/	\$719,000	\$721,000	\$1,440,000
2. RC Purchase of Service (POS) Costs - Ongoing Provider Resources for Collection of FFP for Contracted Services	307,000	154,000 c/	153,000	0	\$153,000
3. Total Costs	\$2,466,000	\$873,000	\$872,000	\$721,000	\$1,593,000
C. Net Impact (Item A. + Item B.3.)	\$2,466,000	\$13,663,000			-\$11,197,000

a/ \$12,790,000 HCBS Waiver
 b/ \$719,000 HCBS Waiver Administration
 c/ \$154,000 HCBS Waiver

Collection of FFP for Contracted Services

	BY 2008-09				
	(A) Total	Fund Sources			
		(B) Federal Funds	(C)	(D)	(E)
			GF Match	GF Other	Total GF (C + D)
A. Additional Contracted Services FFP	\$0	\$12,790,000 a/			-\$12,790,000
1. Contract Transportation		10,350,000			
2. Other Contract Services		2,440,000			
B. Resources Needed to Capture Additional FFP					
1. RC Operations Costs -Temporary Workload Implementation Costs	\$2,177,000	\$726,000 b/	\$726,000	\$725,000	\$1,451,000
2. RC Purchase of Service (POS) Costs - Ongoing Provider Resources for Collection of FFP for Contracted Services	307,000	\$154,000 c/	153,000	0	\$153,000
3. Total Costs	\$2,484,000	\$880,000	\$879,000	\$725,000	\$1,604,000
C. Net Impact (Item A. + Item B.3.)	\$2,484,000	\$13,670,000			-\$11,186,000

a/ \$12,790,000 HCBS Waiver
b/ \$726,000 HCBS Waiver Administration
c/ \$154,000 HCBS Waiver

Minimum Wage Increase
From \$6.75 to \$7.50 = \$0.75 Increase Effective 1/1/07
Summary of 1/1/07 Costs a/

	FY 2006-07 6 months of \$0.75 Increase					CY 2007-08 12 months of \$0.75 Increase					BY 2008-09 12 months of \$0.75 Increase					
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	
Community Care Facilities <ul style="list-style-type: none"> Assume staff in Level 2 and 3 CCFs earn minimum wage. \$0.75 increase + 16.76% for mandated employer costs = \$0.88 per hour increase--applied to estimated Level 2 and 3 staff hours. \$0.50 increase + 16.76% for mandated employer costs = \$0.58 per hour increase--applied to estimated Level 2 and 3 staff hours. 	\$9,736,000	\$7,886,000	\$3,943,000	\$3,943,000	\$1,850,000	\$19,471,000	\$15,772,000	\$7,886,000	\$7,886,000	\$3,699,000	\$19,471,000	\$15,772,000	\$7,886,000	\$7,886,000	\$3,699,000	
Day and Work Activity Programs <ul style="list-style-type: none"> Assume 75% of new employees are paid at minimum wage and 50% employee turnover. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. 	\$11,834,000	\$6,701,000	\$3,350,000	\$3,351,000	\$5,133,000	\$24,072,000	\$13,671,000	\$6,835,000	\$6,836,000	\$10,401,000	\$24,072,000	\$13,671,000	\$6,835,000	\$6,836,000	\$10,401,000	
<ul style="list-style-type: none"> Day 9,716,000 5,149,000 2,574,000 2,575,000 4,567,000 WAP 961,000 615,000 308,000 307,000 346,000 						19,707,000	10,445,000	5,222,000	5,223,000	9,262,000	19,707,000	10,445,000	5,222,000	5,223,000	9,262,000	
Supported Living Services (SLS) <ul style="list-style-type: none"> Assume night hours of 24/7 SLS caregivers are paid at minimum wage. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. 	1,157,000	937,000	468,000	469,000	220,000	2,545,000	2,061,000	1,030,000	1,031,000	484,000	2,545,000	2,061,000	1,030,000	1,031,000	484,000	
Respite Services <ul style="list-style-type: none"> Included \$0.81 wage differential. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures for each Respite category. Net costs reflect the 3% provider rate increase impact. 	\$4,780,000	\$2,476,000	\$1,238,000	\$1,238,000	\$2,304,000	\$9,725,000	\$3,390,000	\$1,695,000	\$1,695,000	\$6,335,000	\$9,725,000	\$3,390,000	\$1,695,000	\$1,695,000	\$6,335,000	
<ul style="list-style-type: none"> In-Home Respite Agency 1,185,000 616,000 308,000 308,000 569,000 In-Home Respite Vouchered 3,532,000 1,837,000 919,000 918,000 1,695,000 In-Home Respite Worker 39,000 20,000 10,000 10,000 19,000 Out-of-Home Respite 24,000 3,000 1,000 2,000 21,000 						2,411,000	1,254,000	627,000	627,000	1,157,000	2,411,000	1,254,000	627,000	627,000	1,157,000	
	3,532,000	1,837,000	919,000	918,000	1,695,000	7,183,000	3,735,000	1,868,000	1,867,000	3,448,000	7,183,000	3,735,000	1,868,000	1,867,000	3,448,000	
	39,000	20,000	10,000	10,000	19,000	80,000	42,000	21,000	21,000	38,000	80,000	42,000	21,000	21,000	38,000	
	24,000	3,000	1,000	2,000	21,000	51,000	6,000	3,000	3,000	45,000	51,000	6,000	3,000	3,000	45,000	
GRAND TOTAL	\$26,350,000	\$17,063,000	\$8,531,000	\$8,532,000	\$9,287,000	\$53,268,000	\$32,833,000	\$16,416,000	\$16,417,000	\$20,435,000	\$53,268,000	\$32,833,000	\$16,416,000	\$16,417,000	\$20,435,000	
						\$17,819,000 Total GF										
											\$36,852,000 Total GF					
INCREMENTAL INCREASE	\$26,350,000	\$17,063,000	\$8,531,000	\$8,532,000	\$9,287,000	\$26,918,000	\$15,770,000	\$7,885,000	\$7,885,000	\$11,148,000	\$0	\$0	\$0	\$0	\$0	
						\$17,819,000 Total GF										
											\$19,033,000 Total GF					
											\$0 Total GF					

a/ Incremental cost for CY 2007-08 = CY 2007-08 cost less FY 2006-07 cost.
Incremental cost for BY 2008-09 = BY 2008-09 cost less CY 2007-08 cost.

Minimum Wage Increase
From \$7.50 to \$8.00 = \$0.50 Increase Effective 1/1/08
Summary of 1/1/08 Costs a/

	CY 2007-08 6 months of \$0.50 Increase					BY 2008-09 12 months of \$0.50 Increase									
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other					
Community Care Facilities <ul style="list-style-type: none"> Assume staff in Level 2 and 3 CCFs earn minimum wage. \$0.75 increase + 16.76% for mandated employer costs = \$0.88 per hour increase--applied to estimated Level 2 and 3 staff hours. \$0.50 increase + 16.76% for mandated employer costs = \$0.58 per hour increase--applied to estimated Level 2 and 3 staff hours. 	\$6,417,000	\$5,198,000	\$2,599,000	\$2,599,000	\$1,219,000	\$12,833,000	\$10,395,000	\$5,197,000	\$5,198,000	\$2,438,000					
Day and Work Activity Programs <ul style="list-style-type: none"> Assume 75% of new employees are paid at minimum wage and 50% employee turnover. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. 	\$8,185,000	\$4,641,000	\$2,320,000	\$2,321,000	\$3,544,000	\$15,612,000	\$8,910,000	\$4,455,000	\$4,455,000	\$6,702,000					
	6,737,000	3,571,000	1,785,000	1,786,000	3,166,000	12,676,000	6,718,000	3,359,000	3,359,000	5,958,000					
Supported Living Services (SLS) <ul style="list-style-type: none"> Assume night hours of 24/7 SLS caregivers are paid at minimum wage. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. 	609,000	390,000	195,000	195,000	219,000	1,091,000	698,000	349,000	349,000	393,000					
	839,000	680,000	340,000	340,000	159,000	1,845,000	1,494,000	747,000	747,000	351,000					
Respite Services <ul style="list-style-type: none"> Included \$0.81 wage differential. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures for each Respite category. Net costs reflect the 3% provider rate increase impact. 	\$3,524,000	\$1,827,000	\$913,000	\$914,000	\$1,697,000	\$7,471,000	\$3,871,000	\$1,935,000	\$1,936,000	\$3,600,000					
	1,134,000	590,000	294,000	296,000	544,000	2,382,000	1,239,000	620,000	619,000	1,143,000					
	2,323,000	1,208,000	604,000	604,000	1,115,000	4,947,000	2,572,000	1,285,000	1,287,000	2,375,000					
	51,000	27,000	14,000	13,000	24,000	107,000	56,000	28,000	28,000	51,000					
	16,000	2,000	1,000	1,000	14,000	35,000	4,000	2,000	2,000	31,000					
GRAND TOTAL	\$18,126,000	\$11,666,000	\$5,832,000	\$5,834,000	\$6,460,000	\$35,916,000	\$23,176,000	\$11,587,000	\$11,589,000	\$12,740,000					
						\$12,294,000 Total GF					\$24,329,000 Total GF				
INCREMENTAL INCREASE	\$18,126,000	\$11,666,000	\$5,832,000	\$5,834,000	\$6,460,000	\$17,790,000	\$11,510,000	\$5,755,000	\$5,755,000	\$6,280,000					
						\$12,294,000 Total GF					\$12,035,000 Total GF				

a/ Incremental cost for CY 2007-08 = CY 2007-08 cost less FY 2006-07 cost.
Incremental cost for BY 2008-09 = BY 2008-09 cost less CY 2007-08 cost.

Minimum Wage Increases
From \$6.75 to \$7.50 = \$0.75 Increase Effective 1/1/07
From \$7.50 to \$8.00 = \$0.50 Increase Effective 1/1/08
Summary of Total Costs a/

	FY 2006-07 6 months of \$0.75 Increase					CY 2007-08 12 months of \$0.75 Increase 6 months of \$0.50 Increase					BY 2008-09 12 months of \$0.75 Increase 12 months of \$0.50 Increase				
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other
Community Care Facilities <ul style="list-style-type: none"> Assume staff in Level 2 and 3 CCFs earn minimum wage. \$0.75 increase + 16.76% for mandated employer costs = \$0.88 per hour increase--applied to estimated Level 2 and 3 staff hours. \$0.50 increase + 16.76% for mandated employer costs = \$0.58 per hour increase--applied to estimated Level 2 and 3 staff hours. 	\$9,736,000	\$7,886,000	\$3,943,000	\$3,943,000	\$1,850,000	\$25,888,000	\$20,970,000	\$10,485,000	\$10,485,000	\$4,918,000	\$32,304,000	\$26,167,000	\$13,083,000	\$13,084,000	\$6,137,000
Day and Work Activity Programs <ul style="list-style-type: none"> Assume 75% of new employees are paid at minimum wage and 50% employee turnover. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. 	\$11,834,000	\$6,701,000	\$3,350,000	\$3,351,000	\$5,133,000	\$32,257,000	\$18,312,000	\$9,155,000	\$9,157,000	\$13,945,000	\$39,684,000	\$22,581,000	\$11,290,000	\$11,291,000	\$17,103,000
Day	\$9,716,000	\$5,149,000	\$2,574,000	\$2,575,000	\$4,567,000	\$26,444,000	\$14,016,000	\$7,007,000	\$7,009,000	\$12,428,000	\$32,383,000	\$17,163,000	\$8,581,000	\$8,582,000	\$15,220,000
WAP	\$961,000	\$615,000	\$308,000	\$307,000	\$346,000	\$2,429,000	\$1,555,000	\$778,000	\$777,000	\$874,000	\$2,911,000	\$1,863,000	\$932,000	\$931,000	\$1,048,000
Supported Living Services (SLS) <ul style="list-style-type: none"> Assume night hours of 24/7 SLS caregivers are paid at minimum wage. Applied incremental wage increase, including 16.76% for mandated employer costs, to estimated portion of SLS hours paid at minimum wage. 	\$1,157,000	\$937,000	\$468,000	\$469,000	\$220,000	\$3,384,000	\$2,741,000	\$1,370,000	\$1,371,000	\$643,000	\$4,390,000	\$3,555,000	\$1,777,000	\$1,778,000	\$835,000
Respite Services <ul style="list-style-type: none"> Includes appropriate wage differential. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures by Respite category. Wage rates reflect the 3% provider rate increase. 	\$4,780,000	\$2,476,000	\$1,238,000	\$1,238,000	\$2,304,000	\$13,249,000	\$5,217,000	\$2,608,000	\$2,609,000	\$8,032,000	\$17,196,000	\$7,261,000	\$3,630,000	\$3,631,000	\$9,935,000
In-Home Respite Agency	\$1,185,000	\$616,000	\$308,000	\$308,000	\$569,000	\$3,545,000	\$1,844,000	\$921,000	\$923,000	\$1,701,000	\$4,793,000	\$2,493,000	\$1,247,000	\$1,246,000	\$2,300,000
In-Home Respite Vouchered	\$3,532,000	\$1,837,000	\$919,000	\$918,000	\$1,695,000	\$9,506,000	\$4,943,000	\$2,472,000	\$2,471,000	\$4,563,000	\$12,130,000	\$6,307,000	\$3,153,000	\$3,154,000	\$5,823,000
In-Home Respite Worker	\$39,000	\$20,000	\$10,000	\$10,000	\$19,000	\$131,000	\$69,000	\$35,000	\$34,000	\$62,000	\$187,000	\$98,000	\$49,000	\$49,000	\$89,000
Out-of-Home Respite	\$24,000	\$3,000	\$1,000	\$2,000	\$21,000	\$67,000	\$8,000	\$4,000	\$4,000	\$59,000	\$86,000	\$10,000	\$5,000	\$5,000	\$76,000
GRAND TOTAL	\$26,350,000	\$17,063,000	\$8,531,000	\$8,532,000	\$9,287,000	\$71,394,000	\$44,499,000	\$22,248,000	\$22,251,000	\$26,895,000	\$89,184,000	\$56,009,000	\$28,003,000	\$28,006,000	\$33,175,000
				\$17,819,000	Total GF				\$49,146,000	Total GF				\$61,181,000	Total GF
INCREMENTAL INCREASE	\$26,350,000	\$17,063,000	\$8,531,000	\$8,532,000	\$9,287,000	\$45,044,000	\$27,436,000	\$13,717,000	\$13,719,000	\$17,608,000	\$17,790,000	\$11,510,000	\$5,755,000	\$5,755,000	\$6,280,000
				\$17,819,000	Total GF				\$31,327,000	Total GF				\$12,035,000	Total GF

a/ Incremental cost for CY 2007-08 = CY 2007-08 cost less FY 2006-07 cost.
 Incremental cost for BY 2008-09 = BY 2008-09 cost less CY 2007-08 cost.

Report on the Plan for the Closure of Agnews Developmental Center



January 2008

**California Health and Human Services Agency
Department of Developmental Services**



“Building Partnerships, Supporting Choices”

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For a copy of this report or information, please refer to
www.dds.ca.gov/AgnewsClosure

Executive Summary

The Department of Developmental Services (DDS), along with its state, local and community partners, is in the final stages of safely transitioning Agnews residents to the community. The DDS continues to build and expand the community capacity necessary for the closure of Agnews Developmental Center by June 30, 2008.

As of November 30, 2007, 198 residents remained at Agnews, with 48 residents expected to move into the community within the following eight weeks. A total of 150 Agnews residents have transitioned into the community and are living in a variety of community-based settings.

Housing: Bay Area Housing Plan (BAHP) funds have been used to purchase a broad array of housing options, including Senate Bill (SB) 962 homes, which are designed for consumers with specialized health care needs; family teaching homes (FTHs), which incorporate a consumer into a provider's family; and specialized residential homes (SRHs), which provide augmented staffing and professional services to consumers with behavioral challenges or other specialized needs. In conjunction with these efforts, regional centers have contracted for the provision of residential and support services in accordance with the Agnews Closure Plan. The providers have developed service strategies that address the unique needs of each consumer who transitions from Agnews to the community.

To date, the housing developer has acquired 60 of the 61 properties needed to house the transitioning Agnews residents. The remaining property is under contract and being remodeled by the current owner prior to close of escrow. Twenty-seven of these 61 homes are slated to be completed by December of 2007.

While the BAHP has succeeded in acquiring 60 homes that will provide for the housing needs for residents transitioning out of Agnews, the BAHP team continues to encounter hurdles throughout the housing development process associated with the permit process, utility services, and neighborhood issues. The DDS continues to work closely with the regional centers, the developer and various local entities to identify and address the delays to keep the project on schedule.

Transition Planning: In the fall of 2007, transition guidelines were formalized and shared with key stakeholders including family members, staff members, regional centers and interested parties. These guidelines establish the framework for the residents' transition to the community as part of the individual program plan (IPP) process. As of November 30, 2007, 63 residents had selected homes and were in the process of completing other transition protocols. Of those 63 residents, 39 were in the process of exploratory visits. The remaining 135 Agnews residents were in the process of finalizing home selection.

Health Care Services: The DDS continues to develop innovative and comprehensive health, behavioral and dental care services for residents transitioning out of Agnews.

The foundation of the community medical services strategy is a partnership between the DDS, the Department of Health Care Services (DHCS), the regional centers and the designated health plans. For this report, references to regional centers mean San Andreas Regional Center, Regional Center of the East Bay, and Golden Gate Regional Center; and, all references to the designated health plans mean the Health Plan of San Mateo, the Alameda Alliance for Health, and the Santa Clara Family Health Plan. By January of 2008, the DDS and the DHCS will complete a Memorandum of Understanding (MOU) to ensure appropriate and enduring health care services for former Agnews residents living in the community. At the local level, the regional centers are working to secure health care services for residents transitioning out of Agnews into the community. In addition, regional centers have developed MOUs with health plans to arrange services for those consumers who elect to enroll. On an ongoing basis, the health plans partner with the regional centers, the DHCS and the DDS to recruit and train qualified medical providers so consumers can access the full array of necessary medical services.

Outpatient Clinic: The Agnews outpatient clinic provides a safety net to ensure that health, dental, and behavioral services are seamless during the transition process. Services will continue to be provided by the outpatient clinic, as necessary, during the closure process and after the closure of Agnews until the DDS is no longer responsible for the property.

Behavioral Services: To address the behavioral needs of residents transitioning to the community, Agnews staff support and train service providers on how to prevent and respond to challenging behaviors. In addition, each of the regional centers has developed a working relationship with psychiatric resources in the community to accommodate Agnews residents. The Regional Center of the East Bay (RCEB) and Alameda County Mental Health Department are developing a secured-treatment facility in San Leandro that can serve individuals in crisis. The facility, which is expected to open in late 2008, will provide short-term treatment and stabilization available for up to 15 Bay Area residents at a time.

Dental Services: Dental services continue to be a critical component of community resource development efforts. The regional centers are recruiting dental hygienists to provide ongoing dental screenings and cleanings for consumers in the home environment. Additionally, regional centers are supporting the training of dentists to provide prevention and care consistent with each consumer's needs. Finally, the regional centers and the health plans are coordinating services to provide timely and appropriate access to sedation dentistry services, as necessary.

Agnews Employees: As of November 30, 2007, there were 899 employees at Agnews. The employees have been provided information and support services regarding closure and the options that are, or will become, available for employment. Agnews has maintained sufficient staff to protect the health and safety of remaining residents and to ensure the ongoing certification of the facility.

Next Steps for Closure: The DDS will continue working closely with its state and local partners throughout the closure of Agnews – both to ensure the health and safety of each resident in the transition process, and to provide access to the necessary services and supports, in accordance with the consumer’s needs and preferences.

Introduction

The population of California's developmental centers has decreased over time, mirroring national trends. In the case of California, this decrease in the use of institutions began when the community-based system was initiated in 1969 under the newly established Lanterman Mental Retardation Services Act, now called the Lanterman Developmental Disabilities Services Act (Lanterman Act). The Lanterman Act promotes the provision of services in the least restrictive environment and emphasizes community settings as the preferred living option for most consumers. The total developmental center population declined dramatically as the community system expanded, falling from a high of 13,355 individuals in 1968 to the census of approximately 2,650 individuals by November 30, 2007. The DDS currently operates five developmental centers and two smaller state-operated community facilities and is in the process of closing Agnews Developmental Center. As of November 30, 2007, the Agnews Developmental Center population census was at 198 individuals.

In January of 1994, the DDS entered into an agreement to settle the Coffelt lawsuit, which alleged that the Department and several regional centers had not taken sufficient action to develop community-based services thereby denying developmental center residents the opportunity to live in the community. The implementation of this agreement resulted in a reduction of the developmental centers' population by more than 2,320 consumers between 1993 and 1998. This was accomplished by creating new community living arrangements, developing new assessment and individual service planning procedures and quality assurance systems, and obtaining increased federal funding through the Medicaid Home and Community-Based Services Waiver.

In 1999, the United States Supreme Court issued its ruling in *Olmstead, Commissioner, Georgia Department of Human Resources, et al. vs. L. C., by Zimring, Guardian ad Litem and next friend, et al.* (1999), 527 U.S. 581. This decision stated that services should be provided in community settings when treatment professionals have determined that community placement is appropriate; when the consumer does not object to community placement; and when the placement can reasonably be accommodated, considering the resources available to the state and the needs of others with disabilities. Since that decision, the federal Department of Health and Human Services, Center for Medicare and Medicaid Services (CMS), has issued recommendations to the states requiring them to prepare comprehensive Olmstead plans to decrease dependency on institutional services.

The Agnews Closure Plan is the first significant deinstitutionalization initiative in California since the Coffelt settlement agreement that was reached in January 1994. The Agnews Closure Plan is grounded in the development of sufficient community capacity to support the transition of Agnews residents into the community. New service and support options have been designed to provide meaningful choices and reliable services to residents transitioning to the community. The Administration extended the Agnews closure date from June 30, 2007, to June 30, 2008, to ensure that these necessary resources are in place at the time of closure.

Purpose of the Report

This report is submitted in accordance with the Budget Act of 2007 (SB 77, Chapter 171, Statutes of 2007), as follows:

“The State Department of Developmental Services shall provide the fiscal and policy committees of both houses of the Legislature with a comprehensive status update on the Agnews Plan, on January 10, 2008, and May 15, 2008, which will include at a minimum all of the following:

A description and progress report on all pertinent aspects of the community-based resources development, including the status of the Agnews transition placement plan;

An aggregate update on the consumers living at Agnews and consumers who have been transitioned to other living arrangements, including a description of the living arrangements (model being used) and the range of services the consumers receive;

An update to the Major Implementation Steps and Timelines; a comprehensive update to the fiscal analyses as provided in the original plan;

An update to the plan regarding Agnews’ employees, including employees who are providing medical services to consumers on an outpatient basis, as well as employees who are providing services to consumers in residential settings; and

Specific measures the state, including the State Department of Developmental Services and the State Department of Health Care Services, is taking in meeting the health, mental health, medical, dental, and overall well-being of consumers living in the community and those residing at Agnews until appropriately transitioned in accordance with the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code).”

The purpose of this report is to provide an update on the status of the Plan for the Closure of Agnews Developmental Center. This is the fifth statutorily required update and covers progress from April 1, 2007, through November 30, 2007. The prior reports provided updates on progress from July 1, 2004, through March 31, 2007 and are available at www.dds.ca.gov/AgnewsClosure.

Background

The planning process for the closure of Agnews began in Fiscal Year 2003 – 2004. The DDS solicited broad participation from internal and external stakeholders including consumers, family members, Area Boards, advocates, and community providers to develop a plan that would result in an orderly transition of consumers into alternative services and supports. In October of 2003, the teams completed their recommendations and reports that served as the basis for the plan.

The Bay Area regional centers, San Andreas Regional Center (SARC), RCEB, Golden Gate Regional Center (GGRC), and Agnews staff played a significant role in developing the plan. After several public meetings in Fiscal Year 2003 – 2004, the plan was submitted to the Legislature in January 2005 and approved with the enactment of the Budget Act of 2005.

The following legislation supports the implementation of the critical elements of the plan:

- ❖ Assembly Bill (AB) 2100 (Chapter 831, Statutes 2004), and SB 643 (Chapter 551, Statutes of 2005), supported the development of permanent housing through the BAHP, and added FTHs as a new service delivery option.
- ❖ In January 2006, SB 962 (Chapter 558, Statutes of 2005) established a pilot project for the creation of homes licensed by the Community Care Licensing (CCL) division of the Department of Social Services (DSS) to serve adults with special health care needs in the Bay Area.
- ❖ AB 1378 (Chapter 538, Statutes of 2005) authorized Agnews' employees to work in the community to support the transition of Agnews' residents into community living options.

Resource Development: Housing

Bay Area Housing Plan

AB 2100 (Chapter 831, Statutes of 2004) authorized the DDS to approve a proposal, or proposals, from the Bay Area regional centers to provide for, secure, and assure the payment of leases for housing for people with developmental disabilities. SB 643 (Chapter 551, Statutes of 2005) further amended this section to clarify the regional centers' ability to assure full payment of a housing lease based upon availability of the house for occupancy.

In conformance with the statutory requirements, the BAHP details the proposed plan for development and ownership of the properties, management entities, and developer. As required by statute, the BAHP must meet several conditions. The acquired, or developed, real property must be occupied by consumers eligible for regional center services. The property must be integrated with housing for people without disabilities.

The regional center must have approved the proposed ownership, management, and developer entities, and the costs associated with the proposal must be reasonable. The proposal must include a plan for transfer at a time certain of the property ownership to an approved non-profit entity for use by consumers eligible for regional center services.

The BAHP is a joint venture between the three regional centers and Hallmark Community Services (Hallmark), the housing developer. Under a proposal approved by the DDS and submitted to the Joint Legislative Budget Committee (JLBC), the regional centers and Hallmark have entered into loan agreements with Bank of America and California Housing Finance Agency (CalHFA). The DDS is not party to these loan agreements and therefore, does not have direct control over acquisition or construction of the homes.

Under the BAHP, the Bay Area regional centers contract with a developer to acquire, design, and develop housing for persons leaving Agnews. The property is owned by a non-profit entity, selected by the regional center, for dedicated use by regional center consumers. In this arrangement, once the housing mortgage is paid in full, the provider's lease payment ceases. An inventory of stable community housing designed to meet the unique needs of individuals with developmental disabilities is thereby created, and the rate paid to the provider is reduced accordingly. Through this arrangement, the property is bought once, the residential service rate decreases, and long term cost savings are realized by the state.

BAHP funds have been used to purchase a broad array of housing options, including: 962 homes, which are designed for consumers with specialized health care needs, FTHs which incorporate a consumer into a family, and SRHs which provide 24-hour, on-site staffing in order to meet consumers' unique needs.

In addition, regional centers have contracted for the provision of residential and support services in accordance with the Agnews Closure Plan. The providers have developed service strategies that address the unique needs of the consumers who are transitioning from Agnews to the community.

To date, Hallmark has acquired 60 of the properties needed to house transitioning Agnews residents. Twenty-seven of the 61 homes are slated to be completed by December of 2007.

Family Teaching Homes

AB 2100 added FTHs to the existing Adult Family Home Agency (AFHA) model. The AFHA was first established in 1994 to provide a cost-effective option for adults moving from developmental centers into the community, enabling adults to enter into partnerships with families as fully participating family members. Under this arrangement, the teaching family manages the consumers' home, provides direct

support, and directly supervises relief staff. The FTH model serves up to three adults in the consumers' home, with the teaching family living in an adjoining home. In the Bay Area, this has been accomplished by housing consumers and teaching families in adjoining duplexes and adding a door to connect the homes. The FTH model is certified, monitored, and evaluated by the regional center and the DDS through the same process as an AFHA. The DDS FTH regulations were promulgated on November 7, 2006. As of November 30, 2007, 12 former Agnews consumers reside in four BAHP FTHs located in Cupertino.

Extended Family Teaching Homes

Agnews consumers and Agnews staff have expressed an interest in continuing to provide support services to Agnews consumers upon transition to the community. In an extended family teaching home (EFTH), a consumer relocates to a former Agnews staff family home and participates in daily family activities as an extended member of the family. Each consumer receives specialized, highly-supported and well-monitored services. EFTHs are also governed by the AFHA regulations, certification, and review process. At present, five former residents of Agnews reside in EFTHs in the SARC catchment area.

Specialized Residential Homes

As DSS-licensed adult residential facilities, SRHs provide augmented staffing and professional services to three or four residents. Each SRH provides 24-hour, on-site staff with specialized expertise to meet the consumers various needs. In addition, the homes have the capability for on-site response to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence. As of November 30, 2007, four consumers resided in BAHP SRHs.

When the majority of consumers turn age 60, the SRH will be re-licensed as a residential care facility for the elderly (RCFE). All SRHs in the BAHP have been constructed or renovated to meet the physical plant requirements for both the Adult Residential Facility and the RCFE licenses.

962 Homes

SB 962 authorized the DDS and DSS to jointly establish and administer a pilot project for certifying and licensing a new residential model, the adult residential facilities for consumers with special health care needs, referred to as "962 homes". This type of residence fills a critical gap in licensure categories for people with developmental disabilities who have a combination of specialized health care and intensive support needs.

Examples of the health services that can be provided in a 962 home include, but are not limited to, nutritional support including total parenteral nutrition, gastrostomy feeding and hydration, renal dialysis, special medication regimes including injections, intravenous medications, management of insulin dependent diabetes, catheterization,

indwelling urinary catheter management, pain management, and palliative care. The 962 homes are required to provide licensed nursing staff 24 hours per day, develop an individual health care plan (IHCP) for each consumer that is updated at least every six months, and conduct monthly face-to-face visits with the consumer by a regional center nurse. As of November 30, 2007, three 962 BAHF homes provide services to 11 former Agnews residents.

Additionally, an interagency agreement has been completed with the UC Davis, and an independent evaluation of the 962 home pilot project is underway, pursuant to statute. The evaluation will be submitted to the Legislature by January 1, 2009.

Addressing the Housing Challenges

While the BAHF has succeeded in acquiring 60 homes that will provide for the housing needs for residents transitioning out of Agnews, the BAHF team continues to encounter hurdles throughout the housing development process. The DDS is not party to the financing agreements, decisions and contracts regarding acquisition, remodeling, and delivery of housing. However, the DDS continues to work closely with Hallmark Community Services (Hallmark) and the regional centers to address issues impacting the timely completion of the project.

Several factors have affected the delivery of homes for occupancy. The BAHF team has confronted a variety of challenges associated with the permit process, utility services, and neighborhood issues. Construction start has been delayed by the length of time spent in the permitting process. The local construction permit processes has presented a number of challenges associated with ushering plans through local planning, building, architectural review, utility, fire and environmental sanitation departments. Nineteen jurisdictions are involved and each has unique permitting requirements. On average, Hallmark is spending 2 months longer in the permit process than anticipated. In addition, it has taken longer than anticipated to connect utility services for some homes, leading to further delay in construction.

Hallmark has added an additional contractor to the project and has taken over some aspects of construction on some sites. The DDS conducts weekly meetings with the regional centers and the developer to identify and address any permit or inspection delays involving county, city, fire or utility jurisdiction.

Resource Development: Transition Planning Process

Transition Planning: Values and Purpose

The transition process from a developmental center to a community living arrangement is developed through the IPP process. The IPP meetings offer a consumer-centered approach to identifying the services and supports necessary for a successful transition, taking into account the consumer's needs and preferences. The choices of consumers are given the full attention and respect of all team members, in consultation with the

families, where appropriate, and/or authorized representatives, with sensitivity to lifestyle and cultural background.

In the fall of 2007, transition guidelines were formalized and shared with all stakeholders including family members, staff members, regional centers and interested parties. These guidelines establish the framework for the residents' transition to the community. Agnews and regional center staff have held joint trainings in implementing these guidelines.

Consumer Empowerment

To assist Agnews residents in the transition process, the DDS created the Choices Project in August 2006. The Choices Project focuses on empowering consumers to engage in the decision-making process of transition planning. The Choices team meets with consumers prior to the consumer's annual IPP meeting. The meetings offer an opportunity to review the current IPP with the consumer and to explore potential living options and community activities, as featured in a 10-minute DVD. Agnews residents are provided materials that have been adapted to support their active participation in the IPP and transition discussions.

Between August 2006 and November 30, 2007, Choices meetings have been held for up to 170 consumers, often with the participation of family members, advocates and Agnews staff. Meetings will be completed by early 2008.

Exploring Community Living Options

Together with the regional center service coordinator, the Agnews staff engages a consumer, his or her family and an authorized representative, when appropriate, in an educational discussion regarding various housing and service and support models. This discussion centers on the consumer's needs and preferences identified through comprehensive interdisciplinary team assessments. Agnews staff identify interests of the participants in exploring certain models.

Community Living Options

The Community Living Options (CLOs) process focuses on identifying a range of services and supports necessary for successful transition. Through this process, potential living options are explored and a transition plan is developed.

Selection of the Home and Exploratory Visits: The Agnews resident, legal/authorized representatives and regional center work together on the selection of the home. Once a potential home option has been identified, exploratory visits between the resident and the provider begin. As of November 30, 2007, 63 residents selected homes and were in the process of completing other transition protocols. Of these 63 residents, 39 were in the process of exploratory visits. The remaining 135 Agnews residents were in the process of finalizing home selection.

Finalizing the Transition to the Community

Prior to transition, a meeting is held to prepare for the transition. As authorized by statute, the Regional Resource Development Project (RRDP) assists in activities related to admissions, transition planning, deflection and resource development. Parties at the meeting include a representative from the RRDP, a regional center service coordinator, the service provider, and a representative from the planning team to assure that all issues have been addressed and the consumer is prepared to move.

Post Placement Follow-up

Once the consumer has moved into his or her new home, post-placement visits occur on a regular and as-needed basis by the regional center representative and the RRDP. These visits help to ensure a smooth and successful transition to the community. Within 30 days of transfer, a follow-up meeting is held to review the new assessment information, identify any additional services needed, and to develop the IPP for the coming year. In all community placements, the regional center conducts a face-to-face visit every 30 days for the first 90 days after the move, quarterly thereafter, and an annual facility monitoring visit. For consumers in community residential homes, at least two of the regional center visits per year must be unannounced. The RRDP makes contact with the consumer five days after placement and again at 30-60-90 day intervals, 6 and 12 months, and more often as needed. For consumers placed in 962 homes, a regional center nurse will visit the consumer at least monthly, and a physician will see the consumer every 60 days.

Resource Development: Health Services

The DDS continues to develop innovative and comprehensive health care, behavioral and dental care services for residents transitioning out of Agnews. The DDS and the DHCS have provided staff and provider trainings, and supported the creation of a framework for the development and delivery of health services. By January 2008, the DDS and the DHCS will have finalized a MOU to ensure appropriate and enduring health care services for former Agnews residents living in the community. At the local level, regional centers are working to secure health care services for residents transitioning out of Agnews into the community. In addition, regional centers have developed MOUs with health plans to arrange services for those consumers who elect to enroll.

The Transition of Health Care Services

To ensure that each consumer who transitions from Agnews receives appropriate health care and related services, a comprehensive health transition plan is developed for each consumer before they leave Agnews. The DDS is developing materials to provide consumers and families with information about the health transition process.

Health Plan Medical Services

Each Health Plan arranges for an array of medical service providers that include primary care and specialty physicians, optometry and ophthalmology, medications, support services such as occupational and physical therapies, and medical equipment and supplies including adaptive equipment.

Health Plan Enrollment: Trainings have been conducted for regional center service coordinators to assist consumers and authorized representatives in electing an appropriate health plan. In San Mateo County, Agnews consumers transition into the San Mateo Health Plan, a County Organized Health System (COHS). As a COHS, San Mateo operates the only Medi-Cal health plan in the county. The COHS are different from the other models of Medi-Cal managed care because the DHCS requires nearly all Medi-Cal beneficiaries residing in the county to enroll in this health plan to receive care. In Santa Clara and Alameda Counties, Agnews consumers have the option to enroll in either the locally-administered Medi-Cal managed care plan administered by the county, the commercial health care plan, or receive services through the fee-for-service system often referred to as “regular Medi-Cal”.

The DHCS/Health Plan/Regional Center Coordination: The foundation of the community medical services strategy is a partnership between the DDS, the DHCS, the regional centers and the designated health plans. The DHCS currently requires its contracted health plans to enter into MOUs with local regional centers. In recognition of the specialized needs of former Agnews residents living in the community, the health plans and the regional centers developed a MOU template specific to these individuals. The MOU outlines the roles and responsibilities of the health plans, the regional centers and the residential service providers. The health plan is responsible for assuring the provision of medically necessary services to its members. The health plans are partnering with the regional centers, the DHCS, and the DDS to recruit and train qualified medical providers so consumers can access the full array of necessary medical services. In addition, the DDS and regional centers are offering and conducting trainings for health plan physicians including an orientation to developmental services and the Agnews closure process; coaching, mentoring, and training for emergency room doctors; and support for medical specialists. Health plans also are conducting informational outreach to area providers on serving these individuals.

The DDS and the DHCS have established protocols to share information required for rate development, strategic planning, and the health plan enrollment process. Additionally, the regional centers, the health plans and Agnews staff are working with the DDS and the DHCS to expedite eligibility for membership in health plans, when indicated. The DHCS is working with counties and the Social Security Administration to expedite the processing of eligibility information. The DHCS has established a process with Maximus, the contractor that assists in the election process, to assure that health plan election decisions are processed in a timely manner.

Provider rates: The DHCS is amending its contracts with the designated health plans to provide for cost reimbursement to the plans for services and administrative costs. This enables the health plans to establish enhanced provider rates. The DHCS has established interim payments to assure cash flow to the health plans until there is a semi-annual reconciliation to actual costs. This financial arrangement between the DHCS and its contracted health plans will continue until there is sufficient data available to permit development of a capitation rate and elimination of the interim payments and semi-annual reconciliation.

Outpatient Clinic

Agnews Developmental Center established an outpatient clinic as part of its acute care hospital license on May 1, 2006. The clinic is licensed by the DHCS and vendorized by the SARC to provide outpatient medical and dental services using Agnews staff.

The outpatient clinic provides a safety net to ensure that health, dental and behavioral services are seamless during the transition process. The regional centers may refer former Agnews residents to the clinic as well as other consumers who live in the community and who qualify for outpatient services. At the clinic, consumers can access a wide range of specialists experienced in providing services to individuals with developmental disabilities.

Primary care and dental services are the most frequently used services. Other frequently used services include primary care, neurology and ophthalmology services, physical and occupational therapies, and lab work. Services will continue to be provided by the outpatient clinic, as necessary, during the closure process and after the closure of Agnews until the DDS is no longer responsible for the property.

Outpatient Clinic Use

MONTHS 2007	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	TOTAL
<i>Former Agnews Residents Seen for the First Time</i>	8	2	4	3	7	10	7	6	3	5	5	47
<i>Former Agnews Residents (Return visits)</i>	9	8	21	19	14	27	26	25	28	31	45	149
Total# - Agnews Residents Seen	17	10	25	22	21	37	33	31	31	36	50	196
<i>Non-Agnews Consumers Seen for the First Time</i>	15	3	20	16	16	17	6	17	11	9	12	110
<i>Non-Agnews Consumers (Return visits)</i>	26	28	36	28	26	26	37	32	28	38	39	239
Total# - Non-Agnews Consumers Seen	41	31	56	44	42	43	43	49	39	47	51	349
Total # of Consumers Seen	58	41	81	66	63	80	76	80	70	83	101	545

Mobile Services

During the spring of 2007, the DDS began researching the viability of mobile health care services to help meet the needs of consumers transitioning from Agnews. Meetings were arranged with established mobile clinic providers of health care and oral health services and with the Mobile Health Clinics Network to better understand the service model. Further research was conducted into the cost estimates, vehicle specifications and custom design needs to meet accessibility standards for mobile services. This research served as the foundation for discussions with the Bay Area health plans and Bay Area regional centers to further explore mobile service viability and needs.

Over the past several months, the health plans and regional centers have progressed in their discussions and will soon finalize plans for mobile services based on existing needs and an optimal service delivery model.

Dental Services

Dental services continue to be a critical component of community resource development efforts. Prevention is the emphasis of the dental service strategy. Before residents transition into the community, regional center dental coordinators complete a comprehensive individualized assessment of the dental status and needs of each consumer. The regional centers recruit dental hygienists to provide ongoing dental screenings and cleanings for consumers in their own homes. Additionally, regional centers recruit and support the training of dentists to provide prevention and care consistent with each consumer's needs.

Sedation Dentistry: The majority of consumers transitioning from Agnews require sedation dentistry. The regional centers and the health plans are coordinating services to assure timely and appropriate access to these services, as necessary. The health plans are in the process of identifying community resources that will provide sedation dentistry through outpatient surgeries, and the regional centers have identified the qualified dentists.

Behavioral Services

Many current and former Agnews residents have behavioral needs. To assist Agnews residents in the transition process, Agnews staff support and train service providers on how to prevent and how to respond to challenging behaviors and are available to assist in the community when a consumer's health, safety, and/or CLO may be threatened.

Psychiatric services and reviews of medications are available through the Agnews outpatient clinic. Further, each of the regional centers has developed a working relationship with psychiatric resources in the community to accommodate Agnews residents. SARC, for example, utilizes psychiatric services at Loma Linda University and the University of California (UC) Irvine, through a telemedicine system. The DDS will continue to support regional center efforts to expand partnerships with county

mental health departments in order to improve access to behavioral services for consumers with mental health needs.

For short-term crisis situations, the three regional centers and Alameda County Mental Health Department are in the process of developing a secured-treatment facility in San Leandro that can serve former Agnews residents. The facility will provide short-term treatment and stabilization available for up to 15 Bay Area residents at a time. It is expected to open in late 2008.

Additionally, Redwood Place, a 34-bed intensive treatment program, provides residential options for eligible Agnews consumers as well as consumers from RCEB, GGRC and NBRC who require crisis stabilization at a setting away from the home. The facility has a delayed egress arrangement but is not locked.

Quality Management

Overview of the Quality Management System

Ensuring the safety and well-being of consumers who move from Agnews into the community is an essential component to the Agnews Closure Plan. The Bay Area Quality Management System (QMS) broad-based research design was refined from the DDS QMS system and approved by numerous stakeholders, including the CMS Grants Advisory Stakeholder Committee.

The Bay Area QMS is based on values set forth in the Agnews Closure Plan and described in the DDS Strategic Plan. A three-year federal System Change Quality Assurance/Quality Improvement Grant was completed in September of 2006, and served as the basis for developing the QMS model. Data has been collected since April 2007. Specifically, the Bay Area QMS seeks to:

- ❖ Keep consumers safe and ensure their well being;
- ❖ Support value-based outcomes for providers and consumers;
- ❖ Identify and fill gaps in the community system;
- ❖ Develop and pilot a QMS with potential for statewide implementation; and,
- ❖ Meet CMS expectations.

An 11-member QMS Commission including advocates, family members and consumers is responsible for reviewing trend data. The commission makes recommendations to the DDS concerning quality of care and systems improvement. The commission has held four meetings since September 2005. During the June 2007 meeting, Commissioners reviewed the National Core Indicators (NCI) study, as presented by the Human Services Research Institute.

National Core Indicator Studies

The NCI Surveys are a national initiative currently utilized by 26 states and four regional centers in California. The goal of the NCI is to develop a systematic approach to

performance and outcome measurement. Through the NCI, participating states create performance monitoring systems, identify common performance indicators, develop comparable data collection strategies, and share results. Many of the state agencies use NCI as a key component within their quality management systems.

Former Agnews residents who have transitioned into the community between from July 2003 through March 2005 and their families were surveyed separately using the NCI Surveys. A copy of this report is available on the DDS website at www.dds.ca.gov/AgnewsClosure/pdf/BayAreaQMS_SurveyResults.pdf.

Quality Service Review

The QMS includes a provider performance expectation and quality improvement tool, referred to as the Quality Services Review (QSR). The QSR focuses on individual outcomes which are measured using monitoring tools.

Over 800 QMS/QSR Unified Plan home visits have been conducted since April 2007. These visits have been recorded on QSR tools by regional center professionals including service coordinators, registered nurses and behavior plan analysts and also by visitors – family members and friends of the individuals who live in the homes. By using the QSR tools on these visits, over 18,000 questions and observations about service quality and the home environment have been recorded in the database. This data is used at the consumer, provider and regional center levels to inform quality improvement efforts.

Quality Snapshot

The Quality Snapshot survey is designed to obtain feedback from families and other visitors to residential homes. The snapshots provide information about a visitor's perspective on the home environment and staff, as well as the consumer's well being, and are mailed directly to the QMS Specialists at each regional center. Quality Snapshot surveys have been distributed to all homes that are part of the full QMS/QSR certification process. Data from returned surveys is being reviewed, utilized, and entered into the Quality Management Information System.

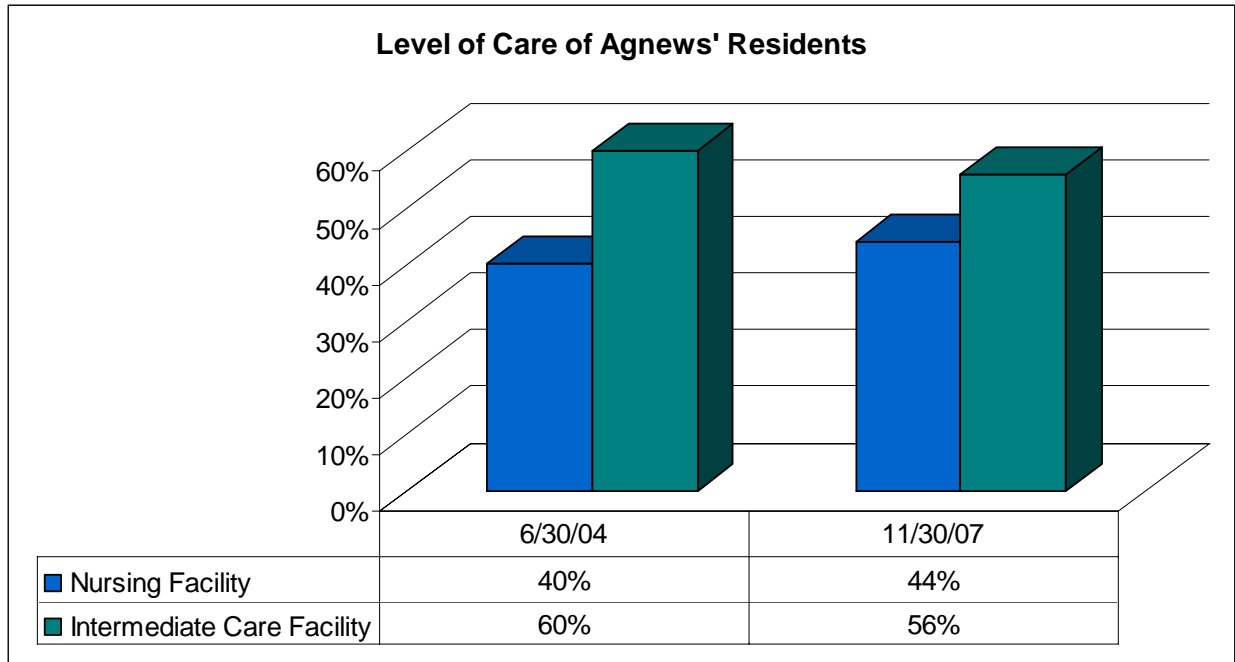
Agnews Residents

Current Agnews Residents

As of November 30, 2007, 198 residents remained at Agnews. All residents are expected to move from Agnews by the time of its planned closure in June 2008.

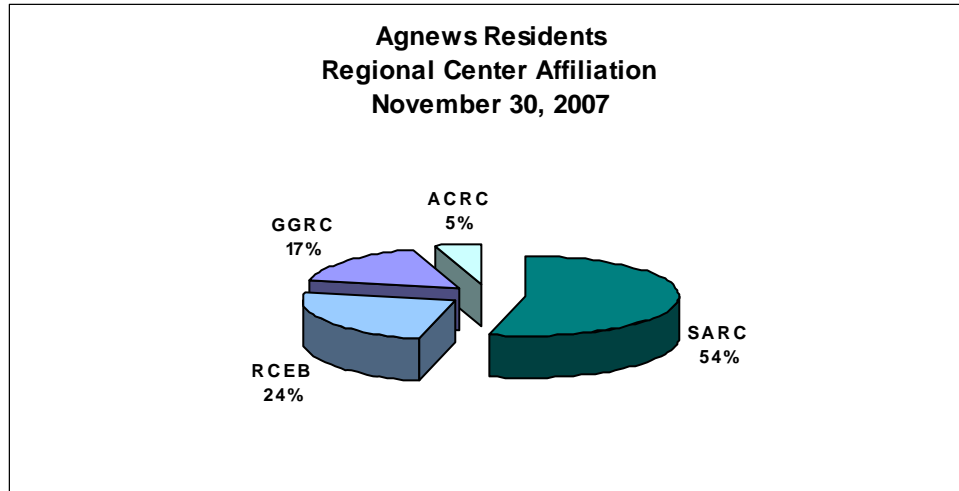
Levels of Care

Agnews provides three levels of care to people who reside at the facility. The first level of care is provided in the Nursing Facility (NF) residences in which approximately 44 percent of Agnews residents live (87 residents). The second level of care is provided in the Intermediate Care Facility (ICF) residences, which are home to the remaining 56 percent of residents (111 residents). Both the NF residences and the ICF residences provide 24-hour residential services. The third level of care is General Acute Care where short-term medical and nursing care is provided to residents to address an acute illness or injury requiring that level of care.



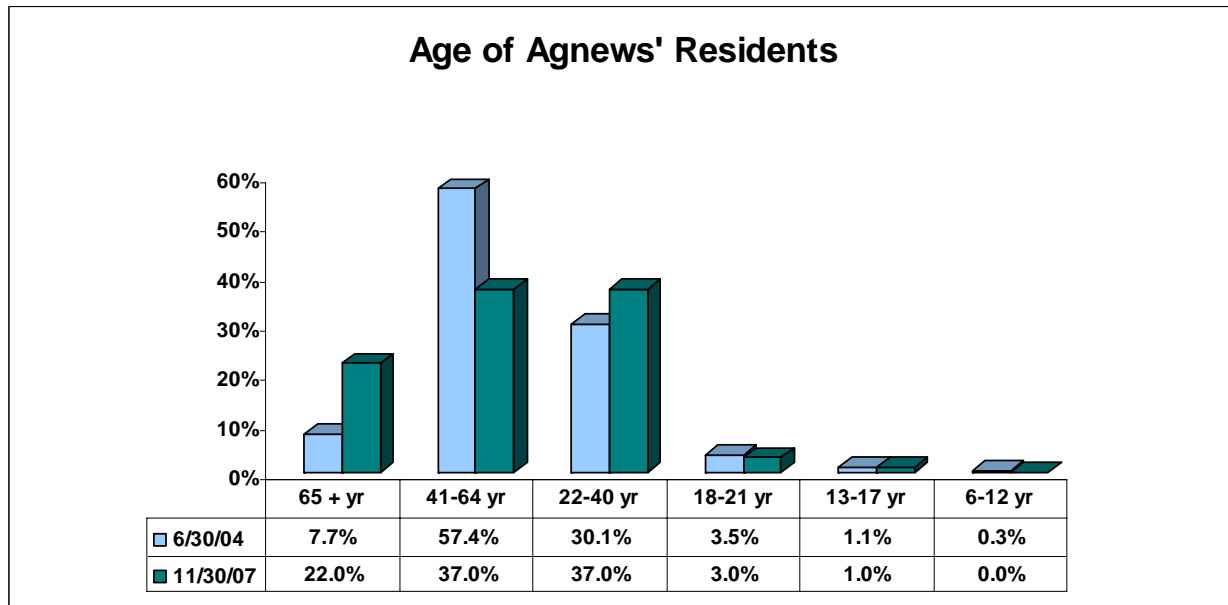
Regional Center Affiliation

Approximately fifty-four percent of current Agnews residents are affiliated with the SARC, 24 percent are affiliated with the RCEB, 17 percent are affiliated with the GGRC, and 5 percent are affiliated with Alta California Regional Center (ACRC).



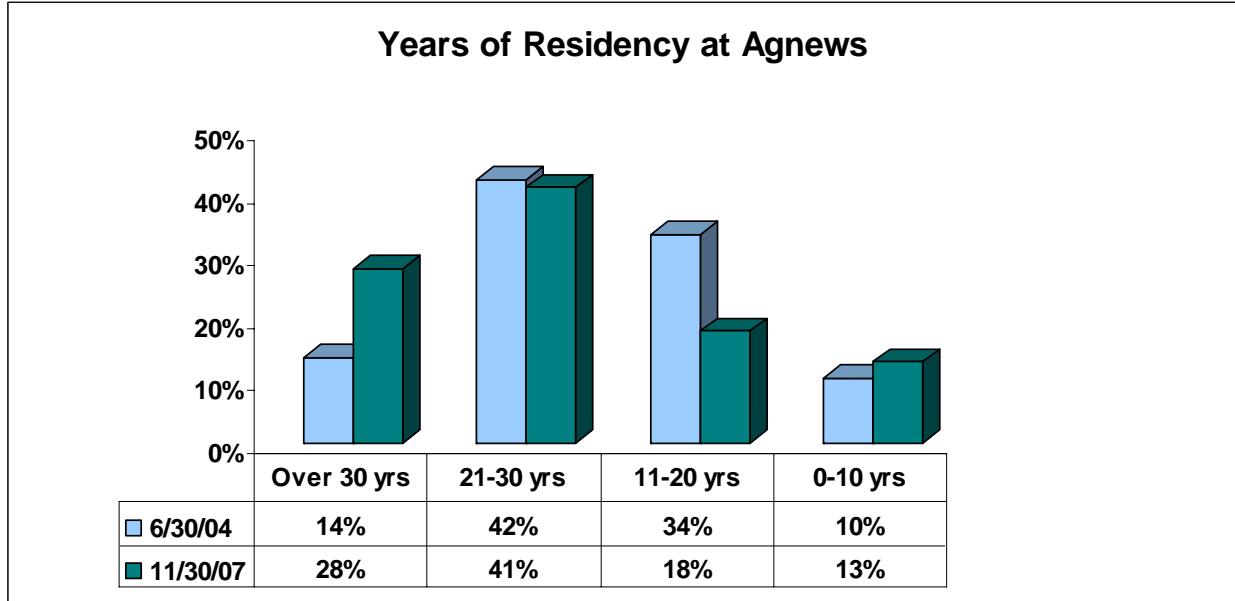
Age of Agnews Residents

As of November 30, 2007, 59 percent of the residents are over age 40. People who are 65 years or older make up 22 percent of the population. In contrast, 1 percent of the residents are under the age of 18 years.



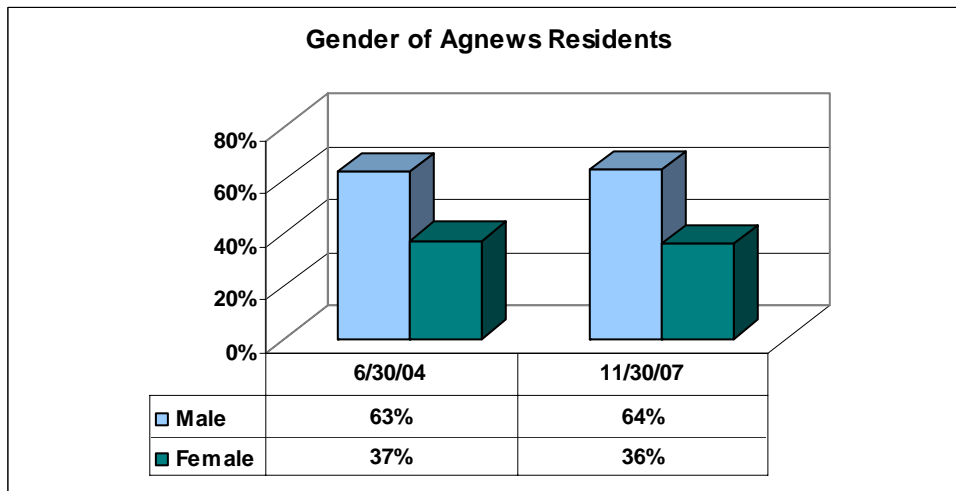
Years of Residency at Agnews

Sixty-nine percent of the current residents have lived at Agnews over 20 years. Eighteen percent have resided at Agnews for 11 to 20 years. Thirteen percent have resided at Agnews for ten years or less.



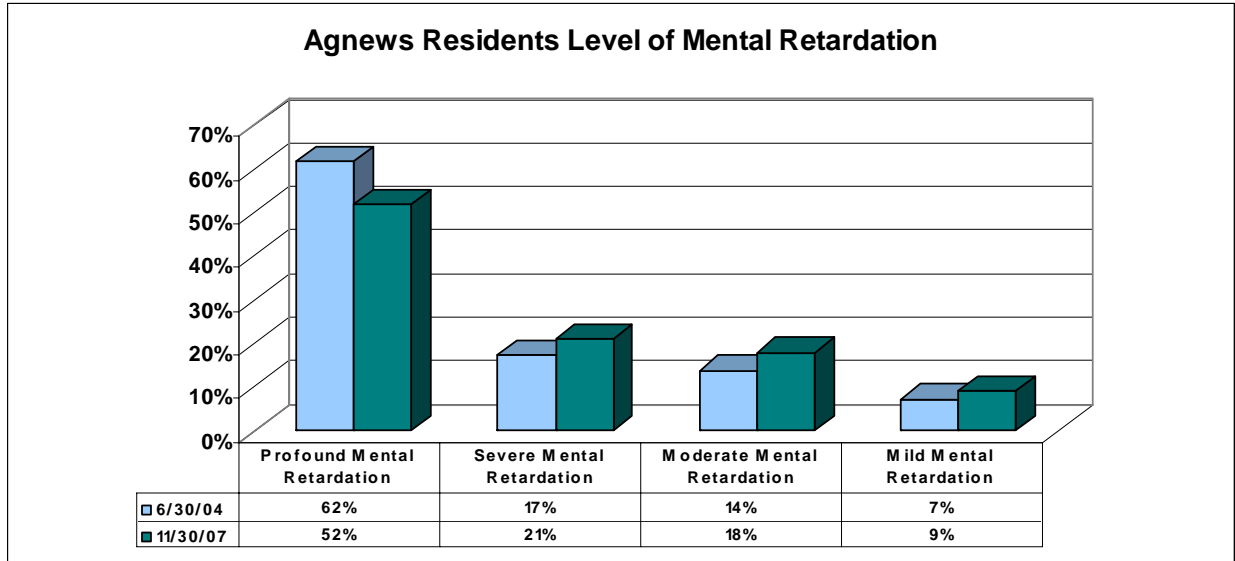
Gender of Agnews Residents

Sixty-four percent of the residents are male, and 36 percent are female.



Level of Mental Retardation

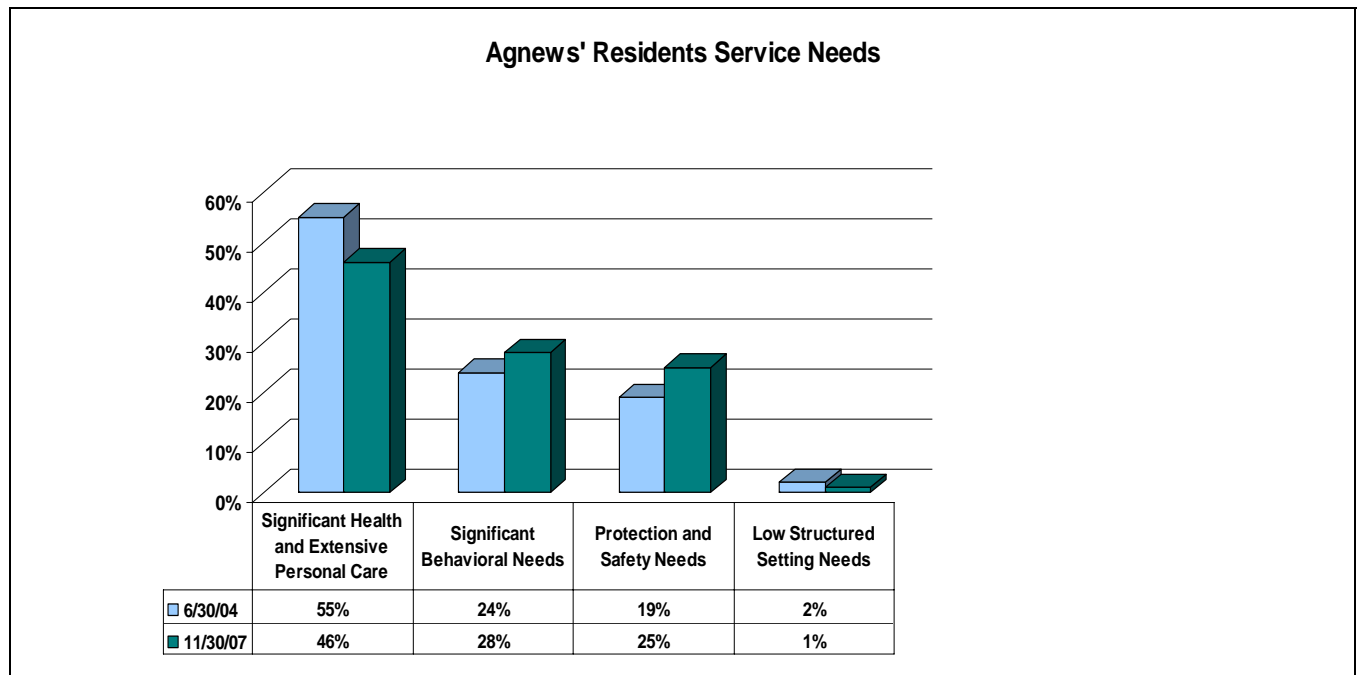
Fifty-two percent of the current Agnews' residents have profound mental retardation, 21 percent have severe mental retardation, 18 percent have moderate mental retardation, and 9 percent have mild mental retardation.



Service Needs of Residents:

Agnews residents have the following four primary service needs:

- **Significant health and extensive personal care needs:** This category includes people who require assisted breathing technology, inhalation assistive devices, or tracheotomy care; have recurrent pneumonias or apnea; and are non-ambulatory, requiring total assistance and care, and/or receive enteral (tube) feeding. Significant nursing intervention and monitoring are required to effectively support these consumers. Forty-six percent of the residents have significant health and extensive personal care needs.
- **Significant behavioral needs:** This category describes consumers who have significant aggression issues that may require intervention for the safety of themselves or others. Approximately 28 percent of the residents are consumers with significant behavioral issues.
- **Protection and safety needs:** This category includes consumers who need a highly structured setting because of a lack of safety awareness, a pattern of self-abusive behaviors and/or inappropriate expression of social behavior. These consumers require constant supervision and ongoing intervention to prevent self-injury and/or stigmatization. Twenty-five percent of Agnews residents require this type of structure and service need.
- **Low structured setting needs:** This service need includes residents who require minimal supervision and support, comprising one percent of the Agnews residents.

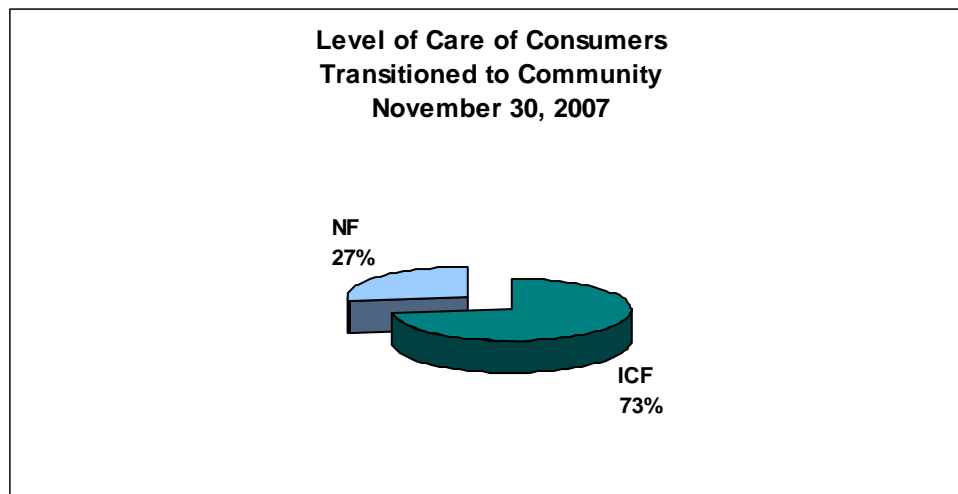


Agnews Consumers Who Have Transitioned Into the Community

Between July 1, 2004 and November 30, 2007, 150 residents transitioned to the community, 12 consumers were admitted to Agnews and 6 consumers were transferred to other developmental centers.

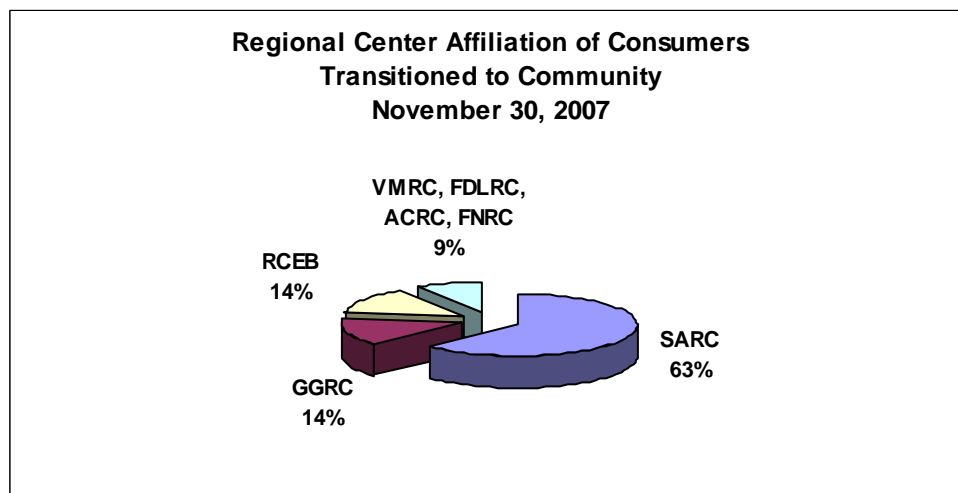
Level of Care of Consumers Who Have Transitioned Into the Community

Of the consumers who transitioned to community living arrangements between July 1, 2004 and November 30, 2007, 73 percent had been served in the ICF residences and 27 percent had been served in NF residences while at Agnews.



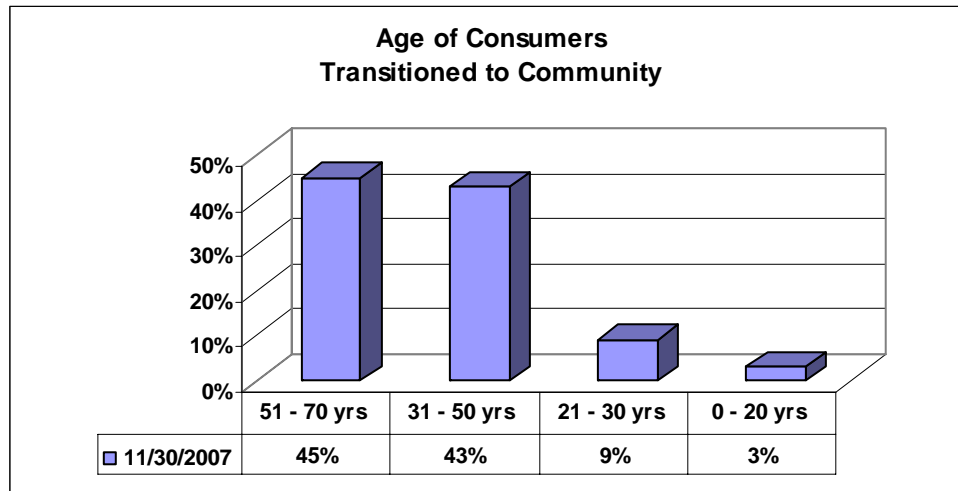
Regional Center Affiliation of Consumers Transitioned to Community

Sixty-three percent of the consumers transitioning to the community between July 1, 2004, and November 30, 2007, were affiliated with SARC, 14 percent were affiliated with GGRC, 14 percent were affiliated with RCEB, 9 percent were affiliated with Far Northern Regional Center (FNRC), Valley Mountain Regional Center (VMRC), Frank D. Lanterman Regional Center (FDLRC), or ACRC.



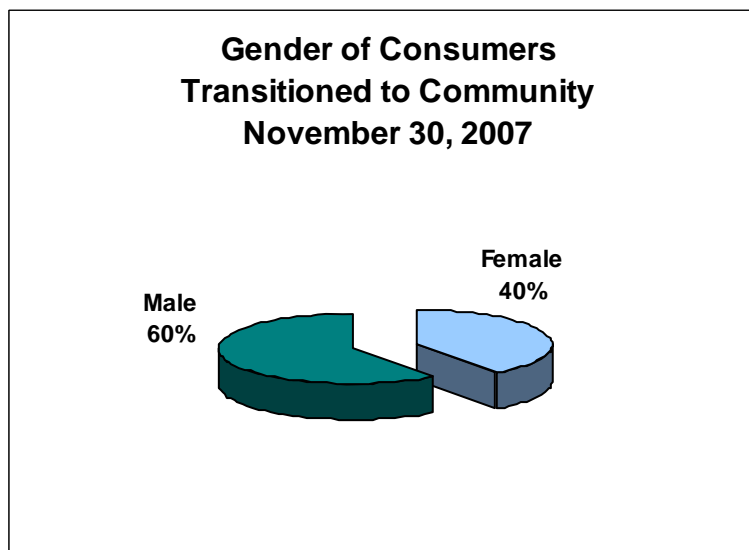
Age of Consumers Who Have Transitioned into the Community

Of the consumers transitioned to the community between July 1, 2004, and November 30, 2007, 45 percent were 51 to 70 years of age at the time of transition from Agnews, 43 percent were 31 to 50 years old, 9 percent were 21 to 30 years old, and 3 percent were 20 years of age or younger.



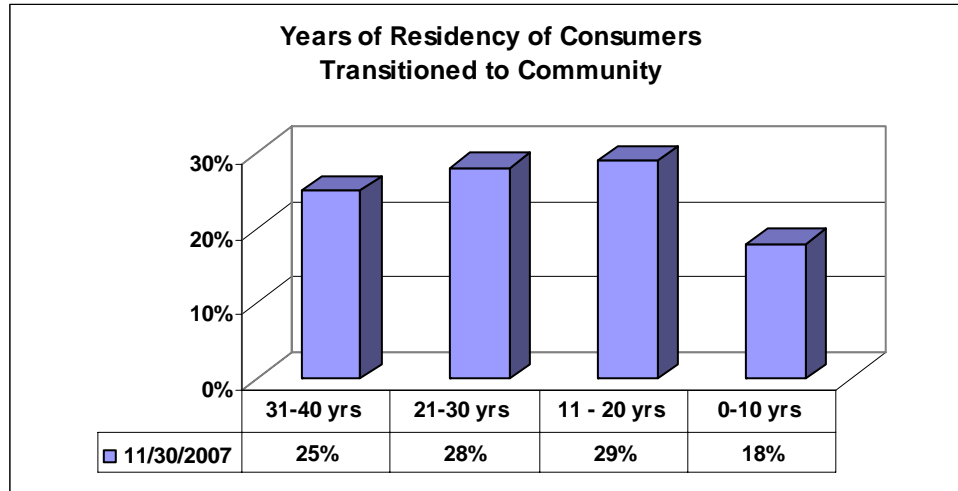
Gender of Consumers Who Have Transitioned to Community

Sixty percent of the consumers transitioned to the community between July 1, 2004, and November 30, 2007, were male, and 40 percent were female.



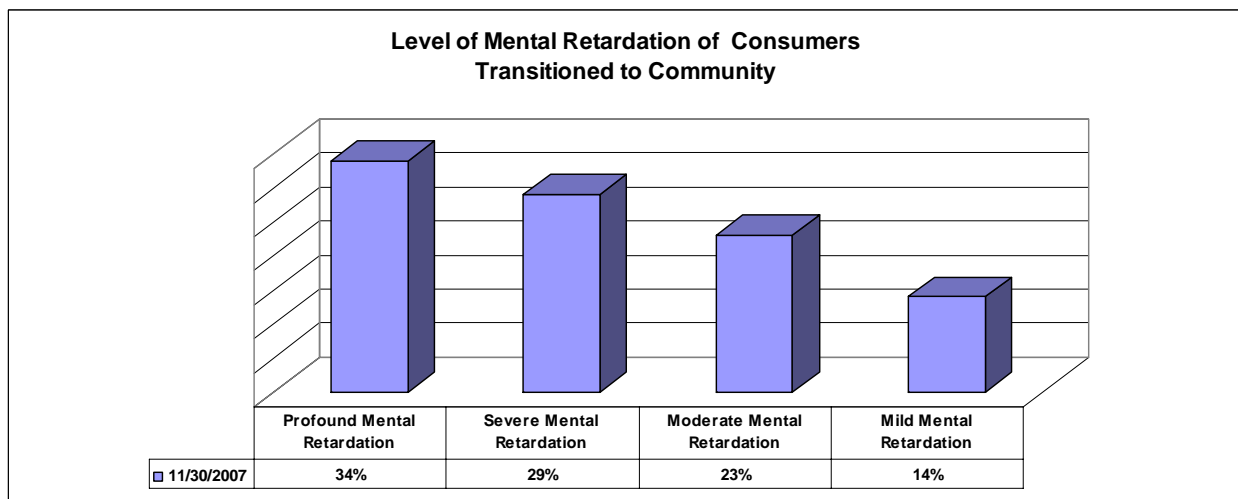
Years of Residency of Consumers Who Have Transitioned to Community

Of the consumers transitioned to the community between July 1, 2004, and November 30, 2007, 25 percent lived at Agnews for 31 to 40 years, 28 percent for 21 to 30 years, 29 percent for 11 to 20 years, 18 percent for 10 years or less.



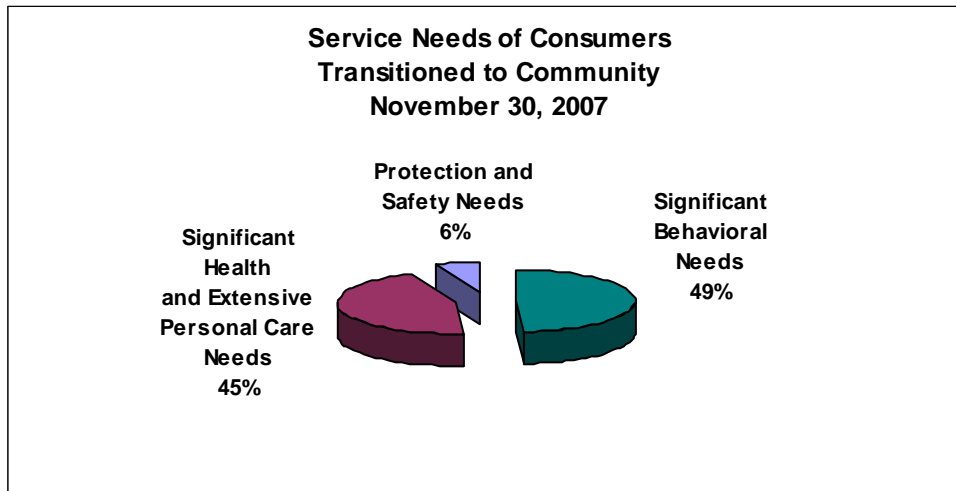
Level of Mental Retardation of Consumers Transitioned to Community

Between July 1, 2004, and November 30, 2007, 34 percent of transitioning consumers had profound mental retardation, 29 percent had severe mental retardation, 23 percent had moderate mental retardation, and 14 percent had mild mental retardation.



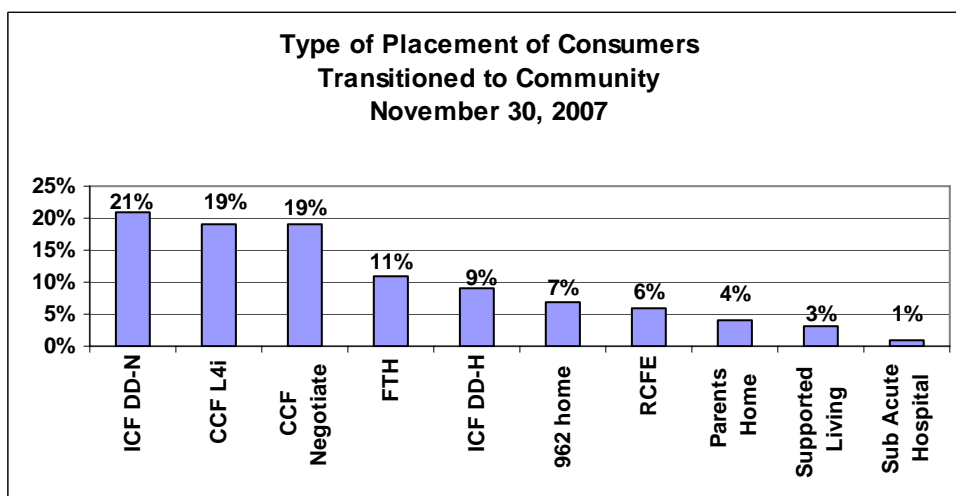
Service Needs of Consumers Transitioned to Community

Forty-nine percent of the consumers who transitioned to the community between July 1, 2004, and November 30, 2007, had significant behavioral needs, 45 percent had significant health and extensive personal care needs, and 6 percent had protection and safety needs.



Type of Placement of Consumers Transitioned to Community

Twenty-one percent of the consumers who transitioned to the community between July 1, 2004, and November 30, 2007, moved to ICF Developmentally Disabled-Nursing (DD-N), 19 percent moved to Community Care Facility Level 4i (CCF L4i), 19 percent moved to CCF Negotiate, 11 percent moved to FTH, 9 percent moved to ICF Developmentally Disabled-Habilitative (DD-H), 7 percent moved to 962 homes, 6 percent moved to RCFE, 4 percent moved to their Parents Home, 3 percent moved to Supported Living, and one individual equaling less than one percent of the consumers required long-term care in a sub acute hospital.



Agnews Employees

As of November 30, 2007, there were 899 employees at Agnews. Agnews employees have been provided information regarding the closure and the options that are, or will become, available for employment.

The Marchesi Career Center

The Marchesi Career Center (Career Center) opened at Agnews in July 2006. Counselors assist employees with job search information, assessing qualifications based on job specifications, finding available employment opportunities, preparing applications, comparing benefits, and evaluating retirement options. From the time of its opening through November 30, 2007, the Career Center recorded 1,019 employee visits where information and career counseling services were provided. Between April 2007 and November 30, 2007, 475 employees received career counseling.

The Career Center also serves as a training site equipped with a media center and training materials specific to community-based business opportunities and employment, job searching, résumé writing, application processing and interview tips and techniques. The Career Center has provided training courses to more than 600 staff from the time it opened through November 30, 2007.

Staff Support

Agnews has established a Staff Support Committee to assist the Career Center as the facility moves toward closure. Surveys have been distributed to all Agnews' staff to provide an opportunity for every employee to communicate their future career interests. With this information, the Career Center can better identify and tailor counseling and training. As of November 30, 2007, 555 employees responded. Employees who expressed interest in specific types of opportunities were sent individual notices, invitations, and save-the-date cards, as appropriate.

On July 26, 2007, more than 35 different state and community vendors participated in a Career Center-sponsored job fair. More than 600 employees dropped in throughout the day to consider various opportunities.

State Staff in the Community

Many Agnews employees have expressed an interest in continuing to serve the consumers who reside at Agnews as they transition to the community. Between April 1, 2007 and November 30, 2007, 105 employees applied and were interviewed for contracted community state staff positions with various regional centers and provider organizations.

As many as 200 Agnews employees will have had the opportunity to obtain community-based state employment before Agnews closes. These positions may be providing direct-care, training or consultation, quality assurance, or other services.

Selection processes have been negotiated with each involved labor organization, taking into consideration current hiring practices for state employment. Staff is updated weekly on opportunities to promote continuous recruitment throughout the facility. In addition, the DDS has developed orientation and job training sessions to familiarize employees with community-based opportunities.

Direct Service Professional Training

The Career Center is offering Direct Service Professional (DSP) training for employees who are interested in transitioning into the community-based service system. The training benefits service providers, regional centers, and consumers by ensuring that there is a pool of experienced and qualified prospective employees. The training, which consists of two 35-hour classes, is required for all staff providing care to consumers in the community.

The Career Center offered a challenge test and a separate full review session for the Year 1 DSP training during the months of April and June. The Career Center offered the Year 2 DSP training in October of 2007. The Career Center will continue to offer the review sessions for DSP training Year 1 and Year 2 through the spring of 2008.

Attrition

Agnews has maintained sufficient staff to protect the health and safety of remaining residents and to ensure the ongoing certification of the facility. As of November 30, 2007, there were 899 employees at Agnews.

The attrition rate for this fiscal year is consistent with last fiscal year at ten percent. Licensed personnel such as registered nurses and psychiatric technicians comprise a significant majority of the separations. There is an increase in the proportion of administrative and support staff who are separating. Currently, 82 percent are currently full-time employees, 8 percent are temporary limited term employees, 6 percent are intermittent employees, and the remaining 4 percent are part-time employees.

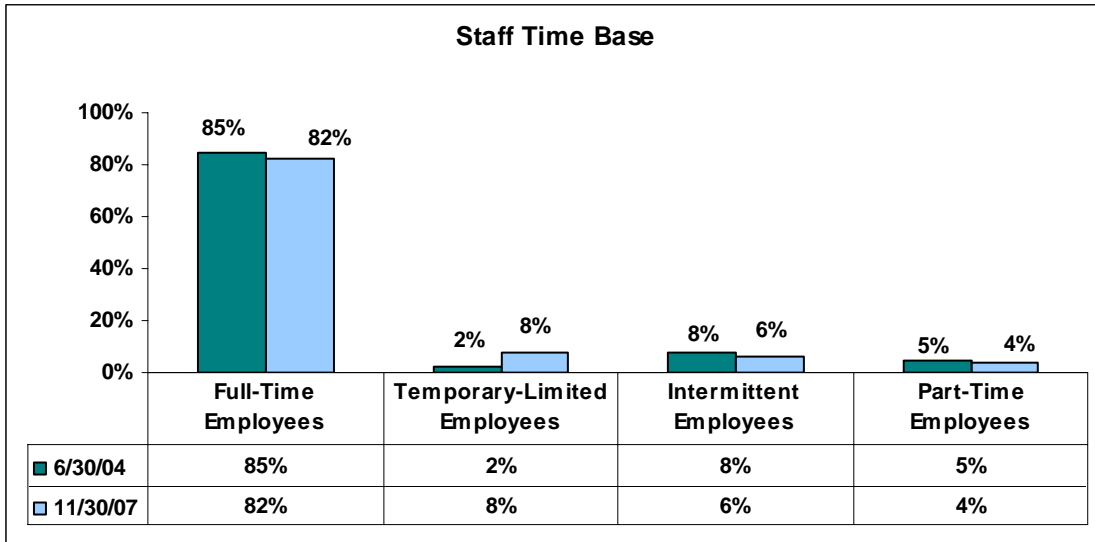
The facility continues to balance the need to promote employee stability, provide opportunities for staff to transition to the community-based system, and provide opportunities for employees who may be subject to layoff with accurate and timely information on options. To ensure the availability of staff in critical classes, Agnews offers training and development opportunities as well as out-of-class assignments.

It is anticipated that the number of employees who accept community-based assignments will significantly increase with the increased availability of community

resources for Agnews consumers. Residential providers have expressed a strong interest in providing employment opportunities to Agnews staff.

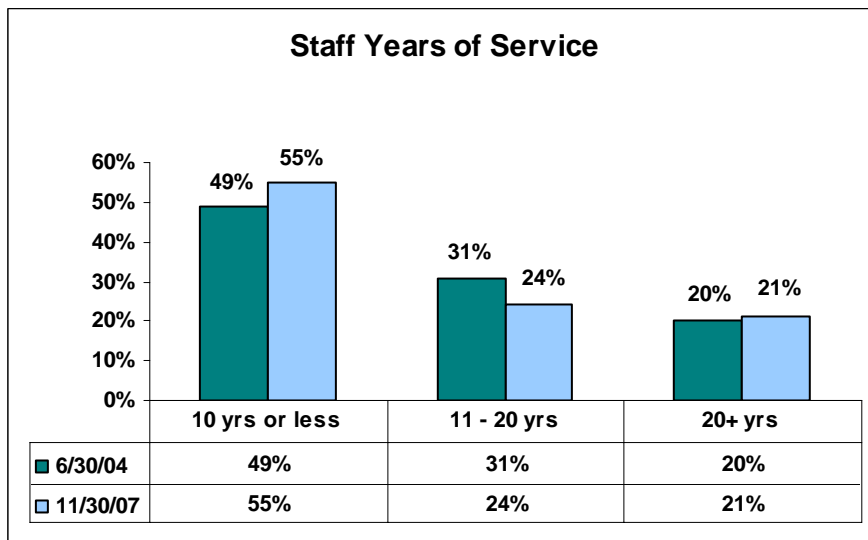
Current Employee Composition

As of November 30, 2007, there are 899 employees at Agnews. Of these employees, 82 percent are currently full-time employees, 8 percent are temporary limited term employees, 6 percent are intermittent employees, and the remaining 4 percent are part-time employees.



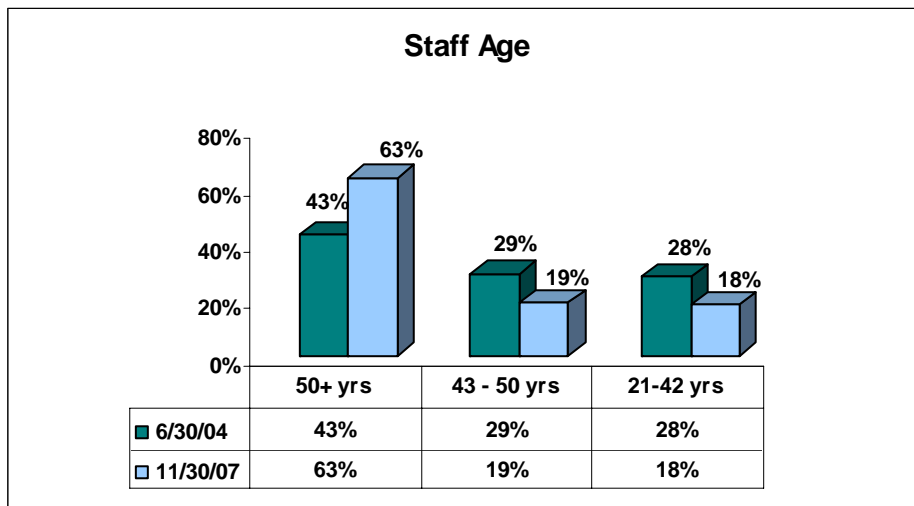
Staff Years of Service

Fifty-five percent of the employees have worked at Agnews for 10 years or less. Twenty-four percent of the employees have been employed at Agnews between 11 and 20 years. The remaining 21 percent have worked at Agnews for more than 20 years.



Staff Age

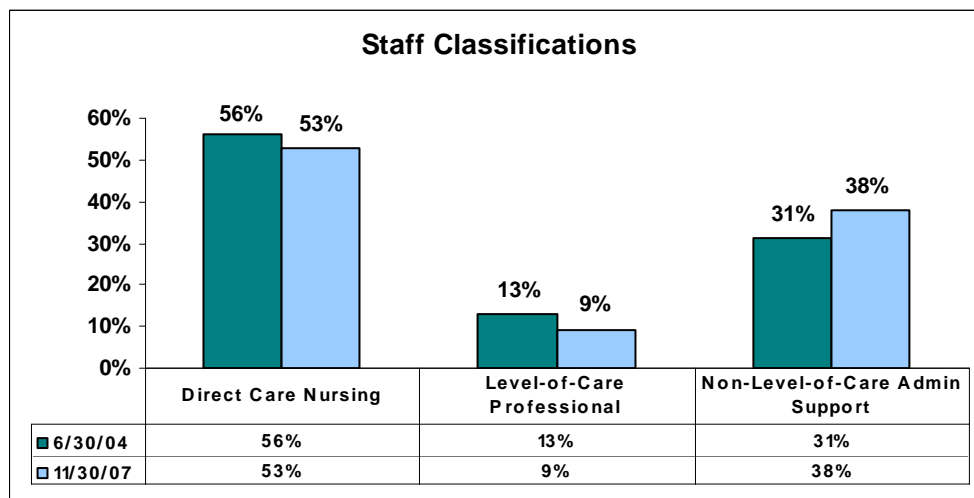
Sixty-three percent are over 50 years of age. Nineteen percent are between 43 to 50 years. Eighteen percent of the workforce are between 21 and 42 years of age.



Employee Classification

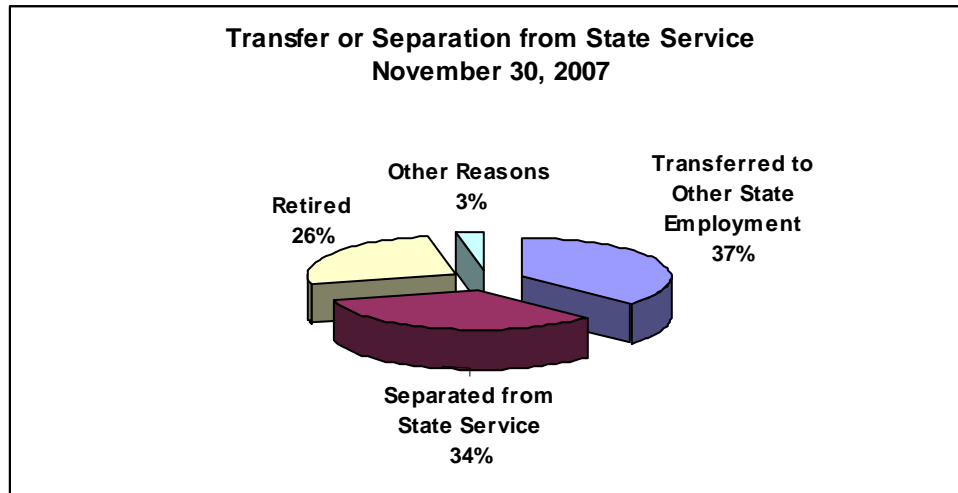
There is a wide range of employees and classifications that provide services to people residing at Agnews. These classifications are categorized as follows:

- **Direct Care Nursing:** Comprising 53 percent of the employee population, these include registered nurses, licensed vocational nurses, psychiatric technicians, psychiatric technician assistants, trainees, and students.
- **Level-of-Care Professionals:** Comprising 9 percent of the employee population these include physicians, rehabilitation therapists, social workers, teachers, physical and occupational therapists, respiratory therapists and others who provide a direct and specialized service to the residents at Agnews.
- **Non-Level-of-Care and Administrative Support:** The remaining 38 percent of the employee population includes clerical employees, food service employees, personnel and fiscal services employees, plant operations employees, and all supervisors and managers.



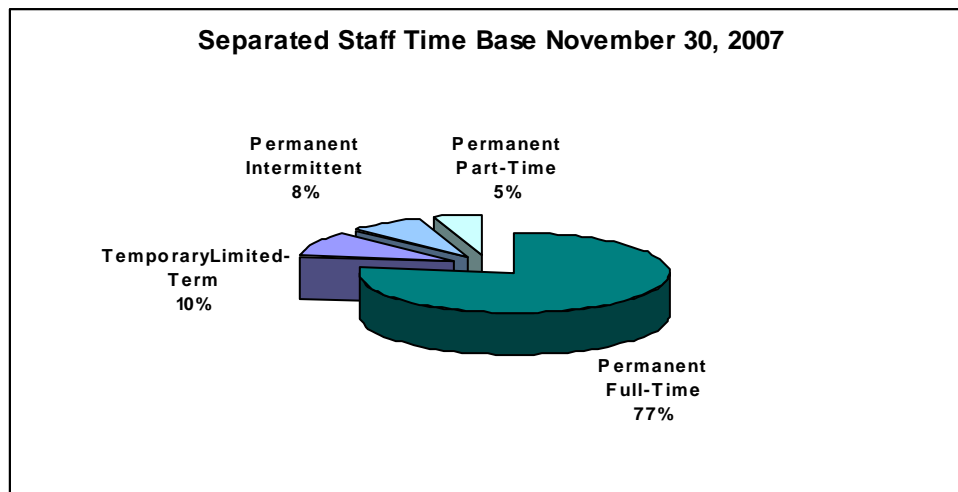
Separated Employee Composition

Between the time period of July 1, 2004, and November 30, 2007, 563 employees separated from employment with Agnews. Of those separating, 37 percent transferred to other state employment, 34 percent separated from state service, 26 percent retired, and 3 percent left for other reasons.



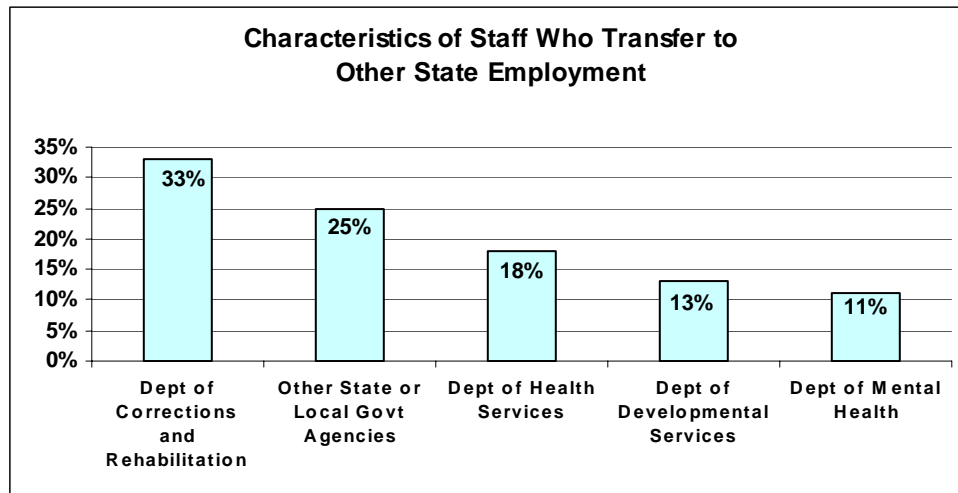
Separated Employee Staff Work Status

Of the employees that separated from Agnews state service between July 1, 2004, and November 30, 2007, 77 percent had been full-time employees, 10 percent had been temporary limited-term employees, 8 percent had been permanent intermittent, and 5 percent had been permanent part-time.



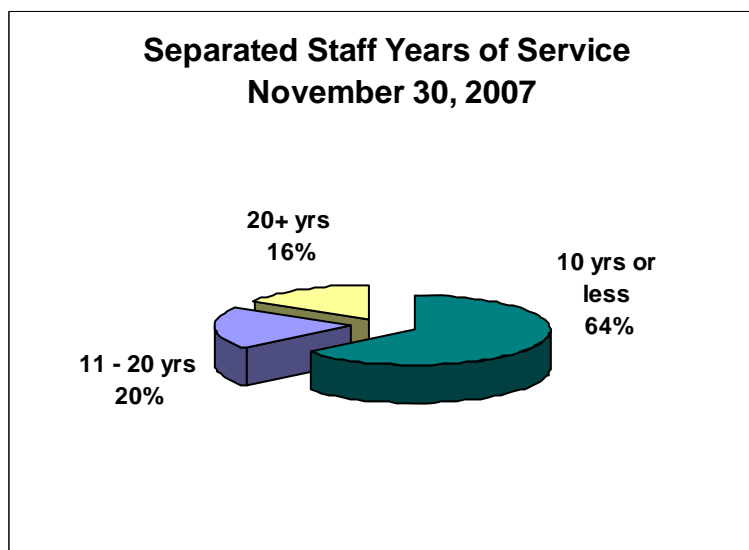
Characteristics of Staff Who Transfer

For staff separating from Agnews to other state employment, 33 percent transferred to the California Department of Corrections and Rehabilitation, 25 percent transferred to other state or local government agencies, 18 percent transferred to the Department of Health Services, 13 percent transferred to other employment within the DDS, and 11 percent transferred to the Department of Mental Health.



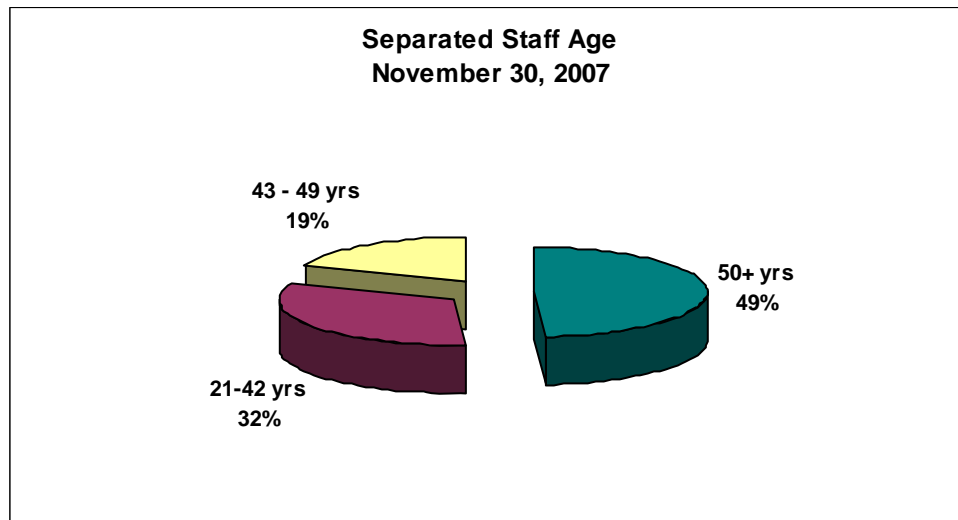
Separated Staff Years of Services

Sixty-four percent of the employees who separated from state service had worked at Agnews for ten years or less, 20 percent had worked at Agnews between 11 and 20 years, and 16 percent had worked at Agnews for more than 20 years.



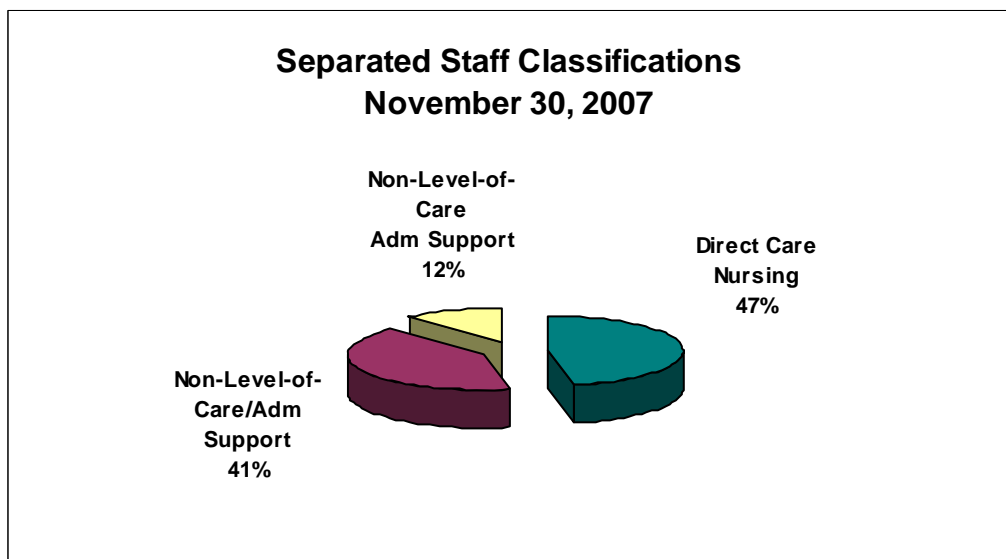
Separated Staff Age

Forty-nine percent were 50 years or older, 32 percent of those who separated were between 21 and 42 years of age, and 19 percent were between 43 to 49 years old.



Separated Staff Classifications

Forty-seven percent of the separated employees were providers of direct care, 41 percent in non-level-of-care positions and administrative support. Twelve percent were level of care professional service providers to Agnews residents.



Conclusion

The closure of Agnews has provided the state with a critical opportunity to build community-based alternatives for consumers with unique needs who otherwise may not have opportunities to live in home-like settings. This historic effort is consistent with state and national efforts to integrate services in the least-restrictive settings possible in accordance with individual choices.

The DDS looks forward to continuing its efforts at the state and local level to build community capacity for individuals with developmental disabilities, and to address the needs of Agnews residents transitioning into the community.

Major Implementation Steps and Timelines

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID	Task Name							2
		1st Quarter			2nd Quarter			
		Dec	Jan	Feb	Mar	Apr	May	Jun
1	Plan Development							
2	✓ Establish the Bay Area Project Steering Committee							
3	✓ Establish Agnews' proposed closure Advisory Committee							
4	✓ Begin Agnews' proposed closure Advisory Committee meetings							
5	✓ Establish Bay Area Project planning teams to solicit input on the Agnews Closure Plan							
6	✓ Public Hearing on the proposed closure of Agnews							
7	✓ Letter to Legislators and Other Interested Parties announcing postponement of Agnews Closure to July 2006							
8	✓ Submission of the Agnews Closure Plan to the Legislature							
9	✓ Legislative approval of Plan for Closure							
10	Resource Development							
11	Bay Area Housing Plan (BAHP)							
12	✓ Draft Legislation							
13	✓ AB 2100 Introduced							
14	✓ AB 2100 effective 1/1/2005							
15	✓ Regional Center Development of BAHP							
16	✓ DDS, Housing and Community Development, California Housing and Finance Agency (CalHFA), DOF, Governor's Office Review BAHP							
17	✓ BAHP and Expenditure Plan submitted to JLBC							
18	✓ CalHFA Bd approves 1st bond financing							
19	✓ CalHFA Bd approves 2nd bond financing							
20	✓ Construction and acquisition financing secured							
21	✓ NPOs identify potential properties							
22	🏠 Hallmark acquires properties							
23	🏠 Hallmark renovates properties							
24	✓ BAHP Legal Agreements endorsed							
25	✓ BAHP RC Contract Amendment Enforced							
26	✓ Budget Act Reappropriation of Expenditure Plan Funds							
27	🏠 61 Properties Receive Certificates of Occupancy							
28	962 Homes							

**A check indicates a completed task.
A solid line indicates post closure activity.**

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2							
			1st Quarter			2nd Quarter				
			Dec	Jan	Feb	Mar	Apr	May	Jun	
29	<input checked="" type="checkbox"/>	Draft Legislation								
30	<input checked="" type="checkbox"/>	SB 962 Introduced								
31	<input checked="" type="checkbox"/>	SB 962 Legislation effective 1/1/2006 - Pilot Project								
32	<input checked="" type="checkbox"/>	RCs Draft and Issue RFPs for service providers								
33	<input type="checkbox"/>	Prospective licensees program plans submit to DDS by RCs								
34	<input type="checkbox"/>	Facilities certification letters issued								
35	<input checked="" type="checkbox"/>	IA for evaluation of project developed								
36	<input type="checkbox"/>	Homes developed by BAHF								
37	<input type="checkbox"/>	Develop Consumers' Individual Health Care Plans								
38	<input type="checkbox"/>	Transition Consumers into homes								
39	<input checked="" type="checkbox"/>	Project evaluation contractor selected								
40	<input type="checkbox"/>	Monitoring of individuals placed in homes								
41	<input type="checkbox"/>	Evaluation report to Legislature of pilot								
42	<input type="checkbox"/>	SB 962 sunsets unless extended								
43		Family Teaching Homes (FTH)								
44	<input checked="" type="checkbox"/>	Assembly Bill 2100 Enacted								
45	<input checked="" type="checkbox"/>	Draft FTH Regulations								
46	<input checked="" type="checkbox"/>	Promulgate Regulations								
47		Health Services								
48	<input checked="" type="checkbox"/>	Establish Dental Coordinator Positions								
49	<input checked="" type="checkbox"/>	Implement Expanded Nursing Assessment Components								
50	<input checked="" type="checkbox"/>	Implement Expanded Nursing Assessment								
51	<input checked="" type="checkbox"/>	Develop Individual Health Care Plan								
52	<input checked="" type="checkbox"/>	Implement Individual Health Care Plan								
53	<input checked="" type="checkbox"/>	Develop Risk Assessment Tool								
54	<input checked="" type="checkbox"/>	Implement Risk Assessment Tool								
55	<input checked="" type="checkbox"/>	Establish Agnews Outpatient Clinic								
56	<input type="checkbox"/>	Provide Service Through Agnews Outpatient Clinic								
57	<input checked="" type="checkbox"/>	Develop Prototype MOU								

**A check indicates a completed task.
A solid line indicates post closure activity.**

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID	Task Name							2
		1st Quarter			2nd Quarter			
		Dec	Jan	Feb	Mar	Apr	May	Jun
58	<input checked="" type="checkbox"/> Develop DHCS/DDS MOU							
59	<input type="checkbox"/> Submit Protocols to Agency and the Legislature							
60	<input checked="" type="checkbox"/> Contract with Telecare for crisis facility							
61	<input type="checkbox"/> Continue capacity building with health plans							
62	<input type="checkbox"/> Continue recruitment of mental health and dental service providers							
63	<input type="checkbox"/> Provide service delivery monitoring and oversight							
64								
65	State Employees in the Community							
66	<input checked="" type="checkbox"/> Draft Legislation							
67	<input checked="" type="checkbox"/> Introduce AB 1378							
68	<input checked="" type="checkbox"/> AB 1378 effective 1/1/2006							
69	<input checked="" type="checkbox"/> DDS-Labor Relations notice impacted unions of change in working conditions and offer to meet and confer/discuss.							
70	<input checked="" type="checkbox"/> DDS establishes negotiating team							
71	<input checked="" type="checkbox"/> DDS initiate survey of regional centers regarding need for State employees for use in transition to community.							
72	<input checked="" type="checkbox"/> DDS-Agnews analyze survey results to determine bargaining positions, number of unions impacted, notice additional unions if necessary							
73	<input checked="" type="checkbox"/> DDS—Agnews/Regional Centers develop contracts for use of state employees and reimbursement							
74	<input checked="" type="checkbox"/> DPA and DDS meet with unions to negotiate /discuss use of State employees							
75	<input type="checkbox"/> Agnews deploys up to 200 State employees							
76	Quality Management System							
77	<input checked="" type="checkbox"/> Establish QMS Commission							
78	Provider - Tools							
79	<input checked="" type="checkbox"/> Complete Provider Expectations document							
80	<input checked="" type="checkbox"/> Draft QSR expectations							
81	<input checked="" type="checkbox"/> Complete QSR Manual							
82	<input checked="" type="checkbox"/> Draft and Pilot QSR monitoring tools							
83	<input checked="" type="checkbox"/> Complete QSR monitoring tools							
84	<input checked="" type="checkbox"/> Draft QSR and monitoring tools Training Manual							

**A check indicates a completed task.
A solid line indicates post closure activity.**

Major Implementation Steps and Timelines






Report on the Plan for Closing Agnews Developmental Center

ID	Task Name	2						
		1st Quarter			2nd Quarter			
		Dec	Jan	Feb	Mar	Apr	May	Jun
85	✓ Pilot QSR and monitoring tools Training Manual							
86	Consumer - Tools							
87	✓ Develop, pilot test, and finalize Service Coordinator Tool							
88	✓ Develop, pilot, and finalize Behavior Plan Review tool							
89	✓ Develop, pilot test and DRAFT a Quality Snapshot tool							
90	✓ Develop, pilot, and finalize Nurse Health Review tool							
91	✓ Develop, pilot, and finalize Bay Area Project staff tool							
92	✓ Xenologic Contract							
93	✓ Completion of NCI Consumer Survey Year One							
94	✓ Completion of NCI Family Satisfaction Survey Year One							
95	✓ Final reports on both Consumer and Family Surveys							
96	✓ Develop contract and Scope of Work for Year Two							
97	📅 May 2008 Final Report Year Two Surveys							
98	✓ Community Development team Meetings							
99	✓ CMS final report due on Grant							
100	Business Management Team							
101	📅 Identify and support employees' personal needs to plan for future employment or retirement							
102	✓ Develop a plan to secure and protect Agnews' property throughout closure							
103	✓ Protocols in process to secure and protect Agnews' property throughout closure							
104	✓ Develop a process to ensure timely notification to stakeholders and appropriate entities regarding closure activities							
105	✓ Protocols in process to ensure timely notification regarding closure							
106	✓ Plan for inventory communications and IT equipment, determine and develop a plan, and effectuate disposition							
107	✓ Create website for DCs containing policies and procedures for inventory of communications, and IT equipment							
108	✓ Manage Workers' Compensation cases, and preserve and transfer active and inactive cases including Stockton DC							
109	✓ Plan for purge and preserve Agnews' records as appropriate							

**A check indicates a completed task.
A solid line indicates post closure activity.**

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2						
			1st Quarter			2nd Quarter			
			Dec	Jan	Feb	Mar	Apr	May	Jun
110	<input checked="" type="checkbox"/>	Protocols in process for purge and preserve records							
111	<input checked="" type="checkbox"/>	Develop process to move personal property with the consumer							
112	<input checked="" type="checkbox"/>	Protocols in process to move personal property with consumer							
113		Project, plan, and manage fiscal resources							
114		Plan and facilitate consolidation of programs and services as population declines, including property leases							
115	<input checked="" type="checkbox"/>	Inventory, store, distribute state surplus property - supplies							
116	<input checked="" type="checkbox"/>	Create website for DCs containing policies and procedures for inventory, store-distribute state surplus property supplies							
117	<input checked="" type="checkbox"/>	Develop a process to properly handle all trust account transactions during closure and forward balances at the time of discharge							
118		Inventory/arrange for proper disposal of hazardous materials							
119		Inventory and preserve historical items							
120	<input checked="" type="checkbox"/>	Develop a plan to maintain Agnews' property during warm shutdown							
121		Maintain physical plant during warm shutdown							

**A check indicates a completed task.
A solid line indicates post closure activity.**

Fiscal Update

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

BUDGET BY FISCAL YEAR

	Base 2004-05	2006-07 May Revision CY 2005-06	2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	2008-09 November Estimate CY 2007-08	2008-09 November Estimate BY 2008-09	2009-10	2010-11
<u>FISCAL IMPACT BY ISSUE</u>								
<u>Developmental Centers</u>								
1. Agnews Budget Base	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$73,754,000	\$0	\$0	\$0
2. Placements Into the Community	-2,502,000	-9,654,000	351,000	-12,722,000	-11,456,000	0	0	0
3. Consumer Transfers to Other DCs	0	0	0	-430,000	-430,000	0	0	0
4. State Employees in the Community	0	682,000	3,758,000	9,459,000	9,459,000	24,536,000	24,536,000	4,454,000
5. Administrative Staff for Closure	0	0	0	0	0	335,000	0	0
6. Warm Shut Down	0	0	0	0	0	4,836,000	0	0
7. Foster Grandparent/Senior Companion Program	0	0	0	0	0	-384,000	0	0
8. Staff Costs for Closure Plan	0	201,000	716,000	4,918,000	4,918,000	0	0	0
9. Facility Preparation	0	0	0	73,000	73,000	0	0	0
10. Consumer Relocation Costs	0	0	0	105,000	105,000	0	0	0
11. Regional Resource Development Projects	0	0	0	0	0	1,479,000	1,524,000	1,524,000
12. Agnews Staffing Plan	0	3,231,000	0	731,000	731,000	293,000	201,000	201,000
Sub-Total, Developmental Centers	\$97,712,000	\$86,862,000	\$87,858,000	\$75,888,000	\$77,154,000	\$31,095,000	\$26,261,000	\$6,179,000
<i>General Fund</i>	51,610,000	45,888,000	44,822,000	35,569,759	36,245,759	4,193,000	1,471,000	1,471,000
<i>Other</i>	46,102,000	40,974,000	43,036,000	40,318,241	40,908,241	26,902,000	24,790,000	4,708,000
<u>Regional Centers</u>								
13. Community Placement Plan	\$27,798,000	\$21,511,000	\$26,076,000	\$52,652,000	\$50,231,000	\$8,087,000	\$499,000	\$499,000
14. Placement Continuation	5,279,000	9,442,000	14,314,000	32,823,000	32,782,000	97,223,000	99,986,000	99,986,000
Sub-Total, Regional Centers	\$33,077,000	\$30,953,000	\$40,390,000	\$85,475,000	\$83,013,000	\$105,310,000	\$100,485,000	\$100,485,000
<i>General Fund</i>	29,667,000	27,543,000	34,981,000	65,261,000	61,942,000	67,626,000	63,071,000	63,071,000
<i>Other</i>	3,410,000	3,410,000	5,409,000	20,214,000	21,071,000	37,684,000	37,414,000	37,414,000
GRAND TOTAL	Total \$130,789,000	\$117,815,000	\$128,248,000	\$161,363,000	\$160,167,000	\$136,405,000	\$126,746,000	\$106,664,000
<i>(Please see pages G-7.2 to G-7.3 for detail.)</i>	<i>General Fund</i> 81,277,000	73,431,000	79,803,000	100,830,759	98,187,759	71,819,000	64,542,000	64,542,000
	<i>Other</i> 49,512,000	44,384,000	48,445,000	60,532,241	61,979,241	64,586,000	62,204,000	42,122,000

<u>CHANGE FROM PRIOR FISCAL YEAR</u>								
GRAND TOTAL	Total	-\$12,974,000	\$10,433,000	\$33,115,000	-\$1,196,000	\$136,405,000	-\$33,421,000	-\$20,082,000
	<i>General Fund</i>	-7,846,000	6,372,000	21,027,759	-2,643,000	71,819,000	-33,645,759	0
	<i>Other</i>	-5,128,000	4,061,000	12,087,241	1,447,000	64,586,000	224,759	-20,082,000
Developmental Centers	Total	-\$10,850,000	\$996,000	-\$11,970,000	\$1,266,000	\$31,095,000	-\$50,893,000	-\$20,082,000
	<i>General Fund</i>	-5,722,000	-1,066,000	-9,252,241	676,000	4,193,000	-34,774,759	0
	<i>Other</i>	-5,128,000	2,062,000	-2,717,759	590,000	26,902,000	-16,118,241	-20,082,000
Regional Centers	Total	-\$2,124,000	\$9,437,000	\$45,085,000	-\$2,462,000	\$105,310,000	\$17,472,000	\$0
	<i>General Fund</i>	-2,124,000	7,438,000	30,280,000	-3,319,000	67,626,000	1,129,000	0
	<i>Other</i>	0	1,999,000	14,805,000	857,000	37,684,000	16,343,000	0

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

COSTS TO CLOSE AGNEWS DEVELOPMENTAL CENTER

FISCAL SYNOPSIS

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 May Revision for CY 2006-07	2007-08 May Revision for BY 2007-08	2008-09 November Estimate for CY 2007-08	2008-09 November Estimate for BY 2008-09	2009-10	2010-11
DEVELOPMENTAL CENTERS									
1. Agnews Budget Base	Total	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$73,754,000	\$0	\$0	\$0
	<i>General Fund</i>	52,923,000	49,154,000	44,237,000	39,347,759	39,347,759	0	0	0
	<i>Other</i>	47,291,000	43,248,000	38,796,000	34,406,241	34,406,241	0	0	0
	PYs	1173.0	1187.0	1057.0	967.0	967.0	0.0	0.0	0.0
	Year Beginning Population	376	327	280	204	220	0	0	0
2. Placements Into the Community	Total	-\$2,502,000	-\$9,654,000	\$351,000	-\$12,722,000	-\$11,456,000	\$0	\$0	\$0
	<i>General Fund</i>	-1,313,000	-5,067,000	203,000	-6,787,000	-6,111,000	0	0	0
	<i>Other</i>	-1,189,000	-4,587,000	148,000	-5,935,000	-5,345,000	0	0	0
	PYs	0.0	-122.0	-16.0	-158.0	-145.0	0.0	0.0	0.0
	Placements	-52	-63	-70	-188	-204	0	0	0
	Deaths	-10	-6	-6	-6	-6	0	0	0
3. Consumer Transfers to Other DCs	Total	\$0	\$0	\$0	-\$430,000	-\$430,000	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0	-229,000	-229,000	0	0	0
	<i>Other</i>	0	0	0	-201,000	-201,000	0	0	0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Population	0	0	0	-10	-10	0	0	0
4. State Employees in the Community	Total	\$0	\$682,000	\$3,758,000	\$9,459,000	\$9,459,000	\$24,536,000	\$24,536,000	\$4,454,000
	<i>General Fund</i>	0	0	0	129,000	129,000	475,000	475,000	475,000
	<i>Other</i>	0	682,000	3,758,000	9,330,000	9,330,000	24,061,000	24,061,000	3,979,000
	PYs	0.0	0.0	0.0	3.0	3.0	30.0	30.0	30.0
5. Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$0	\$335,000	\$0	\$0
	<i>General Fund</i>	0	0	0	0	0	195,000	0	0
	<i>Other</i>	0	0	0	0	0	140,000	0	0
	PYs	0.0	0.0	0.0	0.0	0.0	5.0	0.0	0.0
6. Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$0	\$4,836,000	\$0	\$0
	<i>General Fund</i>	0	0	0	0	0	2,822,000	0	0
	<i>Other</i>	0	0	0	0	0	2,014,000	0	0
	PYs	0.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0
7. Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0	\$0	\$0	-\$384,000	\$0	\$0
	<i>General Fund</i>	0	0	0	0	0	-318,000	0	0
	<i>Other</i>	0	0	0	0	0	-66,000	0	0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Staff Costs for Closure Plan	Total	\$0	\$201,000	\$716,000	\$4,918,000	\$4,918,000	\$0	\$0	\$0
	<i>General Fund</i>	0	105,000	382,000	2,624,000	2,624,000	0	0	0
	<i>Other</i>	0	96,000	334,000	2,294,000	2,294,000	0	0	0
9. Facility Preparation	Total	\$0	\$0	\$0	\$73,000	\$73,000	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0	39,000	39,000	0	0	0
	<i>Other</i>	0	0	0	34,000	34,000	0	0	0
10. Consumer Relocation Costs	Total	\$0	\$0	\$0	\$105,000	\$105,000	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0	56,000	56,000	0	0	0
	<i>Other</i>	0	0	0	49,000	49,000	0	0	0
11. Regional Resource Development Projects	Total	\$0	\$0	\$0	\$0	\$0	\$1,479,000	\$1,524,000	\$1,524,000
	<i>General Fund</i>	0	0	0	0	0	863,000	889,000	889,000
	<i>Other</i>	0	0	0	0	0	616,000	635,000	635,000
	PYs	0.0	0.0	0.0	0.0	0.0	13.0	13.0	13.0

			Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 May Revision for CY 2006-07	2007-08 May Revision for BY 2007-08	2008-09 November Estimate for CY 2007-08	2008-09 November Estimate for BY 2008-09	2009-10	2010-11
12. Agnews Staffing Plan	Total		\$0	\$3,231,000	\$0	\$731,000	\$731,000	\$293,000	\$201,000	\$201,000
	Includes costs for non-level-of-care staff in various program areas to ensure adequate staff is maintained during the closure process, as well as maintaining the health and safety of the residents.	<i>General Fund</i>	0	1,696,000	0	390,000	390,000	156,000	107,000	107,000
		<i>Other</i>	0	1,535,000	0	341,000	341,000	137,000	94,000	94,000
	PYs		0.0	43.0	5.0	10.0	10.0	3.0	2.0	2.0
Total Developmental Centers			\$97,712,000	\$86,862,000	\$87,858,000	\$75,888,000	\$77,154,000	\$31,095,000	\$26,261,000	\$6,179,000
		<i>General Fund</i>	51,610,000	45,888,000	44,822,000	35,569,759	36,245,759	4,193,000	1,471,000	1,471,000
		<i>Other</i>	46,102,000	40,974,000	43,036,000	40,318,241	40,908,241	26,902,000	24,790,000	4,708,000
	PYs		1,173.0	1,108.0	1,046.0	822.0	835.0	76.0	45.0	45.0
	Year Ending Population		324	254	204	0	0	0	0	0
REGIONAL CENTERS										
13. Community Placement Plan	A) Operations	Total	\$3,422,000	\$6,685,000	\$7,845,000	\$8,407,000	\$9,388,000	\$8,087,000	\$499,000	\$499,000
	Includes costs for CPP administration, service coordination, clinical, and resource development staff.	<i>General Fund</i>	3,422,000	6,428,000	6,954,000	7,300,000	7,823,000	5,817,000	415,000	415,000
		<i>Other</i>	0	257,000	891,000	1,107,000	1,565,000	2,270,000	84,000	84,000
	B) Purchase of Services (POS)	Total	\$24,376,000	\$14,826,000	\$18,231,000	\$44,245,000	\$40,843,000	\$0	\$0	\$0
	Includes costs for placements into the community including property management and leases as applicable, traditional and specialized service start-up, non-profits to develop and manage properties, and health and behavioral health treatment and crisis services.	Placements	52	63	70	188	204	0	0	0
		<i>General Fund</i>	21,853,000	13,664,000	17,234,000	32,604,000	29,496,000	0	0	0
		<i>Other</i>	2,523,000	1,162,000	997,000	11,641,000	11,347,000	0	0	0
	(FYI: State Employees in the Community costs included in POS above)		(0)	(251,000)	(2,508,000)	(7,663,000)	(7,663,000)	(0)	(0)	(0)
Total Community Placement Plan (A+B)			\$27,798,000	\$21,511,000	\$26,076,000	\$52,652,000	\$50,231,000	\$8,087,000	\$499,000	\$499,000
		Placements	52	63	70	188	204	0	0	0
		<i>General Fund</i>	25,275,000	20,092,000	24,188,000	39,904,000	37,319,000	5,817,000	415,000	415,000
		<i>Other</i>	2,523,000	1,419,000	1,888,000	12,748,000	12,912,000	2,270,000	84,000	84,000
14. Placement Continuation	A) Operations	Total	\$70,000	\$297,000	\$309,000	\$338,000	\$297,000	\$587,000	\$3,350,000	\$3,350,000
	Includes costs for additional service coordination.	<i>General Fund</i>	37,000	125,000	130,000	142,000	121,000	206,000	1,053,000	1,053,000
		<i>Other</i>	33,000	172,000	179,000	196,000	176,000	381,000	2,297,000	2,297,000
	B) Purchase of Services (POS)	Total	\$5,209,000	\$9,145,000	\$14,005,000	\$32,485,000	\$32,485,000	\$96,636,000	\$96,636,000	\$96,636,000
	Includes costs for CPP placements and specialized services and housing.	Placements	49	44	40	70	70	204	0	0
		<i>General Fund</i>	4,355,000	7,326,000	10,663,000	25,215,000	24,502,000	61,603,000	61,603,000	61,603,000
		<i>Other</i>	854,000	1,819,000	3,342,000	7,270,000	7,983,000	35,033,000	35,033,000	35,033,000
	(FYI: State Employees in the Community costs included in POS above)		(0)	(0)	(0)	(0)	(0)	(17,539,000)	(17,539,000)	(0)
Total Placements Continuation (A+B)			\$5,279,000	\$9,442,000	\$14,314,000	\$32,823,000	\$32,782,000	\$97,223,000	\$99,986,000	\$99,986,000
		Prior Year Placements	49	44	40	70	70	204	0	0
		<i>General Fund</i>	4,392,000	7,451,000	10,793,000	25,357,000	24,623,000	61,809,000	62,656,000	62,656,000
		<i>Other</i>	887,000	1,991,000	3,521,000	7,466,000	8,159,000	35,414,000	37,330,000	37,330,000
Total Regional Centers			\$33,077,000	\$30,953,000	\$40,390,000	\$85,475,000	\$83,013,000	\$105,310,000	\$100,485,000	\$100,485,000
		<i>General Fund</i>	29,667,000	27,543,000	34,981,000	65,261,000	61,942,000	67,626,000	63,071,000	63,071,000
		<i>Other</i>	3,410,000	3,410,000	5,409,000	20,214,000	21,071,000	37,684,000	37,414,000	37,414,000
TOTAL: DEVELOPMENTAL CENTERS AND REGIONAL CENTERS			\$130,789,000	\$117,815,000	\$128,248,000	\$161,363,000	\$160,167,000	\$136,405,000	\$126,746,000	\$106,664,000
		<i>General Fund</i>	81,277,000	73,431,000	79,803,000	100,830,759	98,187,759	71,819,000	64,542,000	64,542,000
		<i>Other</i>	49,512,000	44,384,000	48,445,000	60,532,241	61,979,241	64,586,000	62,204,000	42,122,000
	PYs		1,173.0	1,108.0	1,046.0	822.0	835.0	76.0	45.0	45.0
	Year Ending Population		324	254	204	0	0	0	0	0
		Placements	52	63	70	188	204	0	0	0
		Prior Year Placements	49	44	40	70	70	0	0	0