

FOR LEGISLATIVE REVIEW

**REGIONAL CENTERS
LOCAL ASSISTANCE ESTIMATE**

**MAY 2008 REVISION
of the
2008-09 BUDGET**



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

May 14, 2008

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**2008-09 Governor's Budget to 2008-09 May Revision
Current Year 2007-08**

	2008-09 Governor's Budget without BBRs CY 2007-08	DDS BBRs/ Legislative Actions (Item 9944/ ABX3 3) CY 2007-08	2008-09 Governor's Budget with Approved BBRs CY 2007-08	2008-09 May Revision CY 2007-08	2008-09 May Revision Request CY 2007-08
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$437,527,000	\$0	\$437,527,000	\$434,636,000	-\$2,891,000
2. Federal Compliance	39,565,000	0	39,565,000	39,415,000	-150,000
3. Projects	26,328,000	0	26,328,000	25,355,000	-973,000
4. DDS Budget-Balancing Reductions (BBR)	N/A	-706,000	-706,000	-706,000	0
5. Operations Total (Items 1 thru 4)	\$503,420,000	-\$706,000	\$502,714,000	\$498,700,000	-\$4,014,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$774,928,000	\$0	\$774,928,000	\$753,249,000	-\$21,679,000
2. Medical Facilities	22,971,000	0	22,971,000	22,190,000	-781,000
3. Day Programs	750,447,000	0	750,447,000	736,638,000	-13,809,000
4. Habilitation Services	148,064,000	0	148,064,000	151,985,000	3,921,000
5. Transportation	204,863,000	0	204,863,000	204,660,000	-203,000
6. Support Services	576,232,000	0	576,232,000	556,690,000	-19,542,000
7. In-Home Respite	197,821,000	0	197,821,000	205,412,000	7,591,000
8. Out-of-Home Respite	53,403,000	0	53,403,000	52,505,000	-898,000
9. Health Care	81,865,000	0	81,865,000	87,601,000	5,736,000
10. Miscellaneous	322,526,000	0	322,526,000	312,576,000	-9,950,000
11. Self-Directed Services (SDS)	160,000	0	160,000	0	-160,000
12. ICF-DD Day Programs/ Transportation Services	0	0	0	0	0
13. Transfer to Developmental Centers	676,000	0	676,000	676,000	0
14. POS Total (Items 1 thru 13)	\$3,133,956,000	\$0	\$3,133,956,000	\$3,084,182,000	-\$49,774,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0
D. POS New Major Assumption: Other Departments' BBRs	N/A	\$0	\$0	\$472,000	\$472,000
E. GRAND TOTAL	\$3,657,471,000	-\$706,000	\$3,656,765,000	\$3,603,449,000	-\$53,316,000
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,223,104,000	-\$683,000	\$2,222,421,000	\$2,133,629,000	-\$88,792,000
2. General Fund - Other	979,096,000	-23,000	979,073,000	987,051,000	7,978,000
	1,244,008,000	-660,000	1,243,348,000	1,146,578,000	-96,770,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,251,902,000	-\$23,000	\$1,251,879,000	\$1,261,484,000	\$9,605,000
2. HCBS Waiver Administration	843,457,000	0	843,457,000	857,497,000	14,040,000
3. Medicaid Administration	4,722,000	0	4,722,000	4,359,000	-363,000
4. Targeted Case Management (TCM)	14,285,000	0	14,285,000	13,869,000	-416,000
5. TCM Administration	135,850,000	0	135,850,000	132,816,000	-3,034,000
6. Title XX Block Grant	4,481,000	-23,000	4,458,000	4,488,000	30,000
a. Social Services	147,903,000	0	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	182,000	0	182,000	0	-182,000
8. Self-Directed HCBS Waiver Administration	434,000	0	434,000	224,000	-210,000
9. Medicaid	44,000,000	0	44,000,000	44,000,000	0
10. Vocational Rehabilitation	588,000	0	588,000	328,000	-260,000
C. Program Development Fund/ Parental Fees	\$1,075,000	\$0	\$1,075,000	\$1,075,000	\$0
D. Public Transportation Account	\$128,806,000	\$0	\$128,806,000	\$134,982,000	\$6,176,000
E. Federal Funds	\$52,584,000	\$0	\$52,584,000	\$72,279,000	\$19,695,000
1. Early Start/Part C Grant	52,038,000	0	52,038,000	71,823,000	19,785,000
2. Foster Grandparent Program	546,000	0	546,000	456,000	-90,000
F. GRAND TOTAL	\$3,657,471,000	-\$706,000	\$3,656,765,000	\$3,603,449,000	-\$53,316,000

**Funding Summary
2007-08 Budget to the 2008-09 May Revision**

Current Year 2007-08

	A	B	C	D	E	F	G	H	I
	Enacted Budget CY 2007-08	Budget Adjustments^{a/} CY 2007-08	Adjusted Budget CY 2007-08 (Cols A + B)	DDS BBRs/ Legislative Actions (Item 9944/ ABX3 3) CY 2007-08	Budget Revision to Increase Reimbursements CY 2007-08	Final Adjusted Budget CY 2007-08 (Cols C + D + E)	2008-09 May Revision CY 2007-08	Change from Final Adjusted Budget CY 2007-08 (Cols G - F)	Change from Enacted Budget CY 2007-08 (Cols G - A)
I. BUDGET ITEMS:									
A. Operations									
1. Staffing	\$432,294,000	\$0	\$432,294,000	\$0	\$5,233,000	\$437,527,000	\$434,636,000	-\$2,891,000	\$2,342,000
2. Federal Compliance	39,565,000	0	39,565,000	0	0	39,565,000	39,415,000	-150,000	-150,000
3. Projects	25,697,000	127,000	25,824,000	0	414,000	26,238,000	25,355,000	-883,000	-342,000
4. DDS Budget-Balancing Reductions (BBR)	N/A	N/A	N/A	-706,000	0	-706,000	-706,000	0	-706,000
5. Operations Total (Items 1 thru 4)	\$497,556,000	\$127,000	\$497,683,000	-\$706,000	\$5,647,000	\$502,624,000	\$498,700,000	-\$3,924,000	\$1,144,000
B. Purchase of Services (POS)									
1. Community Care Facilities	\$782,540,000	\$0	\$782,540,000	\$0	-\$7,612,000	\$774,928,000	\$753,249,000	-\$21,679,000	-\$29,291,000
2. Medical Facilities	22,784,000	0	22,784,000	0	187,000	22,971,000	22,190,000	-781,000	-594,000
3. Day Programs	763,431,000	0	763,431,000	0	-13,323,000	750,108,000	736,638,000	-13,470,000	-26,793,000
4. Habilitation Services	150,570,000	0	150,570,000	0	-2,506,000	148,064,000	151,985,000	3,921,000	1,415,000
5. Transportation	212,418,000	0	212,418,000	0	851,000	213,269,000	204,660,000	-8,609,000	-7,758,000
6. Support Services	551,343,000	0	551,343,000	0	25,063,000	576,406,000	556,690,000	-19,716,000	5,347,000
7. In-Home Respite	188,062,000	0	188,062,000	0	9,797,000	197,859,000	205,412,000	7,553,000	17,350,000
8. Out-of-Home Respite	54,642,000	0	54,642,000	0	-1,238,000	53,404,000	52,505,000	-899,000	-2,137,000
9. Health Care	84,526,000	0	84,526,000	0	-2,546,000	81,980,000	87,601,000	5,621,000	3,075,000
10. Miscellaneous	318,028,000	0	318,028,000	0	4,688,000	322,716,000	312,576,000	-10,140,000	-5,452,000
11. Self-Directed Services (SDS)	137,000	0	137,000	0	23,000	160,000	0	-160,000	-137,000
12. ICF-DD Day Programs/ Transportation Services	-44,000,000	0	-44,000,000	0	37,981,000	-6,019,000	0	6,019,000	44,000,000
13. Transfer to Developmental Centers	N/A	0	0	0	0	0	676,000	676,000	676,000
14. POS Total (Items 1 thru 13)	\$3,084,481,000	\$0	\$3,084,481,000	\$0	\$51,365,000	\$3,135,846,000	\$3,084,182,000	-\$51,664,000	-\$299,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$0	\$0	\$20,095,000	\$20,095,000	\$0	\$0
D. POS New Major Assumption: Other Departments' BBRs	\$0	\$0	\$0	\$0	\$0	\$0	\$472,000	\$472,000	\$472,000
E. GRAND TOTAL	\$3,602,132,000	\$127,000	\$3,602,259,000	-\$706,000	\$57,012,000	\$3,658,565,000	\$3,603,449,000	-\$55,116,000	\$1,317,000

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Funding Summary
2007-08 Budget to the 2008-09 May Revision

Current Year 2007-08 (Continued)

	A	B	C	D	E	F	G	H	I
	Enacted Budget CY 2007-08	Budget Adjustments^{a/} CY 2007-08	Adjusted Budget CY 2007-08 (Cols A + B)	DDS BBRs/ Legislative Actions (Item 9944/ ABX3 3) CY 2007-08	Budget Revision to Increase Reimbursements CY 2007-08	Final Adjusted Budget CY 2007-08 (Cols C + D + E)	2008-09 May Revision CY 2007-08	Change from Final Adjusted Budget CY 2007-08 (Cols G - F)	Change from Enacted Budget CY 2007-08 (Cols G - A)
II. FUND SOURCES:									
A. General Fund Total	\$2,224,677,000	\$127,000	\$2,224,804,000	-\$683,000	\$0	\$2,224,121,000	\$2,133,629,000	-\$90,492,000	-\$91,048,000
1. General Fund Match	925,870,000	0	925,870,000	-23,000	57,112,000	982,959,000	987,051,000	4,092,000	61,181,000
2. General Fund - Other	1,298,807,000	127,000	1,298,934,000	-660,000	-57,112,000	1,241,162,000	1,146,578,000	-94,584,000	-152,229,000
B. Reimbursements	\$1,194,890,000	\$0	\$1,194,890,000	-\$23,000	\$57,012,000	\$1,251,879,000	\$1,261,484,000	\$9,605,000	\$66,594,000
1. Home and Community-Based Services (HCBS) Waiver	822,507,000	0	822,507,000	0	20,950,000	843,457,000	857,497,000	14,040,000	34,990,000
2. HCBS Waiver Administration	2,153,000	0	2,153,000	0	2,569,000	4,722,000	4,359,000	-363,000	2,206,000
3. Medicaid Administration	14,436,000	0	14,436,000	0	-151,000	14,285,000	13,869,000	-416,000	-567,000
4. Targeted Case Management (TCM)	146,023,000	0	146,023,000	0	-10,173,000	135,850,000	132,816,000	-3,034,000	-13,207,000
5. TCM Administration	4,319,000	0	4,319,000	-23,000	162,000	4,458,000	4,488,000	30,000	169,000
6. Title XX Block Grant									
a. Social Services	147,902,000	0	147,902,000	0	1,000	147,903,000	147,903,000	0	1,000
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	0	0	56,000,000	56,000,000	0	0
7. Self-Directed HCBS Waiver	387,000	0	387,000	0	-205,000	182,000	0	-182,000	-387,000
8. Self-Directed HCBS Waiver Administration	575,000	0	575,000	0	-141,000	434,000	224,000	-210,000	-351,000
9. Medicaid	0	0	0	0	44,000,000	44,000,000	44,000,000	0	44,000,000
10. Vocational Rehabilitation	588,000	0	588,000	0	0	588,000	328,000	-260,000	-260,000
C. Program Development Fund / Parental Fees	\$1,265,000	\$0	\$1,265,000	\$0	\$0	\$1,265,000	\$1,075,000	-\$190,000	-\$190,000
D. Public Transportation Account	\$128,806,000	\$0	\$128,806,000	\$0	\$0	\$128,806,000	\$134,982,000	\$6,176,000	\$6,176,000
E. Federal Funds	\$52,494,000	\$0	\$52,494,000	\$0	\$0	\$52,494,000	\$72,279,000	\$19,785,000	\$19,785,000
1. Early Start/Part C Grant	52,038,000	0	52,038,000	0	0	52,038,000	71,823,000	19,785,000	19,785,000
2. Foster Grandparent Program	456,000	0	456,000	0	0	456,000	456,000	0	0
F. GRAND TOTAL	\$3,602,132,000	\$127,000	\$3,602,259,000	-\$706,000	\$57,012,000	\$3,658,565,000	\$3,603,449,000	-\$55,116,000	\$1,317,000

a/ Budget Adjustments Include:

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

DDS Budget-Balancing Reductions
2008-09 Governor's Budget with Legislative Actions to 2008-09 May Revision
Current Year 2007-08

	DDS BBRs/ Legislative Actions (Item 9944/ABX3 3) CY 2007-08	2008-09 May Revision CY 2007-08	Change from Legislative Actions CY 2007-08
I. DDS BUDGET-BALANCING REDUCTIONS:			
A. Operations			
1. Reduce Community Placement Plan Operations	-\$660,000	-\$660,000	\$0
2. Reduce Regional Centers' HIPAA Operations	-46,000	-46,000	0
3. Operations Total (Items 1 thru 2)	-\$706,000	-\$706,000	\$0
B. Purchase of Services (POS)			
1. None	\$0	\$0	\$0
2. POS Total (Item 1)	\$0	\$0	\$0
C. GRAND TOTAL			
	-\$706,000	-\$706,000	\$0
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	-\$683,000	-\$634,000	\$49,000
2. General Fund - Other	-23,000	-40,000	-17,000
	-660,000	-594,000	66,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	-\$23,000	-\$72,000	-\$49,000
2. HCBS Waiver Administration	0	0	0
3. Medicaid Administration	0	-49,000	-49,000
4. Targeted Case Management (TCM)	0	0	0
5. TCM Administration	-23,000	-23,000	0
6. Title XX Block Grant			
a. Social Services	0	0	0
b. Temporary Assistance for Needy Families	0	0	0
7. Self-Directed HCBS Waiver	0	0	0
8. Self-Directed HCBS Waiver Administration	0	0	0
9. Medicaid	0	0	0
10. Vocational Rehabilitation	0	0	0
C. Program Development Fund / Parental Fees			
	\$0	\$0	\$0
D. Public Transportation Account			
	\$0	\$0	\$0
E. Federal Funds			
	\$0	\$0	\$0
1. Early Start/Part C Grant	0	0	0
2. Foster Grandparent Program	0	0	0
F. GRAND TOTAL			
	-\$706,000	-\$706,000	\$0

2008-09 Governor's Budget to 2008-09 May Revision
Budget Year 2008-09

	2008-09 Governor's Budget without BBRs BY 2008-09	DDS BBRs/ Legislative Actions (Item 9944) BY 2008-09	2008-09 Governor's Budget with BBRs BY 2008-09	2008-09 May Revision BY 2008-09	2008-09 May Revision Request BY 2008-09
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$460,434,000	\$0	\$460,434,000	\$463,851,000	\$3,417,000
2. Federal Compliance	39,430,000	0	39,430,000	41,127,000	1,697,000
3. Projects	27,772,000	0	27,772,000	27,549,000	-223,000
4. Sunset Cost Containment Measures	36,857,000	0	36,857,000	0	-36,857,000
5. DDS Budget-Balancing Reductions (BBR)	0	-39,579,000	-39,579,000	-2,765,000	36,814,000
6. Operations Total (Items 1 thru 5)	\$564,493,000	-\$39,579,000	\$524,914,000	\$529,762,000	\$4,848,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$860,416,000	\$0	\$860,416,000	\$845,679,000	-\$14,737,000
2. Medical Facilities	25,347,000	0	25,347,000	23,031,000	-2,316,000
3. Day Programs	802,564,000	0	802,564,000	790,738,000	-11,826,000
4. Habilitation Services	153,314,000	0	153,314,000	158,494,000	5,180,000
5. Transportation	211,820,000	0	211,820,000	210,815,000	-1,005,000
6. Support Services	679,239,000	0	679,239,000	639,874,000	-39,365,000
7. In-Home Respite	222,294,000	0	222,294,000	234,883,000	12,589,000
8. Out-of-Home Respite	58,144,000	0	58,144,000	59,235,000	1,091,000
9. Health Care	93,108,000	0	93,108,000	103,940,000	10,832,000
10. Miscellaneous	368,289,000	0	368,289,000	358,559,000	-9,730,000
11. Self-Directed Services (SDS)	1,278,000	0	1,278,000	2,105,000	827,000
12. ICF-DD Day Programs/ Transportation Services	0	0	0	0	0
13. Sunset Cost Containment Measures	311,403,000	0	311,403,000	0	-311,403,000
14. DDS BBRs	0	-341,220,000	-341,220,000	-49,581,000	291,639,000
15. Subtotal (Items 1 thru 14)	\$3,787,216,000	-\$341,220,000	\$3,445,996,000	\$3,377,772,000	-\$68,224,000
16. Adjustment to Purchase of Services Increase	-192,697,000	0	-192,697,000	N/A	192,697,000
17. POS Total (Items 15 thru 16)	\$3,594,519,000	-\$341,220,000	\$3,253,299,000	\$3,377,772,000	\$124,473,000
C. Early Start/Part C: Other Agency Costs					
	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0
D. POS New Major Assumptions: Other Departments' BBRs					
	N/A	\$0	\$0	\$21,134,000	\$21,134,000
E. GRAND TOTAL					
	\$4,179,107,000	-\$380,799,000	\$3,798,308,000	\$3,948,763,000	\$150,455,000
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,603,819,000	-\$261,599,000	\$2,342,220,000	\$2,388,167,000	\$45,947,000
2. General Fund - Other	1,073,833,000	-118,822,000	955,011,000	1,031,651,000	76,640,000
	1,529,986,000	-142,777,000	1,387,209,000	1,356,516,000	-30,693,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,357,095,000	-\$118,869,000	\$1,238,226,000	\$1,331,477,000	\$93,251,000
2. HCBS Waiver Administration	92,198,200	-102,700,000	819,282,000	897,803,000	78,521,000
3. Medicaid Administration	4,729,000	0	4,729,000	4,363,000	-366,000
4. Targeted Case Management (TCM)	14,992,000	0	14,992,000	14,353,000	-639,000
5. TCM Administration	151,954,000	-16,069,000	135,885,000	133,838,000	-2,047,000
6. Title XX Block Grant	4,481,000	-100,000	4,381,000	4,351,000	-30,000
a. Social Services	147,903,000	0	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	78,208,000	22,208,000
7. Self-Directed HCBS Waiver	8,773,000	0	8,773,000	4,617,000	-4,156,000
8. Self-Directed HCBS Waiver Administration	1,693,000	0	1,693,000	1,453,000	-240,000
9. Medicaid	44,000,000	0	44,000,000	44,000,000	0
10. Vocational Rehabilitation	588,000	0	588,000	588,000	0
C. Program Development Fund/ Parental Fees					
	\$1,147,000	\$0	\$1,147,000	\$1,147,000	\$0
D. Mental Health Services Fund					
	\$740,000	\$0	\$740,000	\$740,000	\$0
E. Public Transportation Account					
	\$140,899,000	\$0	\$140,899,000	\$138,275,000	-\$2,624,000
F. Federal Funds					
1. Early Start/Part C Grant	\$75,407,000	-\$331,000	\$75,076,000	\$88,957,000	\$13,881,000
2. Foster Grandparent Program	74,861,000	-331,000	74,530,000	88,397,000	13,867,000
	546,000	0	546,000	560,000	14,000
G. GRAND TOTAL					
	\$4,179,107,000	-\$380,799,000	\$3,798,308,000	\$3,948,763,000	\$150,455,000

Funding Summary
CY 2007-08 Budget to the 2008-09 May Revision

Budget Year 2008-09

	A	B	C
	Enacted Budget CY 2007-08	2008-09 May Revision BY 2008-09	Change from Enacted Budget CY 2007-08 (Cols B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$432,294,000	\$463,851,000	\$31,557,000
2. Federal Compliance	39,565,000	41,127,000	1,562,000
3. Projects	25,697,000	27,549,000	1,852,000
4. Sunset Cost Containment Measures	N/A	0	0
5. DDS Budget-Balancing Reductions (BBR)	N/A	-\$2,765,000	-2,765,000
6. Operations Total (Items 1 thru 5)	\$497,556,000	\$529,762,000	\$32,206,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$782,540,000	\$845,679,000	\$63,139,000
2. Medical Facilities	22,784,000	23,031,000	247,000
3. Day Programs	763,431,000	790,738,000	27,307,000
4. Habilitation Services	150,570,000	158,494,000	7,924,000
5. Transportation	212,418,000	210,815,000	-1,603,000
6. Support Services	551,343,000	639,874,000	88,531,000
7. In-Home Respite	188,062,000	234,883,000	46,821,000
8. Out-of-Home Respite	54,642,000	59,235,000	4,593,000
9. Health Care	84,526,000	103,940,000	19,414,000
10. Miscellaneous	318,028,000	358,559,000	40,531,000
11. Self-Directed Services (SDS)	137,000	2,105,000	1,968,000
12. ICF-DD Day Programs/Transportation Services	-44,000,000	0	44,000,000
13. Sunset Cost Containment Measures	N/A	0	0
14. DDS BBRs	N/A	-49,581,000	-49,581,000
15. Subtotal (Items 1 thru 14)	\$3,084,481,000	\$3,377,772,000	\$293,291,000
16. Adjustment to Purchase of Services Increase	N/A	N/A	N/A
17. POS Total (Items 15 thru 16)	\$3,084,481,000	\$3,377,772,000	\$293,291,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. POS New Major Assumptions: Other Departments' BBRs	N/A	\$21,134,000	\$21,134,000
E. GRAND TOTAL	\$3,602,132,000	\$3,948,763,000	\$346,631,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,224,677,000	\$2,388,167,000	\$163,490,000
2. General Fund - Other	925,870,000	1,031,651,000	105,781,000
	1,298,807,000	1,356,516,000	57,709,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,194,890,000	\$1,331,477,000	\$136,587,000
2. HCBS Waiver Administration	822,507,000	897,803,000	75,296,000
3. Medicaid Administration	2,153,000	4,363,000	2,210,000
4. Targeted Case Management (TCM)	14,436,000	14,353,000	-83,000
5. TCM Administration	146,023,000	133,838,000	-12,185,000
6. Title XX Block Grant	4,319,000	4,351,000	32,000
a. Social Services	147,902,000	147,903,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	78,208,000	22,208,000
7. Self-Directed HCBS Waiver	387,000	4,617,000	4,230,000
8. Self-Directed HCBS Waiver Administration	575,000	1,453,000	878,000
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	\$138,275,000	\$9,469,000
F. Federal Funds	\$52,494,000	\$88,957,000	\$36,463,000
1. Early Start/Part C Grant	52,038,000	88,397,000	36,359,000
2. Foster Grandparent Program	456,000	560,000	104,000
G. GRAND TOTAL	\$3,602,132,000	\$3,948,763,000	\$346,631,000

DDS Budget-Balancing Reductions
2008-09 Governor's Budget to 2008-09 May Revision
Budget Year 2008-09

	DDS Budget- Balancing Reductions (Item 9944) BY 2008-09	2008-09 May Revision BY 2008-09	Change from Budget- Balancing Reductions BY 2008-09
I. DDS BUDGET-BALANCING REDUCTIONS:			
A. Operations			
1. Reduce Community Placement Plan Operations	-\$2,000,000	-\$2,112,000	-\$112,000
2. Reduce Regional Centers' HIPAA Operations	-171,000	-141,000	30,000
3. Reduce Clients' Rights Advocacy Agreement	-512,000	-512,000	0
4. Extend Operations Cost Containment Measures	-36,896,000	0	36,896,000
5. Operations Total (Items 1 thru 4)	-\$39,579,000	-\$2,765,000	\$36,814,000
B. Purchase of Services (POS)			
1. Rollback Devereux Maintenance Contract	-\$1,185,000	-\$1,185,000	\$0
2. Redesign Family Cost Participation Program	-773,000	-773,000	0
3. Negotiated Rate Reduction	-18,319,000	-38,338,000	-20,019,000
4. Reduce Supported Employment Program Provider Rates	-9,540,000	-9,285,000	255,000
5. Extend POS Cost Containment Measures	-311,403,000	0	311,403,000
6. POS Total (Items 1 thru 5)	-\$341,220,000	-\$49,581,000	\$291,639,000
C. GRAND TOTAL	-\$380,799,000	-\$52,346,000	\$328,453,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	-\$261,599,000	-\$38,088,000	\$223,511,000
2. General Fund - Other	-118,822,000	-14,113,000	104,709,000
	-142,777,000	-23,975,000	118,802,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	-\$118,869,000	-\$14,258,000	\$104,611,000
2. HCBS Waiver Administration	-102,700,000	-13,969,000	88,731,000
3. HCBS Waiver Administration	0	0	0
4. Medicaid Administration	0	-219,000	-219,000
5. Targeted Case Management (TCM)	-16,069,000	0	16,069,000
6. TCM Administration	-100,000	-70,000	30,000
7. Title XX Block Grant			
a. Social Services	0	0	0
b. Temporary Assistance for Needy Families	0	0	0
8. Self-Directed HCBS Waiver	0	0	0
9. Self-Directed HCBS Waiver Administration	0	0	0
10. Medicaid	0	0	0
11. Vocational Rehabilitation	0	0	0
C. Program Development Fund / Parental Fees	\$0	\$0	\$0
D. Mental Health Services Fund	\$0	\$0	\$0
E. Public Transportation Account	\$0	\$0	\$0
F. Federal Funds			
1. Early Start/Part C Grant	-\$331,000	\$0	\$331,000
2. Foster Grandparent Program	-331,000	0	331,000
	0	0	0
G. GRAND TOTAL	-\$380,799,000	-\$52,346,000	\$328,453,000

2008-09 May Revision
Current Year 2007-08 to Budget Year 2008-09

	2008-09 May Revision CY 2007-08	2008-09 May Revision BY 2008-09	Difference
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$434,636,000	\$463,851,000	\$29,215,000
2. Federal Compliance	39,415,000	41,127,000	1,712,000
3. Projects	25,355,000	27,549,000	2,194,000
4. DDS Budget-Balancing Reductions (BBR)	-706,000	-2,765,000	-2,059,000
5. Operations Total (Items 1 thru 4)	<u>\$498,700,000</u>	<u>\$529,762,000</u>	<u>\$31,062,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$753,249,000	\$845,679,000	\$92,430,000
2. Medical Facilities	22,190,000	23,031,000	841,000
3. Day Programs	736,638,000	790,738,000	54,100,000
4. Habilitation Services	151,985,000	158,494,000	6,509,000
5. Transportation	204,660,000	210,815,000	6,155,000
6. Support Services	556,690,000	639,874,000	83,184,000
7. In-Home Respite	205,412,000	234,883,000	29,471,000
8. Out-of-Home Respite	52,505,000	59,235,000	6,730,000
9. Health Care	87,601,000	103,940,000	16,339,000
10. Miscellaneous	312,576,000	358,559,000	45,983,000
11. Self-Directed Services	0	2,105,000	2,105,000
12. ICF-DD Day Programs/Transportation Services	0	0	0
13. Transfer to Developmental Centers	676,000	0	-676,000
14. DDS BBRs	0	-49,581,000	-49,581,000
15. Subtotal (Items 1 thru 14)	<u>\$3,084,182,000</u>	<u>\$3,377,772,000</u>	<u>\$293,590,000</u>
16. Adjustment to Purchase of Services Increase	N/A	N/A	N/A
17. POS Total (Items 15 thru 16)	<u>\$3,084,182,000</u>	<u>\$3,377,772,000</u>	<u>\$293,590,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. New Major Assumptions: Other Departments' BBRs	\$472,000	\$21,134,000	\$20,662,000
E. GRAND TOTAL	<u>\$3,603,449,000</u>	<u>\$3,948,763,000</u>	<u>\$345,314,000</u>
II. FUND SOURCES:			
A. General Fund Total	\$2,133,629,000	\$2,388,167,000	\$254,538,000
1. General Fund Match	987,051,000	1,031,651,000	44,600,000
2. General Fund - Other	1,146,578,000	1,356,516,000	209,938,000
B. Reimbursements	\$1,261,484,000	\$1,331,477,000	\$69,993,000
1. Home and Community-Based Services (HCBS) Waiver	857,497,000	897,803,000	40,306,000
2. HCBS Waiver Administration	4,359,000	4,363,000	4,000
3. Medicaid Administration	13,869,000	14,353,000	484,000
4. Targeted Case Management (TCM)	132,816,000	133,838,000	1,022,000
5. TCM Administration	4,488,000	4,351,000	-137,000
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	78,208,000	22,208,000
7. Self-Directed HCBS Waiver	0	4,617,000	4,617,000
8. Self-Directed HCBS Waiver Administration	224,000	1,453,000	1,229,000
9. Medicaid	44,000,000	44,000,000	0
10. Vocational Rehabilitation	328,000	588,000	260,000
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	\$134,982,000	\$138,275,000	\$3,293,000
F. Federal Funds	\$72,279,000	\$88,957,000	\$16,678,000
1. Early Start/Part C Grant	71,823,000	88,397,000	16,574,000
2. Foster Grandparent Program	456,000	560,000	104,000
G. GRAND TOTAL	<u>\$3,603,449,000</u>	<u>\$3,948,763,000</u>	<u>\$345,314,000</u>

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 ^{al} (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					
D. Developmental Disabilities Services Account	\$1,732,000	\$1,732,000	\$1,267,000	-\$465,000	-\$465,000
E. Federal Funds	\$3,000	\$3,000	\$3,000	\$0	\$0
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 2007-08 COSTS AND FUND SOURCES

In the current year, reimbursements and other fund sources are projected to increase by \$35.5 million, resulting in a 2007-08 General Fund savings of \$88.8 million as shown in the table below. It is estimated regional centers will need \$4.0 million less in Operations and \$49.3 million less in Purchase of Services, for a total of \$53.3 million less than projected in the Governor's Budget including budget-balancing reductions (BBR).

2007-08 Costs <i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
Total Costs	\$3,656.8	\$3,603.5	-\$53.3
Operations	502.7	498.7	-4.0
Purchase of Services	3,134.0	3,084.2	-49.8
Early Start - Other Agency Costs	20.1	20.1	0.0
Other Departments' BBRs	0.0	0.5	0.5
Fund Sources	\$3,656.8	\$3,603.5	-\$53.3
General Fund (GF)	2,222.4	2,133.6	-88.8
GF Match	(979.1)	(987.1)	(8.0)
GF Other	(1,243.3)	(1,146.5)	(-96.8)
Reimbursements	1,251.9	1,261.5	9.6
Program Development Fund	1.1	1.1	0.0
Public Transportation Account	128.8	135.0	6.2
Federal Funds	52.6	72.3	19.7

Other changes from the Governor's Budget to the May Revision are as follows:

A. Caseload

On January 31, 2008, the community caseload was 221,069, which is 586, or 0.3 percent, less than the Governor's Budget estimate of 221,655 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.

2007-08 Caseload <i>as of January 31, 2008</i>			
	Governor's Budget	May Revision	Difference
Total Community Caseload	221,655	221,069	-586
Active Caseload (Age 3 & Older)	191,725	191,419	-306
Early Start (Birth through 2 Years)	29,930	29,650	-280

Current Year 2007-08 (continued)**B. Total Costs: \$53.3 Million Decrease****1. Operations: \$4.0 Million Decrease****a. Staffing: \$2.9 Million Decrease**

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

2007-08 Staffing <i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
(1) Core Staffing	\$432.8	\$431.4	-\$1.4
(2) Intake and Assessment (Cost Containment)	-4.5	-4.5	0.0
(3) Community Placement Plan (CPP)	22.4	21.4	-1.0
(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	0.9	0.4	-0.5
Total	\$437.5	\$434.6	-\$2.9

Changes reflect the following:

- **Core Staffing**: The \$1.4 million decrease in Core Staffing reflects the change in the community caseload from the Governor's Budget (221,655 consumers projected) to this May Revision (221,069 actual consumers as of January 31, 2008), a decrease of 586 consumers.
- **Community Placement Plan**: The \$1.0 million decrease in CPP is the net result of (1) a \$36,000 increase for regional center staff to perform additional resource development, placement and crisis service team activities pursuant to regional centers' updated plans for regular CPP, and (2) correction of a technical error that was reflected in the Governor's Budget.

Current Year 2007-08 (continued)

- Staffing for Self-Directed Home and Community-Based Services (SDHCBS) Waiver: Self-Directed Services (SDS) is a voluntary program that enables 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. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services (CMS) of a 1915(c) HCBS Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on July 1, 2008. One SDS Director position is being phased in at each regional center six months prior to the center's implementation of SDS, and one Federal Compliance Coordinator position will be phased in at the time of implementation at each regional center. The \$0.5 million decrease in regional center Operations costs is due to a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (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.)

Status of SDS: The Department of Health Care Services submitted DDS' SDHCBS Waiver application to CMS on April 2, 2008, requesting a July 1, 2008 approval date. The SDS regulations are being reviewed within the Administration. It is anticipated that the effective dates of both the SDHCBS Waiver and regulations will closely coincide and that implementation and enrollment will begin July 1, 2008. Regional center implementation will be phased in over a eight-month period beginning in July 2008 through February 2009. In January 2008, DDS began working with the first five regional centers scheduled to implement during the first four months of 2008-09 to develop informational and training materials and to provide opportunities for regional centers to share strategies for administrative roll out.

b. Federal Compliance: \$0.1 Million Decrease

- Nursing Home Reform/Pre-Admission Screening and Resident Review: This estimate was reduced by \$0.1 million to reflect updated utilization.

Current Year 2007-08 (continued)c. Projects: \$1.0 Million Decrease

Estimated 2007-08 Project costs were revised as follows:

2007-08 Projects (in thousands)			
	Governor's Budget	May Revision	Difference
(1) Information Technology	\$4,967	\$4,142	-\$825
(a) Applications Support	3,167	3,167	0
(b) Data Processing	1,800	975	-825
(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	2,211	14
(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.	125	125	0
(13) Affordable Housing	94	94	0
(14) Cost Containment	-490	-490	0
(15) Self-Directed Services: Training & Development	200	200	0
(16) Agnews Closure: Technical Assistance on Housing Issues	280	280	0
(17) Evaluation of SB 962 Pilots	250	88	-162
Total	\$26,328	\$25,355	-\$973

Changes reflect the following:

- Information Technology Costs: Data Processing: This estimate was reduced by \$825,000 due to the delay in implementation of the SDS program and a reduction in Department of Technology Services data processing rates.

Current Year 2007-08 (continued)

- Evaluation of SB 962 Pilots: This evaluation will be conducted by an independent organization which will present its findings in a report to the Legislature and Administration. The report is due January 1, 2009.

d. Budget-Balancing Reductions: No Change

2007-08 Budget-Balancing Reductions			
<i>(in thousands)</i>			
	Governor's Budget	May Revision	Difference
(1) Reduce CPP Operations	-\$660	-\$660	\$0
(2) Reduce Regional Center HIPAA Operations	-46	-46	0
Total	-\$706	\$706	\$0

2. Purchase of Services (POS): \$49.8 Million Decrease

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

2007-08 Purchase of Services			
<i>(in millions)</i>			
POS Category	Governor's Budget	May Revision	Difference
a. Base	\$2,694.3	\$2,672.9	-\$21.4
b. Updated Caseload, Utilization and Expenditure Data	235.8	261.2	25.4
c. Community Placement Plan (CPP)	93.8	90.2	-3.6
d. Placement/Deflection Continuation	64.2	32.4	-31.8
e. Self-Directed Services	0.2	0.0	-0.2
f. Minimum Wage Increases	45.0	26.8	-18.2
g. Transfer to Developmental Centers	0.7	0.7	0.0
Total	\$3,134.0	\$3,084.2	-\$49.8

Changes reflect the following:

- Base: May Revision base expenditures of \$2.7 billion were estimated using updated 2006-07 POS actual expenditure data, resulting in a decrease of \$21.4 million.
- Updated Caseload, Utilization and Expenditure Data: Updated caseload and expenditure data through October of 2007 were used to update this projection, resulting in an increase of \$25.4 million.

Current Year 2007-08 (continued)

- 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 three components: Regular CPP, Unified CPP, and Agnews Other CPP. Unified CPP represents the Bay Area regional centers' efforts in support of the closure of Agnews DC. Agnews Other CPP includes resources needed for any other regional centers that will receive individuals into the community who are currently residing at Agnews. Regular CPP and Agnews Other CPP costs were updated for 2007-08, and Unified CPP costs are the same as the 2008-09 November Estimate. The updated CPP reduced costs by \$3.6 million.

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, the Department is proposing reappropriation language in the event that community resources are not available by June 30, 2008. See Section E, page E-16.3, for the reappropriation language.

(See the Agnews Closure fiscal charts on pages B-26 to B-36 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 in the prior year, (a) moved from a DC into the community, or (b) were deflected away from placement in a DC. Placement/Deflection Continuation costs were updated using the regional centers' 2007-08 Sufficiency of Allocation Reports resulting in a decrease of \$31.8 million.
- Self-Directed Services: SDS is a voluntary program that enables 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. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services (CMS) of a 1915(c) HCBS Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on July 1, 2008. The \$0.2 million reduction reflects a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (See page B-3 above for information regarding the current status of SDS.)

Current Year 2007-08 (continued)

- Minimum Wage Increases: On January 1, 2007 the California minimum wage increased from \$6.75 to \$7.50 per hour and from \$7.50 to \$8.00 per hour on January 1, 2008. These increases, enacted with Chapter 203, Statutes of 2006 (AB 1835), impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care, and supported living services. Updated expenditure data was used to revise the impact of the minimum wage increases, resulting in a decrease of \$18.2 million.
3. POS New Major Assumption: Other Departments' Budget-Balancing Reductions: \$0.5 Million Increase
- Suspend 6/1/08 SSP Increase: The California Department of Social Services is proposing a budget-balancing reduction to suspend the June 1, 2008 State Supplemental Program (SSP) cost-of-living adjustment until October 1, 2008. As a result, the anticipated savings in regional center community care facility expenditures of \$0.5 million (\$0.3 million General Fund) will not be realized and needs to be maintained in the DDS regional center budget. (See Section E, pages E-15.16 to E-15.17, for more information.)

C. Fund Sources**1. General Fund: \$88.8 Million Decrease**

The net General Fund need in 2007-08 is expected to decrease by \$88.8 million due to a projected \$53.3 million decrease in Operations and Purchase of Services (described above) and projected increases of \$9.6 million in reimbursements, \$6.2 million in Public Transportation Account funds, and \$19.7 million in federal funds.

Current Year 2007-08 (continued)2. Reimbursements: \$9.6 Million Increase

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

2007-08 Reimbursements			
<i>(in millions)</i>			
Reimbursement	Governor's Budget	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$843.4	\$857.5	\$14.1
b. HCBS Waiver Administration	4.7	4.4	-0.3
c. Medicaid Administration	14.3	13.9	-0.4
d. Targeted Case Management (TCM)	135.9	132.8	-3.1
e. TCM Administration	4.5	4.5	0.0
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	0.2	0.0	-0.2
h. Self-Directed HCBS Waiver Administration	0.4	0.2	-0.2
i. Medicaid	44.0	44.0	0.0
j. Vocational Rehabilitation	0.6	0.3	-0.3
Total	\$1,251.9	\$1,261.5	\$9.6

In addition, the above changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July 2007 through December 2007 and assumes enrollment growth to 75,265 by June 2008, resulting in an increase of \$14.1 million in HCBS Waiver reimbursements.
- HCBS Waiver Administration: This estimate reflects the most current available data resulting in a decrease of \$0.3 million in HCBS Waiver Administration reimbursements.
- Medicaid Administration: This estimate reflects the most current available data, producing a decrease of \$0.4 million.
- TCM: This estimate reflects the most current available data, producing a decrease of \$3.1 million.

Current Year 2007-08 (continued)

- Self-Directed HCBS Waiver: SDS is a voluntary program that enables 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. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services (CMS) of a 1915(c) HCBS Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on July 1, 2008. The \$0.2 million reduction reflects a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (See page B-3 above for information regarding the status of SDS and Section E, pages E-24.1 to E-24.2, for the fiscal detail on SDHCBS Waiver reimbursements.)
- Self-Directed HCBS Waiver Administration: SCHCBS Waiver Administration funds are for the proper and efficient administration of the SDHCBS Waiver. The \$0.2 million decrease in reimbursements for regional center SDS Operations costs is due to a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (See Section E, pages E-25.1 to E-25.2, for detail on SDHCBS Waiver Administration reimbursements, and pages E-1.4 to E-1.5, for detail on the SDS Operations Estimate.)
- Vocational Rehabilitation: This estimate reflects the most current available data, producing a decrease of \$0.3 million.

3. Public Transportation Account: \$6.2 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 \$6.2 million increase reflects updated transportation expenditure data.

4. Federal Funds: \$19.7 Million Increase

This increase is due to a \$0.1 million decrease in federal Foster Grandparent program funds and a one-time drawdown of \$19.8 million in unspent Early Start grant funds for early intervention services. (See Section E, pages E-31.1 to E-31.3, for more information.)

II. BUDGET YEAR 2008-09 COSTS AND FUND SOURCES

The May Revision includes a total 2008-09 need of \$3.9 billion, an increase of \$150.5 million from the Governor's Budget as shown in the table below:

2008-09 Costs <i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
Total Costs	\$3,798.3	\$3,948.8	\$150.5
Operations	524.9	529.7	4.8
Purchase of Services	3,253.3	3,377.8	124.5
Early Start - Other Agency Costs	20.1	20.1	0.0
Other Departments' BBRs	0.0	21.2	21.2
Fund Sources	\$3,798.3	\$3,948.8	\$150.5
General Fund (GF)	2,342.2	2,388.1	45.9
GF Match	(955.0)	(1,031.6)	(76.6)
GF Other	(1,387.2)	(1,356.5)	(-30.7)
Reimbursements	1,238.2	1,331.5	93.3
Program Development Fund	1.2	1.2	0.0
Mental Health Services Fund	0.7	0.7	0.0
Public Transportation Account	140.9	138.3	-2.6
Federal Funds	75.1	89.0	13.9

Significant changes from the 2008-09 Governor's Budget to the May Revision are as follows:

A. Caseload

The community caseload is estimated to be 229,675 on January 31, 2009, a reduction of 2,450 from the Governor's Budget of 232,125. This estimate is based on actual caseload data through January 31, 2008. This mid-year caseload is assumed to be the average for 2008-09 and is used to estimate regional center Operations costs.

2008-09 Caseload <i>as of January 31, 2009</i>			
	Governor's Budget	May Revision	Difference
Total Community Caseload	232,125	229,675	-2,450
<i>Active Caseload (Age 3 & Older)</i>	<i>199,200</i>	<i>197,755</i>	<i>-1,445</i>
<i>Early Start (Birth through 2 Years)</i>	<i>32,925</i>	<i>31,920</i>	<i>-1,005</i>

Budget Year 2008-09 (continued)B. Total Costs: \$150.5 Million Increase1. Operations: \$4.8 Million Increasea. Staffing: \$3.4 Million Increase

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

2008-09 Staffing <i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
(1) Core Staffing	\$454.2	\$458.1	\$3.9
(2) Intake and Assessment (Cost Containment)	-4.5	-4.5	0.0
(3) Community Placement Plan	21.1	21.1	0.0
(4) Placement Continuation for Agnews Closure	0.6	0.6	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	3.4	2.9	-0.5
Total	\$460.4	\$463.8	\$3.4

Changes reflect the following:

- Core Staffing: The \$3.9 million increase in Core Staffing reflects the net result of (1) a decrease due to the change in community caseload from the Governor's Budget (232,125 consumers projected) to this May Revision (229,675 consumers projected), a reduction of 2,450 consumers, and (2) an increase in intake and updated facility, vendor and expenditure data.
- Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver: Self-Directed Services (SDS) is a voluntary program that enables 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. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services (CMS) of a 1915(c) HCBS Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on July 1, 2008. One SDS Director position is being phased in at each regional center six months prior to the center's implementation of SDS, and one

Budget Year 2008-09 (continued)

Federal Compliance Coordinator position will be phased in at the time of implementation at each regional center. The \$0.5 million decrease in 2008-09 regional center Operations costs is due to a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (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.)

Status of SDS: The Department of Health Care Services submitted DDS' SDHCBS Waiver application to CMS on April 2, 2008, requesting a July 1, 2008 approval date. The SDS regulations are being reviewed within the Administration. It is anticipated that the effective dates of both the SDHCBS Waiver and regulations will closely coincide and that implementation and enrollment will begin July 1, 2008. Regional center implementation will be phased in over an eight-month period beginning in July 2008 through February 2009. In January 2008, DDS began working with the first five regional centers scheduled to implement during the first four months of 2008-09 to develop informational and training materials and to provide opportunities for regional centers to share strategies for administrative roll out.

b. Federal Compliance: \$1.7 Million Increase

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

2008-09 Federal Compliance <i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
(1) Home and Community-Based Services (HCBS) Waiver	\$21.1	\$21.1	\$0.0
(2) Accelerated HCBS Waiver Enrollments	0.9	0.8	-0.1
(3) Compliance w/HCBS Waiver Requirements	9.2	9.2	0.0
(4) Case Managers to Meet HCBS Waiver Requirements	3.5	5.4	1.9
(5) Targeted Case Management	4.1	4.1	0.0
(6) Nursing Home Reform/Pre-Admission Screening and Resident Review	0.6	0.5	-0.1
Total	\$39.4	\$41.1	\$1.7

The following minor adjustments were made:

Budget Year 2008-09 (continued)

- Accelerated HCBS Waiver Enrollments: These costs were decreased by \$0.1 General Fund to reflect 115 fewer Waiver enrollments in 2008-09, from 2,035 enrollments projected in the Governor's Budget to 1,920 enrollments in this May Revision.
- 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. The \$1.9 million increase reflects a higher vacancy rate of case manager positions as reported by regional centers in the 2008-09 May Revision Regional Center Survey. (See Section E, page E-2.5, for the fiscal detail.)
- Nursing Home Reform/Pre-Admission Screening and Resident Review: This estimate was reduced by \$0.1 million to reflect updated utilization.

Budget Year 2008-09 (continued)c. Projects: \$0.2 Million Decrease

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

2008-09 Projects <i>(in thousands)</i>			
	Governor's Budget	May Revision	Difference
(1) Information Technology	\$4,967	\$4,517	-\$450
(a) Applications Support	3,167	3,167	0
(b) Data Processing	1,800	1,350	-450
(2) Clients' Rights Advocacy Contract	5,373	5,430	57
(3) Life Quality Assessment Contract	4,985	4,915	-70
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,197	2,211	14
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent / Senior Companion Program	1,655	1,719	64
(8) Special Incident Rptg/Risk Assessment	940	940	0
(9) Increased Access to Mental Health Services	740	740	0
(10) Sherry S. Court Case	534	534	0
(11) Movers Evaluation Contract	600	600	0
(12) Enhancing FFP, Phase II, Consultant	530	530	0
(13) University Enterprises, Inc.	175	175	0
(14) Affordable Housing	94	94	0
(15) Cost Containment	-490	-490	0
(16) Self-Directed Services: Trng & Dev	200	200	0
(17) Agnews Closure: Technical Assistance on Housing Issues	0	0	0
(18) Evaluation of SB 962 Pilots	200	362	162
Total	\$27,772	\$27,549	-\$223

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

- Information Technology Costs: Data Processing: This estimate was reduced by \$450,000 due to the delay in implementation of the SDS program and a reduction in Department of Technology Services data processing rates.
- Clients' Rights Advocacy Contract: The increase of \$57,000 reflects updated caseload and expenditure projections based on the actual per capita cost in 2007-08.

Budget Year 2008-09 (continued)

- Life Quality Assessment Contract: The decrease of \$70,000 reflects updated caseload projections.
- Foster Grandparent/Senior Companion Programs: The increase of \$64,000 reflects updated costs associated with the transfer of these programs from Agnews Developmental Center to San Andreas Regional Center.
- Evaluation of SB 962 Pilots: This evaluation will be conducted by an independent organization which will present its findings in a report to the Legislature and Administration. The report is due January 1, 2009.

d. Sunset Cost Containment Trailer Bill Language: \$36.9 Million Decrease

The 2008-09 November Estimate reflected costs related to the sunset of cost containment measures. Emergency legislation, ABX3 5, made these measures permanent; therefore, this estimate no longer assumes these measures will sunset, resulting in a reduction of \$36.9 million.

e. DDS Budget-Balancing Reductions: \$36.8 Million Increase

2008-09 DDS Budget-Balancing Reductions			
<i>(in thousands)</i>			
	Governor's Budget	May Revision	Difference
(1) Reduce CPP Operations	-\$2,000	-\$2,112	-\$112
(2) Reduce Regional Center HIPAA Operations	-171	-141	30
(3) Reduce Clients' Rights Advocacy Agreement	-512	-512	0
(4) Extend Operations Cost Containment Measures	-36,896	0	36,896
Total	-\$39,579	-\$2,765	\$36,814

- Reduce CPP Operations: The additional reduction of \$112,000 reflects updated CPP Operations costs.
- Reduce Regional Center HIPAA Operations: The increase of \$30,000 reflects a rounding adjustment.

Budget Year 2008-09 (continued)

- Extend Operations Cost Containment Measures: The 2008-09 November Estimate reflected costs related to the sunset of cost containment measures. Emergency legislation, ABX3 5, made these measures permanent; therefore, this estimate no longer assumes these measures will sunset resulting in an increase of \$36.9 million.

Budget Year 2008-09 (continued)2. Purchase of Services (POS): \$124.5 Million Increase

The total POS need is estimated to be \$3.4 billion, representing an increase of \$124.5 million from the Governor's Budget. The following table displays historical POS growth since FY 1996-97:

Historical POS Growth 2008-09 May Revision (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	1,660,566	13.1%
2002-03	1,820,697	9.6%
2003-04	1,949,326	7.1%
2004-05	2,190,903	12.4% a/
2005-06	2,377,083 b/	8.5%
2006-07	2,693,103 b/c/	13.3% c/
2007-08	3,084,654 b/d/	14.5% d/
2008-09	3,398,906 b/e/	10.2% 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/ 4.6% 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 budgetary actions, and (3) \$16.4 million for the Minimum Wage Increase, effective 1/1/07. The remaining 8.7% increase is due to normal growth.

d/ 5.0% 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 budgetary actions, (3) \$43.3 million for Minimum Wage Increases, effective 1/1/07 and 1/1/08, (4) \$0.7 million for Transfer to the Developmental Centers, and (5) \$0.5 million for New Major Assumption for Other Departments' Budget-Balancing Reductions. The remaining 9.5% increase is due to normal growth.

e/ 4.1% 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 budgetary actions, (3) \$53.7 million for Minimum Wage Increases, effective 1/1/07 and 1/1/08, (4) \$2.1 million for Self-Directed Services, (5) -\$49.6 million for DDS Budget-Balancing Reductions, and (6) \$21.2 million for New Major Assumptions for Other Departments' Budget-Balancing Reductions. The remaining 6.1% increase is due to normal growth.

Budget Year 2008-09 (continued)

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

2008-09 Purchase of Services <i>(in millions)</i>			
POS Category	Governor's Budget	May Revision	Difference
(1) Base	\$3,037.5	\$2,992.9	-\$44.6
(2) Updated Caseload, Utilization and Expenditure Data	256.4	247.4	-9.0
(3) Community Placement Plan (CPP)	53.0	64.8	11.8
(4) Placement/Deflection Continuation	109.8	109.8	0.0
(5) Self-Directed Services	1.3	2.1	0.8
(6) Minimum Wage Increases	17.8a/	10.4b/	-7.4
(7) Sunset Cost Containment Trailer Bill Language	311.4	0.0	-311.4
(8) DDS Budget-Balancing Reductions (BBR):	-341.2	-49.6	291.6
(a) Rollback Devereux Maintenance Contract	-1.2	-1.2	0.0
(b) Redesign Family Cost Participation Program	-0.8	-0.8	0.0
(c) Negotiated Rate Reduction	-18.3	-38.3	-20.0
(d) Reduce Supported Employment Program Provider Rates	-9.5	-9.3	0.2
(e) Extend POS Cost Containment Measures	-311.4	0.0	311.4
(9) Adjustment to POS Increase	-192.7	0.0	192.7
Total	\$3,253.3	\$3,377.8	\$124.5

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

b/ \$10.4 million, plus \$43.3 million in the Base above, equal a total of \$53.7 million for 1/1/07 and 1/1/08 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 \$2,992.9 million decreased by \$44.6 million from the Governor's Budget. The 2008-09 base is comprised of total estimated 2007-08 POS expenditures, minus one-time 2007-08 costs. The \$44.6 million difference reflects 2007-08 savings due to updated actual expenditure data for continuous items in 2008-09.
- Updated Caseload, Utilization, and Expenditure Data: Updated caseload and expenditure data were used to re-estimate this projection, resulting in a decrease of \$9.0 million from the Governor's Budget.

Budget Year 2008-09 (continued)

- 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 CPP estimate is comprised of regular CPP and CPP related to the closure of Agnews DC. Consistent with prior years, regular CPP is only updated in the May Revision. Regular CPP was increased by \$11.8 million to reflect updated regional center plans submitted in January 2008. (See the Agnews Closure fiscal charts on pages B-26 to B-36 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: SDS is a voluntary program that enables 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. 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, the Department of Developmental Services (DDS) will roll out SDS on July 1, 2008. The \$0.8 million increase reflects a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations, costs for criminal history records checks, and the SDS risk pool fund. (See page B-13 above for information regarding the current status of SDS.)
- Minimum Wage Increases: On January 1, 2007 the California minimum wage increased from \$6.75 to \$7.50 per hour and from \$7.50 to \$8.00 per hour on January 1, 2008. These increases, enacted with Chapter 203, Statutes of 2006 (AB 1835), impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care, and supported living services. Updated expenditure data was used to revise the impact of the minimum wage increases, resulting in a decrease of \$7.4 million.
- Sunset Cost Containment Trailer Bill Language: The 2008-09 November Estimate reflected costs related to the sunset of cost containment measures. Emergency legislation, ABX3 5, made this freeze permanent; therefore, this estimate no longer assumes the freeze will sunset resulting in a reduction of \$311.4 million (\$214.6 million General Fund). Savings equivalent to this amount are reflected in the POS trends.

Budget Year 2008-09 (continued)

- DDS BBR: Negotiated Rate Reduction: This BBR expands the contracted-services rate freeze to all regional center-negotiated rates and establishes an upper limit on the rates regional centers can negotiate for new providers of negotiated-rate services. Expenditures and applicable services have been updated resulting in total estimated 2008-09 savings of \$38.3 million (\$26.1 million General Fund), for additional savings of \$20 million from the Governor's Budget. (See Section E, pages E-15.5 to E-15.6, for more information.)
- DDS BBR: Reduce Supported Employment Program Provider Rates: The Supported Employment Program (SEP) provides services to assist consumers to enter into employment and to maintain their employment status. This BBR reduces the SEP job coach rate by 10 percent. This estimate was updated based on projected 2008-09 SEP expenditures resulting in total annual savings of \$9.3 million (\$7.5 million General Fund), a reduction in savings of \$0.2 million from the Governor's Budget. (See Section E, pages E-15.7 to E-15.8, for more information.)
- Extend POS Cost Containment Measures: The 2008-09 November Estimate reflected costs related to the sunset of cost containment measures. Emergency legislation, ABX3 5, made this freeze permanent; therefore, this estimate no longer assumes the freeze will sunset resulting in an increase of \$311.4 million (\$214.6 million General Fund). Savings equivalent to this amount are reflected in the POS trends.
- Adjustment to Purchase of Services Increase: Consistent with the Governor's Budget, the Department carefully reviewed the estimates and is fully funding the entitlement to services; therefore, this adjustment is no longer applicable.

Budget Year 2008-09 (continued)3. POS New Major Assumptions: Other Departments' BBRs: \$21.2 Million Increase

The following POS New Major Assumptions have been added:

2008-09 POS New Major Assumptions: Other Departments' BBRs <i>(in millions)</i>			
POS Category	Governor's Budget	May Revision	Difference
(1) In-Home Supportive Services Functional Index Change Proposal	\$0.0	\$6.1	\$6.1
(2) Elimination of Medi-Cal Optional Benefits for Adults 21 Years of Age and Older	0.0	11.1	11.1
(3) SSI/SSP: No Pass Through of Federal SSI COLA and Suspension of SSP COLAs	0.0	3.8	3.8
(4) Month-to-Month Eligibility for Emergency Medi-Cal for Restricted Scope Eligible Immigrants and Elimination of State-only Funded Nonemergency Services for Immigrants	0.0	0.2	0.2
Total	\$0.0	\$21.2	\$21.2

- In-Home Supportive Services Functional Index Change Proposal: The California Department of Social Services' (CDSS) proposed change to the In-Home Supportive Services (IHSS) program establishing a baseline for receiving domestic and related services impacts regional center purchase of service funds and services to individuals with developmental disabilities. The CDSS proposal continues domestic and related services to individuals with a functional index ranking of 4 or 5. Those consumers with functional rankings of 1, 2, or 3 would not be eligible to receive domestic and related services. These services assist individuals with disabilities, including developmental disabilities, to safely remain in their homes. Effective October 1, 2008, the fiscal impact to DDS is \$6.1 million (\$4.2 million General Fund) to replace services that will be eliminated due to the proposed reductions in the IHSS program. The annual impact in 2009-10 is estimated to be \$8.1 million (\$5.6 million General Fund). (See Section E, pages E-15.9 to E-15.11, for more information.)
- Elimination of Medi-Cal Optional Benefits for Adults 21 Years of Age and Older: The Department of Health Care Services proposes to eliminate optional Medi-Cal benefits for adults 21 years of age and older who do not reside in a nursing facility. DDS predicts that, due to this elimination of Medi-Cal optional benefits, regional centers will become the payer of last resort for these services, and will see an increase in regional center POS expenditures commensurate with the decrease in costs to the Medi-Cal system, resulting in an estimated

Budget Year 2008-09 (continued)

increase of \$11.1 million (\$8.2 million General Fund) in 2008-09. (See Section E, pages E-15.12 to E-15.15, for more information.)

- Supplemental Security Income / State Supplementary Payment (SSI/SSP): No Pass Through of Federal SSI Cost of Living Adjustment (COLA) and Suspension of SSP COLAs: The California Department of Social Services is proposing a budget-balancing reduction to (1) eliminate the pass through of the January 1, 2009 federal SSI COLA, and (2) suspend the June 1, 2008 SSP cost-of-living adjustment until October 1, 2008 and to also suspend the June 1, 2009 increase. As a result, the anticipated savings in regional center community care facility expenditures of \$3.8 million (\$2.3 million General Fund) will not be realized and needs to be maintained in the DDS regional center budget. (See Section E, pages E-15.16 to E-15.17, for more information.)
- Month-to-Month Eligibility for Emergency Medi-Cal for Restricted Scope Eligible Immigrants and Elimination of State-only Funded Nonemergency Services for Immigrants: The Department of Health Care Services proposed a BBR and Trailer Bill Language to (1) rescind full-scope Medi-Cal for recent legal immigrants, (2) eliminate recent legal immigrants from the Healthy Families Program, and (3) eliminate non-emergency services for undocumented immigrants. Included in the population impacted by this BBR are persons with developmental disabilities who are entitled, under the Lanterman Developmental Disabilities Services Act, to receive services and supports as defined in their individual program plans, which may include those proposed for elimination. As a result, DDS requests additional resources to fund the services impacted by this proposal. Effective October 1, 2008, the fiscal impact to DDS is \$0.2 million General Fund to replace services that will be eliminated due to the proposed reductions. The annual impact in 2009-10 is estimated to be \$0.3 million General Fund. (See Section E, pages E-15.18 to E-15.19, for more information.)

Budget Year 2008-09 (continued)**C. Fund Sources****1. General Fund: \$45.9 Million Increase**

The 2008-09 General Fund need is estimated to increase by \$45.9 million from the Governor's Budget. This increase is the net result of caseload and utilization updates for Operations and POS, new major assumptions, and increases in reimbursements.

2. Reimbursements: \$93.3 Million Increase

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

2008-09 Reimbursements			
<i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$819.3	\$897.8	\$78.5
b. HCBS Waiver Administration	4.7	4.4	-0.3
c. Medicaid Administration	15.0	14.3	-0.7
d. Targeted Case Management (TCM)	135.8	133.8	-2.0
e. TCM Administration	4.4	4.4	0.0
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	78.2	22.2
g. Self-Directed (SD) HCBS Waiver	8.8	4.6	-4.2
h. SDHCBS Waiver Administration	1.7	1.5	-0.2
i. Medicaid	44.0	44.0	0.0
i. Vocational Rehabilitation	0.6	0.6	0.0
Total	\$1,238.2	\$1,331.5	\$93.3

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 76,885 by June 2009 and permanent cost containment measures, resulting in an increase of \$78.5 million in HCBS Waiver reimbursements.
- **HCBS Waiver Administration**: This estimate reflects the most current available data resulting in a decrease of \$0.3 million in HCBS Waiver Administration reimbursements.

Budget Year 2008-09 (continued)

- Medicaid Administration: This estimate reflects the most current available data, producing a decrease of \$0.7 million.
 - Targeted Case Management: This estimate reflects the most current available data, producing a decrease of \$2.0 million.
 - Title XX Block Grant, Temporary Assistance for Needy Families: This estimate reflects an increase of \$22.2 million in additional funds from the Department of Social Services.
 - SDHCBS Waiver: SDS is a voluntary program that enables 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. 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, the Department of Developmental Services (DDS) will roll out SDS on July 1, 2008. The \$4.2 million reduction reflects a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (See page B-13 above for information regarding the status of SDS and Section E, pages E-24.1 to E-24.2, for the fiscal detail on SDHCBS Waiver reimbursements.)
 - SDHCBS Waiver Administration: SCHCBS Waiver Administration funds are for the proper and efficient administration of the SDHCBS Waiver. The \$0.2 million decrease in reimbursements for regional center SDS Operations costs is due to a delay in implementation from March 1, 2008 to July 1, 2008 pending approval of the HCBS Waiver and adoption of state regulations. (See Section E, pages E-25.1 to E-25.2, for detail on SDHCBS Waiver Administration reimbursements, and pages E-1.4 to E-1.5, for detail on the SDS Operations Estimate.)
3. Public Transportation Account (PTA): \$2.6 Million Decrease

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 \$2.6 million decrease reflects updated transportation expenditure data.

Budget Year 2008-09 (continued)

4. Federal Funds: \$13.9 Million Increase

This increase is due to a \$14,000 increase in federal Foster Grandparent program funds and a one-time drawdown of \$13.9 million in unspent federal Early Start grant funds for early intervention services. (See Section E, pages E-31.1 to E-31.3, 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 ¹	Difference	2008-09 May Revision CY 2007-08 ¹	Difference	Change from 2007-08 Budget Act
		A	B	B - A	C	C - B	C - A
DEVELOPMENTAL CENTERS							
1.	Agnews Budget Base	Total	\$73,754,000	\$73,754,000	\$0	\$0	\$0
		<i>General Fund</i>	39,347,759	39,347,759	0	0	0
		<i>Other</i>	34,406,241	34,406,241	0	0	0
		PYs	967.0	967.0	0.0	0.0	0.0
		Year Beginning Population	204	220	16	0	16
2.	Placements Into the Community	Total	-\$12,722,000	-\$11,456,000	\$1,266,000	\$0	\$1,266,000
		<i>General Fund</i>	-6,787,000	-6,111,000	676,000	0	676,000
		<i>Other</i>	-5,935,000	-5,345,000	590,000	0	590,000
		PYs	-158.0	-145.0	13.0	0.0	13.0
		Placements	-188	-204	-16	0	-16
		Deaths	-6	-6	0	0	0
3.	Consumer Transfers to Other DCs	Total	-\$430,000	-\$430,000	\$0	\$0	\$0
		<i>General Fund</i>	-229,000	-229,000	0	0	0
		<i>Other</i>	-201,000	-201,000	0	0	0
		Population	-10	-10	0	0	0
4.	State Employees in the Community²	Total	\$242,000	\$242,000	\$0	\$0	\$0
			(9,217,000)	(9,217,000)	(0)	(0)	(0)
	Clinical Staff (RC Operations)	Subtotal	1,554,000	1,554,000	0	0	0
		<i>Clinical Staff</i>	1,432,100	1,432,100	0	0	0
		<i>Admin for Clinical Staff</i>	0	0	0	0	0
		<i>Operating Expense & Equipment</i>	121,900	121,900	0	0	0
	Direct Support Services (RC Purchase of Services)	Subtotal	7,663,000	7,663,000	0	0	0
		<i>Direct Support Services</i>	6,474,900	6,474,900	0	0	0
		<i>Admin for Direct Support Services</i>	0	0	0	0	0
		<i>Operating Expense & Equipment</i>	1,188,100	1,188,100	0	0	0
	Administrative Staff (SDC)	Subtotal	242,000	242,000	0	0	0
		<i>Personal Services</i>	218,000	218,000	0	0	0
		<i>Operating Expense & Equipment</i>	24,000	24,000	0	0	0
		PYs	3.0	3.0	0.0	0.0	0.0
	Primary Care Clinic and Closure Services	Subtotal	0	0	0	0	0
		<i>Personal Services</i>	0	0	0	0	0
		<i>Operating Expense & Equipment</i>	0	0	0	0	0
		PYs	0.0	0.0	0.0	0.0	0.0
		<i>General Fund</i>	129,000	129,000	0	0	0
		<i>Other</i>	113,000	113,000	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 ¹	Difference	2008-09 May Revision CY 2007-08 ¹	Difference	Change from 2007-08 Budget Act
		A	B	B - A	C	C - B	C - A
5.	Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$0
		PYs	0.0	0.0	0.0	0.0	0.0
		<i>General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
		<i>Other</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
6.	Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$0
		PYs	0.0	0.0	0.0	0.0	0.0
	General Expenses		0	0	0	0	0
	Facilities Operations		0	0	0	0	0
	Contracts		0	0	0	0	0
	Vehicle Operations		0	0	0	0	0
	Utilities		0	0	0	0	0
	Staffing		0	0	0	0	0
	<i>General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
7.	Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0	\$0	\$0
		PYs	0.0	0.0	0.0	0.0	0.0
	<i>General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
8.	Staff Costs for Closure Plan	Total	\$4,918,000	\$4,918,000	\$0	\$0	\$0
	Staff Transition Costs		828,000	828,000	0	0	0
	Overtime for Consumer Transfers and Escort		496,000	496,000	0	0	0
	Costs for Lump-Sum Buyout		3,595,000	3,595,000	0	0	0
	<i>General Fund</i>	<i>2,624,000</i>	<i>2,624,000</i>	<i>0</i>	<i>2,624,000</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>2,294,000</i>	<i>2,294,000</i>	<i>0</i>	<i>2,294,000</i>	<i>0</i>	<i>0</i>
9.	Facility Preparation	Total	\$73,000	\$73,000	\$0	\$0	\$0
	<i>General Fund</i>	<i>39,000</i>	<i>39,000</i>	<i>0</i>	<i>39,000</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>34,000</i>	<i>34,000</i>	<i>0</i>	<i>34,000</i>	<i>0</i>	<i>0</i>
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$105,000	\$105,000	\$0	\$0	\$0
	<i>General Fund</i>	<i>56,000</i>	<i>56,000</i>	<i>0</i>	<i>56,000</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>49,000</i>	<i>49,000</i>	<i>0</i>	<i>49,000</i>	<i>0</i>	<i>0</i>
11.	Regional Resource Development Projects	Total	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	<i>General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
12.	Agnews Staffing Plan	Total	\$731,000	\$731,000	\$0	\$0	\$0
	PYs	10.0	10.0	0.0	10.0	0.0	0.0
	<i>General Fund</i>	<i>390,000</i>	<i>390,000</i>	<i>0</i>	<i>390,000</i>	<i>0</i>	<i>0</i>
	<i>Other</i>	<i>341,000</i>	<i>341,000</i>	<i>0</i>	<i>341,000</i>	<i>0</i>	<i>0</i>

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

		2007-08 Budget Act	2008-09 November Estimate CY 2007-08 ¹	Difference	2008-09 May Revision CY 2007-08 ¹	Difference	Change from 2007-08 Budget Act	
		A	B	B - A	C	C - B	C - A	
Total Developmental Centers Costs of Closure		Total	\$66,671,000	\$67,937,000	\$1,266,000	\$67,937,000	\$0	\$1,266,000
		PYs	822.0	835.0	13.0	835.0	0.0	13.0
		<i>General Fund</i>	35,569,759	36,245,759	676,000	36,245,759	0	676,000
		<i>Other</i>	31,101,241	31,691,241	590,000	31,691,241	0	590,000
Year Ending Population		0	0	0	0	0	0	0
REGIONAL CENTERS								
13.	Community Placement Plan³							
A)	Operations	Total	\$8,407,000	\$9,388,000	\$981,000	\$8,727,000	-\$661,000	\$320,000
	1. <i>Unified Operations Costs</i>		6,323,000	6,805,000	482,000	6,805,000	0	482,000
	2. <i>State Employees in the Community</i>		1,554,000	1,554,000	0	1,554,000	0	0
	3. <i>Consultant Services - Tech. Assistance on Housing Issues</i>		280,000	280,000	0	280,000	0	0
	4. <i>Evaluation of Licensing Pilots</i>		250,000	250,000	0	88,000	-162,000	-162,000
	5. <i>Foster Grandparent/Senior Companion Program</i>		0	499,000	499,000	0	-499,000	0
	<i>General Fund</i>		7,300,000	7,823,000	523,000	7,243,000	-580,000	-57,000
	<i>Other</i>		1,107,000	1,565,000	458,000	1,484,000	-81,000	377,000
B)	Purchase of Services (POS)	Total	\$44,245,000	\$40,843,000	-\$3,402,000	\$39,678,000	-\$1,165,000	-\$4,567,000
	Placements		188	204	16	204	0	16
	1. <i>Start-up Costs (resource development)</i>		10,933,000	12,400,000	1,467,000	12,283,000	-117,000	1,350,000
	2. <i>Assessments</i>		0	0	0	0	0	0
	3. <i>Placements (property management and lease)</i>		33,312,000	28,443,000	-4,869,000	27,395,000	-1,048,000	-5,917,000
	<i>General Fund</i>		32,604,000	29,496,000	-3,108,000	28,376,000	-1,120,000	-4,228,000
	<i>Other</i>		11,641,000	11,347,000	-294,000	11,302,000	-45,000	-339,000
	(FYI: <i>State Employees in the Community costs included in POS above</i>)		(7,663,000)	(7,663,000)	(0)	(7,663,000)	(0)	(0)
Total Community Placement Plan (A+B)		Total	\$52,652,000	\$50,231,000	-\$2,421,000	\$48,405,000	-\$1,826,000	-\$4,247,000
		Placements	188	204	16	204	0	16
		<i>General Fund</i>	39,904,000	37,319,000	-2,585,000	35,619,000	-1,700,000	-4,285,000
		<i>Other</i>	12,748,000	12,912,000	164,000	12,786,000	-126,000	38,000
14.	Placement Continuation³							
A)	Operations	Total	\$338,000	\$297,000	-\$41,000	\$297,000	\$0	-\$41,000
	1. <i>Client Program Coordinators (CPC)</i>		91,000	53,000	-38,000	53,000	0	-38,000
	2. <i>Nurse Consultant</i>		17,000	14,000	-3,000	14,000	0	-3,000
	3. <i>State Employees in the Community</i>		0	0	0	0	0	0
	4. <i>Clinical Staff</i>		0	0	0	0	0	0
	5. <i>Increased Access to Oral Health Care</i>		230,000	230,000	0	230,000	0	0
	<i>General Fund</i>		142,000	121,000	-21,000	121,000	0	-21,000
	<i>Other</i>		196,000	176,000	-20,000	176,000	0	-20,000

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

		2007-08 Budget Act	2008-09 November Estimate CY 2007-08 ¹	Difference	2008-09 May Revision CY 2007-08 ¹	Difference	Change from 2007-08 Budget Act
		A	B	B - A	C	C - B	C - A
B) Purchase of Services (POS)	Total	\$32,485,000	\$32,485,000	\$0	\$19,519,000	-\$12,966,000	-\$12,966,000
	Prior Year Placements	70	70	0	44	-26	-26
	<i>Placement Continuation (property management and lease)</i>	32,485,000	32,485,000	0	19,519,000	-12,966,000	-12,966,000
	General Fund	25,215,000	24,502,000	-713,000	14,246,000	-10,256,000	-10,969,000
	Other	7,270,000	7,983,000	713,000	5,273,000	-2,710,000	-1,997,000
	<i>(FYI: State Employees in the Community costs included in POS above)</i>	(0)	(0)	(0)	(0)	(0)	(0)
Total Placement Continuation (A+B)	Total	\$32,823,000	\$32,782,000	-\$41,000	\$19,816,000	-\$12,966,000	-\$13,007,000
	Prior Year Placements	70	70	0	44	-26	-26
	General Fund	25,357,000	24,623,000	-734,000	14,367,000	-10,256,000	-10,990,000
	Other	7,466,000	8,159,000	693,000	5,449,000	-2,710,000	-2,017,000
Total Regional Center Costs of Closure	Total	\$85,475,000	\$83,013,000	-\$2,462,000	\$68,221,000	-\$14,792,000	-\$17,254,000
	General Fund	65,261,000	61,942,000	-3,319,000	49,986,000	-11,956,000	-15,275,000
	Other	20,214,000	21,071,000	857,000	18,235,000	-2,836,000	-1,979,000
GRAND TOTAL - COSTS OF CLOSURE	Total	\$152,146,000	\$150,950,000	-\$1,196,000	\$136,158,000	-\$14,792,000	-\$15,988,000
	PYs	822.0	835.0	13.0	835.0	0.0	13.0
	General Fund	100,830,759	98,187,759	-2,643,000	86,231,759	-11,956,000	-14,599,000
	Other	51,315,241	52,762,241	1,447,000	49,926,241	-2,836,000	-1,389,000
	Year Ending Population	0	0	0	0	0	0

1. Due to delayed placements in FY 2007-08, up to \$22 million will be transferred from the FY 2007-08 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget will update the FY 2008-09 costs based on the amount that is ultimately transferred.

2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.

3. The May Revision for CY 2007-08 reduces line 13, Community Placement Plan, by \$3.6 million due to delayed placements in FY 2007-08 and lower estimated cost of placements. Line 14, Placement Continuation, is reduced by \$13 million due to 26 fewer placements in the FY 2006-07. The Placement Continuation costs for these consumers will be updated in the FY 2009-10 Governor's Budget and subsequent budgets through 2010-11.

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

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09 ¹	Difference	2008-09 May Revision BY 2008-09 ¹	Difference	Change from 2007-08 Budget Act	
		A	B	B - A	C	C - B	C - A	
DEVELOPMENTAL CENTERS								
1.	Agnews Budget Base	Total	\$73,754,000	\$0	-\$73,754,000	\$0	\$0	-\$73,754,000
		<i>General Fund</i>	39,347,759	0	-39,347,759	0	0	-39,347,759
		<i>Other</i>	34,406,241	0	-34,406,241	0	0	-34,406,241
		PYs	967.0	0.0	-967.0	0.0	0.0	-967.0
		Year Beginning Population	204	0	-204	0	0	-204
2.	Placements Into the Community	Total	-\$12,722,000	\$0	\$12,722,000	\$0	\$0	\$12,722,000
		<i>General Fund</i>	-6,787,000	0	6,787,000	0	0	6,787,000
		<i>Other</i>	-5,935,000	0	5,935,000	0	0	5,935,000
		PYs	-158.0	0.0	158.0	0.0	0.0	158.0
		Placements	-188	0	188	0	0	188
		Deaths	-6	0	6	0	0	6
3.	Consumer Transfers to Other DCs	Total	-\$430,000	\$0	\$430,000	\$0	\$0	\$430,000
		<i>General Fund</i>	-229,000	0	229,000	0	0	229,000
		<i>Other</i>	-201,000	0	201,000	0	0	201,000
		<i>Population</i>	-10	0	10	0	0	10
4.	State Employees in the Community²	Total	\$242,000	\$4,454,000	\$4,212,000	\$4,454,000	\$0	\$4,212,000
			(9,217,000)	(20,082,000)	(10,865,000)	(20,082,000)	(0)	(10,865,000)
	Clinical Staff (RC Operations)	Subtotal	1,554,000	2,542,900	988,900	2,542,900	0	988,900
		<i>Clinical Staff</i>	1,432,100	2,327,500	895,400	2,327,500	0	895,400
		<i>Admin for Clinical Staff</i>	0	0	0	0	0	0
		<i>Operating Expense & Equipment</i>	121,900	215,400	93,500	215,400	0	93,500
					0.0		0.0	
	Direct Support Services (RC Purchase of Services)	Subtotal	7,663,000	17,539,100	9,876,100	17,539,100	0	9,876,100
		<i>Direct Support Services</i>	6,474,900	15,451,500	8,976,600	15,451,500	0	8,976,600
		<i>Admin for Direct Support Services</i>	0	0	0	0	0	0
		<i>Operating Expense & Equipment</i>	1,188,100	2,087,600	899,500	2,087,600	0	899,500
	Administrative Staff (SDC)	Subtotal	242,000	485,000	243,000	485,000	0	243,000
		<i>Personal Services</i>	218,000	437,000	219,000	437,000	0	219,000
		<i>Operating Expense & Equipment</i>	24,000	48,000	24,000	48,000	0	24,000
		PYs	3.0	6.0	3.0	6.0	0.0	3.0
	Primary Care Clinic and Closure Services	Subtotal	0	3,969,000	3,969,000	3,969,000	0	3,969,000
		<i>Personal Services</i>	0	3,185,000	3,185,000	3,185,000	0	3,185,000
		<i>Operating Expense & Equipment</i>	0	784,000	784,000	784,000	0	784,000
		PYs	0.0	24.0	24.0	24.0	0.0	24.0
		<i>General Fund</i>	129,000	475,000	346,000	475,000	0	346,000
		<i>Other</i>	113,000	3,979,000	3,866,000	3,979,000	0	3,866,000

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

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09 ¹	Difference	2008-09 May Revision BY 2008-09 ¹	Difference	Change from 2007-08 Budget Act	
		A	B	B - A	C	C - B	C - A	
5.	Administrative Staff for Closure	Total	\$0	\$335,000	\$335,000	\$335,000	\$0	\$335,000
		PYs	0.0	5.0	5.0	5.0	0.0	5.0
		General Fund	0	195,000	195,000	195,000	0	195,000
		Other	0	140,000	140,000	140,000	0	140,000
6.	Warm Shut Down	Total	\$0	\$4,836,000	\$4,836,000	\$4,836,000	\$0	\$4,836,000
		PYs	0.0	25.0	25.0	25.0	0.0	25.0
	General Expenses		0	75,000	75,000	75,000	0	75,000
	Facilities Operations		0	30,000	30,000	30,000	0	30,000
	Contracts		0	1,203,000	1,203,000	1,203,000	0	1,203,000
	Vehicle Operations		0	154,000	154,000	154,000	0	154,000
	Utilities		0	1,089,000	1,089,000	1,089,000	0	1,089,000
	Staffing		0	2,285,000	2,285,000	2,285,000	0	2,285,000
	General Fund		0	2,822,000	2,822,000	2,822,000	0	2,822,000
	Other		0	2,014,000	2,014,000	2,014,000	0	2,014,000
7.	Foster Grandparent/Senior Companion Program	Total	\$0	-\$384,000	-\$384,000	-\$384,000	\$0	-\$384,000
		PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund		0	-318,000	-318,000	-318,000	0	-318,000
	Other		0	-66,000	-66,000	-66,000	0	-66,000
8.	Staff Costs for Closure Plan	Total	\$4,918,000	\$0	-\$4,918,000	\$0	\$0	-\$4,918,000
	Staff Transition Costs		828,000	0	-828,000	0	0	-828,000
	Overtime for Consumer Transfers and Escort		496,000	0	-496,000	0	0	-496,000
	Costs for Lump-Sum Buyout		3,595,000	0	-3,595,000	0	0	-3,595,000
	General Fund		2,624,000	0	-2,624,000	0	0	-2,624,000
	Other		2,294,000	0	-2,294,000	0	0	-2,294,000
9.	Facility Preparation	Total	\$73,000	\$0	-\$73,000	\$0	\$0	-\$73,000
	General Fund		39,000	0	-39,000	0	0	-39,000
	Other		34,000	0	-34,000	0	0	-34,000
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$105,000	\$0	-\$105,000	\$0	\$0	-\$105,000
	General Fund		56,000	0	-56,000	0	0	-56,000
	Other		49,000	0	-49,000	0	0	-49,000
11.	Regional Resource Development Projects	Total	\$0	\$1,479,000	\$1,479,000	\$1,479,000	\$0	\$1,479,000
		PYs	0.0	13.0	13.0	13.0	0.0	13.0
	General Fund		0	863,000	863,000	863,000	0	863,000
	Other		0	616,000	616,000	616,000	0	616,000

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

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09 ¹	Difference	2008-09 May Revision BY 2008-09 ¹	Difference	Change from 2007-08 Budget Act	
		A	B	B - A	C	C - B	C - A	
12.	Agnews Staffing Plan	Total	\$731,000	\$293,000	-\$438,000	\$293,000	\$0	-\$438,000
		PYs	10.0	3.0	-7.0	3.0	0.0	-7.0
		General Fund	390,000	156,000	-234,000	156,000	0	-234,000
		Other	341,000	137,000	-204,000	137,000	0	-204,000
Total Developmental Centers Costs of Closure		Total	\$66,671,000	\$11,013,000	-\$55,658,000	\$11,013,000	\$0	-\$55,658,000
		PYs	822.0	76.0	-746.0	76.0	0.0	-773.0
		General Fund	35,569,759	4,193,000	-31,376,759	4,193,000	0	-31,376,759
		Other	31,101,241	6,820,000	-24,281,241	6,820,000	0	-24,281,241
	Year Ending Population	0	0	0	0	0	0	0
REGIONAL CENTERS								
13.	Community Placement Plan³	Total	\$8,407,000	\$8,087,000	-\$320,000	\$7,937,000	-\$150,000	-\$470,000
A)	Operations							
	1. Unified Operations Costs	6,323,000	4,845,000	-1,478,000	4,845,000	0	-1,478,000	
	2. State Employees in the Community	1,554,000	2,543,000	989,000	2,231,000	-312,000	677,000	
	3. Consultant Services - Tech. Assistance on Housing Issues	280,000	0	-280,000	0	0	-280,000	
	4. Evaluation of Licensing Pilots	250,000	200,000	-50,000	362,000	162,000	112,000	
	5. Foster Grandparent/Senior Companion Program	0	499,000	499,000	499,000	0	499,000	
	General Fund	7,300,000	5,817,000	-1,483,000	5,888,000	71,000	-1,412,000	
	Other	1,107,000	2,270,000	1,163,000	2,049,000	-221,000	942,000	
B)	Purchase of Services (POS)	Total	\$44,245,000	\$0	-\$44,245,000	\$0	\$0	-\$44,245,000
	Placements	188	0	-188	0	0	-188	
	1. Start-up Costs (resource development)	10,933,000	0	-10,933,000	0	0	-10,933,000	
	2. Assessments	0	0	0	0	0	0	
	3. Placements (property management and lease)	33,312,000	0	-33,312,000	0	0	-33,312,000	
	General Fund	32,604,000	0	-32,604,000	0	0	-32,604,000	
	Other	11,641,000	0	-11,641,000	0	0	-11,641,000	
	(FYI: State Employees in the Community costs included in POS above)	(7,663,000)	(0)	(-7,663,000)	(0)	(0)	(-7,663,000)	
Total Community Placement Plan (A+B)		Total	\$52,652,000	\$8,087,000	-\$44,565,000	\$7,937,000	-\$150,000	-\$44,715,000
	Placements	188	0	-188	0	0	-188	
	General Fund	39,904,000	5,817,000	-34,087,000	5,888,000	71,000	-34,016,000	
	Other	12,748,000	2,270,000	-10,478,000	2,049,000	-221,000	-10,699,000	

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

		2007-08 Budget Act	2008-09 November Estimate BY 2008-09 ¹	Difference	2008-09 May Revision BY 2008-09 ¹	Difference	Change from 2007-08 Budget Act	
		A	B	B - A	C	C - B	C - A	
14.	Placement Continuation³							
A)	Operations	Total	\$338,000	\$587,000	\$249,000	\$587,000	\$0	\$249,000
	1. Client Program Coordinators (CPC)		91,000	58,000	-33,000	58,000	0	-33,000
	2. Nurse Consultant		17,000	297,000	280,000	297,000	0	280,000
	3. State Employees in the Community		0	0	0	0	0	0
	4. Clinical Staff		0	0	0	0	0	0
	5. Increased Access to Oral Health Care		230,000	232,000	2,000	232,000	0	2,000
	General Fund		142,000	206,000	64,000	206,000	0	64,000
	Other		196,000	381,000	185,000	381,000	0	185,000
B)	Purchase of Services (POS)	Total	\$32,485,000	\$96,636,000	\$64,151,000	\$96,636,000	\$0	\$64,151,000
	Prior Year Placements		70	204	134	204	0	134
	Placement Continuation (property management and lease)		32,485,000	96,636,000	64,151,000	96,636,000	0	64,151,000
	General Fund		25,215,000	61,603,000	36,388,000	61,603,000	0	36,388,000
	Other		7,270,000	35,033,000	27,763,000	35,033,000	0	27,763,000
	(FYI: State Employees in the Community costs included in POS above)		(0)	(17,539,000)	(17,539,000)	(17,539,000)	(0)	(17,539,000)
	Total Placement Continuation (A+B)	Total	\$32,823,000	\$97,223,000	\$64,400,000	\$97,223,000	\$0	\$64,400,000
	Prior Year Placements		70	204	134	204	0	134
	General Fund		25,357,000	61,809,000	36,452,000	61,809,000	0	36,452,000
	Other		7,466,000	35,414,000	27,948,000	35,414,000	0	27,948,000
	Total Regional Center Costs of Closure	Total	\$85,475,000	\$105,310,000	\$19,835,000	\$105,160,000	-\$150,000	\$19,685,000
	General Fund		65,261,000	67,626,000	2,365,000	67,697,000	71,000	2,436,000
	Other		20,214,000	37,684,000	17,470,000	37,463,000	-221,000	17,249,000
	GRAND TOTAL - COSTS OF CLOSURE	Total	\$152,146,000	\$116,323,000	-\$35,823,000	\$116,173,000	-\$150,000	-\$35,973,000
	PYs		822.0	76.0	-746.0	76.0	0.0	-773.0
	General Fund		100,830,759	71,819,000	-29,011,759	71,890,000	71,000	-28,940,759
	Other		51,315,241	44,504,000	-6,811,241	44,283,000	-221,000	-7,032,241
	Year Ending Population		0	0	0	0	0	0

1. Due to delayed placements in FY 2007-08, up to \$22 million will be transferred from the FY 2007-08 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget will update the FY 2008-09 costs based on the amount that is ultimately transferred.

2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.

3. The May Revision for CY 2007-08 reduces line 13, Community Placement Plan, by \$3.6 million due to delayed placements in FY 2007-08 and lower estimated cost of placements. Line 14, Placement Continuation, is reduced by \$13 million due to 26 fewer placements in the FY 2006-07. The Placement Continuation costs for these consumers will be updated in the FY 2009-10 Governor's Budget and subsequent budgets through 2010-11.

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

		2008-09 May Revision CY 2007-08 ¹	2008-09 May Revision BY 2008-09 ¹	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 Community²	Total	\$242,000	\$4,454,000	\$4,212,000
		(9,217,000)	(20,082,000)	(10,865,000)
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
	PYs	3.0	6.0	3.0
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>	113,000	3,979,000	3,866,000
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 May Revision CY 2007-08 ¹	2008-09 May Revision BY 2008-09 ¹	Change from CY 2007-08 to BY 2008-09	
7. Foster Grandparent/Senior Companion Program	Total	\$0	-\$384,000	-\$384,000	
	PYs	0.0	0.0	0.0	
	<i>General Fund</i>	0	-318,000	-318,000	
	<i>Other</i>	0	-66,000	-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	-2,624,000	
	<i>Other</i>	2,294,000	0	-2,294,000	
9. Facility Preparation	Total	\$73,000	\$0	-\$73,000	
	<i>General Fund</i>	39,000	0	-39,000	
	<i>Other</i>	34,000	0	-34,000	
10. Consumer Relocation Costs (Moving vans, transportation vehicles, etc.)	Total	\$105,000	\$0	-\$105,000	
	<i>General Fund</i>	56,000	0	-56,000	
	<i>Other</i>	49,000	0	-49,000	
11. Regional Resource Development Projects	Total	\$0	\$1,479,000	\$1,479,000	
	PYs	0.0	13.0	13.0	
	<i>General Fund</i>	0	863,000	863,000	
	<i>Other</i>	0	616,000	616,000	
12. Agnews Staffing Plan	Total	\$731,000	\$293,000	-\$438,000	
	PYs	10.0	3.0	-7.0	
	<i>General Fund</i>	390,000	156,000	-234,000	
	<i>Other</i>	341,000	137,000	-204,000	
Total Developmental Centers Costs of Closure	Total	\$67,937,000	\$11,013,000	-\$56,924,000	
	PYs	835.0	76.0	-759.0	
	<i>General Fund</i>	36,245,759	4,193,000	-32,052,759	
	<i>Other</i>	31,691,241	6,820,000	-24,871,241	
Year Ending Population		0	0	0	
REGIONAL CENTERS					
13. Community Placement Plan ³	A) Operations	Total	\$8,727,000	\$7,937,000	-\$790,000
	1. Unified Operations Costs		6,805,000	4,845,000	-1,960,000
	2. State Employees in the Community		1,554,000	2,231,000	677,000
	3. Consultant Services - Tech. Assistance on Housing Issues		280,000	0	-280,000
	4. Evaluation of Licensing Pilots		88,000	362,000	274,000
	5. Foster Grandparent/Senior Companion Program		0	499,000	499,000
	<i>General Fund</i>		7,243,000	5,888,000	-1,355,000
	<i>Other</i>		1,484,000	2,049,000	565,000
	B) Purchase of Services (POS)	Total	\$39,678,000	\$0	-\$39,678,000
	Placements		204	0	-204
	1. Start-up Costs (resource development)		12,283,000	0	-12,283,000
	2. Assessments		0	0	0
	3. Placements (property management and lease)		27,395,000	0	-27,395,000
	<i>General Fund</i>		28,376,000	0	-28,376,000
	<i>Other</i>		11,302,000	0	-11,302,000
	(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	\$48,405,000	\$7,937,000	-\$40,468,000
	Placements	204	0	-204	
	<i>General Fund</i>	35,619,000	5,888,000	-29,731,000	
	<i>Other</i>	12,786,000	2,049,000	-10,737,000	

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

		2008-09 May Revision CY 2007-08¹	2008-09 May Revision BY 2008-09¹	Change from CY 2007-08 to BY 2008-09
14.	Placement Continuation³			
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	\$19,519,000	\$96,636,000	\$77,117,000
	Prior Year Placements	44	204	160
	Placement Continuation (property management and lease)	19,519,000	96,636,000	77,117,000
	General Fund	14,246,000	61,603,000	47,357,000
	Other	5,273,000	35,033,000	29,760,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(17,539,000)	(17,539,000)
	Total Placement Continuation (A+B)	\$19,816,000	\$97,223,000	\$77,407,000
	Prior Year Placements	44	204	160
	General Fund	14,367,000	61,809,000	47,442,000
	Other	5,449,000	35,414,000	29,965,000
	Total Regional Center Costs of Closure	\$68,221,000	\$105,160,000	\$36,939,000
	General Fund	49,986,000	67,697,000	17,711,000
	Other	18,235,000	37,463,000	19,228,000
	GRAND TOTAL - COSTS OF CLOSURE	\$136,158,000	\$116,173,000	-\$19,985,000
	PYs	835.0	76.0	-759.0
	General Fund	86,231,759	71,890,000	-14,341,759
	Other	49,926,241	44,283,000	-5,643,241
	Year Ending Population	0	0	0

1. Due to delayed placements in FY 2007-08, up to \$22 million will be transferred from the FY 2007-08 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget will update the FY 2008-09 costs based on the amount that is ultimately transferred.

2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.

3. The May Revision for CY 2007-08 reduces line 13, Community Placement Plan, by \$3.6 million due to delayed placements in FY 2007-08 and lower estimated cost of placements. Line 14, Placement Continuation, is reduced by \$13 million due to 26 fewer placements in the FY 2006-07. The Placement Continuation costs for these consumers will be updated in the FY 2009-10 Governor's Budget and subsequent budgets through 2010-11.

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

Federal Audit of Targeted Case Management Development

In March 2005, the federal Centers for Medicare and Medicaid Services (CMS) audited a regional center to assess the State's approved Targeted Case Management program rate-setting methodology. CMS issued its final report on May 2, 2007, which included a recommendation for the return of \$1.8 million spanning four fiscal years through 2004-05. The State responded that it did not concur with the findings and returned only \$342,000 in January 2008. In February 2008, CMS Region IX notified the State that it is recommending a disallowance of the remaining balance. The Department intends to appeal any formal disallowance.

NEW MAJOR ASSUMPTIONS

PURCHASE OF SERVICES

Other Departments' Budget-Balancing Reductions

In-Home Supportive Services Functional Index Change Proposal

The California Department of Social Services' (CDSS) proposed change to the In-Home Supportive Services (IHSS) program establishing a baseline for receiving domestic and related services impacts regional center purchase of service funds and services to individuals with developmental disabilities. The CDSS proposal continues domestic and related services to individuals with a functional index ranking of 4 or 5. Those consumers with functional rankings of 1, 2, or 3 would not be eligible to receive domestic and related services. These services assist individuals with disabilities, including developmental disabilities, to safely remain in their homes. Effective October 1, 2008, the fiscal impact to DDS is \$6.1 million (\$4.2 million General Fund) to replace services that will be eliminated due to the proposed reductions in the IHSS program. The annual impact in 2009-10 is estimated to be \$8.1 million (\$5.6 million General Fund).

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

NEW MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Elimination of Medi-Cal Optional Benefits for Adults 21 Years of Age and Older

The Department of Health Care Services proposes to eliminate optional Medi-Cal benefits for adults 21 years of age and older who do not reside in a nursing facility. DDS predicts that, due to this elimination of Medi-Cal optional benefits, regional centers will become the payer of last resort for these services, and will see an increase in regional center POS expenditures commensurate with the decrease in costs to the Medi-Cal system, resulting in an estimated increase of \$11.1 million (\$8.2 million General Fund) in 2008-09.

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

Supplemental Security Income / State Supplementary Payment (SSI/SSP): No Pass Through of Federal SSI Cost of Living Adjustment (COLA) and Suspension of SSP COLAs

The California Department of Social Services is proposing a budget-balancing reduction to (1) eliminate the pass through of the January 1, 2009 federal SSI COLA, and (2) suspend the June 1, 2008 SSP cost-of-living adjustment until October 1, 2008 and to also suspend the June 1, 2009 increase. As a result, the anticipated savings in regional center community care facility expenditures of \$3.8 million (\$2.3 million General Fund) will not be realized and needs to be maintained in the DDS regional center budget.

Change from Prior Estimate: This is a new major assumption beginning in 2007-08.

NEW MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Month-to-Month Eligibility for Emergency Medi-Cal for Restricted Scope Eligible Immigrants and Elimination of State-only Funded Nonemergency Services for Immigrants

The Department of Health Care Services proposed a BBR and Trailer Bill Language to (1) rescind full-scope Medi-Cal for recent legal immigrants, (2) eliminate recent legal immigrants from the Healthy Families Program, and (3) eliminate non-emergency services for undocumented immigrants. Included in the population impacted by this BBR are persons with developmental disabilities who are entitled, under the Lanterman Developmental Disabilities Services Act, to receive services and supports as defined in their individual program plans, which may include those proposed for elimination. As a result, DDS requests additional resources to fund the services impacted by this proposal. Effective October 1, 2008, the fiscal impact to DDS is \$0.2 million General Fund to replace services that will be eliminated due to the proposed reductions. The annual impact in 2009-10 is estimated to be \$0.3 million General Fund.

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
- Caseload Ratio Increases
- 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
- Increased Access to Mental Health Services
- 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)
- Utilization Change/Growth
- Average Cost Increase
- Service-Level Freeze
- 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
- Minimum Wage Increases
- Community Placement Plan
- Placement Continuation
- Program Days Adjustment

Habilitation Services Program

- Work Activity Program (WAP)
- Supported Employment Program (SEP)
- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Rate Reduction and Rate Freeze
- Increased Rates for SEP
- WAP Minimum Wage Increases

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Transportation

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Contracted-Services Rate Freeze

Support Services

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Independent Living Supplement
- Contracted-Services Rate Freeze
- Minimum Wage Increases

In-Home Respite

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Rate Freeze
- Minimum Wage Increases

Out-of-Home Respite

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Minimum Wage Increases

Health Care

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Miscellaneous

- Base
- Utilization Change/Growth
- Suspension of Non-CPP Start Up
- Contracted-Services Rate Freeze
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Government Claims

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
- Mental Health Services Fund
- Developmental Disabilities Services Account
- Public Transportation Account
- Early Start Grant
- Foster Grandparent Program

HISTORY OF DISCONTINUED MAJOR ASSUMPTIONS

The following 2008-09 November Estimate assumptions are being discontinued in the 2008-09 May Revision because they are now reflected in the 2007-08 base costs:

PURCHASE OF SERVICES

- 3% Provider Rate Increase
- Legislative Augmentation to Enhance Wages and Rates
- Medi-Cal Dental Cap for Adults
- Medicare Part D Prescription Drug Benefit
- Provider Resources for Collection of FFP for Contracted Services

CASELOAD
Current Year 2007-08

	2008-09 November Estimate CY 2007-08	2008-09 May Revision CY 2007-08		
	<i>Estimated Caseload as of 1/31/08</i>	<i>Actual Caseload as of 1/31/08</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	191,725	191,419	-306	-0.2%
B. Early Start (Birth through 2 Years)	29,930	29,650	-280	-0.9%
C. Total Community Caseload	221,655	221,069	-586	-0.3%
D. Total Developmental Center (DC) Population	2,645 a/	2,645 a/	0	0.0%
E. Total Regional Center Caseload (C + D)	224,300	223,714	-586	-0.3%

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

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

CASELOAD
Budget Year 2008-09

	2008-09 November Estimate BY 2008-09	2008-09 May Revision BY 2008-09		
	<i>Estimated Caseload as of 1/31/09</i>	<i>Estimated Caseload as of 1/31/09</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	199,200	197,755	-1,445	-0.7%
B. Early Start (Birth through 2 Years)	32,925	31,920	-1,005	-3.1%
C. Total Community Caseload	232,125	229,675	-2,450	-1.1%
D. Total Developmental Center (DC) Population	2,470 a/	2,425 a/	-45	-1.8%
E. Total Regional Center Caseload (C + D)	234,595	232,100	-2,495	-1.1%

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

	08-09 November <u>Estimate</u>	08-09 May <u>Revision</u>	
Average Total Population	2,471	2,426	rounded to 2,425
On Leave	<u>-22</u>	<u>-22</u>	
Total In-Center Population	2,449	2,404	

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

	2008-09 May Revision CY 2007-08	2008-09 May Revision BY 2008-09		
	<i>Actual 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)	191,419	197,755	6,336	3.3%
B. Early Start (Birth through 2 Years)	29,650	31,920	2,270	7.7%
C. Total Community Caseload	221,069	229,675	8,606	3.9%
D. Total Developmental Center (DC) Population	2,645 a/	2,425 b/	-220	-8.3%
E. Total Regional Center Caseload (C + D)	223,714	232,100	8,386	3.7%

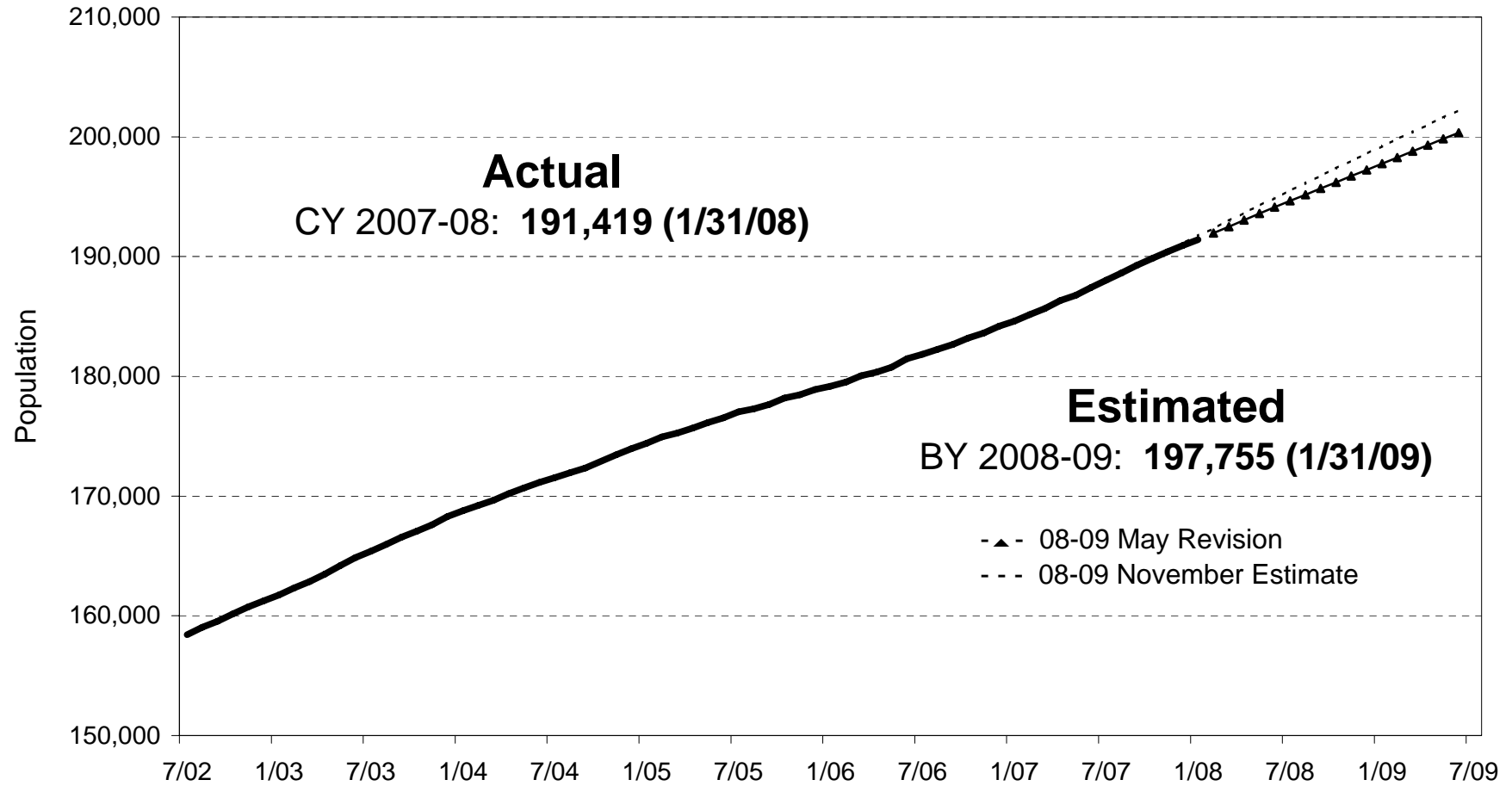
a/ The CY 2007-08 caseload estimate is consistent with the 2008-09 May Revision for the DC Population, which reflects the following:

	<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 May Revision for the DC population, which reflects the following:

	<u>BY 2008-09</u>	
Average Total Population	2,426	rounded to 2,425
On Leave	<u>-22</u>	
Total In-Center Population	2,404	

Active Status Caseload (Age 3 & Older) Trend Analysis



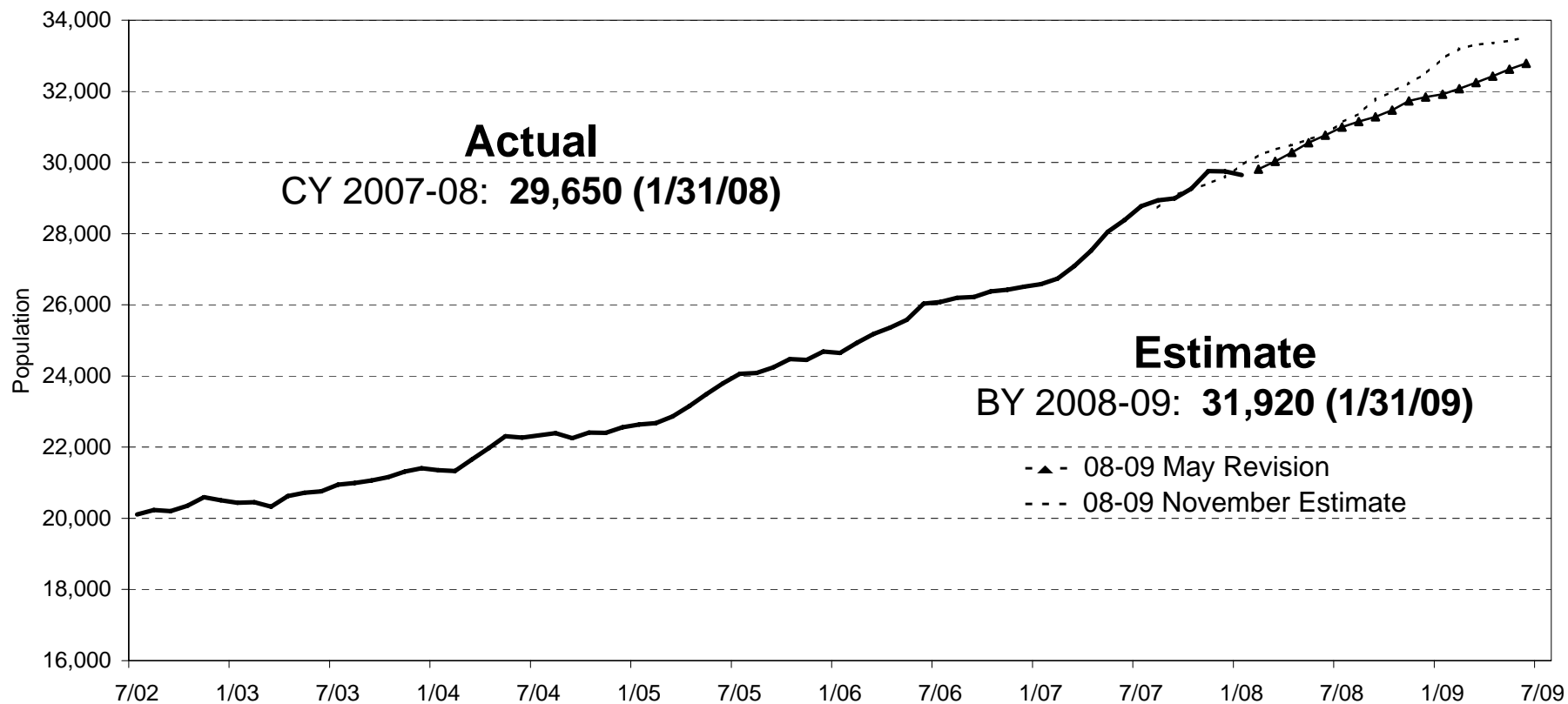
Data Set: 2/02 through 1/08

Model: CSUS Model

Early Start Caseload

Birth through 2 Years

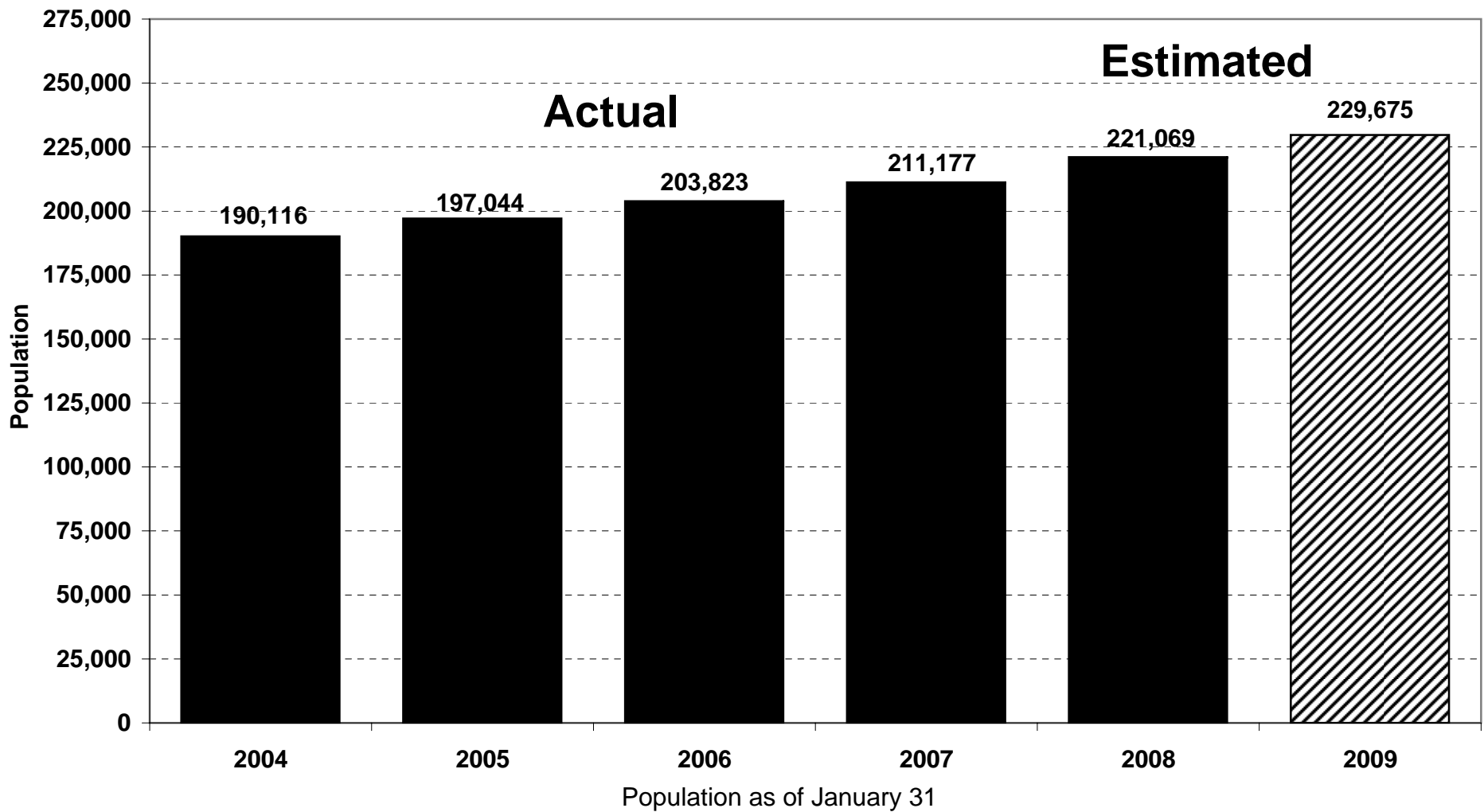
Client Master File Trend Analysis



Data Set: 11/01 - 1/08

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) 191,419 197,755 Early Start (Birth through 2 Years, High-Risk and Active) 29,650 31,920 		
Total Community Caseload	221,069	229,675
<ul style="list-style-type: none"> Developmental Center (DC) Population 2,645 2,425 		
Total Regional Center Caseload	223,714	232,100
Informational:		
<ul style="list-style-type: none"> Community Care Facility (CCF) Consumers (including Placement Continuation) 23,513 23,838 Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers 73,757 76,334 Early Start (Assessment, High-Risk and Active) 34,490 37,305 CPP Placements 380 176 Placement Continuation Consumers 196 380 Intake cases per month 4,716 5,470 Vendors 50,442 50,442 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, pursuant to Welfare and Institutions Code (WIC) Section 4643, the following adjustments have been made to the core staffing formulas: <ul style="list-style-type: none"> 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
 - The 2008-09 November Estimate assumed the sunset of WIC Section 4643 cost containment measures effective July 1, 2008. Chapter 3, Statutes of 2008, Third Extraordinary Session, made these measures permanent; therefore, this estimate no longer assumes they will sunset.
 - Intake and Assessment
 - WIC 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. The 2008-09 November Estimate assumed this provision would sunset on July 1, 2008. Chapter 3, Statutes of 2008, Third Extraordinary Session, made these measures permanent; therefore, the estimate no longer assumes this cost containment measure will sunset.
 - Rent costs are updated based on the 2008-09 May Revision 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:

CY 2007-08 BY 2008-09

CORE STAFFING

PERSONAL SERVICES:

<ul style="list-style-type: none"> ● Direct Services and Administration: <p style="margin-left: 20px;">Total Estimated Number of Positions: CY 2007-08 8,515.02 BY 2008-09 8,978.40 See Attachment A for Core Staffing Expenditure Detail. See Attachment B for Core Staffing Formulas.</p>	\$295,413,000	\$310,522,000
<ul style="list-style-type: none"> ● Fringe Benefits: <p style="margin-left: 20px;">Based on 23.7% per position.</p>	\$70,013,000	\$73,594,000
<ul style="list-style-type: none"> ● Salary Savings: <p style="margin-left: 20px;">Client Program Coordinators: 1.0% Per Position All Other Staff: 5.5% Per Position</p>	-\$12,244,000	-\$12,978,000
<ul style="list-style-type: none"> ● Early Start /Part C Administrative and Clinical Support: <p style="margin-left: 20px;">Includes salaries, fringe benefits and salary savings.</p>	\$694,000	\$694,000
<p>TOTAL PERSONAL SERVICES</p>	\$353,876,000	\$371,832,000

OPERATING EXPENSES:

<ul style="list-style-type: none"> ● Operating Expenses: <p style="margin-left: 20px;">Base amount plus the following adjustments: Professional Positions: \$3,400 Per New Position Clerical Positions: \$2,400 Per New Position</p>	\$32,784,000	\$34,278,000
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Staffing

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
OPERATING EXPENSES (continued):		
• Rent:	\$45,347,000	\$51,945,000
Base amount plus the following adjustments:		
CY 2007-08: \$6,314 Per New Position		
BY 2008-09: \$6,798 Per New Position		
TOTAL OPERATING EXPENSES	\$78,131,000	\$86,223,000
SUBTOTAL/TOTAL, CORE STAFFING	\$432,007,000	\$458,055,000
• ALLOCATION SAVINGS	-\$649,000	\$0
TOTAL, CORE STAFFING	\$431,358,000	\$458,055,000
INTAKE AND ASSESSMENT	-\$4,465,000	-\$4,465,000
• 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.		
COMMUNITY PLACEMENT PLAN:	\$21,366,000	\$21,124,000
• 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	\$580,000
• 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	51,000
• 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
• Oral Health Care: Provides 1 Dental Coordinator position at each of the 3 Bay Area regional centers.	230,000	232,000
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	\$2,179,000
• 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

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
STAFFING FOR SELF-DIRECTED HOME AND COMMUNITY-BASED WAIVER	\$448,000	\$2,905,000

- 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 (SDHCBS) Waiver. The Department of Health Care Services, the single-state agency responsible for administering the Medicaid program in California, submitted the Department's SDHCBS Waiver application to CMS on April 2, 2008. CMS has 45 days from the submittal date to provide initial comment. The Department has requested a July 1, 2008 approval date. The SDS regulations are being reviewed within the Administration. It is anticipated that the effective dates of both the Self-Directed Services Waiver and regulations will closely coincide, and that implementation and enrollment will begin July 1, 2008. Regional center implementation will be phased in over an eight-month period beginning in July, 2008 and through February, 2009. In January, 2008, the Department began working with the first five regional centers scheduled to implement in the first four months of 2008-09 develop informational and training materials, and to provide opportunity for regional centers to share strategies for administrative rollout.

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:

July, 2008: 1 regional center	Nov., 2008: 4 regional centers
Aug., 2008: 1 regional center	Dec., 2008: 4 regional centers
Sept., 2008: 1 regional center	Jan., 2009: 4 regional centers
Oct., 2008: 2 regional centers	Feb., 2009: 4 regional centers
- 1 additional FCC will be added for every 1,000 new SD-HCBS Waiver enrollees at each regional center.

Staffing

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

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

- There will be approximately 1,300 SDS program enrollees in BY 2008-09.

See pages E-1.15 to E-1.16 for the fiscal detail and pages E-14.1 to E-14.3 for the Purchase of Service impact.

• **TOTAL EXPENDITURES** \$434,636,000 \$463,851,000

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. The 2008-09 May Revision assumes all Operations cost containment measures are permanent.

REASON FOR YEAR-TO-YEAR CHANGE:

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

CY 2007-08 BY 2008-09

TOTAL EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$434,636,000	\$463,851,000
General Fund	\$274,491,000	\$314,568,000
<i>General Fund Match</i>	139,506,000	140,869,000
<i>General Fund Other</i>	134,985,000	173,699,000
Reimbursements	\$147,485,000	\$149,283,000
<i>Medicaid Administration</i>	11,968,000	12,622,000
<i>HCBS Waiver Administration</i>	2,926,000	2,930,000
<i>Targeted Case Management</i>	127,856,000	127,857,000
<i>TCM Administration</i>	4,511,000	4,421,000
<i>SDS Waiver Administration</i>	224,000	1,453,000
Federal Funds	\$12,660,000	\$0
<i>Early Start</i>	12,660,000	0

Attachment A
CORE STAFFING
Detailed Comparison of the 2008-09 Governor's Budget
to the 2008-09 May Revision
CY 2007-08

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	2008-09	2008-09 May Revision			
	Governor's	CY 2007-08			
	Budget CY 2007-08	Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$8,890,243	112.15	\$79,271	\$8,890,243	\$0
(b) Psychologist	9,365,422	224.30	41,754	9,365,422	0
(c) Nurse	4,168,728	112.15	37,171	4,168,728	0
(d) Nutritionist	3,154,780	112.15	28,130	3,154,780	0
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,785,768	52.00	92,034	4,785,768	0
(b) Consulting Pharmacist	3,143,400	52.00	60,450	3,143,400	0
(c) Behavioral Psychologist	2,858,544	52.00	54,972	2,858,544	0
(d) Nurse	2,624,856	52.00	50,478	2,624,856	0
(3) SB 1038 Health Reviews					
(a) Physician	1,855,405	20.16	92,034	1,855,405	0
(b) Nurse	4,749,980	94.10	50,478	4,749,980	0
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,364,318	62.16	38,036	2,364,318	0
(2) Intake Worker	19,599,345	621.57	31,532	19,599,345	0
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	18,346,631	350.18	52,392	18,346,631	0
(4) Client Program Coordinator (CPC), 1:66 Consumers	60,250,933	1,770.42	34,032	60,250,933	0
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumers	57,407,560	1,686.87	34,032	57,407,560	0
(6) CPC, Quality Assurance for ARM	1,515,105	44.52	34,032	1,515,105	0
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	49,772	0.95	52,392	49,772	0
(8) CPC, DSS Incidental Medical Care Regs	358,950	9.49	37,824	358,950	0
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,876,158	35.81	52,392	1,876,158	0
(2) CPC	12,186,859	358.10	34,032	12,186,859	0
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	1,092,897	20.86	52,392	1,092,897	0
(b) CPC	7,098,054	208.57	34,032	7,098,054	0
(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	1,331,604	26.19	50,844	1,331,604	0
(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	251,418	6.61	38,036	251,418	0
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	7,859	0.15	52,392	7,859	0
(b) CPC (Supplement at 1:45 Consumers)	51,048	1.50	34,032	51,048	0
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	342,120	6.53	52,392	342,120	0
(2) QA/CPC	2,223,311	65.33	34,032	2,223,311	0
(3) Nurses	1,649,116	32.67	50,478	1,649,116	0
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>\$243,272,414</u>	<u>6,396.62</u>	<u>\$243,272,414</u>	<u>\$0</u>	<u>\$0</u>

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

	2008-09	2008-09 May Revision			
	Governor's Budget 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)	2,977,565	74.65	39,887	2,977,565	0
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	619,227	16.98	36,468	619,227	0
(5) Revenue Clerk	1,303,201	63.21	20,617	1,303,201	0
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,877,351	373.83	18,397	6,877,351	0
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	235,751	10.08	23,388	235,751	0
(5) MD/Psychologist Secretary I	3,680,199	168.23	21,876	3,680,199	0
(6) Secretary II	3,507,966	149.99	23,388	3,507,966	0
(7) Secretary I	15,979,651	851.93	18,757	15,979,651	0
e. SUBTOTAL ADMINISTRATION	<u>\$52,140,238</u>	<u>2,118.40</u>		<u>\$52,140,238</u>	<u>\$0</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.h. + Item A.2.e.)	<u>\$295,412,652</u>	<u>8,515.02</u>		<u>\$295,412,652</u>	<u>\$0</u>
a. CPCs	141,109,176			141,109,176	0
b. All Other Staff	154,303,476			154,303,476	0
4. Fringe Benefits					
a. CPCs 23.7%	\$33,442,875			\$33,442,875	\$0
b. All Other Staff 23.7%	<u>36,569,924</u>			<u>36,569,924</u>	0
c. Total Fringe Benefits	<u>\$70,012,799</u>			<u>\$70,012,799</u>	<u>\$0</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,745,521			-\$1,745,521	\$0
b. All Other Staff 5.5%	<u>-10,498,037</u>			<u>-10,498,037</u>	0
c. Total Salary Savings	<u>-\$12,243,558</u>			<u>-\$12,243,558</u>	<u>\$0</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	<u>\$694,000</u>			<u>\$694,000</u>	<u>\$0</u>
7. TOTAL PERSONAL SERVICES					
(Items A.3. + A.4. + A.5. + A.6.)	<u>\$353,875,893</u>			<u>\$353,875,893</u>	<u>\$0</u>
ROUNDED	<u>\$353,876,000</u>	<u>8,515.00</u>		<u>\$353,876,000</u>	<u>\$0</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$32,784,000			\$32,784,000	\$0
2. Rent	46,176,000			45,347,000	-829,000
3. Subtotal Operating Expenses and Rent	<u>\$78,960,000</u>			<u>\$78,131,000</u>	<u>-\$829,000</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$432,836,000</u>			<u>\$432,007,000</u>	<u>-\$829,000</u>
D. ALLOCATION SAVINGS	<u>\$0</u>			<u>-\$649,000</u>	<u>-\$649,000</u>
E. TOTAL CORE STAFFING (Items C. + D.)	<u>\$432,836,000</u>			<u>\$431,358,000</u>	<u>-\$1,478,000</u>

Attachment A
CORE STAFFING
Detailed Comparison of the 2008-09 Governor's Budget
to the 2008-09 May Revision
BY 2008-09

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	2008-09	2008-09 May Revision			
	Governor's	BY 2008-09			
	Budget	Positions	Budgeted Salary	Cost	Difference
BY 2008-09					
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,297,696	116.05	\$79,271	\$9,199,400	-\$98,296
(b) Psychologist	9,794,653	232.10	41,754	9,691,103	-103,550
(c) Nurse	4,359,787	116.05	37,171	4,313,695	-46,092
(d) Nutritionist	3,299,368	116.05	28,130	3,264,487	-34,881
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,877,802	54.00	92,034	4,969,836	92,034
(b) Consulting Pharmacist	3,203,850	54.00	60,450	3,264,300	60,450
(c) Behavioral Psychologist	2,913,516	54.00	54,972	2,968,488	54,972
(d) Nurse	2,675,334	54.00	50,478	2,725,812	50,478
(3) SB 1038 Health Reviews					
(a) Physician	1,962,165	21.00	92,034	1,932,714	-29,451
(b) Nurse	5,023,066	98.02	50,478	4,947,854	-75,212
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,525,210	78.14	38,036	2,972,133	446,923
(2) Intake Worker	20,932,834	781.43	31,532	24,640,051	3,707,217
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	19,226,292	363.00	52,392	19,018,296	-207,996
(4) Client Program Coordinator (CPC), 1:66 Consumers	62,065,520	1,829.82	34,032	62,272,434	206,914
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumers	61,287,888	1,754.90	34,032	59,722,757	-1,565,131
(6) CPC, Quality Assurance for ARM	1,534,843	45.23	34,032	1,539,267	4,424
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	50,296	1.11	52,392	58,155	7,859
(8) CPC, DSS Incidental Medical Care Regs	361,976	11.12	37,824	420,603	58,627
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,927,502	36.21	52,392	1,897,114	-30,388
(2) CPC	12,519,352	362.12	34,032	12,323,668	-195,684
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	1,197,157	22.73	52,392	1,190,870	-6,287
(b) CPC	7,776,993	227.31	34,032	7,735,814	-41,179
(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	1,331,604	26.56	50,844	1,350,417	18,813
(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	233,541	6.06	38,036	230,498	-3,043
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	12,050	0.23	52,392	12,050	0
(b) CPC (Supplement at 1:45 Consumers)	78,274	2.31	34,032	78,614	340
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	353,122	6.69	52,392	350,502	-2,620
(2) QA/CPC	2,294,778	66.94	34,032	2,278,102	-16,676
(3) Nurses	1,701,613	33.47	50,478	1,689,499	-12,114
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	\$254,490,312	6,775.78	\$256,730,763	\$2,240,451	

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

	2008-09	2008-09 May Revision			
	Governor's Budget 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)	3,082,467	76.33	39,887	3,044,575	-37,892
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	619,227	16.98	36,468	619,227	0
(5) Revenue Clerk	1,320,107	66.29	20,617	1,366,701	46,594
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,192,675	386.83	18,397	7,116,512	-76,163
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	249,316	10.50	23,388	245,574	-3,742
(5) MD/Psychologist Secretary I	3,848,863	174.08	21,876	3,808,174	-40,689
(6) Secretary II	3,609,470	153.09	23,388	3,580,469	-29,001
(7) Secretary I	16,795,205	909.02	18,757	17,050,488	255,283
e. SUBTOTAL ADMINISTRATION	<u>\$53,676,657</u>	<u>2,202.62</u>		<u>\$53,791,047</u>	<u>\$114,390</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.h. + Item A.2.e.)	<u>\$308,166,969</u>	<u>8,978.40</u>		<u>\$310,521,810</u>	<u>\$2,354,841</u>
a. CPCs	147,936,980			146,388,615	-1,548,365
b. All Other Staff	160,229,989			164,133,195	3,903,206
4. Fringe Benefits					
a. CPCs 23.7%	\$35,061,064			\$34,694,102	-\$366,962
b. All Other Staff 23.7%	37,974,507			38,899,567	925,060
c. Total Fringe Benefits	<u>\$73,035,571</u>			<u>\$73,593,669</u>	<u>\$558,098</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,829,980			-\$1,810,827	\$19,153
b. All Other Staff 5.5%	-10,901,247			-11,166,802	-265,555
c. Total Salary Savings	<u>-\$12,731,227</u>			<u>-\$12,977,629</u>	<u>-\$246,402</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.)	<u>\$369,165,313</u>			<u>\$371,831,850</u>	<u>\$2,666,537</u>
ROUNDED	<u>\$369,165,000</u>	<u>8,978.00</u>		<u>\$371,832,000</u>	<u>\$2,667,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$34,005,000			\$34,278,000	\$273,000
2. Rent	51,049,000			51,945,000	896,000
3. Subtotal Operating Expenses and Rent	<u>\$85,054,000</u>			<u>\$86,223,000</u>	<u>\$1,169,000</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$454,219,000</u>			<u>\$458,055,000</u>	<u>\$3,836,000</u>
D. SUNSET COST CONTAINMENT TRAILER BILL LANGUAGE	\$32,392,000			\$0	-\$32,392,000
E. TOTAL CORE STAFFING (Items C. + D.)	<u>\$486,611,000</u>			<u>\$458,055,000</u>	<u>-\$28,556,000</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	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	1.0 position : 10 CPCs in Items b.(4 and 5) below
(4) Client Program Coordinator (CPC)	1.0 position : 62 Waiver and Early Start consumers (excluding CPP placements)
(5) CPC	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	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	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	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	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. <u>PERSONAL SERVICES (continued)</u>	
2. <u>ADMINISTRATION (continued)</u>	
d. <u>Clerical Support</u>	
(1) Office Supervisor	1.0 position : RC
(2) PBX/Mail/File Clerk	3.0 positions : RC
(3) Executive Secretary	2.5 positions : RC
(4) MD/Psychologist Secretary II	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	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 I	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 6,798	Per Position			285,516
Total Operating Expenses			<u>\$386,988</u>	<u>\$407,316</u>
TOTAL STAFFING			<u>\$2,158,587</u>	<u>\$2,178,915</u>
(Rounded)			\$2,159,000	\$2,179,000

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	\$2,179,000
General Fund			\$1,803,000	\$1,819,000
<i>General Fund Match</i>			356,000	360,000
<i>General Fund Other</i>			1,447,000	1,459,000
Reimbursements			\$356,000	\$360,000
<i>HCBS Waiver Administration</i>			356,000	360,000

Staffing for Self-Directed Services Program (Operations)

METHODOLOGY:

CY 2007-08 BY 2008-09

PERSONAL SERVICES:

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

OPERATING EXPENSES:

● Operating Expenses:				
Professional Positions:	\$3,400	Per Position		\$3,400
Clerical Positions:	\$2,400	Per Position		408
● Rent:				
CY 2007-08	\$6,314	Per Position		7,387
BY 2008-09	\$6,798	Per Position		7,954
Total Operating Expenses				\$11,195
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDSA/FCC + SECRETARY				\$84,047

MONTHLY EXPENDITURES FOR 1.0 SDSA/FCC + SECRETARY

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

CY 2007-08 Cost per Month	# of Positions		Expenditures	
	<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	5.0	0.0	35,020	0
Feb 08	5.0	0.0	35,020	0
Mar 08	5.0	1.0	35,020	7,004
Apr 08	5.0	2.0	35,020	14,008
May 08	9.0	3.0	63,036	21,012
Jun 08	13.0	5.0	91,052	35,020
Totals			\$371,212	\$77,044
TOTAL EXPENDITURES, FY 2007-08 (SDSD + FCC Phased In)				\$448,256
Rounded				\$448,000

Staffing for Self-Directed Services Program (Operations)

METHODOLOGY (continued):

BY 2008-09 \$84,614 ÷ 12 mos. = \$7,051

<u>BY 2008-09 Cost per Month</u>	<u># of Positions</u>		<u>Expenditures</u>	
	<u>SDDS</u>	<u>FCC</u>	<u>SDDS + Secty</u>	<u>FCC + Secty</u>
July 08	17.0	5.0	119,867	35,255
Aug 08	21.0	5.0	148,071	35,255
Sep 08	21.0	5.0	148,071	35,255
Oct 08	21.0	5.0	148,071	35,255
Nov 08	21.0	9.0	148,071	63,459
Dec 08	21.0	13.0	148,071	91,663
Jan 09	21.0	17.0	148,071	119,867
Feb 09	21.0	21.0	148,071	148,071
Mar 09	21.0	21.0	148,071	148,071
Apr 09	21.0	21.0	148,071	148,071
May 09	21.0	21.0	148,071	148,071
Jun 09	21.0	21.0	148,071	148,071
Totals			\$1,748,648	\$1,156,364
TOTAL EXPENDITURES, FY 2008-09 (SDDS + FCC Phased In)			\$2,905,012	
Rounded			\$2,905,000	

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Implementation was delayed from March 1, 2008 to July 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2007-08 and BY 2008-09 costs reflect phased-in regional center implementation schedule.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$448,000	\$2,905,000
General Fund	\$224,000	\$1,452,000
<i>General Fund Match</i>	224,000	1,452,000
<i>General Fund Other</i>	0	0
Reimbursements	\$224,000	\$1,453,000
<i>SD-HCBS Waiver Administration</i>	224,000	1,453,000

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>\$21,135,000</p>	<p>\$21,135,000</p>
<p>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>		
<ul style="list-style-type: none"> ● Accelerated HCBS Waiver Enrollments 	<p>\$1,158,000</p>	<p>\$829,000</p>
<p>Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% General Fund)</p> <p>Change from Prior Estimate:</p> <p>BY 2008-09 expenditures reflect 115 fewer HCBS Waiver enrollments than in the 2008-09 November Estimate.</p> <p>Reason for Year-to-Year Change:</p> <p>BY 2008-09 expenditures reflect 645 fewer HCBS Waiver enrollments than in CY 2007-08.</p>		

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: \$2,680,000 GF Match, \$2,681,000 Targeted Case Management</p> <p>Change from Prior Estimate and Reason for Year-to-Year Change: Regional centers reported a higher vacancy rate of case manager positions in the 2008-09 May Revision Regional Center Survey than was used for the 2008-09 November Estimate; the higher vacancy rate is reflected in the BY 2008-09 estimate. BY 2008-09 expenditures also reflect an increase in HCBS Waiver consumers from CY 2007-08.</p> 	\$3,320,000	\$5,361,000
<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):

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Nursing Home Reform/Pre-Admission Screening and Resident Review (PASRR) 	\$473,000	\$473,000

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)

Change from Prior Estimate:

Expenditures have been revised to reflect updated utilization.

<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$39,415,000	\$41,127,000
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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	\$39,415,000	\$41,127,000
General Fund	\$32,505,000	\$33,196,000
<i>General Fund Match</i>	5,610,000	6,630,000
<i>General Fund Other</i>	26,895,000	26,566,000
Reimbursements	\$6,910,000	\$7,931,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>Targeted Case Management</i>	4,960,000	5,981,000

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	1,590.28
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x <u>2.9%</u> x	<u>4.5%</u>
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	44.69	71.56
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	\$2,834,205
F. Supervising Counselors (at 1:10 CPCs)		
CY 44.69 x 1/10 = 4.47	4.47	
BY 71.56 x 1/10 = 7.16		7.16
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	\$449,533
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 71.56 + 7.16 = 78.72		
78.72 x 1/6 = 13.12		13.12
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	\$377,016
J. Fringe Benefits		
CPCs 23.7%	\$419,488	\$671,707
All Other Staff 23.7%	+ <u>122,290</u> +	<u>195,892</u>
	\$541,778	\$867,599
K. Salary Savings		
CPCs 1.0%	-\$21,895	-\$35,059
All Other Staff 5.5%	+ <u>-35,106</u> +	<u>-56,234</u>
	-\$57,001	-\$91,293
L. Total Personal Services (Item E + Item G + Item I + Item K)	\$2,770,761	\$4,437,060
M. Operating Expenses		
Professional Positions \$3,400	\$167,144	\$267,648
Clerical Positions \$2,400	19,656	31,488
Rent		
CY 2007-08 \$6,314	362,108	
BY 2008-09 \$6,798	+ <u>624,328</u> +	<u>624,328</u>
Total Operating Expenses	\$548,908	\$923,464
N. Total Costs (Item L + Item M)	\$3,319,669	\$5,360,524
Rounded	<u>\$3,320,000</u>	<u>\$5,361,000</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
		\$2,680,000
		2,680,000
		0
		0
		\$2,681,000
		2,681,000

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 	\$4,142,000	\$4,517,000
<ul style="list-style-type: none"> ● Regional Center Application Support ● Data Processing 	<p style="margin-left: 20px;">3,167,000</p> <p style="margin-left: 20px;">975,000</p>	<p style="margin-left: 20px;">3,167,000</p> <p style="margin-left: 20px;">1,350,000</p>
<p>(100% General Fund)</p> <p>Change from Prior Estimate:</p> <p>The CY 2007-08 estimate was decreased by \$825,000 due to the delay in the implementation of the Self-Directed Services program and a Department of Technology Services (DTS) rate reduction. The BY 2008-09 estimate was decreased by \$450,000 due to a DTS rate reduction.</p> <p>Reason for Year-to-Year Change:</p> <p>CY 2007-08 expenditures reflect the delay in the implementation of the Self-Directed Services program.</p>		
<ul style="list-style-type: none"> ● Clients' Rights Advocacy 	\$5,121,000	\$5,430,000
<p>The Department contracts with Protection and Advocacy, Inc., for clients' rights advocacy services for regional center consumers.</p> <p>(100% General Fund)</p> <p>Change from Prior Estimate:</p> <p>This contract is based on a per capita average cost. BY 2008-09 expenditures reflect updated caseload projections and the actual per capita cost in CY 2007-08.</p> <p>Reason for Year-to-Year Change:</p> <p>In BY 2008-09, the community caseload is estimated to increase by 8,606 consumers.</p>		
<ul style="list-style-type: none"> ● Life Quality Assessment 	\$4,866,000	\$4,915,000
<p>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)</p> <p>Change from Prior Estimate:</p> <p>The BY 2008-09 estimate reflects a projected decrease of 300 assessments.</p> <p>Reason for Year-to-Year Change:</p> <p>The number of assessments is estimated to increase by 285 in BY 2008-09.</p>		

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>		<p>\$3,582,000 \$3,582,000</p>
<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>		<p>\$2,211,000 \$2,211,000</p>
<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>		<p>\$1,490,000 \$1,490,000</p>

Projects

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY (continued):

<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, \$456,000 Federal Funds BY: \$1,159,000 General Fund, \$560,000 Federal Funds Change from Prior Estimate and Reason for Year-to-Year Change: BY 2008-09 expenditures reflect increased costs associated with the transfer of Foster Grandparent/Senior Companion programs from Agnews Developmental Center to San Andreas Regional Center. CY 2007-08 federal funds were overstated in the 2008-09 November Estimate by \$90,000 and have been revised for the 2008-09 May Revision.</p>	\$1,149,000	\$1,719,000
<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) Reason for Year-to-Year Change: 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"> ● Increased Access to Mental Health Services <p>The Department, in collaboration with the Department of Mental Health, will coordinate the following 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.</p> <ul style="list-style-type: none"> ● Regional Best Practice Training ● Statewide Training for Families, Service Providers, Service Coordinators, and Consumers ● Regional Center Technical Assistance and Liaison Support ● Regional Planning Projects <p>(100% Mental Health Services Fund) Reason for Year-to-Year Change: This was a new major assumption in the 2008-09 November Estimate beginning BY 2008-09.</p>	\$0	\$740,000
<ul style="list-style-type: none"> ● Regional Best Practice Training 	<i>0</i>	<i>270,000</i>
<ul style="list-style-type: none"> ● Statewide Training for Families, Service Providers, Service Coordinators, and Consumers 	<i>0</i>	<i>270,000</i>
<ul style="list-style-type: none"> ● Regional Center Technical Assistance and Liaison Support 	<i>0</i>	<i>65,000</i>
<ul style="list-style-type: none"> ● Regional Planning Projects 	<i>0</i>	<i>135,000</i>

Projects

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
ASSUMPTIONS/METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Sherry S. Court Case 	\$534,000	\$534,000
<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>		
<ul style="list-style-type: none"> ● Movers Evaluation 	\$600,000	\$600,000
<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>		
<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II 	\$530,000	\$530,000
<p>These costs are associated with legal support for federal program activities. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● University Enterprises, Inc. 	\$125,000	\$175,000
<p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. (100% General Fund)</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>		
<ul style="list-style-type: none"> ● Affordable Housing 	\$94,000	\$94,000
<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>		

Projects

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
ASSUMPTIONS/METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Cost Containment 	-\$490,000	-\$490,000
<p>2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development 	\$200,000	\$200,000
<p>In anticipation of the SDS program implementation expected to occur in July 2008, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers and for maintenance of the methodology and calculation of the individual budget. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● Agnews Closure: Technical Assistance on Housing Issues 	\$280,000	\$0
<p>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. (100% General Fund)</p>		
<p>Reason for Year-to-Year Change:</p>		
<p>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.</p>		

Projects

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY (continued):

- **Evaluation of SB 962 Pilots** \$88,000 \$362,000

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. (100% General Fund)

Change from Prior Estimate and Reason for Year-to-Year Change:

\$162,000 was moved from CY 2007-08 to BY 2008-09. The report is due January 1, 2009.

- **TOTAL EXPENDITURES** \$25,355,000 \$27,549,000

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.

CY 2007-08 BY 2008-09

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$25,355,000	\$27,549,000
General Fund	\$23,466,000	\$24,816,000
<i>General Fund Match</i>	1,433,000	1,433,000
<i>General Fund Other</i>	22,033,000	23,383,000
Reimbursements	\$1,433,000	\$2,173,000
<i>HCBS Waiver Administration</i>	1,433,000	1,433,000
<i>Mental Health Services Fund</i>	0	740,000
Federal Funds	\$456,000	\$560,000
<i>Foster Grandparent Program</i>	456,000	560,000

Cost Containment Summary (Operations)

DESCRIPTION:

The objective is to continue existing proposals in BY 2008-09 that will contain costs while offering flexibility and consistency in obtaining needed services.

ASSUMPTIONS:

CY 2007-08 and BY 2008-09

- Modify Mandated Caseload Ratios: Effective January 1, 2004, pursuant to Welfare and Institutions Code (WIC) Section 4643, the following adjustments have been made to the core staffing formulas:

Caseload Ratios for Client Program Coordinators (CPCs): The maximum average CPC-to-consumer caseload ratio was increased from 1:62 to 1:66, and the limit of a CPC carrying in excess of 79 consumers for more than 60 days was increased to 84 consumers for more than 60 days. However, caseload ratios for consumers in the Early Start Program, consumers who are enrolled in the Home and Community-Based Services Waiver, and 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 be maintained at the current staffing levels.

Supervising Counselor Ratios: The ratios for Supervising Counselors were increased from 1:8 CPCs to 1:10 CPCs.

Clerical Ratios: The ratios for Secretaries I and II were increased from 1:4 to 1:6 for specified professional positions.

Chapter 3, Statutes of 2008, Third Extraordinary Session, made these measures permanent.

- Intake and Assessment: WIC 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. Chapter 3, Statutes of 2008, Third Extraordinary Session, made this measure permanent.
- Unallocated Reduction in Staffing: A \$10,559,000 unallocated reduction, which has accumulated since the early 1990s, is being maintained.
- 2004-05 Cost Containment Reductions: \$5,968,000 in Staffing and \$490,000 in Projects.
- Reduce Community Placement Plan (CPP) Operations: The CPP provides dedicated funding to cover the costs of moving developmental center residents to the community and for deflection of individuals from developmental center admission. Effective March 1, 2008, this measure reduces the amount of funding for regional center staffing under CPP by 10 percent.
- Reduce Health Insurance Portability and Accountability Act (HIPAA) Operations: HIPAA was signed into federal law in 1996 (PL 104-191), and in 2002 the Budget Act included funding to DDS for HIPAA compliance. The primary intent and purpose of HIPAA is to promote health insurance portability and continuity for workers and their families when they change or lose their jobs and to require the secure transmission of confidential health information. Regional centers are required by contract to carry out the requirements set forth by the HIPAA Privacy and Security regulations for business associates. Effective March 1, 2008, this measure reduces the amount of funding for regional center HIPAA staffing by 10%.
- Reduce Clients' Rights Advocacy (CRA) Agreement: DDS contracts with Protection and Advocacy, Inc., for statewide provision of clients' rights advocacy to consumers served by the regional centers. Effective July 1, 2008, this measure reduces the amount of funding for the CRA agreement by 10%.

Budget-Balancing Reduction Reduce Community Placement Plan Operations by 10 Percent (Operations)

DESCRIPTION:

The Community Placement Plan (CPP) provides dedicated funding to cover the costs of moving developmental center residents to the community and for deflection of individuals from developmental center admission. The community placement plan is consistent with and implements requirements in the Lanterman Act and Olmstead decision that consumers be served in the least restrictive environment that meets their needs when community placement is appropriate and resources allow. The community placement planning process is incorporated into the State's Olmstead Plan and was cited in the Sanchez v DDS lawsuit as evidence of California's compliance with the Olmstead decision. See pages E-16.1 to E-16.5 for more information on CPP.

KEY DATA/ASSUMPTIONS:

This proposal would reduce the amount of funding for regional center operations under the CPP. See pages E-16.8 and E-16.9 for more information on CPP Operations expenditures.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
A decrease of 10 percent results in the following reductions:	-\$660,000	-\$2,112,000

IMPLEMENTATION DATE:

This reduction is effective March 1, 2008.

FUNDING:

95 percent of Operations costs for Agnews Developmental Center (DC) employees, who will provide support to transition Agnews consumers into the community, are funded 75 percent by Medicaid Administration reimbursement and 25 percent by the General Fund. Resources for Health Care Community Specialists related to the closure of Agnews DC are funded 75 percent by Medicaid Administration reimbursement and 25 percent by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction reflects full year implementation.

**Budget-Balancing Reduction
Reduce Community Placement Plan Operations
by 10 Percent
(Operations)**

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	-\$660,000	-\$2,112,000
General Fund	-\$611,000	-\$1,893,000
<i>General Fund Match</i>	<i>-17,000</i>	<i>-73,000</i>
<i>General Fund Other</i>	<i>-594,000</i>	<i>-1,820,000</i>
Reimbursements	-\$49,000	-\$219,000
<i>Medicaid Administration</i>	<i>-49,000</i>	<i>-219,000</i>

Budget-Balancing Reduction Reduce Regional Center Operations for HIPAA Implementation by 10 Percent (Operations)

DESCRIPTION:

The Health Insurance Portability and Accountability Act (HIPAA) was signed into federal law in 1996 (PL 104-191), and in 2002 the Budget Act included funding to the Department of Developmental Services for HIPAA compliance. The primary intent and purpose of HIPAA was to promote health insurance portability and continuity for workers and their families when they change or lose their jobs and to require the secure transmission of confidential health information. Regional centers are required by contract to carry out the requirements set forth by the HIPAA Privacy and Security Regulations for business associates.

KEY DATA/ASSUMPTIONS:

The total regional center funding related to HIPAA is \$1,416,000 (\$708,000 General Fund and \$708,000 Reimbursements).

METHODOLOGY:

A decrease of 10 percent results in a reduction of \$141,000. Each regional center currently receives funds to support a privacy officer position.

CY 2007-08

BY 2008-09

-\$46,000

-\$141,000

IMPLEMENTATION DATE:

This reduction is effective March 1, 2008.

FUNDING:

HIPAA expenditures are funded 50 percent by the General Fund and 50 percent by Targeted Case Management Administration reimbursements.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction reflects full year implementation.

**Budget-Balancing Reduction
Reduce Regional Center Operations for
HIPAA Implementation by 10 Percent
(Operations)**

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	-\$46,000	-\$141,000
General Fund	-\$23,000	-\$71,000
<i>General Fund Match</i>	-23,000	-71,000
<i>General Fund Other</i>	0	0
Reimbursements	-\$23,000	-\$70,000
<i>Targeted Case Management Administration</i>	-23,000	-70,000

Budget-Balancing Reduction Reduce Clients' Rights Advocacy Agreement by 10 Percent (Operations)

DESCRIPTION:

The Department contracts with Protection and Advocacy, Inc., through its Office of Clients' Rights Advocacy, for statewide provision of clients' rights advocacy to consumers served by the 21 regional centers. The provision of clients' rights advocacy through an agency outside DDS is established in Welfare and Institutions Code section 4433.

KEY DATA/ASSUMPTIONS:

The current contract is for five years. The contract cost is \$5,121,000.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
A decrease of 10 percent results in the following reduction:	\$0	-\$512,000

IMPLEMENTATION DATE:

This reduction will be effective July 1, 2008.

FUNDING:

100% General Fund.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	-\$512,000
General Fund	\$0	-\$512,000
General Fund Match	0	0
General Fund Other	0	-512,000
Reimbursements	\$0	\$0

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 January 1, 2008. Data were adjusted for lag based on FY 2004-05 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 95.1 percent 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:	\$649,289,000	\$714,384,000
• Prior Year Costs	649,289,000	N/A
• Prior Year Estimate	N/A	753,249,000
• Less Community Placement Plan One-Time Costs	N/A	-38,865,000
• SSI/SSP Increases Effective 1/1/08, 6/1/08, 1/1/09 and 6/1/09:	-\$4,509,000	-\$9,718,000

Effective 1/1/07, the SSI/SSP rate was \$916. The rate increased to \$928 on 1/1/08, and is assumed to increase to \$949 on 6/1/08, to \$964 on 1/1/09, and to \$999 on 6/1/09. For this item, it was assumed SSI/SSP rate increases will not be passed through to CCF providers, resulting in an offset to regional center costs.

However, DSS is proposing a budget-balancing reduction (BBR) to suspend the 1/1/08 and 1/1/09 SSP increases. This proposal would partially offset the above savings. (See pages E-15.16 to E-15.17 for information regarding the fiscal impact of DSS' BBR.)

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$37,524,000	\$38,915,000
<ul style="list-style-type: none"> ● Caseload Growth 	14,041,000	13,413,000
<p>These estimates were based on forecasting models specific to the November 2001 through October 2007 CCF caseload 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="padding-left: 40px;">CY 2007-08: 5,439 Person Months</p> <p style="padding-left: 40px;">BY 2008-09: 4,820 Person Months</p>		
<ul style="list-style-type: none"> ● Average Cost Increase: 	23,483,000	25,502,000
<p>Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p>CY 2007-08 base net costs of \$617,968,000 (which exclude Community Placement Plan costs, rate adjustments and program changes) were multiplied by 3.8 percent to project the average cost increase of \$23,483,000. The 3.8 percent increase is based on the estimated increase in the average cost per person month from 2005-06 to 2006-07. BY 2008-09 base net costs of \$671,108,000 were also multiplied by 3.8 percent to project an average cost increase of \$25,502,000.</p>		
<ul style="list-style-type: none"> ● Service-Level Freeze: 	In Trends	In Trends
<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. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Savings from this freeze are reflected in the CCF trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 	\$38,865,000	\$22,372,000

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<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 through F-4.3 for detail. 	\$20,124,000	\$74,944,000
(a) Placement	12,198,000	59,905,000
(b) Deflection	7,926,000	15,039,000
<ul style="list-style-type: none"> ● Minimum Wage Increase: <p>Chapter 230, Statutes of 2006 (AB 1835) 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 \$43,267,000 and \$53,657,000 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-13.1 to F-13.3, for a summary of minimum wage cost increases.</p>	\$11,956,000	\$4,782,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$753,249,000	\$845,679,000

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 percent of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent 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. For the 2008-09 November Estimate, it was assumed the temporary CCF service-level freeze would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Therefore, this estimate no longer assumes the freeze will sunset, and these costs are no longer reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Community Care Facilities

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$753,249,000	\$845,679,000
General Fund	\$455,705,000	\$529,146,000
<i>General Fund Match</i>	292,660,000	309,712,000
<i>General Fund Other</i>	163,045,000	219,434,000
Reimbursements	\$297,544,000	\$316,533,000
<i>HCBS Waiver FFP</i>	292,660,000	309,712,000
<i>Title XX TANF</i>	4,884,000	6,821,000

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 2008-09 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	55	76
DD-N	84	105
- 2.1% 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>
<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 adjustments, was used as the base. 	\$19,662,000	\$20,370,000
Prior-Year Costs	19,662,000	22,190,000
Less Gap Resource Development in Base	N/A	-1,676,000
Less Community Placement Plan One-Time Costs	N/A	-144,000
<ul style="list-style-type: none"> Utilization Change/Growth: 	\$216,000	\$272,000
It is assumed that 2.1% 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: 	\$1,676,000	\$1,684,000
<ul style="list-style-type: none"> ● New Facilities: <p style="margin-left: 40px;">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: 40px;">In CY 2007-08, it is assumed 13 DD-H facilities will need gap funding for 2 consumers each for an average of 60 days, and 26 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days. For 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 23 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days.</p>	1,212,000	1,220,000
<ul style="list-style-type: none"> ● Change of Ownership Facilities <p style="margin-left: 40px;">It is estimated that five ICF/DD-H and five 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: 40px;">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>	\$144,000	\$273,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 40px;">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 to F-4.3 for detail.</p>	\$492,000	\$432,000
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	492,000 0	432,000 0

Medical Facilities

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
• TOTAL EXPENDITURES	\$22,190,000	\$23,031,000

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

EXPENDITURES:

TOTAL	\$22,190,000	\$23,031,000
General Fund	\$22,190,000	\$23,031,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	22,190,000	23,031,000
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 January 1, 2008. 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:	\$684,292,000	\$730,878,000
● Prior Year Costs	684,292,000	N/A
● Prior Year Estimate	N/A	736,638,000
● Less Community Placement Plan One-Time Costs	N/A	-5,760,000
● Utilization Change/Growth:	\$35,640,000	\$34,410,000

Caseload Growth

The caseload growth is estimated to be 32,275 person months in CY 2007-08 and 30,510 person months in BY 2008-09. The CY and BY estimates are based on a simple ARIMA model of Day Program consumer data from November 2001 through October 2007.

Day Programs

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<p><i>Average Cost Increase:</i> Reflects the cost of new community-based day programs.</p>	\$9,699,000	\$10,417,000
<p>CY 2007-08 base net costs of \$646,587,000 (which exclude the FY 2006-07 cost of Community Placement Plan [CPP] placements, rate adjustments and program changes) were multiplied by 1.5 percent to project an average cost increase of \$9,699,000. The 1.5 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 2008-09 base net costs of \$694,464,000 were also multiplied by 1.5 percent to project an average cost increase of \$10,417,000.</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>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$5,760,000	\$3,613,000

Day Programs

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">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-4.3 for detail.</p>	\$3,464,000	\$11,243,000
(a) Placement	3,210,000	11,243,000
(b) Deflection	254,000	0
<ul style="list-style-type: none"> ● Program Days Adjustment: <p style="margin-left: 20px;">There will be one fewer program day in CY 2007-08 and in BY 2008-09 compared to FY 2006-07.</p>	-\$2,947,000	\$0
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p style="margin-left: 20px;">Chapter 230, Statutes of 2006 (AB 1835) 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 \$43,267,000 and \$53,657,000 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-13.1 to F-13.3, for a summary of minimum wage cost increases.</p>	\$730,000	\$177,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$736,638,000	\$790,738,000

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.

Day Programs

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional caseload and expenditure data. For the 2008-09 November Estimate, it was assumed the temporary rate freeze would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Therefore, this estimate no longer assumes the rate freeze will sunset, and these costs are no longer reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$736,638,000	\$790,738,000
General Fund	\$415,179,000	\$440,460,000
<i>General Fund Match</i>	233,818,000	245,366,000
<i>General Fund Other</i>	181,361,000	195,094,000
Reimbursements	\$299,815,000	\$312,439,000
<i>HCBS Waiver FFP</i>	198,212,000	209,762,000
<i>Title XX Social Services</i>	63,288,000	63,288,000
<i>Title XX TANF</i>	2,710,000	3,784,000
<i>Medicaid</i>	35,605,000	35,605,000
Federal Funds	\$21,644,000	\$37,839,000
<i>Early Start Grant</i>	21,644,000	37,839,000

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. Chapter 225, Statutes of 2003 (AB 1752) reduced WAP rates by 5 percent, effective July 1, 2003. Chapter 659, Statutes of 2003 (AB 747) 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.

Chapter 329, Statutes of 1998 (AB 2779) 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, a 3 percent increase in the job coaching rate to \$28.33 per hour was approved.

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 (Chapter 1022, Statutes of 2002 [AB 444]) 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 (Chapter 226, Statutes of 2003 [AB 1753]) reduced the job coaching rate by 2.5 percent to \$27.62 per hour.

The Budget Act of 2005 reflected an increase of \$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, a 24 percent increase in the job coaching rate to \$34.24 per hour was approved.

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).

Chapter 329, Statutes of 1998 (AB 2779) 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, a 3 percent increase in the job coaching rate to \$28.33 per hour was approved. 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 (Chapter 226, Statutes of 2003 [AB 1753]) 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, a 24 percent increase in the job coaching rate to \$34.24 per hour was approved.

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source: UFS 203-0-S-0 and 203-0-S-7 Reports, dated January 1, 2008. Data were adjusted for lag based on FY 2004-05 expenditures.
- Chapter 659, Statutes of 2003 (AB 747) 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 May Revision.
- 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:	\$64,728,000	\$65,647,000
<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 63,438,000 ● Prior Year Estimate N/A ● Less Community Placement Plan One-Time Costs N/A 	\$63,438,000	\$64,728,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>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. These amounts are the same as in the 2008-09 November Estimate.</p>	\$982,000	\$903,000
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: <p>Chapter 225, Statutes of 2003 (AB 1752) and Chapter 226, Statutes of 2003 (AB 1753) suspended the biennial rate adjustment for WAP for one year, which suspended the need to collect cost statements in FY 2003-04. Subsequent Trailer Bill Language continued the suspension through FY 2007-08. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of the reductions and suspension is reflected in the trends.</p>	In Trends	In Trends
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$0	\$9,000

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"> ● Placement Continuation: <p style="margin-left: 40px;">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-4.3 for detail.</p>	\$49,000	\$0
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p style="margin-left: 40px;">Chapter 230, Statutes of 2006 (AB 1835) 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 \$43,267,000 and \$53,657,000 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-13.1 to F-13.3, for a summary of minimum wage cost increases.</p>	\$259,000	\$7,000
Supported Employment Program:	\$87,257,000	\$92,847,000
<p>SEP costs are comprised of hourly-based services that are billed the month following the month services were provided. This May Revision Estimate includes a budget-balancing reduction (BBR) proposal to reduce the supported employment hourly group and individual services rate by 10 percent. Section 2860 (a) and (b) of the Welfare and Institutions Code is also proposed to be amended to reduce the hourly individualized and group services rate to \$30.82. See pages E-15.7 to E-15.8 for the impact of this BBR.</p>		
HSP Group Placement:	\$66,822,000	\$70,928,000
<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. 	\$61,285,000	\$66,769,000
<ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs 	<p>61,285,000</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>66,822,000</p> <p>-53,000</p>

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"> ● Utilization Change/Growth: <p>HSP Group Placement expenditure data for the period November 2001 through September 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. The first intervention, which starts in July 2006, is assumed to be related to the 3 percent rate increase for providers combined with the budgetary augmentation to increase the SEP job coach rate, increasing the hourly rate from \$27.62 to \$34.24. Additionally, the data point at June 2007 was abnormally high, and, therefore, represented a one-point intervention.</p>	\$4,970,000	\$3,022,000
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$53,000	\$114,000
<ul style="list-style-type: none"> ● Placement Continuation: <p>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-4.3 for detail.</p>	\$0	\$112,000
<ul style="list-style-type: none"> ● SEP Job Coach Rate Increase: <p>A budgetary augmentation 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. It is estimated that 120 new consumers will be phased in CY 2007-08, and an additional 120 new consumers will be phased in BY 2008-09. CY costs remain in the base for BY 2008-09.</p>	\$514,000	\$911,000

Habilitation Services Program

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Individual Placement:	\$20,435,000	\$21,919,000
<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 19,081,000 ● Prior Year Estimate N/A ● Less Community Placement Plan One-Time Costs N/A 	\$19,081,000	\$20,435,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>Monthly SEP Individual Placement expenditure data from November 2001 through September 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) Starting July 2003, this intervention was assumed to be related to the reduction in the hourly job coach rate to \$27.62 per AB 1753. (2) Starting July 2006, this intervention was assumed to be related to the 3 percent rate increase for providers combined with the budgetary augmentation to increase the SEP job coach rate, increasing the hourly rate from \$27.62 to \$34.24. (3) The data point at June 2007 was abnormally high, and, therefore, represented a one-point intervention.</p>	\$1,023,000	\$918,000
<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 Continuation: <p>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-4.3 for detail.</p>	\$15,000	\$0

Habilitation Services Program

CY 2007-08

BY 2008-09

METHODOLOGY (continued):

Supported Employment Program (continued):

HSP Individual Placement (continued):

- **SEP Job Coach Rate Increase:** \$316,000 \$566,000

A budgetary augmentation 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. It is estimated that 280 new consumers will be phased in CY 2007-08, and an additional 280 new consumers will be phased in BY 2008-09. CY costs remain in the base for BY 2008-09.

- **TOTAL EXPENDITURES** \$151,985,000 \$158,494,000

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, 41 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. For the 2008-09 November Estimate, it was assumed the temporary rate freeze would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Therefore, this estimate no longer assumes the rate freeze will sunset, and these costs are no longer reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects a projected increase in caseload.

Habilitation Services Program

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$151,985,000	\$158,494,000
General Fund	\$97,898,000	\$102,114,000
<i>General Fund Match</i>	39,340,000	41,632,000
<i>General Fund Other</i>	58,558,000	60,482,000
Reimbursements	\$54,087,000	\$56,380,000
<i>HCBS Waiver FFP</i>	39,340,000	41,633,000
<i>Title XX Social Services</i>	14,746,000	14,746,000
<i>Title XX TANF</i>	1,000	1,000

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 January 1, 2008 (POS Claims file dated 1-1-08).

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>\$196,085,000</p> <p>196,085,000</p> <p>N/A</p> <p>N/A</p> <p>\$6,627,000</p>	<p>\$203,364,000</p> <p>N/A</p> <p>204,660,000</p> <p>-1,296,000</p> <p>\$4,009,000</p>

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the November 2001 through October 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. An 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. A second intervention was identified as being significant beginning July 2007.

Transportation

METHODOLOGY (continued):

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze: 	In Trends	In Trends
<p>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 June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, 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>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$1,296,000	\$767,000
<ul style="list-style-type: none"> ● Placement Continuation: <p>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-4.3 for detail.</p>	\$652,000	\$2,675,000
(a) Placement	645,000	2,675,000
(b) Deflection	7,000	0
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$204,660,000	\$210,815,000

FUNDING:

Transportation expenditures are funded by the Public Transportation Account, Home and Community-Based Services (HCBS) Waiver, Vocational Rehabilitation (DOR), and Medicaid. Based on actual FY 2006-07 HCBS Waiver billing data, approximately 56 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 seven months of additional data. For the 2008-09 November Estimate, it was assumed the contracted services rate freeze would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Therefore, this estimate no longer assumes the contracted services rate freeze will sunset, and these costs are no longer reflected in this estimate.

Transportation

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$204,660,000	\$210,815,000
General Fund	\$0	\$0
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	0	0
Public Transportation Account (PTA)	\$134,982,000	\$138,275,000
<i>PTA Match</i>	69,349,000	71,952,000
<i>PTA Other</i>	65,633,000	66,323,000
Reimbursements	\$69,678,000	\$72,540,000
<i>HCBS Waiver FFP</i>	60,955,000	63,557,000
<i>Vocational Rehabilitation</i>	328,000	588,000
<i>Medicaid</i>	8,395,000	8,395,000

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 January 1, 2008. Data were adjusted for lag based on FY 2004-05 expenditures.

	<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>\$470,236,000</p> <p>470,236,000</p> <p>N/A</p> <p>N/A</p> <p>\$71,812,000</p>	<p>\$550,505,000</p> <p>N/A</p> <p>556,690,000</p> <p>-6,185,000</p> <p>\$70,765,000</p>

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

A simple ARIMA model was used to forecast utilization change/growth.

<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 June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, or 2) the regional center demonstrates that the approval is</p>	<p>In Trends</p>	<p>In Trends</p>
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Support Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>												
METHODOLOGY (continued):														
Contracted-Services Rate Freeze (continued):														
<p>necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p>														
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$6,185,000	\$5,232,000												
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>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-4.3 for detail.</p>	\$6,072,000	\$12,167,000												
(a) Placement	5,445,000	8,844,000												
(b) Deflection	627,000	3,323,000												
<ul style="list-style-type: none"> ● Independent Living Supplement: Based on Client Master File (CMF) data as of February 7, 2008, it is estimated the following consumers will live in supported/independent living (SL/IL) arrangements. Of these totals, based on the 2008-09 May Revision Regional Center Survey (February 2008), 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. 	\$27,000	\$387,000												
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: right; width: 35%;"><u>CY 2007-08</u></th> <th style="text-align: right; width: 35%;"><u>BY 2008-09</u></th> </tr> </thead> <tbody> <tr> <td>Total SL/IL Consumers</td> <td style="text-align: right;">19,670</td> <td style="text-align: right;">20,420</td> </tr> <tr> <td>Part of a Couple</td> <td style="text-align: right;">- 1,357</td> <td style="text-align: right;">- 1,449</td> </tr> <tr> <td>Individuals</td> <td style="text-align: right;">18,313</td> <td style="text-align: right;">18,971</td> </tr> </tbody> </table>		<u>CY 2007-08</u>	<u>BY 2008-09</u>	Total SL/IL Consumers	19,670	20,420	Part of a Couple	- 1,357	- 1,449	Individuals	18,313	18,971		
	<u>CY 2007-08</u>	<u>BY 2008-09</u>												
Total SL/IL Consumers	19,670	20,420												
Part of a Couple	- 1,357	- 1,449												
Individuals	18,313	18,971												
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p>Chapter 230, Statutes of 2006 (AB 1835) 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 \$43,267,000 and \$53,657,000 in CY 2007-08 and BY 2008-09,</p>	\$2,358,000	\$818,000												

Support Services

CY 2007-08 BY 2008-09

METHODOLOGY (continued):

Minimum Wage Increases (continued):

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-13.1 to F 13.3, for a summary of minimum wage cost increases.

● **TOTAL EXPENDITURES** \$556,690,000 \$639,874,000

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 five months of additional expenditure data. For the 2008-09 November Estimate, it was assumed the contracted-services rate freeze for supported living and look-alike day programs would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Therefore, this estimate no longer assumes the rate freeze will sunset, and these costs are no longer reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

CY 2007-08 BY 2008-09

EXPENDITURES:

TOTAL	\$556,690,000	\$639,874,000
General Fund	\$340,494,000	\$409,974,000
<i>General Fund Match</i>	<i>179,020,000</i>	<i>189,451,000</i>
<i>General Fund Other</i>	<i>161,474,000</i>	<i>220,523,000</i>
Reimbursements	\$214,985,000	\$227,783,000
<i>HCBS Waiver FFP</i>	<i>179,020,000</i>	<i>189,451,000</i>
<i>Title XX Social Services</i>	<i>29,995,000</i>	<i>29,995,000</i>
<i>Title XX TANF</i>	<i>5,970,000</i>	<i>8,337,000</i>
Federal Funds	\$1,211,000	\$2,117,000
<i>Early Start Grant</i>	<i>1,211,000</i>	<i>2,117,000</i>

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 January 1, 2008. 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>\$169,097,000</p> <p><i>169,097,000</i></p> <p style="padding-left: 100px;"><i>N/A</i></p> <p style="padding-left: 100px;"><i>N/A</i></p> <p>\$24,840,000</p>	<p>\$205,402,000</p> <p style="padding-left: 100px;"><i>N/A</i></p> <p style="padding-left: 100px;"><i>205,412,000</i></p> <p style="padding-left: 100px;"><i>-10,000</i></p> <p>\$24,890,000</p>

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through October 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. Four 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. A fourth intervention was identified, assumed to be related to the minimum wage increase, effective January 1, 2007. Refer to the following page for more detail.

In-Home Respite

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Rate Freeze: <p style="margin-left: 20px;">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> <ol style="list-style-type: none"> (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. (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. <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 	In Trends	In Trends
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$10,000	\$6,000
<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-4.3 for detail.</p> 	\$8,000	\$2,000
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	8,000 0	2,000 0

In-Home Respite

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> Minimum Wage Increases: <p style="margin-left: 20px;">Chapter 230, Statutes of 2006 (AB 1835) 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 \$43,267,000 and \$53,657,000 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-13.1 to F-13.3, for a summary of minimum wage cost increases.</p> 	\$11,457,000	\$4,583,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$205,412,000	\$234,883,000

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 five months of additional expenditure data. For the 2008-09 November Estimate, it was assumed the temporary rate freeze for in-home respite service agencies would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Therefore, this estimate no longer assumes the rate freeze will sunset, and these costs are no longer reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

In-Home Respite

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$205,412,000	\$234,883,000
General Fund	\$123,354,000	\$143,424,000
<i>General Fund Match</i>	52,718,000	55,791,000
<i>General Fund Other</i>	70,636,000	87,633,000
Reimbursements	\$80,417,000	\$88,590,000
<i>HCBS Waiver FFP</i>	52,719,000	55,790,000
<i>Title XX Social Services</i>	14,834,000	14,834,000
<i>Title XX TANF</i>	12,864,000	17,966,000
Federal Funds	\$1,641,000	\$2,869,000
<i>Early Start Grant</i>	1,641,000	2,869,000

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 January 1, 2008. 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: 	\$46,401,000	\$52,393,000
<ul style="list-style-type: none"> ● Prior Year Costs 	46,401,000	N/A
<ul style="list-style-type: none"> ● Prior Year Estimate 	N/A	52,505,000
<ul style="list-style-type: none"> ● Less Community Placement Plan One-Time Costs 	N/A	-112,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$5,920,000	\$6,458,000

CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the November 2001 through October 2007 Out-of-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. Three interventions/events were found to be statistically significant. Data points at July 2005 and July 2006 were abnormally high and, therefore, represented one-point interventions. Another intervention beginning March 2006 was assumed to be related to the implementation of the Family Cost Participation Program (FCPP).

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. 	\$112,000	\$125,000
<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-4.3 for detail.</p>	\$14,000	\$236,000
(a) Placement	0	236,000
(b) Deflection	14,000	0
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p style="margin-left: 20px;">Chapter 230, Statutes of 2006 (AB 1835) 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 \$43,267,000 and \$53,657,000 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-13.1 to F-13.3, for a summary of minimum wage cost increases.</p>	\$58,000	\$23,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$52,505,000	\$59,235,000

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 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.

Out-of-Home Respite

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 an increase in projected expenditures.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$52,505,000	\$59,235,000
General Fund	\$27,801,000	\$28,872,000
<i>General Fund Match</i>	3,026,000	3,203,000
<i>General Fund Other</i>	24,775,000	25,669,000
Reimbursements	\$24,235,000	\$29,543,000
<i>HCBS Waiver FFP</i>	3,026,000	3,202,000
<i>Title XX Social Services</i>	8,268,000	8,268,000
<i>Title XX TANF</i>	12,941,000	18,073,000
Federal Funds	\$469,000	\$820,000
<i>Early Start Grant</i>	469,000	820,000

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 January 1, 2008. 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>CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the November 2001 through October 2007 Health Care expenditure data (excluding CPP placement and placement continuation).</p> <p>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>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-4.3 for detail.</p> <ul style="list-style-type: none"> (a) Placement (b) Deflection ● TOTAL EXPENDITURES 	<p>\$71,642,000</p> <p>71,642,000</p> <p>N/A</p> <p>N/A</p> <p>\$13,567,000</p> <p>\$1,509,000</p> <p>\$883,000</p> <p>883,000</p> <p>0</p> <p>\$87,601,000</p>	<p>\$86,092,000</p> <p>N/A</p> <p>87,601,000</p> <p>-1,509,000</p> <p>\$13,733,000</p> <p>\$577,000</p> <p>\$3,538,000</p> <p>3,538,000</p> <p>0</p> <p>\$103,940,000</p>

Health Care

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 seven 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.

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$87,601,000	\$103,940,000
General Fund	\$77,554,000	\$89,241,000
<i>General Fund Match</i>	3,026,000	3,202,000
<i>General Fund Other</i>	74,528,000	86,039,000
Reimbursements	\$5,242,000	\$6,298,000
<i>HCBS Waiver FFP</i>	3,026,000	3,203,000
<i>Title XX TANF</i>	2,216,000	3,095,000
Federal Funds	\$4,805,000	\$8,401,000
<i>Early Start Grant</i>	4,805,000	8,401,000

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 January 1, 2008. 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 adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs 223,548,000 N/A ● Less Devereux Maintenance Contract One-Time Adjustment -1,185,000 ● Prior Year Estimate N/A 312,576,000 ● Less Community Placement Plan One-Time Costs N/A -36,264,000 ● Add Devereux Maintenance Contract One-Time Adjustment 1,185,000 ● Utilization Change/Growth: <p>CY 2007-08 and BY 2008-09 were re-estimated based on forecasting models specific to the April 2001 through October 2007 Miscellaneous Services expenditure data (excluding CPP placement and placement continuation).</p> 	<p>\$222,363,000</p> <p></p> <p>\$53,333,000</p>	<p>\$277,497,000</p> <p></p> <p>\$44,871,000</p>

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 interventions were found to be statistically significant. Data points at June 2001 and June 2002 were abnormally high and, therefore, represented one-point interventions. Another intervention beginning July 2006 was assumed to be related to the 3 percent provider rate increase.

Miscellaneous Services

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> <p>Contracted-Services Rate Freeze In Trends In Trends</p> <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 June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, 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>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 		
<ul style="list-style-type: none"> <p>CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. \$36,264,000 \$31,691,000</p> 		
<ul style="list-style-type: none"> <p>Placement/Deflection Continuation \$616,000 \$4,500,000</p> <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-4.3 for detail.</p> 		
<ul style="list-style-type: none"> <p>(a) Placement 557,000 4,500,000</p> <p>(b) Deflection 59,000 0</p> 		
<ul style="list-style-type: none"> <p>TOTAL EXPENDITURES \$312,576,000 \$358,559,000</p> 		

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.

Miscellaneous Services

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including five months of additional expenditure data. For the 2008-09 November Estimate, it was assumed the temporary rate freeze for contracted-services for look-alike day programs and suspension of non-CPP start-ups would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made these freezes permanent. Therefore, this estimate no longer assumes the rate freeze and suspension of non-CPP start-ups will sunset, and these costs are no longer reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$312,576,000	\$358,559,000
General Fund	\$242,667,000	\$274,251,000
<i>General Fund Match</i>	28,350,000	30,002,000
<i>General Fund Other</i>	214,317,000	244,249,000
Reimbursements	\$59,536,000	\$66,905,000
<i>HCBS Waiver FFP</i>	28,350,000	30,002,000
<i>Title XX Social Services</i>	16,772,000	16,772,000
<i>Title XX TANF</i>	14,414,000	20,131,000
Federal Funds	\$9,298,000	\$16,256,000
<i>Early Start Grant</i>	9,298,000	16,256,000
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 are under development to accommodate the specific requirements of the SDS program.

The Department of Health Care Services, the single-state agency responsible for administering the Medicaid program in California, submitted the Department's Self-Directed Home and Community Based Services (SDHCBS) Waiver Application to CMS on April 2, 2008. The Department has requested a July 1, 2008 approval date. The SDS regulations are being reviewed within the Administration. The regulations are subject to a required 45-day public comment period. It is anticipated that the effective dates of both the SDHCBS Waiver and regulations will closely coincide, and that implementation and enrollment will begin July 1, 2008. Regional center implementation will be phased in over an eight-month period beginning in July, 2008 and through February, 2009. In January, 2008, the Department began working with the first five regional centers scheduled to implement in the first four months of BY 2008-09 to develop informational and training materials and to provide opportunity for regional centers to share strategies for administrative rollout.

It is now anticipated that enrollment in the SDS Waiver will begin with a phase-in of 1,300 consumers in BY 2008-09 across all 21 regional centers. Maximum waiver enrollment of approximately 9,300 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-1.15 to E-1.16 of this section.

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

IMPLEMENTATION DATE:

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

July 2008	1 regional center	November 2008	4 regional center
August 2008	1 regional center	December 2008	4 regional centers
September 2008	1 regional centers	January 2009	4 regional centers
October 2008	2 regional centers	February 2009	4 regional centers

KEY DATA/ASSUMPTIONS:

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

- BY 2008-09
 - For the BY 2008-09 cost/savings estimate, it is assumed enrollment of participants will begin in July 2008, and 1,300 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 \$1,836. 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. These consumers were all identified as meeting eligibility requirements for the SDHCBS Waiver.
- Consistent with WIC 4685.7(r) an SDS participant may request a criminal history records clearance on prospective service providers. Ten percent of the consumers enrolled in SDS will request at least one criminal background check at \$60 each.
- 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 BY 2008-09 pre-SDS POS costs for 1,300 consumers (phased in over 12 months) are estimated to be \$11,842,000.

With Self-Directed Services

- With SDS, finite and individual budgets are assumed to be 95 percent of historical aggregate expenditures.
- Total BY 2008-09 costs for 1,300 new consumers phased-in over 12 months are estimated to be \$12,763,000 including criminal history records clearance and one-time transition costs.
- In BY 2008-09, \$1,184,000 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.
- 23 percent of the consumers on the Department's existing HCBS Waiver will transfer to the SDHCBS Waiver in BY. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.3). However, transfer 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.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Estimated SDS cost of services	\$0	\$12,113,000
● Estimated pre-SDS cost for consumers	<u>0</u>	<u>11,842,000</u>
● Difference	\$0	\$271,000
● SDS Risk Pool Fund	0	1,184,000
● One-time Transition Costs	<u>0</u>	<u>650,000</u>
● Total Net Expenditures	\$0	\$2,105,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Implementation was delayed from March 1, 2008 to July 1, 2008 and the enrollments have been revised from 1,800 to 1,300 in 2008-09. The SDHCBS Waiver application was submitted to CMS on April 2, 2008 with a requested implementation date of July 1, 2008.

Costs for background checks were included for an SDS participant requesting a criminal history records clearance on prospective service providers.

REASON FOR YEAR-TO-YEAR CHANGE:

A four-month delay in implementation from March 1, 2008 to July 1, 2008.

EXPENDITURES:

TOTAL	\$0	\$2,105,000
General Fund	\$0	-\$1,726,000
<i>General Fund Match</i>	<i>0</i>	<i>3,831,000</i>
<i>General Fund Other</i>	<i>0</i>	<i>-6,741,000</i>
<i>SDS Risk Pool Fund</i>	<i>0</i>	<i>1,184,000</i>
Reimbursements	\$0	\$3,831,000
<i>SDHCBS Waiver</i>	<i>0</i>	<i>4,617,000</i>
<i>HCBS Waiver</i>	<i>0</i>	<i>-786,000</i>

Cost Containment Summary (Purchase of Services)

DESCRIPTION:

The objectives are to continue existing and implement additional proposals in BY 2008-09 that will 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

- Permanent Cost Containment Measures: The following cost containment measures were made permanent by Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5): 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.
- 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 effective January 1, 2005, for specified services purchased by regional centers for children 3 through 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. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this program permanent.
- Continue Rate Standardization/Cost Avoidance Project: Efforts will involve regulations and proposed legislation regarding negotiated rates.
- 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.

Cost Containment Summary (Purchase of Services)

ASSUMPTIONS (continued):

BY 2008-09

- Permanent Cost Containment Measures: Continue permanent 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).
- Continue Revision of Eligibility Definition: See CY 2007-08 above for description.
- Continue and Expand Family Cost Participation Program: The Family Cost Participation Program was implemented effective January 1, 2005 for specified services purchased by regional centers for children 3 through 17 years of age whose parents have the ability to pay. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this program permanent. It also expanded the program to: (1) increase the participation of families that earn 400 percent to 500 percent of the Federal Poverty Level (FPL) to 10 percent of the share of cost, and (2) increase the share of cost from 80 percent to 100 percent at 2,000 percent of FPL or above, and (3) include children under age 36 months.
- Self-Directed Services: Implementation of Self-Directed Services (SDS) has been delayed until BY 2008-09. Consistent with requirements in Welfare and Institutions Code 4685.7, the Department cannot implement SDS without an approved 1915(c) Home and Community-Based Services (HCBS) Waiver and applicable regulations. The HCBS Waiver application was submitted to the Centers for Medicare and Medicaid Services (CMS) on April 2, 2008 with a requested July 1, 2008 effective date. The SDS regulations are being reviewed within the Administration. SDS is a model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. Upon CMS Waiver approval, DDS will implement a phased-in enrollment for all 21 regional centers of an estimated 1,300 individuals in BY 2008-09.
- Continue Rate Standardization/Cost Avoidance Project: Since fiscal year 2003-04, rates negotiated by regional centers for providers vendored in specified service codes have been frozen. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent and expanded the freeze to all negotiated rates. In addition, it set parameters or limits on the rates for new providers with whom the regional centers may negotiate.
- 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, the Department developed draft regulations for the purpose of cost avoidance. The regulations are being reviewed within the Administration and will be implemented for the purpose of cost avoidance.
- Devereux Maintenance Contract: The Department is permanently eliminating funding for this contract beginning in BY 2008-09 as Devereux has gradually reduced its services to consumers, and the supplemental grant can no longer be justified.
- Supported Employment Program Provider Rate Reduction: The rate received by providers of supported employment services in 2006-07 was permanently reduced by 10 percent beginning in BY 2008-09.

Budget-Balancing Reduction Rollback Devereux Maintenance Contract (Purchase of Services)

DESCRIPTION:

The Community Services Program supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community. The Department's budget was augmented in 2000-01 to provide support for the maintenance of services at a Devereux facility located in Santa Barbara. Funding is through a contract between the Department and Devereux.

KEY DATA/ASSUMPTIONS:

The Department is eliminating funding for this contract as Devereux has gradually reduced its services to consumers and the supplemental grant can no longer be justified.

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
Elimination of the Devereux maintenance contract results in an ongoing reduction of \$1,185,000.	\$0	-\$1,185,000

IMPLEMENTATION DATE:

The reduction is effective July 1, 2008.

FUNDING:

The Devereux maintenance contract costs are funded 100 percent by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	-\$1,185,000
General Fund	\$0	-\$1,185,000
<i>General Fund Match</i>	<i>0</i>	<i>0</i>
<i>General Fund Other</i>	<i>0</i>	<i>-1,185,000</i>

Budget-Balancing Reduction Increase Savings through Family Cost Participation Program Redesign (Purchase of Services)

DESCRIPTION:

Welfare and Institutions (W&I) Code Section 4783 authorized the Family Cost Participation Program (FCPP), effective January 1, 2005. The FCPP requires regional centers to assess a share of the cost of respite, child care care, and camping services to parents who have a child, aged 3 through 17 living at home and not eligible for Medi-Cal.

This program does not involve any fee or payment to the Department or Regional Center. The family is informed of the number of units of service for which they are financially responsible and they pay this amount directly to the provider. The family share of cost is on a sliding scale and ranges from 5 percent to 80 percent of the cost of services. The most recent data shows that over 5,000 families are in the program and updated estimated net annual General Fund cost savings/cost avoidance based on the current program is approximately \$3 million.

Early Start is California's system of early intervention services provided to infants and toddlers with a developmental disability, developmental delay, those at-risk of developmental delay or disability, and their families. Per federal requirements, infants and toddlers are served from birth up to 36 months of age. As of January 31, 2008, there were 29,650 infants and toddlers being served in the California Early Start Program. Currently, parents are not assessed a share of cost for any of the services provided in the Early Start program.

KEY DATA/ASSUMPTIONS:

The redesign of the FCCP expands the program as follows:

1. Increases the participation of families that earn 400 percent to 500 percent of the Federal Poverty Level (FPL) 10 percent of the share of cost.
2. Increases the share of cost from 80 percent to 100 percent at 2,000 percent of FPL (currently, \$343,000 for a family of three) or above.
3. Adds children under age 36 months (for the three existing services in the program).

Parents who have a child under three years of age living at home will be required to pay a share of cost for daycare, respite and camping services if their income is 400 percent or more of the FPL.

Parents who have a child ages 3 through 17 living at home will be assessed a higher share of costs if their income is 400 percent to 500 percent of the FPL or at or above 2,000 percent of the FPL.

**Budget-Balancing Reduction
Increase Savings through Family Cost
Participation Program Redesign
(Purchase of Services)**

METHODOLOGY:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
For ages 3 through 17 the full-year estimated cost avoidance is based on the current program services updated to reflect the change in the FPL levels.	\$0	-\$331,000
For birth up to three years of age the nine-month estimated cost avoidance is based on the current program services updated to reflect the change in the FPL levels.	0	-442,000
TOTAL EXPENDITURES	\$0	-\$773,000

IMPLEMENTATION DATE:

A change to the current FCPP (3 through 17 years of age) sliding scale will be implemented July 1, 2008, assuming that legislation is approved and the regional centers can implement the changes to existing consumer individual program plans by July 1, 2008. This change requires an amendment to W&I Code 4783(c) to state the share-of-cost assessment will apply up to 100 percent cost participation. The share-of-cost changes will apply to existing consumer individual program plans as well as new consumers, effective July 1, 2008.

The expansion of the FCPP to Early Start consumers (under three years of age) will be implemented October 1, 2008, assuming timely federal approval and regional centers are able to implement the changes to the existing consumer individual program plans. This change requires amending the W&I Code Section 4783 to include consumers under three years of age in the FCPP and receiving an approved the State Plan that is anticipated to take six months. Implementing cost sharing in the Early Start Program will require federal approval.

This budget-balancing reduction also includes repealing the sunset date for the FCPP of July 1, 2009 (W&I Code 4783(n)).

FUNDING:

The FCPP costs are funded 100 percent by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

**Budget-Balancing Reduction
Increase Savings through Family Cost
Participation Program Redesign
(Purchase of Services)**

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	-\$773,000
General Fund	\$0	-\$773,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	0	-773,000

Budget-Balancing Reduction

Freeze all Currently Unfrozen Regional Center Negotiated Rates and Establish Limits for New Negotiated Rate Programs and Services (Purchase of Services)

DESCRIPTION:

The Department of Developmental Services supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community.

Since fiscal year 2003-04, rates negotiated by regional centers for providers vendored in specified service codes have been frozen. This budget-balancing reduction (BBR) will (1) freeze all the other provider types where the regional center negotiates rates, and (2) set parameters or limits on the rates for new providers with whom the regional centers may negotiate.

Expanding the freeze to all regional center negotiated rates only impacts current providers of services, this BBR also establishes an upper limit on the rates regional centers can negotiate for new providers of services in the 77 service codes/categories affected. The upper rate limit for new providers of negotiated rate services would be either the individual regional center's median rate for the service code under which the new provider will be providing services or the statewide median rate for that service code, whichever is less. This BBR does not apply to providers whose rates are currently linked to those set by the Department of Health Care Services (Schedule of Maximum Allowance) or providers whose rates and services are primarily for the general public ("Usual and Customary" rates, such as taxi cabs, day care centers, etc.). Regional centers will be required to annually certify to the Department their median rate for each negotiated rate service code and this information will be subject to verification through the Department's biannual fiscal audits of regional centers.

KEY DATA/ASSUMPTIONS:

Negotiated Rates Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated January 1, 2008. Data were adjusted for lag based on FY 2004-05 expenditures.

Implementation requires statutory language for imposing the comprehensive freeze, setting forth the rate setting limits on new providers, permissive authority for the Department to promulgate regulations if needed, and to give the Department authority for granting health and safety waiver exemptions. This waiver provision will allow the state to provide for a vulnerable consumer when necessary and comply with the Olmstead decision.

Budget-Balancing Reduction
Freeze all Currently Unfrozen Regional Center
Negotiated Rates and Establish Limits for
New Negotiated Rate Programs and Services
(Purchase of Services)

METHODOLOGY:

Actual FY 2006-07 expenditures were used to develop projected CY 2007-08 and BY 2008-09 expenditures for the affected service codes. The difference between the CY and BY projections is the estimated savings when rates are frozen at the CY 2007-08 rates for currently unfrozen negotiated rates. This methodology was also used to determine the impact of a median rate for negotiated rates currently frozen.

CY 2007-08BY 2008-09

\$0

-\$38,338,000

IMPLEMENTATION DATE:

This freeze is effective July 1, 2008.

FUNDING:

Negotiated rate services are funded by the General Fund and Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 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 and applicable service codes have been updated and reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:CY 2007-08BY 2008-09

TOTAL

\$0

-\$38,338,000

General Fund

\$0

-\$26,119,000

General Fund Match

0

-12,219,000

General Fund Other

0

-13,900,000

Reimbursements

\$0

-\$12,219,000

HCBS Waiver FFP

0

-12,219,000

Budget-Balancing Reduction Reduce Supported Employment Program Provider Rates by 10 Percent (Purchase of Services)

DESCRIPTION:

The Supported Employment Program (SEP) provides services to assist consumers to enter into employment and to maintain their employment status. These services also assist consumers as they leave school to enter the adult world as employed citizens.

This Budget-Balancing Reduction (BBR) reduces the rate received by providers of supported employment services in 2006-07 by 10 percent.

The implementation of the temporary rate freeze in Fiscal Year (FY) 2003-04 significantly limited the growth in the number of consumers getting jobs. To effect an increase in the number of consumers entering employment, in FY 2006-07 a 24 percent rate increase was given to SEP providers for wage increases to staff providing supported employment services. That rate increase was expected to assist in the development of 600 additional new jobs annually. This BBR assumes no reduction in the number of consumers entering employment services.

KEY DATA/ASSUMPTIONS:

- SEP Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated January 1, 2008. Data were adjusted for lag based on FY 2004-05 expenditures.

METHODOLOGY:

CY 2007-08

BY 2008-09

SEP Group Placement:

Total SEP Group costs are estimated to be \$66,822,000 in the current year (CY) and \$70,928,000 in the budget year (BY). The BY total is reduced by 10 percent.

\$0

-\$7,093,000

SEP Individual Placement:

Total SEP Individual costs are estimated to be \$20,435,000 in the CY and \$21,919,000 in the BY. The BY total is reduced by 10 percent.

\$0

-\$2,192,000

TOTAL EXPENDITURES

\$0

-\$9,285,000

IMPLEMENTATION DATE:

This reduction is effective July 1, 2008.

**Budget-Balancing Reduction
Reduce Supported Employment Program
Provider Rates by 10 Percent
(Purchase of Services)**

FUNDING:

SEP expenditures are funded by the General Fund and Home and Community-Based Services (HCBS) Waiver. Based on actual FY 2006-07 billing data, approximately 41 percent and 27 percent of SEP Group and SEP Individual Placement expenditures, respectively, are eligible for the HCBS Waiver reimbursement. Of the HCBS Waiver amount, 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:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	-\$9,285,000
General Fund	\$0	-\$7,535,000
<i>General Fund Match</i>	0	-1,750,000
<i>General Fund Other</i>	0	-5,785,000
Reimbursements	\$0	-\$1,750,000
<i>HCBS Waiver FFP</i>	0	-1,750,000

New Major Assumption

Other Departments' Budget-Balancing Reductions

In-Home Supportive Services Functional Index Change Proposal

(Purchase of Services)

DESCRIPTION:

Summary

The proposed reduction in the California Department of Social Services' (CDSS) In-Home Supportive Services (IHSS) program impacts the regional center purchase of service funds and services to individuals with developmental disabilities.

The Department of Developmental Services (DDS) requests \$6.1 million (\$4.2 million General Fund) to replace services that will be eliminated due to the proposed reductions in the IHSS program. This proposal includes a reduction in IHSS hours, specifically non-medical domestic and related services. These services assist individuals with disabilities, including developmental disabilities (consumers), to safely remain in their homes. Domestic services include housework, meal preparation, meal clean-up, laundry, reasonable food shopping, and other shopping/errands, including picking up prescription drugs and heavy household cleaning. To determine the number of hours needed, a full assessment is completed by the IHSS caseworker. The CDSS proposal continues domestic and related services to individuals with a functional index ranking of 4 or 5. Those consumers with functional rankings of 1, 2, or 3 would not be eligible to receive domestic and related services. DDS anticipates that the IHSS reduction in domestic service hours will increase regional center purchase of service expenditures to ensure necessary supports are available to consumers residing in their own homes.

Nature of Request

IHSS is considered a generic service that enables a program recipient to hire an individual who provides in-home supports, including domestic services. Among the recipients served by the IHSS program are individuals with developmental disabilities who are eligible to receive services from regional centers as described in the Lanterman Act. Regional center services are provided when identified in the consumer's Individual Program Plan and when the service or support cannot be funded through a "generic" agency. It is estimated that 10,909 regional center consumers will be affected by this proposal.

Background/History

IHSS is administered by CDSS and is a county-run program that provides an alternative to out-of-home care, by providing state, county, and federal funding that enables program recipients to hire caregivers. The IHSS program provides assistance to eligible low-income aged, blind, or disabled individuals who are unable to remain safely in their own homes without this assistance. CDSS has oversight of county IHSS operations and the funding used to pay for the services provided. Eligibility and services are limited by the availability of funds.

Through a series of evaluations performed by county social workers, IHSS recipients may be authorized up to 283 hours of services per month. IHSS can be categorized into four groups: (1) domestic or household services, (2) personal care services, (3) services directed or provided by a licensed health care professional, and (4) other miscellaneous services. The number of hours awarded per task vary depending upon the recipient's functional skills and abilities. CDSS estimates that 97 percent of IHSS recipients receive domestic and related services. Recipients receive hours only for those tasks that they cannot perform on their own.

New Major Assumption
Other Departments' Budget-Balancing Reductions
In-Home Supportive Services Functional Index Change Proposal
(Purchase of Services)

DESCRIPTION (continued):

Background/History (continued):

Through the Lanterman Developmental Disabilities Services Act, DDS serves approximately 230,000 individuals with developmental disabilities throughout California. DDS' services for consumers living in the community are provided through 21 private, nonprofit regional centers who contract with various service providers for the provision of services to individuals with developmental disabilities. Consistent with Welfare and Institutions Code (WIC) §4644, the regional centers are required to fund services only when services are not available from local generic agencies. WIC §4644 provides the regional centers the authority to implement operating procedures to ensure that prevention activities are funded from regional center purchase of service funds only when funding for these services is unavailable from local generic agencies. In no case shall regional center funds be used to supplant funds budgeted by any agency which has a responsibility to provide prevention services to the general public.

DDS is requesting additional funding to ensure necessary supports are available to consumers living in their homes who are impacted by the reduction in IHSS hours for domestic services. These services will allow consumers to remain in their home rather than receiving other more costly residential services.

IMPLEMENTATION DATE:

Effective October 1, 2008, DDS will allocate additional funds to regional centers to pay for necessary services to allow consumers impacted by this proposal to remain in their home.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

DDS assumes a \$6.1 million increase in funding in BY 2008-09 to the regional centers due to the CDSS budget reduction of domestic and related services. Based upon data provided by CDSS, the Department has identified a total of 38,000 consumers who receive IHSS domestic and related services. Of these consumers, CDSS has determined that 10,909 will be impacted by the reduction in domestic and related services. This DDS proposal is for funding to maintain domestic and related services for the affected individuals to assure their continued health and safety. At an average IHSS hourly rate of \$11.22, the annual fiscal impact is estimated to be \$8,123,000 (\$5,565,000 General Fund). Based on an October 1, 2008 implementation date, the nine-month BY 2008-09 fiscal impact is estimated to be \$6,093,000 (\$4,174,000 General Fund).

The CDSS proposal continues domestic and related services to individuals with a functional index ranking of 4 or 5. Those consumers with functional rankings of 1, 2, or 3 would not be eligible to receive domestic and related services. Individuals currently at Rank 1 do not receive services; individuals at Rank 2 typically require direction or encouragement to do something; individuals at Rank 3 require some physical assistance from another person for some chores. A ranking of 4 would require physical assistance for most chores, and a ranking of 5 would require complete physical assistance. This DDS proposal will provide funding to replace hours being eliminated in the CDSS proposal for individuals with developmental disabilities.

New Major Assumption
Other Departments' Budget-Balancing Reductions
In-Home Supportive Services Functional Index Change Proposal
(Purchase of Services)

FUNDING:

IHSS expenditures are funded by the General Fund and the Home and Community-Based Services (HCBS) Waiver. Approximately 63 percent of the IHSS expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 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:

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

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	\$6,093,000
General Fund	\$0	\$4,174,000
<i>General Fund Match</i>	0	1,919,000
<i>General Fund Other</i>	0	2,255,000
Reimbursements	\$0	\$1,919,000
<i>HCBS Waiver FFP</i>	0	1,919,000

New Major Assumption
Other Departments' Budget-Balancing Reductions
Elimination of Medi-Cal Optional Benefits for Adults
21 Years of Age and Older
(Purchase of Services)

DESCRIPTION:

Summary

The proposed reduction in the Department of Health Care Services' optional Medi-Cal benefits for adults 21 years of age and older impacts regional center purchase of service funds and services to individuals with developmental disabilities. Medi-Cal optional benefit eliminations include, but are not limited to, creams and washes, audiology, optometry and related services, podiatry, psychology, speech therapy, and dental services. Regional centers will incur additional expenses in order to maintain the health and safety of Californians with developmental disabilities in need of these services.

Nature of Request

With the elimination of Medi-Cal optional benefits for adults 21 years of age and older who do not reside in a nursing facility, regional centers will become the payer of last resort for these services, and will see an increase in their Purchase of Service (POS) expenditures commensurate with the decrease in costs to the Medi-Cal system. In Fiscal Year 2006-07, Medi-Cal optional benefit costs for adults with developmental disabilities were \$11.1 million.

Additional funding is required to ensure necessary health care services are available to Department of Developmental Services (DDS) consumers impacted by the elimination of Medi-Cal optional benefits. These include the purchase of preventive care for consumers, that is no longer available through generic resources, to avoid higher-cost medical and dental procedures.

Background/History

The Lanterman Developmental Disabilities Services Act (Lanterman Act), Division 4.5, Chapter 1, section 4502 (d) states that individuals with developmental disabilities have "the right to prompt medical care and treatment."

DDS contracts with regional centers to provide services as outlined in the Lanterman Act. Regional centers are charged to "...identify and pursue all possible sources of funding for consumers receiving regional center services. These sources shall include, but not be limited to, both of the following: (1) Governmental or other entities or programs required to provide or pay the cost of providing services, including Medi-Cal, Medicare..." (section 4659 [a] [1]).

Individuals with developmental disabilities have complex healthcare needs that require specialized services. Current healthcare services for this population are minimal. Quality consumer medical/dental care in the community is difficult to find. Inadequate preventive care leads to high cost medical and dental procedures. Consumers with unique and complex medical conditions have presented significant challenges to our systems of care for decades.

New Major Assumption
Other Departments' Budget-Balancing Reductions
Elimination of Medi-Cal Optional Benefits for Adults
21 Years of Age and Older
(Purchase of Services)

DESCRIPTION (continued):

Background/History (continued):

There continues to be a serious shortage of physicians, dentists and other healthcare professionals in California who are trained in the medical and oral health care of individuals with developmental disabilities. Consumers themselves and their caregivers routinely complain about the inability to receive essential care from qualified medical and dental professionals. Caregivers report an average of an eight-month wait time to schedule routine medical check-ups for consumers. Consumers who need immediate medical treatment often must wait 10 or more hours in a county hospital emergency room when they need to be seen for non life-threatening health problems (respiratory infection, high fever, abdominal pain, etc.).

Persons with developmental disabilities have the highest incidence of dental problems and usually depend on others for preventive care. Many dental providers are reluctant to provide dental care to persons with developmental disabilities, as it requires additional expertise, time, and resources. Lack of preventive care and treatment will result in unnecessary pain, infection, and possible disease.

“Persons with developmental disabilities experience great difficulty in obtaining medical and dental care at the professional standard currently available to the general population” (American Academy of Developmental Medicine and Dentistry Declaration of Purpose).

Once medical and dental services are obtained, it is imperative that they be maintained. Without ongoing services, those with complex medical and oral health conditions may rapidly deteriorate and need costly emergency services and placement in more restrictive environments.

This proposal is consistent with DDS' Strategic Plan to:

- Develop systems to ensure that quality services and supports are provided. Services and supports effectively promote personal outcomes in the areas of choice, relationships, lifestyle, health and well-being, development, rights and satisfaction; and
- Adhere to the Olmstead decision by maintaining consumers with complex health and medical regimens in the community in the least restrictive setting possible.

Due to the elimination of Medi-Cal optional benefits, funding is needed to provide the necessary resources for the purchase of medical services for adults, 21 years of age and older, with developmental disabilities. Medical services are a long term, critical priority need for adults with developmental disabilities.

IMPLEMENTATION DATE:

The elimination of Medi-Cal optional benefits for adults, 21 years of age and older, is proposed to occur July 1, 2008. Concurrently, regional center POS budgets need to be augmented to accommodate the purchase of these healthcare services.

New Major Assumption
Other Departments' Budget-Balancing Reductions
Elimination of Medi-Cal Optional Benefits for Adults
21 Years of Age and Older
(Purchase of Services)

KEY DATA/ASSUMPTIONS/METHODOLOGY:

The Department of Health Care Services (DHCS) reported expenditures, \$11.1 million (\$5.5 million General Fund), for Fiscal Year 2006-07 for Medi-Cal optional benefits for persons with developmental disabilities. As these benefits are now being eliminated from the Medi-Cal formulary, they will have to be purchased by the regional centers. This estimate contains the following key assumptions:

- Pursuant to Title 17, Section 57332 (b), regional centers will reimburse non-residential providers at the maximum rate of reimbursement in accordance with the "Schedule of Maximum Allowances" or, as otherwise specified.
- Pursuant to Title 17, Section 57210 (14), the "Schedule of Maximum Allowances (SMA)" means the schedule of the maximum allowable rate for the service provided as established by the DHCS for services reimbursable under the Medi-Cal program. If the vendor's usual and customary rate is less than the maximum rate allowed pursuant to the SMA, the regional center shall pay the vendor's usual and customary rate.
- Regional centers will continue to reimburse providers at the DHCS' Medi-Cal provider rate where specified by Title 17.
- As a result of the loss of Medi-Cal optional benefits for adults 21 years of age and older, regional centers will become the payer of last resort and purchase the services that were previously provided by Medi-Cal.

The costs to the regional centers will be monitored and revised based upon actual consumer expenditures.

FUNDING:

Medi-Cal optional benefit expenditures are funded by the General Fund and the Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 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:

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

New Major Assumption
Other Departments' Budget-Balancing Reductions
Elimination of Medi-Cal Optional Benefits for Adults
21 Years of Age and Older
(Purchase of Services)

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$0	\$11,064,000
General Fund	\$0	\$8,253,000
<i>General Fund Match</i>	0	2,811,000
<i>General Fund Other</i>	0	5,442,000
Reimbursements	\$0	\$2,811,000
<i>HCBS Waiver FFP</i>	0	2,811,000

New Major Assumption
Other Departments' Budget-Balancing Reductions
SSI/SSP: No Pass Through of Federal SSI COLA
and Suspension of SSP COLAs
(Purchase of Services)

DESCRIPTION:

Summary

The purpose of this new major assumption is to address the fiscal impact to the Department of Developmental Services (DDS) regional center (RC) budget of the California Department of Social Services (CDSS) proposal to (1) eliminate the pass through of the January 1, 2009 federal Social Security Income (SSI) cost-of-living adjustment (COLA), and (2) suspend State Supplementary Program (SSP) increases.

Nature of Request

The initial CDSS Current Year 2007-08 and Budget Year 2008-09 proposed budget includes SSI/SSP COLAs effective January 1, 2008, June 1, 2008, January 1, 2009 and June 1, 2009. Current DDS policy eliminates the pass-through of any SSI/SSP COLAs to regional center-funded community care facilities (CCFs) by using them to offset General Fund expenditures. However, CDSS' budget-balancing reduction (BBR) proposal eliminates pass through of the January 1, 2009 federal SSI COLA and suspends the June 1 SSP COLAs for 2007-08 and 2008-09. As a result, the anticipated savings in RC CCF expenditures of \$472,000 in 2007-08 and \$3,792,000 in FY 2008-09 will not be realized and needs to be maintained in the DDS RC budget.

Background/History

The RC Alternative Residential Model (ARM) CCF rates have been operative for over 20 years. As part of the DDS cost containment measures, the Budget Act of 2003 eliminated the pass through of increases in SSI/SSP; as such, the SSI/SSP COLA is used to offset General Fund expenditures for CCF services. The SSI/SSP payment is a grant from the Social Security Administration and is included in the CDSS budget. Pursuant to Welfare and Institutions Code, Sections 4648 and 4681.1, and the California Code of Regulations, Section 56917, the regional center source of funds for the monthly payment to CCF service providers consists of the regional center supplement and, where appropriate, any SSI and SSP funds for which the consumer is eligible.

IMPLEMENTATION DATE:

CDSS' BBR (1) eliminates pass through of the January 1, 2009 federal SSI COLA, and (2) suspends the June 1, 2008 SSP COLA until October 1, 2008, and the June 1, 2009 COLA is also suspended beyond the 2008-09 fiscal year.

New Major Assumption
Other Departments' Budget-Balancing Reductions
SSI/SSP: No Pass Through of Federal SSI COLA
and Suspension of SSP COLAs
(Purchase of Services)

KEY DATA/ASSUMPTIONS/METHODOLOGY:

Community Care Facilities are the backbone of the licensed community residential service delivery system, serving over 75 percent of the individuals with developmental disabilities living in out-of-home settings. Funding is needed to maintain CCFs at the current level.

Due to suspension of the CDSS SSP COLAs, the previously estimated savings of \$472,000 in 2007-08 and \$3,792,000 in 2008-09 should be maintained in the DDS regional center budget.

FUNDING:

SSI/SSP expenditures are funded by the General Fund and the Home and Community-Based Services (HCBS) Waiver. Approximately 80 percent of the SSI/SSP expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 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:

This is a new major assumption beginning in CY 2007-08.

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$472,000	\$3,792,000
General Fund	\$283,000	\$2,275,000
<i>General Fund Match</i>	<i>189,000</i>	<i>1,517,000</i>
<i>General Fund Other</i>	<i>94,000</i>	<i>758,000</i>
Reimbursements	\$189,000	\$1,517,000
<i>HCBS Waiver FFP</i>	<i>189,000</i>	<i>1,517,000</i>

New Major Assumption
Other Departments' Budget-Balancing Reductions
Month-to-Month Eligibility for Emergency Medi-Cal
for Restricted Scope Eligible Immigrants
and Elimination of State-Only Funded Nonemergency
Services for Immigrants
(Purchase of Services)

DESCRIPTION:

Summary

The Department of Developmental Services (DDS) requests \$185,000 General Fund to provide services for recent legal immigrants and undocumented immigrants with developmental disabilities that will no longer be covered by the Department of Health Care Services (DHCS).

Nature of Request

The DHCS has proposed a Budget-Balancing Reduction (BBR) and Trailer Bill Language that would (1) rescind full-scope Medi-Cal for recent legal immigrants, (2) eliminate recent legal immigrants from the Healthy Families Program, and (3) eliminate nonemergency services for undocumented immigrants. Included in the population impacted by this BBR are persons with developmental disabilities who are entitled, under the Lanterman Developmental Disabilities Services Act, to receive services and supports as defined in their individual program plans (plans of care), which may include those proposed for elimination. As a result, the DDS requests additional resources to fund the services impacted by this proposal.

Background/History

Federal law requires states to provide emergency services (with federal financial participation [FFP]) to eligible immigrants regardless of immigration status. In California, immigrants who are not eligible for full scope Medi-Cal because of their immigration status receive restricted scope Medi-Cal which includes coverage of emergency services, prenatal care, 60 days of post-partum coverage and, for some of these immigrants, long-term care. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) required states to re-authorize most state-funded programs for undocumented immigrants. California passed legislation to re-authorize state-only funded nonemergency pregnancy-related services and state-only funded long-term care for eligible immigrants.

Under current Medi-Cal rules, restricted scope eligible immigrants who are not eligible for full scope Medi-Cal because of their immigration status can establish eligibility whether or not they are in need of emergency services at the time of application. Their eligibility continues until they no longer meet the eligibility requirements.

The Trailer Bill Language proposed by DHCS would limit the period of eligibility for emergency services (except pregnancy-related emergency services) to the month or months during which emergency services are received. Eligibility for emergency services (except pregnancy-related emergency services) would begin on the first day of the month in which emergency services are initially needed and end on the last day of the month in which the need for emergency treatment concludes.

New Major Assumption
Other Departments' Budget-Balancing Reductions
Month-to-Month Eligibility for Emergency Medi-Cal
for Restricted Scope Eligible Immigrants
and Elimination of State-Only Funded Nonemergency
Services for Immigrants
(Purchase of Services)

IMPLEMENTATION DATE:

The changes to services for recent legal immigrants and undocumented immigrants with developmental disabilities is proposed to occur October 1, 2008.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

Regional centers will identify consumers affected by the elimination of Medi-Cal services and develop individual program plans to meet the affected consumers' needs. DDS assumes a \$185,000 increase in BY 2008-09, a nine month fiscal impact, to the regional centers based on data received from DHCS. The estimated full-year fiscal impact is \$325,000 General Fund.

FUNDING:

These services will be funded 100 percent by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

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

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$0	\$185,000
General Fund	\$0	\$185,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	0	185,000

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 a developmental center (DC) into the community and to deflect individuals who have been referred to a 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 a 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 a 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.
- **Crisis Service Teams:** Positions for crisis services which include a behavioral team, a clinical team and an emergency response team.

Community Placement Plan

DESCRIPTION (continued):

Personal Services (continued):

- **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 170 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.

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.

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.

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES (continued):

- **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 170 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.

The Administration's commitment is to ensure the availability of all necessary community supports and services for Agnews consumers prior to community placement. Multiple relocations of consumers to meet a June 30, 2008 closure date are inconsistent with the continued commitment to consumers' health and safety and successful transition of the remaining residents. A rolling closure date will be premised on having the community resources in place.

The Department of Developmental Services therefore seeks reappropriation authority in the event that community resources are not available by June 30, 2008. This will not result in increased costs to the state.

Proposed Budget Bill Language:

4300-491 - Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2008, the balances of the appropriations provided in the following citations are reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2009:

0001 – General Fund

- (1) Item 4300-003-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

Schedule:

- (a) Balance of the appropriations in Schedule (1) 20 Developmental Centers Program and Schedule (2) Reimbursements to provide care and assistance to consumers that will remain at Agnews Developmental Center past the June 30, 2008 closure date.

- (2) Item 4300-101-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

Schedule:

- (a) Balance of appropriations in Schedule (1) 10.10.010 Operations, Schedule (2) 10.10.020 Purchase of Services, and Schedule (4) Reimbursements to provide care and assistance to consumers that will remain at Agnews Developmental Center past the June 30, 2008 closure date.

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES (continued):

- **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 May Revision, all CPP costs for CY 2007-08 and BY 2008-09 have been updated, based on CPPs received from the regional centers in January 2008. For BY 2008-09, there are operations costs associated with Agnews Unified 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

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
METHODOLOGY:		
• OPERATIONS TOTAL	\$21,734,000	\$21,985,000
• Regular CPP	13,007,000	14,048,000
• Unified Plan	8,727,000	7,937,000
• PURCHASE OF SERVICES TOTAL	\$90,198,000	\$64,779,000
• Regular CPP	50,520,000	64,779,000
• Agnews Unified Plan	38,610,000	0
• Agnews Other RCs	1,068,000	0
• TOTAL EXPENDITURES	\$111,932,000	\$86,764,000
• Total Regular CPP	63,527,000	78,827,000
• Total Agnews Unified Plan	47,337,000	7,937,000
• Total Agnews Other RCs	1,068,000	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 (HCBS) Waiver and Medicaid Administration. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and 50 percent in BY 2008-09 is federal financial participation (FFP). Of the Medicaid Administration eligible amount, 75 percent in CY 2007-08 and 75 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 the most recent individualized consumer data submitted by the RCs in January 2008 for Regular CPP and Unified CPP.

Community Placement Plan

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.

EXPENDITURES:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$111,932,000	\$86,764,000
RC Operations	\$21,734,000	\$21,985,000
RC Purchase of Services	\$90,198,000	\$64,779,000
<i>Community Care Facilities</i>	38,865,000	22,372,000
<i>Medical Facilities</i>	144,000	273,000
<i>Day Programs</i>	5,760,000	3,613,000
<i>Work Activity Program</i>	0	9,000
<i>Supported Employment Program: Group Placement</i>	53,000	114,000
<i>Supported Employment Program: Individual Placement</i>	0	0
<i>Transportation</i>	1,296,000	767,000
<i>Support Services</i>	6,185,000	5,232,000
<i>In-Home Respite</i>	10,000	6,000
<i>Out-of-Home Respite</i>	112,000	125,000
<i>Health Care</i>	1,509,000	577,000
<i>Miscellaneous Services</i>	36,264,000	31,691,000
FUND SOURCES:		
TOTAL	\$111,932,000	\$86,764,000
General Fund	\$91,741,000	\$75,325,000
<i>General Fund Match</i>	19,202,000	9,980,000
<i>General Fund Other</i>	72,539,000	65,345,000
Reimbursements	\$20,191,000	\$11,439,000
<i>HCBS Waiver FFP</i>	18,707,000	9,250,000
<i>Medicaid Administration FFP</i>	1,484,000	2,189,000

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

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

CPP Activity	2008-09 November Estimate	2008-09 May Revision: CY 2007-08					CY 2007-08 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$22,359,000	\$13,007,000	8,727,000	0	\$8,727,000	\$21,734,000	-\$625,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$32,655,000	\$21,237,000	11,625,000	658,000	\$12,283,000	\$33,520,000	\$865,000
B. Assessment	647,000 214 consumers	673,000 249 consumers	0 0 consumers	0 0 consumers	0 0 consumers	673,000 249 consumers	26,000 35 consumers
C. Placement	48,641,000 380 consumers	\$18,241,000 176 consumers	26,985,000 193 consumers	410,000 11 consumers	27,395,000 204 consumers	45,636,000 380 consumers	-3,005,000 0 consumers
D. Deflection	11,878,000 153 consumers	10,369,000 164 consumers	0 0 consumers	0 0 consumers	0 0 consumers	10,369,000 164 consumers	-1,509,000 11 consumers
E. SUBTOTAL POS (A + B + C + D)	\$93,821,000	\$50,520,000	38,610,000	1,068,000	\$39,678,000	\$90,198,000	-\$3,623,000
III. TOTAL CPP (I. + II.E.)	\$116,180,000	\$63,527,000	47,337,000	1,068,000	\$48,405,000	\$111,932,000	-\$4,248,000 b/

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

b/ The CY 2007-08 estimate reflects no change from the 2008-09 November Estimate of 204 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. For CY 2007-08, 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 the decrease in community placements reflected in the 2008-09 November Estimate.

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

For the 2008-09 May Revision, the regional centers have updated Regular CPP costs 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.

CPP Activity	2008-09 November Estimate	2008-09 May Revision: BY 2008-09					BY 2008-09 Difference
		Regular	Agnews a/		Subtotal	Total	
			Unified Plan	Other RCs			
I. OPERATIONS	\$21,058,000	\$14,048,000	7,937,000	0	\$7,937,000	\$21,985,000	\$927,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$20,255,000	\$30,449,000	0	0	\$0	\$30,449,000	\$10,194,000
B. Assessment	647,000 214 consumers	678,000 226 consumers	0 0 consumers	0 0 consumers	0 0 consumers	678,000 226 consumers	31,000 12 consumers
C. Placement	20,198,000 176 consumers	22,210,000 176 consumers	0 0 consumers	0 0 consumers	0 0 consumers	22,210,000 176 consumers	2,012,000 0 consumers
D. Deflection	11,878,000 153 consumers	11,442,000 92 consumers	0 0 consumers	0 0 consumers	0 0 consumers	11,442,000 92 consumers	-436,000 -61 consumers
E. SUBTOTAL POS (A + B + C + D)	\$52,978,000	\$64,779,000	0	0	\$0	\$64,779,000	\$11,801,000
III. TOTAL CPP (I. + II.E.)	\$74,036,000	\$78,827,000	7,937,000	0	\$7,937,000	\$86,764,000	\$12,728,000

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	55.85	\$4,866,100	22.80	\$2,122,500	78.65	\$6,988,600
b. Quality Assurance/ Management	6.80	578,200	9.00	958,300	15.80	1,536,500
c. Assessment	19.90	1,574,700	6.60	873,000	26.50	2,447,700
d. Placement	44.60	3,223,200	19.75	1,439,100	64.35	4,662,300
e. Crisis Services Teams	9.10	1,242,200	0.00	0	9.10	1,242,200
f. Nurse Consultants for SB 962 Homes	0.00	0	4.26	281,000	4.26	281,000
g. 2007-08 Legislative Augmentation: Resources for Health Care Community Specialists	0.00	0	4.00	503,000	4.00	503,000
h. Total Personal Services	136.25	\$11,484,400	66.41	\$6,176,900	202.66	\$17,661,300

2. Operating Expenses

a. Operating Expenses	\$453,600	\$192,700		\$646,300
b. Rent	865,800	369,500		1,235,300
c. Training, Travel, Consultants	273,400	66,000		339,400
d. Allocation Adjustment	-70,529	0		-70,529
e. Total Operating Expenses	\$1,522,271	\$628,200		\$2,150,471

3. State Employees in the Community

a. Personal Services	\$0	16.25	\$1,412,100	\$1,412,100
b. Operating Expenses	0		141,900	141,900
c. Total Clinical Staff	\$0	16.25	\$1,554,000	\$1,554,000

4. Subtotal Staffing (Rounded)

	\$13,006,671	82.66	\$8,359,100	\$21,365,771
	\$13,007,000	83.00	\$8,359,000	\$21,366,000

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	88,000		88,000
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3. Subtotal Projects

	\$0	\$368,000		\$368,000
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C. Total (A + B) (Rounded)

	\$13,006,671	\$8,727,100		\$21,733,771
	\$13,007,000	\$8,727,000		\$21,734,000

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	54.65	\$4,684,500	0.00	\$450,000	54.65	\$5,134,500
b. Quality Assurance/ Management	10.80	968,500	26.00	3,026,500	36.80	3,995,000
c. Assessment	17.35	1,788,500	0.00	0	17.35	1,788,500
d. Placement	48.90	3,786,000	5.15	365,600	54.05	4,151,600
e. Crisis Services Teams	10.00	1,328,100	0.00	0	10.00	1,328,100
f. Nurse Consultants for SB 962 Homes	0.00	0	0.00	0	0.00	0
g. 2007-08 Legislative Augmentation: Resources for Health Care Community Specialists	0.00	0	4.00	503,000	4.00	503,000
h. Total Personal Services	141.70	\$12,555,600	35.15	\$4,345,100	176.85	\$16,900,700

2. Operating Expenses

a. Operating Expenses		\$470,600		\$103,900		\$574,500
b. Rent		897,100		197,900		1,095,000
c. Training, Travel, Consultants		124,900		198,000		322,900
d. Total Operating Expenses		\$1,492,600		\$499,800		\$1,992,400

3. State Employees in the Community

a. Personal Services		\$0	20.00	\$2,040,000		\$2,040,000
b. Operating Expenses		0		191,100		191,100
c. Total Clinical Staff		\$0	20.00	\$2,231,100		\$2,231,100

**4. Subtotal Staffing
(Rounded)**

		\$14,048,200	55.15	\$7,076,000		\$21,124,200
		\$14,048,000	55.00	\$7,076,000		\$21,124,000

B. Projects

1. Evaluation of SB 962 Pilots		\$0		\$362,000		\$362,000
2. Foster Grandparent/Senior Grandparent Programs		0		499,000		499,000
3. Subtotal Projects		\$0		\$861,000		\$861,000

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

		\$14,048,200		\$7,937,000		\$21,985,200
		\$14,048,000		\$7,937,000		\$21,985,000

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

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

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	\$33,520,000	\$33,520,000
B. Assessment	249	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$673,000	\$673,000
C. Placement	380	\$28,137,000	\$2,241,000	\$144,000	\$521,000	\$5,760,000	\$0	\$53,000	\$0	\$1,296,000	\$3,782,000	\$10,000	\$112,000	\$1,509,000	\$2,071,000	\$45,636,000
D. Deflection b/	164	\$8,487,000	\$0	\$0	\$1,882,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,369,000
E. 2008-09 MAY REV 2007-08 TOTAL c/		\$36,624,000	\$2,241,000	\$144,000	\$2,403,000	\$5,760,000	\$0	\$53,000	\$0	\$1,296,000	\$3,782,000	\$10,000	\$112,000	\$1,509,000	\$36,264,000	\$90,198,000
F. 2008-09 NOV EST 2007-08 TOTAL		\$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
G. DIFFERENCE		\$734,000	\$83,000	-\$1,559,000	-\$4,028,000	\$207,000	-\$17,000	-\$48,000	-\$11,000	-\$8,000	\$1,807,000	\$10,000	-\$56,000	-\$19,000	-\$718,000	-\$3,623,000

a/ Start-Up Cost: This is related to start-up funds needed for **149** new facilities/programs and **19** 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 May Revision, the regional centers have updated Regular CPP costs 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.

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	\$30,449,000	\$30,449,000
B. Assessment	226	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$678,000	\$678,000
C. Placement	176	\$12,035,000	\$13,000	\$273,000	\$0	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$564,000	\$22,210,000
D. Deflection b/	92	\$9,892,000	\$432,000	\$0	\$1,118,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,442,000
E. 2008-09 MAY REV 2008-09 TOTAL		\$21,927,000	\$445,000	\$273,000	\$1,118,000	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$31,691,000	\$64,779,000
F. 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
G. DIFFERENCE		\$4,917,000	\$445,000	-\$1,394,000	-\$4,596,000	\$896,000	-\$8,000	\$13,000	-\$11,000	\$208,000	\$2,518,000	\$6,000	-\$25,000	\$119,000	\$8,713,000	\$11,801,000

a/ Start-Up Cost: This is related to start-up funds needed for **150** new facilities/programs, **1** program expansion, and **3** program continuations.

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

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	22	12%	184	\$799,000				\$535,000				\$93,000	\$239,000	\$1,000	\$23,000	\$34,000	\$158,000	\$1,882,000
Avg Cost/Consumer Mo				\$4,342				\$2,908				\$505	\$1,299	\$5	\$125	\$185	\$859	\$10,228
• Specialized Residential Facilities (SRF)	99	56%	743	\$8,645,000				\$1,534,000		\$34,000		\$347,000	\$539,000		\$85,000	\$278,000	\$151,000	\$11,613,000
Avg Cost/Consumer Mo				\$11,635				\$2,065	\$46		\$467	\$725		\$114	\$374	\$203	\$15,629	
• Intermediate Care Facilities (ICF)/ Skilled Nursing Facility (SNF)	21	12%	167			\$108,000		\$511,000				\$82,000	\$231,000	\$2,000	\$64,000	\$77,000		\$1,075,000
Avg Cost/Consumer Mo						N/A		\$3,060				\$491	\$1,383	\$12	\$383	\$461		\$5,790
• Supported Living/ Independent Living Services (ILS)	26	15%	156					\$56,000	\$433,000	\$19,000		\$89,000	\$2,461,000	\$2,000	\$56,000	\$197,000		\$3,313,000
Avg Cost/Consumer Mo								\$359	\$2,776	\$122		\$571	\$15,776	\$13	\$359	\$1,263		\$21,237
• Adult Family Home Agencies																		
• Adult Family Home	1	1%	5		\$21,000			\$26,000				\$3,000	\$37,000				\$10,000	\$97,000
Avg Cost/Consumer Mo					\$4,200			\$5,200				\$600	\$7,400				\$2,000	\$19,400
• Family Teaching Home (FTH)	1	1%	7		\$62,000			\$26,000				\$3,000						\$91,000
Avg Cost/Consumer Mo					\$8,857			\$3,714				\$429						\$13,000
• Other (Own Home, etc.)	6	3%	67					\$73,000				\$20,000	\$21,000	\$9,000	\$26,000	\$21,000		\$170,000
Avg Cost/Consumer Mo								\$1,090				\$299	\$313	\$134	\$388	\$313		\$2,537
Subtotal	176	100%	1,329	\$9,444,000	\$83,000	\$108,000	\$56,000	\$3,138,000	\$0	\$53,000	\$0	\$637,000	\$3,528,000	\$10,000	\$112,000	\$458,000	\$614,000	\$18,241,000
Agnews Other CPP																		
• CCF																		
• Residential Facilities	3	27%	10	\$43,000				\$57,000				\$13,000	\$1,000			\$4,000	\$4,000	\$122,000
Avg Cost/Consumer Mo				\$4,300				\$5,700				\$1,300	\$100		\$400	\$400		\$12,200
• ICF	5	46%	15					\$87,000				\$20,000	\$1,000			\$3,000	\$6,000	\$117,000
Avg Cost/Consumer Mo								\$5,800				\$1,333	\$67		\$200	\$400		\$7,800
• Supported Living	3	27%	9					\$32,000				\$10,000	\$125,000		\$1,000	\$3,000		\$171,000
Avg Cost/Consumer Mo								\$3,556				\$1,111	\$13,889		\$111	\$333		\$19,000
Subtotal	11	100%	34	\$43,000	\$0	\$0	\$0	\$176,000	\$0	\$0	\$0	\$43,000	\$127,000	\$0	\$0	\$8,000	\$13,000	\$410,000

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				\$19,444				\$2,933				\$556						\$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%	2,464	\$28,137,000	\$2,241,000	\$144,000	\$521,000	\$5,760,000	\$0	\$53,000	\$0	\$1,296,000	\$3,782,000	\$10,000	\$112,000	\$1,509,000	\$2,071,000	\$45,636,000

a/ Represents lease payments needed until the home is fully occupied for vacant beds to be occupied by Agnews movers. Total cost for specific residence type = facility line item cost + transition cost + other placement.

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

c/ Represents fixed residential service costs that must be paid until the home is fully occupied.

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

For the 2008-09 May Revision, the regional centers have updated Regular CPP costs 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.

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%	203	\$860,000				\$656,000				\$156,000	\$398,000		\$13,000	\$14,000	\$131,000	\$2,228,000
Avg Cost/Consumer Mo				\$4,236				\$3,232				\$768	\$1,961		\$64	\$69	\$645	\$10,975
● Specialized Residential Facilities (SRF)	114	65%	892	\$11,175,000				\$2,185,000	\$9,000	\$114,000		\$473,000	\$724,000		\$82,000	\$459,000	\$339,000	\$15,560,000
Avg Cost/Consumer Mo				\$12,528				\$2,450	\$10	\$128		\$530	\$812		\$92	\$515	\$380	\$17,445
● Intermediate Care Facilities (ICF)	17	9%	136			\$273,000		\$446,000				\$77,000	\$364,000		\$15,000	\$68,000	\$27,000	\$1,270,000
Avg Cost/Consumer Mo						N/A		\$3,279				\$566	\$2,676		\$110	\$500	\$199	\$7,330
● Supported Living	18	10%	149					\$317,000				\$58,000	\$2,628,000		\$15,000	\$34,000	\$64,000	\$3,116,000
Avg Cost/Consumer Mo								\$2,128				\$389	\$17,638		\$101	\$228	\$430	\$20,914
● Adult Family Home Agencies																		
● Adult Family Home	1	1%	1		\$13,000							\$1,000					\$3,000	\$17,000
Avg Cost/Consumer Mo					\$13,000							\$1,000					\$3,000	\$17,000
● Other (Own Home, etc.)	1	1%	5					\$9,000				\$2,000		\$6,000		\$2,000		\$19,000
Avg Cost/Consumer Mo								\$1,800				\$400		\$1,200		\$400		\$3,800
TOTAL	176	100%	1,386	\$12,035,000	\$13,000	\$273,000	\$0	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$564,000	\$22,210,000

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.

CY 2007-08 BY 2008-09

ASSUMPTIONS/METHODOLOGY:

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: \$987,051,000 \$1,031,651,000

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%	796,542,000	834,246,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	4,359,000	4,362,000
<i>Medicaid Administration</i>	25.00%	25.00%	4,623,000	4,785,000
<i>Targeted Case Management (TCM)</i>	50.00%	50.00%	132,815,000	133,838,000
<i>TCM Administration</i>	50.00%	50.00%	4,488,000	4,351,000
<i>Self-Directed HCBS Waiver</i>	50.00%	50.00%	0	4,617,000
<i>Self-Directed HCBS Waiver Administration</i>	50.00%	50.00%	224,000	1,452,000
<i>Medicaid</i>	50.00%	50.00%	44,000,000	44,000,000

- General Fund Other: \$1,146,578,000 \$1,356,516,000

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

- **TOTAL EXPENDITURES** **\$2,133,629,000 \$2,388,167,000**

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	\$2,133,629,000	\$2,388,167,000
General Fund	\$2,133,629,000	\$2,388,167,000
<i>General Fund Match</i>	987,051,000	1,031,651,000
<i>General Fund Other</i>	1,146,578,000	1,356,516,000

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 3/5/08
(July 2007 - December 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:	\$1,623,028,000	\$1,677,459,000
● CY 2007-08		
Total estimated expenditures based on FY 2007-08 billing data (July 2007 - December 2007) multiplied by 2 to annualize	1,634,770,000	
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		1,714,993,000
Less Community Placement Plan One-Time Costs		-37,414,000
Less Enhancing FFP for Additional Services (One-Time Costs)		-120,000
● Annual Growth (New RC Consumers)	In base	\$37,650,000
● CY Annual Growth		
● 2007-08 Annual Growth	<i>In base</i>	
● 2006-07 Annual Growth Continuation	<i>In base</i>	
● BY Annual Growth		
● 2008-09 Annual Growth		18,150,000
Add 6 months of annual growth costs in BY for 2,420 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2008-09 (2,420 x \$15,000 (annual cost/consumer) x .5 (6 months) = \$18,150,000).		
● 2007-08 Annual Growth Continuation		19,500,000
Add 6 months of costs to annualize growth costs in BY for 2,600 consumers who were added to the HCBS Waiver and phased-in during CY 2007-08 (2,600 x \$15,000 (annual cost/consumer) x .5 (6 months) = \$19,500,000).		
● Increase of Waiver Cap - Growth	\$1,440,000	\$5,460,000
● CY 2007-08		
● 2007-08 Increase of Waiver Cap Growth	1,440,000	
Growth for 690 consumers added in CY 2007-08		
690		New consumers will be phased in each month beginning 3/1/08
x \$10,000		Cost per consumer per year
\$6,900,000		Estimated HCBS Waiver-eligible annual costs
20.87%		Phase-in factor in CY costs
<u>\$1,440,000</u>		Subtotal CY 2007-08 Waiver-eligible costs

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>										
<ul style="list-style-type: none"> • 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 690 consumers added in CY 2007-08 <table border="0" style="margin-left: 20px; width: 60%;"> <tr> <td style="text-align: right;">690</td> <td>Beginning 3/1/08, new consumers will be phased in each month</td> </tr> <tr> <td style="text-align: right;">x \$10,000</td> <td>Cost per consumer per year</td> </tr> <tr> <td style="text-align: right;"><u>\$6,900,000</u></td> <td>Estimated HCBS Waiver-eligible annual costs</td> </tr> <tr> <td style="text-align: right;">79.13%</td> <td>Phase-in factor to annualize CY costs</td> </tr> <tr> <td style="text-align: right;"><u>\$5,459,000</u></td> <td>Subtotal BY 2008-09 Waiver-eligible costs</td> </tr> </table> 	690	Beginning 3/1/08, new consumers will be phased in each month	x \$10,000	Cost per consumer per year	<u>\$6,900,000</u>	Estimated HCBS Waiver-eligible annual costs	79.13%	Phase-in factor to annualize CY costs	<u>\$5,459,000</u>	Subtotal BY 2008-09 Waiver-eligible costs	<p>5,460,000</p>	<p>5,460,000</p>
690	Beginning 3/1/08, new consumers will be phased in each month											
x \$10,000	Cost per consumer per year											
<u>\$6,900,000</u>	Estimated HCBS Waiver-eligible annual costs											
79.13%	Phase-in factor to annualize CY costs											
<u>\$5,459,000</u>	Subtotal BY 2008-09 Waiver-eligible costs											
<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> <p><u>CY 2007-08</u></p> <ul style="list-style-type: none"> • Total HCBS Waiver-billable costs for 312 Waiver-eligible consumers: <table border="0" style="margin-left: 20px;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">37,414,000</td> </tr> </table> <p><u>BY 2008-09</u></p> <ul style="list-style-type: none"> • Total HCBS Waiver-billable costs for 144 Waiver-eligible consumers: <table border="0" style="margin-left: 20px;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">18,499,000</td> </tr> </table> 		37,414,000		18,499,000	<p>\$37,414,000</p>	<p>\$18,499,000</p>						
	37,414,000											
	18,499,000											
<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> <p><u>CY 2007-08</u></p> <ul style="list-style-type: none"> • Total HCBS Waiver-billable costs for 148 Waiver-eligible consumers: <table border="0" style="margin-left: 20px;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">19,909,000</td> </tr> </table> <p><u>BY 2008-09</u></p> <ul style="list-style-type: none"> • Total HCBS Waiver-billable costs for 314 Waiver-eligible consumers: <table border="0" style="margin-left: 20px;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">73,634,000</td> </tr> </table> 		19,909,000		73,634,000	<p>\$19,909,000</p>	<p>\$73,634,000</p>						
	19,909,000											
	73,634,000											
<ul style="list-style-type: none"> • SSI/SSP Increase/RC Savings 	<p>-\$3,607,000</p>	<p>-\$4,167,000</p>										
<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> 	<p>\$120,000</p>	<p>\$60,000</p>										
<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 \$14.6 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> 	<p>\$29,158,000</p>	<p>In Base</p>										

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> ● HCBS Waiver Decrease due to Self-Directed HCBS Waiver <ul style="list-style-type: none"> ● BY 2008-09 <p style="margin-left: 40px;">It is assumed that 1,300 consumers will be phased into SDS beginning 7/1/08. Approximately 23% or 299 of the 1,300 consumers will transfer from the HCBS Waiver to the new SDHCBS Waiver. The average monthly HCBS waiver-billable costs for these consumers who will no longer be on the HCBS Waiver is estimated to be \$1,043. The total BY 2008-09 HCBS Waiver-billable costs for these consumers are estimated to be \$1,572,000. In addition to the costs for the 299 new consumers moving from the HCBS Waiver, there will be a reduction to the HCBS Waiver annual growth of \$3,131,000 for 501 consumers who would have been new enrollees on the HCBS Waiver, but will instead go directly onto the SDHCBS waiver (\$1,572,000 + 3,131,000 = \$4,703,000).</p>	N/A	-\$4,703,000
<ul style="list-style-type: none"> ● Minimum Wage Increases <p style="margin-left: 40px;">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 \$43,267,000 and \$53,657,000 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 the January 1, 2007 increase. The CY estimate includes 6 months of the January 1, 2008 increase. These CY costs will remain in the base for BY. The BY estimate includes the remaining 6 months of the January 1, 2008 increase.</p>	\$7,153,000	\$7,159,000
<ul style="list-style-type: none"> ● DDS Budget-Balancing Reductions <ul style="list-style-type: none"> ● BY 2008-09 ● Negotiated Rate Reduction ● Reduce SEP Provider Rates by 10% 		-\$27,938,000
<ul style="list-style-type: none"> ● New Major Assumptions: Other Departments' Budget-Balancing Reductions <ul style="list-style-type: none"> ● CY 2007-08 <ul style="list-style-type: none"> ● SSI/SSP: No Pass Through of the Federal SSI COLA and Suspension of SSP COLAs ● BY 2008-09 <ul style="list-style-type: none"> ● In-Home Supportive Services Functional Index Change ● Elimination of Medi-Cal Optional Benefits ● SSI/SSP: No Pass Through of the Federal SSI COLA and Suspension of SSP COLAs 	378,000	12,493,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$1,714,993,000	\$1,795,606,000
<ul style="list-style-type: none"> ● Federal Medical Assistance Percentage 	50.00%	50.00%
<ul style="list-style-type: none"> ● Total FFP 	\$857,497,000	\$897,803,000
<ul style="list-style-type: none"> ● General Fund Match 	\$796,542,000	\$834,246,000
<ul style="list-style-type: none"> ● Public Transportation Account (PTA) Match 	\$60,954,000	\$63,557,000

Home and Community-Based Services Waiver

FUNDING:

Home and Community-Based Services Waiver reimbursements fund a broad array of purchase of service costs for eligible individuals, as reflected in most of the POS methodologies, Pages E-4.1 through E-15.17, 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:

For the 2008-09 November Estimate, it was assumed that temporary cost containment measures would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made these measures permanent. Therefore, this estimate no longer assumes these measures will sunset, and these costs are no longer reflected in this 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	CY 2007-08	BY 2008-09
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,714,993,000	\$1,795,606,000
<i>GF Match</i>			796,542,000	834,246,000
<i>PTA Match</i>			60,954,000	63,557,000
<i>FFP (from DHS)</i>			857,497,000	897,803,000
FMAP			50.00%	50.00%
SUBTOTAL: PURCHASE OF SERVICES		100.00%	\$1,714,615,000	\$1,783,113,000
<i>GF Match</i>			796,353,000	827,999,000
<i>PTA Match</i>			60,954,000	63,557,000
<i>FFP (from DHS)</i>			857,308,000	891,557,000
Community Care Facilities	80%	36.75%	585,320,000	619,424,000
<i>GF Match</i>			292,660,000	309,712,000
<i>FFP</i>			292,660,000	309,712,000
Day Programs	52%	24.89%	396,425,000	419,523,000
<i>GF Match</i>			198,213,000	209,761,000
<i>FFP</i>			198,212,000	209,762,000
Work Activity Program	63%	2.81%	44,755,000	47,363,000
<i>GF Match</i>			22,378,000	23,681,000
<i>FFP</i>			22,377,000	23,682,000
Supported Employment Placement/Group	41%	1.77%	28,191,000	29,834,000
<i>GF Match</i>			14,095,000	14,917,000
<i>FFP</i>			14,096,000	14,917,000
Supported Employment Placement/Individual	27%	0.36%	5,734,000	6,068,000
<i>GF Match</i>			2,867,000	3,034,000
<i>FFP</i>			2,867,000	3,034,000
Transportation	56%	0.00%	121,909,000	127,114,000
<i>GF Match</i>			0	0
<i>PTA Match</i>			60,954,000	63,557,000
<i>FFP</i>			60,955,000	63,557,000
Support Services	68%	22.48%	358,040,000	378,902,000
<i>GF Match</i>			179,020,000	189,451,000
<i>FFP</i>			179,020,000	189,451,000
In-Home Respite	56%	6.62%	105,437,000	111,581,000
<i>GF Match</i>			52,718,000	55,791,000
<i>FFP</i>			52,719,000	55,790,000
Out-of-Home Respite	12%	0.38%	6,052,000	6,405,000
<i>GF Match</i>			3,026,000	3,203,000
<i>FFP</i>			3,026,000	3,202,000
Health Care	8%	0.38%	6,052,000	6,405,000
<i>GF Match</i>			3,026,000	3,202,000
<i>FFP</i>			3,026,000	3,203,000
Miscellaneous	22%	3.56%	56,700,000	60,004,000
<i>GF Match</i>			28,350,000	30,002,000
<i>FFP</i>			28,350,000	30,002,000

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

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
Self-Directed Services	N/A	-\$1,572,000
<i>GF Match</i>	N/A	-786,000
<i>FFP</i>	N/A	-786,000
DDS BBRs	N/A	-\$27,938,000
<i>GF Match</i>	N/A	-13,969,000
<i>FFP</i>	N/A	-13,969,000
NEW MAJOR ASSUMPTION: Other Departments' BBRs	\$378,000	\$12,493,000
<i>GF Match</i>	189,000	6,247,000
<i>FFP</i>	189,000	6,246,000

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:

- | | <u>CY 2007-08</u> | <u>BY 2008-09</u> |
|--|-------------------|-------------------|
| ● Training for DSP Staff | \$2,866,000 | \$2,866,000 |
| ● 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. | | |

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; margin-left: 20px;"> <tr> <td style="text-align: right;">\$712,000</td> <td style="text-align: right;">\$719,000</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. ● 33% of the total community population is HCBS Waiver eligible. ● Therefore 33% of the total costs would be FFP + GF. ($\\$2,159,000 \times 33\% = \\$712,000$) ● $\\$712,000 \times 50\% = \\$356,000$ FFP ● BY 2008-09 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,179,000. ● 33% of the total community population is HCBS Waiver eligible. ● Therefore 33% of the total costs would be FFP + GF Match. ($\\$2,179,000 \times 33\% = \\$719,000$) ● $\\$719,000 \times 50\% = \\$360,000$ FFP ● These costs are reflected under Operations, Staffing, page E-1.14. 	\$712,000	\$719,000		
\$712,000	\$719,000			
<ul style="list-style-type: none"> ● FFP Enhancement (related to 2003-04 Enhancing FFP BCP): <table style="float: right; margin-left: 20px;"> <tr> <td style="text-align: right;">\$5,140,000</td> <td style="text-align: right;">\$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%. 	\$5,140,000	\$5,140,000		
\$5,140,000	\$5,140,000			

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Methodology change for Staffing for Collection of FFP for Contracted Services: 33% represents FFP and GF Match amount, not FFP amount.

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	\$8,718,000	\$8,725,000
<i>Federal Financial Participation</i>	4,359,000	4,363,000
<i>General Fund Match</i>	4,359,000	4,362,000

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. These activities are eligible for federal Medicaid Administration (MA) reimbursement.

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 2006-07 data collected from the regional centers (\$18,937,000).
 - 71% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 71% of costs are eligible for MA reimbursement ($\$18,937,000 \times .71 = \$13,445,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$13,445,000 \times .75 = \$10,084,000$).

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 \$2,231,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$2,231,000 \times .95 = \$2,119,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$2,119,000 \times .75 = \$1,589,000$).
- 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)

- 2007-08 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 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-1.13, the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, and the Resources for Health Care Community Specialists on pages E-16.2 and E-16.8.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amount reflects the most current available data and information.

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	\$18,492,000	\$19,138,000
<i>Federal Financial Participation</i>	<i>13,869,000</i>	<i>14,353,000</i>
<i>General Fund Match</i>	<i>4,623,000</i>	<i>4,785,000</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 134,000 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 3/4/08: November 2006 - November 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 (November 2006 - November 2007, excluding May 2007) multiplied by the regional center TCM rates effective July 2007. 	\$262,267,000	\$262,267,000
<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 \$46,000. ● Approximately 95% of the total cost is eligible for TCM reimbursement (\$46,000 x .95 = \$44,000). ● The FFP portion of the total TCM eligible costs is 50% (\$44,000 x .50 = \$22,000). ● 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 \$51,000. ● Approximately 95% of the total cost is eligible for TCM reimbursement (\$51,000 x .95 = \$48,000). ● The FFP portion of the total TCM eligible costs is 50% (\$48,000 x .50 = \$24,000). 	\$44,000	\$48,000

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;"> <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 \$5,361,000. ● 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% (\$5,361,000 x .50 = \$2,681,000). </div> 	\$3,320,000	\$5,361,000
See pages E-2.2 and E-2.5 for more information.		
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$265,631,000	\$267,676,000

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-1.13, (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:

For the 2008-09 November Estimate, it was assumed temporary cost containment measures related to modification of Core Staffing caseload ratios would sunset on July 1, 2008. However, Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made these measures permanent. Therefore, this estimate no longer assumes these measures will sunset, and these costs are no longer reflected in this 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 Case Managers to Meet Federal Audit Requirements.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL TARGETED CASE MANAGEMENT	\$265,631,000	\$267,676,000
<i>Federal Financial Participation</i>	<i>132,816,000</i>	<i>133,838,000</i>
<i>General Fund Match</i>	<i>132,815,000</i>	<i>133,838,000</i>

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 134,000 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 \$4,421,000.
- Source of Data: DDS Fiscal Systems - CALSTARS reports

METHODOLOGY:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
<ul style="list-style-type: none"> • 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. 	\$8,842,000	\$8,842,000
<ul style="list-style-type: none"> • Budget Balancing Reduction: Reduce Regional Center HIPPA Operations 	-\$46,000	-\$140,000

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-1.13.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL TCM ADMINISTRATION	\$8,796,000	\$8,702,000
<i>Federal Financial Participation</i>	4,398,000	4,351,000
<i>General Fund Match</i>	4,398,000	4,351,000

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	\$226,111,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	63,288,000	63,288,000
<i>Habilitation Services</i>	14,746,000	14,746,000
<i>Support Services</i>	29,995,000	29,995,000
<i>In-Home Respite</i>	14,834,000	14,834,000
<i>Out-of-Home Respite</i>	8,268,000	8,268,000
<i>Miscellaneous Services</i>	16,772,000	16,772,000
TANF	\$56,000,000	\$78,208,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	4,884,000	6,821,000
<i>Day Programs</i>	2,710,000	3,784,000
<i>Habilitation Services</i>	1,000	1,000
<i>Support Services</i>	5,970,000	8,337,000
<i>In-Home Respite</i>	12,864,000	17,966,000
<i>Out-of-Home Respite</i>	12,941,000	18,073,000
<i>Health Care</i>	2,216,000	3,095,000
<i>Miscellaneous Services</i>	14,414,000	20,131,000

Self-Directed Home and Community Based Services Waiver

DESCRIPTION:

Welfare and Institutions Code Section 4685.7 established the Self-Directed Services (SDS) program contingent on the State of California applying for a Centers for Medicare and Medicaid Services (CMS) Independence Plus Waiver. 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.

SDS enables consumers to be in control of their services and to manage a finite amount of funds allocated to the consumer's 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 May Revision assumes implementation of the SDS program will begin July 1, 2008.

KEY DATA/ASSUMPTIONS:

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

- Implementation and enrollment of approximately 9,300 consumers will be phased in over five years.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,836 in BY (retained from the 2008-09 November Estimate).
- With SDS finite and individual budgets assumed to be 95% of historical aggregate expenditures, total costs for 1,300 consumers are estimated to be \$12,763,000, phased in over 12 months in BY 2008-09.
- In BY 2008-09, \$1,184,000 of the SDS consumers' historical expenditures will be set aside for their unanticipated needs.
- 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.
- 23% of the consumers on the Department's existing Home and Community-Based Services Waiver will transfer to the SDHCBS Waiver in BY 2008-09. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.3). 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.

Self-Directed Home and Community Based Services Waiver

METHODOLOGY:	<u>CY 2007-08</u>	<u>BY 2008-09</u>
● Self-Directed Services Expenditures	N/A	\$12,105,000
● % of SDHCBS Waiver-Eligible Consumers		68%
● % of Self-Directed Services billable to the SDHCBS Waiver		100%
● Subtotal Self-Directed Services Expenditures		\$8,231,000
● Criminal background checks		\$8,000
● Risk Pool Fund		\$1,184,000
● Total Costs Eligible for SDHCBS Waiver		\$9,234,000
● FMAP %		50%
● Total SDHCBS Waiver Reimbursements		\$4,617,000
● Total General Fund Match		\$4,617,000
● One-time Transition Costs (\$500 per consumer) 100% GF		\$650,000
● Total Self-Directed Services Expenditures		\$13,947,000

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 has been revised from March 1, 2008 to July 1, 2008 resulting in a reduction of enrollees from 1,900 to 1,300.

REASON FOR YEAR-TO-YEAR CHANGE:

1,300 consumers will be phased-in beginning July 1, 2008.

EXPENDITURES:

TOTAL	\$0	\$9,234,000
General Fund	\$0	\$4,617,000
<i>General Fund Match</i>	0	4,617,000
<i>General Fund Other</i>	0	0
Reimbursements	\$0	\$4,617,000
<i>Self-Directed Home and Community Based Services Waiver</i>	0	4,617,000

Self-Directed Home and Community Based Services Waiver Administration

DESCRIPTION:

Implementation of the Self-Directed Services (SDS) program is contingent on the Department applying for and receiving approval of a Centers of Medicare & Medicaid Services (CMS) Self-Directed Home and Community Based Services (SDHCBS) Waiver.

This 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 May Revision assumes a July 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 January 2008. CY 2007-08 personal services and operating costs are estimated to be \$448,000 and BY 2008-09 personal services and operating costs are estimated to be \$2,905,000.

- **TOTAL SDHCBS WAIVER ADMINISTRATION-ELIGIBLE COSTS** \$448,000 \$2,905,000

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 to E-1.5 and E-1.15 to E-1.16, for more information.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2007-08 and BY 2008-09 costs reflect a phased-in regional center implementation schedule.

EXPENDITURES:

SDHCBS WAIVER ADMINISTRATION	\$448,000	\$2,905,000
<i>Federal Financial Participation</i>	224,000	1,453,000
<i>General Fund Match</i>	224,000	1,452,000

Medicaid

DESCRIPTION:

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

DDS expends approximately \$88.0 million for day program and transportation services to ICF/DD residents who are not eligible for federal financial participation (FFP). 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), 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.

IMPLEMENTATION DATE:

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

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 2007-08 and 2008-09.

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-6.3

CHANGE FROM PRIOR ESTIMATE:

No change

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.

Regional Center 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 Service Transportation estimate on Pages E-8.1 to E-8.3.

CHANGE FROM PRIOR ESTIMATE:

Reduced reimbursements in 2007-08 are based on actual reimbursements from DOR.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated reimbursement data from DOR.

EXPENDITURES:

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
TOTAL	\$328,000	\$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:

No change.

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, Projects, Increased Access to Mental Health Services, pages E-3.3 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, Projects, pages E-3.3.

CHANGE FROM PRIOR ESTIMATE:

N/A

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 \$134,983,000 for transportation services.

The BY 2008-09 PTA will fund \$138,275,000 for transportation services.

FUNDING:

These costs are reflected in the Transportation estimate, under Purchase of Services, page E-8.3.

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	\$134,982,000	\$138,275,000
<i>PTA Match for HCBS Waiver</i>	<i>60,954,000</i>	<i>63,557,000</i>
<i>PTA Other</i>	<i>74,028,000</i>	<i>74,718,000</i>

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"> 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"> 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	\$0
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 	\$39,068,000	\$68,302,000
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	21,644,000	37,839,000
Transportation	0	0
Support Services	1,211,000	2,117,000
In-Home Respite	1,641,000	2,869,000
Out-of-Home Respite	469,000	820,000
Health Care	4,805,000	8,401,000
Miscellaneous Services	9,298,000	16,256,000
<ul style="list-style-type: none"> ● TOTAL DISBURSEMENTS 	\$71,823,000	\$88,397,000

Early Start Part C Grant

FUNDING:

The annual Part C Grant is independently determined by OSEP. Included in CY 2007-08 and BY 2008-09, respectively, are estimated one-time drawdowns of \$19.7 million and \$36.4 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 total funds available for drawdown, it is estimated that a total of \$71,823,000 in CY and \$88,397,000 in BY 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	\$71,823,000	\$88,397,000
Grant	51,938,000	52,046,000
Additional Grant Funds	19,710,000	36,351,000
Rollover	175,000	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:		
<ul style="list-style-type: none"> ● Foster Grandparent Program Grant 	\$456,000	\$560,000
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.		
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$456,000	\$560,000

FUNDING:

These federal funds are reflected in the Foster Grandparent/Senior Companion Programs estimate, under Operations, Projects, Page E-3.3.

CHANGE FROM PRIOR ESTIMATE AND REASON FOR YEAR-TO-YEAR CHANGE:

BY 2008-09 expenditures reflect increased costs associated with the transfer of Foster Grandparent/Senior Companion programs from Agnews Developmental Center to San Andreas Regional Center. CY 2007-08 expenditures were overstated in the 2008-09 November Estimate by \$90,000 and have been revised for the 2008-09 May Revision.

	<u>CY 2007-08</u>	<u>BY 2008-09</u>
EXPENDITURES:		
TOTAL	\$456,000	\$560,000
General Fund	\$0	\$0
Reimbursements	\$0	\$0
Federal Funds	\$456,000	\$560,000
<i>Foster Grandparent Program</i>	<i>456,000</i>	<i>560,000</i>

Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2007-08

	2008-09 Governor's Budget CY 2007-08	2008-09 May Revision CY 2007-08	Difference
POPULATION			
Active (Age 3 & Older)	191,725	191,419	-306
Early Start (Birth through 2 Years)	29,930	29,650	-280
Total Community Population	221,655	221,069	-586
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$432,836,000	\$431,358,000	-\$1,478,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	22,359,000	21,366,000	-993,000
D. Placement Continuation for Agnews Closure	297,000	297,000	0
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 Services Program	868,000	448,000	-420,000
I. Total Staffing	\$437,527,000	\$434,636,000	-\$2,891,000
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	473,000	-150,000
G. Total Federal Compliance	\$39,565,000	\$39,415,000	-\$150,000
III. PROJECTS			
A. Information Technology Costs:	\$4,967,000	\$4,142,000	-\$825,000
1. Applications Support	3,167,000	3,167,000	0
2. Data Processing	1,800,000	975,000	-825,000
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	2,211,000	14,000
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.	125,000	125,000	0
M. Affordable Housing	94,000	94,000	0
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	280,000	280,000	0
Q. Evaluation of SB 962 Pilots	250,000	88,000	-162,000
R. Total Projects	\$26,328,000	\$25,355,000	-\$973,000
IV. BUDGET BALANCING REDUCTIONS			
A. Reduce CPP Operations	-\$660,000	-\$660,000	\$0
B. Reduce RC HIPAA Operations	-46,000	-46,000	0
C. Total Budget Balancing Reductions	-\$706,000	-\$706,000	\$0
IV. GRAND TOTAL	\$502,714,000	\$498,700,000	-\$4,014,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2008-09

	2008-09 Governor's Budget BY 2008-09	2008-09 May Revision BY 2008-09	Difference
POPULATION			
Active (Age 3 & Older)	199,200	197,755	-1,445
Early Start (Birth through 2 Years)	32,925	31,920	-1,005
Total Community Populator	232,125	229,675	-2,450
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$454,219,000	\$458,055,000	\$3,836,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	21,058,000	21,124,000	66,000
D. Placement Continuation for Agnews Closure	587,000	580,000	-7,000
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	2,177,000	2,179,000	2,000
H. Staffing for Self-Directed Services Program	3,385,000	2,905,000	-480,000
I. Total Staffing	\$460,434,000	\$463,851,000	\$3,417,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	880,000	829,000	-51,000
C. Compliance with HCBS Waiver Requirement	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirement	3,463,000	5,361,000	1,898,000
E. Targeted Case Managemen	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening an Resident Review	623,000	473,000	-150,000
G. Total Federal Compliance	\$39,430,000	\$41,127,000	\$1,697,000
III. PROJECTS			
A. Information Technology Costs	\$4,967,000	\$4,517,000	-\$450,000
1. Regional Center Application Support	3,167,000	3,167,000	0
2. Data Processing	1,800,000	1,350,000	-450,000
B. Clients' Rights Advocacy Contrac	5,373,000	5,430,000	57,000
C. Life Quality Assessment Contrac	4,985,000	4,915,000	-70,000
D. Direct Support Professional Trainin	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contrac	2,197,000	2,211,000	14,000
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Program	1,655,000	1,719,000	64,000
H. Special Incident Reporting/Risk Assessment Contrac	940,000	940,000	0
I. Increased Access to Mental Health Service:	740,000	740,000	0
J. Sherry S. Court Case / Los Angeles County Hop:	534,000	534,000	0
K. Movers Evaluation Contrac	600,000	600,000	0
L. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
M. University Enterprises, Inc	175,000	175,000	0
N. Affordable Housing	94,000	94,000	0
O. Cost Containment	-490,000	-490,000	0
P. Self-Directed Services: Training and Development	200,000	200,000	0
Q. Agnews Closure: Technical Assistance on Housing Issue	0	0	0
R. Evaluation of SB 962 Pilots	200,000	362,000	162,000
S. Total Projects	\$27,772,000	\$27,549,000	-\$223,000
IV. SUNSET COST CONTAINMENT	\$36,857,000	\$0	-\$36,857,000
V. BUDGET BALANCING REDUCTIONS			
A. Reduce CPP Operations	-\$2,000,000	-\$2,112,000	-\$112,000
B. Reduce RC HIPAA Operations	-171,000	-141,000	30,000
C. Clients' Rights Advocacy	-512,000	-512,000	0
D. Extend Operations Cost Containment Measures	-36,896,000	0	36,896,000
E. Total Budget Balancing Reductions	-\$39,579,000	-\$2,765,000	\$36,814,000
VI. GRAND TOTAL	\$524,914,000	\$529,762,000	\$4,848,000

Purchase of Services

	CY 2007-08			BY 2008-09		
	2008-09 Governor's Budget <u>CY 2007-08</u>	2008-09 May Revision <u>CY 2007-08</u>	Difference <u>CY 2007-08</u>	2008-09 Governor's Budget <u>BY 2008-09</u>	2008-09 May Revision <u>BY 2008-09</u>	Difference <u>BY 2008-09</u>
A. Base	\$2,694,277,000	\$2,672,871,000	-\$21,406,000	\$3,037,486,000	\$2,992,817,000	-\$44,669,000
B. Updated Population, Utilization and Expenditure Data	235,800,000	261,230,000	25,430,000	256,432,000	247,413,000	-9,019,000
C. Community Placement Plan (CPP)	93,821,000	90,198,000	-3,623,000	52,978,000	64,779,000	11,801,000
D. Placement/Deflection Continuation	64,178,000	32,389,000	-31,789,000	109,849,000	109,849,000	0
E. Self-Directed Services	160,000	0	-160,000	1,278,000	2,105,000	827,000
F. Minimum Wage	45,044,000	26,818,000	-18,226,000	17,790,000	10,390,000	-7,400,000
G. ICF-DD Day Programs/Transportation Services	0	0	0	0	0	0
H. Transfer to Developmental Centers	676,000	676,000	0	0	0	0
I. Sunset Cost Containment Measures	N/A	N/A	0	311,403,000	0	-311,403,000
J. DDS Budget-Balancing Reductions	N/A	N/A	0	-341,220,000	-49,581,000	291,639,000
K. Subtotal (Items A thru J)	\$3,133,956,000	\$3,084,182,000	-\$49,774,000	\$3,445,996,000	\$3,377,772,000	-\$68,224,000
L. Adjustment to Purchase of Services Increase	N/A	N/A	0	-192,697,000	N/A	192,697,000
M. TOTAL	\$3,133,956,000	\$3,084,182,000	-\$49,774,000	\$3,253,299,000	\$3,377,772,000	\$124,473,000

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

CY 2007-08

	2008-09 November Estimate CY 2007-08	2008-09 May Revision CY 2007-08	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$33,744,000	\$37,524,000	\$3,780,000
1. Caseload Growth	10,486,000	14,041,000	3,555,000
2. Average Cost Increase	23,258,000	23,483,000	225,000
B. Medical Facilities	672,000	216,000	-\$456,000
C. Day Programs	35,443,000	45,339,000	9,896,000
1. Caseload Growth	27,984,000	35,640,000	7,656,000
2. Average Cost Increase	7,459,000	9,699,000	2,240,000
D. Habilitation Services	1,500,000	6,975,000	5,475,000
1. Work Activity Program	982,000	982,000	0
2. Supported Employment (SE) Group	-185,000	4,970,000	5,155,000
3. SE Individual Placements	703,000	1,023,000	320,000
E. Transportation	5,507,000	6,627,000	1,120,000
F. Support Services	78,175,000	71,812,000	-6,363,000
G. In-Home Respite	20,729,000	24,840,000	4,111,000
H. Out-of-Home Respite	4,189,000	5,920,000	1,731,000
I. Health Care	8,651,000	13,567,000	4,916,000
J. Miscellaneous	53,048,000	53,333,000	285,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$241,658,000	\$266,153,000	\$24,495,000

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

BY 2008-09

	2008-09 November Estimate BY 2008-09	2008-09 May Revision BY 2008-09	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$36,702,000	\$38,915,000	\$2,213,000
1. Caseload Growth	11,234,000	13,413,000	2,179,000
2. Average Cost Increase	25,468,000	25,502,000	34,000
B. Medical Facilities	672,000	272,000	-400,000
C. Day Programs	38,636,000	44,827,000	6,191,000
1. Caseload Growth	30,736,000	34,410,000	3,674,000
2. Average Cost Increase	7,900,000	10,417,000	2,517,000
D. Habilitation Services	1,559,000	4,843,000	3,284,000
1. Work Activity Program	903,000	903,000	0
2. Supported Employment (SE) Group	47,000	3,022,000	2,975,000
3. SE Individual Placements	609,000	918,000	309,000
E. Transportation	5,225,000	4,009,000	-1,216,000
F. Support Services	90,932,000	70,765,000	-20,167,000
G. In-Home Respite	20,544,000	24,890,000	4,346,000
H. Out-of-Home Respite	4,607,000	6,458,000	1,851,000
I. Health Care	8,638,000	13,733,000	5,095,000
J. Miscellaneous	53,051,000	44,871,000	-8,180,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$260,566,000	\$253,583,000	-\$6,983,000

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

CY 2007-08 and BY 2008-09

	2008-09 May Revision CY 2007-08	2008-09 May Revision BY 2008-09	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$37,524,000	\$38,915,000	\$1,391,000
1. Caseload Growth	14,041,000	13,413,000	-628,000
2. Average Cost Increase	23,483,000	25,502,000	2,019,000
B. Medical Facilities	216,000	272,000	56,000
C. Day Programs	45,339,000	44,827,000	-512,000
1. Caseload Growth	35,640,000	34,410,000	-1,230,000
2. Average Cost Increase	9,699,000	10,417,000	718,000
D. Habilitation Services	6,975,000	4,843,000	-2,132,000
1. Work Activity Program	982,000	903,000	-79,000
2. Supported Employment (SE) Group	4,970,000	3,022,000	-1,948,000
3. SE Individual Placements	1,023,000	918,000	-105,000
E. Transportation	6,627,000	4,009,000	-2,618,000
F. Support Services	71,812,000	70,765,000	-1,047,000
G. In-Home Respite	24,840,000	24,890,000	50,000
H. Out-of-Home Respite	5,920,000	6,458,000	538,000
I. Health Care	13,567,000	13,733,000	166,000
J. Miscellaneous	53,333,000	44,871,000	-8,462,000
K. TOTAL	\$266,153,000	\$253,583,000	-\$12,570,000

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

For the 2008-09 May Revision, all CY 2007-08 Placement and Deflection Continuation (PDC) costs have been updated.

Living Arrangement	# of Consumers	% of Total Consumers	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)	107	70%	1,284	\$9,763,000				\$1,599,000	\$33,000			\$282,000	\$377,000	\$8,000		\$67,000	\$219,000	\$12,348,000
● Residential Facilities				\$91,243				\$14,944	\$308			\$2,636	\$3,523	\$75	\$626	\$2,047		\$115,402
● Intermediate Care Facilities (ICF)	13	9%	156		\$263,000			\$140,000				\$32,000	\$54,000		\$0	\$12,000		\$501,000
● Avg Annual Cost/Consumer					N/A			\$10,769				\$2,462	\$4,154		\$0	\$923		\$18,308
● Supported Living	22	14%	264	\$5,000			\$4,170,000	\$273,000	\$9,000	\$15,000	\$120,000	\$3,000			\$268,000	\$116,000		\$4,979,000
● Avg Annual Cost/Consumer				\$227			\$189,545	\$12,409	\$409	\$682	\$5,455	\$136			\$12,182	\$5,273		\$226,318
● Other (Own Home, etc.)	10	7%	120					\$17,000	\$7,000		\$23,000	\$88,000			\$18,000	\$7,000		\$160,000
● Avg Annual Cost/Consumer								\$1,700	\$700		\$2,300	\$8,800			\$1,800	\$700		\$16,000
Subtotal	152	100%	1,824	\$9,768,000	\$0	\$263,000	\$4,170,000	\$2,029,000	\$49,000	\$0	\$15,000	\$457,000	\$522,000	\$8,000	\$0	\$353,000	\$354,000	\$17,988,000
B. AGNEWS OTHER CPP																		
● CCF	7	100%	84	\$526,000				\$160,000				\$31,000	\$144,000				\$24,000	\$885,000
● Residential Facilities				\$75,143				\$22,857				\$4,429	\$20,571				\$3,429	\$126,429
● Avg Annual Cost/Consumer																		
Subtotal	7	100%	84	\$526,000	\$0	\$0	\$0	\$160,000	\$0	\$0	\$0	\$31,000	\$144,000	\$0	\$0	\$0	\$24,000	\$885,000
C. AGNEWS UNIFIED CPP																		
● CCF	18	49%	216	\$1,904,000				\$411,000				\$99,000			\$486,000	\$144,000		\$3,044,000
● Residential Facilities				\$105,778				\$22,833				\$5,500			\$27,000	\$8,000		\$169,111
● Avg Annual Cost/Consumer																		
● Intermediate Care Facilities (ICF)	14	38%	168		\$229,000			\$545,000			\$50,000	\$126,000			\$25,000	\$3,000		\$978,000
● Avg Annual Cost/Consumer					N/A			\$38,929			\$3,571	\$9,000			\$1,786	\$214		\$53,500
● Supported Living	3	8%	36				\$451,000	\$44,000			\$5,000				\$19,000	\$32,000		\$551,000
● Avg Annual Cost/Consumer							\$150,333	\$14,667			\$1,667				\$6,333	\$10,667		\$183,667
● Other (Own Home, etc.)	2	5%	24					\$21,000			\$3,000	\$32,000						\$56,000
● Avg Annual Cost/Consumer								\$10,500			\$1,500	\$16,000						\$28,000
Subtotal	37	100%	444	\$1,904,000	\$0	\$229,000	\$451,000	\$1,021,000	\$0	\$0	\$0	\$157,000	\$158,000	\$0	\$0	\$530,000	\$179,000	\$4,629,000
D. TOTAL PLACEMENT CONTINUATION (A. + B. + C.)																		
	196	100%	2,352	\$12,198,000	\$0	\$492,000	\$4,621,000	\$3,210,000	\$49,000	\$0	\$15,000	\$645,000	\$824,000	\$8,000	\$0	\$883,000	\$557,000	\$23,502,000
E. DEFLECTION CONTINUATION																		
	69	100%	828	\$7,926,000	\$0	\$0	\$622,000	\$254,000	\$0	\$0	\$0	\$7,000	\$5,000	\$0	\$14,000	\$0	\$59,000	\$8,887,000
F. TOTAL CONTINUATION (D. + E.)																		
	265	100%	3,180	\$20,124,000	\$0	\$492,000	\$5,243,000	\$3,464,000	\$49,000	\$0	\$15,000	\$652,000	\$829,000	\$8,000	\$14,000	\$883,000	\$616,000	\$32,389,000

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

For the 2008-09 May Revision costs are assumed to be the same as in the 2008-09 November Estimate.

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	22	12%	264	\$1,458,000				\$765,000				\$149,000	\$565,000	\$2,000	\$36,000	\$51,000	\$73,000	\$3,099,000
Avg Annual Cost/Consumer				\$66,273				\$34,773				\$6,773	\$25,682	\$91	\$1,636	\$2,318	\$3,318	\$140,864
• Specialized Residential Facilities (SRF)	99	56%	1,188	\$11,346,000				\$2,911,000		\$79,000		\$647,000	\$988,000		\$144,000	\$468,000	\$262,000	\$16,845,000
Avg Annual Cost/Consumer				\$114,606				\$29,404		\$798		\$6,535	\$9,980		\$1,455	\$4,727	\$2,646	\$170,151
• Adult Family Home Agencies	1	1%	12		\$51,000			\$45,000				\$6,000	\$87,000					\$189,000
Avg Annual Cost/Consumer					\$51,000			\$45,000				\$6,000	\$87,000					\$189,000
• Family Teaching Home (FTH)																		
• Hallmark SARC	1	1%	12		\$106,000			\$45,000				\$5,000						\$156,000
Avg Annual Cost/Consumer					\$106,000			\$45,000				\$5,000						\$156,000
• Intermediate Care Facilities (ICF)/ Skilled Nursing Facility (SNF)	21	12%	252					\$741,000				\$131,000	\$438,000		\$11,000	\$99,000	\$54,000	\$1,474,000
Avg Annual Cost/Consumer								\$35,286				\$6,238	\$20,857		\$524	\$4,714	\$2,571	\$70,190
• Supported Living/ Independent Living Services (ILS)	26	15%	312					\$4,478,000	\$693,000	\$33,000		\$169,000			\$7,000	\$52,000	\$46,000	\$5,478,000
Avg Annual Cost/Consumer								\$172,231	\$26,654	\$1,269		\$6,500			\$269	\$2,000	\$1,769	\$210,692
• Other (Own Home, etc.)	6	3%	72					\$39,000				\$9,000	\$7,000			\$23,000	\$17,000	\$95,000
Avg Cost/Consumer Mo								\$6,500				\$1,500	\$1,167			\$3,833	\$2,833	\$15,833
Subtotal	176	100%	2,112	\$12,804,000	\$157,000	\$0	\$4,478,000	\$5,239,000	\$0	\$112,000	\$0	\$1,116,000	\$2,085,000	\$2,000	\$198,000	\$693,000	\$452,000	\$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
Avg Annual Cost/Consumer								\$61,333				\$21,333	\$18,000		\$6,667	\$18,000		\$125,333
• Supported Living	4	37%	48					\$576,000	\$285,000			\$96,000	\$295,000			\$17,000	\$203,000	\$1,472,000
Avg Annual Cost/Consumer								\$144,000	\$71,250			\$24,000	\$73,750			\$4,250	\$50,750	\$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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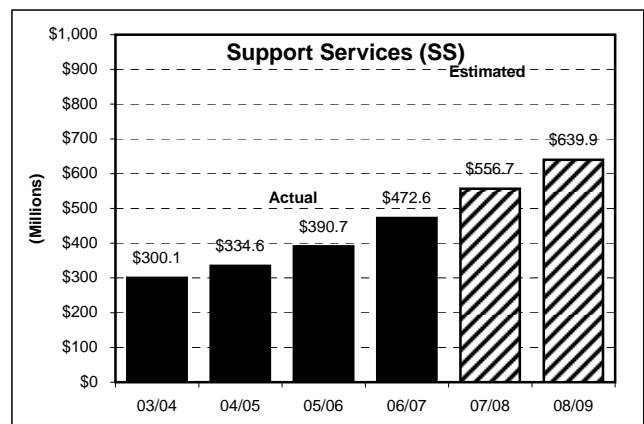
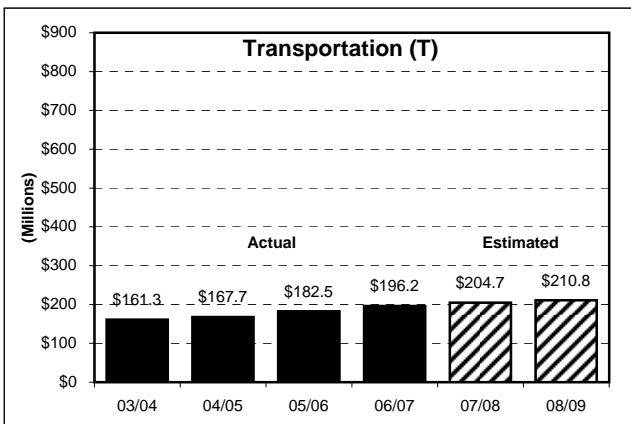
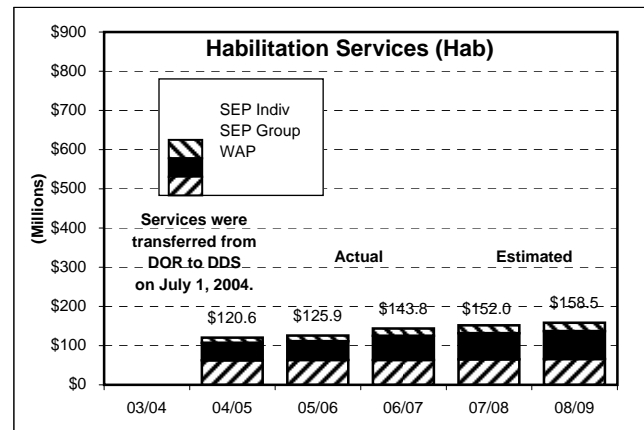
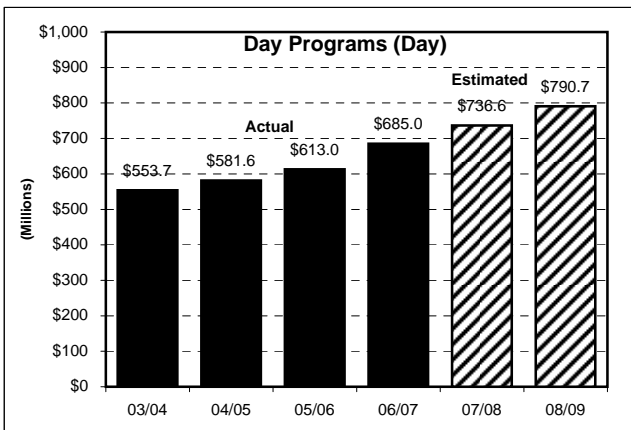
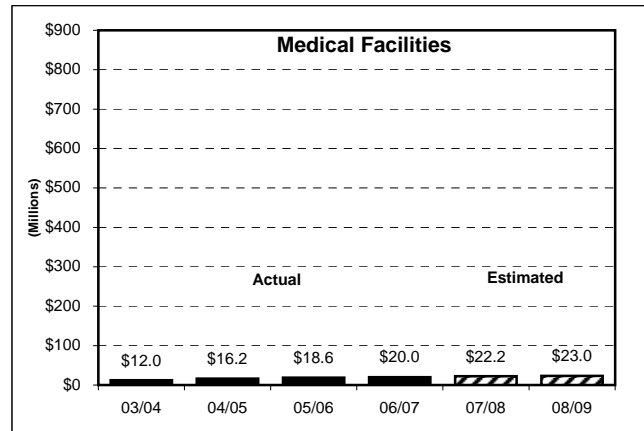
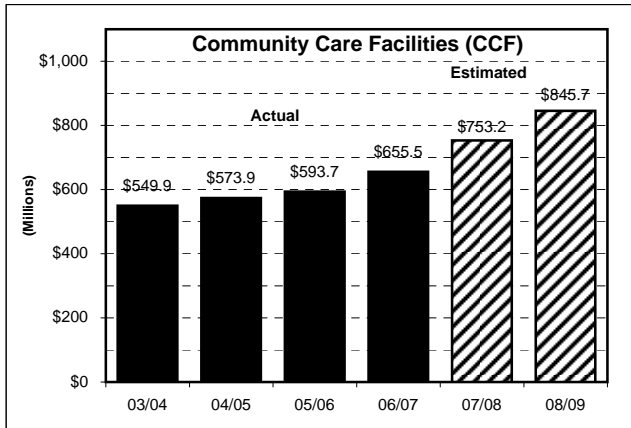
Purchase of Services
Placement and Deflection Continuation
Budget Year 2008-09 (continued)

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 c/				\$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 c/				\$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 c/				\$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%	24															\$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%	2,316	\$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%	4,560	\$56,854,000	\$3,051,000	\$432,000	\$5,989,000	\$11,243,000	\$0	\$112,000	\$0	\$2,675,000	\$2,855,000	\$2,000	\$236,000	\$3,538,000	\$4,500,000	\$91,487,000
E. DEFLECTION CONTINUATION																		
	164	100%	1,968	\$15,039,000	\$0	\$0	\$3,323,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,362,000
F. TOTAL CONTINUATION b/ (D. + E.)																		
	544	100%	6,528	\$71,893,000	\$3,051,000	\$432,000	\$9,312,000	\$11,243,000	\$0	\$112,000	\$0	\$2,675,000	\$2,855,000	\$2,000	\$236,000	\$3,538,000	\$4,500,000	\$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 \$17,851,000 for State Employees in the Community (related to closure of Agnews Developmental Center).
 c/ Represents fixed residential service costs that must be paid until the home is fully occupied.

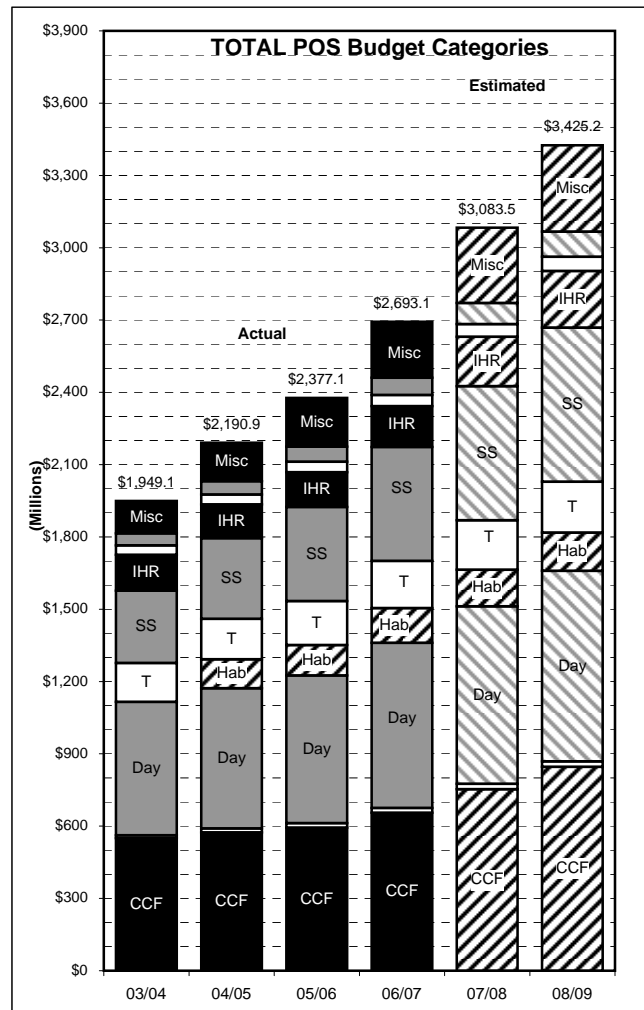
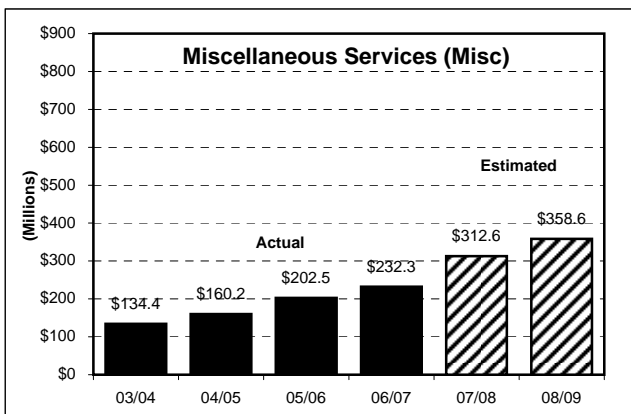
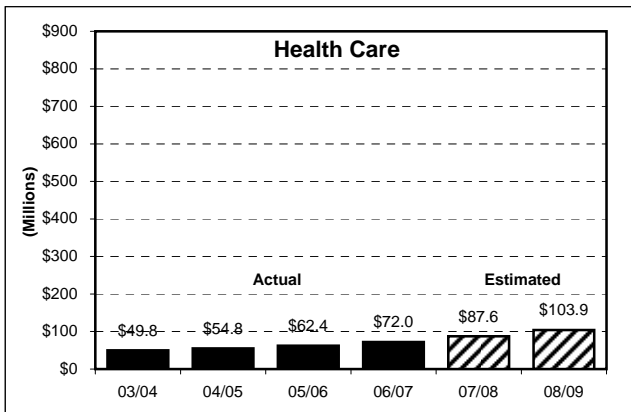
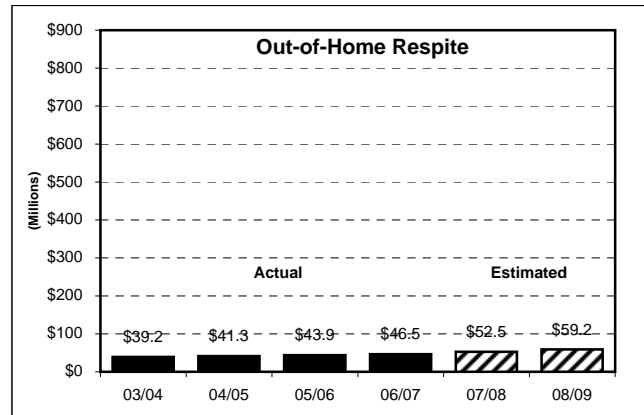
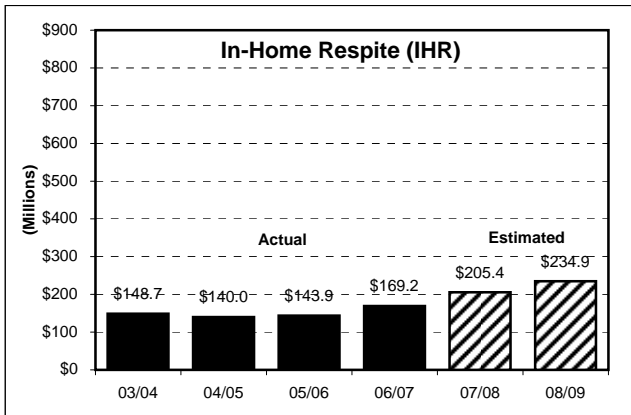
Purchase of Services **TOTAL EXPENDITURES** by Budget Category

(Excludes Self-Directed Services, Budget-Balancing Reductions, and Major Assumptions)



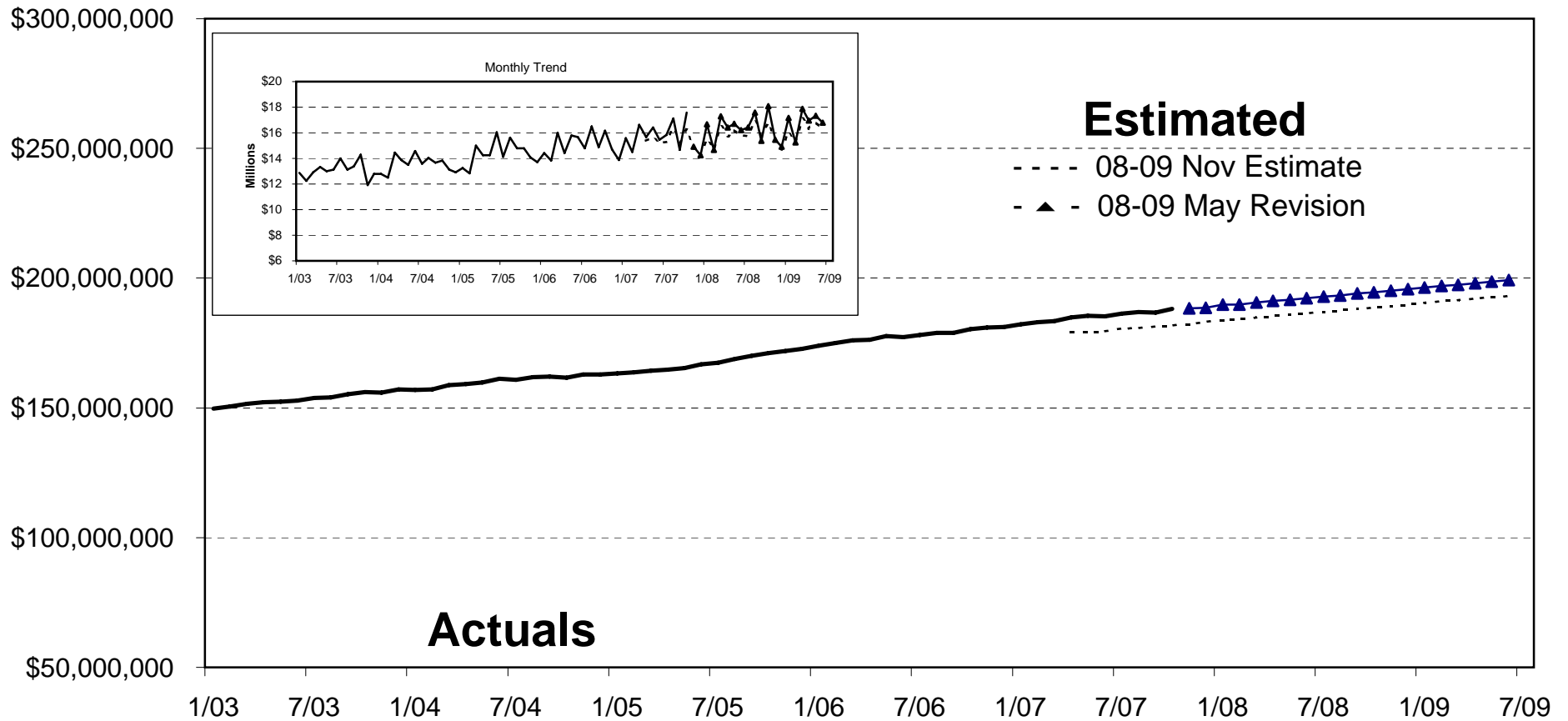
Purchase of Services TOTAL EXPENDITURES by Budget Category

(Excludes Self-Directed Services, Budget-Balancing Reductions, and Major Assumptions)



Purchase of Services TRANSPORTATION

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



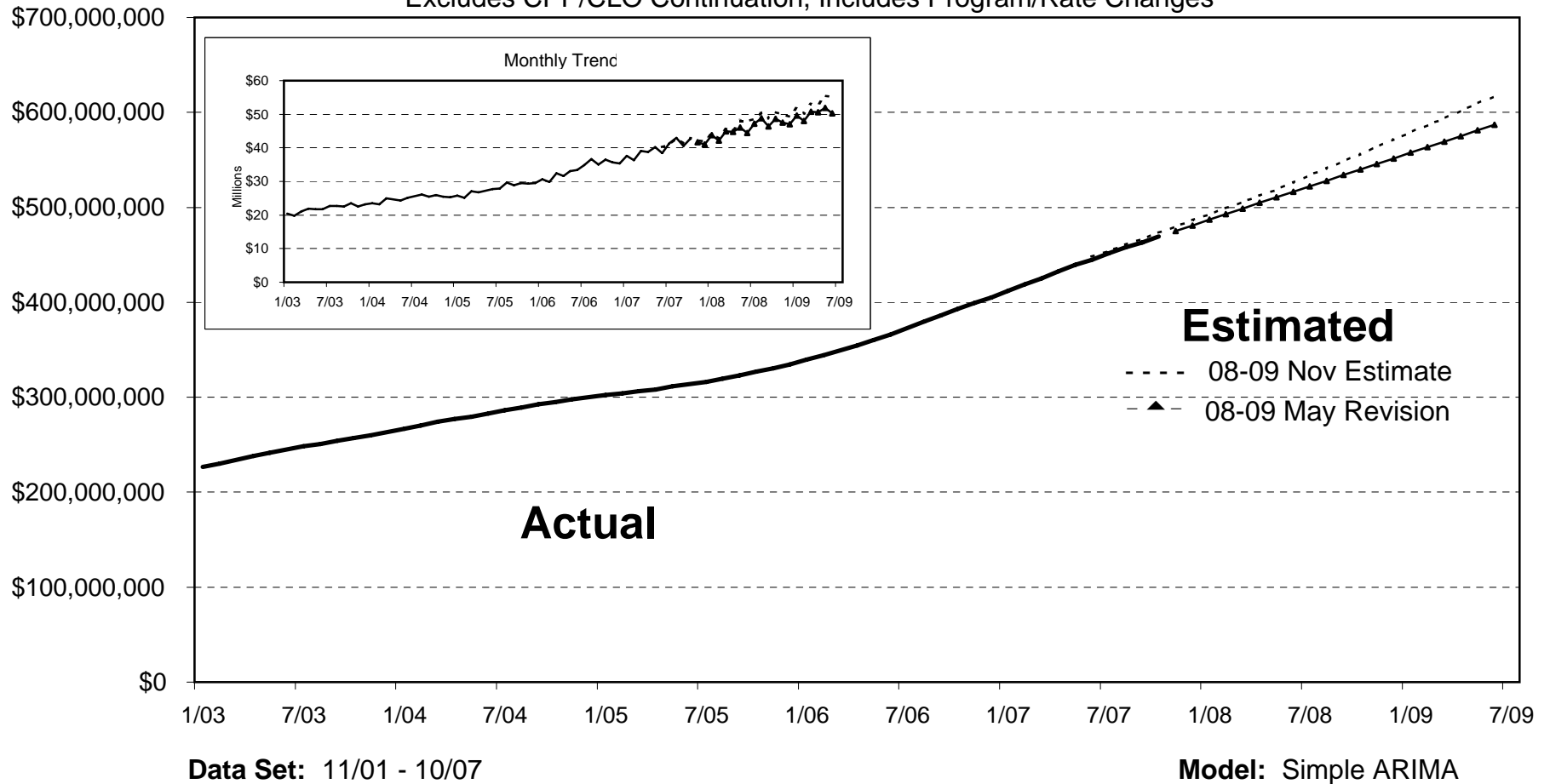
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Model: CSUS Multiple Transfer Function

Purchase of Services **SUPPORT SERVICES**

12-month Moving Total Trend

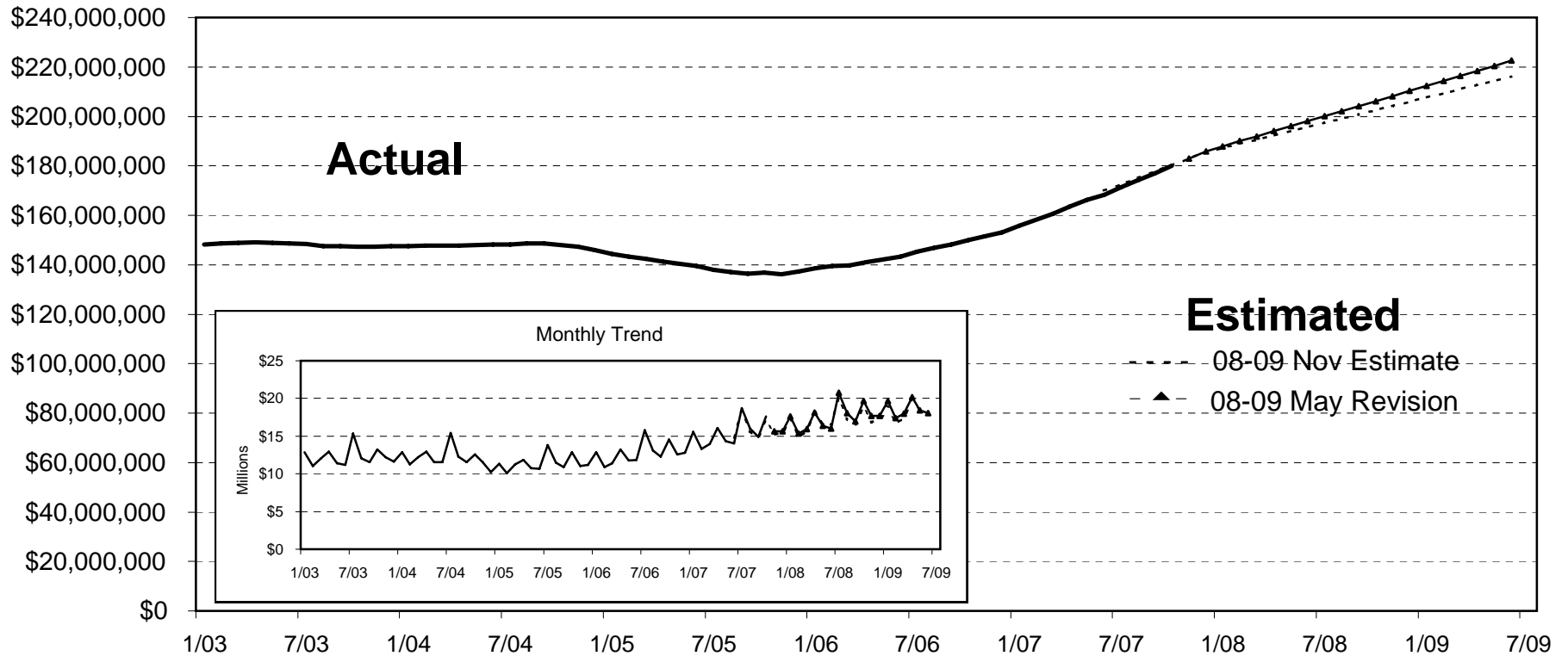
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services **IN-HOME RESPITE SERVICES**

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



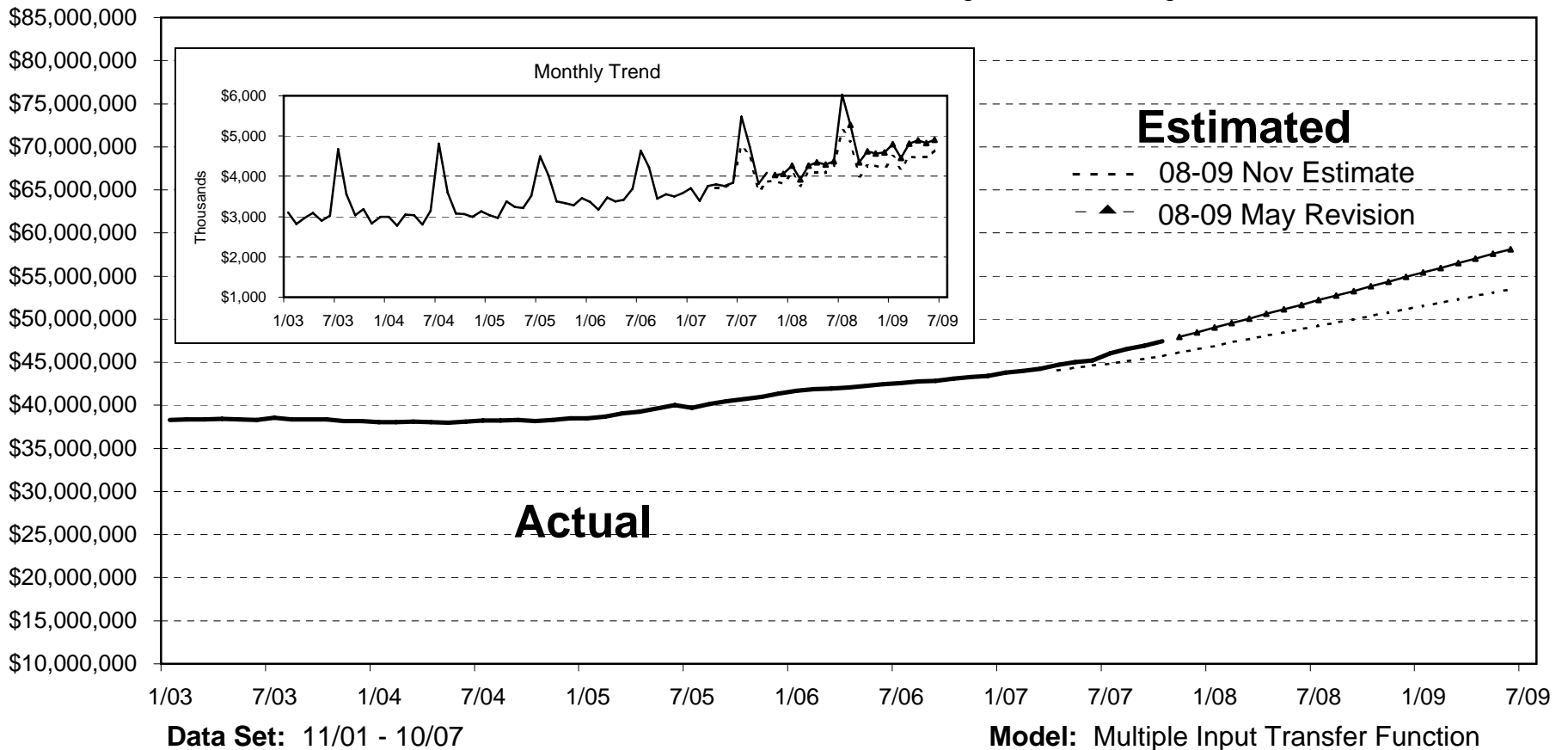
Data Set: 4/01 - 10/07

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

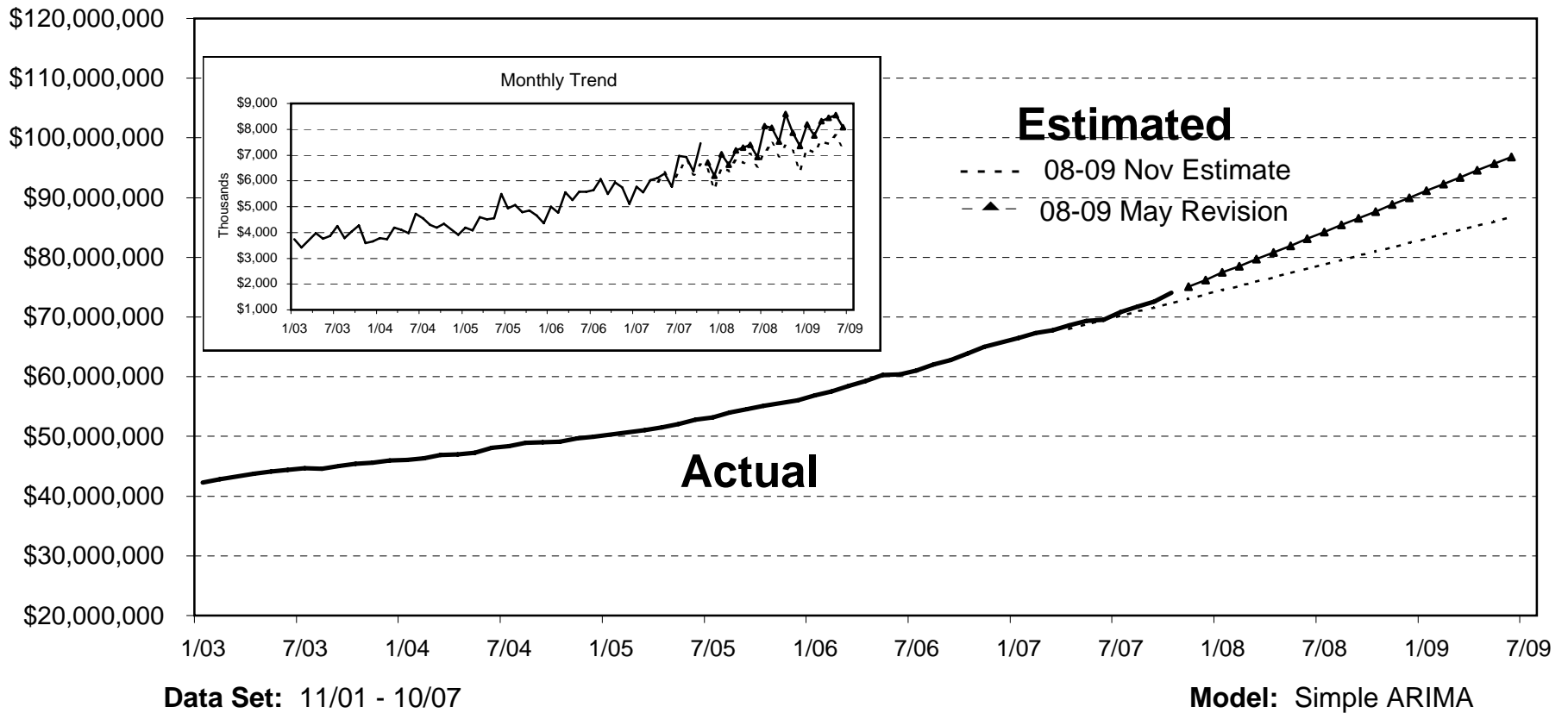


Purchase of Services

HEALTH CARE SERVICES

12-month Moving Total Trend

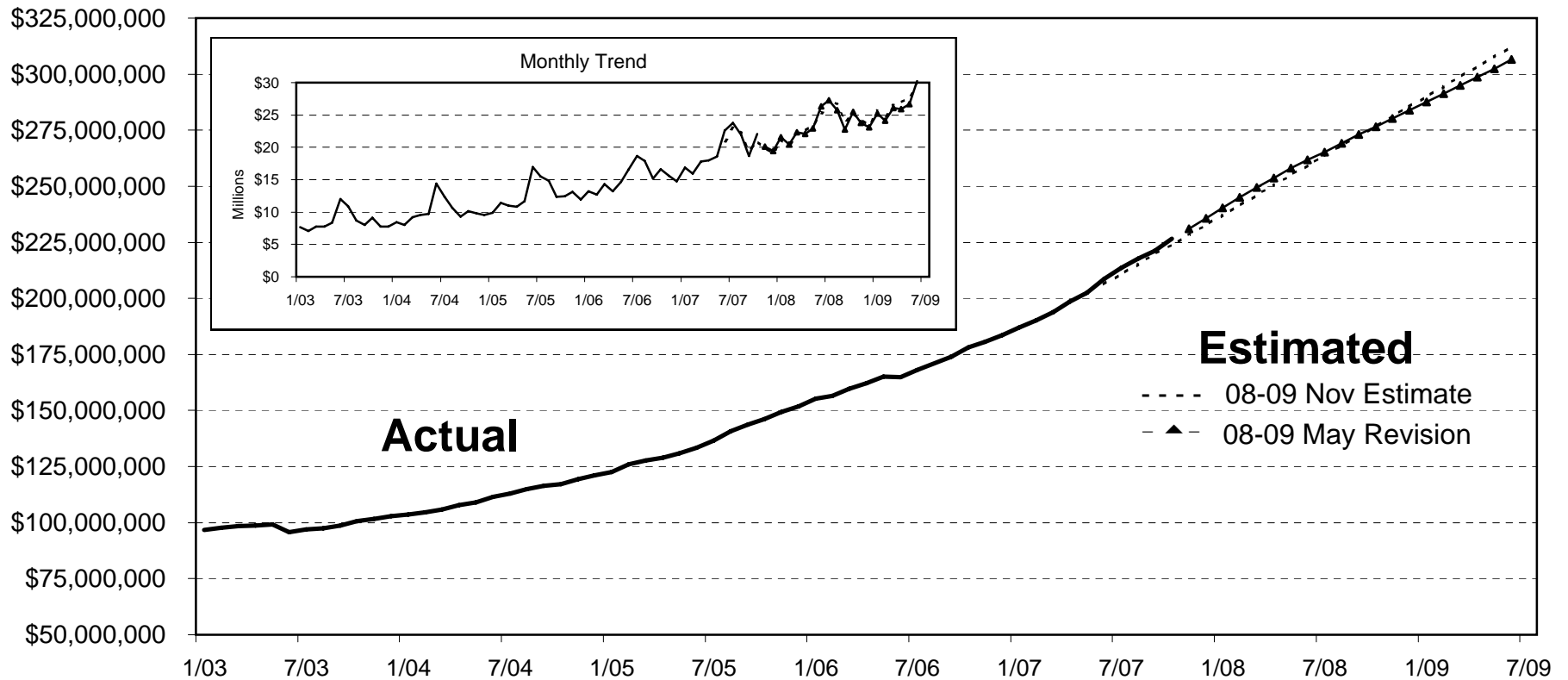
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services **MISCELLANEOUS SERVICES**

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Data Set: 4/01 - 10/07

Model: Multiple Input Transfer Function

Reimbursements
Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS <i>a/</i>	2008-09 May Revision CY 2007-08	2008-09 May Revision BY 2008-09
A. Home and Community-Based Services (HCBS) Waiver	\$1,714,993,000	\$1,795,606,000
1. Reimbursement (from DHS) = 50%	857,497,000	897,803,000
2. DDS GF Match = 50%	796,542,000	834,246,000
3. PTA Match (Purchase of Services)	60,954,000	63,557,000
B. HCBS Waiver Administration	\$8,718,000	\$8,725,000
1. Reimbursement (from DHS) = 50%	4,359,000	4,363,000
2. DDS GF Match = 50% (Operations)	4,359,000	4,362,000
C. Medicaid Administration	\$18,492,000	\$19,138,000
1. Reimbursement (from DHS) = 75%	13,869,000	14,353,000
2. DDS GF Match = 25% (Operations)	4,623,000	4,785,000
D. Targeted Case Management (TCM)	\$265,631,000	\$267,676,000
1. Reimbursement (from DHS) = 50%	132,816,000	133,838,000
2. DDS GF Match = 50% (Operations)	132,815,000	133,838,000
E. Targeted Case Management Administration	\$8,976,000	\$8,702,000
1. Reimbursement (from DHS) = 50%	4,488,000	4,351,000
2. DDS GF Match = 50% (Operations)	4,488,000	4,351,000
F. Title XX Block Grant	\$203,903,000	\$226,111,000
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	78,208,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Home and Community Based Services (SD-HCBS) Waiver	\$0	\$9,234,000
1. Reimbursement (from DHS) = 50%	0	4,617,000
2. DDS GF Match = 50% (Purchase of Services)	0	4,617,000
H. Self-Directed Home and Community Based Services Waiver Administration	\$448,000	\$2,905,000
1. Reimbursement (from DHS) = 50%	224,000	1,453,000
2. DDS GF Match = 50% (Operations)	224,000	1,452,000
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)	\$328,000	\$588,000
1. VR Reimbursement (from DOR) 100%	328,000	588,000
2. DDS GF Match (Purchase of Services)	0	0
K. TOTAL	\$2,309,489,000	\$2,426,685,000
1. Reimbursements	1,261,484,000	1,331,477,000
2. Total GF Match	987,051,000	1,031,651,000
3. Total PTA Match	60,954,000	63,557,000

a/ Reimbursements are funds received via other state agencies.

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	\$7,174,000	\$5,739,000	\$2,870,000	\$2,869,000	\$1,435,000	\$14,348,000	\$11,478,000	\$5,739,000	\$5,739,000	\$2,870,000	\$14,348,000	\$11,478,000	\$5,739,000	\$5,739,000	\$2,870,000
Day and Work Activity Programs	\$2,366,000	\$1,706,000	\$854,000	\$852,000	\$660,000	\$4,732,000	\$3,412,000	\$1,707,000	\$1,705,000	\$1,320,000	\$4,732,000	\$3,412,000	\$1,707,000	\$1,705,000	\$1,320,000
Day	569,000	296,000	148,000	148,000	273,000	1,138,000	592,000	296,000	296,000	546,000	1,138,000	592,000	296,000	296,000	546,000
WAP	253,000	159,000	80,000	79,000	94,000	506,000	319,000	160,000	159,000	187,000	506,000	319,000	160,000	159,000	187,000
Supported Living Services (SLS)	1,544,000	1,251,000	626,000	625,000	293,000	3,088,000	2,501,000	1,251,000	1,250,000	587,000	3,088,000	2,501,000	1,251,000	1,250,000	587,000
Respite Services	\$6,909,000	\$3,853,000	\$1,927,000	\$1,926,000	\$3,056,000	\$13,818,000	\$7,707,000	\$3,854,000	\$3,853,000	\$6,111,000	\$13,818,000	\$7,707,000	\$3,854,000	\$3,853,000	\$6,111,000
In-Home Respite	6,874,000	3,849,000	1,925,000	1,924,000	3,025,000	13,748,000	7,699,000	3,850,000	3,849,000	6,049,000	13,748,000	7,699,000	3,850,000	3,849,000	6,049,000
Out-of-Home Respite	35,000	4,000	2,000	2,000	31,000	70,000	8,000	4,000	4,000	62,000	70,000	8,000	4,000	4,000	62,000
GRAND TOTAL	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$32,898,000	\$22,597,000	\$11,300,000	\$11,297,000	\$10,301,000	\$32,898,000	\$22,597,000	\$11,300,000	\$11,297,000	\$10,301,000
			\$10,798,000 Total GF					\$21,598,000 Total GF					\$21,598,000 Total GF		
INCREMENTAL INCREASE	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$16,449,000	\$11,299,000	\$5,649,000	\$5,650,000	\$5,150,000	\$0	\$0	\$0	\$0	\$0
			\$10,798,000 Total GF					\$10,800,000 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	\$4,782,000	\$3,826,000	\$1,913,000	\$1,913,000	\$956,000	\$9,564,000	\$7,651,000	\$3,826,000	\$3,825,000	\$1,913,000
Day and Work Activity Programs	\$981,000	\$747,000	\$374,000	\$373,000	\$234,000	\$1,983,000	\$1,506,000	\$753,000	\$753,000	\$477,000
Day	161,000	84,000	42,000	42,000	77,000	338,000	176,000	88,000	88,000	162,000
WAP	6,000	4,000	2,000	2,000	2,000	13,000	8,000	4,000	4,000	5,000
Supported Living Services (SLS)	814,000	659,000	330,000	329,000	155,000	1,632,000	1,322,000	661,000	661,000	310,000
Respite Services	\$4,606,000	\$2,569,000	\$1,285,000	\$1,284,000	\$2,037,000	\$9,212,000	\$5,139,000	\$2,570,000	\$2,569,000	\$4,073,000
In-Home Respite	4,583,000	2,566,000	1,283,000	1,283,000	2,017,000	9,166,000	5,133,000	2,567,000	2,566,000	4,033,000
Out-of-Home Respite	23,000	3,000	2,000	1,000	20,000	46,000	6,000	3,000	3,000	40,000
GRAND TOTAL	\$10,369,000	\$7,142,000	\$3,572,000	\$3,570,000	\$3,227,000	\$20,759,000	\$14,296,000	\$7,149,000	\$7,147,000	\$6,463,000
				\$6,797,000 Total GF					\$13,610,000 Total GF	
INCREMENTAL INCREASE	\$10,369,000	\$7,142,000	\$3,572,000	\$3,570,000	\$3,227,000	\$10,390,000	\$7,154,000	\$3,577,000	\$3,577,000	\$3,236,000
				\$6,797,000 Total GF					\$6,813,000 Total GF	

a/ 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	\$7,174,000	\$5,739,000	\$2,870,000	\$2,869,000	\$1,435,000	\$19,130,000	\$15,304,000	\$7,652,000	\$7,652,000	\$3,826,000	\$23,912,000	\$19,129,000	\$9,565,000	\$9,564,000	\$4,783,000
Day and Work Activity Programs	\$2,366,000	\$1,706,000	\$854,000	\$852,000	\$660,000	\$5,713,000	\$4,159,000	\$2,081,000	\$2,078,000	\$1,554,000	\$6,715,000	\$4,918,000	\$2,460,000	\$2,458,000	\$1,797,000
Day	569,000	296,000	148,000	148,000	273,000	1,299,000	676,000	338,000	338,000	623,000	1,476,000	768,000	384,000	384,000	708,000
WAP	253,000	159,000	80,000	79,000	94,000	512,000	323,000	162,000	161,000	189,000	519,000	327,000	164,000	163,000	192,000
Supported Living Services (SLS)	1,544,000	1,251,000	626,000	625,000	293,000	3,902,000	3,160,000	1,581,000	1,579,000	742,000	4,720,000	3,823,000	1,912,000	1,911,000	897,000
Respite Services	\$6,909,000	\$3,853,000	\$1,927,000	\$1,926,000	\$3,056,000	\$18,424,000	\$10,276,000	\$5,139,000	\$5,137,000	\$8,148,000	\$23,030,000	\$12,846,000	\$6,424,000	\$6,422,000	\$10,184,000
In-Home Respite	6,874,000	3,849,000	1,925,000	1,924,000	3,025,000	18,331,000	10,265,000	5,133,000	5,132,000	8,066,000	22,914,000	12,832,000	6,417,000	6,415,000	10,082,000
Out-of-Home Respite	35,000	4,000	2,000	2,000	31,000	93,000	11,000	6,000	5,000	82,000	116,000	14,000	7,000	7,000	102,000
GRAND TOTAL	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$43,267,000	\$29,739,000	\$14,872,000	\$14,867,000	\$13,528,000	\$53,657,000	\$36,893,000	\$18,449,000	\$18,444,000	\$16,764,000
			\$10,798,000 Total GF					\$28,395,000 Total GF					\$35,208,000 Total GF		
INCREMENTAL INCREASE	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$26,818,000	\$18,441,000	\$9,221,000	\$9,220,000	\$8,377,000	\$10,390,000	\$7,154,000	\$3,577,000	\$3,577,000	\$3,236,000
			\$10,798,000 Total GF					\$17,597,000 Total GF					\$6,813,000 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



May 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), in collaboration with the Bay Area regional centers (Regional Center of the East Bay (RCEB), Golden Gate Regional Center (GGRC), San Andreas Regional Center (SARC)), consumers, families and other stakeholders, is nearing completion of a significant initiative grounded not only on the closing of Agnews Developmental Center (Agnews), but on the underlying principle that Agnews residents should be provided the opportunity to live in the community, with staff available to support the transition and stabilization of the residents. The closure process is unlike any prior endeavor and the innovative housing, staffing and service delivery models are providing phenomenal opportunities for consumers and families alike. This process has relied on establishment of a stable source of housing with new residential service options, a community health care system that assures access to needed services, and state staff who can support the transition of these residents to the community.

Together with other state, local and community partners, the DDS is in the final stages of safely transitioning Agnews residents to the community. The closure process is not being driven by a specific date for closure but rather a *rolling* closure process whereby individuals are transitioned to the community when the housing and support services are available. The health and safety of each consumer is the DDS' highest priority. Transition to the community occurs only when all necessary services and supports are in place.

As of April 30, 2008, 157 residents remained at Agnews. Between July 1, 2004 and April 30, 2008 a total of 198 Agnews residents transitioned to other living arrangements.

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.

As of April 30, 2008, all 61 properties have been purchased and financed; 37 have been remodeled and either occupied or ready for occupancy; 6 are under construction; 13 are at the bank awaiting financing approval to move into construction; and 5 remain in the permitting phase. It is anticipated that the remaining homes will be completed shortly after June, 2008, and that the remaining consumers will be transitioned when supports and services are available.

Transition Planning: As of April 30, 2008, all Agnews residents had either selected homes or 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 Bay Area regional centers and the Santa Clara Family Health Plan (SCFHP), Alameda Alliance for Health (AAH), and the Health Plan of San Mateo (HPSM) (designated health plans). In February of 2008, the DDS and the DHCS completed a Memorandum of Understanding (MOU) to ensure appropriate and enduring health care services for former Agnews residents living in the community. In addition, the DDS distributed a document to former and current Agnews residents and their families, outlining the provision of health care services in the community. At the local level, the Bay Area regional centers and designated health plans continue to secure health care services for residents transitioning out of Agnews into the community through signed MOUs to assure access to comprehensive services for those consumers who elect to enroll. In December of 2007, the DHCS received approval from the federal Centers for Medicare and Medicaid Services (CMS) for its State Plan Amendment (SPA), effective July 1, 2007. The SPA describes how services are to be provided to specified former Agnews residents in Alameda and Santa Clara Counties. In January of 2008, the DHCS received approval for its waiver for the HPSM, which also describes how services are to be provided to specified former Agnews residents in the community.

Outpatient Clinic: The DDS is working with the DHCS to establish Agnews outpatient clinic as a community clinic (Agnews Community Clinic) after Agnews closes. The clinic will continue to provide a safety net to ensure that health, dental, and behavioral services are seamless during the transition process. Upon the closure of Agnews, the Agnews Community Clinic will continue to provide primary care and other specialty services, as necessary, until the DDS is no longer responsible for the property.

Behavioral Services: To address the behavioral support of residents transitioning to the community, Agnews staff support and train service providers on how to prevent and respond to challenging behaviors. Each of the regional centers and the designated health plans are identifying psychiatric resources to accommodate Agnews residents in the community. The Agnews Community Clinic will continue to provide mental health services to current and former Agnews residents, as necessary, and until the clinic no longer is in operation. In addition, the 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 Bay Area regional centers contract with Pacific Center for Special Care at the University of the Pacific (UOP) School of Dentistry for dental screenings and teeth cleaning services. In partnership with UOP, the Bay Area regional centers will provide services through registered dental hygienists in homes where Agnews clients reside. Additionally, regional centers are supporting the training of dentists to provide prevention and care consistent with each consumer's needs. The Bay Area regional centers and the designated health plans are in the process of identifying and contracting with dental surgery suites to ensure timely and appropriate access to sedation dentistry services, as necessary.

Agnews Employees: Agnews continues to maintain sufficient staff to protect the health and safety of remaining residents and to ensure the ongoing certification of the facility. As of April 30, 2008, there were 822 employees at Agnews. On December 28, 2007, the Department of Personnel Administration notified all impacted Bargaining Units of intent to close Agnews on or about June 30, 2008, and on March 5, 2008, State Restriction of Appointment notices were sent to all employees except those employees assigned to warm shut down (facility closure process) and the Agnews Outpatient Clinic. Impact negotiations began in late January 2008, and focus on non-economic and economic proposals with unions that have identified an impact associated with the closure.

As of April 30, 2008, a total of 77 employees are participating in the community state staff program, with 41 employees currently working in assignments, and the remaining 36 waiting for report dates. In addition, 21 positions are currently being advertised for 5 providers, with 66 applications received.

Next Steps for Closure: The DDS will continue working closely with its state and local partners – 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 2,589 individuals by April 30, 2008. The DDS currently operates five developmental centers and two smaller state-operated community facilities and is in the process of closing Agnews Developmental Center (Agnews). As of April 30, 2008, the Agnews Developmental Center population census was at 157 individuals.

In January of 1994, the Department of Developmental Services (DDS) entered into an agreement to settle the Coffelt lawsuit, which alleged that the DDS 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 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 sixth statutorily required update and covers progress from November 30, 2007, through April 30, 2008. The prior reports provided updates on progress from July 1, 2004, through November 30, 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 family teaching homes (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 approve 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 Bay Area 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, the Bay Area 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 specialized residential homes (SRHs) which provide 24-hour, on-site staffing in order to meet consumers' unique needs.

In addition, Bay Area 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.

As of April 30, 2008, all 61 properties have been purchased and financed; 37 have been remodeled and either occupied or ready for occupancy; 6 are under construction; 13 are at the bank awaiting financing approval to move into construction; and 5 remain in the permitting phase. It is anticipated that the remaining homes will be completed shortly after June, 2008, and that the remaining consumers will be transitioned when supports and services are available.

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 FTH regulations were promulgated on November 7, 2006. As of April 30, 2008, 25 former Agnews consumers reside in 9 BAHP FTHs located in the SARC catchment area.

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. As of April 30, 2008, 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 April 30, 2008, 17 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 SRH and the RCFE licenses.

962 Homes

SB 962 authorized the DDS and the 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 staff 24 hours per day, develop an individual health care plan 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 April 30, 2008, four 962 BAHF homes provide services to 18 former Agnews residents.

Additionally, an interagency agreement has been completed with the University of California (UC) Davis, and an independent evaluation of the 962 home pilot project is underway, pursuant to statute.

Residential Service Providers

New Service Providers: Fiscal year 2007-08 brought a new service provider to the mix of providers involved in community services for people moving from Agnews. Vast Horizons was established by Agnews families as a provider organization serving Agnews residents transitioning in the community. Elwyn is an organization that provides services and supports to people with developmental disabilities in home and community settings in California, New Jersey, Delaware and Pennsylvania. Elwyn came to the attention of those involved in the Agnews closure when a number of Agnews parents traveled to Pennsylvania and were pleased with the quality of services provided by Elwyn of Pennsylvania. Vast Horizons teamed up with Elwyn as a consultant in the organization's residential and vendor applications. The consultation provided was important to Vast Horizons but it also opened the door for Elwyn to express an interest in being an active partner in the direct provision of services. As a result, Elwyn of Northern California (Elwyn NC) will be operating seven homes in the SARC and RCEB catchment areas. Vast Horizons will be operating four homes in the SARC area. Agnews Families have met with Elwyn NC and have expressed satisfaction with the experience and knowledge Elwyn NC brings as the provider.

Recruitment Challenges: It has taken longer than anticipated to recruit nurse administrators and direct care staff for the BAHF homes, which has contributed to a delay in consumer placement. The DDS continues to work with the regional centers and housing providers to recruit and train providers for BAHF homes.

Addressing the Housing Challenges

While the BAHF has succeeded in acquiring all of the 61 homes that will provide for the housing needs for residents transitioning out of Agnews, the BAHF team has encountered hurdles throughout the housing development process. The DDS continues

to work closely with Hallmark and the Bay Area regional centers to address issues impacting the timely completion of the project.

The housing acquisition process has gone slower than anticipated. Initially, the development of the unique financing arrangement delayed purchases. Under the BAHP, Hallmark secures loans from the Bank of America to acquire and remodel the homes. When the properties are ready for occupancy, the deed transfers to the nonprofit housing corporation associated with the respective regional center and CalHFA provides permanent financing through state bonds. Obtaining permits in 19 separate jurisdictions has been the single greatest hurdle to finishing construction.

The DDS and the Bay Area regional centers have dedicated resources to address lender and local government concerns, ensure work is properly completed prior to transfer of the home from Hallmark to the nonprofit, and to facilitate state licensure. At the direction of the Bay Area regional centers, Hallmark has added contractors, pre-ordered building materials, and augmented on-site supervision of construction. The DDS conducts weekly meetings with the Bay Area regional centers and the developer to identify and address any permit or inspection delays involving county, city, fire or utility jurisdiction.

While it is critical that construction of the remaining homes be completed in a timely manner, no person will move from Agnews until the housing, services, and supports are available in the community. The DDS will remain closely involved with the Bay Area regional centers and Hallmark through the successful completion of the project.

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 an individual placement plan (IPP) process. The IPP meeting offers 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 adapted to support their active participation in the IPP and transition discussions.

Since August 2006, 196 consumers participated in Choices meetings, often with the involvement of family members, advocates and Agnews staff. The meetings were completed in January 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. In addition, staff of each regional center meet with the families throughout the transition process and have arranged various functions including monthly family teas, home tours and provider/family meetings. All of these events provide families the opportunity to raise issues and discuss the transition process.

Community Living Options

The community living options (CLO) 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 April 30, 2008, all Agnews residents had either selected homes and were in the process of exploratory visits or 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 the consumer, family member/advocate, a representative from the RRDP, a regional center service coordinator, the service provider, and a representative from the planning team at the developmental center and future placement 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 into 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. Together, the DDS and the Department of Health Care Services (DHCS) have created a framework for the development and delivery of health services.

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. In February 2008, the DDS distributed a document entitled, "*Health Services for Agnews Consumers in the Community: An Overview*" to former and current Agnews residents and their families, outlining the provision of health care services in the community. The document is available on the DDS website.

Health Care Service Delivery Systems

Depending on the county of residence and eligibility for Medi-Cal and Medicare, there are various service delivery systems that provide health care services to consumers transitioning from Agnews into the community. The regional center assists the consumer and their representative in evaluating the options, coordinating and facilitating eligibility, and, when indicated, enrolling in a managed care health plan.

Options for consumers who are not eligible for Medi-Cal or Medicare: There are a few consumers who are not eligible for either Medi-Cal or Medicare. The regional center works with these consumers in developing the individual health transition plan (IHTP), in order to assure that the consumer can access to the necessary health services and supports in the community.

Options for consumers enrolled in Medi-Cal: Depending on the county of residence, consumers who are Medi-Cal eligible have specific health care service options. In San Mateo County, Agnews consumers transition into the HPSM, 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 (SCFHP) or (AAH), a commercial Medi-Cal health care plan (Blue Cross), or receive services through the fee-for-service system often referred to as “regular Medi-Cal”. Therefore, the RCEB and SARC consumers have the option of staying in the Medi-Cal fee-for-service system or enrolling in one of the Medi-Cal managed health care plans, which are discussed below. For the consumers who opt to receive services through the fee-for-service system, the regional center service coordinator will assist in coordinating access to health care services in the community, as outlined in the IHTP.

Options for Consumers Enrolled in Medi-Cal and Medicare: Consumers who are eligible for both Medi-Cal and Medicare are offered the same Medi-Cal health care options outlined previously, and also have the option of enrolling into a “Medicare Advantage/Special Needs Plan (MA/SNP).” The MA/SNP is a federal Medicare option that allows Health Plans to target a specific segment of the Medicare population, including those who are eligible for both Medicare and Medicaid. The Medi-Cal managed care plans that are also SNPs are able to provide a comprehensive service strategy that integrates Medicare and Medi-Cal benefits, thereby providing a seamless service delivery system. The health plan reviews this option with eligible consumers and their representatives and assists them in making decisions regarding enrollment.

Health Plan Medical Services

The designated managed care health plans, SCFHP for SARC consumers, AAH for RCEB consumers and HPSM for GGRC consumers, have established a partnership with the Bay Area regional centers, the DDS, and the DHCS to arrange for medical and specialized health care services for Agnews consumers who elect to enroll in these plans. When a person elects to enroll in a designated managed care health plan (Health Plan), available services include but are not limited to:

- Access to qualified providers. The Health Plan will arrange for an array of medical service providers that include primary care and specialty physicians,

optometry and ophthalmology services, medications, support services such as occupational and physical therapies, and medical equipment and supplies including adaptive equipment.

- Comprehensive Medical Care Management. A registered nurse will be assigned to each consumer to coordinate individualized health services and assure that the consumer receives specialty services identified as medically necessary by the primary care physician.
- Coordination with the regional center and other health service providers.

In December of 2007, the DHCS received approval from the CMS for its State Plan Amendment (SPA), effective July 1, 2007. The SPA describes how services are to be provided to specified former Agnews residents in Alameda and Santa Clara Counties. In January of 2008, the DHCS received approval for its waiver for the HPSM, which also describes how services are to be provided to specified former Agnews residents in the community.

Health Plan Enrollment: Each of the Bay Area regional centers has a health transition specialist who is responsible for assisting consumers and families with understanding health care service delivery options as well as expediting the eligibility and enrollment process. The regional center provides information regarding health plan options, and, when appropriate, the designated health plan assists the consumer with enrollment in additional programs such as an MA/SNP. In January and February 2008, the DDS representatives met with families, regional center representatives, health plan representatives and physicians to provide an overview to the health plan enrollment process.

The DHCS/Health Plan/Regional Center Coordination: The foundation of the community medical services strategy is a partnership between the DDS, the DHCS, the Bay Area regional centers, and the designated health plans. In February 2008, the DDS and the DHCS finalized a Memorandum of Understanding (MOU) which establishes protocols to share information for rate development, strategic planning, and the health plan enrollment process. At the local level, regional centers and designated health plans continue to secure health care services for residents transitioning out of Agnews into the community. The designated health plans and the Bay Area regional centers developed and signed MOUs to assure access to comprehensive services for those consumers who elect to enroll. Each of the regional center/health plan MOUs outlines the roles and responsibilities of the health plans, the regional centers and the residential service providers. The designated health plans continue to partner with the Bay Area 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. Health plans also are conducting informational outreach to area providers on serving these individuals.

The Bay Area regional centers, the designated health plans, and Agnews staff continue to work 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 has amended 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 established an outpatient clinic as part of its acute care hospital license on May 1, 2006. The outpatient clinic was added as an additional service under Agnews' General Acute Care Hospital (GACH) license to provide outpatient medical and dental services. The GACH license is administered by the Department of Public Health.

The outpatient clinic assists in the transition of Agnews residents, provides a safety net to ensure access to health, dental and behavioral services, and is a resource to persons with developmental disabilities who reside in the community. The regional center 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 specialists experienced in providing services to individuals with developmental disabilities.

The DDS, working with the DHCS, is finalizing efforts to establish the Agnews outpatient clinic as a community clinic (Agnews Community Clinic) after Agnews closes. The clinic will continue to provide a safety net to ensure that health, dental, and behavioral services are seamless during the transition process. Upon the closure of Agnews, the Agnews Community Clinic will continue to provide primary care and other specialty services, as necessary, until the DDS is no longer responsible for the property.

Outpatient Clinic Use

MONTHS 2008	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	TOTAL
Former Agnews Clients Seen for the First Time	12	2	9	11								
Former Agnews Clients Previously Seen in OSD (Return visits)	30	36	36	47								
Total# - Agnews Clients Seen	42	38	45	58								
Non-Agnews Clients Seen for the First Time	15	16	15	22								
Non-Agnews Clients Previously Seen in OSD (Return visits)	35	32	37	21								
Total# - Non-Agnews Clients Seen	50	48	52	43								
Total # of Clients Seen	92	86	97	101								

Mobile Services: Crisis Intervention and Behavioral Support

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 designated health plans and Bay Area regional centers to further explore mobile service viability and needs.

The DDS has met with the Bay Area regional centers, consumer and family stakeholders, as well as representatives from the local health plans to identify any potential gaps in health related services for individuals transitioning from Agnews. The DDS will soon finalize plans for mobile services based on existing needs and an optimal service delivery model. It is anticipated that the mobile services will include crisis intervention and behavioral support.

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.

Prevention Services: The Bay Area regional centers contract with Pacific Center for Special Care at the University of the Pacific (UOP) School of Dentistry for dental screenings and teeth cleaning services. In partnership with UOP, the Bay Area regional centers will provide services through registered dental hygienists in homes where Agnews clients reside.

Sedation Dentistry: Many consumers transitioning from Agnews require sedation dentistry. The Bay Area regional centers and the designated health plans are coordinating services to assure timely and appropriate access to these services, as necessary. The designated health plans are identifying community resources that will provide sedation dentistry through outpatient surgeries, and the Bay Area regional centers are identifying the qualified dentists.

Behavioral Services

Many current and former Agnews residents have behavioral challenges. 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 placement may be at risk.

Psychiatric services and reviews of medications are available through the Agnews outpatient clinic. Further, each of the Bay Area 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 UC Irvine, through a telemedicine system. In addition, the Hope Counseling Center provides psychiatric services to Santa Clara County consumers through a contract with the County Mental Health Department. 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.

In addition, the Bay Area 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. The facility 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 North Bay Regional Center (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 six meetings since September 2005. During the April 2008 meeting, Commissioners received an update on the Unified Plan activities, discussed improvement activities in Unified Plan homes, reviewed trends in the QMS tool data over the past year, received updates from QMS specialists regarding efforts with providers in the homes, and provided recommendations regarding ongoing QMS activities.

National Core Indicator Studies

The National Core Indicator (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/docs/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 1,200 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 32,000 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. In addition to addressing any requests or follow up activities generated by the Snapshots, QMS Specialists use Snapshot data as part of their intensive work on the Provider Expectations in the Unified Plan homes.

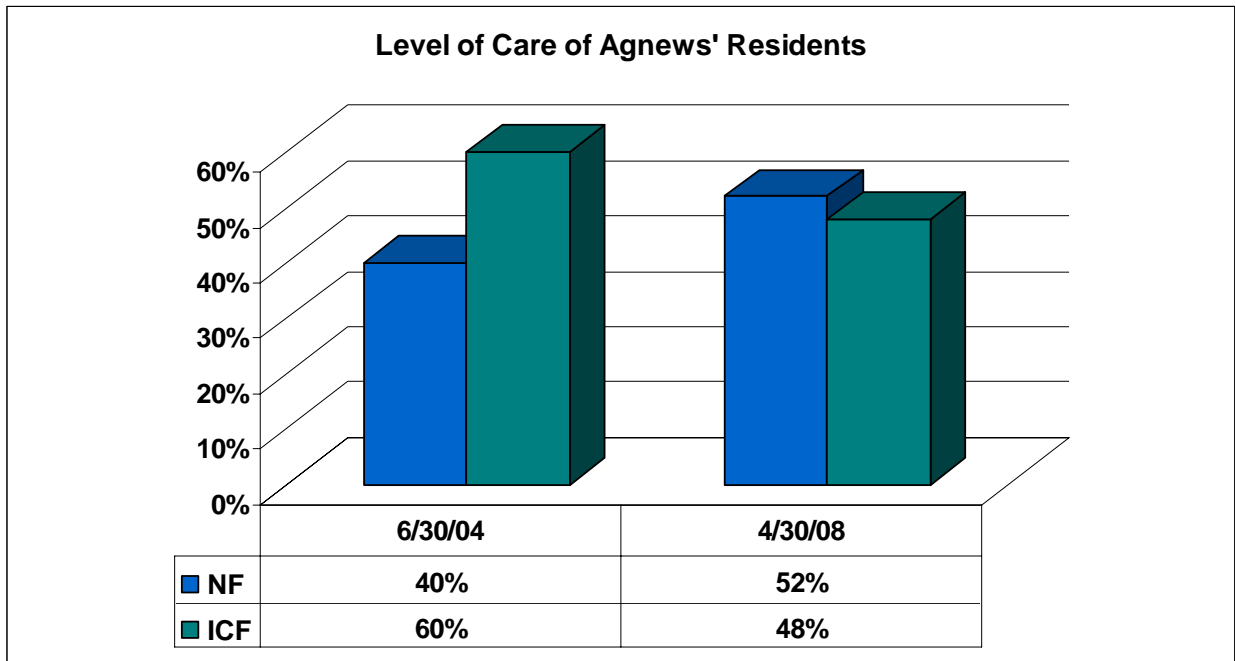
Agnews Residents

Current Agnews Residents

As of April 30, 2008, 157 residents remained at Agnews.

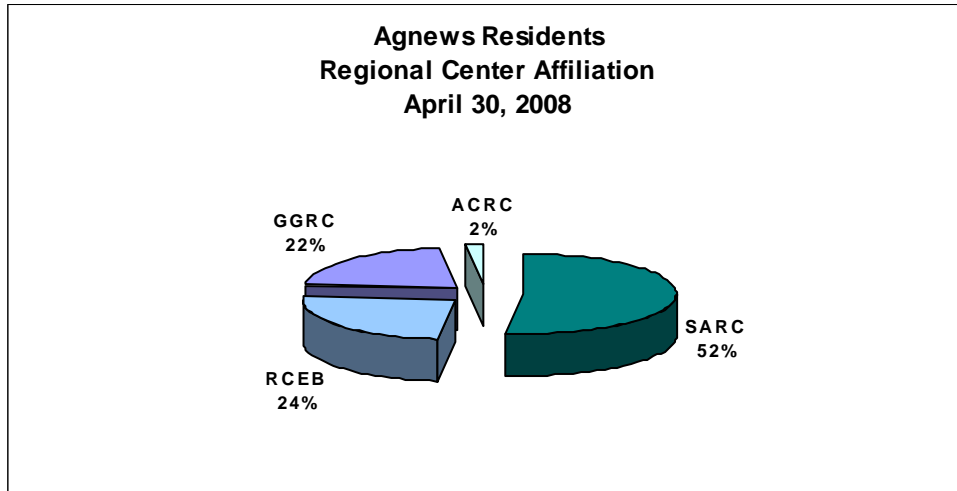
Levels of Care

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 52 percent of Agnews residents live. The second level of care is provided in the Intermediate Care Facility (ICF) residences, which are home to the remaining 48 percent of 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.



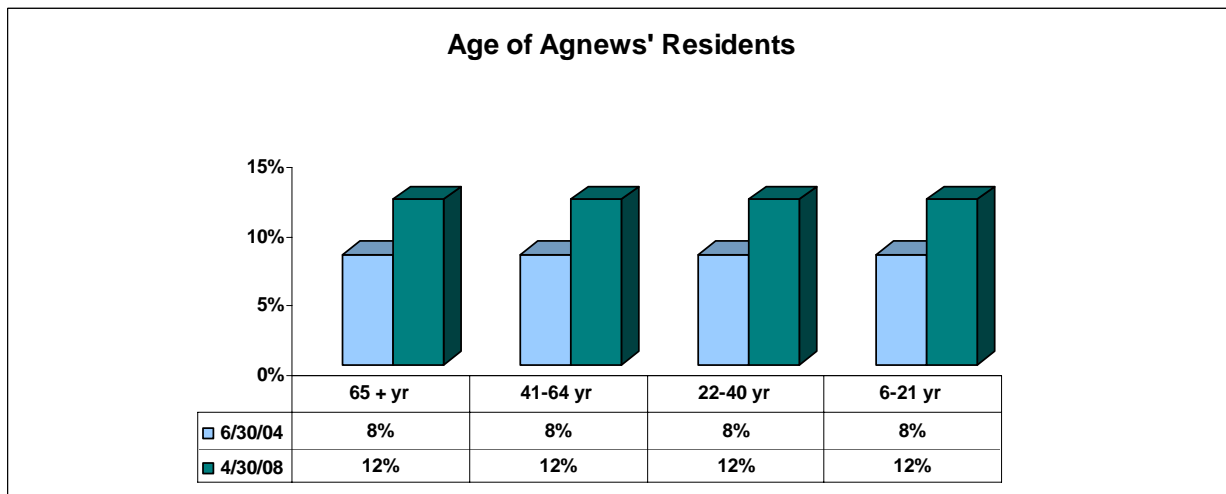
Regional Center Affiliation

Approximately 52 percent of current Agnews residents are affiliated with the SARC, 24 percent are affiliated with the RCEB, 22 percent are affiliated with the GGRC, and 2 percent are affiliated with Alta California Regional Center (ACRC).



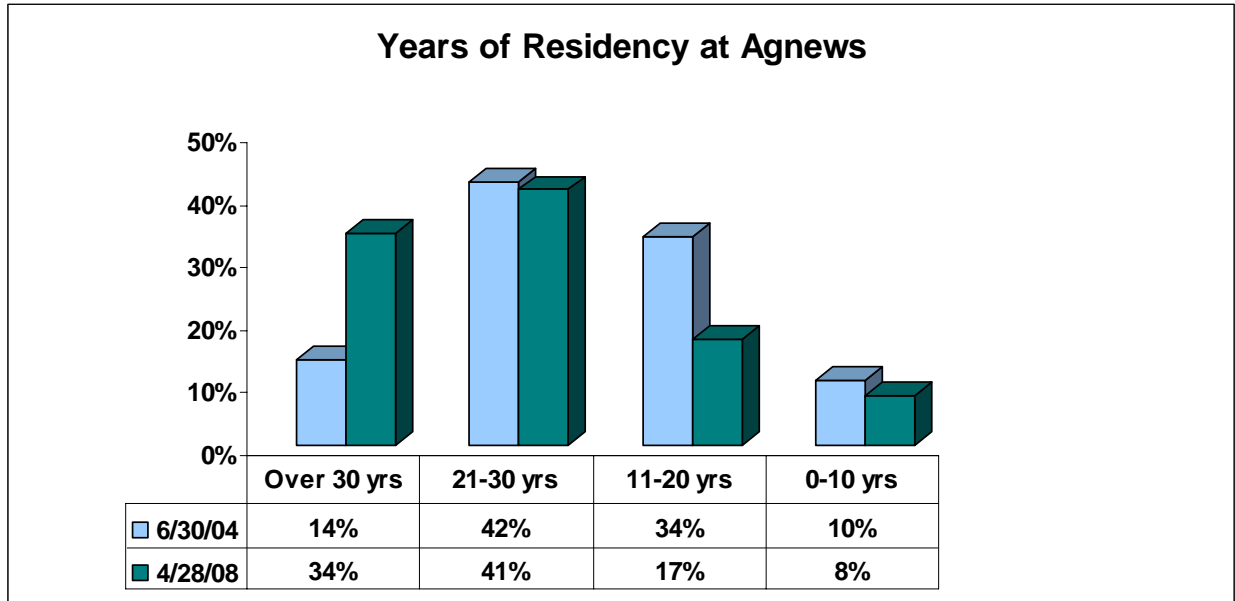
Age of Agnews Residents

As of April 30, 2008, 72 percent of the residents are over age 40. People who are 65 years or older comprise 12 percent of the population. In contrast, 3 percent of the residents are 21 years or younger.



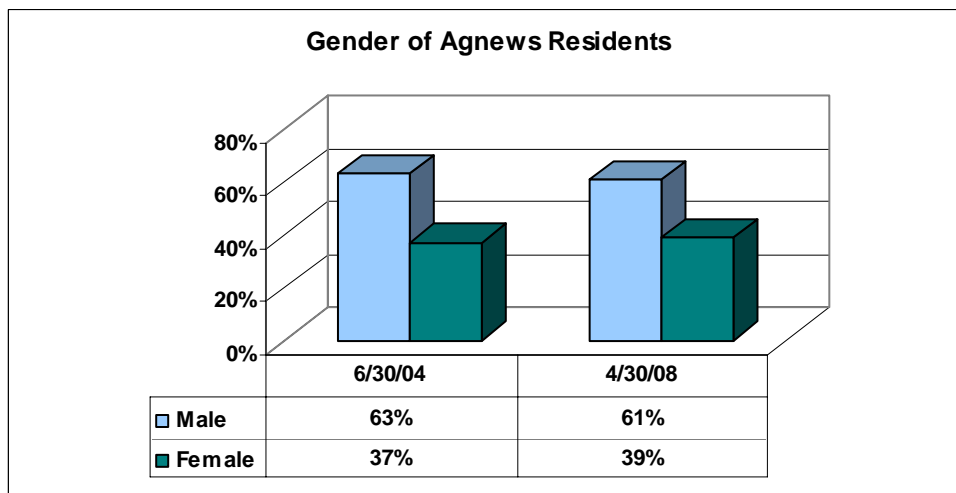
Years of Residency at Agnews

75 percent of the current residents have lived at Agnews over 20 years. 17 percent have resided at Agnews for 11 to 20 years. 8 percent have resided at Agnews for 10 years or less.



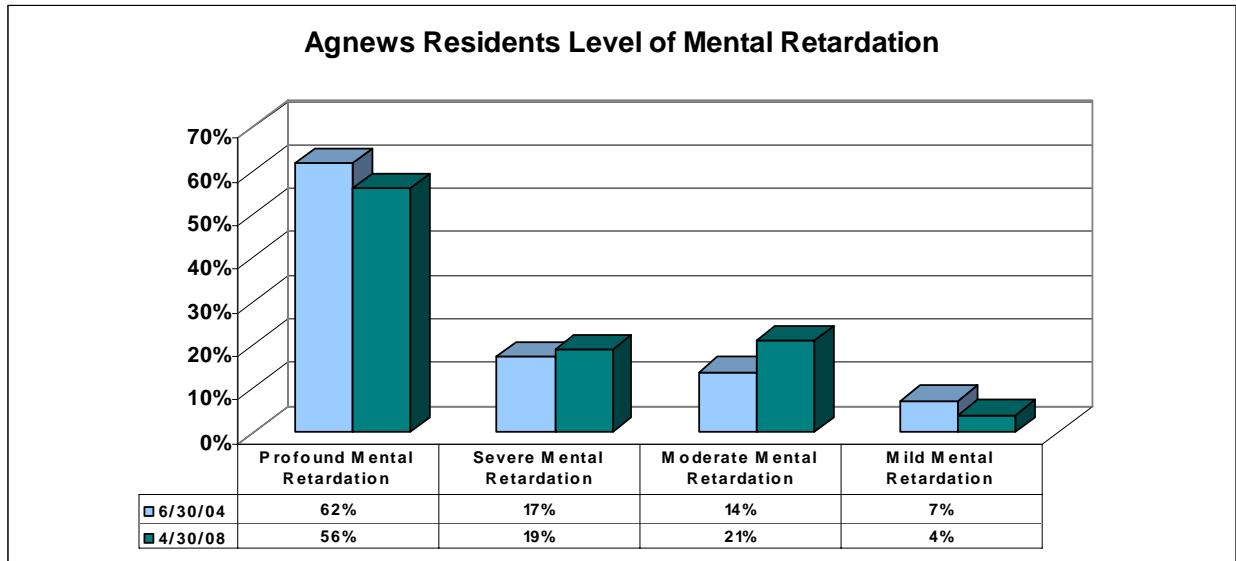
Gender of Agnews Residents

61 percent of the residents are male, and 39 percent are female.



Level of Mental Retardation

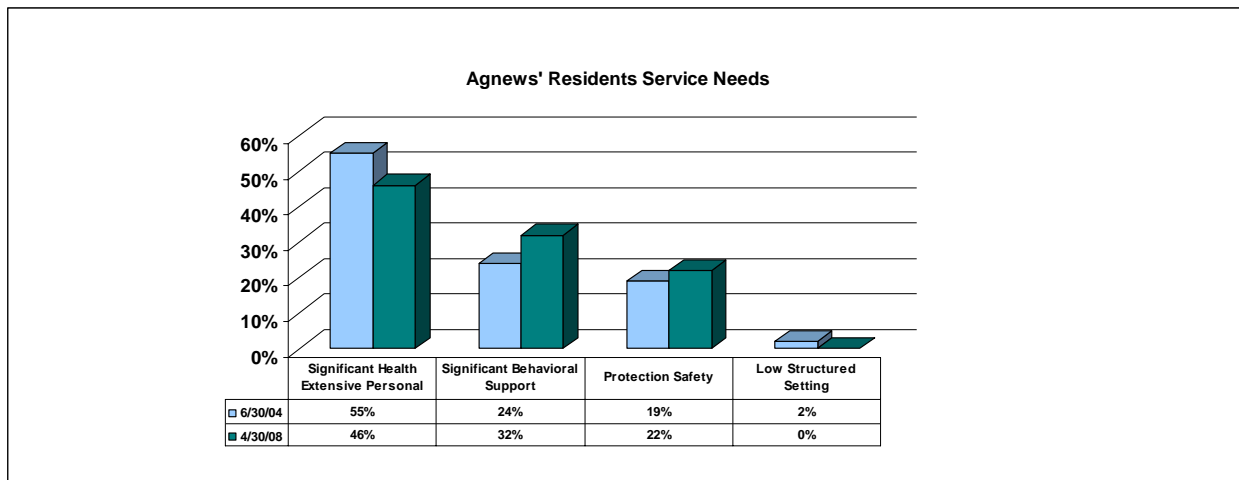
56 percent of the current Agnews' residents have profound mental retardation, 19 percent have severe mental retardation, 21 percent have moderate mental retardation, and 4 percent have mild mental retardation.



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. 46 percent of the residents have significant health and extensive personal care needs.
- **Significant behavioral support:** This category describes consumers who have significant aggression issues that may require intervention for the safety of themselves or others. Approximately 32 percent of the residents are consumers needing significant behavioral support.
- **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. 22 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.

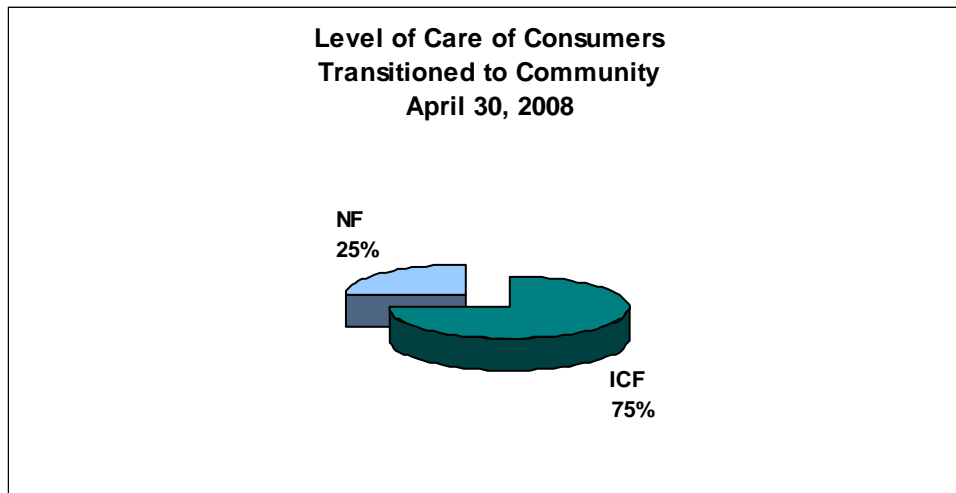


Agnews Consumers Who Have Transitioned Into the Community

Between July 1, 2004 and April 30, 2008 a total of 198 Agnews residents transitioned to other living arrangements.

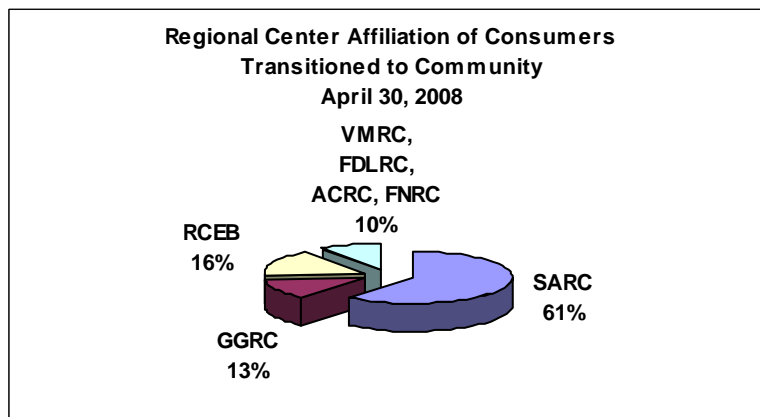
Level of Care of Consumers Who Have Transitioned Into the Community

Of the consumers who transitioned to community living arrangements between July 1, 2004 and April 30, 2008, 75 percent had been served in the ICF residences and 25 percent had been served in NF residences while at Agnews.



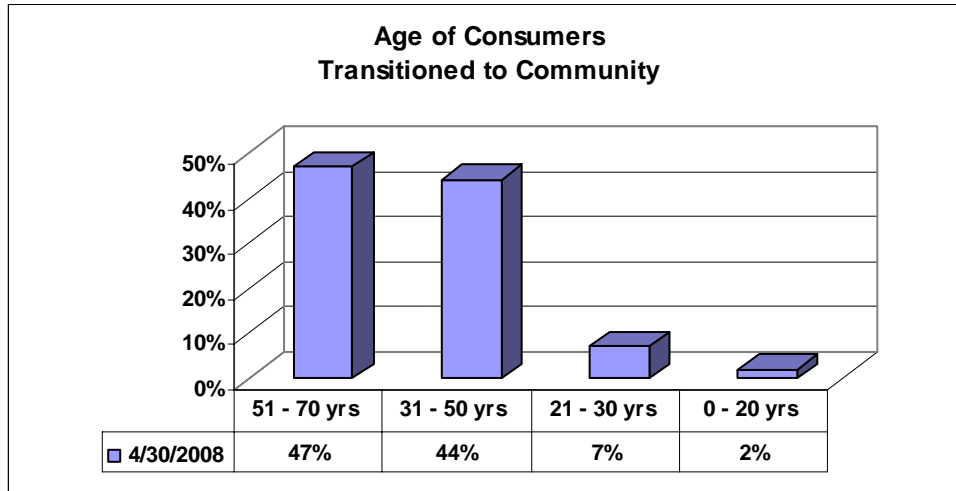
Regional Center Affiliation of Consumers Transitioned to Community

Approximately 61 percent of the consumers transitioning to the community between July 1, 2004, and April 30, 2008, were affiliated with SARC, 13 percent were affiliated with GGRC, 16 percent were affiliated with RCEB, 10 percent were affiliated with Far Northern Regional Center (FNRC), Valley Mountain Regional Center (VMRC), Frank D. Lanterman Regional Center (FDLRC), or ACRC.



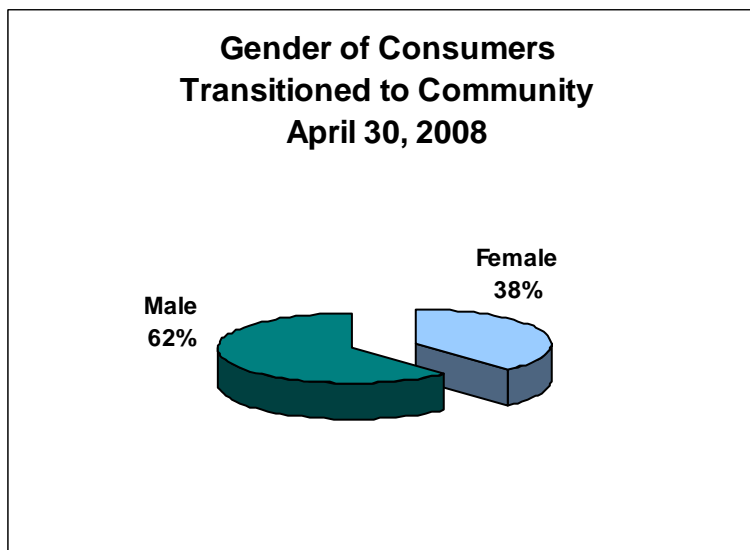
Age of Consumers Who Have Transitioned into the Community

Of the consumers transitioned to the community between July 1, 2004, and April 30, 2008, 47 percent were 51 to 70 years of age at the time of transition from Agnews, 44 percent were 31 to 50 years old, 7 percent were 21 to 30 years old, and 2 percent were 20 years of age or younger.



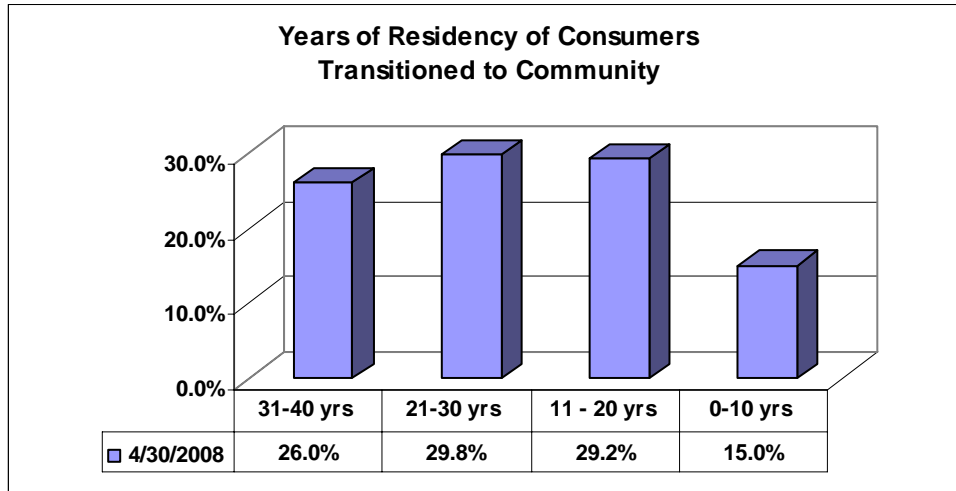
Gender of Consumers Who Have Transitioned to Community

62 percent of the consumers transitioned to the community between July 1, 2004, and April 30, 2008, were male, and 38 percent were female.



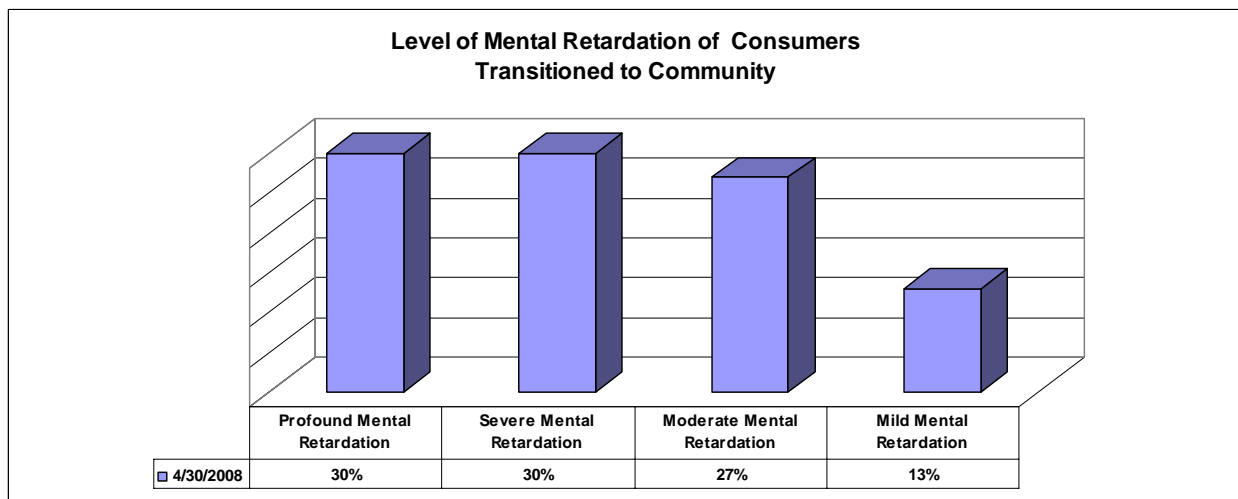
Years of Residency of Consumers Who Have Transitioned to Community

Of the consumers transitioned to the community between July 1, 2004, and April 30, 2008, 26 percent lived at Agnews for 31 to 40 years 29.8 percent for 21 to 30 years, 29.2 percent for 11 to 20 years, 15 percent for 10 years or less.



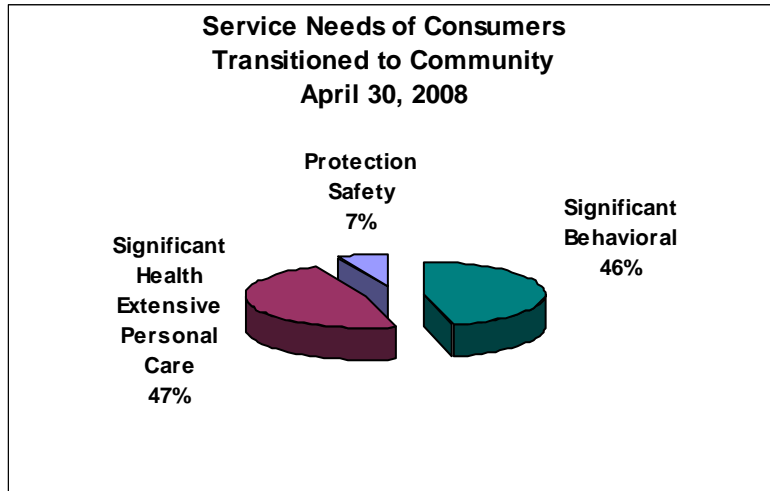
Level of Mental Retardation of Consumers Transitioned to Community

Between July 1, 2004, and April 30, 2008, 30 percent of transitioning consumers had profound mental retardation, 30 percent had severe mental retardation, 27 percent had moderate mental retardation, and 13 percent had mild mental retardation.



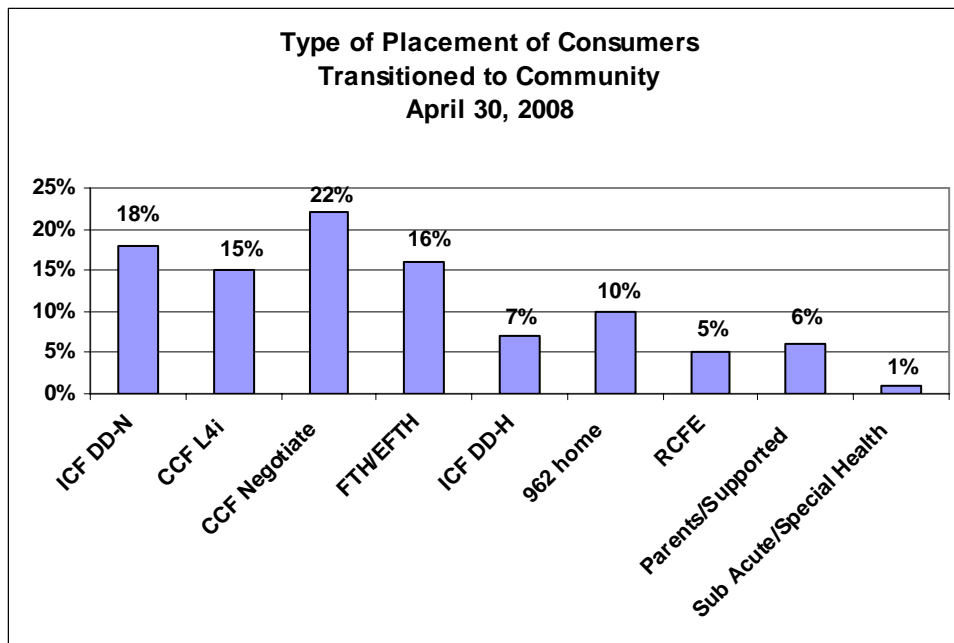
Service Needs of Consumers Transitioned to Community

46 percent of the consumers who transitioned to the community between July 1, 2004, and April 30, 2008, needed significant behavioral support, 47percent had significant health and extensive personal care needs, and 7 percent had protection and safety needs.



Type of Placement of Consumers Transitioned to Community

18 percent of the consumers who transitioned to the community between July 1, 2004, and April 30, 2008, moved to ICF Developmentally Disabled-Nursing (DD-N), 15 percent moved to Community Care Facility Level 4i (CCF L4i), 22 percent moved to CCF Negotiate, 16 percent moved to FTH or EFTH, 7 percent moved to ICF Developmentally Disabled-Habilitative (DD-H), 10 percent moved to 962 homes, 5 percent moved to RCFE, 6 percent moved to their Parents' Home or Supported Living, and 2 individuals equaling 1 percent of the consumers required long-term care in a Sub Acute Hospital or CCF Special Health Facility.



Agnews Employees

As of April 30, 2008, there were 822 employees at Agnews. Agnews employees have been provided information regarding the closure and the options that are, or will become, available for employment. On December 28, 2007, the Department of Personnel Administration notified all impacted Bargaining Units of intent to close Agnews on or about June 30, 2008, and on March 5, 2008 State Restriction of Appointment notices were sent to all employees except those employees assigned to Warm Shut Down (facility physical plant closure process) and the Agnews Outpatient Clinic. Impact negotiations began in late January 2008, and focus on non-economic and economic proposals with unions that have identified an impact associated with the closure.

The Marchesi Career Center

The Marchesi Career Center (Career Center) opened at Agnews in July 2006. Counselors assist employees with career counseling, training, and support on an individual or group basis. Assistance with résumé writing, application processing, assessing qualifications based on job specifications and interview tips and techniques are offered. The Center is equipped with computers with Internet access for job searching for state, county, city, and local job opportunities. Since July 2006 through March 31, 2008 CalPers has provided 18 seminars to assist employees to plan for retirement. Two Job Fairs and one scheduled for May, 2008 have occurred on campus with participation of approximately forty (40) vendors.

ADC and The Employment Development Department (EDD) will be collaborating to provide enhanced specialized training beginning in May to further assist employees in securing continued employment. In June EDD will provide informational sessions on issues related to unemployment.

From the time of its opening through April 30, 2008, the Career Center recorded 1,353 employee visits where information and career counseling services were provided. Between April 2007 and April 30, 2008, 512 employees received career counseling. The Career Center has provided training courses to more than 600 staff from the time it opened through April 30, 2008.

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, by applying for community-based assignments. These assignments 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. To promote continuous recruitment throughout the facility, the staff is updated weekly on opportunities. In

addition, Agnews has developed orientation and job training sessions to familiarize employees with community-based opportunities.

As of April 30, 2008, a total of 77 employees are participating in the community state staff program, with 41 employees currently working in assignments, and the remaining 36 waiting for report dates. In addition, 21 positions are currently being advertised for 5 providers, with 66 applications received.

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, which consists of two 35-hour classes, is required for all staff providing care to consumers in the community. The training benefits service providers, regional centers, and consumers by ensuring that there is a pool of experienced and qualified prospective employees.

The Career Center offered a challenge test and three separate full review sessions for the Year 1 DSP training and one for the Year 2 DSP training. Review sessions for DSP training Year 1 and Year 2 will continue to be offered.

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 April 30, 2008, there were 822 employees at Agnews.

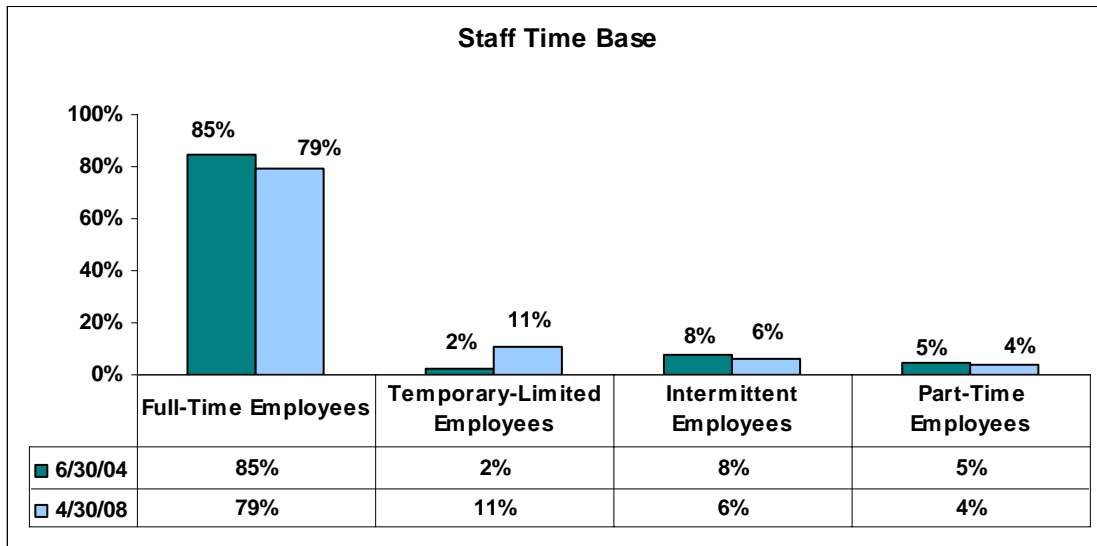
The attrition rate for this fiscal year is consistent with last fiscal year at ten percent. Licensed personnel such as registered nurses and psychiatric technicians comprise a significant majority of the separations. There is an increase in the proportion of administrative and support staff who are separating. Currently, 79 percent of Agnews employees are full-time employees, 11 percent are temporary limited-term employees, 6 percent are intermittent employees, and the remaining 4 percent are part-time employees.

The facility continues to provide a stable work force by providing opportunities for staff to transition to the community-based system, providing opportunities for employees who may be subject to layoff with accurate and timely information on options, and offering training and development opportunities as well as out-of-class assignments when appropriate.

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.

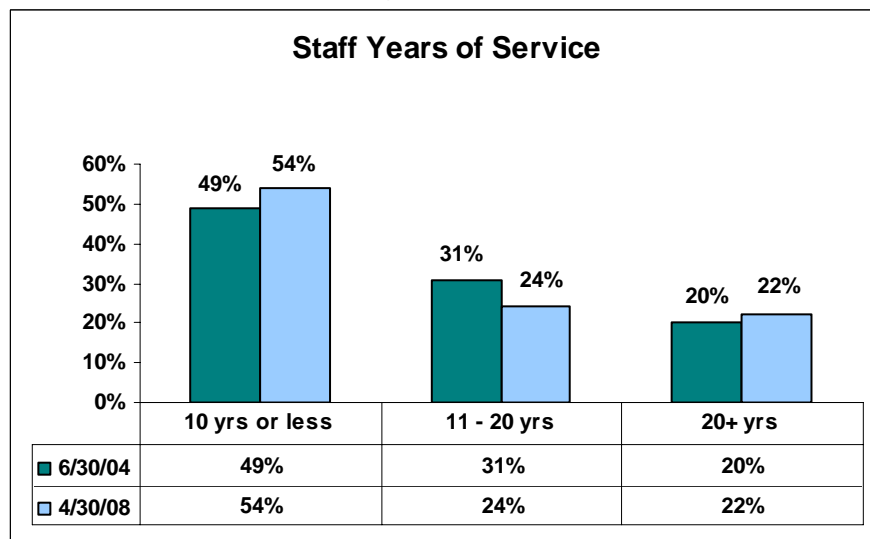
Current Employee Composition

As of April 30, 2008, there are 822 employees at Agnews. Of these employees, 79 percent are currently full-time employees, 11 percent are temporary limited term employees, 6 percent are intermittent employees, and the remaining 4 percent are part-time employees.



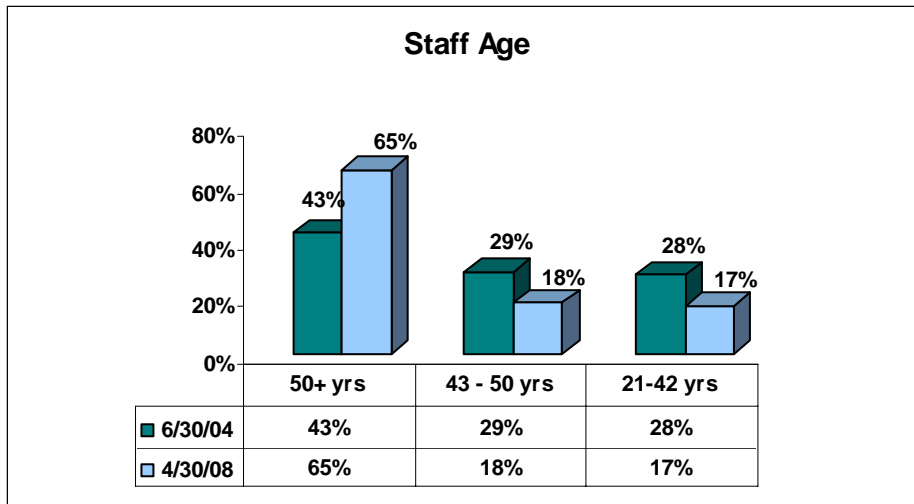
Staff Years of Service

54 percent of the employees have worked at Agnews for 10 years or less. 24 percent of the employees have been employed at Agnews between 11 and 20 years. The remaining 22 percent have worked at Agnews for more than 20 years.



Staff Age

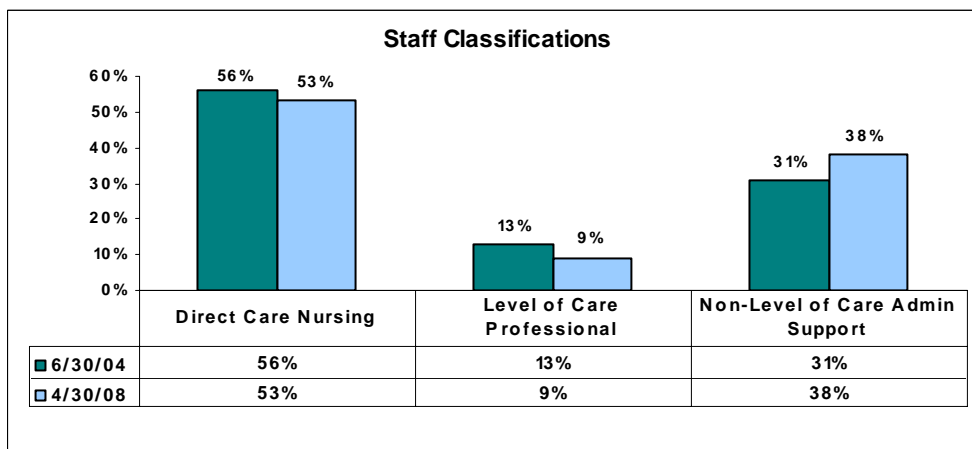
65 percent are over 50 years of age. 18 percent are between 43 to 50 years. 17 percent of the workforce are between 21 and 42 years of age.



Employee Classification

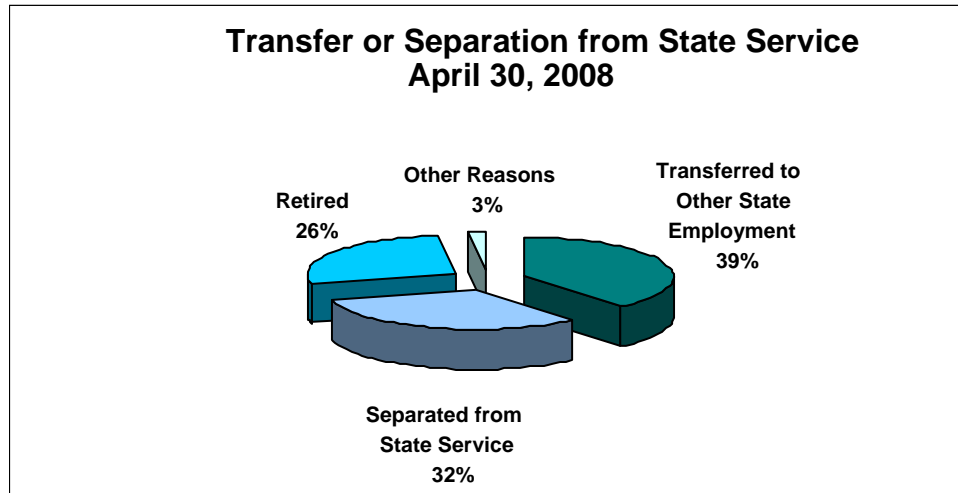
There is a wide range of employees and classifications that provide services to people residing at Agnews. These classifications are categorized as follows:

- **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.



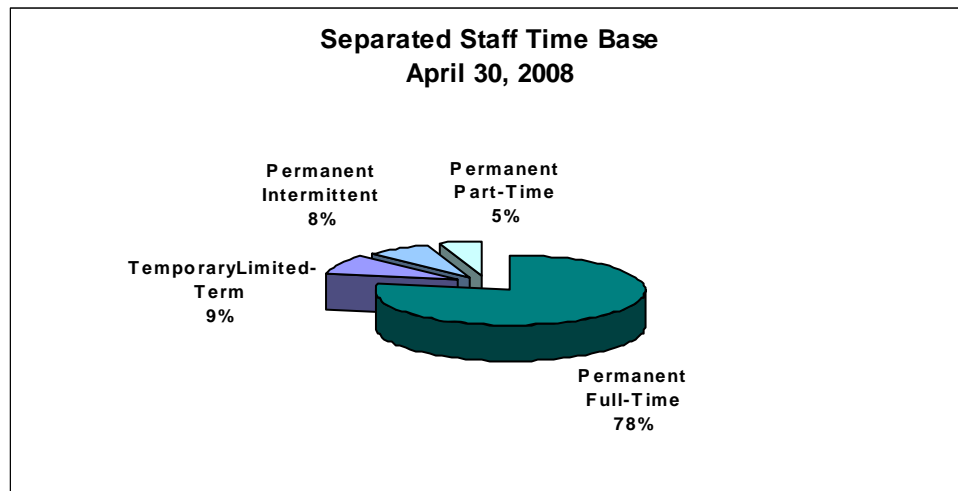
Separated Employee Composition

Between the time period of July 1, 2004, and April 30, 2008, 648 employees separated from employment with Agnews. Of those separating, 39 percent transferred to other state employment, 32 percent separated from state service, 26 percent retired, and 3 percent left for other reasons.



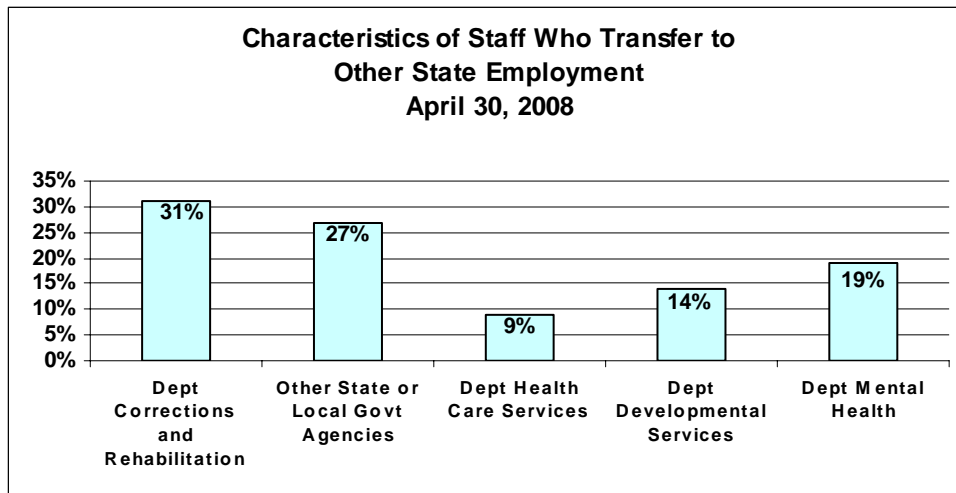
Separated Employee Staff Work Status

Of the employees that separated from Agnews state service between July 1, 2004, and April 30, 2008, 78 percent had been full-time employees, 9 percent had been temporary limited-term employees, 8 percent had been permanent intermittent, and 5 percent had been permanent part-time.



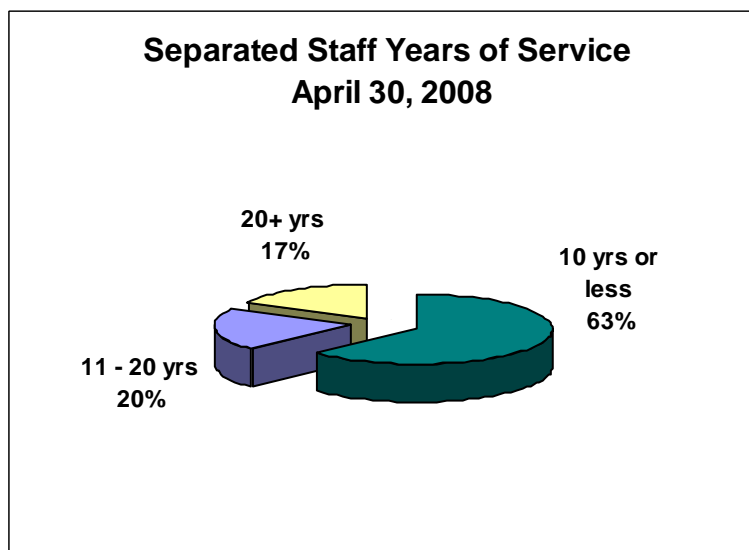
Characteristics of Staff Who Transfer

For staff separating from Agnews to other state employment, 31 percent transferred to the California Department of Corrections and Rehabilitation, 27 percent transferred to other state or local government agencies, 9 percent transferred to the DHCS, 14 percent transferred to other employment within the DDS, and 19 percent transferred to the Department of Mental Health.



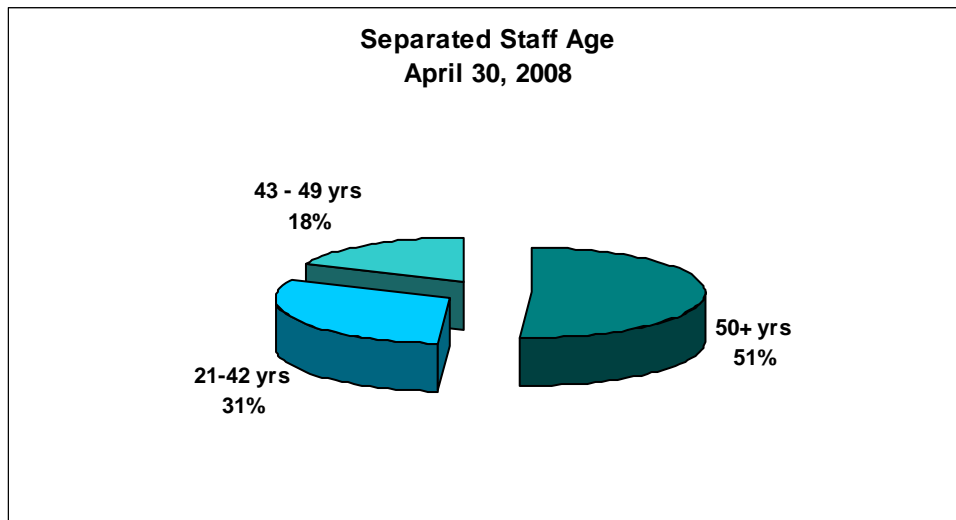
Separated Staff Years of Service

63 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 17 percent had worked at Agnews for more than 20 years.



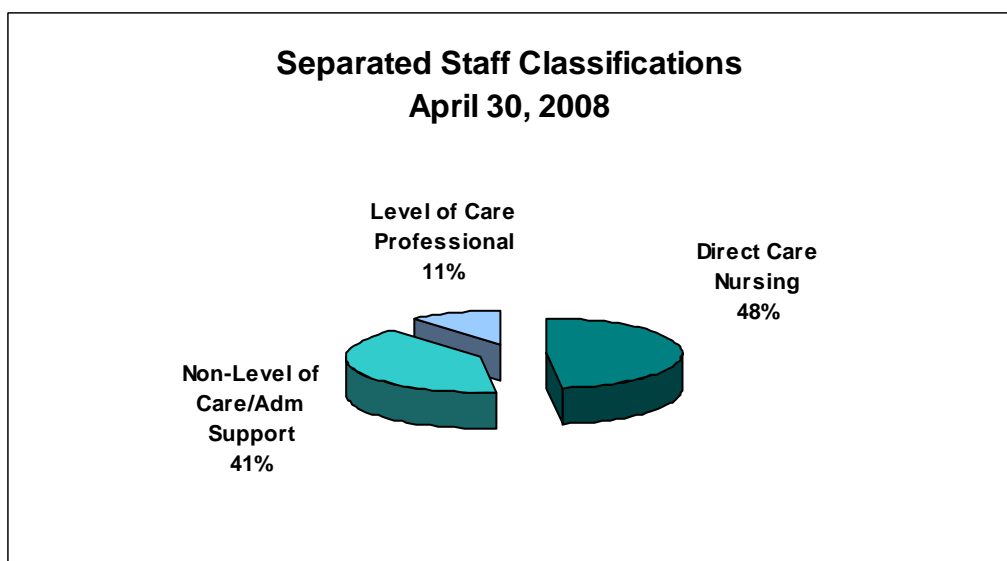
Separated Staff Age

51 percent were 50 years or older, 31 percent of those who separated were between 21 and 42 years of age, and 18 percent were between 43 to 49 years old.



Separated Staff Classifications

48 percent of the separated employees were providers of direct care, 41 percent in non-level of care positions and administrative support. 11 percent were level of care professional service providers to Agnews residents.



Physical Plant Consolidation

As is consistent practice at all DDS developmental center facilities, when population decreases, careful consolidation of residential areas and/or training sites must occur to ensure maximum utilization of staff and therefore greater assurance of quality services. The underpinning of Agnews consolidation planning was the development of guidelines illuminating the process for “Movement, Transfer, and Consolidation”. The guidelines were designed to assist the program managers in developing plans that assure a safe and smooth transfer of residents from one living and/or training environment to another. From 2004 through April 30, 2008, a total of nine residences have been consolidated (seven ICF and 2 NF), and 16 training sites have been consolidated (13 ICF, 3 NF). Current consolidation activities include three residences (two ICF and one NF), and one ICF training site.

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	2008									
		1st Quarter				2nd Quarter			3rd Quarter		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
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, CalHFA, Department of Finance, 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	✓ BAHP legal agreements endorsed										
24	✓ BAHP RC contract amendment enforced										
25	✓ Budget Act reappropriation of expenditure plan funds										
26	61 properties receive certificates of occupancy										
27											
28											

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	2008									
		1st Quarter			2nd Quarter			3rd Quarter			
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
29	962 Homes										
30	<input checked="" type="checkbox"/> Draft legislation										
31	<input checked="" type="checkbox"/> SB 962 introduced										
32	<input checked="" type="checkbox"/> SB 962 legislation effective 1/1/2006 - pilot project										
33	<input checked="" type="checkbox"/> RCs draft and issue request for proposals for service providers										
34	<input type="checkbox"/> Facilities certification letters issued										
35	<input checked="" type="checkbox"/> Interagency agreement for evaluation of project developed										
36	<input type="checkbox"/> Homes developed by BAHP										
37	<input type="checkbox"/> Finalize 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										
44	<input checked="" type="checkbox"/> AB 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											
57	***Transition to the community occurs only when the necessary services and supports are in place***										

**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	2008								
		1st Quarter			2nd Quarter			3rd Quarter		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
58	Provide service through Agnews outpatient clinic									
59	Develop prototype MOU									
60	Develop DHCS/DDS MOU									
61	Submit protocols to CHHS and the Legislature									
62	Contract with Telecare for crisis facility									
63	Continue capacity building with health plans									
64	Continue recruitment of mental health and dental service providers									
65	Provide service delivery monitoring and oversight									
66										
67	State Employees in the Community									
68	Draft Legislation									
69	AB 1378 introduced									
70	AB 1378 effective 1/1/2006									
71	DDS-Labor Relations notice impacted unions of change in working conditions and offer to meet and confer/discuss.									
72	DDS establishes negotiating team									
73	DDS initiate survey of regional centers regarding need for state employees for use in transition to community.									
74	DDS-Agnews analyze survey results to determine bargaining positions, number of unions impacted, notice additional unions if necessary									
75	DDS—Agnews/regional centers develop contracts for use of state employees and reimbursement									
76	DPA and DDS meet with unions to negotiate/discuss use of State employees									
77	Agnews deploys up to 200 state employees									
78	Quality Management System									
79	Establish QMS Commission									
80	Provider - Tools									
81	Complete Provider Expectations document									
82	Draft QSR expectations									
83	Complete QSR Manual									
84	Draft and pilot QSR Monitoring Tools									

**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	2008									
		1st Quarter				2nd Quarter			3rd Quarter		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
85	✓ Complete QSR Monitoring Tools										
86	✓ Draft QSR and Monitoring Tools Training Manual										
87	✓ Pilot QSR and Monitoring Tools Training Manual										
88	Consumer - Tools										
89	✓ Develop, pilot test, and finalize Service Coordinator Tool										
90	✓ Develop, pilot, and finalize Behavior Plan Review Tool										
91	✓ Develop, pilot test and draft a Quality Snapshot Tool										
92	✓ Develop, pilot, and finalize Nurse Health Review Tool										
93	✓ Develop, pilot, and finalize Bay Area Project Staff Tool										
94	✓ Xenologic contract										
95	✓ Completion of NCI Consumer Survey Year One										
96	✓ Completion of NCI Family Satisfaction Survey Year One										
97	✓ Final reports on both consumer and family surveys										
98	✓ Develop contract and scope of work for year two										
99	📅 May 2008 Final Report Year Two Surveys	[Solid blue bar from Dec to May]									
100	✓ Community development team meetings										
101	✓ CMS final report due on grant										
102	Business Management Team										
103	📅 Identify and support employees' personal needs to plan for future employment or retirement	[Solid blue bar from Dec to Sep]									
104	✓ Develop a plan to secure and protect Agnews' property throughout closure										
105	✓ Protocols in process to secure and protect Agnews' property throughout closure										
106	✓ Develop a process to ensure timely notification to stakeholders and appropriate entities regarding closure activities										
107	✓ Protocols in process to ensure timely notification regarding closure										
108	✓ Plan for inventory communications and information technology equipment, determine and develop a plan, and effectuate disposition										
109	✓ Create website for developmental centers (DC) containing policies and procedures for inventory of communications, and information technology equipment										

**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	2008									
		1st Quarter				2nd Quarter			3rd Quarter		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
110	 Manage Workers' Compensation cases, and preserve and transfer active and inactive cases including Stockton DC										
111	 Plan for purge and preserve Agnews' records as appropriate										
112	 Protocols in process for purge and preserve records										
113	 Develop process to move personal property with the consumer										
114	 Protocols in process to move personal property with consumer										
115	 Project, Plan, and Manage Fiscal Resources										
116	 Plan and facilitate consolidation of programs and services as population declines, including property leases										
117	 Inventory, store, distribute state surplus property - supplies										
118	 Create website for DCs containing policies and procedures for inventory, store-distribute state surplus property supplies										
119	 Develop a process to properly handle all trust account transactions during closure and forward balances at the time of discharge										
120	 Inventory/arrange for proper disposal of hazardous materials										
121	 Inventory and preserve historical items										
122	 Develop a plan to maintain Agnews' property during warm shutdown										
123	 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

	Base 2004-05	2006-07 May Revision CY 2005-06	2007-08 May Revision CY 2006-07	2008-09 May Revision CY 2007-08 1	2008-09 May Revision BY 2008-09 1	2009-10	2010-11
FISCAL IMPACT BY ISSUE							
Developmental Centers							
1. Agnews Budget Base	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$0	\$0	\$0
2. Placements Into the Community	-2,502,000	-9,654,000	351,000	-11,456,000	0	0	0
3. Consumer Transfers to Other DCs	0	0	0	-430,000	0	0	0
4. State Employees in the Community	0	0	0	242,000	4,454,000	4,454,000	4,454,000
a. Retained	0	0	0	242,000	4,454,000	4,454,000	4,454,000
b. Included in Lines 13 & 14 (below)	(0)	(682,000)	(3,758,000)	(9,217,000)	(20,082,000)	(20,082,000)	(20,082,000)
5. Administrative Staff for Closure	0	0	0	0	335,000	0	0
6. Warm Shut Down	0	0	0	0	4,836,000	0	0
7. Foster Grandparent/Senior Companion Program	0	0	0	0	-384,000	0	0
8. Staff Costs for Closure Plan	0	201,000	716,000	4,918,000	0	0	0
9. Facility Preparation	0	0	0	73,000	0	0	0
10. Consumer Relocation Costs	0	0	0	105,000	0	0	0
11. Regional Resource Development Projects	0	0	0	0	1,479,000	1,524,000	1,524,000
12. Agnews Staffing Plan	0	3,231,000	0	731,000	293,000	201,000	201,000
Sub-Total, Developmental Centers	\$97,712,000	\$86,180,000	\$84,100,000	\$67,937,000	\$11,013,000	\$6,179,000	\$6,179,000
General Fund	51,610,000	45,888,000	44,822,000	36,245,759	4,193,000	1,471,000	1,471,000
Other	46,102,000	40,292,000	39,278,000	31,691,241	6,820,000	4,708,000	4,708,000
Regional Centers							
13. Community Placement Plan	\$27,798,000	\$21,511,000	\$26,076,000	\$48,405,000	\$7,937,000	\$499,000	\$499,000
14. Placement Continuation	5,279,000	9,442,000	14,314,000	19,816,000	97,223,000	99,986,000	99,986,000
Sub-Total, Regional Centers	\$33,077,000	\$30,953,000	\$40,390,000	\$68,221,000	\$105,160,000	\$100,485,000	\$100,485,000
General Fund	29,667,000	27,543,000	34,981,000	49,986,000	67,697,000	63,072,000	63,072,000
Other	3,410,000	3,410,000	5,409,000	18,235,000	37,463,000	37,413,000	37,413,000
GRAND TOTAL	\$130,789,000	\$117,133,000	\$124,490,000	\$136,158,000	\$116,173,000	\$106,664,000	\$106,664,000
General Fund	81,277,000	73,431,000	79,803,000	86,231,759	71,890,000	64,543,000	64,543,000
Other	49,512,000	43,702,000	44,687,000	49,926,241	44,283,000	42,121,000	42,121,000
CHANGE FROM PRIOR FISCAL YEAR							
GRAND TOTAL	Total	-\$13,656,000	\$7,357,000	\$11,668,000	-\$19,985,000	-\$9,509,000	\$0
General Fund		-7,846,000	6,372,000	6,428,759	-14,341,759	-7,347,000	0
Other		-5,810,000	985,000	5,239,241	-5,643,241	-2,162,000	0
Developmental Centers	Total	-\$11,532,000	-\$2,080,000	-\$16,163,000	-\$56,924,000	-\$4,834,000	\$0
General Fund		-5,722,000	-1,066,000	-8,576,241	-32,052,759	-2,722,000	0
Other		-5,810,000	-1,014,000	-7,586,759	-24,871,241	-2,112,000	0
Regional Centers	Total	-\$2,124,000	\$9,437,000	\$27,831,000	\$36,939,000	-\$4,675,000	\$0
General Fund		-2,124,000	7,438,000	15,005,000	17,711,000	-4,625,000	0
Other		0	1,999,000	12,826,000	19,228,000	-50,000	0

1. Due to delayed placements in FY 2007-08, up to \$22 million will be transferred from the FY 2007-08 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget will update the FY 2008-09 costs based on the amount that is ultimately transferred.

2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.

3. The May Revision for CY 2007-08 reduces line 13, Community Placement Plan, by \$3.6 million due to delayed placements in FY 2007-08 and lower estimated cost of placements. Line 14, Placement Continuation, is reduced by \$13 million due to 26 fewer placements in the FY 2006-07. The Placement Continuation costs for these consumers will be updated in the FY 2009-10 Governor's Budget and subsequent budgets through 2010-11.

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	2008-09 May Revision for CY 2007-08 ₁	2008-09 May Revision for BY 2008-09 ₁	2009-10	2010-11
DEVELOPMENTAL CENTERS								
1. Agnews Budget Base	Total	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$0	\$0	\$0
	<i>General Fund</i>	52,923,000	49,154,000	44,237,000	39,347,759	0	0	0
	<i>Other</i>	47,291,000	43,248,000	38,796,000	34,406,241	0	0	0
	PYs	1173.0	1187.0	1057.0	967.0	0.0	0.0	0.0
	Year Beginning Population	376	327	280	220	0	0	0
2. Placements Into the Community	Total	-\$2,502,000	-\$9,654,000	\$351,000	-\$11,456,000	\$0	\$0	\$0
	<i>General Fund</i>	-1,313,000	-5,067,000	203,000	-6,111,000	0	0	0
	<i>Other</i>	-1,189,000	-4,587,000	148,000	-5,345,000	0	0	0
	PYs	0.0	-122.0	-16.0	-145.0	0.0	0.0	0.0
	Placements	-52	-63	-70	-204	0	0	0
	Deaths	-10	-10	-6	-6	0	0	0
3. Consumer Transfers to Other DCs	Total	\$0	\$0	\$0	-\$430,000	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0	-229,000	0	0	0
	<i>Other</i>	0	0	0	-201,000	0	0	0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Population	0	0	0	-10	0	0	0
4. State Employees in the Community	Total	\$0	\$0	\$0	\$242,000	\$4,454,000	\$4,454,000	\$4,454,000
	<i>General Fund</i>	0	0	0	129,000	475,000	475,000	475,000
	<i>Other</i>	0	0	0	113,000	3,979,000	3,979,000	3,979,000
	<i>(FYI: State Employees in the Community costs included in Sections 13 and 14 below)</i>		(0)	(682,000)	(3,758,000)	(9,217,000)	(20,082,000)	(20,082,000)
	PYs	0.0	0.0	0.0	3.0	30.0	30.0	30.0
5. Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$335,000	\$0	\$0
	<i>General Fund</i>	0	0	0	0	195,000	0	0
	<i>Other</i>	0	0	0	0	140,000	0	0
	PYs	0.0	0.0	0.0	0.0	5.0	0.0	0.0
6. Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$4,836,000	\$0	\$0
	<i>General Fund</i>	0	0	0	0	2,822,000	0	0
	<i>Other</i>	0	0	0	0	2,014,000	0	0
	PYs	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	-\$384,000	\$0	\$0
	<i>General Fund</i>	0	0	0	0	-318,000	0	0
	<i>Other</i>	0	0	0	0	-66,000	0	0
	PYs	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	\$0	\$0	\$0
	<i>General Fund</i>	0	105,000	382,000	2,624,000	0	0	0
	<i>Other</i>	0	96,000	334,000	2,294,000	0	0	0
9. Facility Preparation	Total	\$0	\$0	\$0	\$73,000	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0	39,000	0	0	0
	<i>Other</i>	0	0	0	34,000	0	0	0
10. Consumer Relocation Costs	Total	\$0	\$0	\$0	\$105,000	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0	56,000	0	0	0
	<i>Other</i>	0	0	0	49,000	0	0	0
11. Regional Resource Development Projects	Total	\$0	\$0	\$0	\$0	\$1,479,000	\$1,524,000	\$1,524,000
	<i>General Fund</i>	0	0	0	0	863,000	889,000	889,000
	<i>Other</i>	0	0	0	0	616,000	635,000	635,000
	PYs	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	2008-09 May Revision for CY 2007-08 1	2008-09 May Revision for BY 2008-09 1	2009-10	2010-11
12. Agnews Staffing Plan	Total	\$0	\$3,231,000	\$0	\$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	156,000	107,000	107,000
	<i>Other</i>	0	1,535,000	0	341,000	137,000	94,000	94,000
	PYs	0.0	43.0	5.0	10.0	3.0	2.0	2.0
Total Developmental Centers		\$97,712,000	\$86,180,000	\$84,100,000	\$67,937,000	\$11,013,000	\$6,179,000	\$6,179,000
	<i>General Fund</i>	51,610,000	45,888,000	44,822,000	36,245,759	4,193,000	1,471,000	1,471,000
	<i>Other</i>	46,102,000	40,292,000	39,278,000	31,691,241	6,820,000	4,708,000	4,708,000
	PYs	1,173.0	1,108.0	1,046.0	835.0	76.0	45.0	45.0
	Year Ending Population	324	254	204	0	0	0	0
REGIONAL CENTERS								
13. Community Placement Plan								
A) Operations	Total	\$3,422,000	\$6,685,000	\$7,845,000	\$8,727,000	\$7,937,000	\$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	7,243,000	5,888,000	416,000	416,000
	<i>Other</i>	0	257,000	891,000	1,484,000	2,049,000	83,000	83,000
B) Purchase of Services (POS)	Total	\$24,376,000	\$14,826,000	\$18,231,000	\$39,678,000	\$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	204	0	0	0
	<i>General Fund</i>	21,853,000	13,664,000	17,234,000	28,376,000	0	0	0
	<i>Other</i>	2,523,000	1,162,000	997,000	11,302,000	0	0	0
(FYI: State Employees in the Community costs included in POS above)		(0)	(251,000)	(2,508,000)	(7,663,000)	(0)	(0)	(0)
Total Community Placement Plan (A+B)		\$27,798,000	\$21,511,000	\$26,076,000	\$48,405,000	\$7,937,000	\$499,000	\$499,000
	Placements	52	63	70	204	0	0	0
	<i>General Fund</i>	25,275,000	20,092,000	24,188,000	35,619,000	5,888,000	416,000	416,000
	<i>Other</i>	2,523,000	1,419,000	1,888,000	12,786,000	2,049,000	83,000	83,000
14. Placement Continuation								
A) Operations	Total	\$70,000	\$297,000	\$309,000	\$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	121,000	206,000	1,053,000	1,053,000
	<i>Other</i>	33,000	172,000	179,000	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	\$19,519,000	\$96,636,000	\$96,636,000	\$96,636,000
Includes costs for CPP placements and specialized services and housing.	Placements	49	44	40	44	204	0	0
	<i>General Fund</i>	4,355,000	7,326,000	10,663,000	14,246,000	61,603,000	61,603,000	61,603,000
	<i>Other</i>	854,000	1,819,000	3,342,000	5,273,000	35,033,000	35,033,000	35,033,000
(FYI: State Employees in the Community costs included in POS above)		(0)	(0)	(0)	(0)	(17,539,000)	(17,539,000)	0
Total Placements Continuation (A+B)		\$5,279,000	\$9,442,000	\$14,314,000	\$19,816,000	\$97,223,000	\$99,986,000	\$99,986,000
	Prior Year Placements	49	44	40	44	204	0	0
	<i>General Fund</i>	4,392,000	7,451,000	10,793,000	14,367,000	61,809,000	62,656,000	62,656,000
	<i>Other</i>	887,000	1,991,000	3,521,000	5,449,000	35,414,000	37,330,000	37,330,000
Total Regional Centers		\$33,077,000	\$30,953,000	\$40,390,000	\$68,221,000	\$105,160,000	\$100,485,000	\$100,485,000
	<i>General Fund</i>	29,667,000	27,543,000	34,981,000	49,986,000	67,697,000	63,072,000	63,072,000
	<i>Other</i>	3,410,000	3,410,000	5,409,000	18,235,000	37,463,000	37,413,000	37,413,000
TOTAL: DEVELOPMENTAL CENTERS AND REGIONAL CENTERS		\$130,789,000	\$117,133,000	\$124,490,000	\$136,158,000	\$116,173,000	\$106,664,000	\$106,664,000
	<i>General Fund</i>	81,277,000	73,431,000	79,803,000	86,231,759	71,890,000	64,543,000	64,543,000
	<i>Other</i>	49,512,000	43,702,000	44,687,000	49,926,241	44,283,000	42,121,000	42,121,000
	PYs	1,173.0	1,108.0	1,046.0	835.0	76.0	45.0	45.0
	Year Ending Population	324	254	204	0	0	0	0
	Placements	52	63	70	204	0	0	0
	Prior Year Placements	49	44	40	44	0	0	0

1. Due to delayed placements in FY 2007-08, up to \$22 million will be transferred from the FY 2007-08 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget will update the FY 2008-09 costs based on the amount that is ultimately transferred.

2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.

3. The May Revision for CY 2007-08 reduces line 13, Community Placement Plan, by \$3.6 million due to delayed placements in FY 2007-08 and lower estimated cost of placements. Line 14, Placement Continuation, is reduced by \$13 million due to 26 fewer placements in the FY 2006-07. The Placement Continuation costs for these consumers will be updated in the FY 2009-10 Governor's Budget and subsequent budgets through 2010-11.