

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
<b>I. BUDGET ITEMS:</b>					
<b>A. Operations</b>					
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>B. Purchase of Services (POS)</b>					
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
<b>C. Early Start/Part C: Other Agency Costs</b>	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0
<b>D. POS New Major Assumption: Other Departments' BBRs</b>	N/A	\$0	\$0	\$472,000	\$472,000
<b>E. GRAND TOTAL</b>	<b>\$3,657,471,000</b>	<b>-\$706,000</b>	<b>\$3,656,765,000</b>	<b>\$3,603,449,000</b>	<b>-\$53,316,000</b>
<b>II. FUND SOURCES:</b>					
<b>A. General Fund Total</b>					
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>B. Reimbursements</b>					
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
843,457,000	0	843,457,000	857,497,000	14,040,000	
2. HCBS Waiver Administration	4,722,000	0	4,722,000	4,359,000	-363,000
3. Medicaid Administration	14,285,000	0	14,285,000	13,869,000	-416,000
4. Targeted Case Management (TCM)	135,850,000	0	135,850,000	132,816,000	-3,034,000
5. TCM Administration	4,481,000	-23,000	4,458,000	4,488,000	30,000
6. Title XX Block Grant					
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
<b>C. Program Development Fund/ Parental Fees</b>					
\$1,075,000	\$0	\$1,075,000	\$1,075,000	\$0	
<b>D. Public Transportation Account</b>					
\$128,806,000	\$0	\$128,806,000	\$134,982,000	\$6,176,000	
<b>E. Federal Funds</b>					
\$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
<b>F. GRAND TOTAL</b>	<b>\$3,657,471,000</b>	<b>-\$706,000</b>	<b>\$3,656,765,000</b>	<b>\$3,603,449,000</b>	<b>-\$53,316,000</b>

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 <sup>a/</sup> 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)
<b>I. BUDGET ITEMS:</b>									
<b>A. Operations</b>									
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>B. Purchase of Services (POS)</b>									
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
<b>C. Early Start/Part C: Other Agency Costs</b>	\$20,095,000	\$0	\$20,095,000	\$0	\$0	\$20,095,000	\$20,095,000	\$0	\$0
<b>D. POS New Major Assumption: Other Departments' BBRs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$472,000	\$472,000	\$472,000
<b>E. GRAND TOTAL</b>	<b>\$3,602,132,000</b>	<b>\$127,000</b>	<b>\$3,602,259,000</b>	<b>-\$706,000</b>	<b>\$57,012,000</b>	<b>\$3,658,565,000</b>	<b>\$3,603,449,000</b>	<b>-\$55,116,000</b>	<b>\$1,317,000</b>

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

**Current Year 2007-08 (Continued)**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
	<b>Enacted Budget CY 2007-08</b>	<b>Budget Adjustments<sup>a/</sup> CY 2007-08</b>	<b>Adjusted Budget CY 2007-08 (Cols A + B)</b>	<b>DDS BBRs/ Legislative Actions (Item 9944/ ABX3 3) CY 2007-08</b>	<b>Budget Revision to Increase Reimbursements CY 2007-08</b>	<b>Final Adjusted Budget CY 2007-08 (Cols C + D + E)</b>	<b>2008-09 May Revision CY 2007-08</b>	<b>Change from Final Adjusted Budget CY 2007-08 (Cols G - F)</b>	<b>Change from Enacted Budget CY 2007-08 (Cols G - A)</b>
<b>II. FUND SOURCES:</b>									
<b>A. General Fund Total</b>	\$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>B. Reimbursements</b>	\$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
<b>C. Program Development Fund / Parental Fees</b>	\$1,265,000	\$0	\$1,265,000	\$0	\$0	\$1,265,000	\$1,075,000	-\$190,000	-\$190,000
<b>D. Public Transportation Account</b>	\$128,806,000	\$0	\$128,806,000	\$0	\$0	\$128,806,000	\$134,982,000	\$6,176,000	\$6,176,000
<b>E. Federal Funds</b>	\$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
<b>F. GRAND TOTAL</b>	<b>\$3,602,132,000</b>	<b>\$127,000</b>	<b>\$3,602,259,000</b>	<b>-\$706,000</b>	<b>\$57,012,000</b>	<b>\$3,658,565,000</b>	<b>\$3,603,449,000</b>	<b>-\$55,116,000</b>	<b>\$1,317,000</b>

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**

	<b>DDS BBRs/ Legislative Actions (Item 9944/ABX3 3) CY 2007-08</b>	<b>2008-09 May Revision CY 2007-08</b>	<b>Change from Legislative Actions CY 2007-08</b>
<b>I. DDS BUDGET-BALANCING REDUCTIONS:</b>			
<b>A. Operations</b>			
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>B. Purchase of Services (POS)</b>			
1. None	\$0	\$0	\$0
2. POS Total (Item 1)	\$0	\$0	\$0
<b>C. GRAND TOTAL</b>			
	<b>-\$706,000</b>	<b>-\$706,000</b>	<b>\$0</b>
<b>II. FUND SOURCES:</b>			
<b>A. General Fund Total</b>			
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>B. Reimbursements</b>			
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
<b>C. Program Development Fund / Parental Fees</b>			
	\$0	\$0	\$0
<b>D. Public Transportation Account</b>			
	\$0	\$0	\$0
<b>E. Federal Funds</b>			
1. Early Start/Part C Grant	\$0	\$0	\$0
2. Foster Grandparent Program	0	0	0
<b>F. GRAND TOTAL</b>			
	<b>-\$706,000</b>	<b>-\$706,000</b>	<b>\$0</b>

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
<b>I. BUDGET ITEMS:</b>					
<b>A. Operations</b>					
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>B. Purchase of Services (POS)</b>					
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
<b>C. Early Start/Part C: Other Agency Costs</b>	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0
<b>D. POS New Major Assumptions: Other Departments' BBRs</b>	N/A	\$0	\$0	\$21,134,000	\$21,134,000
<b>E. GRAND TOTAL</b>	<b>\$4,179,107,000</b>	<b>-\$380,799,000</b>	<b>\$3,798,308,000</b>	<b>\$3,948,763,000</b>	<b>\$150,455,000</b>
<b>II. FUND SOURCES:</b>					
<b>A. General Fund Total</b>					
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>B. Reimbursements</b>					
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
<b>C. Program Development Fund/ Parental Fees</b>	\$1,147,000	\$0	\$1,147,000	\$1,147,000	\$0
<b>D. Mental Health Services Fund</b>	\$740,000	\$0	\$740,000	\$740,000	\$0
<b>E. Public Transportation Account</b>	\$140,899,000	\$0	\$140,899,000	\$138,275,000	-\$2,624,000
<b>F. Federal Funds</b>					
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
<b>G. GRAND TOTAL</b>	<b>\$4,179,107,000</b>	<b>-\$380,799,000</b>	<b>\$3,798,308,000</b>	<b>\$3,948,763,000</b>	<b>\$150,455,000</b>

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

**Budget Year 2008-09**

	<b>A</b>	<b>B</b>	<b>C</b>
	<b>Enacted Budget CY 2007-08</b>	<b>2008-09 May Revision BY 2008-09</b>	<b>Change from Enacted Budget CY 2007-08 (Cols B - A)</b>
<b>I. BUDGET ITEMS:</b>			
<b>A. Operations</b>			
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>B. Purchase of Services (POS)</b>			
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
<b>C. Early Start/Part C: Other Agency Costs</b>	\$20,095,000	\$20,095,000	\$0
<b>D. POS New Major Assumptions: Other Departments' BBRs</b>	N/A	\$21,134,000	\$21,134,000
<b>E. GRAND TOTAL</b>	<b>\$3,602,132,000</b>	<b>\$3,948,763,000</b>	<b>\$346,631,000</b>
<b>II. FUND SOURCES:</b>			
<b>A. General Fund Total</b>			
1. General Fund Match	925,870,000	1,031,651,000	105,781,000
2. General Fund - Other	1,298,807,000	1,356,516,000	57,709,000
<b>B. Reimbursements</b>			
1. Home and Community-Based Services (HCBS) Waiver	822,507,000	897,803,000	75,296,000
2. HCBS Waiver Administration	2,153,000	4,363,000	2,210,000
3. Medicaid Administration	14,436,000	14,353,000	-83,000
4. Targeted Case Management (TCM)	146,023,000	133,838,000	-12,185,000
5. TCM Administration	4,319,000	4,351,000	32,000
6. Title XX Block Grant			
a. Social Services	147,902,000	147,903,000	1,000
b. Temporary Assistance for Needy Families	56,000,000	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
<b>C. Program Development Fund / Parental Fees</b>	\$1,265,000	\$1,147,000	-\$118,000
<b>D. Mental Health Services Fund</b>	\$0	\$740,000	\$740,000
<b>E. Public Transportation Account</b>	\$128,806,000	\$138,275,000	\$9,469,000
<b>F. Federal Funds</b>	\$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
<b>G. GRAND TOTAL</b>	<b>\$3,602,132,000</b>	<b>\$3,948,763,000</b>	<b>\$346,631,000</b>

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

	<b>DDS Budget- Balancing Reductions (Item 9944) BY 2008-09</b>	<b>2008-09 May Revision BY 2008-09</b>	<b>Change from Budget- Balancing Reductions BY 2008-09</b>
<b>I. DDS BUDGET-BALANCING REDUCTIONS:</b>			
<b>A. Operations</b>			
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>B. Purchase of Services (POS)</b>			
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
<b>C. GRAND TOTAL</b>	<b>-\$380,799,000</b>	<b>-\$52,346,000</b>	<b>\$328,453,000</b>
<b>II. FUND SOURCES:</b>			
<b>A. General Fund Total</b>			
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>B. Reimbursements</b>			
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
<b>C. Program Development Fund / Parental Fees</b>	\$0	\$0	\$0
<b>D. Mental Health Services Fund</b>	\$0	\$0	\$0
<b>E. Public Transportation Account</b>	\$0	\$0	\$0
<b>F. Federal Funds</b>			
1. Early Start/Part C Grant	-\$331,000	\$0	\$331,000
2. Foster Grandparent Program	-331,000	0	331,000
	0	0	0
<b>G. GRAND TOTAL</b>	<b>-\$380,799,000</b>	<b>-\$52,346,000</b>	<b>\$328,453,000</b>

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

	<b>2008-09 May Revision CY 2007-08</b>	<b>2008-09 May Revision BY 2008-09</b>	<b>Difference</b>
<b>I. BUDGET ITEMS:</b>			
<b>A. Operations</b>			
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>B. Purchase of Services (POS)</b>			
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>
<b>C. Early Start/Part C: Other Agency Costs</b>	\$20,095,000	\$20,095,000	\$0
<b>D. New Major Assumptions: Other Departments' BBRs</b>	\$472,000	\$21,134,000	\$20,662,000
<b>E. GRAND TOTAL</b>	<b><u>\$3,603,449,000</u></b>	<b><u>\$3,948,763,000</u></b>	<b><u>\$345,314,000</u></b>
<b>II. FUND SOURCES:</b>			
<b>A. General Fund Total</b>			
1. General Fund Match	\$2,133,629,000	\$2,388,167,000	\$254,538,000
2. General Fund - Other	987,051,000	1,031,651,000	44,600,000
	1,146,578,000	1,356,516,000	209,938,000
<b>B. Reimbursements</b>			
1. Home and Community-Based Services (HCBS) Waiver	\$1,261,484,000	\$1,331,477,000	\$69,993,000
2. HCBS Waiver Administration	857,497,000	897,803,000	40,306,000
3. Medicaid Administration	4,359,000	4,363,000	4,000
4. Targeted Case Management (TCM)	13,869,000	14,353,000	484,000
5. TCM Administration	132,816,000	133,838,000	1,022,000
6. Title XX Block Grant	4,488,000	4,351,000	-137,000
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
<b>C. Program Development Fund / Parental Fees</b>	\$1,075,000	\$1,147,000	\$72,000
<b>D. Mental Health Services Fund</b>	\$0	\$740,000	\$740,000
<b>E. Public Transportation Account</b>	\$134,982,000	\$138,275,000	\$3,293,000
<b>F. Federal Funds</b>			
1. Early Start/Part C Grant	\$72,279,000	\$88,957,000	\$16,678,000
2. Foster Grandparent Program	71,823,000	88,397,000	16,574,000
	456,000	560,000	104,000
<b>G. GRAND TOTAL</b>	<b><u>\$3,603,449,000</u></b>	<b><u>\$3,948,763,000</u></b>	<b><u>\$345,314,000</u></b>



**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
<b>I. BUDGET ITEMS:</b>					
<b>A. Operations</b>					
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>B. Purchase of Services (POS)</b>					
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 <sup>al</sup> (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
<b>C. Early Start/Part C: Other Agency Costs</b>	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$0
<b>D. GRAND TOTAL</b>	<b>\$3,236,390,000</b>	<b>\$3,312,711,000</b>	<b>\$3,299,240,000</b>	<b>-\$13,471,000</b>	<b>\$62,850,000</b>
<b>II. FUND SOURCES:</b>					
<b>A. General Fund Total</b>					
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>B. Reimbursements</b>					
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
<b>C. Program Development Fund/Parental Fees</b>					
<b>D. Developmental Disabilities Services Account</b>	\$1,732,000	\$1,732,000	\$1,267,000	-\$465,000	-\$465,000
<b>E. Federal Funds</b>	\$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
<b>F. GRAND TOTAL</b>	<b>\$3,236,390,000</b>	<b>\$3,312,711,000</b>	<b>\$3,299,240,000</b>	<b>-\$13,471,000</b>	<b>\$62,850,000</b>

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.

al/ 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).

<b>2007-08 Costs</b> <i>(in millions)</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
<b>Total Costs</b>	<b>\$3,656.8</b>	<b>\$3,603.5</b>	<b>-\$53.3</b>
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
<b>Fund Sources</b>	<b>\$3,656.8</b>	<b>\$3,603.5</b>	<b>-\$53.3</b>
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.

<b>2007-08 Caseload</b> <i>as of January 31, 2008</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
<b>Total Community Caseload</b>	<b>221,655</b>	<b>221,069</b>	<b>-586</b>
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 Decrease1. Operations: \$4.0 Million Decreasea. Staffing: \$2.9 Million Decrease

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

<b>2007-08 Staffing</b> <i>(in millions)</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
(1) Core Staffing	\$432.8	<b>\$431.4</b>	-\$1.4
(2) Intake and Assessment (Cost Containment)	-4.5	<b>-4.5</b>	0.0
(3) Community Placement Plan (CPP)	22.4	<b>21.4</b>	-1.0
(4) Placement Continuation for Agnews Closure	0.3	<b>0.3</b>	0.0
(5) Unallocated Reduction	-10.6	<b>-10.6</b>	0.0
(6) Cost Containment	-6.0	<b>-6.0</b>	0.0
(7) Staffing for Collection of FFP for Contracted Services	2.2	<b>2.2</b>	0.0
(8) Staffing for Self-Directed HCBS Waiver	0.9	<b>0.4</b>	-0.5
<b>Total</b>	<b>\$437.5</b>	<b>\$434.6</b>	<b>-\$2.9</b>

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:

<b>2007-08 Projects</b> (in thousands)			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
(1) Information Technology	\$4,967	<b>\$4,142</b>	-\$825
(a) Applications Support	3,167	<b>3,167</b>	0
(b) Data Processing	1,800	<b>975</b>	-825
(2) Clients' Rights Advocacy Contract	5,121	<b>5,121</b>	0
(3) Life Quality Assessment Contract	4,866	<b>4,866</b>	0
(4) Direct Support Professional Training	3,582	<b>3,582</b>	0
(5) Office of Administrative Hearings Contract	2,197	<b>2,211</b>	14
(6) Wellness Projects	1,490	<b>1,490</b>	0
(7) Foster Grandparent/Senior Companion Programs	1,149	<b>1,149</b>	0
(8) Special Incident Rptg/Risk Assessment	833	<b>833</b>	0
(9) Sherry S. Court Case	534	<b>534</b>	0
(10) Movers Evaluation Contract	600	<b>600</b>	0
(11) Enhancing FFP, Phase II, Consultant	530	<b>530</b>	0
(12) University Enterprises, Inc.	125	<b>125</b>	0
(13) Affordable Housing	94	<b>94</b>	0
(14) Cost Containment	-490	<b>-490</b>	0
(15) Self-Directed Services: Training & Development	200	<b>200</b>	0
(16) Agnews Closure: Technical Assistance on Housing Issues	280	<b>280</b>	0
(17) Evaluation of SB 962 Pilots	250	<b>88</b>	-162
<b>Total</b>	<b>\$26,328</b>	<b>\$25,355</b>	<b>-\$973</b>

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

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

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

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

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

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:

<b>2007-08 Reimbursements</b>			
<i>(in millions)</i>			
<b>Reimbursement</b>	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
a. Home and Community-Based Services (HCBS) Waiver	\$843.4	<b>\$857.5</b>	\$14.1
b. HCBS Waiver Administration	4.7	<b>4.4</b>	-0.3
c. Medicaid Administration	14.3	<b>13.9</b>	-0.4
d. Targeted Case Management (TCM)	135.9	<b>132.8</b>	-3.1
e. TCM Administration	4.5	<b>4.5</b>	0.0
f. Title XX Block Grant			
(1) Social Services	147.9	<b>147.9</b>	0.0
(2) Temporary Assistance for Needy Families	56.0	<b>56.0</b>	0.0
g. Self-Directed HCBS Waiver	0.2	<b>0.0</b>	-0.2
h. Self-Directed HCBS Waiver Administration	0.4	<b>0.2</b>	-0.2
i. Medicaid	44.0	<b>44.0</b>	0.0
j. Vocational Rehabilitation	0.6	<b>0.3</b>	-0.3
<b>Total</b>	<b>\$1,251.9</b>	<b>\$1,261.5</b>	<b>\$9.6</b>

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:

<b>2008-09 Costs</b> <i>(in millions)</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
<b>Total Costs</b>	<b>\$3,798.3</b>	<b>\$3,948.8</b>	<b>\$150.5</b>
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
<b>Fund Sources</b>	<b>\$3,798.3</b>	<b>\$3,948.8</b>	<b>\$150.5</b>
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.

<b>2008-09 Caseload</b> <i>as of January 31, 2009</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
<b>Total Community Caseload</b>	<b>232,125</b>	<b>229,675</b>	<b>-2,450</b>
<i>Active Caseload (Age 3 &amp; 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:

<b>2008-09 Staffing</b> <i>(in millions)</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
(1) Core Staffing	\$454.2	<b>\$458.1</b>	\$3.9
(2) Intake and Assessment (Cost Containment)	-4.5	<b>-4.5</b>	0.0
(3) Community Placement Plan	21.1	<b>21.1</b>	0.0
(4) Placement Continuation for Agnews Closure	0.6	<b>0.6</b>	0.0
(5) Unallocated Reduction	-10.6	<b>-10.6</b>	0.0
(6) Cost Containment	-6.0	<b>-6.0</b>	0.0
(7) Staffing for Collection of FFP for Contracted Services	2.2	<b>2.2</b>	0.0
(8) Staffing for Self-Directed HCBS Waiver	3.4	<b>2.9</b>	-0.5
<b>Total</b>	<b>\$460.4</b>	<b>\$463.8</b>	<b>\$3.4</b>

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:

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

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:

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

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

<b>2008-09 DDS Budget-Balancing Reductions</b> <i>(in thousands)</i>			
	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
(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
<b>Total</b>	<b>-\$39,579</b>	<b>-\$2,765</b>	<b>\$36,814</b>

- 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:

<b>Historical POS Growth 2008-09 May Revision (Dollars in Thousands)</b>		
<b>Fiscal Year</b>	<b>Actual Expenditures</b>	<b>% Change</b>
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:

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

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:

<b>2008-09 POS New Major Assumptions: Other Departments' BBRs</b> <i>(in millions)</i>			
<b>POS Category</b>	<b>Governor's Budget</b>	<b>May Revision</b>	<b>Difference</b>
(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
<b>Total</b>	<b>\$0.0</b>	<b>\$21.2</b>	<b>\$21.2</b>

- 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:

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

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.)