

FOR LEGISLATIVE REVIEW

NOVEMBER ESTIMATE

**LOCAL ASSISTANCE FOR
REGIONAL CENTERS**

2007-08 GOVERNOR'S BUDGET



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

January 10, 2007

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**2006-07 Adjusted Budget Authority to 2007-08 November Estimate
Current Year 2006-07**

	Adjusted Budget Authority CY 2006-07	2007-08 November Estimate CY 2006-07	2007-08 November Estimate Request CY 2006-07
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$418,039,000	\$417,475,000	-\$564,000
2. Federal Compliance	39,770,000	40,118,000	348,000
3. Projects	26,140,000	26,152,000	12,000
4. Operations Total	<u>\$483,949,000</u>	<u>\$483,745,000</u>	<u>-\$204,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$705,302,000	\$687,852,000	-\$17,450,000
2. Medical Facilities	17,610,000	17,807,000	197,000
3. Day Programs	707,502,000	699,779,000	-7,723,000
4. Habilitation Services	145,768,000	148,427,000	2,659,000
5. Transportation	209,973,000	203,547,000	-6,426,000
6. Support Services	461,075,000	487,550,000	26,475,000
7. In-Home Respite	153,908,000	165,179,000	11,271,000
8. Out-of-Home Respite	50,089,000	47,546,000	-2,543,000
9. Health Care	78,374,000	82,876,000	4,502,000
10. Miscellaneous	<u>229,254,000</u>	<u>268,308,000</u>	<u>39,054,000</u>
11. Subtotal (Items 1 through 10)	\$2,758,855,000	\$2,808,871,000	\$50,016,000
12. Transfer to Developmental Centers	-\$369,000	In POS Above	\$369,000
13. New Major Assumption: Minimum Wage Increases	(\$26,350,000 In POS Above)	(\$26,350,000 In POS Above)	(\$0)
14. POS Total (Items 11 through 13)	\$2,758,486,000	\$2,808,871,000	\$50,385,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	<u>\$3,262,530,000</u>	<u>\$3,312,711,000</u>	<u>\$50,181,000</u>
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,106,489,000	\$2,140,131,000	\$33,642,000
2. General Fund - Other	886,603,000	905,790,000	19,187,000
	1,219,886,000	1,234,341,000	14,455,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,102,067,000	\$1,118,606,000	\$16,539,000
2. HCBS Waiver Administration	749,322,000	755,479,000	6,157,000
3. Medicaid Administration	2,167,000	2,149,000	-18,000
4. Targeted Case Management (TCM)	13,574,000	12,753,000	-821,000
5. TCM Administration	127,716,000	140,391,000	12,675,000
6. Title XX Block Grant	2,875,000	3,521,000	646,000
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Vocational Rehabilitation	2,510,000	410,000	-2,100,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$1,732,000	\$0
D. Developmental Disabilities Services Account	\$3,000	\$3,000	\$0
E. Federal Funds	\$52,239,000	\$52,239,000	\$0
1. Early Start/Part C Grant	51,783,000	51,783,000	0
2. Foster Grandparent Program	456,000	456,000	0
F. GRAND TOTAL	<u>\$3,262,530,000</u>	<u>\$3,312,711,000</u>	<u>\$50,181,000</u>

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

**2006-07 Enacted Budget to 2006-07 Adjusted Budget Authority
Current Year 2006-07**

	Enacted Budget CY 2006-07	Transfer to Develop- mental Centers	Retirement/ Employee Compensa- tion & Gov't Claims CY 2006-07	New Major Assumption: Minimum Wage Increases CY 2006-07	Adjusted Budget Authority CY 2006-07
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$418,039,000	\$0	\$0	\$0	\$418,039,000
2. Federal Compliance	39,770,000	0	0	0	39,770,000
3. Projects	25,980,000	0	160,000	0	26,140,000
4. Operations Total	<u>\$483,789,000</u>	<u>\$0</u>	<u>\$160,000</u>	<u>\$0</u>	<u>\$483,949,000</u>
B. Purchase of Services (POS)					
1. Community Care Facilities	\$695,566,000	\$0	\$0	\$9,736,000	\$705,302,000
2. Medical Facilities	17,610,000	0	0	0	17,610,000
3. Day Programs	696,710,000	0	0	10,792,000	707,502,000
4. Habilitation Services	144,726,000	0	0	1,042,000	145,768,000
5. Transportation	209,973,000	0	0	0	209,973,000
6. Support Services	461,075,000	0	0	0	461,075,000
7. In-Home Respite	149,152,000	0	0	4,756,000	153,908,000
8. Out-of-Home Respite	50,065,000	0	0	24,000	50,089,000
9. Health Care	78,374,000	0	0	0	78,374,000
10. Miscellaneous	229,255,000	0	-1,000	0	229,254,000
11. Transfer to Developmental Ctrs	N/A	-369,000	0	0	-369,000
12. POS Total (Items 1 through 11)	<u>\$2,732,506,000</u>	<u>-\$369,000</u>	<u>-\$1,000</u>	<u>\$26,350,000</u>	<u>\$2,758,486,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$0	\$0	\$20,095,000
D. GRAND TOTAL	<u>\$3,236,390,000</u>	<u>-\$369,000</u>	<u>\$159,000</u>	<u>\$26,350,000</u>	<u>\$3,262,530,000</u>
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,088,359,000	-\$369,000	\$159,000	\$18,340,000	\$2,106,489,000
2. General Fund - Other	878,593,000	0	0	8,010,000	886,603,000
	1,209,766,000	-369,000	159,000	10,330,000	1,219,886,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,094,057,000	\$0	\$0	\$8,010,000	\$1,102,067,000
2. HCBS Waiver Administration	741,312,000	0	0	8,010,000	749,322,000
3. Medicaid Administration	2,167,000	0	0	0	2,167,000
4. Targeted Case Management (TCM)	13,574,000	0	0	0	13,574,000
5. TCM Administration	127,716,000	0	0	0	127,716,000
6. Title XX Block Grant	2,875,000	0	0	0	2,875,000
a. Social Services	147,903,000	0	0	0	147,903,000
b. Temporary Assistance for Needy Families	56,000,000	0	0	0	56,000,000
7. Vocational Rehabilitation	2,510,000	0	0	0	2,510,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$0	\$0	\$0	\$1,732,000
D. Developmental Disabilities Services Account (DDSA)	\$3,000	\$0	\$0	\$0	\$3,000
E. Federal Funds					
1. Early Start/Part C Grant	\$52,239,000	\$0	\$0	\$0	\$52,239,000
2. Foster Grandparent Program	51,783,000	0	0	0	51,783,000
	456,000	0	0	0	456,000
F. GRAND TOTAL	<u>\$3,236,390,000</u>	<u>-\$369,000</u>	<u>\$159,000</u>	<u>\$26,350,000</u>	<u>\$3,262,530,000</u>

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

**REGIONAL CENTER DETAILED FUNDING SUMMARY
2007-08 NOVEMBER ESTIMATE RECONCILIATION**

CY 2006-07

A	B	C	D	E	F	G	H
Enacted Budget CY 2006-07	Transfer to Developmental Centers	Retirement/Employee Compensation & Gov't Claims CY 2006-07	New Major Assumption: Minimum Wage Increases CY 2006-07	Adjusted Budget Authority CY 2006-07	2007-08 November Estimate CY 2006-07	Change from Adjusted Budget Authority CY 2006-07 (Cols F - E)	Change from Enacted Budget CY 2006-07 (Cols F - A)
I. BUDGET ITEMS:							
A. Operations							
1. Staffing	\$418,039,000	\$0	\$0	\$0	\$418,039,000	\$417,475,000	-\$564,000
2. Federal Compliance	39,770,000	0	0	0	39,770,000	40,118,000	348,000
3. Projects	25,980,000	0	160,000	0	26,140,000	26,152,000	172,000
4. Operations Total	\$483,789,000	\$0	\$160,000	\$0	\$483,949,000	\$483,745,000	-\$204,000
B. Purchase of Services (POS)							
1. Community Care Facilities	\$695,566,000	\$0	\$0	\$9,736,000	\$705,302,000	\$687,852,000	-\$17,450,000
2. Medical Facilities	17,610,000	0	0	0	17,610,000	17,807,000	197,000
3. Day Programs	696,710,000	0	0	10,792,000	707,502,000	699,779,000	-7,723,000
4. Habilitation Services	144,726,000	0	0	1,042,000	145,768,000	148,427,000	2,659,000
5. Transportation	209,973,000	0	0	0	209,973,000	203,547,000	-6,426,000
6. Support Services	461,075,000	0	0	0	461,075,000	487,550,000	26,475,000
7. In-Home Respite	149,152,000	0	0	4,756,000	153,908,000	165,179,000	11,271,000
8. Out-of-Home Respite	50,065,000	0	0	24,000	50,089,000	47,546,000	-2,543,000
9. Health Care	78,374,000	0	0	0	78,374,000	82,876,000	4,502,000
10. Miscellaneous	229,255,000	0	-1,000	0	229,254,000	268,308,000	39,054,000
11. Transfer to Developmental Ctrs	N/A	-369,000	0	0	-369,000	0	369,000
12. Subtotal (Items 1 thru 11)	\$2,732,506,000	-\$369,000	-\$1,000	\$26,350,000	\$2,758,486,000	\$2,808,871,000	\$50,385,000
13. New Major Assumption: Minimum Wage Increases	N/A	\$0	\$0	(\$26,350,000) In POS Above	(\$26,350,000) In POS Above	(\$26,350,000) In POS Above	(\$0) In POS Above
14. POS Total (Items 12 thru 13)	\$2,732,506,000	-\$369,000	-\$1,000	\$26,350,000	\$2,758,486,000	\$2,808,871,000	\$50,385,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$0	\$0	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,236,390,000	-\$369,000	\$159,000	\$26,350,000	\$3,262,530,000	\$3,312,711,000	\$50,181,000
II. FUND SOURCES:							
A. General Fund Total							
1. General Fund Match	\$2,088,359,000	-\$369,000	\$159,000	\$18,340,000	\$2,106,489,000	\$2,140,131,000	\$33,642,000
2. General Fund - Other	878,593,000	0	0	8,010,000	886,603,000	905,790,000	19,187,000
1,209,766,000	-369,000	159,000	10,330,000	1,219,886,000	1,234,341,000	14,455,000	
B. Reimbursements							
1. Home and Community-Based Services (HCBS) Waiver	\$1,094,057,000	\$0	\$0	\$8,010,000	\$1,102,067,000	\$1,118,606,000	\$16,539,000
2. HCBS Waiver Administration	741,312,000	0	0	8,010,000	749,322,000	755,479,000	6,157,000
3. Medicaid Administration	2,167,000	0	0	0	2,167,000	2,149,000	-18,000
4. Targeted Case Management (TCM)	13,574,000	0	0	0	13,574,000	12,753,000	-821,000
5. TCM Administration	127,716,000	0	0	0	127,716,000	140,391,000	12,675,000
6. Title XX Block Grant	2,875,000	0	0	0	2,875,000	3,521,000	646,000
a. Social Services	147,903,000	0	0	0	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	0	0	0	56,000,000	56,000,000	0
7. Vocational Rehabilitation	2,510,000	0	0	0	2,510,000	410,000	-2,100,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$0	\$0	\$0	\$1,732,000	\$1,732,000	\$0
D. Developmental Disabilities Services Account (DDSA)	\$3,000	\$0	\$0	\$0	\$3,000	\$3,000	\$0
E. Federal Funds	\$52,239,000	\$0	\$0	\$0	\$52,239,000	\$52,239,000	\$0
1. Early Start/Part C Grant	51,783,000	0	0	0	51,783,000	51,783,000	0
2. Foster Grandparent Program	456,000	0	0	0	456,000	456,000	0
F. GRAND TOTAL	\$3,236,390,000	-\$369,000	\$159,000	\$26,350,000	\$3,262,530,000	\$3,312,711,000	\$50,181,000

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

**2007-08 Proposed Base Budget to 2007-08 November Estimate
Budget Year 2007-08**

	2007-08 Proposed Base Budget	2007-08 November Estimate BY 2007-08	2007-08 November Estimate Request BY 2007-08
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$418,039,000	\$435,504,000	\$17,465,000
2. Federal Compliance	39,770,000	39,574,000	-196,000
3. Projects	26,117,000	25,828,000	-289,000
4. Operations Total	<u>\$483,926,000</u>	<u>\$500,906,000</u>	<u>\$16,980,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$721,454,000	\$769,753,000	\$48,299,000
2. Medical Facilities	17,610,000	17,807,000	197,000
3. Day Programs	726,177,000	754,226,000	28,049,000
4. Habilitation Services	147,516,000	149,998,000	2,482,000
5. Transportation	209,973,000	214,558,000	4,585,000
6. Support Services	461,075,000	550,757,000	89,682,000
7. In-Home Respite	162,334,000	180,548,000	18,214,000
8. Out-of-Home Respite	50,132,000	48,291,000	-1,841,000
9. Health Care	78,374,000	91,396,000	13,022,000
10. Miscellaneous	229,255,000	311,842,000	82,587,000
11. Self-Directed Services	\$0	-\$128,000	-\$128,000
a. Pre-SDS Cost of SDS Consumers (Savings)	0	-2,572,000	-2,572,000
b. SDS Cost of SDS Consumers (Cost)	0	2,315,000	2,315,000
c. Deposit to SDS Risk Pool Fund	0	129,000	129,000
12. Subtotal (Items 1 thru 11)	\$2,803,900,000	\$3,089,048,000	\$285,148,000
13. New Major Assumptions			
a. Minimum Wage Increases	(\$71,394,000 In POS Above)	(\$71,394,000 In POS Above)	(\$0 In POS Above)
b. Increase ICF-DD Bundled Rate	N/A	-44,000,000	-44,000,000
14. POS Total (Items 12 thru 13)	<u>\$2,803,900,000</u>	<u>\$3,045,048,000</u>	<u>\$241,148,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	<u>\$3,307,921,000</u>	<u>\$3,566,049,000</u>	<u>\$258,128,000</u>
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	900,066,000	916,735,000	16,669,000
2. General Fund - Other	1,238,354,000	1,271,744,000	33,390,000
3. SDS Risk Pool a/	0	129,000 a/	129,000
B. Reimbursements	\$1,115,530,000	\$1,179,221,000	\$63,691,000
1. Home and Community-Based Services (HCBS) Waiver	762,785,000	814,166,000	51,381,000
2. HCBS Waiver Administration	2,167,000	2,152,000	-15,000
3. Medicaid Administration	13,574,000	13,042,000	-532,000
4. Targeted Case Management (TCM)	127,716,000	140,463,000	12,747,000
5. TCM Administration	2,875,000	3,521,000	646,000
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	0	787,000	787,000
8. Self-Directed HCBS Waiver Administration	0	777,000	777,000
9. Vocational Rehabilitation	2,510,000	410,000	-2,100,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$1,732,000	\$0
D. Self-Directed Services Risk Pool Fund	(\$0)	(\$129,000)	(\$129,000)
E. Developmental Disabilities Services Account	\$0	\$0	\$0
F. Public Transportation Account	\$0	\$143,993,000	\$143,993,000
G. Federal Funds	\$52,239,000	\$52,495,000	\$256,000
1. Early Start/Part C Grant	51,783,000	52,039,000	256,000
2. Foster Grandparent Program	456,000	456,000	0
H. GRAND TOTAL	<u>\$3,307,921,000</u>	<u>\$3,566,049,000</u>	<u>\$258,128,000</u>

a/ Amount in Item II.A.3. to be transferred to SDS Risk Pool Fund upon passage of the Budget Act of 2007.

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

**2006-07 Enacted Budget to 2007-08 Proposed Base Budget
Budget Year 2007-08**

	Enacted Budget CY 2006-07	Retire- ment/ Employee Compen- sation	Develop- mental Disabilities Services Acct Pro Rata Adjustment	New Major Assumption: Minimum Wage Increases BY 2007-08	2007-08 Proposed Base Budget
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$418,039,000	\$0	\$0	\$0	\$418,039,000
2. Federal Compliance	39,770,000	0	0	0	39,770,000
3. Projects	25,980,000	140,000	-3,000	0	26,117,000
4. Operations Total	<u>\$483,789,000</u>	<u>\$140,000</u>	<u>-\$3,000</u>	<u>\$0</u>	<u>\$483,926,000</u>
B. Purchase of Services (POS)					
1. Community Care Facilities	\$695,566,000	\$0	\$0	\$25,888,000	\$721,454,000
2. Medical Facilities	17,610,000	0	0	0	17,610,000
3. Day Programs	696,710,000	0	0	29,467,000	726,177,000
4. Habilitation Services	144,726,000	0	0	2,790,000	147,516,000
5. Transportation	209,973,000	0	0	0	209,973,000
6. Support Services	461,075,000	0	0	0	461,075,000
7. In-Home Respite	149,152,000	0	0	13,182,000	162,334,000
8. Out-of-Home Respite	50,065,000	0	0	67,000	50,132,000
9. Health Care	78,374,000	0	0	0	78,374,000
10. Miscellaneous	229,255,000	0	0	0	229,255,000
11. POS Total	<u>\$2,732,506,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$71,394,000</u>	<u>\$2,803,900,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$0	\$0	\$20,095,000
D. GRAND TOTAL	<u>\$3,236,390,000</u>	<u>\$140,000</u>	<u>-\$3,000</u>	<u>\$71,394,000</u>	<u>\$3,307,921,000</u>
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,088,359,000	\$140,000	\$0	\$49,921,000	\$2,138,420,000
2. General Fund - Other	878,593,000	0	0	21,473,000	900,066,000
3. General Fund - Other	1,209,766,000	140,000	0	28,448,000	1,238,354,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,094,057,000	\$0	\$0	\$21,473,000	\$1,115,530,000
2. HCBS Waiver Administration	741,312,000	0	0	21,473,000	762,785,000
3. HCBS Waiver Administration	2,167,000	0	0	0	2,167,000
4. Medicaid Administration	13,574,000	0	0	0	13,574,000
5. Targeted Case Management (TCM)	127,716,000	0	0	0	127,716,000
6. TCM Administration	2,875,000	0	0	0	2,875,000
7. Title XX Block Grant					
a. Social Services	147,903,000	0	0	0	147,903,000
b. Temporary Assistance for Needy Families	56,000,000	0	0	0	56,000,000
7. Vocational Rehabilitation	2,510,000	0	0	0	2,510,000
C. Program Development Fund / Parental Fees					
	\$1,732,000	\$0	\$0	\$0	\$1,732,000
D. Developmental Disabilities Services Account (DDSA)					
	\$3,000	\$0	-\$3,000	\$0	\$0
E. Federal Funds					
1. Early Start/Part C Grant	\$52,239,000	\$0	\$0	\$0	\$52,239,000
2. Foster Grandparent Program	51,783,000	0	0	0	51,783,000
	456,000	0	0	0	456,000
F. GRAND TOTAL	<u>\$3,236,390,000</u>	<u>\$140,000</u>	<u>-\$3,000</u>	<u>\$71,394,000</u>	<u>\$3,307,921,000</u>

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

REGIONAL CENTER DETAILED FUNDING SUMMARY
2007-08 NOVEMBER ESTIMATE RECONCILIATION

BY 2007-08

A	B	C	D	E	F	G	H	
Enacted Budget CY 2006-07	Retire- ment/ Employee Compen- sation	Develop- mental Disabilities Services Acct Pro Rata Adjustment	New Major Assumption: Minimum Wage Increases BY 2007-08	2007-08 Proposed Base Budget	2007-08 November Estimate BY 2007-08	Change from Proposed Base Budget BY 2007-08 (Cols F - E)	Change from Enacted Budget CY 2006-07 (Cols F - A)	
I. BUDGET ITEMS:								
A. Operations								
1. Staffing	\$418,039,000	\$0	\$0	\$0	\$418,039,000	\$435,504,000	\$17,465,000	\$17,465,000
2. Federal Compliance	39,770,000	0	0	0	39,770,000	39,574,000	-196,000	-196,000
3. Projects	25,980,000	140,000	-3,000	0	26,117,000	25,828,000	-289,000	-152,000
4. Operations Total	\$483,789,000	\$140,000	-\$3,000	\$0	\$483,926,000	\$500,906,000	\$16,980,000	\$17,117,000
B. Purchase of Services (POS)								
1. Community Care Facilities	\$695,566,000	\$0	\$0	\$25,888,000	\$721,454,000	\$769,753,000	\$48,299,000	\$74,187,000
2. Medical Facilities	17,610,000	0	0	0	17,610,000	17,807,000	197,000	197,000
3. Day Programs	696,710,000	0	0	29,467,000	726,177,000	754,226,000	28,049,000	57,516,000
4. Habilitation Services	144,726,000	0	0	2,790,000	147,516,000	149,998,000	2,482,000	5,272,000
5. Transportation	209,973,000	0	0	0	209,973,000	214,558,000	4,585,000	4,585,000
6. Support Services	461,075,000	0	0	0	461,075,000	550,757,000	89,682,000	89,682,000
7. In-Home Respite	149,152,000	0	0	13,182,000	162,334,000	180,548,000	18,214,000	31,396,000
8. Out-of-Home Respite	50,065,000	0	0	67,000	50,132,000	48,291,000	-1,841,000	-1,774,000
9. Health Care	78,374,000	0	0	0	78,374,000	91,396,000	13,022,000	13,022,000
10. Miscellaneous	229,255,000	0	0	0	229,255,000	311,842,000	82,587,000	82,587,000
11. Self-Directed Services	\$0	\$0	\$0	\$0	\$0	-\$128,000	-\$128,000	-\$128,000
a. Pre-SDS Cost of SDS Consumers (Savings)	0	0	0	0	0	-2,572,000	-2,572,000	-2,572,000
b. SDS Cost of SDS Consumers (Cost)	0	0	0	0	0	2,315,000	2,315,000	2,315,000
c. Deposit to SDS Risk Pool Fund	0	0	0	0	0	129,000	129,000	129,000
12. Subtotal (Items 1 thru 11)	\$2,732,506,000	\$0	\$0	\$71,394,000	\$2,803,900,000	\$3,089,048,000	\$285,148,000	\$356,542,000
13. New Major Assumptions								
a. Minimum Wage Increases	N/A	N/A	N/A	(\$71,394,000 In POS Above)	(\$71,394,000 In POS Above)	(\$71,394,000 In POS Above)	(\$0)	(\$71,394,000 In POS Above)
b. Incr. ICF-DD Bundled Rate	N/A	N/A	N/A	N/A	N/A	-\$44,000,000	-\$44,000,000	-\$44,000,000
14. POS Total (Items 12 thru 13)	\$2,732,506,000	\$0	\$0	\$71,394,000	\$2,803,900,000	\$3,045,048,000	\$241,148,000	\$312,542,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$0	\$0	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$3,236,390,000	\$140,000	-\$3,000	\$71,394,000	\$3,307,921,000	\$3,566,049,000	\$258,128,000	\$329,659,000
II. FUND SOURCES:								
A. General Fund Total								
1. General Fund Match	\$2,088,359,000	\$140,000	\$0	\$49,921,000	\$2,138,420,000	\$2,188,608,000	\$50,188,000	\$100,249,000
2. General Fund - Other	878,593,000	0	0	21,473,000	900,066,000	916,735,000	16,669,000	38,142,000
3. SDS Risk Pool a/	1,209,766,000	140,000	0	28,448,000	1,238,354,000	1,271,744,000	33,390,000	61,978,000
	0	0	0	0	0	129,000	129,000	129,000
B. Reimbursements	\$1,094,057,000	\$0	\$0	\$21,473,000	\$1,115,530,000	\$1,179,221,000	\$63,691,000	\$85,164,000
1. Home and Community-Based Services (HCBS) Waiver	741,312,000	0	0	21,473,000	762,785,000	814,166,000	51,381,000	72,854,000
2. HCBS Waiver Administration	2,167,000	0	0	0	2,167,000	2,152,000	-15,000	-15,000
3. Medicaid Administration	13,574,000	0	0	0	13,574,000	13,042,000	-532,000	-532,000
4. Targeted Case Management (TCM)	127,716,000	0	0	0	127,716,000	140,463,000	12,747,000	12,747,000
5. TCM Administration	2,875,000	0	0	0	2,875,000	3,521,000	646,000	646,000
6. Title XX Block Grant								
a. Social Services	147,903,000	0	0	0	147,903,000	147,903,000	0	0
b. Temporary Assistance for Needy Families	56,000,000	0	0	0	56,000,000	56,000,000	0	0
7. Self-Directed HCBS Waiver	0	0	0	0	0	787,000	787,000	787,000
8. Self-Directed HCBS Waiver Administration	0	0	0	0	0	777,000	777,000	777,000
9. Vocational Rehabilitation	2,510,000	0	0	0	2,510,000	410,000	-2,100,000	-2,100,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$0	\$0	\$0	\$1,732,000	\$1,732,000	\$0	\$0
D. Self-Directed Services Risk Pool Fund	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$129,000)	(\$129,000)	(\$129,000)
E. Developmental Disabilities Services Account (DDSA)	\$3,000	\$0	-\$3,000	\$0	\$0	\$0	\$0	-\$3,000
F. Public Transportation Account	\$0	\$0	\$0	\$0	\$0	\$143,993,000	\$143,993,000	\$143,993,000
G. Federal Funds	\$52,239,000	\$0	\$0	\$0	\$52,239,000	\$52,495,000	\$256,000	\$256,000
1. Early Start/Part C Grant	51,783,000	0	0	0	51,783,000	52,039,000	256,000	256,000
2. Foster Grandparent Program	456,000	0	0	0	456,000	456,000	0	0
H. GRAND TOTAL	\$3,236,390,000	\$140,000	-\$3,000	\$71,394,000	\$3,307,921,000	\$3,566,049,000	\$258,128,000	\$329,659,000

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

a/ Amount in Item II.A.3. to be transferred to SDS Risk Pool Fund upon passage of the Budget Act of 2007.

2007-08 November Estimate
Current Year 2006-07 to Budget Year 2007-08

	2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08	Difference
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$417,475,000	\$435,504,000	\$18,029,000
2. Federal Compliance	40,118,000	39,574,000	-544,000
3. Projects	26,152,000	25,828,000	-324,000
6. Operations Total	<u>\$483,745,000</u>	<u>\$500,906,000</u>	<u>\$17,161,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$687,852,000	\$769,753,000	\$81,901,000
2. Medical Facilities	17,807,000	17,807,000	0
3. Day Programs	699,779,000	754,226,000	54,447,000
4. Habilitation Services	148,427,000	149,998,000	1,571,000
5. Transportation	203,547,000	214,558,000	11,011,000
6. Support Services	487,550,000	550,757,000	63,207,000
7. In-Home Respite	165,179,000	180,548,000	15,369,000
8. Out-of-Home Respite	47,546,000	48,291,000	745,000
9. Health Care	82,876,000	91,396,000	8,520,000
10. Miscellaneous	268,308,000	311,842,000	43,534,000
11. Self-Directed Services	\$0	-\$128,000	-\$128,000
a. Pre-SDS Cost of SDS Consumers (Savings)	0	-2,572,000	-2,572,000
b. SDS Cost of SDS consumers (Cost)	0	2,315,000	2,315,000
c. Deposit to SDS Risk Pool Fund	0	129,000	129,000
12. Subtotal (Items 1 thru 11)	\$2,808,871,000	\$3,089,048,000	\$280,177,000
13. Transfer to Developmental Centers	In POS Above	N/A	\$0
14. New Major Assumptions			
a. Minimum Wage Increases	(\$26,350,000)	(\$71,394,000)	(\$45,044,000)
b. Increase ICF-DD Bundled Rate	In POS Above	In POS Above	In POS Above
c. Increase ICF-DD Bundled Rate	N/A	-\$44,000,000	-\$44,000,000
15. POS Total (Items 12 thru 14)	<u>\$2,808,871,000</u>	<u>\$3,045,048,000</u>	<u>\$236,177,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	<u>\$3,312,711,000</u>	<u>\$3,566,049,000</u>	<u>\$253,338,000</u>
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,140,131,000	\$2,188,608,000	\$48,477,000
2. General Fund - Other	905,790,000	916,735,000	10,945,000
3. SDS Risk Pool a/	1,234,341,000	1,271,744,000	37,403,000
	0	129,000 a/	129,000
B. Reimbursements			
1. HCBS Waiver	\$1,118,606,000	\$1,179,221,000	\$60,615,000
2. HCBS Waiver Administration	755,479,000	814,166,000	58,687,000
3. Medicaid Administration	2,149,000	2,152,000	3,000
4. Targeted Case Management (TCM)	12,753,000	13,042,000	289,000
5. TCM Administration	140,391,000	140,463,000	72,000
6. Title XX Block Grant	3,521,000	3,521,000	0
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	0	787,000	787,000
8. Self-Directed HCBS Waiver Administration	0	777,000	777,000
9. Vocational Rehabilitation	410,000	410,000	0
C. Program Development Fund / Parental Fees	\$1,732,000	\$1,732,000	\$0
D. Self-Directed Services Risk Pool Fund	(\$0)	(\$129,000)	(\$129,000)
E. Developmental Disabilities Services Account	\$3,000	\$0	-\$3,000
F. Public Transportation Account	\$0	\$143,993,000	\$143,993,000
F. Federal Funds			
1. Early Start/Part C Grant	\$52,239,000	\$52,495,000	\$256,000
2. Foster Grandparent Program	51,783,000	52,039,000	256,000
	456,000	456,000	0
G. GRAND TOTAL	<u>\$3,312,711,000</u>	<u>\$3,566,049,000</u>	<u>\$253,338,000</u>

a/ Amount in Item II.A.3. to be transferred to SDS Risk Pool Fund upon passage of the Budget Act of 2007.

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

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Detailed Comparison of Prior Year 2005-06: Budget Act Appropriation vs 2006-07 May Revision

	Budget Act Appropriation PY 2005-06	Proposed Governor's Budget PY 2005-06	Proposed Final Budget PY 2005-06	Chg From Prop Governor's Budget PY 2005-06	Chg From Budget Act Appropriation PY 2005-06
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$391,108,000	\$387,869,000	\$385,791,000	-\$2,078,000	-\$5,317,000
2. Federal Compliance	38,223,000	29,149,000	37,349,000	8,200,000	-874,000
3. Projects	33,005,000	26,444,000	27,660,000	1,216,000	-5,345,000
Medicare Part D Rx Drug Benefit			4,866,000	4,866,000	4,866,000
4. New Major Assumptions:					
a. Staffing for IP Waiver for Self-Directed Svc	N/A	1,284,000	0	-1,284,000	0
b. Staffing/Projects for Long Term Common Sense Sense Cost Containment Strategies	N/A	6,229,000	0	-6,229,000	0
c. Capitol People First v. DDS	N/A	122,000	0	-122,000	0
d. Compliance with Home and Community- Based Services Waiver Reqt's	N/A	10,559,000	0	-10,559,000	0
5. Operations Total	\$462,336,000	\$461,656,000	\$455,666,000	-\$5,990,000	-\$6,670,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$657,644,000	\$662,193,000	\$618,969,000	-\$43,224,000	-\$38,675,000
2. Medical Facilities	13,038,000	20,746,000	12,476,000	-8,270,000	-562,000
3. Day Programs	644,446,000	668,836,000	633,984,000	-34,852,000	-10,462,000
4. Habilitation Services	125,957,000	124,485,000	123,459,000	-1,026,000	-2,498,000
5. Transportation	167,852,000	181,422,000	189,552,000	8,130,000	21,700,000
6. Support Services	412,544,000	415,928,000	397,928,000	-18,000,000	-14,616,000
7. In-Home Respite	152,063,000	175,465,000	143,912,000	-31,553,000	-8,151,000
8. Out-of-Home Respite	40,093,000	46,830,000	46,704,000	-126,000	6,611,000
9. Health Care	62,037,000	64,044,000	66,299,000	2,255,000	4,262,000
10. Miscellaneous	173,111,000	135,846,000	176,374,000	40,528,000	3,263,000
11. Unallocated Reduction	N/A	-7,000,000	In Trends	7,000,000	In Trends
12. Cost Containment:					
a. Revision of Eligibility Definition	-3,482,000	-2,584,000	In Trends	2,584,000	3,482,000
b. Reduced Growth Trend	-11,357,000	In Trends	In Trends	In Trends	11,357,000
13. Subtotal (Items 1 thru 12)	\$2,433,946,000	\$2,486,211,000	\$2,409,657,000	-\$76,554,000	-\$24,289,000
14. Revised Major Assumptions:					
a. Self-Directed Services (SDS)	-\$298,000	-\$298,000	\$0	\$298,000	\$298,000
(1) Pre-SDS Cost of SDS Consumers (Savings)	-5,966,000	-5,966,000	0	5,966,000	5,966,000
(2) SDS Cost of SDS Consumers (Cost)	5,369,000	5,369,000	0	-5,369,000	-5,369,000
(3) Deposit to SDS Risk Pool Fund	299,000	299,000	0	-299,000	-299,000
b. Medicare Part D Rx Drug Benefit	\$4,454,000	\$0	\$1,860,000	\$1,860,000	-\$2,594,000
c. 3% Rate Increase for Providers					
15. New Major Assumptions					
a. 2006-07 November Estimate					
(1) Long Term Common Sense Cost Containment Strategies	N/A	-\$13,973,000	\$0	\$13,973,000	\$0
(2) Delay in Certification of ICFs	N/A	N/A	\$2,481,000	\$2,481,000	\$2,481,000
(3) Medi-Cal Dental Cap for Adults	N/A	N/A	\$22,000	\$22,000	\$22,000
16. Transfer to Developmental Centers					
a. Community Placement Plan Savings	N/A	N/A	\$895,000	\$895,000	\$895,000
b. Other POS Savings	N/A	N/A	\$2,824,000	\$2,824,000	\$2,824,000
17. POS Total (Items 13 through 16)	\$2,438,102,000	\$2,471,940,000	\$2,417,739,000	-\$54,201,000	-\$20,363,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$2,920,533,000	\$2,953,691,000	\$2,893,500,000	-\$60,191,000	-\$27,033,000
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$1,868,719,000	\$1,946,624,000	\$1,834,548,000	-\$112,076,000	-\$34,171,000
2. General Fund - Other	782,314,000	735,607,000	789,180,000	53,573,000	6,866,000
	1,086,405,000	1,211,017,000	1,045,368,000	-165,649,000	-41,037,000
B. Reimbursements					
1. HCBS Waiver	\$996,971,000	\$952,147,000	\$1,003,552,000	\$51,405,000	\$6,581,000
2. HCBS Waiver Administration	638,948,000	597,012,000	654,662,000	57,650,000	15,714,000
3. Medicaid Administration	6,543,000	6,433,000	1,451,000	-4,982,000	-5,092,000
4. Targeted Case Management (TCM)	12,365,000	9,191,000	11,939,000	2,748,000	-426,000
5. TCM Administration	127,014,000	123,881,000	126,212,000	2,331,000	-802,000
6. Title XX Block Grant	2,900,000	2,900,000	2,875,000	-25,000	-25,000
a. Social Services	147,903,000	147,903,000	147,903,000	0	0
b. Temporary Assist. For Needy Families	56,000,000	60,000,000	56,000,000	-4,000,000	0
7. Self-Directed HCBS Waiver	1,933,000	1,933,000	0	-1,933,000	-1,933,000
8. Self-Directed HCBS Waiver Administration	855,000	384,000	0	-384,000	-855,000
9. Vocational Rehabilitation	2,510,000	2,510,000	2,510,000	0	0
C. Program Development Fund/Parental Fees					
D. Self-Directed Services Risk Pool Fund	\$1,200,000	\$2,000,000	\$1,732,000	-\$268,000	\$532,000
E. Developmental Disabilities Services Account	(\$299,000)	(\$299,000)	(\$0)	(\$299,000)	(\$299,000)
F. Federal Funds	\$69,000	\$0	\$69,000	\$69,000	\$0
1. Early Start/Part C Grant	\$53,574,000	\$52,920,000	\$53,599,000	\$679,000	\$25,000
2. Foster Grandparent Program	52,984,000	52,336,000	52,984,000	648,000	0
3. Real Choice Systems Change Grant	431,000	425,000	456,000	31,000	25,000
	159,000	159,000	159,000	0	0
G. GRAND TOTAL	\$2,920,533,000	\$2,953,691,000	\$2,893,500,000	-\$60,191,000	-\$27,033,000

Note: The above amounts EXCLUDE the following FY 2005-06 reappropriations: \$11,115,000 for Agnews Closure CPP costs, \$488,000 for cost containment consultants, and \$163,000 for affordable housing contract. Up to \$2,000,000 INCLUDED above for CADDIS changes was reappropriated from FY 2005-06 into CY 2006-07.

Executive Highlights

I. CURRENT YEAR (CY) 2006-07 COSTS AND FUND SOURCES

In the current year, it is estimated regional centers will need \$.2 million less in Operations and \$50.4 million more in Purchase of Services, resulting in a net of \$50.2 million more than projected in the 2006-07 Adjusted Budget Authority. Reimbursements are projected to increase by \$16.5 million, resulting in a net 2006-07 General Fund need of \$33.7 million as shown in the table below.

CY 2006-07 Costs <i>(in millions)</i>			
	Adjusted Budget Authority	November Estimate	Difference
Total Costs	\$3,262.5	\$3,312.7	\$50.2
<i>Operations</i>	483.9	483.7	-0.2
<i>Purchase of Services</i>	2,758.5	2,808.9	50.4
<i>Early Start - Other Agency Costs</i>	20.1	20.1	0.0
Fund Sources	\$3,262.5	\$3,312.7	\$50.2
<i>General Fund (GF)</i>	2,106.5	2,140.2	33.7
<i>GF Match</i>	(886.6)	(905.8)	(19.2)
<i>GF Other</i>	(1,219.9)	(1,234.4)	(14.5)
<i>Reimbursements</i>	1,102.1	1,118.6	16.5
<i>Program Development Fund</i>	1.7	1.7	0.0
<i>Federal Funds</i>	52.2	52.2	0.0

In addition, on January 1, 2007, the California minimum wage increased by \$0.75 to \$7.50 per hour, and it will increase an additional \$0.50 to \$8.00 per hour on January 1, 2008. These increases, recently enacted with Chapter 230, Statutes of 2006 (AB 1835), will impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care, and supported living services. The fiscal impact of the January 1, 2007 increase, estimated to be \$26.4 million (\$18.3 million General Fund), is reflected in the 2006-07 Adjusted Budget Authority above. (See Section A, page A-3, for detail on the changes from the 2006-07 Enacted Budget to the Adjusted Budget Authority.)

Other changes from the 2006-07 Adjusted Budget Authority to the November Estimate are as follows:

Current Year 2006-07 – continuedA. Caseload

Based on actual data through July 2006, the community caseload is re-estimated to be 212,155 on January 31, 2007, which is 70 less than the previous estimate of 212,225 for 2006-07. This mid-year caseload is assumed to be the average for 2005-06 and is used to estimate regional center Operations costs.

CY 2006-07 Caseload <i>as of January 31, 2007</i>			
	Adj. Budget Authority	November Estimate	Difference
Total Community Caseload	212,225	212,155	-70
<i>Active Caseload (Age 3 & Older)</i>	<i>185,865</i>	<i>185,425</i>	<i>-440</i>
<i>Early Start (Birth through 2 Years)</i>	<i>26,360</i>	<i>26,730</i>	<i>370</i>

B. Total Costs: \$50.2 Million Increase1. Operations: \$0.2 Million Decreasea. Staffing: \$0.6 Million Decrease

Estimated 2006-07 costs for Staffing have been revised as shown in the table below:

2006-07 Staffing <i>(in millions)</i>			
	Adjusted Budget Authority	November Estimate	Difference
(1) Core Staffing	\$412.1	\$412.1	\$0.0
(2) Intake and Assessment	-4.5	-4.5	0.0
(3) Community Placement Plan (CPP)	19.8	19.2	-0.6
(4) Placement Continuation for Agnews Closure	0.3	0.3	0.0
(5) Unallocated Reduction	-10.6	-10.6	0.0
(6) Cost Containment	-5.9	-5.9	0.0
(7) Medicare Part D Prescription Drug Benefit	2.9	2.9	0.0
(8) Staffing for Collection of FFP for Contracted Services	2.1	2.1	0.0
(9) Staffing for Expansion of Autistic Spectrum Disorders Initiative	1.8	1.8	0.0
Total	\$418.0	417.4	-\$0.6

Current Year 2006-07 – continued

The \$.6 million decrease for the Community Placement Plan is related to the closure of Agnews Developmental Center (DC). Due to the current status of the closure process and the time required for acquisition and completion of housing, the pace of state employees moving to community-based services is more gradual than originally anticipated, causing savings of \$0.6 million. (See the Agnews Closure fiscal charts on pages B-23 to B-31 of this Section; Section E, CPP, pages E-16.1 to E-16.13; and Section G, Agnews Closure Update, for more information.)

b. Federal Compliance: \$0.4 Million Increase

Estimated 2006-07 costs for Federal Compliance have been revised as shown in the table below:

2006-07 Federal Compliance <i>(in millions)</i>			
	Adjusted Budget Authority	November Estimate	Difference
(1) Home and Community-Based Services (HCBS) Waiver	\$21.1	\$21.1	\$0.0
(2) Accelerated HCBS Waiver Enrollments	1.4	1.8	0.4
(3) Compliance w/HCBS Waiver Requirements	9.2	9.2	0.0
(4) Legislative Augmentation: Increase in Case Managers	3.2	3.2	0.0
(5) Targeted Case Management	4.1	4.1	0.0
(6) Nursing Home Reform/Pre-Admission Screening and Resident Review	0.6	0.6	0.0
Total	\$39.6	\$40.0	\$0.4

The increase of \$0.4 million General Fund in Accelerated HCBS Waiver Enrollment costs is due to an increase in projected Waiver enrollments in the current year, from 3,433 to 4,238.

Current Year 2006-07 – continuedc. Projects: Minor Change

Estimated 2006-07 Project costs increased by \$12,000 from the Adjusted Budget Authority to reflect a slight increase in the Life Quality Assessment caseload.

2006-07 Projects <i>(in thousands)</i>			
	Adjusted Budget Authority	November Estimate	Difference
(1) Information Technology	\$5,084	\$5,084	\$0
(a) Uniform Fiscal System (UFS)	2,091	2,091	0
(b) Data Processing	2,993	2,993	0
(c) CADDIS Maintenance and Support	0	0	0
(2) Clients' Rights Advocacy Contract	4,694	4,694	0
(3) Life Quality Assessment Contract	4,649	4,661	12
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,211	2,211	0
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent / Senior Companion Program	1,149	1,149	0
(8) Special Incident Rptg/Risk Assessment	833	833	0
(9) Expansion of Autistic Spectrum Disorders Initiative	780	780	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) CSUS Foundation	155	155	0
(14) Affordable Housing	90	90	0
(15) Cost Containment	-490	-490	0
(16) Capitol People First v. DDS	246	246	0
(17) ProRata	3	3	0
Total	\$26,140	\$26,152	\$12

Current Year 2006-07 – continued2. Purchase of Services (POS): \$50.4 Million Increase

Estimated 2006-07 POS costs have been revised as shown in the table below:

2006-07 Purchase of Services <i>(in millions)</i>			
POS Category	Adjusted Budget Authority	November Estimate	Difference
a. Base	\$2,361.7	\$2,395.7	\$34.0
b. Updated Population, Utilization and Expenditure Data	132.5	147.2	14.7
c. Community Placement Plan (CPP)	70.2	69.8	-0.4
d. Placement Continuation	51.7	51.7	0.0
e. Medical Facility Gap for Resource Development	3.7	3.7	0.0
f. Medicare Part D Prescription Drug Benefit	4.8	4.8	0.0
g. 3% Provider Rate Increase	68.4	70.2	1.8
h. Medi-Cal Dental Cap for Adults	0.2	0.1	-0.1
i. Provider Resources for FFP for Contracted Svcs	1.3	1.3	0.0
j. 2006-07 Legislative Augmentations:	38.0	38.0	0.0
(1) Day Program Wage & Rate Increase	15.8	15.8	0.0
(2) Look-Alike Day Program Wage & Rate Increase	3.3	3.3	0.0
(3) Supported Employment Program Rate Increase	15.9	15.9	0.0
(4) One-Time Targeted Startup	3.0	3.0	0.0
k. Transfer to Developmental Centers	-0.4	In POS above	0.4
l. New Major Assumption: Minimum Wage Increases	26.4	26.4	0.0
Total	\$2,758.5	\$2,808.9	\$50.4

Changes reflect the following:

- Base: November Estimate base expenditures of \$2.4 billion were estimated using updated expenditure data and input from the regional centers, resulting in an increase of \$34 million.
- Updated Caseload, Utilization and Expenditure Data: Updated caseload and expenditure data through May of 2006 were used to update this projection, resulting in an increase of \$14.7 million.
- Community Placement Plan: CPP reflects the POS costs for individuals to either be placed from DCs into the community or, for those individuals who have been referred to a DC, to be deflected from potential DC admission. The CPP estimate is comprised of regular CPP and CPP related to the closure of Agnews DC. Agnews costs were updated for 2006-07, and regular CPP costs are the same as the 2006-07 May

Current Year 2006-07 – continued

Revision. The Agnews update reduced costs by a net of \$458,000, which reflects a reduction of \$1,041,000 in start-up costs, partially offset by a \$583,000 increase in placement costs. \$369,000 of this savings is being transferred to the DC budget pursuant to the Budget Act of 2006, Item 4300-101-0001, Provision 1, and Welfare and Institutions Code, Section 4418.25(d), which states that General Funds allocated for CPP that are not used for that purpose may be transferred to the DC budget if their population exceeds the budgeted level.

(See the Agnews Closure fiscal charts on pages B-23 to B-31 of this Section; Section E, pages E-16.1 to E-16.13; and Section G, Agnews Closure Update, for more information.)

- 3% Provider Rate Increase: A 3% cost-of-living increase is being provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-service programs (transportation, supported living, and look-alike day programs). Updated expenditure data through May 2006 were used to update the cost of this increase by an additional \$1.8 million.
- Medi-Cal Dental Cap for Adults: Effective January 1, 2006, the Department of Health Services placed a limit of \$1,800 per year on dental services provided adults ages 21 years and older. Therefore, regional centers are required to pay for dental service costs for their Medi-Cal consumers whose costs are greater than \$1,800 per year. Estimated costs are being reduced from the May Revision by \$.1 million General Fund to reflect a decrease in the number of consumers who exceeded their deductible in FY 2005-06.

C. Fund Sources**1. General Fund: \$33.7 Million Increase**

The net General Fund need in 2006-07 is expected to increase by \$33.7 million due to a projected \$50.2 million increase in Operations and Purchase of Services (described above) and a projected increase of \$16.5 million in reimbursements (as shown below).

Current Year 2006-07 – continued2. Reimbursements: \$16.5 Million Increase

Current year 2006-07 reimbursements have been revised to reflect updated expenditure and eligibility data as indicated in the following table:

CY 2006-07 Reimbursements <i>(in millions)</i>			
Reimbursement	Adjusted Budget Authority	November Estimate	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$749.3	\$755.5	\$6.2
b. HCBS Waiver Administration	2.2	2.1	-0.1
c. Medicaid Administration	13.6	12.8	-0.8
d. Targeted Case Management (TCM)	127.7	140.4	12.7
e. TCM Administration	2.9	3.5	0.6
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. Vocational Rehabilitation	2.5	0.4	-2.1
Total	\$1,102.1	\$1,118.6	\$16.5

In addition, changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July 2005 through June 2006 and assumes enrollment growth to 73,300 by June 2007, resulting in a \$6.2 million increase in HCBS Waiver reimbursements.

In August of 2006, the Centers for Medicare and Medicaid Services renewed the HCBS Waiver for five years, from October 1, 2006 through September 30, 2011.

- Medicaid Administration: Because of the current status of the Agnews DC closure process and, in particular, the time required for acquisition and completion of housing through the Bay Area Housing Plan, the pace of state employees moving to community-based services is more gradual than originally anticipated, resulting in a \$0.8 million decrease in reimbursements for these services.
- TCM: This estimate is based on updated TCM expenditure data for the period June 2005 through May 2006 and reflects a cost-of-living adjustment to the TCM rates, producing an increase of \$12.7 million.

- TCM Administration: This estimate reflects the most current available data, producing an increase of \$0.6 million.
- Vocational Rehabilitation: This estimate was updated to reflect actual 2005-06 reimbursements, resulting in a decrease of \$2.1 million.

II. BUDGET YEAR (BY) 2007-08 COSTS AND FUND SOURCES

The November Estimate reflects a total 2007-08 need of \$3.6 billion, an increase of \$258.1 million from the Proposed Base Budget, as shown in the table below:

BY 2007-08 Costs <i>(in millions)</i>			
	Proposed Base Budget	November Estimate	Difference
Total Costs	\$3,307.9	\$3,566.0	\$258.1
<i>Operations</i>	483.9	500.9	17.0
<i>Purchase of Services</i>	2,803.9	3,045.0	241.1
<i>Early Start - Other Agency Costs</i>	20.1	20.1	0.0
Fund Sources	\$3,307.9	\$3,566.0	\$258.1
<i>General Fund (GF)</i>	2,138.4	2,188.6	50.2
<i>GF Match</i>	(900.1)	(916.7)	(16.7)
<i>GF Other</i>	(1,238.3)	(1,271.8)	(33.4)
<i>Self-Directed Services Risk Pool</i>	(0.0)	(0.1)	(0.1)
<i>Reimbursements</i>	1,115.6	1,179.2	63.6
<i>Program Development Fund</i>	1.7	1.7	0.0
<i>Public Transportation Account</i>	0.0	144.0	144.0
<i>Federal Funds</i>	52.2	52.5	0.3

In addition, on January 1, 2007, the California minimum wage increased by \$0.75 to \$7.50 per hour, and it will increase an additional \$0.50 to \$8.00 per hour on January 1, 2008. These increases, recently enacted with Chapter 230, Statutes of 2006 (AB 1835), will impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care, and supported living services. The fiscal impact of the January 1, 2007 and 2008 increases in 2007-08, estimated to be \$71.4 million (\$49.8 million General Fund), is reflected in the 2007-08 Proposed Base Budget above. (See Section A, page A-6, for detail on the adjustments from the 2006-07 Enacted Budget to the 2007-08 Proposed Base Budget.)

Other significant changes from the 2007-08 Proposed Base Budget to the November Estimate are as follows:

Budget Year 2007-08 – continuedA. Caseload

The 2006-07 Adjusted Budget Authority reflects an estimated community caseload of 212,225 on January 31, 2007. For the 2007-08 November Estimate, the community caseload is projected to increase by 8,375, or 3.9%, to 220,600 on January 31, 2008. This mid-year caseload is assumed to be the average for 2007-08 and is used to estimate regional center Operations costs.

BY 2007-08 Caseload <i>as of January 31, 2008</i>			
	Adjusted Budget Authority	November Estimate	Difference
Total Community Caseload	212,225	220,600	8,375
<i>Active Population (Age 3 & Older)</i>	<i>185,865</i>	<i>191,975</i>	<i>6,110</i>
<i>Early Start (Birth through 2 Years)</i>	<i>26,360</i>	<i>28,625</i>	<i>2,265</i>

B. Total Increase: \$258.1 Million1. Operations: \$17 Million Increasea. Staffing: \$17.5 Million Increase

Estimated 2007-08 costs for Staffing are as follows:

2007-08 Staffing <i>(in millions)</i>			
	Proposed Base Budget	November Estimate	Difference
(1) Core Staffing	\$412.1	\$428.9	\$16.8
(2) Intake and Assessment	-4.5	-4.5	0.0
(3) Community Placement Plan	19.8	19.9	0.1
(4) Placement Continuation for Agnews Closure	0.3	0.4	0.1
(5) Unallocated Reduction	-10.6	-10.6	0.0
(6) Cost Containment	-5.9	-5.9	0.0
(7) Staffing for Self-Directed HCBS Waiver	0.0	1.6	1.6
(8) Medicare Part D Prescription Drug Benefit	2.9	0.0	-2.9
(9) Staffing for Collection of FFP for Contracted Services	2.1	2.2	0.1
(10) Staffing for Expansion of Autism Spectrum Disorders Initiative	1.8	3.5	1.7
Total	\$418.0	\$435.5	\$17.5

Budget Year 2007-08 – continued

Changes reflect the following:

- Core Staffing: The \$16.8 million increase reflects the costs associated with updated population, facility, vendor, and expenditure data.
- Community Placement Plan: The \$0.1 million increase reflects the net updated Operations costs for the closure of Agnews DC: (1) a \$1 million increase for the additional regional center resources needed to place a greater number of consumers from DCs into the community in 2007-08, from 295 placements in the 2006-07 Adjusted Budget Authority to 321 placements in 2007-08, and (2) a \$0.9 million decrease due to Agnews DC employees moving to community-based services more gradually than originally anticipated because of the additional time required for acquisition and completion of housing. (See the Agnews Closure fiscal charts on pages B-23 to B-31 of this Section; Section E, CPP, pages E-16.1 to E-16.13; and Section G, Agnews Closure Update, for more information.)
- Placement Continuation for Agnews Closure: For CPP consumers, the regional center Core Staffing model includes funding for Client Program Coordinators (CPC) at a ratio of 1 CPC to 45 consumers for the first year after placement into the community. Subsequent to the first year after community placement, the ratio increases to 1:62 for consumers eligible for the HCBS Waiver or 1:66 for those not Waiver eligible. The Plan for Closure of Agnews DC adds one additional year of case management at 1:45 for those moving from Agnews. The estimate for these costs in 2007-08 increased by \$0.1 million from the Adjusted Budget Authority to reflect updated Agnews placements.
- Staffing for Self-Directed HCBS Waiver: Subject to the approval by the Centers for Medicare and Medicaid Services (CMS) of a 1915(c) Waiver, beginning January 1, 2008, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. Chapter 80, Statutes of 2005 (Assembly Bill 131, the Trailer Bill to the Budget Act of 2005) added Section 4685.7 to the Welfare and Institutions Code to implement the SDS program. This cost containment opportunity will require \$1.6 million (\$0.8 million General Fund) to begin phasing in additional regional center positions on January 1, 2008, to ensure that regional centers appropriately administer this unique service delivery, obtaining

Budget Year 2007-08 – continued

maximum revenue through appropriate service claiming and administrative efforts.

See Section E, pages E-1.14 to E-1.17, for detail on the Operations component of SDS, and pages E-15.1 to E-15.3, for detail on the POS component.

- Medicare Part D Prescription Drug Benefit: Funding was provided on a limited-term basis in 2005-06 and 2006-07 for regional center resources to assist consumers, families and providers to understand the new prescription drug benefit and facilitate their enrollment in a plan that best meets their needs. The \$2.9 million reduction reflects the termination of this funding.
- Staffing for Collection of FFP for Contracted Services: The \$.1 million increase reflects a projected increase in rent costs for these staff in 2007-08.
- Staffing for Expansion of Autistic Spectrum Disorders Initiative: The \$1.7 million increase reflects the change from half-year funding for these staff in 2006-07 to full-year funding in 2007-08.

b. Federal Compliance: \$.2 Million Increase

Estimated 2007-08 costs for Federal Compliance have been revised as shown in the table below:

2007-08 Federal Compliance <i>(in millions)</i>			
	Proposed Base Budget	November Estimate	Difference
(1) Home and Community-Based Services (HCBS) Waiver	\$21.1	\$21.1	\$0.0
(2) Accelerated HCBS Waiver Enrollments	1.5	1.2	-0.3
(3) Compliance w/HCBS Waiver Requirements	9.2	9.2	0.0
(4) Legislative Augmentation: Increase in Case Managers	3.2	3.3	0.1
(4) Targeted Case Management	4.1	4.1	0.0
(5) Nursing Home Reform/Pre-Admission Screening and Resident Review	0.6	0.6	0.0
Total	\$39.7	\$39.5	-\$0.2

- Accelerated HCBS Waiver Enrollments: The decrease of \$.3 million General Fund in Accelerated HCBS Waiver Enrollment costs is due

Budget Year 2007-08 – continued

to an reduction in projected Waiver enrollments in the budget year, from 3,433 to 2,670.

- Legislative Augmentation--Increase in Case Managers: An April 21, 2006 letter from CMS indicated that the State must “review and revise, as needed, its policies to assure that the HCBS Waiver participant to case manager ratio of 62:1 is consistently met.” This augmentation by the California Legislature is intended to ensure further compliance. The \$.1 million increase reflects a projected increase in rent costs for these case managers. (See Section E, page E-2.4, for the fiscal detail.)

c. Projects: \$.3 Million Decrease

Estimated 2007-08 costs for Projects have been revised as shown in the table below:

2007-08 Projects (in thousands)			
	Proposed Base Budget	November Estimate	Difference
(1) Information Technology	\$5,084	\$5,084	\$0
(a) Uniform Fiscal System (UFS)	2,091	2,091	0
(b) Data Processing	2,993	2,993	0
(c) CADDIS Maintenance and Support	0	0	0
(2) Clients' Rights Advocacy Contract	4,694	5,121	427
(3) Life Quality Assessment Contract	4,629	4,739	110
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,211	2,211	0
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent / Senior Companion Program	1,149	1,149	0
(8) Special Incident Rptg/Risk Assessment	833	833	0
(9) Expansion of Autistic Spectrum Disorders Initiative	780	0	-780
(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.	155	155	0
(14) Affordable Housing	90	90	0
(15) Cost Containment	-490	-490	0
(16) Capitol People First v. DDS	246	0	-246
(17) Self-Directed Services: Trng & Dev	0	200	200
Total	\$26,117	\$25,828	-\$289

Budget Year 2007-08 – continued

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

- Expansion of Autistic Spectrum Disorders (ASD) Initiative: Funding was provided in 2006-07 for consultant services to provide training to clinicians and other professionals to implement best practice guidelines for screening, diagnosis and assessment; develop ASD best practice guidelines on effective interventions and interagency collaboration; and establish state and regional ASD Resource Centers. The \$780,000 reduction reflects the discontinuation of this one-time funding.
- Capitol People First v. DDS: The \$246,000 reduction reflects the assumption that this case will finalize in 2006-07. However, it is possible that a pending appeal may cause the contract to be extended in 2007-08, and some of the funds carried forward into that year.
- Self-Directed Services Training and Development: In anticipation of SDS program implementation expected to occur in January 2008, \$200,000 will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers.

Budget Year 2007-08 – continued2. Purchase of Services (POS): \$241.1 Million Increase

The total POS need is estimated to be \$3 billion, an increase of \$241.1 million from the Proposed Base Budget. The following table displays historical POS growth since 1996-97:

Historical POS Growth 2007-08 November Estimate (Dollars in Thousands)		
Fiscal Year	Actual Expenditures (Excludes Habilitation Services) a/	% Change
1996-97	788,304	12.4%
1997-98	888,675	12.7%
1998-99	1,045,198	17.6%
1999-00	1,229,673	17.6%
2000-01	1,467,815	19.4%
2001-02	1,660,542	13.1%
2002-03	1,826,563	10.0%
2003-04	1,955,509	7.1%
2004-05	2,077,401	6.2%
2005-06	2,246,111 b/	8.1%
2006-07	2,660,444 b/c/	18.4% c/
2007-08	2,895,050 b/d/	8.8% d/

a/ The Habilitation Services program was transferred to DDS from the Department of Rehabilitation in 2004-05. Inclusion of funds for Habilitation Services would misrepresent the percentage change.

b/ Projected.

c/ 6.0% of this increase is due to the impact of the following major increases: (1) \$70.1 million for a 3% Provider Rate Increase, effective 7/1/06, (2) \$38.5 million for legislative augmentations, and (3) \$26.4 million for the Minimum Wage Increase, effective 1/1/07. The remaining 12.4% increase is due to normal growth.

d/ 1.5% 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) \$40.6 million for legislative augmentations, (3) \$71.4 million for the Minimum Wage Increases, effective 1/1/07 and 1/1/08, and (4) \$44 million savings from the proposed increase in Intermediate Care Facility bundled rate for Transportation and Day Program services. The remaining 7.3% increase is due to normal growth.

Budget Year 2007-08 – continued

This November Estimate includes the fiscal impact of continuing the following cost containment strategies: community care facility service-level freeze, rate freezes for contracted services, community-based day programs, in-home respite service providers, and habilitation services; non-community placement plan start-up suspension; no pass-through of SSI/SSP increases to providers; and the Family Cost Participation Program.

Future Cost Containment: Status of Rate Standardization

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

Budget Year 2007-08 – continued

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

2007-08 Purchase of Services <i>(in millions)</i>			
POS Category	Proposed Base Budget	November Estimate	Difference
(1) Base	\$2,361.7	\$2,725.2	\$363.5
(2) Updated Population, Utilization and Expenditure Data	132.4	153.2	20.8
(3) Community Placement Plan (CPP)	70.3	93.5	23.2
(4) Placement/Deflection Continuation	51.7	57.7	6.0
(5) Med Facility Gap for Resource Development	3.7	3.7	0.0
(6) Medicare Part D Prescription Drug Benefit	4.8	4.8	0.0
(7) 3% Rate Increase for Providers	68.4	3.4 a/	-65.0
(8) Medi-Cal Dental Cap for Adults	0.2	0.0	-0.2
(9) Provider Resources for Collection of FFP for Contracted Services	1.3	0.5 b/	-0.8
(10) Self-Directed Services	0.0	-0.1	-0.1
(11) 2006-07 Legislative Augmentations	38.0	2.1 b/	-35.9
(a) Day Program Wage & Rate Increase	19.1	1.3 b/	-17.8
(b) Supported Employment Rate Increase	15.9	0.8 b/	-15.1
(c) One-Time Targeted Startup	3.0	0.0	-3.0
(12) New Major Assumptions			
(a) Minimum Wage Increases	71.4	45.0 c/	-26.4
(b) Increase ICF-DD Bundled Rate	N/A	-44.0	-44.0
Total	\$2,803.9	\$3,045.0	\$241.1

a/ \$70,146,000 is in the Base above.

b/ Proposed Base Budget amounts are in the November Estimate Base above.

c/ \$26,350,000 is in the Base above.

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

- Base: 2007-08 base costs of \$2,725.2 million increased by \$363.5 million from the 2006-07 base. The 2007-08 base is comprised of the total 2006-07 POS budget authority, minus one-time 2006-07 expenditures. Therefore, the \$363.5 million difference between the 2006-07 and 2007-08 bases reflects authorized 2006-07 expenditures for continuous items beyond the 2006-07 base.
- Updated Population, Utilization, and Expenditure Data: Updated caseload and expenditure data through May 2006 were used to update this projection, resulting in an increase of \$20.8 million from the Proposed Base Budget.

Budget Year 2007-08 – 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. The 2007-08 CPP was updated to include \$23.2 million in additional costs related to the closure of Agnews DC. (See the Agnews Closure fiscal charts on pages B-23 to B-31 of this Section; Section E, pages E-16.1 to E-16.13; and Section G, Agnews Closure Update, for more information.) This estimate will be updated in the 2007-08 May Revision using regional center plans submitted in December 2006 and January 2007.
- Placement / Deflection Continuation: Placement / Deflection Continuation costs are for consumers who, under the CPP (including the Agnews Closure Plan) in the prior year, (a) moved from a developmental center into the community or (b) deflected away from placement in a DC. Costs for 2007-08 are preliminarily estimated to increase by \$6 million from the Proposed Base Budget. These costs will be updated in the 2007-08 May Revision to reflect regional center expenditure plans.
- Provider Resources for Collection of FFP for Contracted Services: Effective October 1, 2006, a \$1.3 million increase in POS funding was available for affected vendors of contracted services. This funding covers increased provider costs for the new administrative activity associated with record keeping for the collection of additional federal financial participation for contracted services. Full-year 2007-08 costs for this increase are estimated to be \$1.8 million (\$1.4 million General Fund, \$0.4 million reimbursements). Therefore, the 2006-07 funding of \$1.3 million was left in the November Estimate base, and \$0.5 million was added to annualize costs in 2007-08. See Section F, page F-14 for a summary of all costs/savings associated with Collection of FFP for Contracted Services.
- Self-Directed Services: Subject to the approval by the Centers for Medicare and Medicaid Services of a 1915(c) Waiver, beginning January 1, 2008, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. Chapter 80, Statutes of 2005 (Assembly Bill 131, the Trailer Bill to the Budget Act of 2005) added Section 4685.7 to the Welfare and Institutions Code to implement the SDS program. POS savings are estimated to be \$0.1 million in 2007-08.

Budget Year 2007-08 – continued

See Section E, pages E-15.1 to E-15.3, for detail on the POS component of SDS, and pages E-1.14 to E-1.17, for detail on the Operations component.

- 2006-07 Legislative Augmentations: The 2006-07 augmentations for the Day Program Wage and Rate Increase, and the Supported Employment Rate Increase are reflected in the 2007-08 November Estimate base, and 2007-08 growth was added for these items (see items 11 (a) and (b) in the POS table on page B-17). The one-time 2006-07 augmentation for Targeted Startup was deleted for 2007-08.
- New Major Assumption, Minimum Wage Increases: On January 1, 2007, the California minimum wage increased by \$0.75 to \$7.50 per hour, and it will increase an additional \$0.50 to \$8.00 per hour on January 1, 2008. These increases, recently enacted with Chapter 230, Statutes of 2006 (AB 1835), will impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care and supported living services. The total fiscal impact of the January 1, 2007 and 2008 increases in 2007-08, is estimated to be \$71.4 million (\$49.8 million General Fund). Of this amount, the 2006-07 impact of \$26.4 million is reflected in the 2007-08 November Estimate base, and the additional \$45 million needed in 2007-08 is added.
- New Major Assumption, Increase ICF-DD Bundled Rate: Increasing federal financial participation in the delivery of community-based services for regional center consumers is being pursued through a Medicaid State Plan amendment. The Department of Health Services is pursuing a revision to the Medicaid State Plan to include coverage and payment for day program and non-medical transportation services for regional center consumers with developmental disabilities residing in intermediate care facilities. These services are currently funded by the regional centers solely through state General Fund. This change will result in General Fund savings of \$44 million.

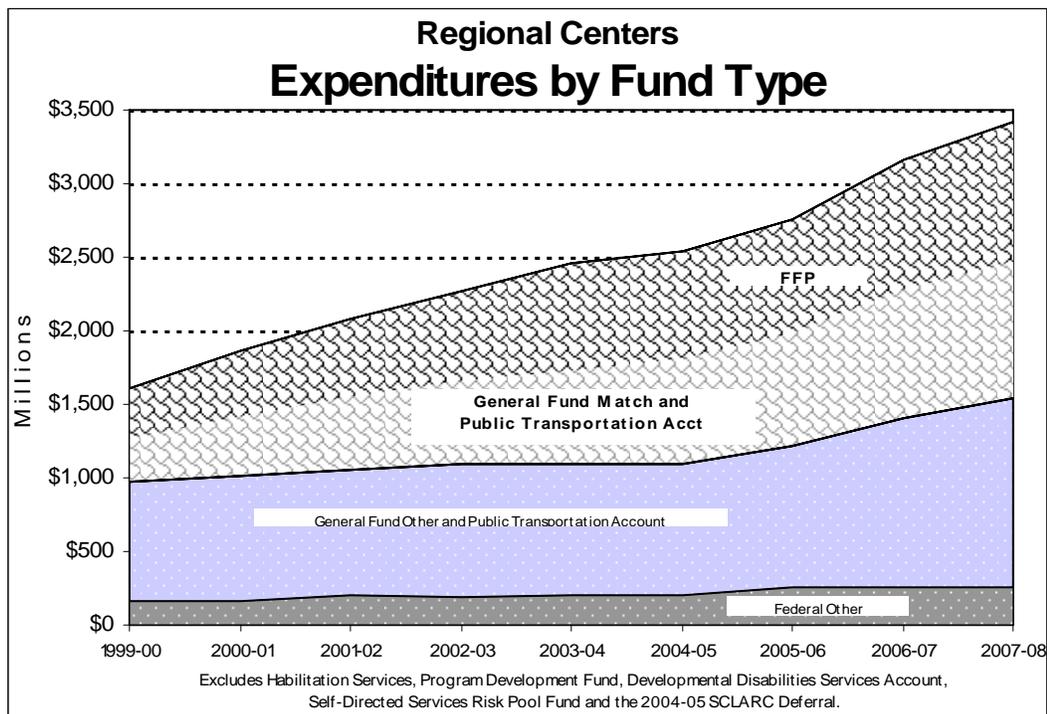
Budget Year 2007-08 – continued

C. Fund Sources

1. General Fund: \$50.2 Million Increase

The 2007-08 General Fund need is estimated to increase by \$50.2 million from the Proposed Base Budget. This increase is the net result of caseload and utilization updates for Operations and POS, new major assumptions, and increases in reimbursements and federal funds.

The following graph, of regional center expenditures by fund type, illustrates the impact of the Department's successful efforts to maximize federal funding in recent years (e.g., increasing the HCBS Waiver population cap, adding services to the HCBS Waiver, and revising the reimbursement methodology for Targeted Case Management services costs). In 1999-00 the federal financial participation (FFP) and the related General Fund match totaled \$0.6 billion, which represented about 39% of the total expenditures. However, in 2007-08, the FFP and the related General Fund match are estimated to more than triple to \$1.9 billion, representing about 55% of the estimated total expenditures. To summarize, from 1999-00 to 2007-08, the FFP and the related General Fund matching funds increase is estimated to be \$0.9 billion. Correspondingly, the increase in the FFP and the related General Fund match results in the need for less unmatched General Fund, from 51% of regional center funds in 1999-00 to 38% in 2006-07.



Budget Year 2007-08 – continued2. Reimbursements: \$63.6 Million Increase

2007-08 reimbursements have been revised or added based on updated caseload and expenditure data or new major assumptions:

2007-08 Reimbursements <i>(in millions)</i>			
	Proposed Base Budget	November Estimate	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$762.8	\$814.2	\$51.4
b. HCBS Waiver Administration	2.2	2.1	-0.1
c. Medicaid Administration	13.6	13.0	-0.6
d. Targeted Case Management (TCM)	127.7	140.5	12.8
e. TCM Administration	2.9	3.5	0.6
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	56.0	0.0
g. Self-Directed (SD) HCBS Waiver	0.0	0.8	0.8
h. SDHCBS Waiver Administration	0.0	0.8	0.8
i. Vocational Rehabilitation	2.5	0.4	-2.1
Total	\$1,115.6	\$1,179.2	\$63.6

In addition, the above changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July 2005 through June 2006 and assumes enrollment growth to 75,990 by June 2008, resulting in an increase of \$51.4 million in HCBS Waiver reimbursements.
- Medicaid Administration: Agnews DC employees will be moving into the community more gradually than originally anticipated because of the additional time required for acquisition and completion of housing, resulting in a reduction of \$0.6 million in reimbursements for services to be provided by these employees.
- TCM: This estimate is based on updated TCM expenditure data for the period June 2005 through May 2006 and reflects a cost-of-living adjustment to the TCM rates, producing an increase of \$12.8 million.
- TCM Administration: This estimate reflects the most current available data, producing an increase of \$0.6 million.

Budget Year 2007-08 – continued

- SDHCBS Waiver: Subject to the approval by the Centers for Medicare and Medicaid Services of a 1915(c) Waiver, beginning January 1, 2008, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. Chapter 80, Statutes of 2005 (Assembly Bill 131, the Trailer Bill to the Budget Act of 2005) added Section 4685.7 to the Welfare and Institutions Code to implement the SDS program. SDHCBS Waiver reimbursements for SDS POS are estimated to be \$0.8 million in 2007-08. See Section E, pages E-15.1 to E-15.3, for detail.
- SDHCBS Waiver Administration: To implement and monitor the SDHCBS Waiver, 21 Self-Directed Waiver Directors and 21 Federal Compliance Coordinators will be phased in at the regional centers beginning July 1, 2007 and January 1, 2008, respectively. SDHCBS Waiver Administration reimbursements for these positions are estimated to be \$0.8 million in 2007-08. See Section E, pages E-1.14 to E-1.17, for detail.
- Vocational Rehabilitation: This estimate was updated to reflect actual 2005-06 reimbursements, resulting in a decrease of \$2.1 million.

3. Public Transportation Account: \$144 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 November Estimate includes \$144 million in Public Transportation Account funding on a one-time basis in 2007-08 to replace the General Fund share of regional center transportation costs.

4. Federal Funds: \$.3 Million Increase

The Early Start Grant will increase by \$0.3 million in 2007-08.

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Change from 2006-07 Budget Act	
		A	B	B - A	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base	Total	\$83,033,000	\$83,033,000	\$0
		<i>General Fund</i>	44,237,000	44,237,000	0
		<i>Other</i>	38,796,000	38,796,000	0
		PYs	1,057.0	1,057.0	0.0
		Year Beginning Population	280	280	0
2.	Placements Into the Community	Total	-\$6,353,000	-\$5,662,000	\$691,000
		<i>General Fund</i>	-3,374,000	-3,005,000	369,000
		<i>Other</i>	-2,979,000	-2,657,000	322,000
		PYs	-90.0	-82.0	8.0
		Placements	-119	-113	6
		Deaths	-6	-6	0
3.	Consumer Transfers to Other DCs	Total	\$0	\$0	\$0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
		Population	0	0	0
4.	State Employees in the Community	Total	\$9,217,000	\$5,398,000	-\$3,819,000
	Clinical Staff (RC Operations)	Subtotal	2,636,000	1,390,000	-1,246,000
	<i>Clinical Staff</i>		2,133,000	1,238,000	-895,000
	<i>Admin for Clinical Staff</i>		128,000	0	-128,000
	<i>Operating Expense & Equipment</i>		375,000	152,000	-223,000
	Direct Support Services (RC Purchase of Services)	Subtotal	6,581,000	4,008,000	-2,573,000
	<i>Direct Support Services</i>		5,325,000	3,544,000	-1,781,000
	<i>Admin for Direct Support Services</i>		321,000	0	-321,000
	<i>Operating Expense & Equipment</i>		935,000	464,000	-471,000
		<i>General Fund</i>	0	0	0
		<i>Other</i>	9,217,000	5,398,000	-3,819,000
5.	Administrative Staff for Closure	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
6.	Warm Shut Down	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
	<i>General Expenses</i>		0	0	0
	<i>Facilities Operations</i>		0	0	0
	<i>Contracts</i>		0	0	0
	<i>Vehicle Operations</i>		0	0	0
	<i>Utilities</i>		0	0	0
	<i>Staffing</i>		0	0	0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
7.	Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Change from 2006-07 Budget Act	
		A	B	B - A	
8.	Staff Costs for Closure Plan	Total	\$716,000	\$716,000	\$0
	Staff Transition Costs	378,000	378,000	0	
	Overtime for Consumer Transfers and Escort	338,000	338,000	0	
	Costs for Lump-Sum Buyout	0	0	0	
	General Fund	382,000	382,000	0	
	Other	334,000	334,000	0	
9.	Facility Preparation	Total	\$0	\$0	\$0
	General Fund	0	0	0	
	Other	0	0	0	
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$0	\$0	\$0
	General Fund	0	0	0	
	Other	0	0	0	
11.	Regional Resource Development Projects	Total	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	
	General Fund	0	0	0	
	Other	0	0	0	
12.	Agnews Staffing Plan	Total	\$0	\$366,000	\$366,000
	PYs	0.0	5.0	5.0	
	General Fund	0	195,000	195,000	
	Other	0	171,000	171,000	
Total Developmental Centers Costs of Closure		Total	\$86,613,000	\$83,851,000	-\$2,762,000
	PYs	967.0	980.0	13.0	
	General Fund	41,245,000	41,809,000	564,000	
	Other	45,368,000	42,042,000	-3,326,000	
	Year Ending Population	155	161	6	
REGIONAL CENTERS					
13.	Community Placement Plan				
A)	Operations	Total	\$8,551,000	\$7,984,000	-\$567,000
	1. Unified Operations Costs	5,385,000	6,064,000	679,000	
	2. State Employees in the Community	2,636,000	1,390,000	-1,246,000	
	3. Consultant Services - Tech. Assistance on Housing Issues	280,000	280,000	0	
	4. Evaluation of Licensing Pilots	250,000	250,000	0	
	5. Foster Grandparent/Senior Companion Program	0	0	0	
	General Fund	6,764,000	6,993,000	229,000	
	Other	1,787,000	991,000	-796,000	
B)	Purchase of Services (POS)	Total	\$23,910,000	\$23,452,000	-\$458,000
	Placements	119	113	-6	
	1. Start-up Costs (resource development)	15,608,000	14,567,000	-1,041,000	
	2. Assessments	0	0	0	
	3. Placements (property management and lease)	8,302,000	8,885,000	583,000	
	General Fund	21,577,000	21,215,000	-362,000	
	Other	2,333,000	2,237,000	-96,000	
	(FYI: State Employees in the Community costs included in POS above)	(6,581,000)	(4,008,000)	-(2,573,000)	
Total Community Placement Plan (A+B)		Total	\$32,461,000	\$31,436,000	-\$1,025,000
	Placements	119	113	-6	
	General Fund	28,341,000	28,208,000	-133,000	
	Other	4,120,000	3,228,000	-892,000	

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Change from 2006-07 Budget Act
		A	B	B - A
14.	Placement Continuation			
A)	Operations			
	Total	\$306,000	\$309,000	\$3,000
	1. Client Program Coordinators (CPC)	79,000	79,000	0
	2. Nurse Consultant	0	0	0
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	227,000	230,000	3,000
	General Fund	130,000	130,000	0
	Other	176,000	179,000	3,000
B)	Purchase of Services (POS)			
	Total	\$17,473,000	\$17,473,000	\$0
	Prior Year Placements	63	63	0
	Placement Continuation (property management and lease)	17,473,000	17,473,000	0
	General Fund	13,412,000	13,731,000	319,000
	Other	4,061,000	3,742,000	-319,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)
	Total Placement Continuation (A+B)	\$17,779,000	\$17,782,000	\$3,000
	Prior Year Placements	63	63	0
	General Fund	13,542,000	13,861,000	319,000
	Other	4,237,000	3,921,000	-316,000
	Total Regional Center Costs of Closure	\$50,240,000	\$49,218,000	-\$1,022,000
	General Fund	41,883,000	42,069,000	186,000
	Other	8,357,000	7,149,000	-1,208,000
	GRAND TOTAL - COSTS OF CLOSURE	\$136,853,000	\$133,069,000	-\$3,784,000
	Total	967.0	980.0	13.0
	PYs	83,128,000	83,878,000	750,000
	General Fund	53,725,000	49,191,000	-4,534,000
	Other	155	161	6
	Year Ending Population			

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

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Change from 2006-07 Budget Act	
		A	B	B - A	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base	Total	\$83,033,000	\$73,754,000	-\$9,279,000
		<i>General Fund</i>	44,237,000	39,347,759	-4,889,241
		<i>Other</i>	38,796,000	34,406,241	-4,389,759
		PYs	1,057.0	975.0	-82.0
		Year Beginning Population	280	161	-119
2.	Placements Into the Community	Total	-\$6,353,000	-\$14,949,000	-\$8,596,000
		<i>General Fund</i>	-3,374,000	-7,975,000	-4,601,000
		<i>Other</i>	-2,979,000	-6,974,000	-3,995,000
		PYs	-90.0	-172.5	-82.5
		Placements	-119	-145	-26
		Deaths	-6	-6	0
3.	Consumer Transfers to Other DCs	Total	\$0	-\$430,000	-\$430,000
		<i>General Fund</i>	0	-229,000	-229,000
		<i>Other</i>	0	-201,000	-201,000
		Population	0	-10	-10
4.	State Employees in the Community	Total	\$9,217,000	\$9,217,000	\$0
	Clinical Staff (RC Operations)	Subtotal	2,636,000	2,636,000	0
	<i>Clinical Staff</i>		2,133,000	2,133,000	0
	<i>Admin for Clinical Staff</i>		128,000	128,000	0
	<i>Operating Expense & Equipment</i>		375,000	375,000	0
	Direct Support Services (RC Purchase of Services)	Subtotal	6,581,000	6,581,000	0
	<i>Direct Support Services</i>		5,325,000	5,325,000	0
	<i>Admin for Direct Support Services</i>		321,000	321,000	0
	<i>Operating Expense & Equipment</i>		935,000	935,000	0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	9,217,000	9,217,000	0
5.	Administrative Staff for Closure	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
6.	Warm Shut Down	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
	<i>General Expenses</i>		0	0	0
	<i>Facilities Operations</i>		0	0	0
	<i>Contracts</i>		0	0	0
	<i>Vehicle Operations</i>		0	0	0
	<i>Utilities</i>		0	0	0
	<i>Staffing</i>		0	0	0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
7.	Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0

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

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Change from 2006-07 Budget Act	
		A	B	B - A	
8.	Staff Costs for Closure Plan	Total	\$716,000	\$4,918,000	\$4,202,000
	Staff Transition Costs	378,000	628,000	250,000	
	Overtime for Consumer Transfers and Escort	338,000	0	-338,000	
	Costs for Lump-Sum Buyout	0	4,290,000	4,290,000	
	General Fund	382,000	4,625,000	4,243,000	
	Other	334,000	293,000	-41,000	
9.	Facility Preparation	Total	\$0	\$73,000	\$73,000
	General Fund	0	39,000	39,000	
	Other	0	34,000	34,000	
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$0	\$105,000	\$105,000
	General Fund	0	56,000	56,000	
	Other	0	49,000	49,000	
11.	Regional Resource Development Projects	Total	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	
	General Fund	0	0	0	
	Other	0	0	0	
12.	Agnews Staffing Plan	Total	\$0	\$731,000	\$731,000
	PYs	0.0	10.0	10.0	
	General Fund	0	390,000	390,000	
	Other	0	341,000	341,000	
Total Developmental Centers Costs of Closure		Total	\$86,613,000	\$73,419,000	-\$13,194,000
	PYs	967.0	812.5	-154.5	
	General Fund	41,245,000	36,253,759	-4,991,241	
	Other	45,368,000	37,165,241	-8,202,759	
	Year Ending Population	155	0	-155	
REGIONAL CENTERS					
13.	Community Placement Plan	Total	\$8,551,000	\$8,619,000	\$68,000
A)	Operations	Total	\$8,551,000	\$8,619,000	\$68,000
	1. Unified Operations Costs	5,385,000	6,386,000	1,001,000	
	2. State Employees in the Community	2,636,000	1,703,000	-933,000	
	3. Consultant Services - Tech. Assistance on Housing Issues	280,000	280,000	0	
	4. Evaluation of Licensing Pilots	250,000	250,000	0	
	5. Foster Grandparent/Senior Companion Program	0	0	0	
	General Fund	6,764,000	7,405,000	641,000	
	Other	1,787,000	1,214,000	-573,000	
B)	Purchase of Services (POS)	Total	\$23,910,000	\$47,124,000	\$23,214,000
	Placements	119	145	26	
	1. Start-up Costs (resource development)	15,608,000	20,647,000	5,039,000	
	2. Assessments	0	0	0	
	3. Placements (property management and lease)	8,302,000	26,477,000	18,175,000	
	General Fund	21,577,000	39,425,000	17,848,000	
	Other	2,333,000	7,699,000	5,366,000	
	(FYI: State Employees in the Community costs included in POS above)	(6,581,000)	(7,514,000)	(933,000)	
Total Community Placement Plan (A+B)		Total	\$32,461,000	\$55,743,000	\$23,282,000
	Placements	119	145	26	
	General Fund	28,341,000	46,830,000	18,489,000	
	Other	4,120,000	8,913,000	4,793,000	

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

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Change from 2006-07 Budget Act
		A	B	B - A
14.	Placement Continuation			
A)	Operations			
	Total	\$306,000	\$423,000	\$117,000
	1. Client Program Coordinators (CPC)	79,000	91,000	12,000
	2. Nurse Consultant	0	102,000	102,000
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	227,000	230,000	3,000
	General Fund	130,000	166,000	36,000
	Other	176,000	257,000	81,000
B)	Purchase of Services (POS)			
	Total	\$17,473,000	\$43,792,000	\$26,319,000
	Prior Year Placements	63	113	50
	Placement Continuation (property management and lease)	17,473,000	43,792,000	26,319,000
	General Fund	13,412,000	32,980,000	19,568,000
	Other	4,061,000	10,812,000	6,751,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)
	Total Placement Continuation (A+B)	\$17,779,000	\$44,215,000	\$26,436,000
	Prior Year Placements	63	113	50
	General Fund	13,542,000	33,146,000	19,604,000
	Other	4,237,000	11,069,000	6,832,000
	Total Regional Center Costs of Closure	\$50,240,000	\$99,958,000	\$49,718,000
	General Fund	41,883,000	79,976,000	38,093,000
	Other	8,357,000	19,982,000	11,625,000
	GRAND TOTAL - COSTS OF CLOSURE	\$136,853,000	\$173,377,000	\$36,524,000
	Total PYs	967.0	812.5	-154.5
	General Fund	83,128,000	116,229,759	33,101,759
	Other	53,725,000	57,147,241	3,422,241
	Year Ending Population	155	0	-155

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07 TO BUDGET YEAR 2007-08**

		2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08	Change from CY 2006-07 to BY 2007-08	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base	Total	\$83,033,000	\$73,754,000	-\$9,279,000
		<i>General Fund</i>	44,237,000	39,347,759	-4,889,241
		<i>Other</i>	38,796,000	34,406,241	-4,389,759
		PYs	1,057.0	975.0	-82.0
		Year Beginning Population	280	161	-119
2.	Placements Into the Community	Total	-\$5,662,000	-\$14,949,000	-\$9,287,000
		<i>General Fund</i>	-3,005,000	-7,975,000	-4,970,000
		<i>Other</i>	-2,657,000	-6,974,000	-4,317,000
		PYs	-82.0	-172.5	-90.5
		Placements	-113	-145	-32
		Deaths	-6	-6	0
3.	Consumer Transfers to Other DCs	Total	\$0	-\$430,000	-\$430,000
		<i>General Fund</i>	0	-229,000	-229,000
		<i>Other</i>	0	-201,000	-201,000
		Population	0	-10	-10
4.	State Employees in the Community	Total	\$5,398,000	\$9,217,000	\$3,819,000
	Clinical Staff (RC Operations)	Subtotal	1,390,000	2,636,000	1,246,000
	<i>Clinical Staff</i>		1,238,000	2,133,000	895,000
	<i>Admin for Clinical Staff</i>		0	128,000	128,000
	<i>Operating Expense & Equipment</i>		152,000	375,000	223,000
	Direct Support Services (RC Purchase of Services)	Subtotal	4,008,000	6,581,000	2,573,000
	<i>Direct Support Services</i>		3,544,000	5,325,000	1,781,000
	<i>Admin for Direct Support Services</i>		0	321,000	321,000
	<i>Operating Expense & Equipment</i>		464,000	935,000	471,000
		<i>General Fund</i>	0	0	0
		<i>Other</i>	5,398,000	9,217,000	3,819,000
5.	Administrative Staff for Closure	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
6.	Warm Shut Down	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
	<i>General Expenses</i>		0	0	0
	<i>Facilities Operations</i>		0	0	0
	<i>Contracts</i>		0	0	0
	<i>Vehicle Operations</i>		0	0	0
	<i>Utilities</i>		0	0	0
	<i>Staffing</i>		0	0	0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
7.	Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
8.	Staff Costs for Closure Plan	Total	\$716,000	\$4,918,000	\$4,202,000
	<i>Staff Transition Costs</i>		378,000	628,000	250,000
	<i>Overtime for Consumer Transfers and Escort</i>		338,000	0	-338,000
	<i>Costs for Lump-Sum Buyout</i>		0	4,290,000	4,290,000
		<i>General Fund</i>	382,000	4,625,000	4,243,000
		<i>Other</i>	334,000	293,000	-41,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07 TO BUDGET YEAR 2007-08**

		2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08	Change from CY 2006-07 to BY 2007-08	
9. Facility Preparation	Total	\$0	\$73,000	\$73,000	
	General Fund	0	39,000	39,000	
	Other	0	34,000	34,000	
10. Consumer Relocation Costs (Moving vans, transportation vehicles, etc.)	Total	\$0	\$105,000	\$105,000	
	General Fund	0	56,000	56,000	
	Other	0	49,000	49,000	
11. Regional Resource Development Projects	Total	\$0	\$0	\$0	
	PYs	0.0	0.0	0.0	
	General Fund	0	0	0	
	Other	0	0	0	
12. Agnews Staffing Plan	Total	\$366,000	\$731,000	\$365,000	
	PYs	5.0	10.0	5.0	
	General Fund	195,000	390,000	195,000	
	Other	171,000	341,000	170,000	
Total Developmental Centers Costs of Closure		Total	\$83,851,000	\$73,419,000	-\$10,432,000
		PYs	980.0	812.5	-167.5
		General Fund	41,809,000	36,253,759	-5,555,241
		Other	42,042,000	37,165,241	-4,876,759
Year Ending Population		161	0	-161	
REGIONAL CENTERS					
13. Community Placement Plan	Total	\$7,984,000	\$8,619,000	\$635,000	
A) Operations					
1. Unified Operations Costs	6,064,000	6,386,000	322,000		
2. State Employees in the Community	1,390,000	1,703,000	313,000		
3. Consultant Services - Tech. Assistance on Housing Issues	280,000	280,000	0		
4. Evaluation of Licensing Pilots	250,000	250,000	0		
5. Foster Grandparent/Senior Companion Program	0	0	0		
General Fund	6,993,000	7,405,000	412,000		
Other	991,000	1,214,000	223,000		
B) Purchase of Services (POS)	Total	\$23,452,000	\$47,124,000	\$23,672,000	
	Placements	113	145	32	
1. Start-up Costs (resource development)	14,567,000	20,647,000	6,080,000		
2. Assessments	0	0	0		
3. Placements (property management and lease)	8,885,000	26,477,000	17,592,000		
General Fund	21,215,000	39,425,000	18,210,000		
Other	2,237,000	7,699,000	5,462,000		
			0		
(FYI: State Employees in the Community costs included in POS above)	(4,008,000)	(7,514,000)	(3,506,000)		
Total Community Placement Plan (A+B)	Total	\$31,436,000	\$55,743,000	\$24,307,000	
	Placements	113	145	32	
General Fund	28,208,000	46,830,000	18,622,000		
Other	3,228,000	8,913,000	5,685,000		
14. Placement Continuation	Total	\$309,000	\$423,000	\$114,000	
A) Operations					
1. Client Program Coordinators (CPC)	79,000	91,000	12,000		
2. Nurse Consultant	0	102,000	102,000		
3. State Employees in the Community	0	0	0		
4. Clinical Staff	0	0	0		
5. Increased Access to Oral Health Care	230,000	230,000	0		
General Fund	130,000	166,000	36,000		
Other	179,000	257,000	78,000		

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07 TO BUDGET YEAR 2007-08**

		2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08	Change from CY 2006-07 to BY 2007-08
B) Purchase of Services (POS)	Total	\$17,473,000	\$43,792,000	\$26,319,000
	Prior Year Placements	63	113	50
	<i>Placement Continuation (property management and lease)</i>	<i>17,473,000</i>	<i>43,792,000</i>	<i>26,319,000</i>
	General Fund	13,731,000	32,980,000	19,249,000
	Other	3,742,000	10,812,000	7,070,000
<i>(FYI: State Employees in the Community costs included in POS above)</i>		<i>(0)</i>	<i>(0)</i>	<i>(0)</i>
Total Placement Continuation (A+B)		\$17,782,000	\$44,215,000	\$26,433,000
	Prior Year Placements	63	113	50
	General Fund	13,861,000	33,146,000	19,285,000
	Other	3,921,000	11,069,000	7,148,000
Total Regional Center Costs of Closure		\$49,218,000	\$99,958,000	\$50,740,000
	General Fund	42,069,000	79,976,000	37,907,000
	Other	7,149,000	19,982,000	12,833,000
GRAND TOTAL - COSTS OF CLOSURE		\$133,069,000	\$173,377,000	\$40,308,000
	Total PYs	980.0	812.5	-167.5
	General Fund	83,878,000	116,229,759	32,351,759
	Other	49,191,000	57,147,241	7,956,241
	Year Ending Population	161	0	-161

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

Federal Audit of Targeted Case Management Rate Development

In 2005, the federal Centers for Medicare and Medicaid Services (CMS) audited one regional center to assess the State's approved Targeted Case Management program rate-setting methodology. CMS has issued a draft report, which includes a recommendation for the return of approximately \$1.8 million spanning four fiscal years through 2004-05. The State is responding to the draft as it does not concur with the findings.

Deficit Reduction Act: Requirements for Proof of Citizenship for Medicaid

The Deficit Reduction Act of 2005 (DRA) enacted on February 8, 2006, requires individuals claiming U.S. citizenship to provide satisfactory documentary evidence of citizenship when initially applying for Medicaid services or upon a recipient's first Medicaid redetermination on or after July 2, 2006.

The Centers for Medicare and Medicaid Services clarified, on July 6, 2006, that current recipients of Supplemental Security Income, and/or those who receive Medicare benefits, have previously met the documentation requirement and are not subject to the new federal citizenship/identity requirements. As this includes most consumers served by the regional centers, the potential impact of the DRA is anticipated to be minimal; however, initial implementation could be problematic and have a corresponding fiscal impact on the Department of Developmental Services (DDS).

Deficit Reduction Act: Changes in Targeted Case Management

The Deficit Reduction Act of 2005 (DRA) enacted on February 8, 2006, indicates that federal reimbursement is available for targeted case management services only when there is no third party liable to pay for such services. The implementation of this law may adversely impact the State's current TCM program; however, until CMS clarifies and implements this language through the issuance of regulations, the Department is unable to determine the impact of this law on the operation of its current TCM program and associated receipt of federal financial participation for regional center case management services to Medicaid eligible consumers.

FUTURE FISCAL ISSUES

New Early Start Requirements

The Individuals with Disabilities Education Improvement Act of 2004 amended the Individuals with Disabilities Education Act (IDEA). To implement the changes made to IDEA, states will be required to submit prescribed child outcome data to the Office of Special Education Programs. Changes to the IDEA also require new procedures for handling requests for due process hearings and additional steps in the complaint resolution process. It is anticipated that the changes to the IDEA will obligate regional centers to perform additional work to meet the new requirements. Until federal regulations are issued, the degree of impact cannot be determined.

New and Changing Sex Offender Requirements

In response to the public outcry for greater safeguards related to the placement and monitoring of sexual predators in the community, several efforts are underway in California that will impact state and local programs, including regional centers serving consumers who are required to register as sex offenders. Although not specifically aimed at DDS and its contractors, the regional centers, there will be an impact to regional centers. Regional centers currently serve approximately 246 consumers in the community who are registered sex offenders (PC 290), some of whom are also on probation or parole.

Following are activities underway in 2006 that have led or will lead to greater restrictions, sanctions, or safeguards dealing with sex offenders that potentially will result in a cost impact to the regional centers.

New Legislation: Pursuant to Senate Bills (SB) 1178 (Chapter 336, Statutes of 2006, Speier) and 1128 (Chapter 337, Statutes of 2006, Alquist), and Assembly Bill (AB) 1849 (Chapter 886, Statutes of 2006, Leslie), effective immediately, every person required to register as a sex offender pursuant to PC 290 shall be assessed for the risk of re-offending. Additionally, the Penal Code amendments require every adult male, female, and juvenile who is assessed to be a high-risk sex offender to be continuously electronically monitored by a global positioning system while on probation or parole. Also included in the Penal Code amendments are increases in sentences as well as new crimes dealing with sex offenses.

Representatives from the California Department of Corrections and Rehabilitation (CDCR), the Department of Mental Health (DMH) and the Attorney General's Office comprise the newly established State-Authorized Risk Assessment Tool for Sex Offenders Review Committee (Committee). The Committee is responsible for developing and evaluating the appropriate risk assessment tool. The Committee is also responsible for developing a training program for parole officers,

FUTURE FISCAL ISSUES

New and Changing Sex Offender Requirements (continued)

probation officers and local law enforcement personnel in utilization of the assessment tool which CDCR will oversee.

Based on the language in the new laws, it appears that the greatest cost impact will be to CDCR and probation and parole authorities for performing the assessments and implementing continuous electronic monitoring. The new laws include additional considerations for the regional centers to take into account for their consumers living in the community; however, the costs are indeterminate at this time. The law also requires that the Committee establish a plan and a schedule for assessing eligible persons not assessed by CDCR, DMH, and probation departments. Until the Committee fully considers and acts on the various populations of sex offenders, and specifically the population in the community being served by regional centers, the full impact to DDS' programs will not be known.

Future Legislation: Other legislative actions may also impact the regional center consumers in community programs in the future. Under Executive Order S-08-06, the High Risk Sex Offender Task Force has developed and reported recommendations to improve policies to address placement, monitoring, and enforcement of parole policies with regard to high-risk sex offenders. Many of the recommendations were considered by the Legislature, and some of the recommendations were incorporated into SBs 1178 and 1128 and AB 1849. Another Executive Order, S-15-06, subsequently established the High Risk Sex Offender and Sexually Violent Predator Task Force to continue to develop recommendations to deal with specified sex offender issues. Future legislation can be expected in this area, which will need to be evaluated for cost and program impacts.

Proposition 83: Proposition 83 was passed by the voters of California in November 2006. DDS may incur a significant cost impact to implement its requirements which include continuous electronic monitoring for the life of consumers who are PC 290 sex offenders and additional residency restrictions in the community. Regional centers are likely to incur additional costs related to relocating consumers and providing additional services and supports to assist consumers in complying with the law and to ensure appropriate protections.

The sensitivity of sex offender issues and the lack of tolerance in local communities will undoubtedly increase the pressure for courts to order sex offenders into more restrictive settings. In all likelihood, development of specialized residential resources will be needed, the cost of which is indeterminate at this time.

FUTURE FISCAL ISSUES

Child Abuse Prevention and Treatment Act

With the passage of the federal Keeping Children and Families Safe Act in June 2003, additional requirements for states were added to the Child Abuse Prevention and Treatment Act. Pursuant to the new language, the California Department of Social Services (CDSS) is required to develop provisions and procedures for referring children under the age of three with substantiated abuse or neglect to early intervention services under Part C of IDEA (Early Start in California). This is part of the CDSS Title 1V-B Child and Family Services State Plan. DDS administers Early Start, the early intervention program for 0 -3 year olds in California. There may be an increase in Early Start referrals, but insufficient information is available at this point.

NEW MAJOR ASSUMPTIONS

PURCHASE OF SERVICES

Minimum Wage Increases

On January 1, 2007, the California minimum wage will increase \$0.75 and an additional \$0.50 on January 1, 2008. These minimum wage increases, recently enacted with Chapter 230, Statutes of 2006 (AB 1835), will apply to the services which rely on entry-level direct care staff that are paid minimum wage. The services which will require additional funding are community care facilities, day and work activity programs, respite, and supported living.

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

Increase ICF/DD, ICF/DD-H & ICF/DD-N Bundled Rate to Include Day Program and Non-Medical Transportation

The State (Department of Health Services, the single State Medicaid agency) will pursue federal financial participation through an amendment to its Medicaid State Plan for day program and non-medical transportation services received by regional center consumers residing in intermediate care facilities. For purposes of this assumption, ICF includes the Intermediate Care Facility/ Developmentally Disabled, Intermediate Care Facility / Developmentally Disabled-Habilitation, and Intermediate Care Facility / Developmentally Disabled-Nursing.

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

REIMBURSEMENTS

Public Transportation Account

The Public Transportation Account (PTA) supports the State's transportation planning, mass transportation, Intercity Rail programs, and State Transportation Improvement Program transit projects. In 2007-08, the PTA will fund \$143,993,000 for regional center transportation services.

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

UNCHANGED MAJOR ASSUMPTIONS

OPERATIONS

Staffing

- Personal Services
- Operating Expenses
- Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver
- Medicare Part D Prescription Drug Benefit
- Staffing for Collection of FFP for Contracted Services
- Staffing for Expansion of Autistic Spectrum Disorders Initiative

Federal Compliance

- HCBS Waiver
- Accelerated HCBS Waiver Enrollments
- Compliance with HCBS Waiver Requirements
- Increase in Case Managers
- 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
- Expansion of Autistic Spectrum Disorders Initiative
- Sherry S. Court Case
- Movers' Evaluation
- FFP Enhancement
- University Enterprises, Inc. (formerly CSUS Foundation)
- Affordable Housing
- Cost Containment
- Capitol People First v. DDS
- Self-Directed Services: Training and Development
- ProRata

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
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services
- 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
- 3% Provider Rate Increase
- Increased Wages and Rates
- Provider Resources for Collection of FFP for Contracted Services
- Community Placement Plan
- Placement Continuation
- Program Days

Habilitation Services Program

- Work Activity Program
- Supported Employment Program
- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Rate Reduction and Rate Freeze
- 3% Provider Rate Increase
- Increased Rates for Supported Employment

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Transportation

Base
Utilization Change/Growth
Community Placement Plan
Placement Continuation
Rate Freeze
3% Provider Rate Increase
Provider Resources for Collection of FFP for Contracted Services

Support Services

Base
Utilization Change/Growth
Community Placement Plan
Placement/Deflection Continuation
Independent Living Supplement
Contracted-Services Rate Freeze
3% Provider Rate Increase
Increased Wages and Rates for Look-Alike Day Programs

In-Home Respite

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

Out-of-Home Respite

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

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Health Care

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

Miscellaneous

- Base
- Utilization Change/Growth
- Suspension of Non-CPP Start Up
- Contracted-Services Rate Freeze
- 3% Provider Rate Increase
- Targeted Start Up
- Increased Wages and Rates for Look-Alike Day Programs
- 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
- Vocational Rehabilitation
- Program Development Fund/Parental Fees
- Developmental Disabilities Services Account
- Early Start Grant
- Foster Grandparent Program

CASELOAD
Current Year 2006-07

	2006-07 May Revision CY 2006-07	2007-08 November Estimate CY 2006-07		
	<i>Estimated Caseload as of 1/31/07</i>	<i>Estimated Caseload as of 1/31/07</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	185,865	185,425	-440	-0.2%
B. Early Start (Birth through 2 Years)	26,360	26,730	370	1.4%
C. Total Community Caseload	212,225	212,155	-70	0.0%
D. Total Developmental Center (DC) Population	2,853 <i>a/</i>	2,860 <i>a/</i>	7	0.2%
E. Total Regional Center Caseload (C + D)	215,078	215,015	-63	0.0%

a/ The CY 2006-07 caseload estimate is consistent with the 2006-07 May Revision and the 2007-08 November Estimate for the DC Population, which reflects the following:

	<u>06-07 May Rev</u>	<u>07-08 Nov Est</u>	
Average Total Population	2,853	2,859	rounded to 2,860
On Leave	<u>-25</u>	<u>-25</u>	
Total In-Center Population	2,828	2,834	

CASELOAD
Budget Year 2007-08

	2006-07 May Revision CY 2006-07	2007-08 November Estimate BY 2007-08		
	<i>Estimated Caseload as of 1/31/07</i>	<i>Estimated Caseload as of 1/31/08</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	185,865	191,975	6,110	3.3%
B. Early Start (Birth through 2 Years)	26,360	28,625	2,265	8.6%
C. Total Community Caseload	212,225	220,600	8,375	3.9%
D. Total Developmental Center (DC) Population	2,853 a/	2,615 a/	-238	-8.3%
E. Total Regional Center Caseload (C + D)	215,078	223,215	8,137	3.8%

a/ The following caseload estimates are consistent with the 2006-07 May Revision and the 2007-08 November Estimate for CY 2006-07 and BY 2007-08, respectively, for the DC Population, which reflects the following:

	<u>06-07 May Rev</u>	<u>07-08 Nov Est</u>	
Average Total Population	2,853	2,613	rounded to 2,615
On Leave	<u>-25</u>	<u>-24</u>	
Total In-Center Population	2,828	2,589	

CASELOAD
Current Year 2006-07 vs. Budget Year 2007-08

	2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08		
	<i>Estimated Caseload as of 1/31/07</i>	<i>Estimated Caseload as of 1/31/08</i>	<i>Annual Change</i>	<i>Percent Annual Change</i>
A. Active Caseload (Age 3 & Older)	185,425	191,975	6,550	3.5%
B. Early Start (Birth through 2 Years)	26,730	28,625	1,895	7.1%
C. Total Community Caseload	212,155	220,600	8,445	4.0%
D. Total Developmental Center (DC) Population	2,860 a/	2,615 b/	-245	-8.6%
E. Total Regional Center Caseload (C + D)	215,015	223,215	8,200	3.8%

a/ The CY 2006-07 caseload estimate is consistent with the 2007-08 November Estimate for the DC Population, which reflects the following:

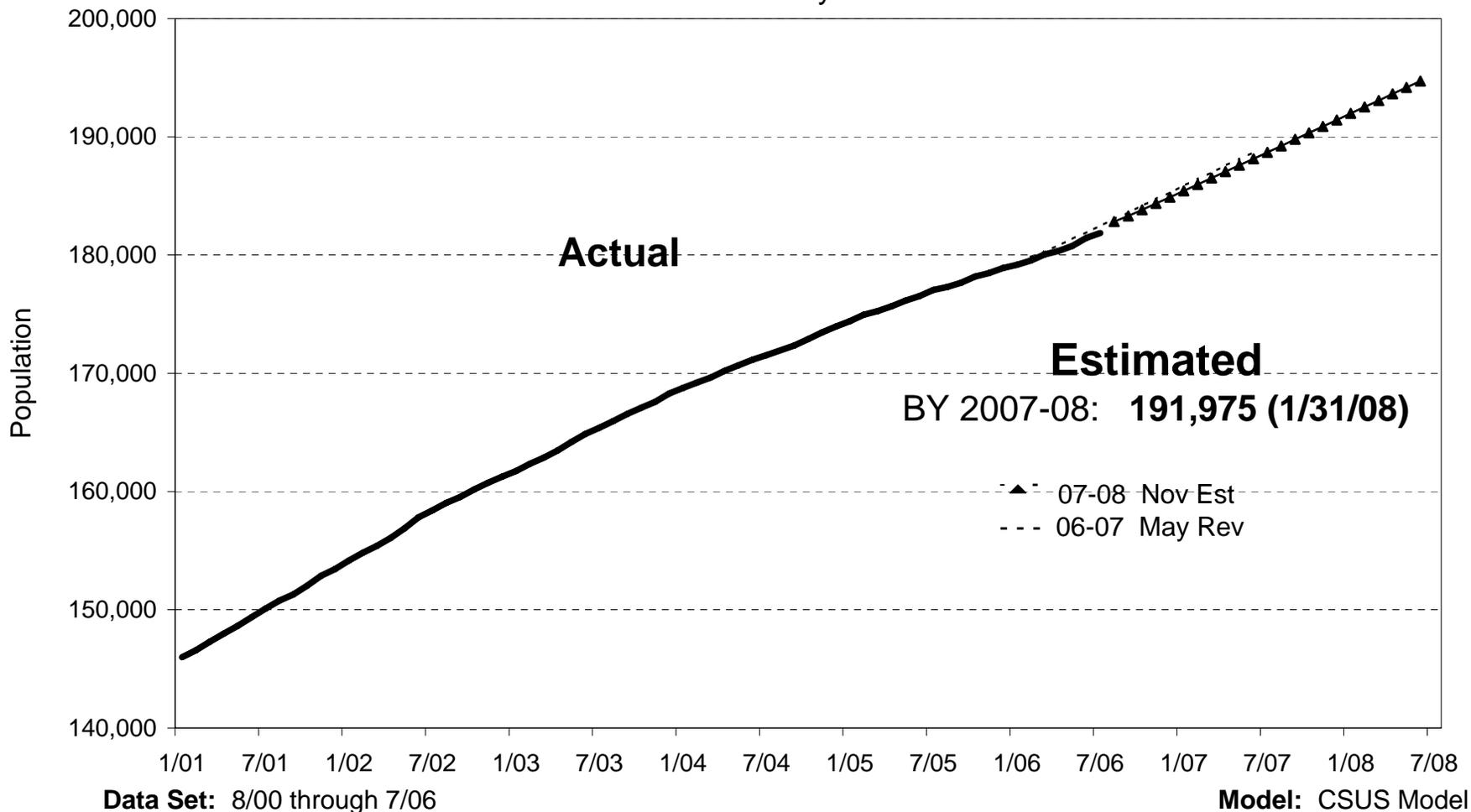
	<u>CY 2006-07</u>	
Average Total Population	2,859	rounded to 2,860
On Leave	<u>-25</u>	
Total In-Center Population	2,834	

b/ The BY 2007-08 caseload estimate is consistent with the 2007-08 November Estimate for the DC population, which reflects the following:

	<u>BY 2007-08</u>	
Average Total Population	2,613	rounded to 2,615
On Leave	<u>-24</u>	
Total In-Center Population	2,589	

Active Status Caseload

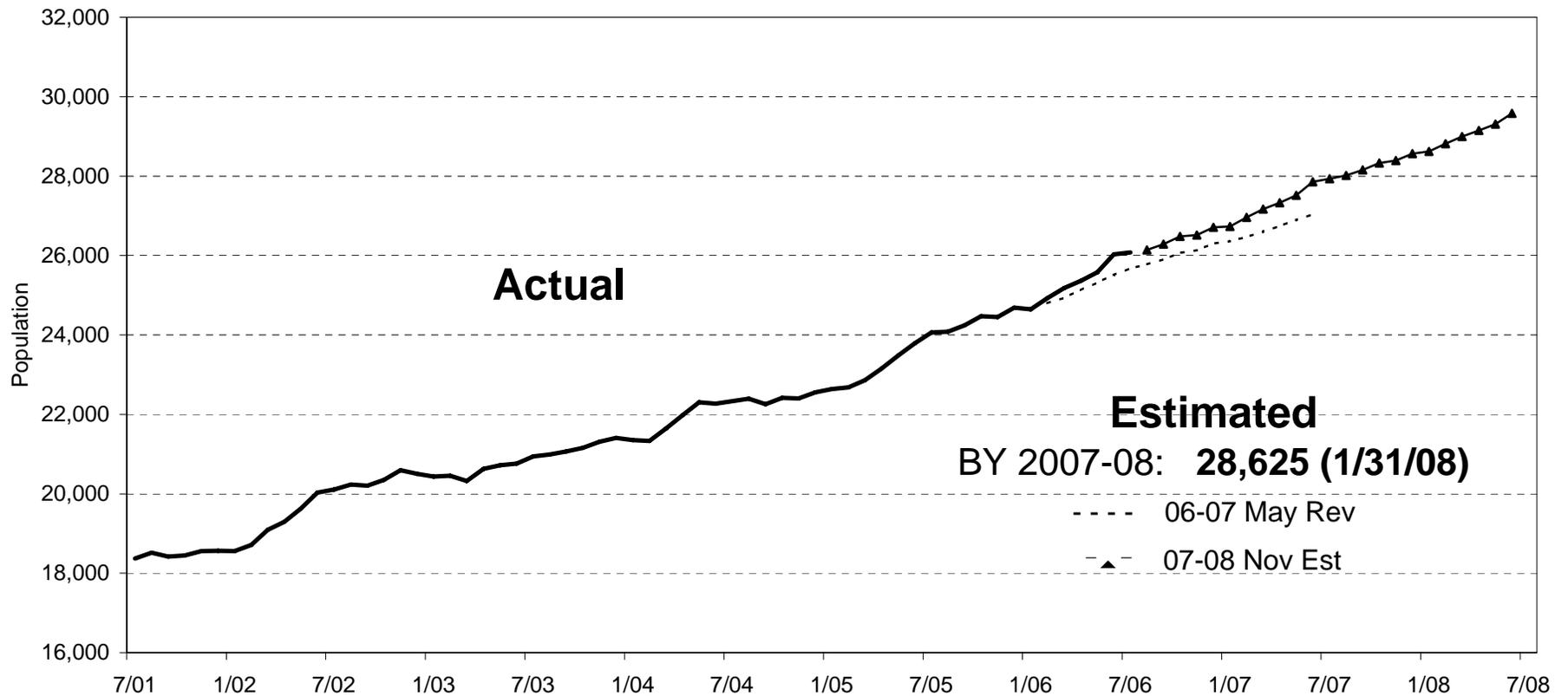
(Age 3 & Older)
Trend Analysis



Early Start Caseload

Birth through 2 Years

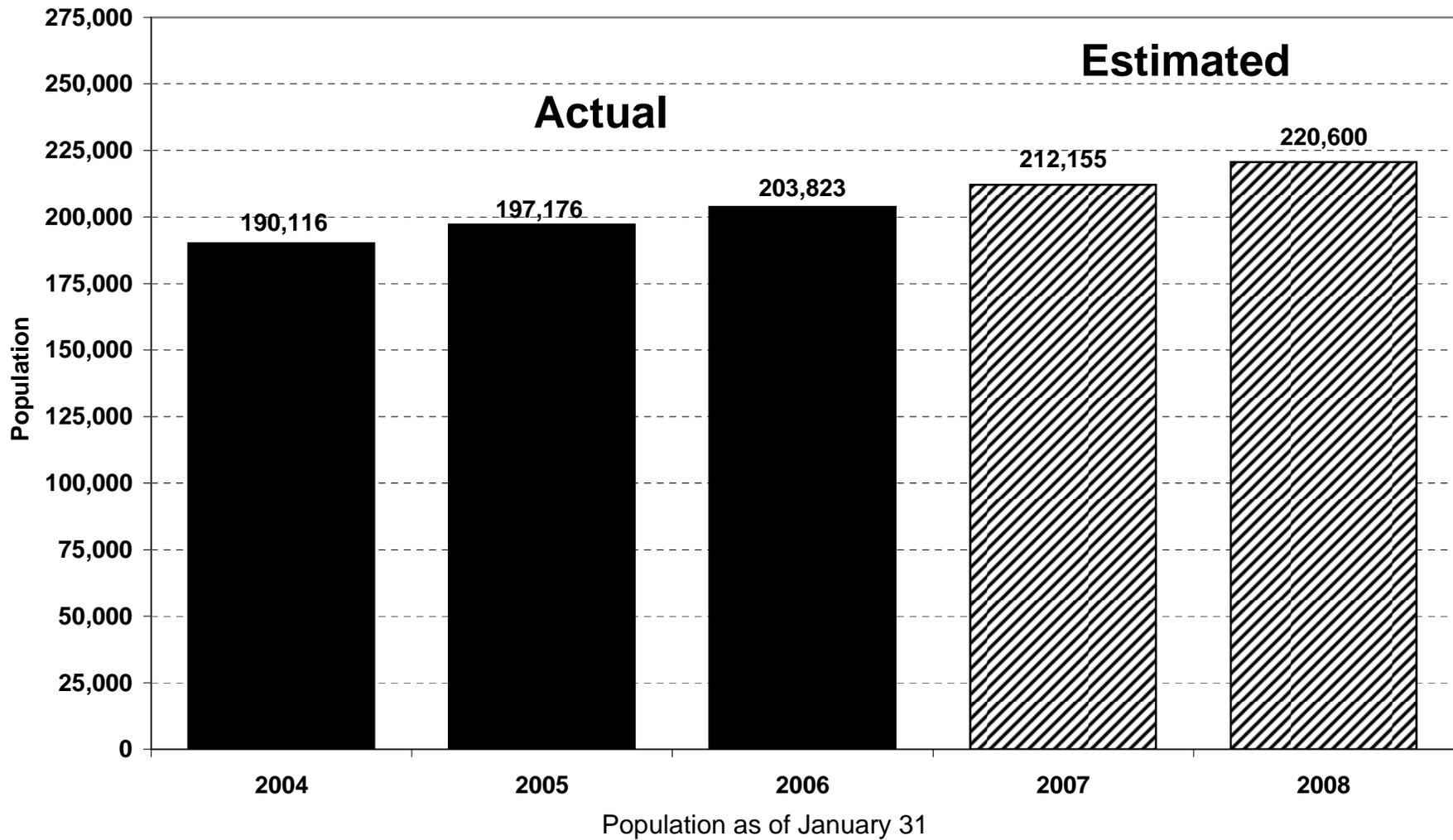
Client Master File Trend Analysis



Data Set: 8/02 - 7/06

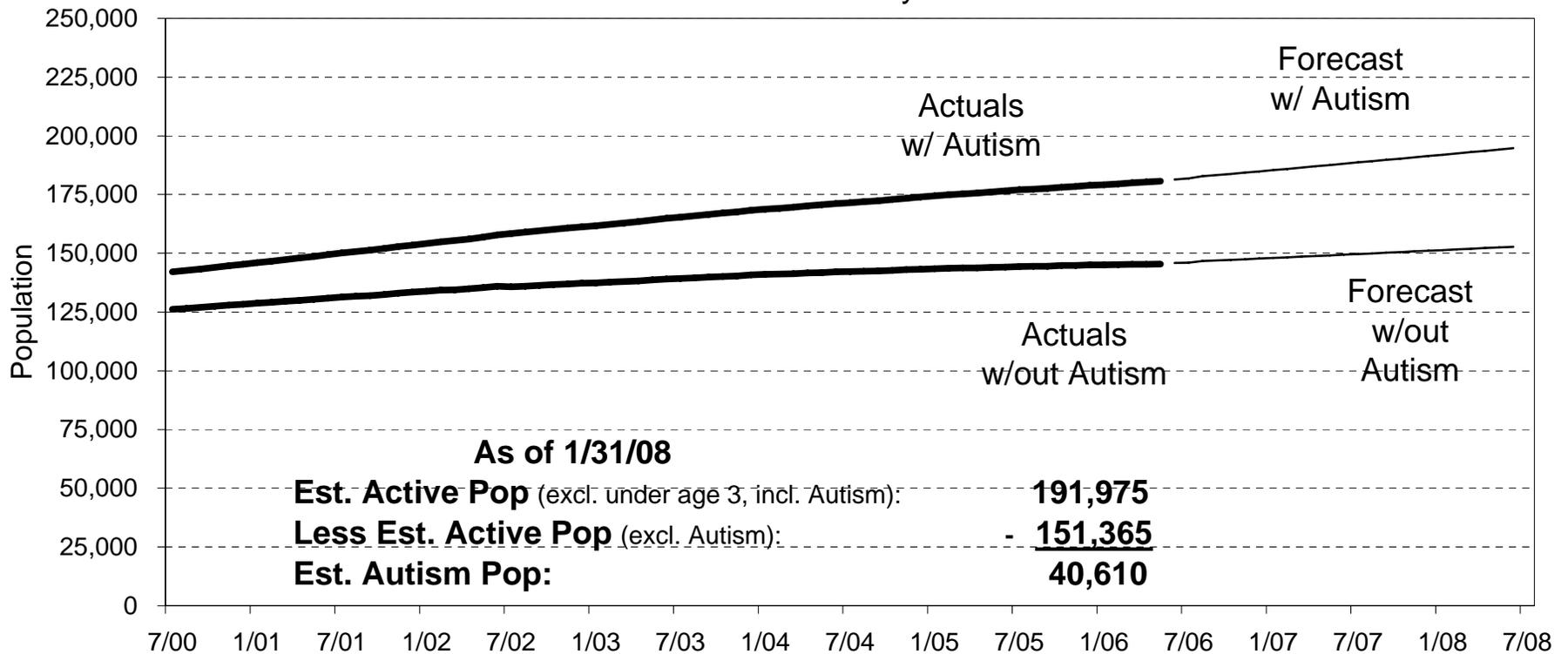
Model: Statgraphics ARIMA w/ Constant

Community Caseload



Active Status Population Autism Impact

Trend Analysis



As of 1/31/08

Est. Active Pop (excl. under age 3, incl. Autism):	191,975
Less Est. Active Pop (excl. Autism):	- 151,365
Est. Autism Pop:	40,610

Autism Population refers to those individuals reported on the CDER with full syndrome autism, residual state autism, suspected autism that has not yet been diagnosed, and any of the following diagnoses recorded in the CDER: Autistic Disorder, Asperger's Disorder, Pervasive Developmental Disorder (NOS), Rett's Disorder or Childhood Disintegrative Disorder. Active Status Population does not include children under age 3 years in the Early Start program.

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 2006-07</u>	<u>BY 2007-08</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) 185,425 191,975 Early Start (Birth through 2 Years, High-Risk and Active) 26,730 28,625 		
Total Community Caseload	212,155	220,600
<ul style="list-style-type: none"> Developmental Center (DC) Population 2,860 2,615 		
Total Regional Center Caseload	215,015	223,215
Informational:		
<ul style="list-style-type: none"> Community Care Facility (CCF) Consumers (including CPP Continuation) 23,234 23,578 Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers 71,675 74,855 Early Start (Assessment, High-Risk and Active) 26,730 28,625 CPP Placements 169 187 Placement Continuation Consumers 228 289 Intake cases per month 4,277 4,641 Vendors 70,105 70,105 Mediations per year 400 400 		
<ul style="list-style-type: none"> Core Staffing: <ul style="list-style-type: none"> Effective January 1, 2004 through July 1, 2008, 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. 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. The FY 2003-04 savings proposal to increase the amount of time allowed for intake and assessment from 60 to 120 days will continue through June 30, 2008. Rent costs are updated based on the 2007-08 November Estimate Rent Survey. 		

Staffing

KEY DATA/ASSUMPTIONS (continued):

- **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-16.13, for the methodology detail.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
CORE STAFFING		
PERSONAL SERVICES:		
● Direct Services and Administration:	\$281,927,000	\$293,567,000
Total Estimated Number of Positions:		
CY 2006-07	8,151.51	
BY 2007-08	8,500.35	
See Attachment A for Core Staffing Expenditure Detail.		
See Attachment B for Core Staffing Formulas.		
● Fringe Benefits:	\$66,816,000	\$69,575,000
Based on 23.7% per position.		
● Salary Savings:	-\$11,678,000	-\$12,164,000
<i>Client Program Coordinators:</i>	<i>1.0% Per Position</i>	<i>-1,667,000</i>
<i>All Other Staff:</i>	<i>5.5% Per Position</i>	<i>-10,429,000</i>
● Early Start /Part C Administrative and Clinical Support:	\$694,000	\$694,000
Includes salaries, fringe benefits and salary savings.		
TOTAL PERSONAL SERVICES	\$337,759,000	\$351,672,000
OPERATING EXPENSES:		
● Operating Expenses:	\$31,609,000	\$32,731,000
Base amount plus the following adjustments:		
Professional Positions:	\$3,400 Per New Position	
Clerical Positions:	\$2,400 Per New Position	
● Rent:	\$42,756,000	\$44,551,000
Base amount plus the following adjustments:		
CY 2006-07:	\$6,068 Per New Position	
BY 2007-08:	\$6,285 Per New Position	
TOTAL OPERATING EXPENSES	\$74,365,000	\$77,282,000
SUBTOTAL, CORE STAFFING	\$412,124,000	\$428,954,000

Staffing

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
INTAKE AND ASSESSMENT	-\$4,465,000	-\$4,465,000
<ul style="list-style-type: none"> • 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:	\$19,230,000	\$19,865,000
<ul style="list-style-type: none"> • See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 		
PLACEMENT CONTINUATION FOR CLOSURE OF AGNEWS DEVELOPMENTAL CENTER (DC)	\$309,000	\$423,000
<ul style="list-style-type: none"> • Client Program Coordinators: Core Staffing currently includes a marginal change in the case management staffing ratio, from 1:62 to 1:45, for the first year after placement from a DC into the community. This item adds 1 additional year of case management at 1:45 for consumers moving out of Agnews DC. 	79,000	91,000
<ul style="list-style-type: none"> • Nurse Consultants for SB 962 Homes: Provides 1 Nurse Consultant position (ongoing) for every 25 consumers placed in SB 962 homes. The funding for these positions was moved to CPP for CY 2006-07, consistent with the Department's policy of including resource development and placement year costs in CPP. Continuation costs for consumers will begin in BY 2007-08. 	N/A	102,000
<ul style="list-style-type: none"> • Oral Health Care: Provides 1 Dental Coordinator position at each of the 3 Bay Area regional centers. 	230,000	230,000
UNALLOCATED REDUCTION	-\$10,559,000	-\$10,559,000
COST CONTAINMENT	-\$5,968,000	-\$5,968,000
STAFFING FOR SELF-DIRECTED HCBS WAIVER	\$0	\$1,554,000
<ul style="list-style-type: none"> • Funding provides one Self-Directed Services Director (SDSD) position and 1 Federal Compliance Coordinator (FCC) position at each regional center to be phased-in during BY 2007-08, in accordance with, and six months prior to, CADDIS implementation at each regional center. See pages E-1.14 to E-1.17 for more information. 		
MEDICARE PART D PRESCRIPTION DRUG BENEFIT	\$2,885,000	\$0
<ul style="list-style-type: none"> • Funding provides contracted Part D Coordinators and clinical staff based on the number of Medicaid and Medicare dually eligible consumers. Program was implemented January 1, 2006. 		

Staffing

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
STAFFING FOR COLLECTION OF FFP FOR CONTRACTED SERVICES	\$2,148,000	\$2,157,000
<ul style="list-style-type: none"> • 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. <p>See page E-1.18 for the fiscal detail.</p>		
STAFFING FOR EXPANSION OF AUTISTIC SPECTRUM DISORDERS (ASD) INITIATIVE	\$1,771,000	\$3,543,000
<ul style="list-style-type: none"> • Funding provides one ASD Clinical Specialist and one ASD Program Coordinator for each regional center beginning January 1, 2007. <p>See page E-1.19 for the fiscal detail.</p>		
• TOTAL EXPENDITURES	\$417,475,000	\$435,504,000

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), SDS 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. However, since the difference between the updated CY 2006-07 caseload projections are not significantly different from the CY 2006-07 caseload projections in the 2006-07 May Revision (see Section D, page D-1, for comparison), the CY 2006-07 Core Staffing estimate from the 2006-07 May Revision is retained for this November Estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Staffing

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL EXPENDITURES:		
TOTAL	\$417,475,000	\$435,504,000
General Fund	\$255,112,000	\$271,030,000
General Fund Match	143,328,000	144,209,000
General Fund Other	111,784,000	126,821,000
Reimbursements	\$150,531,000	\$151,605,000
Medicaid Administration	10,803,000	11,092,000
HCBS Waiver Administration	716,000	719,000
Targeted Case Management	135,491,000	135,496,000
TCM Administration	3,521,000	3,521,000
SDS Waiver Administration	0	777,000
Federal Funds	\$11,832,000	\$12,869,000
Early Start	11,832,000	12,869,000

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2006
to the 2007-08 November Estimate
CY 2006-07

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2006 FY 2006-07	2007-08 November Estimate CY 2006-07			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$8,524,803	107.54	\$79,271	\$8,524,803	\$0
(b) Psychologist	8,980,450	215.08	41,754	8,980,450	0
(c) Nurse	3,997,369	107.54	37,171	3,997,369	0
(d) Nutritionist	3,025,100	107.54	28,130	3,025,100	0
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,693,734	51.00	92,034	4,693,734	0
(b) Consulting Pharmacist	3,082,950	51.00	60,450	3,082,950	0
(c) Behavioral Psychologist	2,803,572	51.00	54,972	2,803,572	0
(d) Nurse	2,574,378	51.00	50,478	2,574,378	0
(3) SB 1038 Health Reviews					
(a) Physician	1,733,921	18.84	92,034	1,733,921	0
(b) Nurse	4,438,026	87.92	50,478	4,438,026	0
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,266,565	59.59	38,036	2,266,565	0
(2) Intake Worker	18,788,658	595.86	31,532	18,788,658	0
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	17,564,942	335.26	52,392	17,564,942	0
(4) Client Program Coordinator (CPC), 1:66 Consumers	59,136,726	1,737.68	34,032	59,136,726	0
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumer:	53,444,533	1,570.42	34,032	53,444,533	0
(6) CPC, Quality Assurance for ARM	1,514,084	44.49	34,032	1,514,084	0
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	44,009	0.84	52,392	44,009	0
(8) CPC, DSS Incidental Medical Care Regs	316,965	8.38	37,824	316,965	0
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,827,957	34.89	52,392	1,827,957	0
(2) CPC	11,875,126	348.94	34,032	11,875,126	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	966,108	18.44	52,392	966,108	0
(b) CPC	6,273,799	184.35	34,032	6,273,799	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	1,842,587	36.24	50,844	1,842,587	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	271,197	7.13	38,036	271,197	0
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	7,335	0.14	52,392	7,335	0
(b) CPC (Supplement at 1:45 Consumers)	47,304	1.39	34,032	47,304	0
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	332,689	6.35	52,392	332,689	0
(2) QA/CPC	2,159,330	63.45	34,032	2,159,330	0
(3) Nurses	1,601,162	31.72	50,478	1,601,162	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. SUBTOTAL DIRECT SERVICES	\$231,117,257	6,097.15	\$231,117,257	\$231,117,257	\$0

Attachment A
CORE STAFFING, CY 2006-07 (continued)

	Budget Act of 2006 FY 2006-07	2007-08 November Estimate CY 2006-07			
		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)	2,832,376	71.01	39,887	2,832,376	0
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	555,772	15.24	36,468	555,772	0
(5) Revenue Clerk	1,398,657	67.84	20,617	1,398,657	0
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,594,589	358.46	18,397	6,594,589	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	220,315	9.42	23,388	220,315	0
(5) MD/Psychologist Secretary I	3,528,818	161.31	21,876	3,528,818	0
(6) Secretary II	3,451,133	147.56	23,388	3,451,133	0
(7) Secretary I	15,268,573	814.02	18,757	15,268,573	0
e. SUBTOTAL ADMINISTRATION	\$50,809,560	2,054.36		\$50,809,560	\$0
3. TOTAL POSITIONS AND SALARIES (Item A.1.h. + Item A.2.e.)	\$281,926,817	8,151.51		\$281,926,817	\$0
a. CPCs	134,785,223			134,785,223	0
b. All Other Staff	147,141,594			147,141,594	0
4. Fringe Benefits					
a. CPCs 23.7%	\$31,944,098			\$31,944,098	\$0
b. All Other Staff 23.7%	34,872,558			34,872,558	0
c. Total Fringe Benefits	\$66,816,656			\$66,816,656	\$0
5. Salary Savings					
a. CPCs 1.0%	-\$1,667,293			-\$1,667,293	\$0
b. All Other Staff 5.5%	-10,010,778			-10,010,778	0
c. Total Salary Savings	-\$11,678,071			-\$11,678,071	\$0
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	\$694,000			\$694,000	\$0
7. TOTAL PERSONAL SERVICES (Items A.3. + A.4. + A.5. + A.6.) ROUNDED	\$337,759,402			\$337,759,402	\$0
	\$337,759,000	8,152.00		\$337,759,000	\$0
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$31,609,000			\$31,609,000	\$0
2. Rent	42,756,000			42,756,000	0
3. Subtotal Operating Expenses and Rent	\$74,365,000			\$74,365,000	\$0
C. TOTAL CORE STAFFING (Items A.7. + B.3.)	\$412,124,000			\$412,124,000	\$0

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2006
to the 2007-08 November Estimate
BY 2007-08

I. CORE STAFFING FORMULA**A. PERSONAL SERVICES****1. DIRECT SERVICES****a. Clinical****(1) Intake and Assessment**

	Budget Act of 2006 FY 2006-07	Positions	2007-08 November Estimate BY 2007-08		
			Budgeted Salary	Cost	Difference
(a) Physician	\$8,524,803	111.61	\$79,271	\$8,847,436	\$322,633
(b) Psychologist	8,980,450	223.22	41,754	9,320,328	339,878
(c) Nurse	3,997,369	111.61	37,171	4,148,655	151,286
(d) Nutritionist	3,025,100	111.61	28,130	3,139,589	114,489

(2) Clinical Support Teams

(a) Physician/Psychiatrist	4,693,734	53.00	92,034	4,877,802	184,068
(b) Consulting Pharmacist	3,082,950	53.00	60,450	3,203,850	120,900
(c) Behavioral Psychologist	2,803,572	53.00	54,972	2,913,516	109,944
(d) Nurse	2,574,378	53.00	50,478	2,675,334	100,956

(3) SB 1038 Health Reviews

(a) Physician	1,733,921	19.61	92,034	1,804,787	70,866
(b) Nurse	4,438,026	91.50	50,478	4,618,737	180,711

b. Intake / Case Management

(1) Supervising Counselor (Intake) (1:10 Intake Workers in Item (2) below)	2,266,565	66.30	38,036	2,521,787	255,222
(2) Intake Worker	18,788,658	663.00	31,532	20,905,716	2,117,058
(3) Supervising Counselor (Case Management) (1:10 CPCs in Items (4) and (5) below)	17,564,942	348.55	52,392	18,261,232	696,290
(4) Client Program Coordinator (CPC), 1:66 Consumers	59,136,726	1,771.33	34,032	60,281,903	1,145,177
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumer:	53,444,533	1,669.44	34,032	56,814,382	3,369,849
(6) CPC, Quality Assurance for ARM	1,514,084	44.74	34,032	1,522,592	8,508
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	44,009	0.88	52,392	46,105	2,096
(8) CPC, DSS Incidental Medical Care Regs	316,965	8.82	37,824	333,608	16,643

c. Quality Assurance / Quarterly Monitoring

(1) Supervising Counselor	1,827,957	35.88	52,392	1,879,825	51,868
(2) CPC	11,875,126	358.83	34,032	12,211,703	336,577

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	966,108	20.04	52,392	1,049,936	83,828
(b) CPC	6,273,799	200.44	34,032	6,821,374	547,575
(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	1,842,587	32.83	50,844	1,669,209	-173,378
(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	271,197	6.54	38,036	248,755	-22,442
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	7,335	0.18	52,392	9,431	2,096
(b) CPC (Supplement at 1:45 Consumers)	47,304	1.76	34,032	59,896	12,592

f. Special Incident Reporting (SIR)

(1) Supervising Counselor	332,689	6.51	52,392	341,072	8,383
(2) QA/CPC	2,159,330	65.12	34,032	2,216,164	56,834
(3) Nurses	1,601,162	32.56	50,478	1,643,564	42,402

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. SUBTOTAL DIRECT SERVICES

	<u>\$231,117,257</u>	<u>6,378.04</u>		<u>\$241,370,166</u>	<u>\$10,252,909</u>
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Attachment A
CORE STAFFING, BY 2007-08 (continued)

	Budget Act of 2006 FY 2006-07	2007-08 November Estimate BY 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)	2,832,376	74.86	39,887	2,985,941	153,565
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	555,772	15.24	36,468	555,772	0
(5) Revenue Clerk	1,398,657	67.85	20,617	1,398,863	206
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,594,589	372.03	18,397	6,844,236	249,647
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	220,315	9.81	23,388	229,436	9,121
(5) MD/Psychologist Secretary I	3,528,818	167.42	21,876	3,662,480	133,662
(6) Secretary II	3,451,133	150.86	23,388	3,528,314	77,181
(7) Secretary I	15,268,573	854.74	18,757	16,032,358	763,785
e. SUBTOTAL ADMINISTRATION	\$50,809,560	2,122.31		\$52,196,727	\$1,387,167
3. TOTAL POSITIONS AND SALARIES (Item A.1.h. + Item A.2.e.)	\$281,926,817	8,500.35		\$293,566,893	\$11,640,076
a. CPCs	134,785,223			140,278,978	5,493,755
b. All Other Staff	147,141,594			153,287,915	6,146,321
4. Fringe Benefits					
a. CPCs 23.7%	\$31,944,098			\$33,246,118	\$1,302,020
b. All Other Staff 23.7%	34,872,558			36,329,236	1,456,678
c. Total Fringe Benefits	\$66,816,656			\$69,575,354	\$2,758,698
5. Salary Savings					
a. CPCs 1.0%	-\$1,667,293			-\$1,735,251	-\$67,958
b. All Other Staff 5.5%	-10,010,778			-10,428,943	-418,165
c. Total Salary Savings	-\$11,678,071			-\$12,164,194	-\$486,123
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	\$694,000			\$694,000	\$0
7. TOTAL PERSONAL SERVICES (Items A.3. + A.4. + A.5. + A.6.) ROUNDED	\$337,759,402			\$351,672,053	\$13,912,651
	\$337,759,000	8,500.00		\$351,672,000	\$13,913,000
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$31,609,000			\$32,731,000	\$1,122,000
2. Rent	42,756,000			44,551,000	1,795,000
3. Subtotal Operating Expenses and Rent	\$74,365,000			\$77,282,000	\$2,917,000
C. TOTAL CORE STAFFING (Items A.7. + B.3.)	\$412,124,000			\$428,954,000	\$16,830,000

Attachment B
CORE STAFFING FORMULAS

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

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

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

d. Early Intervention

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

e. Community Services

(1) Special Incident Coordinator	1.0 position	: RC
(2) Vendor Fiscal Monitor	0.5 position	: RC plus 1: every 3,140 vendors
(3) Program Evaluator	1.0 position	: RC
(4) Resource Developer	1.0 position	: RC
(5) Transportation Coordinator	1.0 position	: RC
(6) Administrative Services Analyst (SB 1039, Chapter 414, Statutes of 1997) Consumer Complaints	0.5 position	: RC
(7) Developmental Center Liaison	1.0 position	: 400 DC consumers
(8) Diversion	4.0 positions	: 21 RCs

* 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)	
e. Community Services (continued)	
(9) Placement Continuation	
(a) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position : 10 CPCs in Item e.(9)(b) below
(b) CPC:	
1. Marginal positions from:	1.0 position : 62 CPP Placements
2. to:	1.0 position : 45 CPP Placements
f. Special Incident Reporting (SIR)	
(1) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position : 10 CPCs in Item f. (2) below
(2) QA/CPC	1.0 position : RC plus 1:every 5,000 consumers
(3) Nurse	0.5 position : RC plus 0.5: every 5,000 consumers
g. Mediation	
(1) Clinical Staff	2.0 hours : 25% of annual mediations/ 1,778 hrs /FTE position
(2) Supervising Counselor	4.5 hours : mediation/1,778 hrs./FTE position
(3) CPC	4.5 hours : 50% of annual mediations/ 1,778 hrs./FTE position
2. ADMINISTRATION	
a. Executive Staff	
(1) Director	1.0 position : RC
(2) Administrator	1.0 position : RC
(3) Chief Counselor	1.0 position : RC
b. Fiscal	
(1) Federal Program Coordinator (Enhancing FFP, Phase I)	1.0 position : RC
(2) Federal Compliance Specialist (Enhancing FFP, Phase II)	1.0 position : 1,000 HCBS Waiver consumers
(3) Fiscal Manager	1.0 position : RC
(4) Program Technician II, FCPP	0.5 position : RC
	1.0 position : 1,778 hours of FCPP determinations
(5) Revenue Clerk	1.0 position : 400 consumers for whom RCs are representative payee
(6) Account Clerk (Enhancing FFP, Phase II)	1.0 position : RC
(7) Account Clerk	1.0 position : 600 total consumers
c. Information Systems and Human Resources	
(1) Information Systems Manager	1.0 position : RC
(2) Information Systems Assistant	1.0 position : RC
(3) Information Systems Assistant, SIR	0.5 position : RC
(4) Privacy Officer, HIPAA	1.0 position : RC
(5) Personal Computer Systems Manager	1.0 position : RC
(6) Training Officer	1.0 position : RC
(7) Training Officer, SIR	0.5 position : RC
(8) Human Resources Manager	1.0 position : RC

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. PERSONAL SERVICES (continued)	
2. ADMINISTRATION (continued)	
d. Clerical Support	
<ul style="list-style-type: none"> (1) Office Supervisor (2) PBX/Mail/File Clerk (3) Executive Secretary (4) MD/Psychologist Secretary II (5) MD/Psychologist Secretary I (6) Secretary II (effective January 1, 2004 through July 1, 2008) (7) Secretary 1 (effective January 1, 2004 through July 1, 2008) 	<ul style="list-style-type: none"> 1.0 position : RC 3.0 positions : RC 2.5 positions : RC 1.0 position : 2 Physicians in Item 1.a.(3)(a), SB 1038 Health Reviews 1.0 position : 2 Physicians/Psychologists in Items 1.a.(1)(a) and (b), Clinical Intake and Assessment 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 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 Self-Directed Home and Community-Based Services Waiver (Operations)

DESCRIPTION:

Welfare and Institutions Code Section 4685.5 (c), as amended by AB 1762 (Chapter 230, Statutes of 2003), authorized the continuation and expansion of the Self-Determination Pilot Projects (self-directed services (SDS)) contingent on the Department of Developmental Services applying for a Centers for Medicare and Medicaid Services (CMS) Self-Directed Home and Community-Based Services (SD-HCBS) Waiver. The Governor's Budget proposed trailer bill language to implement the Self-Directed Services program. Since then, the Administration has continued to refine its proposal based on input from legislative staff and stakeholders.

The proposed SD-HCBS Waiver enables participants to receive an individual budget allocation that will result, in the aggregate, in a 10% cost reduction. Five percent will be set aside for consumers' unanticipated needs. The remaining five percent will be established as a savings to the state General Fund. In addition to the benefits of increased federal financial participation, self-directed services constitute a fundamental change in how the system operates by providing individual budget allocations. Individual budget allocations in the long-term could have the potential of slowing regional center purchase of service growth trends.

This SD-HCBS 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 that determinations are appropriately made regarding participant eligibility in self-directed services.
- Fairly and equitably determining and re-assessing, as needed, participant individual budget allocations.
- Ensuring financial management service entities are vendorized.
- Obtaining background checks of prospective service providers, upon 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 (IPP) and individual budget allocation.
- Ensuring the consumer's health and safety is protected, and emergency back-up plans are specified 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 efforts.

Costs for these regional center Operations activities will be eligible for SD-HCBS Waiver Administration reimbursement.

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

IMPLEMENTATION DATE:

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

ASSUMPTIONS:

The SDS program enables consumers to be in control of their services and to manage a finite amount of funds allocated to an individual budget in order to pay for services specified in the consumer's 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. In addition to the benefits of increased federal financial participation, the SDS program provides participants individual budget allocations. Individual budget allocations in the long-term have potential to slow regional center purchase of service growth trends.

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

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

January, 2008: 2 regional centers

February, 2008: 3 regional centers

March, 2008: 3 regional centers

April, 2008: 3 regional centers

May, 2008: 3 regional centers

July, 2008: 2 regional centers

September, 2008: 3 regional centers

October 2008: 2 regional centers

- 1 additional SDSD will be added for every 1,000 new SDS Waiver enrollees at each regional center.
- There will be approximately 600 new SDS program enrollees in FY 2007-08.
- The average annual salary for the FCC and SDSD positions will be \$57,437.
- Secretary positions will be added at a ratio of 1 for every 6 FCC and SDSD positions. The annual salary for secretaries is \$28,736.

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

METHODOLOGY:

CY 2006-07 BY 2007-08

PERSONAL SERVICES:

	Positions	Salary			
● Administration					
● SDDS/FCC	1.00	\$57,437			57,437
● Secretary II (1:6 professionals)	0.17	\$28,736			4,885
● Total Positions and Salaries	1.17			\$0	\$62,322
● Fringe Benefits:	23.7%	Per Position			\$14,770
● Salary Savings:	5.5%	Per Position			-4,240
Total Personal Services				\$0	\$72,852

OPERATING EXPENSES:

● Operating Expenses:					
Professional Positions:	\$3,400	Per Position			\$3,400
Clerical Positions:	\$2,400	Per Position			408
● Rent:					
BY 2007-08	\$6,285	Per Position			7,353
Total Operating Expenses				\$0	\$11,161
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDDS/FCC + SECRETARY				\$0	\$84,013

MONTHLY EXPENDITURES FOR 1.0 SDDS/FCC + SECRETARY

$$\$84,013 \div 12 \text{ mos.} = \$7,001$$

2007-08 Cost per Month	# of Positions		Expenditures	
	SDDS	FCC	SDDS + Secty	FCC + Secty
July 07	2.0	0.0	\$14,002	\$0
Aug 07	5.0	0.0	35,005	0
Sep 07	8.0	0.0	56,008	0
Oct 07	11.0	0.0	77,011	0
Nov 07	14.0	0.0	98,014	0
Dec 07	14.0	0.0	98,014	0
Jan 08	16.0	2.0	112,016	14,002
Feb 08	16.0	5.0	112,016	35,005
Mar 08	19.0	8.0	133,019	56,008
Apr 08	21.0	11.0	147,021	77,011
May 08	21.0	14.0	147,021	98,014
Jun 08	21.0	14.0	147,021	98,014
Totals			\$1,176,168	\$378,054
TOTAL EXPENDITURES, FY 2007-08 (SDDS + FCC Phased In)				\$1,554,222
Rounded				\$1,554,000

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

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Since implementation of the SDS program is contingent both on the Department applying for, and receiving approval of, a Centers for Medicare & Medicaid Services (CMS) SD-HCBS Waiver, the original start date of January 2006 has been delayed. It is now anticipated that enrollment in the SD-HCBS Waiver will start in January 2008. Currently, the Department is actively working on aspects of the SDS program. Stakeholder review of draft regulations has been initiated in preparation for completion of the rulemaking package, which is expected to be submitted to the Office of Administrative Law in or about January 2007. Submittal of the SD-HCBS Waiver application to CMS will be coordinated to achieve a waiver effective date that coincides with the effective date of SDS program regulations.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

CY 2006-07 BY 2007-08

EXPENDITURES:

	TOTAL	\$0	\$1,554,000
General Fund			\$777,000
<i>General Fund Match</i>			777,000
<i>General Fund Other</i>			0
Reimbursements			\$777,000
<i>SD-HCBS Waiver Administration</i>			777,000

Staffing for Collection of FFP for Contracted Services (Operations)

			<u>CY 2006-07</u>	<u>BY 2007-08</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	21.00	29,220	613,620	613,620
Total, Positions and Salaries	<u>42.00</u>		<u>\$1,515,528</u>	<u>\$1,515,528</u>
• Fringe Benefits (@ 23.7%):			359,180	359,180
• Salary Savings (@ -5.5%):			-103,109	-103,109
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 2006-07 \$6,068	Per Position		254,856	
BY 2007-08 6,285	Per Position			263,970
Total Operating Expenses			<u>\$376,656</u>	<u>\$385,770</u>
TOTAL STAFFING			<u>\$2,148,255</u>	<u>\$2,157,369</u>
(Rounded)			\$2,148,000	\$2,157,000

FUNDING:

100% General Fund

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

The rent factor for BY 2007-08 is higher than the rent factor for CY 2006-07.

			<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:				
	TOTAL		\$2,148,000	\$2,157,000
	General Fund		\$1,432,000	\$1,438,000
	<i>General Fund Match</i>		716,000	719,000
	<i>General Fund Other</i>		716,000	719,000
	Reimbursements		\$716,000	\$719,000
	<i>HCBS Waiver Administration</i>		716,000	719,000

Expansion of Autistic Spectrum Disorders Initiative (Operations)

CY 2006-07 BY 2007-08
(Half-Year) (Full-Year)

STAFFING

PERSONAL SERVICES:

Positions Salary

- **Positions and Salaries (@ mid-step)**

ASD Clinical Specialist (Sr. Psychologist) (start 1/1/07) (Full-year costs in 07/08)	21.00	\$65,328	\$685,944	\$1,371,888
ASD Program Coordinator (CPS III) (start 1/1/07) (Full-year costs in 07/08)	21.00	62,784	659,232	1,318,464

Total, Positions and Salaries	\$1,345,176	\$2,690,352
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- **Fringe Benefits (@ 23.7%):**

	318,807	637,613
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- **Salary Savings (@ -5.5%):**

	-91,519	-183,038
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Total Personal Services

	\$1,572,464	\$3,144,927
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OPERATING EXPENSES:

- **Operating Expenses:**

Professional Positions	\$3,400	Per Position	\$71,400	\$142,800
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- **Rent:**

CY 2006-07 & BY 2007-08	\$6,068	Per Position	127,428	254,856
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Total Operating Expenses

	\$198,828	\$397,656
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TOTAL STAFFING

(Rounded)

	\$1,771,292	\$3,542,583
	\$1,771,000	\$3,543,000

FUNDING:

100% General Fund

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2006-07 costs reflect half-year expenditures for the ASD Clinical Specialists and ASD Program Coordinator positions. BY 2007-08 costs reflect full-year costs for the ASD Clinical Specialists and ASD Program Coordinator positions.

EXPENDITURES:

CY 2006-07 BY 2007-08

TOTAL	\$1,771,000	\$3,543,000
General Fund	\$1,771,000	\$3,543,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	1,771,000	3,543,000
Reimbursements	\$0	\$0

Federal Compliance

DESCRIPTION:

With the support of the Department of Health 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 2006-07 BY 2007-08

<ul style="list-style-type: none"> ● HCBS Waiver 	\$21,135,000	\$21,135,000
Operations costs for HCBS Waiver activities in CY and BY are based upon 6.5% of 1995-96 MW reimbursements of \$325,148,000. (100% General Fund)		
<ul style="list-style-type: none"> ● Accelerated HCBS Waiver Enrollments 	\$1,831,000	\$1,153,000
Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% General Fund)		
Change from Prior Estimate:		
CY 2006-07 expenditures reflect an increase of 805 consumers from BY 2006-07 expenditures in the 2006-07 May Revision based on updated consumer data.		
Reason for Year-to-Year Change:		
BY 2007-08 expenditures reflect fewer HCBS Waiver enrollments than in CY 2006-07.		

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Compliance with HCBS Waiver Requirements 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 CY and BY: \$3,950,000 GF Match, \$3,300,000 Targeted Case Management, \$1,950,000 Medicaid Administration 	\$9,200,000	\$9,200,000
<ul style="list-style-type: none"> ● 2006-07 Legislative Augmentation: Increase in Case Managers to Meet HCBS Waiver Requirements 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. CY: \$1,600,000 GF Match, \$1,600,000 Targeted Case Management BY: \$1,667,000 GF Match, \$1,667,000 Targeted Case Management Reason for Year-to-Year Change: BY 2007-08 expenditures reflect an increase in HCBS Waiver consumers. 	\$3,200,000	\$3,334,000
<ul style="list-style-type: none"> ● Targeted Case Management 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) 	\$4,129,000	\$4,129,000

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued): CY 2006-07 BY 2007-08

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

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

- **TOTAL EXPENDITURES** \$40,118,000 \$39,574,000

FUNDING:

See Assumptions/Methodology above for detail.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

See Assumptions/Methodology above for detail.

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$40,118,000	\$39,574,000
General Fund	\$33,268,000	\$32,657,000
<i>General Fund Match</i>	5,550,000	5,617,000
<i>General Fund Other</i>	27,718,000	27,040,000
Reimbursements	\$6,850,000	\$6,917,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>TCM</i>	4,900,000	4,967,000

Attachment

**Compliance with Home and Community-Based Services Waiver Requirements
(Operations)
CY 2006-07 and BY 2007-08**

	<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 2006-07 and BY 2007-08
		\$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

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

	CY 2006-07	BY 2007-08
A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions	1,492.27	1,548.43
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x <u>2.9%</u> x	<u>2.9%</u>
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	43.28	44.90
D. CPC Salary	x <u>\$39,606</u> x	<u>\$39,606</u>
E. Total CPC Salary Expenditures (Item C x Item D)	\$1,714,148	\$1,778,309
F. Supervising Counselors (at 1:10 CPCs)		
CY 43.28 x 1/10 = 4.33	4.33	
BY 44.90 x 1/10 = 4.49		4.49
G. Supervising Counselor Salary	x <u>\$62,784</u> x	<u>\$62,784</u>
Total Supervising Counselor Salary Expenditures (Item F x Item G)	\$271,855	\$281,900
H. Secretary II (at 1:6 CPCs and Supervising Counselors)		
CY 43.28 + 4.33 = 47.61		
47.61 x 1/6 = 7.94	7.94	
BY 44.90 + 4.49 = 49.39		
49.39 x 1/6 = 8.23		8.23
I. Secretary II Salary	x <u>\$28,736</u> x	<u>\$28,736</u>
Total Secretary II Salary Expenditures (Item H x Item I)	\$228,164	\$236,497
J. Fringe Benefits		
CPCs 23.7%	\$406,253	\$421,459
All Other Staff 23.7%	+ <u>118,505</u> +	<u>122,860</u>
	\$524,758	\$544,319
K. Salary Savings		
CPCs 1.0%	-\$21,204	-\$21,998
All Other Staff 5.5%	+ <u>-34,019</u> +	<u>-35,269</u>
	-\$55,223	-\$57,267
L. Total Personal Services (Item E + Item G + Item I + Item K)	\$2,683,702	\$2,783,758
M. Operating Expenses		
Professional Positions \$3,400	\$161,874	\$167,926
Clerical Positions \$2,400	19,056	19,752
Rent		
CY 2006-07 \$6,068	337,077	
BY 2007-08 \$6,285	+ <u>362,142</u> +	<u>362,142</u>
Total Operating Expenses	\$518,007	\$549,820
N. Total Costs (Item L + Item M)	\$3,201,709	\$3,333,578
Rounded	<u>\$3,200,000</u> ^f	<u>\$3,334,000</u>
General Fund	\$1,600,000	\$1,667,000
General Fund Match	1,600,000	1,667,000
General Fund Other	0	0
Reimbursements	\$1,600,000	\$1,667,000
Targeted Case Management	1,600,000	1,667,000

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 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Information Technology Costs 	\$5,084,000	\$5,084,000
<ul style="list-style-type: none"> ● Uniform Fiscal System 	2,091,000	2,091,000
<ul style="list-style-type: none"> ● Data Processing 	2,993,000	2,993,000
<ul style="list-style-type: none"> ● California Developmental Disabilities Information System (CADDIS) Maintenance and Support (100% GF) 	0	0
<ul style="list-style-type: none"> ● Clients' Rights Advocacy <p>The Department contracts with Protection and Advocacy, Inc., for clients' rights advocacy services for regional center consumers. (100% GF)</p> <p>Reason for Year-to-Year Change:</p> <p>This contract is based on a per capita average cost. In BY 2007-08, the community population is estimated to increase by 8,200 consumers.</p>	\$4,694,000	\$5,121,000
<ul style="list-style-type: none"> ● Life Quality Assessment <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% GF)</p> <p>Change from Prior Estimate:</p> <p>The number of assessments in CY 2006-07 is estimated to increase by 55 from the 2006-07 May Revision estimate.</p> <p>Reason for Year-to-Year Change:</p> <p>The number of assessments is estimated to increase by 421 in BY 2007-08.</p>	\$4,661,000	\$4,739,000

Projects

CY 2006-07 BY 2007-08

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% GF Match/50% FFP.)</p> <p>CY and BY: \$716,000 GF Other, \$1,433,000 GF Match, \$1,433,000 HCBS Waiver Administration</p>	\$3,582,000	\$3,582,000
<ul style="list-style-type: none"> ● Office of Administrative Hearings <p>Federal law requires the Department to have a process to adjudicate disputes involving Medicaid beneficiaries; both the fair hearing and mediation processes satisfy this requirement. The Department contracts with the Office of Administrative Hearings to: (1) conduct fair hearings to resolve conflicts between regional centers and their consumers. Section 4700 et seq. of the Lanterman Act requires regional centers to offer mediation to consumers whose services are proposed to be terminated, reduced, or suspended, and (2) provide mediation services. (100% GF)</p>	\$2,211,000	\$2,211,000
<ul style="list-style-type: none"> ● Wellness Projects <p>WIC Sections 4696 and 4646.5 contain requirements that are fulfilled through the Wellness Initiative. Project priorities are determined annually by a selection committee comprised of legislative staff, advocacy groups, consumers, regional center representatives and the Community Services and Supports Division within DDS. The types of projects generally fall into the following categories: health professional training programs, medication reviews, health assessments, specialty clinics, telemedicine, resource development for persons with a dual diagnosis, training programs for parents and consumers, and dental health programs and services. (100% GF)</p>	\$1,490,000	\$1,490,000
<ul style="list-style-type: none"> ● Foster Grandparent/Senior Companion <p>Through these programs, men and women, 60 years of age and older, devote up to 20 hours a week to help people with developmental disabilities lead more independent and productive lives.</p> <p>CY and BY: \$693,000 GF, \$456,000 Federal</p>	\$1,149,000	\$1,149,000

Projects

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY (continued):

<ul style="list-style-type: none"> ● Special Incident Reporting/Risk Assessment 	\$833,000	\$833,000
<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% GF)</p>		
<ul style="list-style-type: none"> ● Expansion of Autistic Spectrum Disorders Initiative 	\$780,000	\$0
<p>The Department contracts for services to:</p>		
<ul style="list-style-type: none"> ● Provide training to clinicians and other professionals to implement best practice guidelines for screening, diagnosis and assessment. 	80,000	0
<ul style="list-style-type: none"> ● Develop ASD best practice guidelines on effective interventions and interagency collaboration. 	600,000	0
<ul style="list-style-type: none"> ● Establish state and regional <i>ASD Resource Centers</i>. 	100,000	0
<p>(100% GF)</p>		
<ul style="list-style-type: none"> ● Sherry S. Court Case 	\$534,000	\$534,000
<p>In 1981 the Supreme Court ruled <u>In Re Hop</u> 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% GF)</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% GF)</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% GF)</p>		
<ul style="list-style-type: none"> ● University Enterprises, Inc. (formerly California State University, Sacramento Foundation) 	\$155,000	\$155,000
<p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. BY 2007-08 expenditures include \$30,000 for analysis of service reports and budget methodology for the Self-Directed Services program. (100% GF)</p>		
<p>Change from Prior Estimate and Reason for Year-to-Year Change:</p>		
<p>Increased expenditures in CY 2006-07 reflect contractor analysis of current forecasting methodology, including methodology changes and training of staff on revised methods and related statistical information.</p>		

Projects

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY (continued):

- **Affordable Housing** \$90,000 \$90,000

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% GF)

2006-07: \$90,000 (GF) was reappropriated from FY 2004-05 funds for consultant services.

- **Cost Containment** -\$490,000 -\$490,000

2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% GF)

- **Capitol People First v. DDS** \$246,000 \$0

The Department has been contracting with a private law firm since September 1, 2002 to, in conjunction with the Office of the Attorney General, defend DDS, its director and other state agencies and their directors in the lawsuit entitled Capitol People First v. DDS. The case has proven to be much more complicated and costly than originally envisioned, which has resulted in contract amendments to reflect increased expenditures. There's a high probability that expenditures will occur in BY 2007-08, but the amount cannot be determined at this time. (100% GF)

Reason for Year-to-Year Change:

This estimate assumes the case will finalize in CY 2006-07. However, it is possible that a pending appeal may cause the contract to be extended in BY 2007-08, and some of the funds carried forward into that year.

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 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 6/1/06. Data were adjusted for lag based on FY 2003-04 expenditures.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 95.6% 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 Department of Social Services' (DSS) budget. This factor is incorporated in the CCF estimate.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08 the prior-year estimate, with the following adjustments, was used as the base:	\$591,571,000	\$667,183,000
● Prior Year Costs	591,571,000	
● Prior Year Estimate		687,852,000
● Deduct Prior-Year CPP One-Time Costs	N/A	-20,669,000
● SSI/SSP Increases Effective 4/1/05 and 1/1/06:	-\$4,391,000	-\$3,244,000
Effective 1/1/06, the SSI/SSP rate was \$898. It is assumed this rate will increase to \$910 on 1/1/07. SSI/SSP rate increases will not be passed through to CCF providers, resulting in an offset to regional center costs.		
● Utilization Change/Growth:	\$4,782,000	\$6,947,000
These estimates were based on forecasting models specific to the April 2001 through March 2006 CCF population data.		
An ARIMA (Auto Regressive Integrated Moving Average) model was used to forecast utilization change/growth. The ARIMA procedure models a discrete time series as a function of a constant, autoregressive terms, and moving-average terms.		

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>								
<ul style="list-style-type: none"> ● Utilization Change/Growth (continued): <p style="margin-left: 20px;">Estimated Population Growth:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>CY 2006-07:</td> <td style="text-align: right;">2,068 Person Months</td> </tr> <tr> <td>BY 2007-08:</td> <td style="text-align: right;">2,727 Person Months</td> </tr> </table> <p style="margin-left: 20px;">Average Cost per Person Month:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>CY 2006-07:</td> <td style="text-align: right;">\$2,312</td> </tr> <tr> <td>BY 2007-08:</td> <td style="text-align: right;">\$2,547</td> </tr> </table> 			CY 2006-07:	2,068 Person Months	BY 2007-08:	2,727 Person Months	CY 2006-07:	\$2,312	BY 2007-08:	\$2,547
CY 2006-07:	2,068 Person Months									
BY 2007-08:	2,727 Person Months									
CY 2006-07:	\$2,312									
BY 2007-08:	\$2,547									
<ul style="list-style-type: none"> ● Average Cost Increase: 	\$12,423,000	\$13,300,000								
<p>Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p>The net base amount was multiplied by 2.1% to project the average cost increase. The 2.1% increase is based on the estimated increase in the average cost per person month from 2004-05 to 2005-06.</p>										
<ul style="list-style-type: none"> ● Service-Level Freeze: 	In Base	In Base								
<p>The Budget Act of 2003 included savings through freezing service-level increases for CCF providers. This freeze continues in CY 2006-07 and in BY 2007-08. Savings from this freeze are reflected in the CCF base.</p>										
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	\$20,669,000	\$35,229,000								
<ul style="list-style-type: none"> ● Placement / Deflection Continuation: These are the continuing costs for consumers residing in CCFs who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See pages F-4.1 and F-4.2 for detail. 	\$28,915,000	\$33,910,000								
<ul style="list-style-type: none"> <table border="0" style="margin-left: 20px;"> <tr> <td>(a) Placement</td> <td style="text-align: right;">16,763,000</td> <td style="text-align: right;">25,347,000</td> </tr> <tr> <td>(b) Deflection</td> <td style="text-align: right;">12,152,000</td> <td style="text-align: right;">8,563,000</td> </tr> </table> 	(a) Placement	16,763,000	25,347,000	(b) Deflection	12,152,000	8,563,000				
(a) Placement	16,763,000	25,347,000								
(b) Deflection	12,152,000	8,563,000								
<ul style="list-style-type: none"> ● 3% Rate Increase: 	\$24,137,000	\$272,000								
<p>A 3% provider rate increase was provided for CCFs in the 2006-07 May Revision. CY 2006-07 expenditures are included in the BY 2007-08 base. The BY 2007-08 expenditure amount reflects increased expenditures due to estimated consumer growth.</p>										

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Collection of FFP for Contracted Services: Increased funding for the new administrative activity associated with record keeping for contracted expenditures was provided in the 2006-07 May Revision. CY 2006-07 expenditures are included in the BY 2007-08 base. The BY 2007-08 expenditure amount reflects a projected increase in contracted services. 	\$10,000	\$4,000
<ul style="list-style-type: none"> ● Minimum Wage Increase: Recently enacted AB 1835 (Chapter 230) will increase 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. See pages 15.4 to 15.7 for more information. 	\$9,736,000	\$16,152,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$687,852,000	\$769,753,000

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 2004-05 billing data, approximately 80% of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$687,852,000	\$769,753,000
General Fund	\$412,835,000	\$473,154,000
<i>General Fund Match</i>	271,236,000	292,818,000
<i>General Fund Other</i>	141,599,000	180,336,000
Reimbursements	\$275,017,000	\$296,599,000
<i>HCBS Waiver FFP</i>	271,237,000	292,819,000
<i>Title XX TANF</i>	3,780,000	3,780,000

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 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 2006-07 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed ICFs for CY 2006-07 and BY 2007-08 are provided by the Department of Health Services, effective August 1, 2006, as follows:
\$174.96 for DD-Hs, \$212.55 for DD-Ns, and \$391.20 for DD-CNs.
- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	69	69
DD-N	210	210
- 2.2% of the consumers in Medical Facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>									
<ul style="list-style-type: none"> Base: For each fiscal year, the prior year estimate, with the following adjustments, was used as the base. <table border="0" style="margin-left: 40px; width: 100%;"> <tbody> <tr> <td>Prior Year Estimate</td> <td style="text-align: right;">12,476,000</td> <td style="text-align: right;">17,807,000</td> </tr> <tr> <td>Less Gap Resource Development in Base</td> <td style="text-align: right;">-2,316,000</td> <td style="text-align: right;">-3,721,000</td> </tr> <tr> <td>Less Community Placement Plan One-Time Costs</td> <td style="text-align: right;">-252,000</td> <td style="text-align: right;">-1,303,000</td> </tr> </tbody> </table> Utilization Change/Growth: 	Prior Year Estimate	12,476,000	17,807,000	Less Gap Resource Development in Base	-2,316,000	-3,721,000	Less Community Placement Plan One-Time Costs	-252,000	-1,303,000	\$9,908,000	\$12,783,000
Prior Year Estimate	12,476,000	17,807,000									
Less Gap Resource Development in Base	-2,316,000	-3,721,000									
Less Community Placement Plan One-Time Costs	-252,000	-1,303,000									
	\$453,000	\$453,000									

It is assumed that 2.2% 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 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Gap Resource Development: 	\$3,721,000	\$3,721,000
<ul style="list-style-type: none"> ● New Facilities: <p>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>In CY 2006-07 and BY 2007-08, it is assumed 17 DD-H facilities will need gap funding for 2 consumers each for an average of 112 days, and 40 DD-N facilities will need gap funding for 2 consumers each for an average of 162 days. It is assumed 5% of the new facilities will not pass certification on their first attempt. Therefore, they will need gap funding for 4 consumers each for 180 days. \$3,442,000 in CY 2006-07 and BY 2007-08 is needed for gap funding.</p>	3,442,000	3,442,000
<ul style="list-style-type: none"> ● Change of Ownership Facilities <p>It is estimated that two ICF/DD-H and two ICF/DD-N providers will sell their facilities during CY 2006-07 and BY 2007-08. This will result in having to pay for continued consumer care in the form of GAP funding during the ownership transition period, which averages 90 days.</p>	279,000	279,000
<ul style="list-style-type: none"> ● Community Placement Plan: <p>These are costs for individuals moving from a developmental center into a Medical Facility. See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail.</p>	\$1,303,000	\$718,000

Medical Facilities

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: 	\$2,422,000	\$132,000
<p>These are the continuing costs for consumers residing in Medical Facilities who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after deflection. See pages F-4.1 and F-4.2 for detail.</p>		
(a) Placement	948,000	132,000
(b) Deflection	1,474,000	0
● TOTAL EXPENDITURES	\$17,807,000	\$17,807,000

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:

N/A. BY 2007-08 costs will be updated in the 2007-08 May Revision based on a regional center survey to be conducted in the Spring of 2007.

EXPENDITURES:

TOTAL	\$17,807,000	\$17,807,000
General Fund	\$17,807,000	\$17,807,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	17,807,000	17,807,000
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 (IPP). 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 6/1/06. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
• Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustment, was used for the base:	\$621,859,000	\$695,703,000
• Prior Year Costs	<i>621,859,000</i>	
• Prior Year Estimate		<i>699,779,000</i>
• Less Community Placement Plan One-Time Costs		<i>-4,076,000</i>
• Utilization Change/Growth:	\$30,206,000	\$31,582,000

The population growth is estimated to be 27,285 person months in CY 2006-07 and 25,870 person months in BY 2007-08. The CY and BY estimates are based on a simple ARIMA model of Day Program consumer data from April 2001 through March 2006.

The CY person-month growth of 27,285 was multiplied by the estimated CY average monthly cost per person of \$1,107 to project CY utilization change/growth expenditures of \$30,206,000. The BY growth of 25,870 was multiplied by the average monthly cost per person of \$1,221 to project BY utilization change/growth expenditures of \$31,582,000.

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Average Cost Increase: Reflects the cost of new community-based day programs. <p>CY 2006-07 base net costs of \$621,859,000 (which exclude the FY 2005-06 cost of CPP placements, rate adjustments and program changes) were multiplied by 0% to project an average cost increase of \$0. The 0% is based on the estimated increase in the average cost per person per month from FY 2004-05 to FY 2005-06. BY 2007-08 base net costs of \$684,911,000 were also multiplied by 0% to project an average cost increase of \$0.</p>	\$0	\$0
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: <p>The Budget Act of 2003 established a freeze on rate increases for community-based day programs. This freeze prohibits the Department from establishing higher permanent payment rates for providers that have temporary payment rates in effect on or after June 30, 2003. Data through March 2006 was used for the 2007-08 November Estimate; therefore, the impact of the rate freeze is reflected in the trends.</p>	In Base	In Base
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	\$4,076,000	\$5,277,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing Day Programs who were moved from a developmental center into the community under the 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 and F-4.2 for detail.</p>	\$6,080,000	\$7,001,000
<ul style="list-style-type: none"> ● Program Days Adjustment: <p>There will be three fewer program days in CY 2006-07 and two fewer program days in BY 2007-08.</p>	-\$8,301,000	-\$5,838,000
<ul style="list-style-type: none"> ● Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs and Look-Alike Day Programs that meet specified criteria. The Day Programs increase is estimated to be \$15,777,000, while the Look-Alike Day Programs increase is estimated to be \$3,323,000. Current year costs remain in the base for BY 2007-08.</p>	\$15,777,000	\$820,000

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● 3% Provider Rate Increase: <p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p>	\$19,282,000	\$1,003,000
<ul style="list-style-type: none"> ● Provider Resources for Collection of FFP for Contracted Services: <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.9 million and \$18.5 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.</p>	\$8,000	\$3,000

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Minimum Wage Increases <p>Recently enacted AB 1835 (Chapter 230) will increase 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 \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Minimum Wage Increases in this Section for more detail.</p> 	\$10,792,000	\$18,675,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$699,779,000	\$754,226,000

FUNDING:

Day Program 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 2005-06 billing data, approximately 53% of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the net of a projected increase in caseload and a reduction in program days.

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$699,779,000	\$754,226,000
General Fund	\$440,368,000	\$480,102,000
<i>General Fund Match</i>	185,820,000	200,946,000
<i>General Fund Other</i>	254,548,000	279,156,000
Reimbursements	\$248,907,000	\$264,033,000
<i>HCBS Waiver FFP</i>	185,820,000	200,946,000
<i>Title XX Social Services</i>	55,493,000	55,493,000
<i>Title XX TANF</i>	7,594,000	7,594,000
Federal Funds	\$10,504,000	\$10,091,000
<i>Early Start Grant</i>	10,504,000	10,091,000

Habilitation Services Program

DESCRIPTION:

This estimate reflects the resources necessary for the Department of Developmental Services (DDS) to administer the Habilitation 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 HSP 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 workhours, Supported Employment Program (SEP) job coaching hours, and service provider rates affect WAP and SEP funding requirements and Medicaid Waiver reimbursement funding. These changes require annual, and sometimes biannual, adjustments to WAP and SEP funding levels. Welfare and Institutions Code Section 4859(a) requires that WAP service provider rates be set biennially. Rates were last set in fiscal year (FY) 2000-01. AB 1753 (Chapter 225, Statutes of 2003) reduced WAP rates by 5%, effective July 1, 2003. AB 747 (Chapter 659, Statutes of 2003) suspended biennial rate adjustments for WAPs until July 1, 2006 (Welfare and Institutions Code Section 4859(b)).

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 (IPP) are purchased by HSP 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 HSP 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 HSP 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 HSP-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 Habilitation.

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

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

The increases in expenditures are directly related to the increase in participation (caseload, days attended, hours worked, job coaching hours). To control rising costs in FY 2002-03 and beyond, a Budget Act Trailer Bill (AB 444, Chapter 1022, Statutes of 2002) contained language amending Welfare and Institutions Code Section 19356.6(a)5 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. 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.

In July 2003, a Budget Act Trailer Bill (AB 1752, Chapter 225, Statutes of 2003) reduced the job coaching rate by 2.5% to \$27.62 per hour.

The Legislature increased the Budget Act of 2005 by \$1.4 million, restoring the SEP Group job coach ratio from 1:4 to 1:3. This amount is reflected in the base for CY 2006-07 and BY 2007-08.

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 HSP funds the job coaching once the consumer has stabilized (usually 20% intervention for 60 days).

Habilitation Services Program

DESCRIPTION (continued):

AB 2779 (Statutes of 1998) increased the hourly rate for Individual Placement job coaching to \$27.50 per job coaching hour. Previously, providers had an individual rate per job coach hour for Individual Placement (the statewide average job coaching rate was \$22.86 per hour). In July of 2000, the Legislature approved a 3% increase in the job coaching rate to \$28.33 per hour. These rate changes led to significant increases in caseload and expenditures that created large deficiencies for FY 1999-00 and FY 2000-01. The growth in caseload is assumed to be a result of the service providers' ability to provide increased employment. In July 2003, a Budget Act Trailer Bill (AB 1752, Chapter 225, Statutes of 2003) reduced the job coaching hourly rate by 2.5% to \$27.62 per hour.

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source: UFS 203-0-S-0 and 203-0-S-7 Reports, dated 6/1/06. Data were adjusted for lag based on FY 2003-04 expenditures.
- AB 747, Chapter 659, Statutes of 2003, suspended the biennial rate adjustment for WAP until July 1, 2006. This suspends the need to collect cost statements beginning in FY 2003-04 while maintaining the rate freeze and 5% rate rollback through CY 2006-07.
- Authorizing Statutes: Welfare and Institutions Code Sections 4850 through 4867.
- The Department of Developmental Services will use currently-established rates for the 2007-08 November Estimate.
- The Department of Developmental Services will begin collecting BY 2007-08 cost reporting data in FY 2007-08 for rates that would be in effect commencing July 1, 2008.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
Work Activity Program:	\$66,215,000	\$68,084,000
• Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustment, was used as the base.	62,292,000	66,213,000
• Prior Year Costs	62,292,000	
• Prior Year Estimate		66,215,000
• Less Community Placement Plan One-Time Costs		-2,000
• Utilization Change/Growth:	981,000	114,000
WAP expenditure data for the period April 2000 through March 2006 were used to update CY 2006-07 and BY 2007-08. A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should <u>not</u> be replicated in a forecasting model. One intervention variable was statistically significant. Starting July 2003, the 2003-04 biennial rate adjustment was suspended and there was a 5% reduction in rates.		

Habilitation Services Program

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Work Activity Program (continued):		
<ul style="list-style-type: none"> • CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	2,000	2,000
<ul style="list-style-type: none"> • Placement Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Work Activity Program 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 and F-4.2 for detail.</p>	0	3,000
<ul style="list-style-type: none"> • 3% Rate Increase for Providers: <p style="margin-left: 20px;">A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p>	1,898,000	4,000
<ul style="list-style-type: none"> • Minimum Wage Increases: <p style="margin-left: 20px;">Recently enacted AB 1835 (Chapter 230) will increase 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 \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Minimum Wage Increases in this Section for more detail.</p>	1,042,000	1,748,000

Habilitation Services Program

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Supported Employment Program:	\$82,212,000	\$81,914,000
SEP costs are comprised of hourly-based services that are billed the month following the month services were provided.		
HSP Group Placement:	\$62,497,000	\$61,741,000
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustments, was used as the base. <ul style="list-style-type: none"> ● Prior Year Costs 47,669,000 ● Prior Year Estimate 62,497,000 ● Less Community Placement Plan One-Time Costs -179,000 ● Less CY 2006-07 Transfer of Job Coach Rate Increase -1,887,000 ● Utilization Change/Growth: 604,000 256,000 <p>HSP Group Placement expenditure data for the period April 2000 through March 2006 were used to update CY 2006-07 and BY 2007-08. A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. One intervention variable was statistically significant. Effective July 2000, the Legislature increased the hourly job coach rate to \$28.33.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 179,000 179,000 ● Placement Continuation: 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 and F-4.2 for detail. 0 233,000 		

Habilitation Services Program

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Group Placement (continued):		
<ul style="list-style-type: none"> ● 3% Rate Increase for Providers: <p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p>	1,454,000	In Base
<ul style="list-style-type: none"> ● Restoration of SEP Group Job Coach Ratio from 1:4 to 1:3: <p>The Legislature provided for an increase to the Budget Act of 2005.</p>	In Base	In Base
<ul style="list-style-type: none"> ● Legislative Augmentation to Increase SEP Job Coach Rate: <p>The Legislature provided a total of \$15.9 million in CY 2006-07 for a rate increase to enhance wages for Supported Employment Programs, both Group and Individual Placement, that meet specified criteria. Of the \$15.9 million, \$2.4 million will be transferred to DOR via interagency agreement. Current year costs remain in the base for BY 2007-08.</p>	12,591,000	642,000
HSP Individual Placement:		
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustment, was used as the base. 	15,082,000	19,213,000
<ul style="list-style-type: none"> ● Prior Year Costs 	15,082,000	
<ul style="list-style-type: none"> ● Prior Year Estimate 		19,715,000
<ul style="list-style-type: none"> ● Less CY 2006-07 Transfer of Job Coach Rate Increase 		-502,000

Habilitation Services Program

CY 2006-07 BY 2007-08

METHODOLOGY (continued):

Supported Employment Program (continued):

HSP Individual Placement (continued):

<ul style="list-style-type: none"> <p>• Utilization Change/Growth:</p> <p>Monthly SEP Individual Placement (IP) expenditure data from April 2000 through March 2006 were used to update CY 2006-07 and BY 2007-08. A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that “normal growth” could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. One intervention variable was statistically significant. Effective July 2003, the hourly job coach rate was reduced to \$27.62 per AB 1752.</p> 	809,000	785,000
<ul style="list-style-type: none"> <p>• CPP: See Community Placement Plan, Pages E-16.1 - E-16.13, for the methodology detail.</p> 	0	0
<ul style="list-style-type: none"> <p>• Placement Continuation: 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 and F-4.2 for detail.</p> 	0	0
<ul style="list-style-type: none"> <p>• 3% Rate Increase for Providers:</p> <p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	477,000	8,000

Habilitation Services Program

CY 2006-07 BY 2007-08

METHODOLOGY (continued):

Supported Employment Program (continued):

HSP Individual Placement (continued):

<ul style="list-style-type: none"> • Legislative Augmentation to Increase SEP Job Coach Rate: <p style="margin-left: 20px;">The Legislature provided a total of \$15.9 million in CY 2006-07 for a rate increase to enhance wages for Supported Employment Programs, both Group and Individual Placement, that meet specified criteria. Of the \$15.9 million, \$2.4 million will be transferred to DOR via interagency agreement. Current year costs remain in the base for BY 2007-08.</p>	3,347,000	167,000
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$148,427,000	\$149,998,000

FUNDING:

Habilitation Services expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, and the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF). Based on actual FY 2005-06 billing data, approximately 64%, 34%, and 27% of WAP, SEP Group, and SEP Individual expenditures, respectively, are eligible for the HCBS Waiver reimbursement. Of the HCBS Waiver amount, 50% is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

Historical increases or decreases to caseload are used as the basis, as no rate adjustments are authorized for budget year.

EXPENDITURES:

TOTAL	\$148,427,000	\$149,998,000
General Fund	\$100,624,000	\$99,564,000
<i>General Fund Match</i>	34,327,000	36,959,000
<i>General Fund Other</i>	66,297,000	62,605,000
Reimbursements	\$47,803,000	\$50,434,000
<i>HCBS Waiver FFP</i>	34,329,000	36,960,000
<i>Title XX Social Services</i>	13,474,000	13,474,000

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 6/1/06. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08 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>\$185,676,000</p> <p>185,676,000</p> <p>0</p> <p>\$8,887,000</p>	<p>\$202,623,000</p> <p>203,547,000</p> <p>-924,000</p> <p>\$8,384,000</p>
<p>CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the April 2000 through March 2006 Transportation expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p> <p>A single 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 <u>not</u> be replicated in a forecasting model. A transfer function was specified for June 2005, to remove one-time costs from the normal growth trend that had been identified for that month.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	<p>\$924,000</p>	<p>\$1,222,000</p>

Transportation

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Placement Continuation: 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 prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 and F-4.2 for detail. 	\$1,207,000	\$1,573,000
<ul style="list-style-type: none"> ● 3% Provider Rate Increase: A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08. 	\$5,692,000	\$307,000
<ul style="list-style-type: none"> ● Provider Resources for Collection of FFP: This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs were set aside in CY 2006-07 for contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.9 million and \$18.5 million in Home and Community-Based (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information. 	\$1,161,000	\$449,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$203,547,000	\$214,558,000

Transportation

FUNDING:

Transportation expenditures are funded by the General Fund in 2006-07, Public Transportation Account, Home and Community-Based Services (HCBS) Waiver, the Early Start Grant, Vocational Rehabilitation (DOR), and the Title XX Block Grant. Based on actual FY 2004-05 HCBS Waiver billing data, approximately 45% of Transportation expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). In CY 2006-07, the State General Fund portion is that which is non-FFP. In BY, the Public Transportation Account portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 5 months of additional data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$203,547,000	\$214,558,000
General Fund	\$136,254,000	\$0
<i>General Fund Match</i>	46,193,000	0
<i>General Fund Other</i>	90,061,000	0
Public Transportation Account (PTA)	N/A	\$143,993,000
<i>PTA Match</i>	N/A	49,476,000
<i>PTA Other</i>	N/A	94,517,000
Reimbursements	\$67,015,000	\$70,298,000
<i>HCBS Waiver FFP</i>	46,194,000	49,477,000
<i>Vocational Rehabilitation</i>	410,000	410,000
<i>Title XX Social Services</i>	19,420,000	19,420,000
<i>Title XX TANF</i>	991,000	991,000
Federal Funds	\$278,000	\$267,000
<i>Early Start Grant</i>	278,000	267,000

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 8/9/06. Data were adjusted for lag based on FY 2003-04 expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustments, was used as the base: 	\$407,620,000	\$482,150,000
<ul style="list-style-type: none"> ● Prior Year Costs 	407,620,000	
<ul style="list-style-type: none"> ● Prior Year Estimate 		487,550,000
<ul style="list-style-type: none"> ● Less Community Placement Plan One-Time Costs 		-5,400,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$50,957,000	\$53,061,000

CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the June 2000 through May 2006 Support Services expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).

A simple ARIMA model was used to forecast utilization change/growth. To isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Support Services data series. The autism population increase (intervention) was found to be insignificant in Support Services.

Support Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
See Population, Page D-7, for a graph of the Autism caseload forecast.		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	\$5,400,000	\$4,624,000
<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 and F-4.2 for detail.</p>	\$10,316,000	\$8,744,000
(a) Placement	9,298,000	8,744,000
(b) Deflection	1,018,000	0
<ul style="list-style-type: none"> ● Independent Living Supplement: Based on Client Master File (CMF) data as of 9/18/06, it is estimated the following consumers will live in supported/independent living (SL/IL) arrangements. Of these totals, based on the 2006-07 May Revision Regional Center Survey (February 2006), 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. 	-\$8,000	\$493,000
	<u>CY 2006-07</u>	<u>BY 2007-08</u>
Total SL/IL Consumers	19,050	20,040
Part of a Couple	- 1,338	- 1,390
Individuals	17,712	18,650

Support Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● 3% Rate Increase for Providers: <p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p>	\$10,859,000	\$1,379,000
<ul style="list-style-type: none"> ● Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs and Look-Alike Day Programs that meet specified criteria. The Day Programs increase is estimated to be \$15,777,000, while the Look-Alike Day Programs increase is estimated to be \$3,323,000. Current year costs remain in the base for BY 2007-08.</p>	\$2,406,000	\$306,000
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze <p>Effective 7/1/03, rates of Transportation, Supported Living and Look-Alike Day Program vendors were frozen. A 2% rate reduction was assumed and applied to forecasted expenditures of specified services, based on FY 2002-03 expenditure data. Starting 2004-05, with the 2004-05 May Revision, it was assumed that 100% of the savings were in the historical trend, therefore 0% of the Support Services savings was reflected.</p> <p>This freeze will continue through BY 2007-08 for the same programs.</p>	In Base	In Base
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$487,550,000	\$550,757,000

Support Services

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 2005-06 billing data, approximately 68% of Support Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 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 8 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 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$487,550,000	\$550,757,000
General Fund	\$310,426,000	\$363,114,000
<i>General Fund Match</i>	148,448,000	158,997,000
<i>General Fund Other</i>	161,978,000	204,117,000
Reimbursements	\$176,350,000	\$186,899,000
<i>HCBS Waiver FFP</i>	148,448,000	158,997,000
<i>Title XX Social Services</i>	23,472,000	23,472,000
<i>Title XX TANF</i>	4,430,000	4,430,000
Federal Funds	\$774,000	\$744,000
<i>Early Start Grant</i>	774,000	744,000

Note: This 2007-08 November Estimate includes \$1.2 million (\$.7 million General Fund) in 2006-07 and \$3.4 million (\$2 million General Fund) in 2007-08 for minimum wage increases for direct care staff who provide services in supported living. See pages E-15.4 to E-15.7 for more information.

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 8/9/06. Data were adjusted for lag based on FY 2003-04 expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs 148,031,000 ● Prior Year Estimate 165,179,000 ● Less Community Placement Plan One-Time Costs -20,000 ● Utilization Change/Growth: \$7,882,000 \$6,777,000 		

CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the June 2000 through May 2006 In-Home Respite expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).

A simple ARIMA model was used to forecast utilization change/growth. To isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the In-Home Respite data series. The autism population increase (intervention) was found to be insignificant for In-Home Respite.

In-Home Respite

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
See Population, Page D-7, for a graph of the Autism caseload forecast.		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	\$20,000	\$1,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing In-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 and F-4.2 for detail.</p>	\$18,000	\$21,000
(a) Placement	18,000	21,000
(b) Deflection	0	0
<ul style="list-style-type: none"> ● Family Cost Participation Program (FCPP): <p>The FCPP was authorized by SB 1103, Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5% - 80% on families with incomes greater than 400% of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Based on findings in this report, although the program was effective 1/1/05, savings would be phased in through December 2005. Projections displayed here are consistent with these findings. Savings to In-Home Respite, Out-of-Home Respite, and Miscellaneous Services, totaling \$3,363,000 are in the CY 2006-07 base, while savings of \$4,247,000 are in the BY 2007-08 base. This program will sunset on June 30, 2009.</p>	\$0	\$0

In-Home Respite

CY 2006-07 BY 2007-08

METHODOLOGY (continued):

- **In-Home Respite Service Agencies Rate Freeze**

The Budget Act of 2003 (Trailer Bill Language, AB 1762, Chapter 230, Statutes of 2003) froze rates for in-home respite service agencies, effective 7/1/03. Subsequent Trailer Bill Language for FY 2004-05 and FY 2005-06 continued the rate freeze and it is proposed to continue through BY 2007-08. Unless the regional center demonstrates to the Department that the following rate increases are necessary to protect the consumers' health or safety, regional centers would be prohibited from doing the following:

In Base

In Base

- Establishing any permanent payment rate for a provider that has a temporary payment rate in effect if the permanent payment rate would be greater than the temporary payment rate,
- Approving any program design modification or revendorization for a provider that would result in an increase in the rate to be paid to the vendor from the rate that is in effect, and
- Approving an anticipated rate adjustment for a provider that would result in an increase in the rate to be paid to the vendor from the rate that is in effect.

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

\$4,460,000

\$160,000

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

In-Home Respite

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 8 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 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$165,179,000	\$180,548,000
General Fund	\$95,084,000	\$106,915,000
<i>General Fund Match</i>	42,094,000	45,666,000
<i>General Fund Other</i>	52,990,000	61,249,000
Reimbursements	\$69,241,000	\$72,813,000
<i>HCBS Waiver FFP</i>	42,093,000	45,665,000
<i>Title XX Social Services</i>	14,968,000	14,968,000
<i>Title XX TANF</i>	12,180,000	12,180,000
Federal Funds	\$854,000	\$820,000
<i>Early Start Grant</i>	854,000	820,000

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 6/1/06. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, 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>\$44,996,000</p> <p>44,996,000</p> <p>47,546,000</p> <p>-68,000</p> <p>\$2,225,000</p>	<p>\$47,478,000</p> <p>47,546,000</p> <p>-68,000</p> <p>\$618,000</p>
<p>CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the June 2000 through March 2006 Out-of-Home Respite expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p> <p>A simple ARIMA model was used to forecast utilization change/growth. To isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Out-of-Home Respite data series. The autism population increase (intervention) was found to be <u>insignificant</u> in Out-of-Home Respite.</p> <p>See Population, Page D-7, for a graph of the Autism caseload forecast.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	<p>\$68,000</p>	<p>\$68,000</p>

Out-of-Home Respite

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Placement/Deflection Continuation 	\$69,000	\$80,000
<p>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 and F-4.2 for detail.</p>		
(a) Placement	69,000	80,000
(b) Deflection	0	0
<ul style="list-style-type: none"> ● Family Cost Participation Program (FCPP): 	In Trends	In Trends
<p>The FCPP was authorized by SB 1103, Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5% - 80% on families with incomes greater than 400% of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Based on findings in this report, although the program was effective 1/1/05, savings would be phased in through December 2005. Projections displayed here are consistent with these findings. Savings to In-Home Respite, Out-of-Home Respite, and Miscellaneous Services, totaling \$3,363,000 are in the CY 2006-07 base, while savings of \$4,247,000 are in the BY 2007-08 base. This program will sunset on June 30, 2009.</p>		

Out-of-Home Respite

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Provider Resources for Collection of FFP for Contracted Services 	\$4,000	\$2,000
<p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.9 million and \$18.5 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.</p>		
<ul style="list-style-type: none"> ● 3% Rate Increase for Providers: 	\$160,000	\$2,000
<p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p>		
<ul style="list-style-type: none"> ● Minimum Wage Increases: 	\$24,000	\$43,000
<p>Recently enacted AB 1835 (Chapter 230) will increase 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 \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Minimum Wage Increases in this Section for more detail.</p>		

Out-of-Home RespiteCY 2006-07 BY 2007-08**METHODOLOGY (continued):**

• TOTAL EXPENDITURES	\$47,546,000	\$48,291,000
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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 2005-06 billing data, approximately 12% percent Out-of-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

REASON FOR YEAR-TO-YEAR CHANGE:

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

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 6 months of additional expenditure data.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$47,546,000	\$48,291,000
General Fund	\$25,077,000	\$25,630,000
<i>General Fund Match</i>	2,843,000	3,043,000
<i>General Fund Other</i>	22,234,000	22,587,000
Reimbursements	\$22,231,000	\$22,432,000
<i>HCBS Waiver FFP</i>	2,842,000	3,043,000
<i>Title XX Social Services</i>	7,898,000	7,898,000
<i>Title XX TANF</i>	11,491,000	11,491,000
Federal Funds	\$238,000	\$229,000
<i>Early Start Grant</i>	238,000	229,000

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 8/9/06. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Less Medicare Part D Rx Drug One-Time Costs ● Utilization Change/Growth: 	<p>\$69,464,000</p> <p>69,464,000</p> <p>\$5,107,000</p>	<p>\$77,071,000</p> <p>82,876,000</p> <p>-1,040,000</p> <p>-4,765,000</p> <p>\$5,006,000</p>
<p>CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the June 2000 through May 2006 Health Care expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p> <p>A single input transfer function model was used to forecast utilization change/growth. A simple ARIMA model was formulated. To isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Health Care data series. The autism population increase (intervention) was found to be a <u>significant</u> variable in Health Care.</p> <p>See Population, Page D-7, for a graph of the Autism caseload forecast.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	<p>\$1,040,000</p>	<p>\$2,328,000</p>

Health Care

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: 	\$2,354,000	\$2,210,000
<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 and F-4.2 for detail.</p>		
(a) Placement	2,354,000	2,210,000
(b) Deflection	0	0
<ul style="list-style-type: none"> ● Medi-Cal Dental Cap for Adults: 	\$130,000	\$10,000
<p>This was a new major assumption in the 2005-06 May Revision. Effective 1/1/06, a limit of \$1,800 per year was placed on dental services provided to qualified adults ages 21 years and older by the Department of Health Services. Regional centers would then be required to pay for costs that are greater than \$1,800 for their adult consumers on Medi-Cal. This major assumption was revised in the 2006-07 May Revision to reflect reduced prorated costs due to the reduced number of consumers exceeding their \$1,800 deductible within the last 6 months of FY 2005-06. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p>		
<ul style="list-style-type: none"> ● Provider Resources for Collection of FFP for Contracted Services 	\$16,000	\$6,000
<p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.9 million and \$18.5 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.</p>		

Health Care

CY 2006-07 BY 2007-08

METHODOLOGY (continued):

- **Medicare Part D Prescription Drug Benefit:** \$4,765,000 \$4,765,000

Effective 1/1/06, a new federal law was enacted called the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). This law designated Medicare as the primary benefit program when a person is dually eligible for both Medicare and Medi-Cal. Because some medications previously covered under Medi-Cal (pre-MMA) will no longer be covered under MMA, it is expected that all dually eligible regional center consumers will incur an additional medication cost. Estimated annual Purchase of Service costs totaling \$4,465,000 will be used to pay for (1) insurance plan premiums or (2) medications not covered by a selected plan that prior to MMA were covered by Medi-Cal, whichever is most cost effective. This was a new major assumption in the 2005-06 May Revision and revised in the 2006-07 November Estimate to reflect ongoing costs and a smaller proportion of drugs excluded under Part D starting in FY 2006-07. Operations costs are also required in CY 2006-07 to fund enrollment brokers to assist consumers, families and providers in understanding the new program and to facilitate their enrollment in a plan that best meets their needs. See Section E, Operations, Staffing, for more information.

- **TOTAL EXPENDITURES** \$82,876,000 \$91,396,000

FUNDING:

Health Care expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2005-06 billing data, approximately 7% percent of Health Care expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 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 8 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.

Health Care

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$82,876,000	\$91,396,000
General Fund	\$74,812,000	\$83,251,000
<i>General Fund Match</i>	2,542,000	2,722,000
<i>General Fund Other</i>	72,270,000	80,529,000
Reimbursements	\$5,542,000	\$5,723,000
<i>HCBS Waiver FFP</i>	2,541,000	2,722,000
<i>Title XX TANF</i>	3,001,000	3,001,000
Federal Funds	\$2,522,000	\$2,422,000
<i>Early Start Grant</i>	2,522,000	2,422,000

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 8/9/06. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Base: Actual and estimated FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Less Leg Aug: Targeted Startup One-Time Costs ● Add Government Claims 	<p>\$191,567,000</p> <p>191,567,000</p>	<p>\$229,198,000</p> <p>268,308,000</p> <p>-36,111,000</p> <p>-3,000,000</p> <p>1,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the June 2000 through May 2006 Miscellaneous expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p>	<p>\$34,573,000</p>	<p>\$34,540,000</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. Two interventions were statistically significant. Data points at June 2001 and June 2002 were abnormally high and, therefore, represented one-point interventions.

Miscellaneous Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<p>Further, to isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Miscellaneous Services data series. The autism population increase (intervention) was found to be <u>insignificant</u> in Miscellaneous Services.</p> <p>See Population, Page D-7, for a graph of the Autism caseload forecast.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, Pages E-16.1 to E-16.13, for the methodology detail. 	\$36,111,000	\$43,816,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation <p>These are the continuing costs for consumers utilizing Miscellaneous services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 and F-4.2 for detail.</p>	\$308,000	\$3,765,000
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	308,000 0	3,765,000 0
<ul style="list-style-type: none"> ● Downsizing Large Facilities: A total of \$3,732,000 is in the base for each CY 2006-07 and BY 2007-08 for downsizing from larger facilities to smaller CCFs, MFs and Supported/Independent Living. 	In Base	In Base
<ul style="list-style-type: none"> ● Suspension of Non-CPP Start-Up: This is continued through BY 2007-08; however, a one-time \$3 million augmentation was provided by the Legislature in CY 2006-07 to partially restore the annual suspended amount of \$5,962,000. See item following for more detail. 	In Base	In Base
<ul style="list-style-type: none"> ● Legislative Augmentation for Targeted Start-Up: <p>The Legislature provided \$3,000,000 in one-time costs for start-up of targeted non-CPP supported work and day programs in CY 2006-07. This partially restores the \$5,962,000 suspension of non-CPP start-up mentioned above.</p>	\$3,000,000	\$0

Miscellaneous Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Legislative Augmentation to Enhance Wages and Rates: 	\$917,000	\$167,000
<p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs and Look-Alike Day Programs that meet specified criteria. The Day Programs increase is estimated to be \$15,777,000, while the Look-Alike Day Programs increase is estimated to be \$3,323,000. Current year costs remain in the base.</p>		
<ul style="list-style-type: none"> ● Family Cost Participation Program (FCPP): 	\$0	\$0
<p>The FCPP was authorized by SB 1103, Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5% - 80% on families with incomes greater than 400% of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Based on findings in this report, although the program was effective 1/1/05, savings would be phased in through December 2005. Projections displayed here are consistent with these findings. Savings to In-Home Respite, Out-of-Home Respite, and Miscellaneous Services, totaling \$3,363,000 are in the CY 2006-07 base, while savings of \$4,247,000 are in the BY 2007-08 base. This program will sunset on June 30, 2009.</p>		
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze 	In Trends	In Trends
<p>Effective 7/1/03, rates of Transportation, Supported Living and Look-Alike Day Program vendors were frozen. A 2% rate reduction was assumed and applied to forecasted expenditures of specified services, based on FY 2002-03 expenditure data. Starting 2004-05, with the 2004-05 May Revision, it was assumed that 100% of the savings were in the historical trend, therefore 0% of the Miscellaneous Services savings was reflected.</p> <p>This freeze will continue through BY 2007-08 for the same programs.</p>		

Miscellaneous Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> 3% Rate Increase for Providers: <p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	\$1,727,000	\$315,000
<ul style="list-style-type: none"> Provider Resources for Collection of FFP for Contracted Svc: <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$13.9 million and \$18.5 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.</p> 	\$106,000	\$41,000
<ul style="list-style-type: none"> Government Claims 	-\$1,000	N/A
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$268,308,000	\$311,842,000

Miscellaneous Services

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 2005-06 billing data, approximately 20% of Miscellaneous Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 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 8 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 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$268,308,000	\$311,842,000
General Fund	\$214,204,000	\$256,360,000
<i>General Fund Match</i>	21,976,000	23,538,000
<i>General Fund Other</i>	192,228,000	232,822,000
Reimbursements	\$47,686,000	\$49,248,000
<i>HCBS Waiver FFP</i>	21,975,000	23,537,000
<i>Title XX Social Services</i>	13,178,000	13,178,000
<i>Title XX TANF</i>	12,533,000	12,533,000
Federal Funds	\$4,686,000	\$4,502,000
<i>Early Start Grant</i>	4,686,000	4,502,000
Program Development Funds	\$1,732,000	\$1,732,000

Cost Containment Summary (Purchase of Services)

DESCRIPTION:

Objectives are (1) to continue cost containment efforts in BY 2007-08 through proposals effectuated in earlier fiscal years, and (2) to continue existing and implement additional proposals in BY 2007-08 that will permanently contain service costs while offering flexibility and consistency in obtaining needed services.

ASSUMPTIONS:

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

CY 2006-07

- Continue Temporary Cost Containment Measures: Continue temporary cost containment measures in CY 2006-07 (unallocated reduction, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and SSI/SSP pass through elimination). These temporary measures are proposed to contain costs temporarily until more permanent measures can be implemented.
- 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 7/1/03, 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 cotainment measures.
- Continue Family Cost Participation Program: Implemented a Family Cost Participation Program (FCPP) effective January 1, 2005, for specified services purchased by regional centers for children 3-17 years of age whose parents have the ability to pay. Savings to the General Fund were phased in by the end of December 2005. This program sunsets on June 30, 2009.
- Self-Directed Services: Subject to approval by the Centers for Medicare and Medicaid Services of a 1915(c) Waiver, beginning BY 2007-08, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. The Budget Act of 2005 contains trailer bill language to implement the SDS program.
- Continue Rate Standardization Project: Through this project, cost containment/cost avoidance and rate standardization strategies related to selected services whose rates are negotiated will be developed. Regional centers have been surveyed on the use of selected service codes through a multi-year, three-phase survey process. The final phase of the survey process was initiated in January 2006. The Department awarded a consultant contract in November 2005, to provide assistance in analyzing the regional center service code survey data, and other specified service codes, and is evaluating the findings and recommendations. In January 2007, the Department plans to circulate an initial regulations package for comment.

Cost Containment Summary (Purchase of Services)

ASSUMPTIONS (CY 2006-07 continued):

- Continue Supported Living Services Rate Standardization: In the prior year, the Department conducted a 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 3 years, annual SLS cost and utilization statistics from FY 1996-97 forward, and information gathering through interviews with staff at 7 regional centers. In addition, the Department held SLS stakeholder meetings with Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, ARCA, and consumer/parent representatives for informal input and discussion. Based upon analysis of the information gathered, the Department has developed draft regulations for the purpose of cost avoidance which it has vetted with these same stakeholders. The draft supported living regulations are currently in the formal regulatory review process.

BY 2007-08

- Continue Temporary Measures: Continue temporary cost containment measures in BY 2007-08 (unallocated reduction, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and SSI/SSP pass through elimination). These temporary measures are proposed to contain costs temporarily until more permanent measures can be implemented.
- Continue Family Cost Participation Program: See CY 2006-07 above for description.
- Self-Directed Services: Subject to approval by the Centers for Medicare and Medicaid Services of a 1915(c) Waiver, beginning FY 2007-08, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. The Budget Act of 2005 contains trailer bill language to implement the SDS program. Implementation will be consistent with the CADDIS rollout, and BY 2007-08 will include a phased-in enrollment of an estimated 600 consumers from January through June.
- Continue Rate Standardization Project: The Department will pursue additional necessary regulatory changes consistent with the Rate Standardization/Cost Avoidance Project.
- 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 3 years, annual SLS cost and utilization statistics from FY 1996-97 forward, and information gathering through interviews with staff at 7 regional centers and meetings with stakeholders, including Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, ARCA, and consumer/parent representatives. The regulations are being implemented for the purpose of cost avoidance.

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

DESCRIPTION:

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

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

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

IMPLEMENTATION DATE:

The 2007-08 November Estimate assumes a January 1, 2008 implementation of the SDS program.

KEY DATA/ASSUMPTIONS:

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

- Implementation and enrollment of up to 9,380 consumers will be phased in over five years.
- For the BY 2007-08 cost/savings estimate, it is assumed enrollment of participants will begin January 1, 2008, and 600 consumers will receive SDS by the end of the first year.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,429. This is based on last quarter FY 2004-05 and first three quarters of FY 2005-06 data of 90,413 consumers. This includes all consumers identified as meeting eligibility requirements for the SDHCBS Waiver. The cost estimate includes an adjustment for inflation to the BY 2007-08 level based on the Consumer Price Index.

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

KEY DATA/ASSUMPTIONS (continued):

Without Self-Directed Services

- Total annual BY 2007-08 pre-SDS POS costs for 600 consumers (phased in over 6 months) are estimated to be \$2,572,000.

With Self-Directed Services

- With SDS finite and individual budgets assumed to be 90% of historical aggregate expenditures, total costs for 600 consumers are estimated to be \$2,315,000 (phased in over 6 months).
- Participants will receive an individual budget allocation that will result, in the aggregate, in a 10% cost reduction.
- 5% of the consumer's budget will be set aside for the consumers' unanticipated needs.
- The remaining 5% will be a savings to the General Fund.
- 68% of the consumers participating in SDS will be eligible to be included in the SDHCBS Waiver; therefore, 68% of the total SDS costs will be 100% billable to the SDHCBS Waiver.
- 24% (144 consumers) of the 600 consumers assumed to receive SDS in BY 2007-08 will transfer to the SDHCBS Waiver from the Department's existing Home and Community-Based Services (HCBS) Waiver. 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.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
● Estimated SDS cost of services (90% x \$2,572,000 = \$2,315,000)	\$0	\$2,315,000
● Estimated pre-SDS cost for 600 consumers (\$1,429 x 6 months x .5 (phase-in) x 600 consumers)	<u>\$0</u>	<u>\$2,572,000</u>
● Difference = 10% Savings	\$0	-\$257,000
● 5% SDS Risk Pool Fund	\$0	-\$129,000
● 5% Total Savings	\$0	-\$128,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Implementation of 800 SDS enrollments beginning November 1, 2006 (assumed in the 2006-07 November Estimate) has been revised to 600 enrollments and delayed until January 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation begins in BY.

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

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$0	-\$128,000
General Fund	\$0	-\$915,000
<i>General Fund Match</i>	<i>0</i>	<i>787,000</i>
<i>General Fund Other</i>	<i>0</i>	<i>-1,831,000</i>
<i>SDS Risk Pool Fund</i>		<i>129,000</i>
Reimbursements	\$0	\$787,000
<i>SDHCBS Waiver</i>	<i>0</i>	<i>787,000</i>
SDS Risk Pool Fund	\$0	(\$129,000)

Minimum Wage Increases

DESCRIPTION:

Summary

On January 1, 2007, the California minimum wage will increase \$0.75 and an additional \$0.50 on January 1, 2008. These minimum wage increases, recently enacted with AB 1835 (Chapter 230), will apply to the services which rely on entry-level direct care staff that are paid minimum wage. The services which require additional funding are community care facilities (CCFs), respite services, day and work activity programs, respite services, and supported living.

Nature of Request

This Administration-sponsored legislation mandates a minimum wage increase from \$6.75 to \$7.50 an hour beginning January 1, 2007, and to \$8.00 per hour beginning January 1, 2008. Governor Schwarzenegger has taken numerous steps to ensure the State's economy is strong enough to allow for the increase without negatively impacting the business climate. The Department is required by statute and regulation to provide funding for CCFs, day and work activity programs, respite service, and supported living service providers whose rates are based on allowable costs including the wages paid to direct care staff which is often minimum wage for entry level staff.

The most direct benefit to the developmental disability service delivery system will be to improve the recruitment and retention of entry-level direct care staff who work in CCFs, day and work activity programs, respite services, and supported living services and thereby help to maintain the quality of services to consumers and families provided by these staff. DDS has, therefore, budgeted for sufficient funding to provide required rate increases for providers impacted by the increases in minimum wage.

Background/History

DDS, through the Lanterman Developmental Disabilities Services Act, serves approximately 210,000 people with developmental disabilities throughout California. DDS' services for consumers living in the community are provided through 21 private, nonprofit regional centers which contract with various service providers for the provision of services to the developmentally disabled community. Regional centers fund consumer services, including residential services through CCFs, day and work activity programs, respite, and supported living which rely heavily on entry-level workers to fill direct care staff vacancies. Service providers (employers) report that at the current minimum wage, staff recruitment and retention is difficult. High turnover rates have been verified by numerous studies. An increase in the minimum wage will assist service providers to recruit and retain qualified staff.

CCFs 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. CCF rates are determined by the Department through the Alternative Residential Model (ARM) system. The Department establishes rates based on the level of care for individuals served in the CCFs pursuant to the Alternative Residential Model (ARM) system in Welfare and Institutions (W & I) Code Section 4681.1. W & I Code Section 4681.1(c)(3) requires the Department to update rates in response to changes in the minimum wage. The staff working in level 2 and 3 CCFs are paid minimum wage. Staff in level 4 CCFs are not paid minimum wage. Therefore, the funding is budgeted for level 2 and 3 staff wages only.

Minimum Wage Increases

DESCRIPTION (continued):

Background/History (continued):

Day and work activity programs rely on entry-level staff to fill vacancies. These entry-level staff are paid minimum wage. W & I Code Sections 4691(b)(2) and 4859(a) require the Department to include staff wages as an allowable cost in determining the rates for day programs and work activity programs respectively. Current rates reflect costs at the current minimum wage. For day programs that rely on entry-level staff who are paid minimum wage, this increase will be important to staff recruitment and retention. The Department has determined that only entry-level staff are paid minimum wage and that day programs and work activity programs have a 50% staff turnover annually. Therefore, the budget will include the increase to wages paid for these staff.

W & I Code Section 4685 provides regional centers with the authority to offer respite services for parents to maintain in-home placement for their children with developmental disabilities. W & I Code Section 4690.2(b)(2) establishes the in-home respite rate at \$0.81 above the minimum wage at \$5.06/hour. The Department has maintained the differential recognizing the need for an equitable process for respite services purchased by regional centers. This statute represents the Legislature's recognition of the level of responsibility placed upon in-home respite workers and required the establishment of a respite rate tied directly to the minimum wage. Therefore, the Department will be required to increase respite rates to reflect the increase in minimum wage.

Supported living services support adults with developmental disabilities to live in their own home in the community. Dependent upon each individual's service and support needs, supported living providers utilize overnight support staff who are frequently paid minimum wage. Wage Order 15 requires that direct care staff in supported living be paid no less than the minimum wage. Therefore, the budget will include the increase to wages paid for these staff.

IMPLEMENTATION DATE:

January 1, 2007 and January 1, 2008

Minimum Wage Increases

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
KEY DATA/ASSUMPTIONS/METHODOLOGY:		
<ul style="list-style-type: none"> ● Costs to the following programs, which are included in the following budget categories (see itemizations by budget category in previous pages of this section), were estimated based on assumptions outlined by budget category on Page E-15.7. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. 		
Community Care Facilities	\$9,736,000	\$16,152,000
Day Programs	10,792,000	18,675,000
Work Activity Programs	1,042,000	1,748,000
In-Home Respite	4,756,000	8,426,000
Out-of-Home Respite	24,000	43,000
<ul style="list-style-type: none"> ● TOTAL INCREMENTAL COST OF MINIMUM WAGE INCREASES* 		
	\$26,350,000	\$45,044,000

FUNDING:

These expenditures from the minimum wage increases are assumed to be funded by the General Fund and the Home and Community-Based Services (HCBS) Waiver.

CHANGE FROM PRIOR ESTIMATE:

This is a new major assumption, with estimated partial-year costs in CY 2006-07 and BY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an additional wage rate increase starting January 1, 2008 and an increase in projected expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$26,350,000	\$45,044,000
General Fund	\$18,340,000	\$31,453,000
<i>General Fund Match</i>	8,011,000	13,591,000
<i>General Fund Other</i>	10,329,000	17,862,000
Reimbursements	\$8,010,000	\$13,591,000
<i>HCBS Waiver FFP</i>	8,010,000	13,591,000

* Includes \$1.2 million (\$.7 million General Fund) in 2006-07 and \$3.4 million (\$2 million General Fund) in 2007-08 for supported living services.

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					FY 2007-08 12 months of \$0.75 Increase 6 months of \$0.50 Increase									
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other					
Community Care Facilities <ul style="list-style-type: none"> Assume staff in Level 2 and 3 CCFs earn minimum wage. \$0.75 increase + 16.76% for mandated employer costs = \$0.88 per hour increase--applied to estimated Level 2 and 3 staff hours. \$0.50 increase + 16.76% for mandated employer costs = \$0.58 per hour increase--applied to estimated Level 2 and 3 staff hours. 	\$9,736,000	\$7,886,000	\$3,943,000	\$3,943,000	\$1,850,000	\$25,888,000	\$20,970,000	\$10,485,000	\$10,485,000	\$4,918,000					
Day and Work Activity Programs <ul style="list-style-type: none"> Assume only new employees are paid at minimum wage and 50% employee turnover. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. 	\$11,834,000	\$6,464,000	\$3,232,000	\$3,232,000	\$5,370,000	\$32,257,000	\$17,614,000	\$8,807,000	\$8,807,000	\$14,643,000					
Respite Services <ul style="list-style-type: none"> Included \$0.81 wage differential. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures for each Respite category. Net costs reflect the 3% provider rate increase impact. 	\$4,780,000	\$1,670,000	\$835,000	\$835,000	\$3,110,000	\$13,249,000	\$4,618,000	\$2,309,000	\$2,309,000	\$8,631,000					
GRAND TOTAL	\$26,350,000	\$16,020,000	\$8,010,000	\$8,010,000	\$10,330,000	\$71,394,000	\$43,202,000	\$21,601,000	\$21,601,000	\$28,192,000					
						\$18,340,000 Total GF					\$49,793,000 Total GF				

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

Increase ICF/DD, ICF/DD-H & ICF/DD-N (ICF's) Bundled Rate to Include Day Program and Non-Medical Transportation Services (Purchase of Services)

DESCRIPTION:

Summary

The State (Department of Health Services, the single State Medicaid agency) will pursue Federal Financial Participation (FFP) through an amendment to its Medicaid State Plan for day program and non-medical transportation services received by regional center consumers residing in Intermediate Care Facilities (ICF). For purposes of this assumption, ICF includes the Intermediate Care Facility/Developmentally Disabled, Intermediate Care Facility/Developmentally Disabled-Habilitation, and Intermediate Care Facility/Developmentally Disabled-Nursing.

Nature of Request

Redefine the ICF program as an "all-inclusive service". Federal regulations allow for a broad definition of the services that can be provided in ICFs with reimbursement under the Medi-Cal program. Other states have been successful in defining their ICF programs more broadly to cover supports and services for individuals with developmental disabilities, thereby increasing their federal reimbursement under Medicaid. California will redefine services to include day program and non-medical transportation services now funded solely through state general fund. Currently the total expenditures for these services are \$88 million to the state general fund; approval of this request would provide up to 50% cost savings to the state general fund.

Background/History

Under the current State Plan, ICF services are available to eligible Medi-Cal beneficiaries who are regional center consumers. ICFs are licensed and certified as Medi-Cal providers by the Department of Health Services (DHS) Licensing and Certification. Medi-Cal receives FFP at an approximate 50% ratio, for the cost of providing ICF services to these Medi-Cal recipients.

Currently Medi-Cal reimburses an ICF facility at a "bundled rate," a single rate per consumer, per day that includes payment for all services required to maintain the consumer in the facility, as specified in Title 22, California Code of Regulations, Sections 54510.1 through 51510.3. These sections specify the Medi-Cal services that are not included in the per diem but are reimbursed separately. In addition to the Medi-Cal services that are provided to the residents of ICFs, the State also pays for day programs and the associated non-medical transportation as out-of-facility community services at 100% state general fund dollars, when these services are part of the consumer's Individual Program Plan (IPP) that is developed by the regional centers. These services are not Medi-Cal services and are not eligible as "stand-alone" Medi-Cal services.

The proposal to include these community services in the reimbursement rate for the State's ICF facilities has been set forth by:

- Legislative Analyst Office (December 2004) report;
- California Performance Review Committee (December 2004) report;
- Assembly Bill 2775 during the 2004/05 legislative session; and,
- Independent Contractor - PNP Associates (January 2003) report.

Increase ICF/DD, ICF/DD-H & ICF/DD-N (ICF's) Bundled Rate to Include Day Program and Non-Medical Transportation Services (Purchase of Services)

IMPLEMENTATION DATE:

Defer to DHS as implementation is dependent upon how soon DHS is able to have a State Plan Amendment approved by the Center for Medicare and Medicaid Services.

Funding must be maintained in the DDS budget for reimbursing adult day programs and associated non-medical transportation until the rates are transitioned to the ICF programs.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

The adult day program and non-medical transportation costs are currently 100% state general fund. Upon transitioning the costs to the ICF programs (DHS), 50% of the costs would be eligible for FFP.

Approximately \$44 million in federal revenue could be produced based upon current state general fund expenditures.

Defer to DHS as lead, but DDS will work with DHS, regional centers and service providers to determine methodology for establishing revised ICF rates that address costs for day program and associated transportation.

FUNDING:

These costs are currently 100% state general fund and, upon transitioning the costs to the ICF programs, 50% of the costs would be eligible for FFP.

CHANGE FROM PRIOR ESTIMATE:

This is a new major assumption for BY 2007-08.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
General Fund	\$0	-\$44,000,000
<i>General Fund Match</i>	<i>0</i>	<i>0</i>
<i>General Fund Other</i>	<i>0</i>	<i>-44,000,000</i>

Community Placement Plan

DESCRIPTION:

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

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

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

The CPP estimate is comprised of 3 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 Developmental Center (DC), and includes Operations and POS funding for the three Bay Area regional centers: Golden Gate, East Bay and San Andreas. Agnews Other includes resources needed for any other regional centers that will receive individuals into the community who are currently residing at Agnews DC. Regular CPP represents all other community placement costs associated with moving residents from DCs, excluding Agnews, into the community.

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

CPP funding covers these Operations and POS categories:

OPERATIONS:

Personal Services:

- **Resource Development:** Positions needed to develop community living arrangements for consumers moving from DCs into the community. These positions are critical to developing living arrangements that will safely meet the challenges of people moving into the community.
- **Assessment:** Positions needed to identify DC residents ready for placement in community living arrangements. Proper comprehensive assessment is critical to community placement and should minimize re-admission to the DC and/or unstable and cost-inefficient community placement.
- **Placement:** Positions for placement activities. Individuals in the DCs have, on average, more complex "unique" placement needs that will be addressed by these staff. For the Unified Plan, 1 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 CY 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.
- **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.

Community Placement Plan

DESCRIPTION (continued):

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 proposes the temporary use of Agnews employees, beginning January 1, 2006, to augment and enhance the services and supports needed to transition Agnews Developmental Center consumers into the community. A total of 100 state employees are proposed to work in the community service delivery for CY 2006-07 and BY 2007-08. 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 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 DDS on housing issues related to the Agnews Developmental Center Closure Plan, including, but not limited to, fiscal analysis, implementation of the Bay Area Housing Plan, and agreements among multiple contracting entities including regional centers and proposed housing owners, developers and service providers. Consultants will also assist in the review of a long-term plan for managing and monitoring properties that will be purchased and will provide feedback and recommendations on the overall viability of the housing element.

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

PURCHASE OF SERVICES:

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

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

- **Start-Up:** These costs are related to development of new facilities/programs and program expansion, including housing corporation costs: Formulation of non-profit agencies to assist low income consumers to acquire affordable housing and to increase the stock of affordable Bay Area housing through purchase, rehabilitation or construction of real property.

Community Placement Plan

DESCRIPTION (continued):

- **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 a total of 100 Agnews employees to augment and enhance the services that will be needed to transition Agnews consumers into the community for CY 2006-07 and BY 2007-08. These employees have had long-term relationships with the transitioning consumers. They possess specialized knowledge, skills, and abilities and will assure the stability of living arrangements, continuity of services designed to meet the special needs of Agnews residents and the ongoing quality of care, health and safety. Agnews employees will provide direct care, direct clinical and therapeutic interventions, and crisis services. Salaries for this estimate are based on equivalent state employee salaries.
- **Deflection:** Placement POS for residential costs of facilities developed with current year CPP start-up to deflect admission from a developmental center. These facilities are developed based on a comprehensive analysis of developmental center admission data, current trends in needed services specific to the regional center, and other local issues.

KEY DATA/ASSUMPTIONS:

- Data Source: For the 2007-08 November Estimate, regional centers have updated and projected Agnews Unified and Agnews Other CPP costs. Regular CPP costs are assumed to be the same as Regular CY 2006-07 CPP costs in the 2006-07 May Revision. All BY 2007-08 CPP costs will be updated in the 2007-08 May Revision based on the CPPs received from the regional centers in December 2006 (Regular CPP) and January 2007 (Unified CPP).
- Department of Health Services approved rates, as of August 2006, used for:
 - Intermediate Care Facilities/Developmentally Disabled – Nursing Facilities
 - Intermediate Care Facilities/Developmentally Disabled – Habilitation Facilities

Community Placement Plan

METHODOLOGY:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
• OPERATIONS TOTAL	\$19,230,000	\$19,865,000
• Regular CPP	11,246,000	11,246,000
• Unified Plan	7,984,000	8,619,000
• PURCHASE OF SERVICES TOTAL	\$69,792,000	\$93,464,000
• Regular CPP	46,340,000	46,340,000
• Agnews Unified Plan	21,475,000	45,716,000
• Agnews Other RCs	1,977,000	1,408,000
• TOTAL EXPENDITURES	\$89,022,000	\$113,329,000
• Total Regular CPP	57,586,000	57,586,000
• Total Agnews Unified Plan	29,459,000	54,335,000
• Total Agnews Other RCs	1,977,000	1,408,000

See pages E-16.6 to E-16.13 for detail.

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most recent individualized consumer data submitted by the regional centers in December 2005 for Regular CPP and in August 2006 for Unified CPP.

REASON FOR YEAR-TO-YEAR CHANGE:

Unified CPP costs were updated to reflect more recent cost information based on updated individualized consumer data.

Community Placement Plan

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$89,022,000	\$113,329,000
RC Operations	\$19,230,000	\$19,865,000
RC Purchase of Services	\$69,792,000	\$93,464,000
<i>Community Care Facilities</i>	20,669,000	35,229,000
<i>Medical Facilities</i>	1,303,000	718,000
<i>Day Programs</i>	4,076,000	5,277,000
<i>Work Activity Program</i>	2,000	2,000
<i>Supported Employment Program: Group Placement</i>	179,000	179,000
<i>Transportation</i>	924,000	1,222,000
<i>Support Services</i>	5,400,000	4,624,000
<i>In-Home Respite</i>	20,000	1,000
<i>Out-of-Home Respite</i>	68,000	68,000
<i>Health Care</i>	1,040,000	2,328,000
<i>Miscellaneous Services</i>	36,111,000	43,816,000

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
CY 2006-07**

For the 2007-08 November Estimate, the regional centers have updated Agnews Unified and Agnews Other CPP costs for CY 2006-07. Regular CPP costs are assumed to be the same as in the 2006-07 May Revision.

CPP Activity	2006-07 May Revision	2007-08 November Estimate: CY 2006-07					CY 2006-07 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$19,797,000	\$11,246,000	\$7,984,000	\$0	\$7,984,000	\$19,230,000	-\$567,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$34,809,000	\$19,201,000	\$13,867,000	\$700,000	\$14,567,000	\$33,768,000	-\$1,041,000
B. Assessment	430,000 172 consumers	430,000 172 consumers	0	0	0	430,000 172 consumers	0 0 consumers
C. Placement	26,448,000 295 consumers	18,146,000 176 consumers	7,608,000 103 consumers	1,277,000 10 consumers	8,885,000 113 consumers	27,031,000 289 consumers	583,000 -6 consumers
D. Deflection	8,563,000 152 consumers	8,563,000 152 consumers	0 0 consumers	0 0 consumers	0 0 consumers	8,563,000 152 consumers	0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$70,250,000	\$46,340,000	\$21,475,000	\$1,977,000	\$23,452,000	\$69,792,000	-\$458,000
III. TOTAL CPP (I. + II.E.)	\$90,047,000	\$57,586,000	\$29,459,000	\$1,977,000	\$31,436,000	\$89,022,000	-\$1,025,000 b/

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

b/ The CY 2006-07 estimate reflects a decrease from the Budget Act of 2006 of 6 consumers being placed into the community from Agnews Developmental Center (DC). Per the Budget Act of 2006, Item 4300-003-0001, Provision 3 and Welfare & Institutions Code 4418.25 (d), funds allocated for CPP that are not used for that purpose may be transferred to Item 4300-003-0001 for expenditure in the state developmental centers if their populations exceed the budgeted level. Therefore, a Budget Revision is being processed to transfer **\$369,000** in General Fund savings from the Regional Center POS budget to the DC budget, due to this decrease in community placements.

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

For the 2007-08 November Estimate, the regional centers have estimated Agnews Unified and Other CPP costs for BY 2007-08. Regular BY 2007-08 CPP costs are assumed to be the same as CY 2006-07 costs in the 2006-07 May Revision. All BY 2007-08 CPP costs will be updated in the 2007-08 May Revision based on the CPPs received from the regional centers in December 2006 (Regular CPP) and January 2007 (Unified CPP).

CPP Activity	2006-07 May Revision	2007-08 November Estimate: BY 2007-08					BY 2007-08 Difference
		Regular	Agnews <i>a/</i>			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$19,797,000	\$11,246,000	\$8,619,000	\$0	\$8,619,000	\$19,865,000	\$68,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$34,809,000	\$19,201,000	\$19,947,000	\$700,000	\$20,647,000	\$39,848,000	\$5,039,000
B. Assessment	430,000 172 consumers	430,000 172 consumers	0 0 consumers	0 0 consumers	0 0 consumers	430,000 172 consumers	0 0 consumers
C. Placement	26,448,000 295 consumers	18,146,000 176 consumers	25,769,000 139 consumers	708,000 6 consumers	26,477,000 145 consumers	44,623,000 321 consumers	18,175,000 26 consumers
D. Deflection	8,563,000 152 consumers	8,563,000 152 consumers	0 0 consumers	0 0 consumers	0 0 consumers	8,563,000 152 consumers	0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$70,250,000	\$46,340,000	\$45,716,000	\$1,408,000	\$47,124,000	\$93,464,000	\$23,214,000
III. TOTAL CPP (I. + II.E.)	\$90,047,000	\$57,586,000	\$54,335,000	\$1,408,000	\$55,743,000	\$113,329,000	\$23,282,000

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

COMMUNITY PLACEMENT PLAN**Operations**

CY 2006-07

Current Year 2006-07					
Regular CPP		Agnews		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Operations Costs**1. Personal Services**

a. Resource Development	54.55	\$3,806,500	23.30	\$2,053,400	77.85	\$5,859,900
b. Quality Assurance/ Management	0.00	0	7.65	1,066,500	7.65	1,066,500
c. Assessment	20.90	1,463,200	6.85	722,700	27.75	2,185,900
d. Placement	42.80	2,867,100	19.00	1,434,800	61.80	4,301,900
e. Crisis Services Teams	9.10	634,700	0.00	0	9.10	634,700
f. Nurse Consultants for SB 962 Homes	0.00	0	2.31	130,000	2.31	130,000
g. Total Personal Services	<u>127.35</u>	<u>\$8,771,500</u>	<u>59.11</u>	<u>\$5,407,400</u>	<u>186.46</u>	<u>\$14,178,900</u>

2. Operating Expenses

a. Operating Expenses		\$419,900		\$189,200		\$609,100
b. Rent		802,800		360,900		1,163,700
c. Training, Travel, Consultants		1,251,600		85,000		1,336,600
d. Nurse Consultants for SB 962 Homes		0		22,000		22,000
e. Total Operating Expenses		<u>\$2,474,300</u>		<u>\$657,100</u>		<u>\$3,131,400</u>

**3. Subtotal
(rounded)**

	\$11,245,800	\$6,064,500	\$17,310,300
	\$11,246,000	\$6,064,000	\$17,310,000

**B. State Employees
in the Community****1. Clinical Staff**

a. Personal Services		\$0	\$1,238,000	\$1,238,000
b. Operating Expenses		0	152,000	152,000
c. Total Clinical Staff		<u>\$0</u>	<u>\$1,390,000</u>	<u>\$1,390,000</u>

**C. Consultant Services:
Technical Assistance
on Housing Issues**

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

	\$0	\$250,000	\$250,000
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**E. Total (A + B + C + D)
(rounded)**

	\$11,245,800	\$7,984,500	\$19,230,300
	\$11,246,000	\$7,984,000	\$19,230,000

COMMUNITY PLACEMENT PLAN

Operations

BY 2007-08

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

A. Operations Costs**1. Personal Services**

a. Resource Development	54.55	\$3,806,500	22.80	\$2,132,000	77.35	\$5,938,500
b. Quality Assurance/ Management	0.00	0	8.00	1,107,400	8.00	1,107,400
c. Assessment	20.90	1,463,200	6.60	838,800	27.50	2,302,000
d. Placement	42.80	2,867,100	19.75	1,445,100	62.55	4,312,200
e. Crisis Services Teams	9.10	634,700	0.00	0	9.10	634,700
f. Nurse Consultants for SB 962 Homes	0.00	0	3.70	209,000	3.70	209,000
g. Total Personal Services	127.35	\$8,771,500	60.85	\$5,732,300	188.20	\$14,503,800

2. Operating Expenses

a. Operating Expenses		\$419,900		189,300		\$609,200
b. Rent		802,800		363,100		1,165,900
c. Training, Travel, Consultants		1,251,600		66,000		1,317,600
d. Nurse Consultants for SB 962 Homes		0		35,000		35,000
e. Total Operating Expenses		<u>\$2,474,300</u>		<u>\$653,400</u>		<u>\$3,127,700</u>

3. Subtotal

(rounded)		\$11,245,800		\$6,385,700		\$17,631,500
		\$11,246,000		\$6,386,000		\$17,632,000

**B. State Employees
in the Community****1. Clinical Staff**

a. Personal Services		\$0		\$1,534,000		\$1,534,000
b. Operating Expenses		0		169,000		169,000
c. Total Clinical Staff		<u>\$0</u>		<u>\$1,703,000</u>		<u>\$1,703,000</u>

**C. Consultant Services:
Technical Assistance
on Housing Issues**

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

		\$0		\$250,000		\$250,000
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**E. Total (A + B + C + D)
(rounded)**

		\$11,245,800		\$8,618,700		\$19,864,500
		\$11,246,000		\$8,619,000		\$19,865,000

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Current Year 2006-07

For the 2007-08 November Estimate, the regional centers have updated Agnews Unified and Other CPP for CY 2006-07. Regular CY 2006-07 CPP costs are assumed to be the same as in the 2006-07 May Revision .

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program: Group Placement	Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	CY 2006-07 Total POS
		Community Care Facilities	Adult Family Home Agencies	ICF Gap	Supported Living										
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,768,000	\$33,768,000
B. Assessment	172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$430,000	\$430,000
C. Placement	289	\$10,626,000	\$1,480,000	\$1,303,000	\$2,954,000	\$4,076,000	\$2,000	\$179,000	\$924,000	\$2,446,000	\$20,000	\$68,000	\$1,040,000	\$1,913,000	\$27,031,000
D. Deflection b/	152	\$8,563,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,563,000
E. 2007-08 NOV EST 2006-07 TOTAL c/		\$19,189,000	\$1,480,000	\$1,303,000	\$2,954,000	\$4,076,000	\$2,000	\$179,000	\$924,000	\$2,446,000	\$20,000	\$68,000	\$1,040,000	\$36,111,000	\$69,792,000
F. 2006-07 MAY REV 2006-07 TOTAL		\$19,897,000	\$1,368,000	\$1,129,000	\$2,954,000	\$4,110,000	\$2,000	\$179,000	\$937,000	\$1,935,000	\$1,000	\$71,000	\$590,000	\$37,077,000	\$70,250,000
G. DIFFERENCE		-\$708,000	\$112,000	\$174,000	\$0	-\$34,000	\$0	\$0	-\$13,000	\$511,000	\$19,000	-\$3,000	\$450,000	-\$966,000	-\$458,000

a/ Start-Up Cost: This is related to start-up funds needed for **153** new facilities/programs and **17** program expansions.

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

c/ The above start-up, assessment, placement and deflection amounts include **\$4,008,000** 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 2007-08

For the 2007-08 November Estimate, the regional centers have estimated Agnews Unified and Other CPP costs for BY 2007-08. Regular BY 2007-08 CPP costs are assumed to be the same as CY 2006-07 costs in the 2006-07 May Revision. All BY 2007-08 CPP costs will be updated in the 2007-08 May Revision based on the CPPs received from the regional centers in December 2006 (Regular CPP) and January 2007 (Unified CPP).

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program: Group Placement	Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	BY 2007-08 Total POS
		Community Care Facilities	Adult Family Home Agencies	ICF Gap	Supported Living										
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,848,000	\$39,848,000
B. Assessment	172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$430,000	\$430,000
C. Placement	321	\$23,481,000	\$3,185,000	\$718,000	\$3,006,000	\$5,277,000	\$2,000	\$179,000	\$1,222,000	\$1,618,000	\$1,000	\$68,000	\$2,328,000	\$3,538,000	\$44,623,000
D. Deflection b/	152	\$8,563,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,563,000
E. 2007-08 NOV EST 2007-08 TOTAL c/		\$32,044,000	\$3,185,000	\$718,000	\$3,006,000	\$5,277,000	\$2,000	\$179,000	\$1,222,000	\$1,618,000	\$1,000	\$68,000	\$2,328,000	\$43,816,000	\$93,464,000
F. 2006-07 MAY REV 2006-07 TOTAL		\$19,897,000	\$1,368,000	\$1,129,000	\$2,954,000	\$4,110,000	\$2,000	\$179,000	\$937,000	\$1,935,000	\$1,000	\$71,000	\$590,000	\$37,077,000	\$70,250,000
G. DIFFERENCE		\$12,147,000	\$1,817,000	-\$411,000	\$52,000	\$1,167,000	\$0	\$0	\$285,000	-\$317,000	\$0	-\$3,000	\$1,738,000	\$6,739,000	\$23,214,000

a/ Start-Up Cost: This is related to start-up funds needed for **145** new facilities/programs and **12** 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 **\$7,514,000** for State Employees in the Community (related to closure of Agnews Developmental Center).

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Current Year 2006-07

For the 2007-08 November Estimate, the regional centers have updated Agnews Unified and Agnews Other CPP costs for CY 2006-07. Regular CPP costs are assumed to be the same as in the 2006-07 May Revision.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program: Group Placement	Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	ICF Gap	Supported Living										
Regular CPP																	
• Community Care Facilities (CCF)																	
• Residential Facilities	41	23%	266	\$1,168,000				\$682,000			\$91,000	\$489,000	\$1,000	\$3,000	\$30,000	\$643,000	\$3,107,000
Avg Cost/Consumer Mo				\$4,391				\$2,564		\$342	\$1,838	\$4	\$11	\$113	\$2,417	\$11,680	
• Specialized Residential Facilities (SRF)	79	45%	989	\$6,251,000				\$1,465,000	\$84,000	\$347,000	\$619,000	\$49,000	\$314,000	\$443,000	\$9,572,000		
Avg Cost/Consumer Mo				\$6,321				\$1,481	\$85	\$351	\$626	\$50	\$317	\$448	\$9,679		
• Adult Family Home Agencies	1	1%	5	\$26,000	\$5,200			\$8,000		\$2,000	\$8,000		\$7,000	\$1,000	\$52,000		
Avg Cost/Consumer Mo				\$5,200	\$5,200			\$1,600		\$400	\$1,600		\$1,400	\$200	\$10,400		
• Intermediate Care Facilities (ICF)	25	14%	158			\$718,000		\$259,000		\$68,000	\$42,000	\$8,000	\$49,000	\$346,000	\$1,490,000		
Avg Cost/Consumer Mo						N/A		\$1,639		\$430	\$266	\$51	\$310	\$2,190	\$4,886		
• Supported Living	30	17%	225				\$2,954,000	\$424,000	\$2,000	\$95,000	\$105,000	\$144,000	\$8,000	\$124,000	\$69,000	\$3,925,000	
Avg Cost/Consumer Mo							\$13,129	\$1,884	\$9	\$422	\$467	\$640	\$36	\$551	\$307	\$17,445	
Subtotal	176	100%	1,643	\$7,419,000	\$26,000	\$718,000	\$2,954,000	\$2,838,000	\$2,000	\$179,000	\$613,000	\$1,302,000	\$1,000	\$68,000	\$524,000	\$1,502,000	\$18,146,000
Agnews Unified CPP																	
• CCF																	
• Residential Facilities	1	1%	10	\$42,000				\$18,000			\$4,000					\$64,000	
Avg Cost/Consumer Mo				\$4,200				\$1,800		\$400						\$6,400	
• SRF 3-Bed	3	3%	27	\$230,000				\$47,000		\$11,000						\$288,000	
Avg Cost/Consumer Mo				\$8,519				\$1,741		\$407						\$10,667	
• SRF 3-Bed - Hallmark GGRC	9	9%	30	\$593,000				\$80,000		\$18,000						\$691,000	
Avg Cost/Consumer Mo				\$19,767				\$2,667		\$600						\$23,034	
Transition Costs a/				\$16,000												\$16,000	
• SRF 3-Bed - Hallmark RCEB	3	3%	8	\$158,000				\$25,000		\$4,000						\$187,000	
Avg Cost/Consumer Mo				\$19,750				\$3,125		\$500						\$23,375	
Transition Costs a/				\$5,000												\$5,000	
• SRF 3-Bed - Hallmark SARC	2	2%	4	\$79,000				\$7,000		\$3,000						\$89,000	
Avg Cost/Consumer Mo				\$19,750				\$1,750		\$750						\$22,250	
Transition Costs a/				\$9,000												\$9,000	
• SRF 4-Bed - Hallmark RCEB	4	4%	14	\$276,000				\$44,000		\$8,000						\$328,000	
Avg Cost/Consumer Mo				\$19,714				\$3,143		\$571						\$23,428	
Transition Costs a/				\$8,000												\$8,000	
• SB 962 4-Bed Hallmark GGRC	2	2%	2	\$44,000				\$6,000		\$1,000						\$51,000	
Avg Cost/Consumer Mo				\$22,000				\$3,000		\$500						\$25,500	
Transition Costs a/				\$9,000												\$9,000	
• SB 962 5-Bed Hallmark RCEB	12	12%	26	\$499,000				\$82,000		\$14,000						\$595,000	
Avg Cost/Consumer Mo				\$19,192				\$3,154		\$538						\$22,884	
Transition Costs a/				\$34,000												\$34,000	
• SB 962 5-Bed Hallmark SARC	16	15%	35	\$670,000				\$84,000		\$23,000						\$777,000	
Avg Cost/Consumer Mo				\$19,143				\$2,400		\$657						\$22,200	
Transition Costs a/				\$54,000												\$54,000	
• Adult Family Home Agencies																	
• Adult Family Home	4	4%	38	\$213,000	\$5,605			\$67,000		\$25,000						\$305,000	
Avg Cost/Consumer Mo				\$5,605				\$1,763		\$658						\$8,026	
• Family Teaching Home (FTH)																	
Hallmark SARC	18	17%	86	\$966,000				\$149,000		\$56,000						\$1,171,000	
Avg Cost/Consumer Mo				\$11,233				\$1,733		\$651						\$13,617	
Transition Costs a/				\$275,000												\$275,000	
• ICF																	
Avg Cost/Consumer Mo	20	19%	156			\$585,000		\$355,000		\$74,000	\$94,000		\$96,000	\$156,000	\$1,360,000		
						N/A		\$2,276		\$474	\$603		\$615	\$1,000	\$4,968		
• Supported Living	5	5%	39					\$25,000		\$5,000	\$593,000		\$2,000	\$2,000	\$627,000		
Avg Cost/Consumer Mo								\$641		\$128	\$15,205		\$51	\$51	\$16,076		
• Other (Own Home, etc.)	4	4%	42					\$18,000		\$9,000	\$20,000	\$19,000	\$26,000	\$11,000	\$103,000		
Avg Cost/Consumer Mo								\$429		\$214	\$476	\$452	\$619	\$262	\$2,452		
• Additional Services & Supports b/											\$167,000			\$195,000	\$200,000	\$562,000	
Subtotal	103	100%	517	\$2,726,000	\$1,454,000	\$585,000	\$0	\$1,007,000	\$0	\$0	\$255,000	\$874,000	\$19,000	\$0	\$319,000	\$369,000	\$7,608,000
Agnews Other CPP																	
• CCF																	
• Residential Facilities	1	10%	5	\$21,000				\$24,000		\$2,000	\$10,000		\$38,000	\$1,000	\$96,000		
Avg Cost/Consumer Mo				\$4,200				\$4,800		\$400	\$2,000		\$7,600	\$200	\$19,200		
• SRF 3 bed	2	20%	13	\$118,000				\$46,000		\$6,000	\$73,000			\$12,000	\$255,000		
Avg Cost/Consumer Mo				\$9,077				\$3,538		\$462	\$5,615			\$923	\$19,615		
• SRF 4 bed	6	60%	34	\$342,000				\$128,000		\$37,000	\$102,000		\$120,000	\$26,000	\$755,000		
Avg Cost/Consumer Mo				\$10,059				\$3,765		\$1,088	\$3,000		\$3,529	\$765	\$22,206		
• Supported Living	1	10%	7					\$33,000		\$11,000	\$85,000		\$39,000	\$3,000	\$171,000		
Avg Cost/Consumer Mo								\$4,714		\$1,571	\$12,143		\$5,571	\$429	\$24,428		
Subtotal	10	100%	59	\$481,000	\$0	\$0	\$0	\$231,000	\$0	\$0	\$56,000	\$270,000	\$0	\$0	\$197,000	\$42,000	\$1,277,000
TOTAL	289	100%	2,219	\$10,626,000	\$1,480,000	\$1,303,000	\$2,954,000	\$4,076,000	\$2,000	\$179,000	\$924,000	\$2,446,000	\$20,000	\$68,000	\$1,040,000	\$1,913,000	\$27,031,000

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

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

For the 2007-08 November Estimate, the regional centers have estimated Agnews Unified and Other CPP costs for BY 2007-08. Regular BY 2007-08 CPP costs are assumed to be the same as in CY 2006-07 costs in the 2006-07 May Revision. All BY 2007-08 CPP costs will be updated in the 2007-08 May Revision based on the CPPs received from the regional centers in December 2006 (Regular CPP) and January 2007 (Unified CPP).

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program: Group Placement	Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	ICF GAP	Supported Living										
Regular CPP																	
• Community Care Facilities (CCF)																	
• Residential Facilities	41	23%	266	\$1,168,000				\$682,000			\$91,000	\$489,000	\$1,000	\$3,000	\$30,000	\$643,000	\$3,107,000
Avg Cost/Consumer Mo				\$4,391				\$2,564		\$342	\$1,838	\$4	\$11	\$113	\$2,417	\$11,680	
• Specialized Residential Facilities (SRF)	79	45%	989	\$6,251,000				\$1,465,000	\$84,000	\$347,000	\$619,000		\$49,000	\$314,000	\$443,000	\$9,572,000	
Avg Cost/Consumer Mo				\$6,321				\$1,481	\$85	\$351	\$626		\$50	\$317	\$448	\$9,679	
• Adult Family Home Agencies	1	1%	5		\$26,000			\$8,000		\$2,000	\$8,000			\$7,000	\$1,000	\$52,000	
Avg Cost/Consumer Mo					\$5,200			\$1,600		\$400	\$1,600			\$1,400	\$200	\$10,400	
• Intermediate Care Facilities (ICF)	25	14%	158			\$718,000		\$259,000		\$68,000	\$42,000		\$8,000	\$49,000	\$346,000	\$1,490,000	
Avg Cost/Consumer Mo						N/A		\$1,639		\$430	\$266		\$51	\$310	\$2,190	\$4,886	
• Supported Living	30	17%	225				\$2,954,000	\$424,000	\$2,000	\$105,000	\$144,000		\$8,000	\$124,000	\$69,000	\$971,000	
Avg Cost/Consumer Mo							\$13,129	\$1,884	\$9	\$467	\$640		\$36	\$551	\$307	\$17,445	
Subtotal	176	100%	1,643	\$7,419,000	\$26,000	\$718,000	\$2,954,000	\$2,838,000	\$2,000	\$179,000	\$613,000	\$1,302,000	\$1,000	\$68,000	\$524,000	\$1,502,000	\$18,146,000
Agnews Unified CPP																	
• CCF																	
• SRF 3-Bed - Hallmark GGRC	14	10%	68	\$1,343,000				\$194,000			\$41,000						\$1,578,000
Avg Cost/Consumer Mo				\$19,750				\$2,853		\$603							\$23,206
Transition Costs a/				\$211,000													\$211,000
• SRF 3-Bed - Hallmark RCEB	13	9%	45	\$890,000				\$142,000			\$25,000						\$1,057,000
Avg Cost/Consumer Mo				\$19,778				\$3,156		\$556							\$23,490
Transition Costs a/				\$217,000													\$217,000
• SRF 3-Bed - Hallmark SARC	3	2%	24	\$472,000				\$42,000			\$15,000						\$529,000
Avg Cost/Consumer Mo				\$19,667				\$1,750		\$625							\$22,042
Transition Costs a/				\$43,000													\$43,000
• SRF 4-Bed Hallmark RCEB	3	2%	18	\$354,000				\$57,000			\$10,000						\$421,000
Avg Cost/Consumer Mo				\$19,667				\$3,167		\$556							\$23,390
Transition Costs a/				\$56,000													\$56,000
• SB 962 4-Bed Hallmark GGRC	8	6%	69	\$1,505,000				\$207,000			\$41,000						\$1,753,000
Avg Cost/Consumer Mo				\$21,812				\$3,000		\$594							\$25,406
Transition Costs a/				\$131,000													\$131,000
• SB 962 5-Bed Hallmark SARC Cons	10	7%	57	\$1,097,000				\$137,000			\$37,000						\$1,271,000
Avg Cost/Consumer Mo				\$19,246				\$2,404		\$649							\$22,299
Transition Costs a/				\$100,000													\$100,000
• SB 962 5-Bed Hallmark SARC Refurb	41	30%	317	\$6,076,000				\$761,000			\$206,000						\$7,043,000
Avg Cost/Consumer Mo				\$19,167				\$2,401		\$650							\$22,218
Transition Costs a/				\$682,000													\$682,000
• SB 962 5-Bed Hallmark RCEB Refurb	13	10%	107	\$2,050,000				\$337,000			\$59,000						\$2,446,000
Avg Cost/Consumer Mo				\$19,159				\$3,150		\$551							\$22,860
Transition Costs a/				\$270,000													\$270,000
• ICF	3	2%	24				\$52,000	\$70,000			\$13,000	\$29,000		\$26,000	\$48,000		\$238,000
Avg Cost/Consumer Mo							\$2,167	\$2,917		\$542	\$1,208			\$1,083	\$2,000		\$9,917
• Supported Living	1	1%	12	\$203,000				\$33,000			\$7,000			\$12,000	\$2,000		\$257,000
Avg Cost/Consumer Mo				\$16,917				\$2,750		\$583				\$1,000	\$167		\$21,417
• Adult Family Home Agencies																	
• Adult Family Home	3	2%	18		\$101,000			\$31,000			\$12,000						\$144,000
Avg Cost/Consumer Mo					\$5,611			\$1,722		\$667							\$8,000
• Family Teaching Home (FTH)																	
• Hallmark GGRC	3	2%	18		\$232,000			\$48,000			\$11,000						\$291,000
Avg Cost/Consumer Mo					\$12,889			\$2,667		\$611							\$16,167
Transition Costs a/					\$216,000												\$216,000
• Family Teaching Home (FTH)																	
• Hallmark SARC	24	17%	152		\$1,707,000			\$263,000			\$99,000						\$2,069,000
Avg Cost/Consumer Mo					\$11,230			\$1,730		\$651							\$13,611
Transition Costs a/					\$903,000												\$903,000
• Additional Services & Supports b/											\$212,000			\$1,663,000	\$1,968,000		\$3,843,000
Subtotal	139	100%	929	\$15,700,000	\$3,159,000	\$0	\$52,000	\$2,322,000	\$0	\$0	\$576,000	\$241,000	\$0	\$0	\$1,701,000	\$2,018,000	\$25,769,000
Other Agnews																	
• Community Care Facilities (CCF)																	
• SRF 4-Bed	6	100%	34	\$362,000				\$117,000			\$33,000	\$75,000		\$103,000	\$18,000		\$708,000
Avg Cost/Consumer Mo				\$10,647				\$3,441		\$971	\$2,206		\$3,029	\$529			\$20,824
Subtotal	6	100%	34	\$362,000	\$0	\$0	\$0	\$117,000	\$0	\$0	\$33,000	\$75,000	\$0	\$0	\$103,000	\$18,000	\$708,000
TOTAL	321	100%	2,606	\$23,481,000	\$3,185,000	\$718,000	\$3,006,000	\$5,277,000	\$2,000	\$179,000	\$1,222,000	\$1,618,000	\$1,000	\$68,000	\$2,328,000	\$3,538,000	\$44,623,000

a/ Represents temporary lease payments needed until the home is fully occupied. Total cost for specific residence type = facility line item cost + transition cost.

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

General Fund

DESCRIPTION:

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

ASSUMPTIONS/METHODOLOGY:

CY 2006-07

BY 2007-08

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: \$905,790,000 \$916,735,000

This portion of General Fund is required to use as a match to reimbursements received from the Department of Health Services (DHS). 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%	755,479,000	764,689,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	2,149,000	2,152,000
<i>Medicaid Administration</i>	25.00%	25.00%	4,251,000	4,347,000
<i>Targeted Case Management (TCM)</i>	50.00%	50.00%	140,390,000	140,462,000
<i>TCM Administration</i>	50.00%	50.00%	3,521,000	3,521,000
<i>Self-Directed HCBS Waiver</i>	50.00%	50.00%	0	787,000
<i>Self-Directed HCBS Waiver Administration</i>	50.00%	50.00%	0	777,000

- General Fund Other: \$1,234,341,000 \$1,271,744,000

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

- Self-Directed Services (SDS) Risk Pool \$0 \$129,000

Funding for this item will be initially appropriated in the General Fund. Upon passage of the Budget Act of 2007, these funds will be transferred from the General Fund to the SDS Risk Pool Fund.

- **TOTAL EXPENDITURES** **\$2,140,131,000** **\$2,188,608,000**

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 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$2,140,131,000	\$2,188,608,000
General Fund	\$2,140,131,000	\$2,188,479,000
<i>General Fund Match</i>	905,790,000	916,735,000
<i>General Fund Other</i>	1,234,341,000	1,271,744,000
<i>SDS Risk Pool Fund</i>	0	129,000

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 mentally retarded.

KEY DATA/ASSUMPTIONS:

Data Source: Medicaid Waiver Summary Year-to-Date Billed Amounts by RC and Month of Service report, dated 10/10/06 (July 2005 - June 2006 data used).

The HCBS Waiver enrollment cap is 75,000 as of 10/1/06 and will be 80,000 as of 10/1/07.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
● Base:	\$1,318,864,000	\$1,495,333,000
● CY 2006-07		
Total estimated expenditures based on CY (July 2005 - June 2006) billing data	1,329,024,000	
Less Community Placement Plan One-Time Costs	-10,070,000	
Less Enhancing FFP for Additional Services One-Time Costs	-90,000	
● BY 2007-08		
Total Estimated prior year HCBS Waiver Expenditures		1,510,958,000
Less Community Placement Plan One-Time Costs		-15,505,000
Less 2006-07 Enhancing FFP for Additional Services One-Time Costs		-120,000
● Annual Growth (New RC Consumers)	\$29,495,000	\$32,700,000
● CY Annual Growth		
● 2006-07 Annual Growth	16,680,000	
Add 6 months of annual growth costs in CY for 2,780 consumers who will be new to the RC system and added to the HCBS Waiver in CY 2006-07 (2,780 x \$12,000 (annual cost/consumer) x .5 (6 months) = \$16,680,000).		
● 2005-06 Annual Growth Continuation	12,815,000	
Add 6 months of costs to annualize growth costs in CY for 2,330 consumers who will be new to the RC system and were added to the HCBS Waiver and phased-in during FY 2005-06 (2,330 x \$11,000 (annual cost/consumer) x .5 (6 months) = \$12,815,000).		
● BY Annual Growth		
● 2007-08 Annual Growth		16,020,000
Add 6 months of annual growth costs in BY for 2,670 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2007-08 (2,670 x \$12,000 (annual cost/consumer) x .5 (6 months) = \$16,020,000).		
● 2006-07 Annual Growth Continuation		16,680,000
Add 6 months of costs to annualize growth costs in BY for 2,780 consumers who were added to the HCBS Waiver and phased-in during CY 2006-07 (2,780 x \$12,000 (annual cost/consumer) x .5 (6 months) = \$16,680,000).		

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Increase of Waiver Cap - Growth 	\$24,265,000	\$6,682,000
<ul style="list-style-type: none"> ● CY 2006-07 <ul style="list-style-type: none"> ● 2006-07 Increase of Waiver Cap Growth <ul style="list-style-type: none"> On 10/1/06 the maximum number of consumers eligible to be on the HCBS Waiver increased to 75,000. <li style="margin-left: 20px;">1,458 Beginning 10/1/06, new consumers will be phased in each month <li style="margin-left: 20px;">x \$10,000 Cost per consumer per year <li style="margin-left: 20px;">----- <li style="margin-left: 20px;">\$14,580,000 Estimated HCBS Waiver-eligible annual costs <li style="margin-left: 20px;">54.17% Phase-in factor <li style="margin-left: 20px;">----- <li style="margin-left: 20px;">\$7,898,000 Total CY 2006-07 Waiver-eligible costs ● 2005-06 Increase of Waiver Cap Growth Continuation <ul style="list-style-type: none"> Annualize growth for 2,297 consumers added in FY 2005-06 <li style="margin-left: 20px;">2,297 Beginning 10/1/05, new consumers will be phased in each month <li style="margin-left: 20px;">x x \$9,000 Cost per consumer per year <li style="margin-left: 20px;">----- <li style="margin-left: 20px;">\$20,673,000 Estimated HCBS Waiver-eligible annual costs <li style="margin-left: 20px;">79.17% Phase-in factor to annualize PY costs <li style="margin-left: 20px;">----- <li style="margin-left: 20px;">\$16,367,000 Subtotal CY 2006-07 Waiver-eligible costs 	<ul style="list-style-type: none"> <li style="margin-left: 20px;">7,898,000 <li style="margin-left: 20px;">16,367,000 	
<ul style="list-style-type: none"> ● BY 2007-08 <ul style="list-style-type: none"> ● 2006-07 Increase of Waiver Cap Growth Continuation <ul style="list-style-type: none"> Annualize growth for 1,458 consumers added in CY 2006-07 <li style="margin-left: 20px;">1,458 Beginning 10/1/06, new consumers will be phased in each month <li style="margin-left: 20px;">x x \$10,000 Cost per consumer per year <li style="margin-left: 20px;">----- <li style="margin-left: 20px;">\$14,580,000 Estimated HCBS Waiver-eligible annual costs <li style="margin-left: 20px;">45.83% Phase-in factor to annualize CY costs <li style="margin-left: 20px;">----- <li style="margin-left: 20px;">\$6,682,000 Subtotal BY 2007-08 Waiver-eligible costs 		6,682,000
<ul style="list-style-type: none"> ● Community Placement Plan (CPP) <p>The annual cost for the total number of CPP placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category. The product was then multiplied by the weighted average of the percent of consumers assumed to be eligible for the HCBS Waiver in each living arrangement.</p>	\$15,505,000	\$26,676,000
<ul style="list-style-type: none"> ● <u>CY 2006-07</u> <ul style="list-style-type: none"> ● 240 of the total 289 CPP placements moving into the community are assumed to be eligible for and added to the HCBS Waiver: ● Total HCBS Waiver costs for these 240 consumers: 	<ul style="list-style-type: none"> <li style="margin-left: 20px;">15,505,000 	
<ul style="list-style-type: none"> ● <u>BY 2006-07</u> <ul style="list-style-type: none"> ● 268 of the total 293 CPP placements moving into the community are assumed to be eligible for and added to the HCBS Waiver: ● Total HCBS Waiver costs for these 268 consumers: 		26,676,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: 	\$22,301,000	\$29,686,000
<p>The annual estimated Placement/Deflection Continuation costs for the total number of placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category. The product was then multiplied by the weighted average of the percent of consumers assumed to be eligible for the HCBS Waiver in each living arrangement.</p>		
<u>CY 2006-07</u>		
<ul style="list-style-type: none"> ● 184 of the 228 total placements are placements in HCBS Waiver-eligible living arrangements and are assumed to receive 12 months of services in the year following their placement into the community (FY 2005-06). ● The total POS cost for these consumers (184) is estimated to be \$36,097,000. 92% or 170 consumers are assumed to be HCBS Waiver eligible. <ul style="list-style-type: none"> ● Total HCBS Waiver costs for 170 consumers: 22,301,000 		
<u>BY 2007-08</u>		
<ul style="list-style-type: none"> ● 240 of the 289 total placements are placements in HCBS Waiver-eligible living arrangements and are assumed to receive 12 months of services in the year following their placement into the community (FY 2006-07). ● The total POS cost for these consumers is estimated to be \$48,977,000. 92% or 221 consumers are assumed to be HCBS Waiver eligible. <ul style="list-style-type: none"> ● Total HCBS Waiver costs for 221 consumers: 29,686,000 		
<ul style="list-style-type: none"> ● SSI/SSP Increase/RC Savings 	-\$3,513,000	-\$2,595,000
<ul style="list-style-type: none"> ● HCBS Waiver Decrease due to Self-Directed HCBS Waiver <p style="padding-left: 20px;">It is assumed that 600 consumers will be phased into Self-Directed Services beginning 1/1/08. It is assumed that 24% or 144 of the 600 consumers will transfer from the HCBS Waiver to the new SDHCBS Waiver at a rate of 24 consumers per month. It is assumed that the average monthly HCBS waiver-billable costs for these consumers who will no longer be on the HCBS Waiver is \$1,043. The total BY 2007-08 costs for these consumers is \$526,000. Therefore, it is assumed that when these HCBS Waiver-eligible consumers transfer to the SDHCBS Waiver, there will be a reduction to the HCBS Waiver of \$526,000.</p>	N/A	-\$526,000
<ul style="list-style-type: none"> ● Increasing FFP for Services Added to the HCBS Waiver <p style="padding-left: 20px;">New residences may require modifications, such as ramps, grab bars and wider doors to make the residences safe and accessible. FFP is claimed for costs up to 180 days prior to a consumer transitioning from an institution to the community when he/she may become eligible for the HCBS Waiver.</p>	\$120,000	\$90,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> <p>• 3% Rate Increase for Providers</p> <p>A 3 percent cost-of-living increase will be provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 November Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	<p>\$44,943,000</p>	<p>\$2,098,000</p>
<ul style="list-style-type: none"> <p>• Provider Resources for Collection of FFP for Contracted Services</p> <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. These costs will be more than offset by the additional Home and Community-Based Services (HCBS) Waiver reimbursement.</p> 	<p>\$634,000</p>	<p>\$822,000</p>
<ul style="list-style-type: none"> <p>• Collection of FFP for Contracted Services</p> <p>The State receives fifty percent federal reimbursement for regional center expenditures which are Home and Community-Based Services (HCBS) Waiver-eligible services and are provided to qualifying consumers. Currently, however, the State is not collecting approximately \$18.5 million annually in federal funds Home and Community Based Services 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>\$27,736,000</p>	<p>\$9,244,000</p>
<ul style="list-style-type: none"> <p>• Legislative Augumentation: Increase Rates for Supported Employment Employment Programs</p> <p>The Legislature provided a total of \$15.9 million in CY 2006-07 for a rate increase to enhance wages for Supported Employment Programs that meet specified criteria. Current year costs remain in the base for BY 2007-08.</p> 	<p>\$4,407,000</p>	<p>\$263,000</p>

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Legislative Augmentation: Increase Wage Rates for Day and Work Activity Programs <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs and Look-Alike Day Programs that meet specified criteria. The Day Programs increase is estimated to be \$15,777,000, while the Look-Alike Day Programs increase is estimated to be \$3,323,000. Current year costs remain in the base for BY 2007-08.</p>	\$10,181,000	\$676,000
<ul style="list-style-type: none"> ● New Major Assumption: Minimum Wage Increases <p>Recently enacted AB 1835 (Chapter 230) will increase 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 \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, and Respite Programs. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Minimum Wage Increases Pages E-15.4 through E-15.7 for more detail.</p>	\$16,020,000	\$27,182,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$1,510,958,000	\$1,628,331,000
<ul style="list-style-type: none"> ● Federal Medical Assistance Percentage 	50.00%	50.00%
<ul style="list-style-type: none"> ● Total FFP 	\$755,479,000	\$814,166,000
<ul style="list-style-type: none"> ● General Fund Match 	\$755,479,000	\$764,689,000
<ul style="list-style-type: none"> ● Public Transportation Match 	N/A	\$49,476,000

FUNDING:

Home and Community-Based Services Waiver reimbursements fund a broad array of purchase of service costs for eligible individuals, as reflected in the POS methodologies, Pages E-4.1 through E-13.5, and as displayed on Pages E-18.6 and E-18.7. These home and community-based services are in all of the POS budget categories.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

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

	Estimated % of Costs Billable to HCBS Waiver	% of Actual 2005-06 Waiver Expenditures by Budget Category	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,510,958,000	\$1,628,331,000
<i>GF Match</i>			755,479,000	764,689,000
<i>PTA Match</i>			N/A	49,476,000
<i>FFP (from DHS)</i>			755,479,000	814,166,000
FMAP			50.00%	50.00%
SUBTOTAL: PURCHASE OF SERVICES			\$1,494,938,000	\$1,601,149,000
<i>GF Match</i>			747,469,000	751,098,000
<i>PTA Match</i>				49,476,000
<i>FFP (from DHS)</i>			747,469,000	800,575,000
Community Care Facilities	80%	35.76%	534,587,000	572,553,000
<i>GF Match</i>			267,293,000	286,276,000
<i>FFP</i>			267,294,000	286,277,000
Day Programs	53%	24.47%	365,812,000	391,808,000
<i>GF Match</i>			182,906,000	195,904,000
<i>FFP</i>			182,906,000	195,904,000
Work Activity Program	64%	3.03%	45,297,000	48,516,000
<i>GF Match</i>			22,648,000	24,258,000
<i>FFP</i>			22,649,000	24,258,000
Supported Employment Placement/Group	34%	1.22%	18,238,000	19,534,000
<i>GF Match</i>			9,119,000	9,767,000
<i>FFP</i>			9,119,000	9,767,000
Supported Employment Placement/Individual	27%	0.30%	4,485,000	4,803,000
<i>GF Match</i>			2,242,000	2,401,000
<i>FFP</i>			2,243,000	2,402,000
Transportation	45%	6.18%	92,387,000	98,953,000
<i>GF Match</i>			46,193,000	0
<i>PTA Match</i>			N/A	49,476,000
<i>FFP</i>			46,194,000	49,477,000
Support Services	68%	19.86%	296,896,000	317,994,000
<i>GF Match</i>			148,448,000	158,997,000
<i>FFP</i>			148,448,000	158,997,000
In-Home Respite	52%	5.52%	82,521,000	88,385,000
<i>GF Match</i>			41,261,000	44,193,000
<i>FFP</i>			41,260,000	44,192,000
Out-of-Home Respite	12%	0.38%	5,681,000	6,084,000
<i>GF Match</i>			2,841,000	3,042,000
<i>FFP</i>			2,840,000	3,042,000
Health Care	7%	0.34%	5,083,000	5,444,000
<i>GF Match</i>			2,542,000	2,722,000
<i>FFP</i>			2,541,000	2,722,000
Miscellaneous	20%	2.94%	43,951,000	47,075,000
<i>GF Match</i>			21,976,000	23,538,000
<i>FFP</i>			21,975,000	23,537,000

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

	Estimated % of Costs Billable to HCBS <u>Waiver</u>	<u>CY 2006-07</u>	<u>BY 2007-08</u>
NEW MAJOR ASSUMPTION: MINIMUM WAGE INCREASES		\$16,020,000	\$27,182,000
<i>GF Match</i>		8,010,000	13,591,000
<i>FFP (from DHS)</i>		8,010,000	13,591,000
Community Care Facilities	80%	7,886,000	13,084,000
<i>GF Match</i>		3,943,000	6,542,000
<i>FFP</i>		3,943,000	6,542,000
Day Programs	53%	5,828,000	10,084,000
<i>GF Match</i>		2,914,000	5,042,000
<i>FFP</i>		2,914,000	5,042,000
Work Activity Program	64%	636,000	1,066,000
<i>GF Match</i>		318,000	533,000
<i>FFP</i>		318,000	533,000
In-Home Respite	52%	1,666,000	2,946,000
<i>GF Match</i>		833,000	1,473,000
<i>FFP</i>		833,000	1,473,000
Out-of-Home Respite	12%	4,000	2,000
<i>GF Match</i>		2,000	1,000
<i>FFP</i>		2,000	1,000

Note: The above amounts include a \$1.2 million (\$.7 million General Fund) in 2006-07 and \$3.4 million (\$2 million General Fund) in 2007-08 for minimum wage increases for direct care staff who provide services in supported living. See pages E-15.4 to E-15.7 for more information.

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.

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY:

<ul style="list-style-type: none"> ● Training for DSP Staff 	\$2,866,000	\$2,866,000
<ul style="list-style-type: none"> ● 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. 		
<ul style="list-style-type: none"> ● Staffing for Collection of FFP for Contracted Services 	\$1,432,000	\$1,438,000
<ul style="list-style-type: none"> ● CY 2006-07 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,148,000. ● Assume 1/3 or 33% of the total community population is HCBS Waiver eligible. ● Assume 1/3 or 33% of the total costs would be FFP. ($\\$2,148,000 \times 33\% = \\$716,000$) ● Assume GF Match = FFP (\$716,000) ● Total HCBS Waiver Administration ($\\$716,000 + 716,000 = \\$1,432,000$) 		

Home and Community-Based Services Waiver Administration

ASSUMPTIONS/METHODOLGY continued

- **Staffing for Collection of FFP for Contracted Services (continued)**
 - **BY 2007-08**
 - Total cost of Staffing for Collection of FFP for Contracted Services is \$2,157,000.
 - Assume 1/3 or 33% of the total community population is HCBS Waiver eligible.
 - Assume 1/3 or 33% of the total costs would be FFP. (\$2,157,000 x 33% = \$719,000)
 - Assume GF Match = FFP (\$719,000)
 - Total HCBS Waiver Administration (\$719,000 + 719,000 = \$1,438,000)

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

The percentage of HCBS Waiver-eligible costs in the Training for DSP Staff estimate was updated based on the latest available data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL HCBS WAIVER ADMINISTRATION	\$4,298,000	\$4,304,000
<i>Federal Financial Participation</i>	<i>2,149,000</i>	<i>2,152,000</i>
<i>General Fund Match</i>	<i>2,149,000</i>	<i>2,152,000</i>

Medicaid Administration

DESCRIPTION:

Clinical Support Teams and SB 1038 Health Reviews

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

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

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

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

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

Agnews Closure

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

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

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

ASSUMPTIONS/METHODOLOGY:

- The cost of providing health reviews is provided to DDS by the regional centers each year.
- CY and BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2004-05 data collected from the regional centers (\$17,467,000).
 - 73% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 73% of costs are eligible for Medicaid Administration (MA) reimbursement ($\$17,467,000 \times .73 = \$12,751,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$12,751,000 \times .75 = \$9,563,000$).

Medicaid Administration

METHODOLOGY (continued)

- Staffing for Compliance with HCBS Waiver Requirements
 - CY 2006-07 and BY 2007-08
 - 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 2006-07
 - Total personal services and operating costs related to MA are estimated to be \$1,390,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$1,390,000 \times .95 = \$1,321,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,321,000 \times .75 = \$991,000$).
 - BY 2007-08
 - Total personal services and operating costs related to MA are estimated to be \$1,703,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$1,703,000 \times .95 = \$1,618,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,618,000 \times .75 = \$1,214,000$).
- Closure of Agnews Developmental Center, Placement Continuation
 - CY 2006-07
 - Nurse Consultants
 - Total personal services and operating costs related to MA are estimated to be \$152,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$152,000 \times .95 = \$144,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$144,000 \times .75 = \$108,000$).
 - 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 \$244,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$244,000 \times .95 = \$232,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$232,000 \times .75 = \$174,000$).
 - 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

FUNDING:

The Medicaid Administration (MA) reimbursement is 75% federal funds and 25% General Fund. These MA funds are reflected in the Operations Core Staffing estimate on pages E-1.1 to E-1.13 and the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4.

CHANGE FROM PRIOR ESTIMATE:

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

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 2006-07</u>	<u>BY 2007-08</u>
TOTAL MEDICAID ADMINISTRATION	\$17,004,000	\$17,389,000
<i>Federal Financial Participation</i>	<i>12,753,000</i>	<i>13,042,000</i>
<i>General Fund Match</i>	<i>4,251,000</i>	<i>4,347,000</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 137,000 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 2006-07 and BY 2007-08: Source data is from the TCM Regional Center Billed Units report dated 9/7/06: June 2005 - May 2006.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: TCM expenditures are based on actual TCM billable units for 12 months (June 2005 - May 2006) multiplied by the regional center TCM rates effective July 2006. 	\$270,905,000	\$270,905,000
<ul style="list-style-type: none"> ● Staffing for Compliance with Home and Community-Based Services (HCBS) Waiver Requirements See Operations, Federal Compliance, pages E-2.2 to E-2.4, for more information. <ul style="list-style-type: none"> ● CY 2005-06 and BY 2006-07 <ul style="list-style-type: none"> ● Total personal services and operating costs related to TCM are estimated to be \$6,600,000. ● 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. ● The FFP portion of total TCM-eligible costs is 50% (\$6,600,000 x .50 = \$3,300,000). 	\$6,600,000	\$6,600,000
<ul style="list-style-type: none"> ● Closure of Agnews Developmental Center See pages E-1.3 and E-16.1 to E-16.14 for more information. <ul style="list-style-type: none"> ● CY 2006-07 <ul style="list-style-type: none"> ● Placement Continuation: Client Program Coordinators (CPCs) 76,000 <ul style="list-style-type: none"> ● The total personal services and operating expenses for CPCs is \$79,500. ● Assume 95% of the total cost is eligible for TCM reimbursement (\$79,500 x .95 = \$76,000). ● The FFP portion of the total TCM eligible costs is 50% (\$76,000 x .50 = \$38,000). ● BY 2007-08 <ul style="list-style-type: none"> ● Placement Continuation: Client Program Coordinators 86,000 <ul style="list-style-type: none"> ● The total personal services and operating expenses for CPCs is \$91,000. ● Assume 95% of the total cost is eligible for TCM reimbursement (\$91,000 x .95 = \$86,000). ● The FFP portion of the total TCM eligible costs is 50% (\$86,000 x .50 = \$43,000). 	\$76,000	\$86,000

Targeted Case Management

METHODOLOGY (continued)

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> ● Legislative Augmentation for Increase in Case Managers to meet Federal Audit Requirements See pages E-2.2 and E-2.5 for more information. <ul style="list-style-type: none"> ● CY 2006-07 <ul style="list-style-type: none"> ● Total personal services and operating expenses related to TCM are estimated to be \$3,200,000. ● 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% (\$3,200,000 x .50 = \$1,600,000). ● BY 2007-08 <ul style="list-style-type: none"> ● Total personal services and operating expenses related to TCM are estimated to be \$3,334,000. ● 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. ● The FFP portion of total TCM-eligible costs is 50% (\$3,334,000 x .50 = \$1,667,000). 	\$3,200,000	\$3,334,000
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$280,781,000	\$280,925,000

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-1.12, (3) the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, and (4) the Increase in Case Managers to meet Federal Audit Requirements estimate on pages E-2.2 and E-2.5.

CY 2006-07 FFP = 50.00% of Total TCM Expenditures

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

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

TOTAL TARGETED CASE MANAGEMENT	\$280,781,000	\$280,925,000
<i>Federal Financial Participation</i>	140,391,000	140,463,000
<i>General Fund Match</i>	140,390,000	140,462,000

Targeted Case Management Administration

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services for specific client groups. There are approximately 137,000 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 \$3,521,000.
- Source of Data: DDS Fiscal Systems - CALSTARS reports

METHODOLOGY:

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

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
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	\$7,042,000	\$7,042,000
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FUNDING:

Funding for Targeted Case Management Administration is 50% FFP and 50% General Fund. TCM Administration funds are reflected in the Core Staffing estimate, under Operations, Pages E-1.1 to E-1.13.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL TCM ADMINISTRATION	\$7,042,000	\$7,042,000
<i>Federal Financial Participation</i>	3,521,000	3,521,000
<i>General Fund Match</i>	3,521,000	3,521,000

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 2006-07</u>	<u>BY 2007-08</u>
TOTAL TITLE XX BLOCK GRANT	\$203,903,000	\$203,903,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	55,493,000	55,493,000
<i>Habilitation Services</i>	13,474,000	13,474,000
<i>Transportation</i>	19,420,000	19,420,000
<i>Support Services</i>	23,472,000	23,472,000
<i>In-Home Respite</i>	14,968,000	14,968,000
<i>Out-of-Home Respite</i>	7,898,000	7,898,000
<i>Miscellaneous Services</i>	13,178,000	13,178,000
TANF	\$56,000,000	\$56,000,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	3,780,000	3,780,000
<i>Day Programs</i>	7,594,000	7,594,000
<i>Habilitation Services</i>	0	0
<i>Transportation</i>	991,000	991,000
<i>Support Services</i>	4,430,000	4,430,000
<i>In-Home Respite</i>	12,180,000	12,180,000
<i>Out-of-Home Respite</i>	11,491,000	11,491,000
<i>Health Care</i>	3,001,000	3,001,000
<i>Miscellaneous Services</i>	12,533,000	12,533,000

Self-Directed Home and Community Based Services Waiver

DESCRIPTION:

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

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

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

IMPLEMENTATION DATE:

The 2007-08 November Estimate assumes a January 1, 2008 implementation of the SDS program.

KEY DATA/ASSUMPTIONS:

Pending the outcome of the Administration's analysis, the following assumptions have been used to develop the estimated fiscal impact of program implementation:

- Implementation and enrollment of up to 9,380 consumers will be phased in over five years.
- For BY 2007-08, it is assumed enrollment of participants will begin January 1, 2008, and 600 consumers will receive SDS by the end of the first fiscal year.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,429. This is based on last quarter FY 2004-05 and first three quarters of FY 2005-06 data for 90,413 consumers. This includes all consumers identified as meeting eligibility requirements for the SDS Waiver. The cost estimate includes an adjustment for inflation to the BY 2007-08 level based on the Consumer Price Index.
- With self-directed services finite and individual budgets assumed to be 90% of historical aggregate expenditures, total costs for 600 consumers are estimated to be \$2,315,000 phased in over 6 months.
- Participants will receive an individual budget allocation that will result, in the aggregate, in a 10% cost reduction.
- 5% of the consumer's individual budget will be set aside for unanticipated needs.
- The remaining 5% will be a savings to the General Fund.

Self-Directed Home and Community Based Services Waiver

KEY DATA/ASSUMPTIONS (continued):

- 68% of the consumers participating in self-directed services will be eligible to be included in the SDHCBS Waiver; therefore, 68% of their costs will be 100% billable to the SDHCBS Waiver.
- 24% (144 consumers) of the 600 consumers assumed to receive SDS in BY 2007-08 will transfer to the SDHCBS Waiver from the Department's existing Home and Community-Based Services (HCBS) Waiver. 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.

METHODOLOGY:

BY 2007-08

● Total Self-Directed Services Expenditures	\$2,315,000
● % of SDHCBS Waiver-Eligible Consumers	68%
● % of Self-Directed Services billable to the SDHCBS Waiver	100%
● Total Costs Eligible for SDHCBS Waiver	\$1,574,000
● FMAP %	50%
● Total SDHCBS Waiver Reimbursements	\$787,000
● Total General Fund Match	\$787,000

FUNDING:

The Self-Directed HCBS 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 800 SDS enrollments beginning November 1, 2006 (assumed in the 2006-07 November Estimate) has been revised to 600 enrollments and delayed until January 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation is estimated to begin in BY 2007-08.

EXPENDITURES:

TOTAL	\$1,574,000
General Fund	\$787,000
<i>General Fund Match</i>	787,000
<i>General Fund Other</i>	0
Reimbursements	\$787,000
<i>Self-Directed Home and Community Based Services Waiver</i>	787,000

Self-Directed Home and Community Based Services Waiver Administration

DESCRIPTION:

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

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

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

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

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

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

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

IMPLEMENTATION DATE:

The 2007-08 November Estimate assumes a January 1, 2008 implementation of the SDS program.

Self-Directed Home and Community Based Services Waiver Administration

ASSUMPTIONS/METHODOLOGY:

CY 2006-07 BY 2007-08

- **Regional Center Operations Costs for SDHCBS Waiver Administration**
 - Staffing for SDHCBS Waiver Administration will be phased in over two years, beginning January 1, 2008.
BY 2007-08 personal services and operating costs are estimated to be \$1,554,000.

- **TOTAL SDHCBS WAIVER ADMINISTRATION-ELIGIBLE COSTS** \$0 \$1,554,000

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-1.14 to E-1.17.

CHANGE FROM PRIOR ESTIMATE:

Implementation of SDS has been delayed from November 1, 2006 (assumed in the 2006-07 November Estimate) to January 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation is estimated to begin in BY 2007-08.

EXPENDITURES:

SDHCBS WAIVER ADMINISTRATION	\$0	\$1,554,000
<i>Federal Financial Participation</i>	<i>0</i>	<i>777,000</i>
<i>General Fund Match</i>	<i>0</i>	<i>777,000</i>

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 2006-07 and BY 2007-08 is 1,118.

FUNDING:

VR/WAP is cost neutral to DDS.

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

This VR funding is reflected in the Purchase of Services Transportation estimate on Pages E-8.1 to E-8.3.

CHANGE FROM PRIOR ESTIMATE:

Reduced reimbursements are based on FY 2005-06 actual reimbursements from DOR.

REASON FOR YEAR-TO-YEAR CHANGE:

No change

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$410,000	\$410,000

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:

No change.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$1,732,000	\$1,732,000

Self-Directed Services Risk Pool Fund

DESCRIPTION:

The Self-Directed Services (SDS) Risk Pool Fund is an aggregate and cumulative account comprised of a portion of each SDS participant's yearly individual budget that is allocated for use in addressing consumer's unanticipated needs.

IMPLEMENTATION DATE:

Implementation of SDS has been linked to the roll out of the California Developmental Disabilities Information System (CADDIS) in the regional centers. The status of the CADDIS project is currently under review by the Administration. In the meantime, the 2007-08 November Estimate assumes a January 1, 2008 implementation of the SDS program.

ASSUMPTIONS:

- Funds attributable to any current year risk pool may be continued over to a succeeding year risk pool.
- The account is maintained and administered by the regional center.
- Funds in the account shall be used only for services and supports associated with the risk pool, and may be accessed more than once in a lifetime by a participant.
- SDS Risk Pool Fund amounts are assumed to be 50% of the General Fund (GF) savings generated by the SDS program.

METHODOLOGY:

Pending the outcome of CADDIS, the following assumptions have been used to develop the estimated fiscal impact of program implementation:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
• Estimated SDS cost of services (90% x \$2,572,000 = \$2,315,000)	\$0	\$2,315,000
• Estimated pre-SDS cost for 600 consumers (\$1,429 x 6 months x .5 (phase-in) x 600 consumers)		<u>\$2,572,000</u>
• Difference = 10% Savings		-\$257,000
• 5% Total GF Savings		-\$128,000
• 5% Available for Transfer to the SDS Risk Pool Fund		-\$129,000

FUNDING:

The purpose of the Self-Directed Services Risk Pool Fund is to provide funding for unanticipated needs of those consumers enrolled in the SDS program.

CHANGE FROM PRIOR ESTIMATE:

Implementation of SDS enrollments has been delayed from November 1, 2006 to January 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation is estimated to begin in BY 2007-08.

EXPENDITURES:

SDS Risk Pool Fund a/	\$0	-\$129,000
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a/ \$129,000 for the SDS Risk Pool Fund is currently reflected in the GF, page E-17.1. Upon passage of the Budget Act of 2007, this amount will be transferred from the GF to the SDS Risk Pool Fund.

Developmental Disabilities Services Account

DESCRIPTION:

In 2001, the State sold surplus land at Agnews Developmental Center. Approximately \$3 million from this sale was deposited in the Developmental Disabilities Services Account (DDSA). DDS appropriates funds from the DDSA to regional centers for fiscal review and site monitoring consulting services.

ASSUMPTIONS:

The CY 2006-07 DDSA budget is for Operations costs. The total amount is \$92,718 of which \$3,000 is Pro-Rata, and \$89,718 is reappropriation.

FUNDING:

These costs are reflected in the Affordable Housing estimate, under Operations, Page E-3.4.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

The remaining \$3,000 in the DDSA fund will be used in CY 2006-07 for the Pro Rata assessment.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$3,000	\$0

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 BY 2007-08 PTA will fund \$143,993,000 for transportation services.

FUNDING:

These costs are reflected in the Transportation estimate, under Purchase of Services, page E-8.2.

CHANGE FROM PRIOR ESTIMATE:

This is a new fund source in BY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
Public Transportation Account	N/A	\$143,993,000
<i>PTA Match for HCBS Waiver</i>	N/A	49,476,000
<i>PTA Other</i>	N/A	94,517,000

Early Start Part C Grant

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

CY 2006-07: Federal Office of Special Education Programs (OSEP) Grant letter, dated July 6, 2005.

BY 2007-08: Federal OSEP Grant letter, dated July 3, 2006.

CY 2006-07 BY 2007-08

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.

● Other Agencies	\$20,095,000	\$20,095,000
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
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 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Family Resource Centers: Funds pay for services that are provided by 34 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 	\$11,832,000	\$12,869,000
Early Start Part C Operations costs are estimated based on a funding methodology that provides the allocation necessary for regional centers to meet the additional federal Part C requirements. The funding methodology is the cost differential between funding case managers at a ratio of 1:62 (1 case manager for every 62 children) vs 1:45. The 1:45 ratio is a funding mechanism and NOT a caseload requirement. This cost differential includes staff in related positions (supervising counselors and secretaries). Reflected in the cost estimate is an increase in staffing ratio, effective 1/1/04, for supervising counselors from 1:8 to 1:10 and for secretaries from 1:4 to 1:6.		
<ul style="list-style-type: none"> ● RC Purchase of Services: 	\$19,856,000	\$19,075,000
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 year-to-date POS expenditures in FY 2005-06 by budget category.		
Day Programs	10,504,000	10,091,000
Transportation	278,000	267,000
Support Services	774,000	744,000
In-Home Respite	854,000	820,000
Out-of-Home Respite	238,000	229,000
Health Care	2,522,000	2,422,000
Miscellaneous Services	4,686,000	4,502,000
<ul style="list-style-type: none"> ● TOTAL DISBURSEMENTS 	\$51,783,000	\$52,039,000

Early Start Part C Grant

FUNDING:

The annual Part C Grant is independently determined by OSEP. It is 100% 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 2006-07 and BY 2007-08 appropriations were revised.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL Federal Funds	\$51,783,000	\$52,039,000
Grant	51,683,000	52,039,000
Rollover	100,000	0

Foster Grandparent Program Federal Funds

DESCRIPTION:

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

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
ASSUMPTIONS/METHODOLOGY:		
<ul style="list-style-type: none"> ● Foster Grandparent Program Grant 	\$456,000	\$456,000
<p style="margin-left: 40px;">The Foster Grandparent program grant is used as a fund source for specified operations costs in four regional centers: Valley Mountain, Tri-Counties, Kern and Central Valley.</p>		
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$456,000	\$456,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$456,000	\$456,000
General Fund	\$0	\$0
Reimbursements	\$0	\$0
Federal Funds	\$456,000	\$456,000
<i>Foster Grandparent Program</i>	456,000	456,000

Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2006-07

	2006-07 Adjusted Budget Authority CY 2006-07	2007-08 November Estimate CY 2006-07	2007-08 November Estimate Request
POPULATION			
Active (Age 3 & Older)	185,865	185,425	-440
Early Start (Birth through 2 Years)	26,360	26,730	370
Total Community Population	212,225	212,155	-70
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$412,124,000	\$412,124,000	\$0
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	19,797,000	19,230,000	-567,000
D. Placement Continuation for Agnews Closure	306,000	309,000	3,000
E. Unallocated Reduction	-10,559,000	-10,559,000	0
F. Cost Containment	-5,968,000	-5,968,000	0
G. Medicare Part D Prescription Drug Benefit	2,885,000	2,885,000	0
H. Staffing for Collection of FFP for Contracted Services	2,148,000	2,148,000	0
I. Staffing for Expansion of Autistic Spectrum Disorders (ASD) Initiative	1,771,000	1,771,000	0
J. Total Staffing	\$418,039,000	\$417,475,000	-\$564,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	1,483,000	1,831,000	348,000
C. Compliance with HCBS Waiver Requirements	9,200,000	9,200,000	0
D. Legislative Augmentation: Increase in Case Managers	3,200,000	3,200,000	0
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	623,000	623,000	0
G. Total Federal Compliance	\$39,770,000	\$40,118,000	\$348,000
III. PROJECTS			
A. Information Technology Costs:	\$5,084,000	\$5,084,000	\$0
1. Uniform Fiscal System Costs	2,091,000	2,091,000	0
2. Data Processing	2,993,000	2,993,000	0
3. CADDIS Maintenance and Support	0	0	0
B. Clients' Rights Advocacy Contract	4,694,000	4,694,000	0
C. Life Quality Assessment Contract	4,649,000	4,661,000	12,000
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Programs	1,149,000	1,149,000	0
H. Special Incident Reporting/Risk Assessment Contract	833,000	833,000	0
I. Expansion of Autistic Spectrum Disorders Initiative	780,000	780,000	0
J. Sherry S. Court Case / Los Angeles County Hops	534,000	534,000	0
K. Movers Evaluation Contract	600,000	600,000	0
L. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
M. University Enterprises, Inc. (formerly CSUS Foundation)	155,000	155,000	0
N. Affordable Housing	90,000	90,000	0
O. Cost Containment:	-490,000	-490,000	0
P. Capitol People First v. DDS	246,000	246,000	0
Q. ProRata	3,000	3,000	0
R. Total Projects	\$26,140,000	\$26,152,000	\$12,000
V. GRAND TOTAL	\$483,949,000	\$483,745,000	-\$204,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2007-08

	2007-08 Proposed Base Budget BY 2007-08	2007-08 November Estimate BY 2007-08	2007-08 November Estimate Request
POPULATION			
Active (Age 3 & Older)	185,865	191,975	6,110
Early Start (Birth through 2 Years)	26,360	28,625	2,265
Total Community Populator	212,225	220,600	8,375
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$412,124,000	\$428,954,000	\$16,830,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	19,797,000	19,865,000	68,000
D. Placement Continuation for Agnews Closure	306,000	423,000	117,000
E. Unallocated Reduction	-10,559,000	-10,559,000	0
F. Cost Containment	-5,968,000	-5,968,000	0
G. Staffing for Self-Directed HCBS Waiver	0	1,554,000	1,554,000
H. Medicare Part D Prescription Drug Benefit	2,885,000	0	-2,885,000
I. Staffing for Collection of FFP for Contracted Services	2,148,000	2,157,000	9,000
J. Staffing for Expansion of Autistic Spectrum Disorders (ASD) Initiative	1,771,000	3,543,000	1,772,000
K. Total Staffing	\$418,039,000	\$435,504,000	\$17,465,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollment:	1,483,000	1,153,000	-330,000
C. Compliance with HCBS Waiver Requirement:	9,200,000	9,200,000	0
D. Legislative Augmentation: Increase in Case Manager	3,200,000	3,334,000	134,000
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	623,000	623,000	0
G. Total Federal Compliance	\$39,770,000	\$39,574,000	-\$196,000
III. PROJECTS			
A. Information Technology Costs	\$5,084,000	\$5,084,000	\$0
1. Uniform Fiscal System Costs	2,091,000	2,091,000	0
2. Data Processing	2,993,000	2,993,000	0
3. CADDIS Maintenance and Support	0	0	0
B. Clients' Rights Advocacy Contract	4,694,000	5,121,000	427,000
C. Life Quality Assessment Contract	4,629,000	4,739,000	110,000
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Program	1,149,000	1,149,000	0
H. Special Incident Reporting/Risk Assessment Contract	833,000	833,000	0
I. Expansion of Autistic Spectrum Disorders Initiative	780,000	0	-780,000
J. Sherry S. Court Case / Los Angeles County Hop:	534,000	534,000	0
K. Movers Evaluation Contract	600,000	600,000	0
L. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
M. University Enterprises, Inc. (formerly CSUS Foundation)	155,000	155,000	0
N. Affordable Housing	90,000	90,000	0
O. Cost Containment	-490,000	-490,000	0
P. Capitol People First v. DDS	246,000	0	-246,000
Q. Self-Directed Services: Training and Development	0	200,000	200,000
R. ProRata	0	0	0
S. Total Projects	\$26,117,000	\$25,828,000	-\$289,000
IV. GRAND TOTAL	\$483,926,000	\$500,906,000	\$16,980,000

Purchase of Services

	CY 2006-07			BY 2007-08		
	2006-07 Adjusted Budget <u>Authority</u>	2007-08 November <u>Estimate</u>	<u>Difference</u>	2007-08 Proposed Base <u>Budget</u>	2007-08 November <u>Estimate</u>	<u>Difference</u>
A. Base	\$2,361,688,000	\$2,395,735,000	\$34,047,000	\$2,361,688,000	\$2,725,205,000	\$363,517,000
B. Updated Population, Utilization and Expenditure Data	132,470,000	147,188,000	14,718,000	132,471,000	153,234,000	20,763,000
C. Community Placement Plan (CPP)	70,250,000	69,792,000	-458,000	70,250,000	93,464,000	23,214,000
D. Placement/Deflection Continuation	51,689,000	51,689,000	0	51,689,000	57,672,000	5,983,000
E. Medical Facility Gap for Resource Development	3,714,000	3,721,000	7,000	3,714,000	3,721,000	7,000
F. Medicare Part D Rx Benefit	4,765,000	4,765,000	0	4,765,000	4,765,000	0
G. 3% Provider Rate Increase	68,383,000	70,146,000	1,763,000	68,383,000	3,450,000	-64,933,000
H. Medi-Cal Dental Cap for Adults	191,000	130,000	-61,000	191,000	10,000	-181,000
I. Provider Resources for FFP Contracted Services	1,317,000	1,317,000	0	1,317,000	509,000	-808,000
J. Self-Directed Services	0	0	0	0	-128,000	-128,000
K. 2006-07 Legislative Augmentations	38,038,000	38,038,000	0	38,038,000	2,102,000	-35,936,000
1. Day Program Wage & Rate Increase	15,777,000	15,777,000	0	15,777,000	820,000	-14,957,000
2. Look-Alike Day Program Wage & Rate Increase	3,323,000	3,323,000	0	3,323,000	473,000	-2,850,000
3. SEP Rate Increase	15,938,000	15,938,000	0	15,938,000	809,000	-15,129,000
4. One-Time Targeted Startup	3,000,000	3,000,000	0	3,000,000	0	-3,000,000
L. Transfer to Developmental Centers	-369,000	In POS Above	369,000	0	N/A	0
M. New Major Assumptions:						
1. Minimum Wage Increases	26,350,000	26,350,000	0	71,394,000	45,044,000 (26,350,000 In Base Above)	-26,350,000 (26,350,000 In Base Above)
2. Increase ICF-DD Bundled Rate	N/A	N/A	0	N/A	-44,000,000	-44,000,000
N. TOTAL	\$2,758,486,000	\$2,808,871,000	\$50,385,000	\$2,803,900,000	\$3,045,048,000	\$241,148,000

Purchase of Services
Summary of Utilization Change/Growth and Average Cost Increase

CY 2006-07

	2006-07 Adjusted Budget Authority	2007-08 November Estimate CY 2006-07	Difference		
UTILIZATION CHANGE/GROWTH					
A. Community Care Facilities	\$12,408,000	\$4,782,000	-\$7,626,000		
B. Medical Facilities	437,000	453,000	16,000		
C. Day Programs	24,178,000	30,206,000	6,028,000		
D. Habilitation Services	1,397,000	2,394,000	997,000		
1. Work Activity Program	743,000	981,000	238,000		
2. Supported Employment (SE) Group	43,000	604,000	561,000		
3. SE Individual Placements	611,000	809,000	198,000		
E. Transportation	12,387,000	8,887,000	-3,500,000		
F. Support Services	38,617,000	50,957,000	12,340,000		
G. In-Home Respite	2,283,000	7,882,000	5,599,000		
H. Out-of-Home Respite	3,151,000	2,225,000	-926,000		
I. Health Care	5,116,000	5,107,000	-9,000		
J. Miscellaneous	31,895,000	34,573,000	2,678,000		
K. TOTAL	\$131,869,000	\$147,466,000	\$15,597,000		
AVERAGE COST INCREASE					
	%	Cost	%	Cost	Difference
L. Community Care Facilities	0.8%	\$7,855,000	2.1%	\$12,423,000	\$4,568,000
Average Cost Increase		7,855,000		12,423,000	4,568,000
Service Level Freeze		<i>In trends</i>		<i>In trends</i>	<i>In trends</i>
M. Day Programs	0.8%	\$3,787,000	0.0%	\$0	-\$3,787,000
Average Cost Increase		3,787,000		0	-3,787,000
Freeze Average Cost Increase		<i>In trends</i>		<i>In trends</i>	<i>In trends</i>
N. TOTAL (Items L + M)	N/A	\$11,642,000	N/A	\$12,423,000	\$781,000
TOTAL UTILIZATION CHANGE/ GROWTH, INCLUDING AVERAGE COST INCREASE					
O. Total Utilization Change/ Growth (Item K)		\$131,869,000		\$147,466,000	\$15,597,000
P. Total Average Cost Increase (Item N)		11,642,000		12,423,000	781,000
Q. GRAND TOTAL (Items O + P)		\$143,511,000		\$159,889,000	\$16,378,000

**Purchase of Services
Summary of Utilization Change/Growth and Average Cost Increase**

BY 2007-08

	2007-08 Proposed Base Budget	2007-08 November Estimate BY 2007-08	Difference		
UTILIZATION CHANGE/GROWTH					
A. Community Care Facilities	\$12,408,000	\$6,947,000	-\$5,461,000		
B. Medical Facilities	437,000	453,000	16,000		
C. Day Programs	24,178,000	31,582,000	7,404,000		
D. Habilitation Services	1,397,000	1,155,000	-242,000		
1. Work Activity Program	743,000	114,000	-629,000		
2. Supported Employment (SE) Group	43,000	256,000	213,000		
3. SE Individual Placements	611,000	785,000	174,000		
E. Transportation	12,387,000	8,384,000	-4,003,000		
F. Support Services	38,617,000	53,061,000	14,444,000		
G. In-Home Respite	2,283,000	6,777,000	4,494,000		
H. Out-of-Home Respite	3,151,000	618,000	-2,533,000		
I. Health Care	5,116,000	5,006,000	-110,000		
J. Miscellaneous	31,895,000	34,540,000	2,645,000		
K. TOTAL	\$131,869,000	\$148,523,000	\$16,654,000		
AVERAGE COST INCREASE					
	%	Cost	%	Cost	Difference
L. Community Care Facilities	0.8%	\$7,855,000	2.1%	\$13,300,000	\$5,445,000
Average Cost Increase		7,855,000		13,300,000	5,445,000
Service Level Freeze		<i>In trends</i>		<i>In trends</i>	<i>In trends</i>
M. Day Programs	0.8%	\$3,787,000	0.0%	\$0	-\$3,787,000
Average Cost Increase		3,787,000		0	-3,787,000
Freeze Average Cost Increase		<i>In trends</i>		<i>In trends</i>	<i>In trends</i>
N. TOTAL (Items L + M)	N/A	\$11,642,000	N/A	\$13,300,000	\$1,658,000
TOTAL UTILIZATION CHANGE/ GROWTH, INCLUDING AVERAGE COST INCREASE					
O. Total Utilization Change/ Growth (Item K)		\$131,869,000		\$148,523,000	\$16,654,000
P. Total Average Cost Increase (Item N)		11,642,000		13,300,000	1,658,000
Q. GRAND TOTAL (Items O + P)		\$143,511,000		\$161,823,000	\$18,312,000

**Purchase of Services
Summary of Utilization Change/Growth and Average Cost Increase**

CY 2006-07 and BY 2007-08

	2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08	Difference		
UTILIZATION CHANGE/GROWTH					
A. Community Care Facilities	\$4,782,000	\$6,947,000	\$2,165,000		
B. Medical Facilities	453,000	453,000	0		
C. Day Programs	30,206,000	31,582,000	1,376,000		
D. Habilitation Services	2,394,000	1,155,000	-1,239,000		
1. Work Activity Program	981,000	114,000	-867,000		
2. Supported Employment (SE) Group	604,000	256,000	-348,000		
3. SE Individual Placements	809,000	785,000	-24,000		
E. Transportation	8,887,000	8,384,000	-503,000		
F. Support Services	50,957,000	53,061,000	2,104,000		
G. In-Home Respite	7,882,000	6,777,000	-1,105,000		
H. Out-of-Home Respite	2,225,000	618,000	-1,607,000		
I. Health Care	5,107,000	5,006,000	-101,000		
J. Miscellaneous	34,573,000	34,540,000	-33,000		
K. TOTAL	\$147,466,000	\$148,523,000	\$1,057,000		
AVERAGE COST INCREASE					
	%	Cost	%	Cost	Difference
L. Community Care Facilities	2.1%	\$12,423,000	2.1%	\$13,300,000	\$877,000
Average Cost Increase		12,423,000		13,300,000	877,000
Service Level Freeze		<i>In trends</i>		<i>In trends</i>	<i>In trends</i>
M. Day Programs	0.0%	\$0	0.0%	\$0	\$0
Average Cost Increase		0		0	0
Freeze Average Cost Increase		<i>In trends</i>		<i>In trends</i>	<i>In trends</i>
N. TOTAL (Items L + M)	N/A	\$12,423,000	N/A	\$13,300,000	\$877,000
TOTAL UTILIZATION CHANGE/ GROWTH, INCLUDING AVERAGE COST INCREASE					
O. Total Utilization Change/ Growth (Item K)		\$147,466,000		\$148,523,000	\$1,057,000
P. Total Average Cost Increase (Item N)		12,423,000		13,300,000	877,000
Q. GRAND TOTAL (Items O + P)		\$159,889,000		\$161,823,000	\$1,934,000

Purchase of Services
Placement and Deflection Continuation
Current Year 2006-07

For the 2007-08 November Estimate, CY 2006-07 Placement & Deflection Continuation (PDC) costs have not yet been updated and are, therefore, assumed to be the same as the 2006-07 May Revision. CY 2006-07 PDC costs will be updated in the 2007-08 May Revision.

Living Arrangement	# of Consumers	% of Total	Consumer Months (Full Year)	Living Arrangement				Day Programs	Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	ICF Gap	Supported Living								
A. REGULAR CPP															
• CCF															
• Residential Facilities	39	24%	468	\$2,184,000				\$1,316,000	\$183,000	\$801,000			\$333,000	\$26,000	\$4,843,000
Avg Annual Cost/Consumer Mo				\$4,667				\$2,812	\$391	\$1,712			\$712	\$56	\$10,348
• Specialized Residential Facilities	83	49%	996	\$10,568,000				\$2,043,000	\$377,000	\$1,528,000		\$25,000	\$963,000		\$15,504,000
Avg Annual Cost/Consumer Mo				\$10,610				\$2,051	\$379	\$1,534		\$25	\$967		\$15,566
• ICF	22	14%	264			\$389,000		\$587,000	\$172,000	\$1,425,000			\$550,000		\$3,123,000
Avg Annual Cost/Consumer Mo						N/A		\$2,223	\$652	\$5,398			\$2,083		\$11,830
• Supported Living	18	11%	216				\$2,988,000	\$630,000	\$102,000	\$1,042,000			\$310,000	\$111,000	\$5,183,000
Avg Annual Cost/Consumer Mo							\$13,833	\$2,917	\$472	\$4,824			\$1,435	\$514	\$23,995
• Other (Own Home, etc.)	3	2%	36					\$14,000	\$3,000	\$11,000			\$36,000		\$64,000
Avg Annual Cost/Consumer Mo								\$389	\$83	\$306			\$1,000		\$1,778
Subtotal	165	100%	1,980	\$12,752,000	\$0	\$389,000	\$2,988,000	\$4,590,000	\$837,000	\$4,807,000	\$0	\$25,000	\$2,192,000	\$137,000	\$28,717,000
B. AGNEWS UNIFIED CPP															
• CCF															
• Residential Facilities	3	6%	36	\$149,000				\$64,000	\$14,000						\$227,000
Avg Annual Cost/Consumer Mo				\$4,139				\$1,778	\$389						\$6,306
• SRF 3-Bed	20	35%	240	\$2,234,000				\$468,000	\$102,000	\$1,000		\$18,000	\$12,000	\$1,000	\$2,836,000
Avg Annual Cost/Consumer Mo				\$9,308				\$1,950	\$425	\$4		\$75	\$600	\$50	\$11,817
• Adult Family Home Agencies															
• Adult Family Homes	1	2%	12		\$72,000			\$20,000	\$8,000						\$100,000
Avg Annual Cost/Consumer Mo					\$6,000			\$1,667	\$667						\$8,333
• Family Teaching Homes (FTH) - Hallmark	10	18%	120		\$1,149,000			\$208,000	\$78,000						\$1,435,000
Avg Annual Cost/Consumer Mo					\$9,575			\$1,733	\$650						\$11,958
• ICF	17	30%	204			\$559,000		\$366,000	\$99,000	\$289,000		\$8,000	\$10,000	\$36,000	\$1,367,000
Avg Annual Cost/Consumer Mo						N/A		\$1,794	\$485	\$1,417		\$39	\$49	\$176	\$6,701
• Supported Living	5	9%	60				\$821,000	\$36,000	\$10,000				\$2,000	\$134,000	\$1,003,000
Avg Annual Cost/Consumer Mo							\$13,683	\$600	\$167				\$33	\$2,233	\$16,717
• Other (Own Home, etc.)	1	2%	12												\$0
Avg Annual Cost/Consumer Mo															\$0
Subtotal	57	100%	684	\$2,383,000	\$1,221,000	\$559,000	\$821,000	\$1,162,000	\$311,000	\$290,000	\$0	\$26,000	\$24,000	\$171,000	\$6,968,000
C. AGNEWS OTHER CPP															
• CCF															
• Residential Facilities	3	50%	36	\$207,000				\$247,000	\$42,000	\$203,000			\$135,000		\$834,000
Avg Annual Cost/Consumer Mo				\$5,750				\$6,861	\$1,167	\$5,639			\$3,750		\$23,167
• Specialized Residential Facilities	2	33%	24	\$200,000				\$44,000	\$6,000	\$159,000			\$3,000		\$412,000
Avg Annual Cost/Consumer Mo				\$8,333				\$1,833	\$250	\$6,625			\$125		\$17,167
• ICF	1	17%	12					\$37,000	\$11,000	\$30,000	\$18,000	\$18,000			\$114,000
Avg Annual Cost/Consumer Mo								\$3,083	\$917	\$2,500	\$1,500	\$1,500			\$9,500
Subtotal	6	100%	72	\$407,000	\$0	\$0	\$0	\$328,000	\$59,000	\$392,000	\$18,000	\$18,000	\$138,000	\$0	\$1,360,000
D. TOTAL PLACEMENT CONTINUATION (A. + B. + C.)															
	228	100%	2,736	\$15,542,000	\$1,221,000	\$948,000	\$3,809,000	\$6,080,000	\$1,207,000	\$5,489,000	\$18,000	\$69,000	\$2,354,000	\$308,000	\$37,045,000
E. DEFLECTION CONTINUATION															
	62	100%	744	\$12,152,000	\$0	\$1,474,000	\$1,018,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,644,000
F. TOTAL CONTINUATION (D. + E.)															
	290	100%	3,480	\$27,694,000	\$1,221,000	\$2,422,000	\$4,827,000	\$6,080,000	\$1,207,000	\$5,489,000	\$18,000	\$69,000	\$2,354,000	\$308,000	\$51,689,000

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

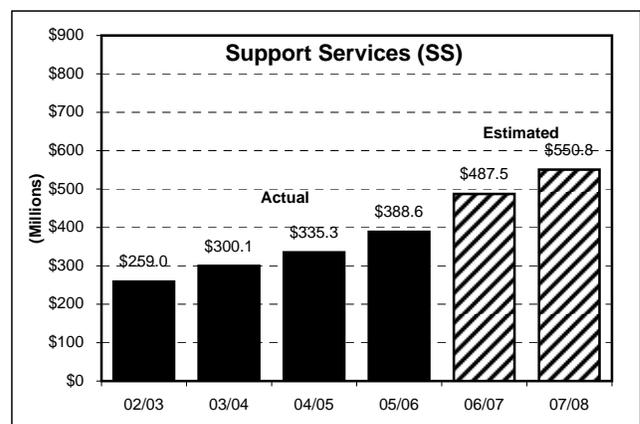
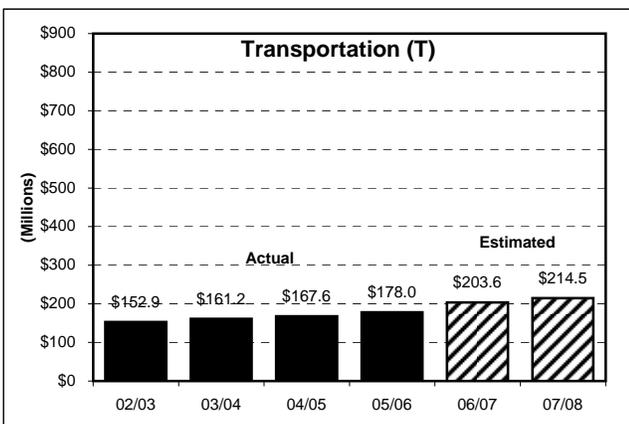
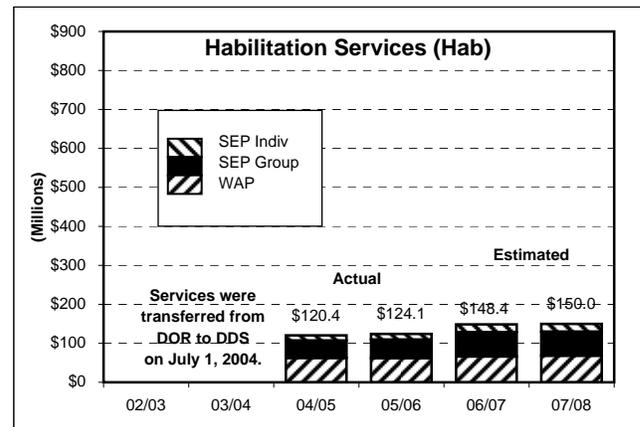
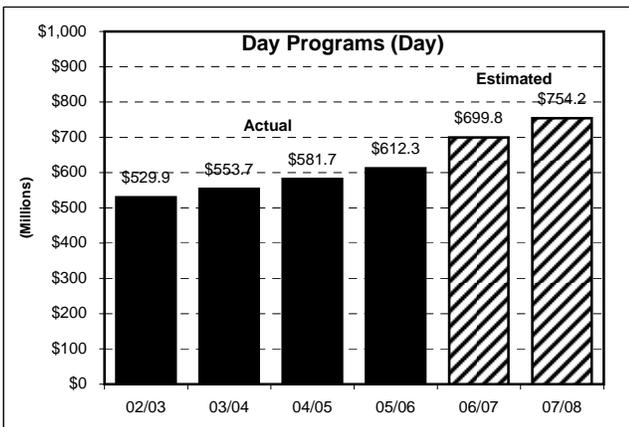
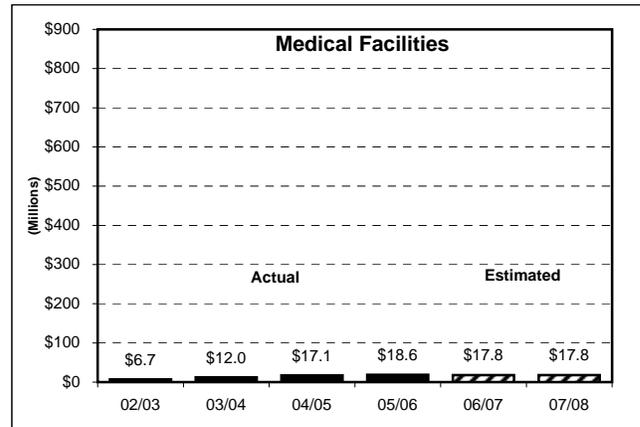
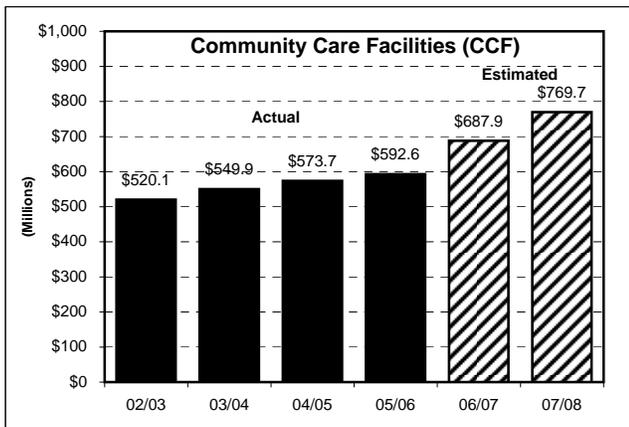
For the 2007-08 November Estimate, Agnews Unified and Agnews other Placement and Deflection Continuation (PDC) costs have been projected based on updated estimated CY 2006-07 Community Placement Plan placements. Regular PDC costs are assumed to be the same as the 2006-07 May Revision. All BY 2007-08 CPP and PDC costs will be updated in the 2007-08 May Revision based on the CPPs received from the regional centers in December 2006 (Regular CPP) and January 2007 (Unified CPP).

Living Arrangement	# of Consumers	% of Total	Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program: Group Placement	Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	ICF Gap	Supported Living										
A. REGULAR CPP																	
• Community Care Facility (CCF) • Residential Facilities Avg Annual Cost/Consumer	41	23%	492	\$2,160,000 \$52,683				\$1,261,000 \$30,756			\$168,000 \$4,098	\$904,000 \$22,049	\$2,000 \$49	\$5,000 \$122	\$56,000 \$1,366	\$1,189,000 \$29,000	\$5,745,000 \$140,123
• Specialized Residential Facilities(SRF) Avg Annual Cost/Consumer	79	45%	948	\$5,992,000 \$75,848				\$1,404,000 \$17,772		\$81,000 \$1,025	\$333,000 \$4,215	\$593,000 \$7,506		\$47,000 \$595	\$301,000 \$3,810	\$425,000 \$5,380	\$9,176,000 \$116,151
• Adult Family Home Agencies (AFH) Avg Annual Cost/Consumer	1	1%	12		\$62,000 \$62,000			\$19,000 \$19,000			\$5,000 \$5,000	\$19,000 \$19,000			\$17,000 \$17,000	\$2,000 \$2,000	\$124,000 \$124,000
• Intermediate Care Facilities (ICF) Avg Annual Cost/Consumer	25	14%	300			\$0 N/A		\$492,000 \$19,680			\$129,000 \$5,160	\$80,000 \$3,200		\$15,000 \$600	\$93,000 \$3,720	\$657,000 \$26,280	\$1,466,000 \$58,640
• Supported Living Avg Annual Cost/Consumer	30	17%	360				\$4,726,000 \$157,533	\$678,000 \$22,600	\$3,000 \$100	\$152,000 \$5,067	\$168,000 \$5,600	\$230,000 \$7,667		\$13,000 \$433	\$198,000 \$6,600	\$111,000 \$3,700	\$6,279,000 \$209,300
Subtotal	176	100%	2,112	\$8,152,000	\$62,000	\$0	\$4,726,000	\$3,854,000	\$3,000	\$233,000	\$803,000	\$1,826,000	\$2,000	\$80,000	\$665,000	\$2,384,000	\$22,790,000
B. AGNEWS UNIFIED CPP																	
• CCF • Residential Facilities Avg Annual Cost/Consumer	1	1%	12	\$51,000 \$51,000				\$21,000 \$21,000			\$5,000 \$5,000						\$77,000 \$77,000
• SRF 3-Bed Avg Annual Cost/Consumer	3	3%	36	\$306,000 \$102,000				\$63,000 \$21,000			\$14,000 \$4,667						\$383,000 \$127,667
• SRF 3-Bed - Hallmark Avg Annual Cost/Consumer	14	14%	168	\$3,454,000 \$246,714				\$442,000 \$31,571			\$100,000 \$7,143	\$490,000 \$35,000			\$36,000 \$2,571	\$58,000 \$4,143	\$4,580,000 \$327,142
• SRF 4-Bed - Hallmark Avg Annual Cost/Consumer	4	4%	48	\$969,000 \$242,250				\$151,000 \$37,750			\$27,000 \$6,750	\$101,000 \$25,250			\$19,000 \$4,750	\$14,000 \$3,500	\$1,281,000 \$320,250
• SB 962 Homes 4-Bed - Hallmark Avg Annual Cost/Consumer	2	2%	24	\$636,000 \$318,000				\$72,000 \$36,000			\$15,000 \$7,500	\$96,000 \$48,000			\$7,000 \$3,500	\$2,000 \$1,000	\$828,000 \$414,000
• SB 962 Homes 5-Bed - Hallmark Avg Annual Cost/Consumer	28	27%	336	\$7,176,000 \$256,286				\$914,000 \$32,643			\$204,000 \$7,286	\$19,000 \$679			\$960,000 \$34,286	\$1,001,000 \$35,750	\$10,274,000 \$366,930
• Adult Family Home Agencies • Adult Family Homes Avg Annual Cost/Consumer	4	4%	48		\$269,000 \$67,250			\$84,000 \$21,000			\$31,000 \$7,750						\$384,000 \$96,000
• Family Teaching Homes (FTH) - Hallmark Avg Annual Cost/Consumer	18	17%	216		\$3,235,000 \$179,722			\$375,000 \$20,833			\$140,000 \$7,778						\$3,750,000 \$208,333
• ICF Avg Annual Cost/Consumer	20	19%	240			\$132,000 N/A		\$531,000 \$26,550			\$112,000 \$5,600	\$130,000 \$6,500			\$132,000 \$6,600	\$216,000 \$10,800	\$1,253,000 \$56,050
• Supported Living Avg Annual Cost/Consumer	5	5%	60					\$33,000 \$6,600			\$7,000 \$1,400	\$877,000 \$175,400			\$2,000 \$400	\$3,000 \$600	\$922,000 \$184,400
• Other (Own Home, etc.) Avg Annual Cost/Consumer	4	4%	48					\$20,000 \$5,000			\$11,000 \$2,750	\$23,000 \$5,750	\$19,000 \$4,750		\$26,000 \$6,500	\$13,000 \$3,250	\$112,000 \$28,000
• Additional Services & Supports a/																	\$0
Subtotal	103	100%	1,236	\$12,592,000	\$3,504,000	\$132,000	\$0	\$2,706,000	\$0	\$0	\$666,000	\$1,736,000	\$19,000	\$0	\$1,182,000	\$1,307,000	\$23,844,000
C. AGNEWS OTHER CPP																	
• CCF • Residential Facilities Avg Annual Cost/Consumer	1	10%	12	\$49,000 \$49,000				\$57,000 \$57,000			\$6,000 \$6,000	\$25,000 \$25,000			\$91,000 \$91,000	\$2,000 \$2,000	\$230,000 \$230,000
• SRF 3-Bed Avg Annual Cost/Consumer	2	20%	24	\$217,000 \$108,500				\$86,000 \$43,000			\$12,000 \$6,000	\$134,000 \$67,000			\$31,000 \$15,500		\$480,000 \$240,000
• SRF 4-Bed Avg Annual Cost/Consumer	6	60%	72	\$771,000 \$128,500				\$241,000 \$40,167			\$68,000 \$11,333	\$151,000 \$25,167			\$206,000 \$34,333	\$36,000 \$6,000	\$1,473,000 \$245,500
• Supported Living Avg Annual Cost/Consumer	1	10%	12					\$57,000 \$57,000			\$18,000 \$18,000	\$146,000 \$146,000			\$66,000 \$66,000	\$5,000 \$5,000	\$292,000 \$292,000
Subtotal	10	100%	120	\$1,037,000	\$0	\$0	\$0	\$441,000	\$0	\$0	\$104,000	\$456,000	\$0	\$0	\$363,000	\$74,000	\$2,475,000
D. TOTAL PLACEMENT CONTINUATION (A. + B. + C.)	289	100%	3,468	\$21,781,000	\$3,566,000	\$132,000	\$4,726,000	\$7,001,000	\$3,000	\$233,000	\$1,573,000	\$4,018,000	\$21,000	\$80,000	\$2,210,000	\$3,765,000	\$49,109,000
E. DEFLECTION CONTINUATION	152	100%	1,824	\$8,563,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,563,000
F. TOTAL CONTINUATION (D. + E.)	441	100%	6,528	\$30,344,000	\$3,566,000	\$132,000	\$4,726,000	\$7,001,000	\$3,000	\$233,000	\$1,573,000	\$4,018,000	\$21,000	\$80,000	\$2,210,000	\$3,765,000	\$57,672,000

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

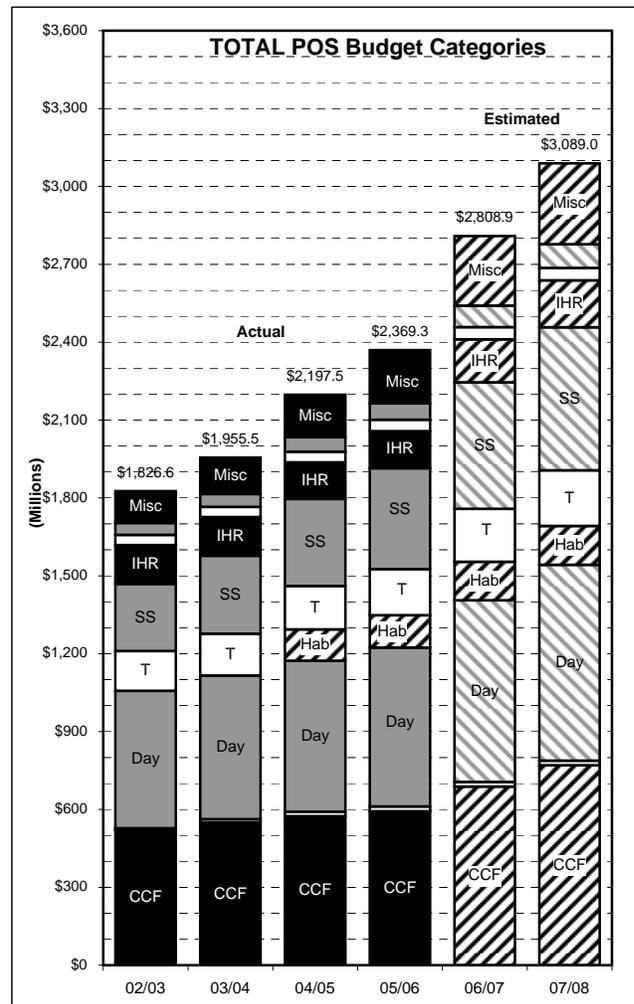
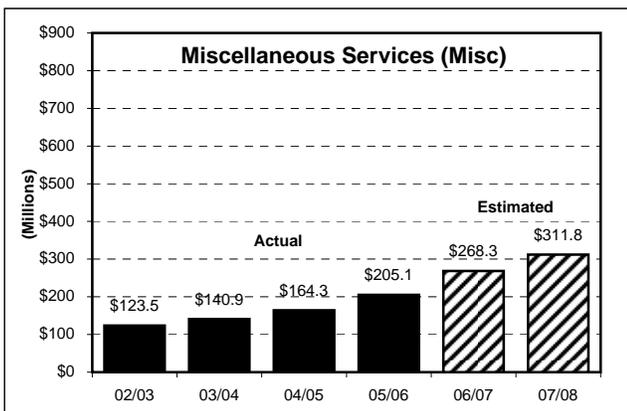
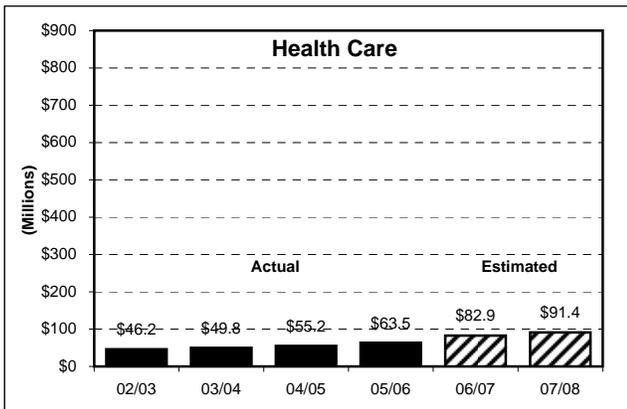
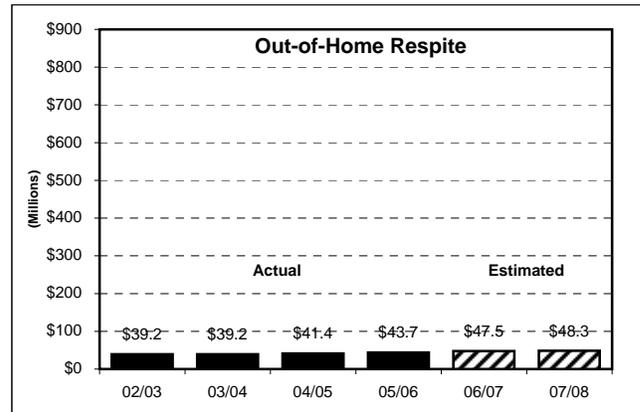
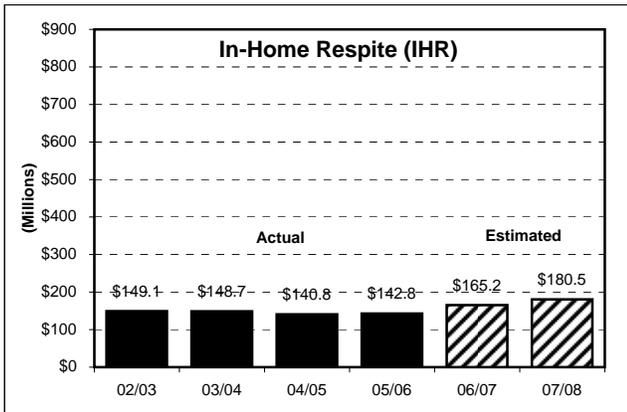
Purchase of Services **TOTAL EXPENDITURES** by Budget Category

(includes Minimum Wage Increases, excludes remaining New Major Assumptions)



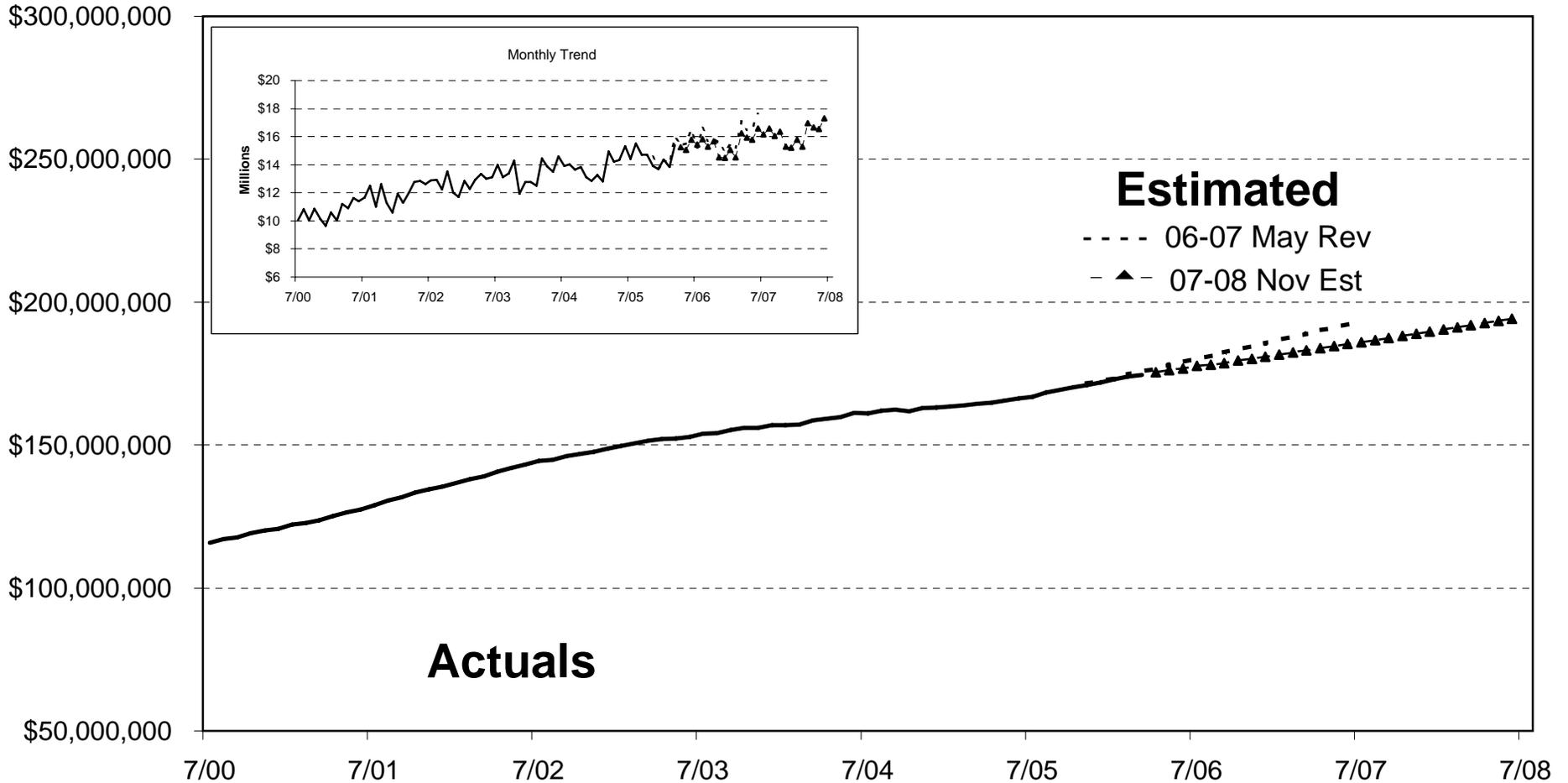
Purchase of Services TOTAL EXPENDITURES by Budget Category

(includes Minimum Wage Increases, excludes remaining New Major Assumptions)



Purchase of Services TRANSPORTATION

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



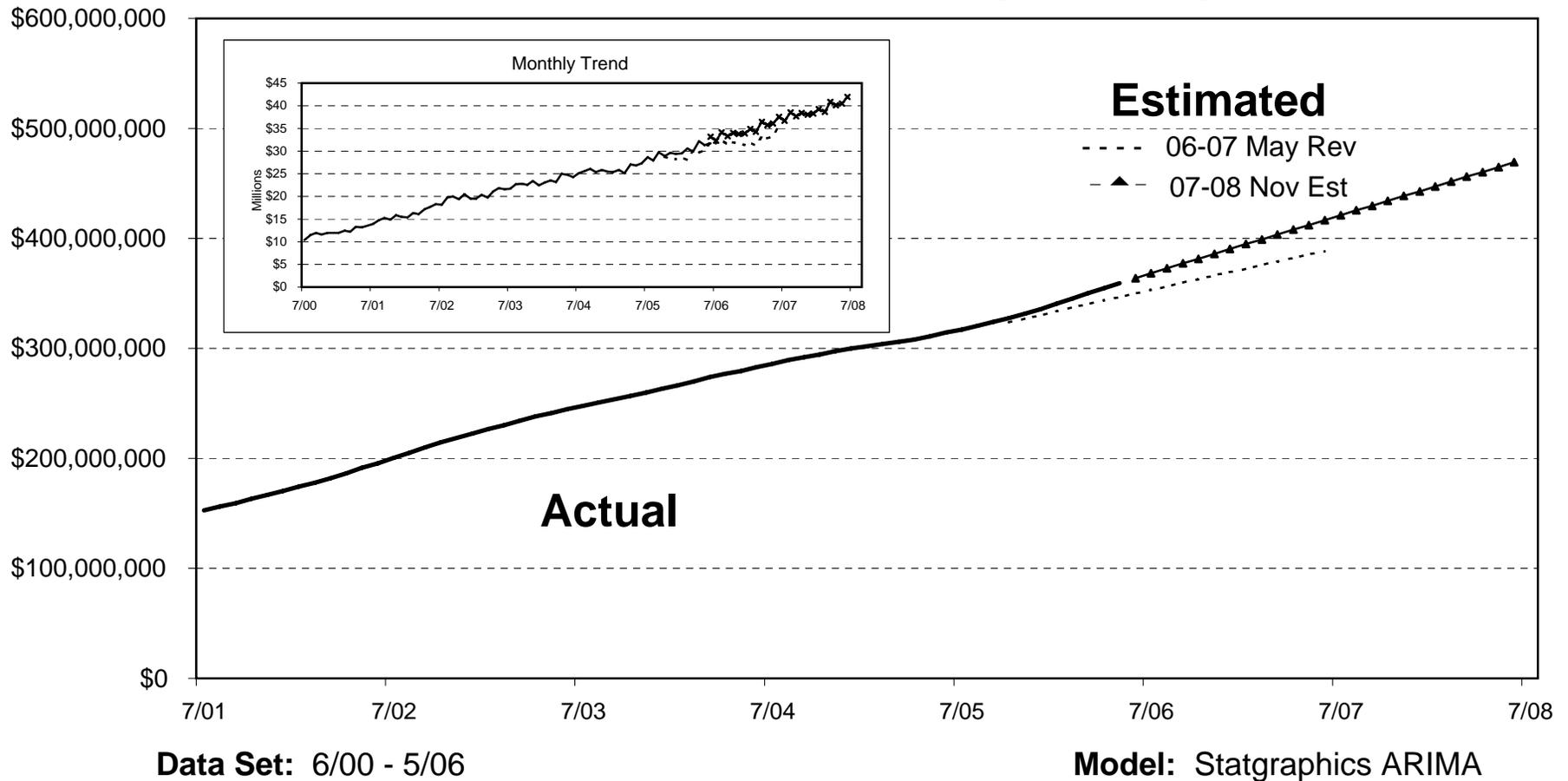
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Model: CSUS Single Input Transfer Function

Purchase of Services **SUPPORT SERVICES**

12-month Moving Total Trend

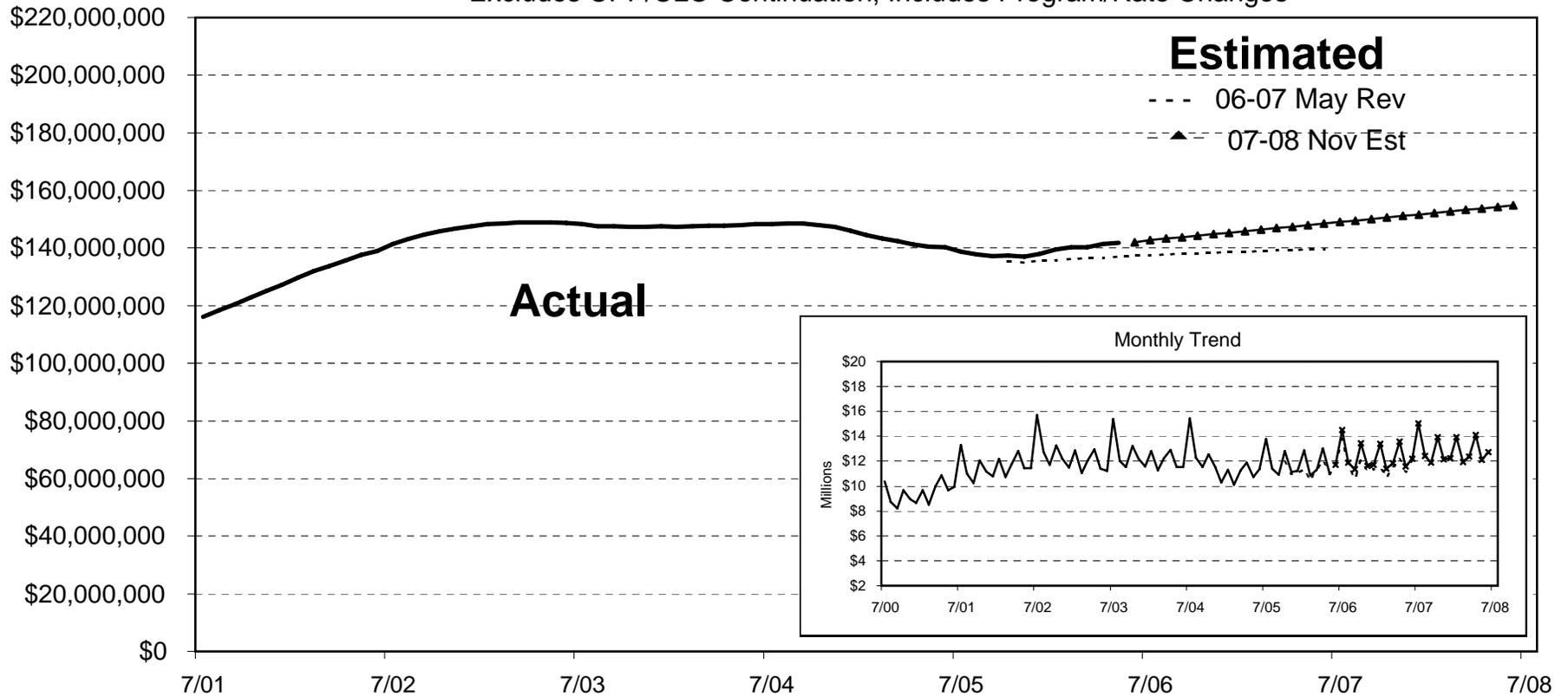
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



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

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



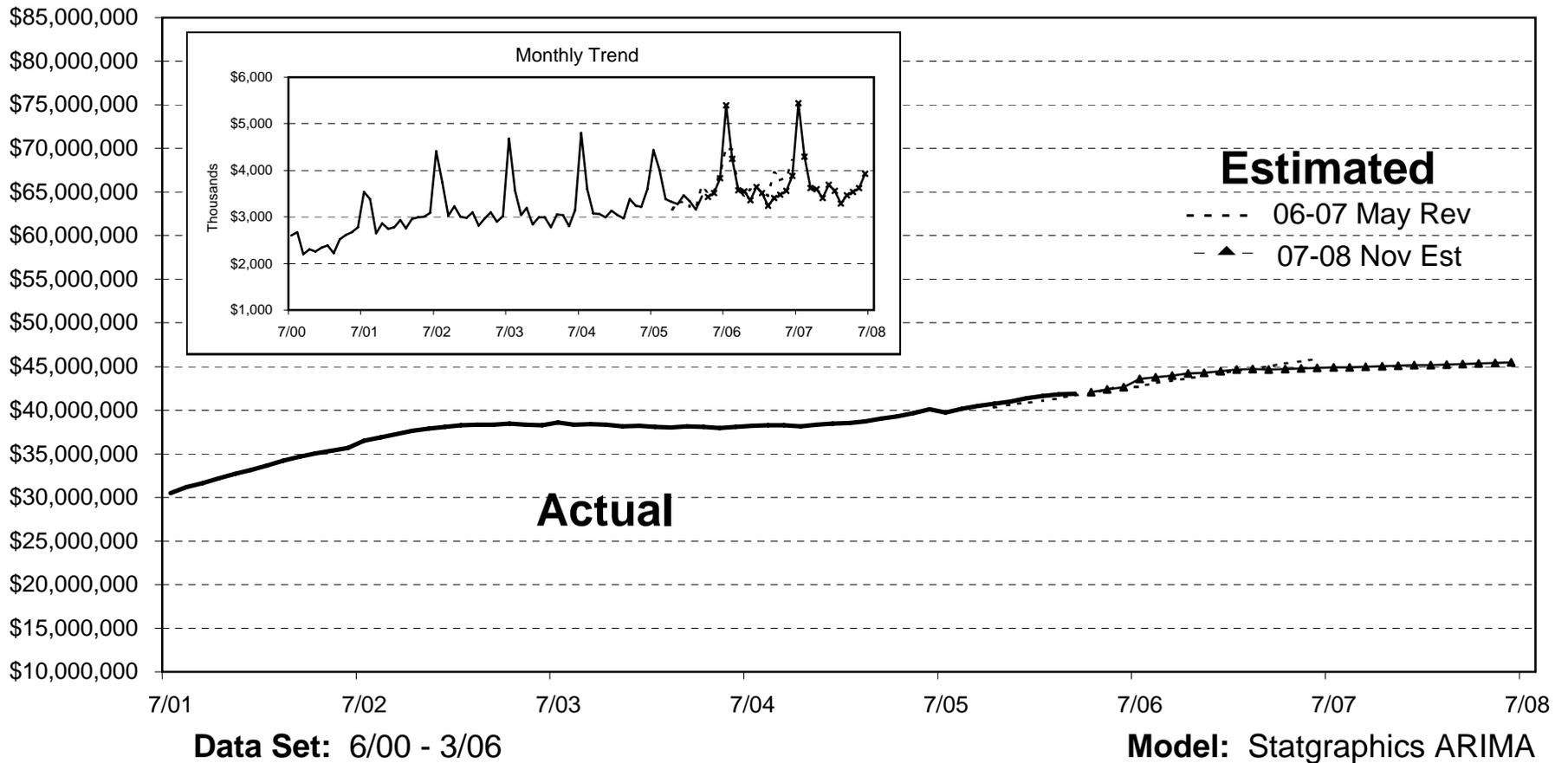
Data Set: 6/00 - 5/06

Model: Statgraphics ARIMA

Purchase of Services OUT-OF-HOME RESPITE SERVICES

12-month Moving Total Trend

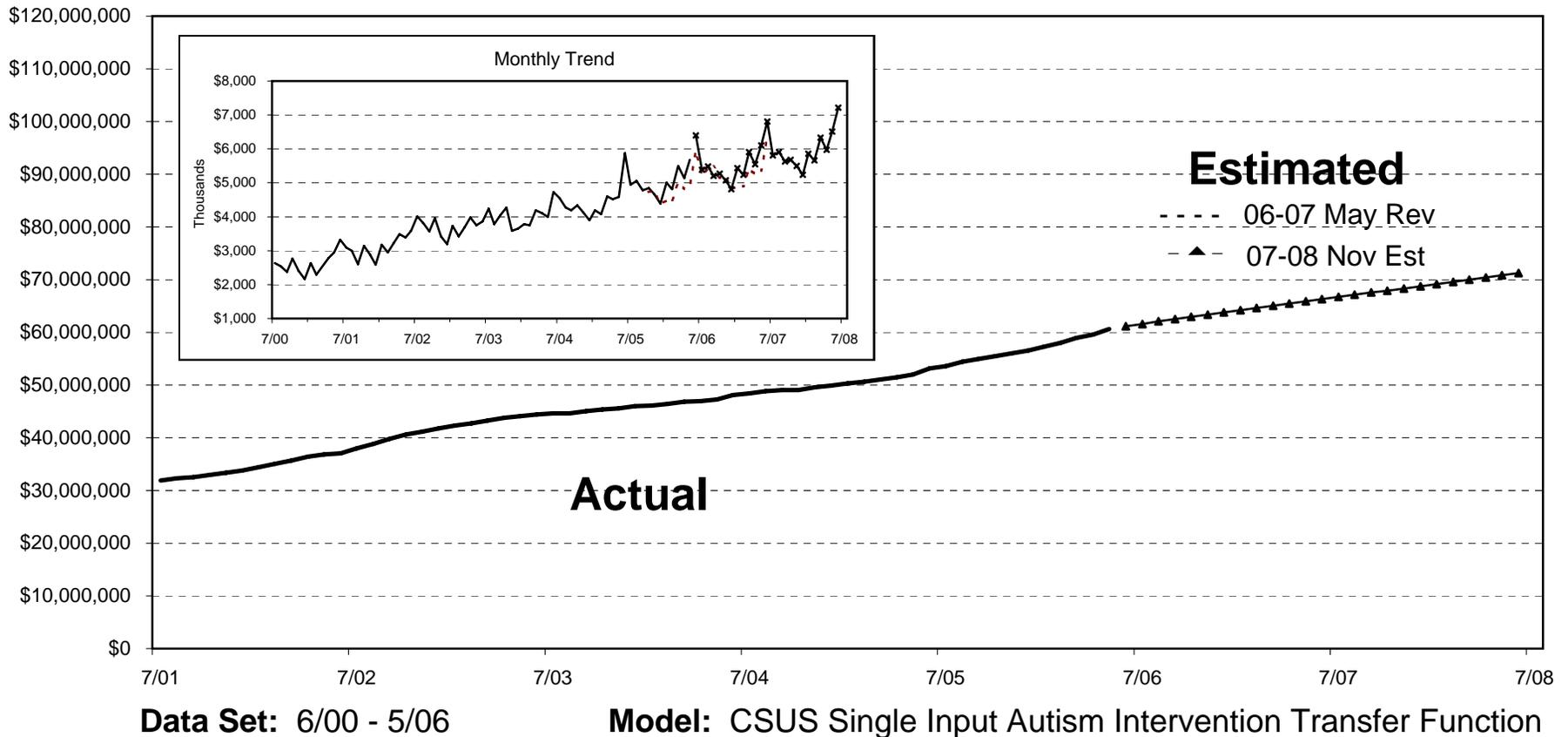
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services HEALTH CARE SERVICES

12-month Moving Total Trend

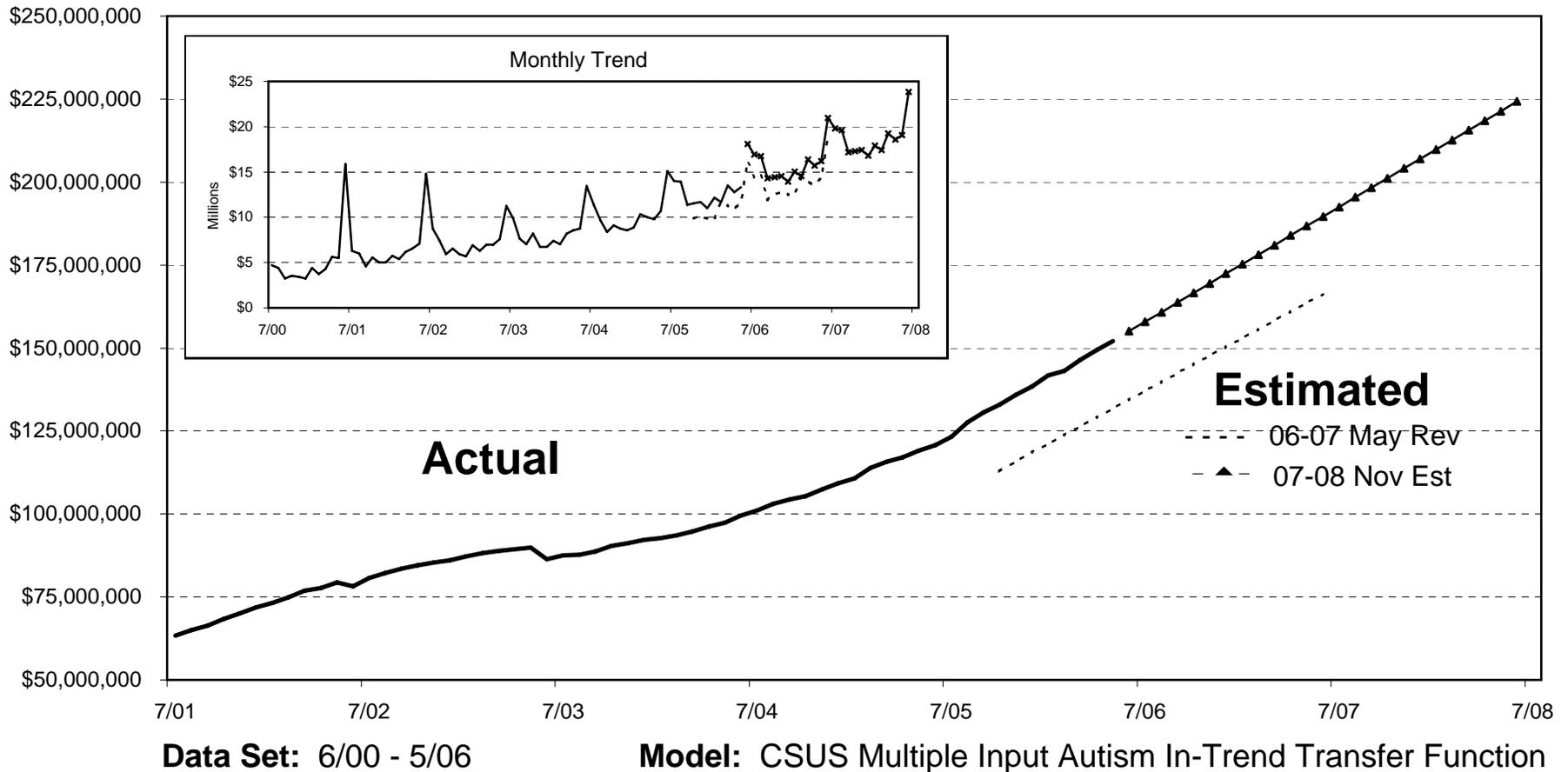
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services **MISCELLANEOUS SERVICES**

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Reimbursements

Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS <i>a/</i>	2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08
A. Home and Community-Based Services (HCBS) Waiver	\$1,510,958,000	\$1,628,331,000
1. Reimbursement (from DHS) = 50%	755,479,000	814,166,000
2. DDS GF Match = 50%	755,479,000	764,689,000
3. PTA Match (Purchase of Services)	N/A	49,476,000
B. HCBS Waiver Administration	\$4,298,000	\$4,304,000
1. Reimbursement (from DHS) = 50%	2,149,000	2,152,000
2. DDS GF Match = 50% (Operations)	2,149,000	2,152,000
C. Medicaid Administration	\$17,004,000	\$17,389,000
1. Reimbursement (from DHS) = 75%	12,753,000	13,042,000
2. DDS GF Match = 25% (Operations)	4,251,000	4,347,000
D. Targeted Case Management (TCM)	\$280,781,000	\$280,925,000
1. Reimbursement (from DHS) = 50%	140,391,000	140,463,000
2. DDS GF Match = 50% (Operations)	140,390,000	140,462,000
E. Targeted Case Management Administration	\$7,042,000	\$7,042,000
1. Reimbursement (from DHS) = 50%	3,521,000	3,521,000
2. DDS GF Match = 50% (Operations)	3,521,000	3,521,000
F. Title XX Block Grant	\$203,903,000	\$203,903,000
1a. Social Services (from DSS) = 100%	147,903,000	147,903,000
1b. Temporary Assistance for Needy Families (TANF) (from DSS) = 100%	56,000,000	56,000,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Home and Community Based Services (SD-HCBS) Waiver	N/A	\$1,574,000
1. Reimbursement (from DHS) = 50%		787,000
2. DDS GF Match = 50% (Purchase of Services)		787,000
H. Self-Directed Home and Community Based Services Waiver Administration	N/A	\$1,554,000
1. Reimbursement (from DHS) = 50%		777,000
2. DDS GF Match = 50% (Operations)		777,000
I. Vocational Rehabilitation (VR)	\$410,000	\$410,000
1. VR Reimbursement (from DOR) 100%	410,000	410,000
2. DDS GF Match (Purchase of Services)	0	0
J. TOTAL	\$2,024,396,000	\$2,145,432,000
1. Reimbursements	1,118,606,000	1,179,221,000
2. Total GF Match	905,790,000	916,735,000
3. Total PTA Match	N/A	49,476,000

a/ Reimbursements are funds received via other state agencies.

Collection of FFP for Contracted Services

	CY 2006-07				
	(A) Total (B + E)	(B) Federal Funds	Fund Sources		
			(C)	(D)	(E)
			General Fund (GF)		
		GF Match	GF Other	Total GF (C + D)	
A. Additional Contracted Services FFP (Assume 9 months)	\$0	\$13,868,000 a/d/			-\$13,868,000
1. Contract Transportation		11,543,000			
2. Other Contract Services		2,325,000			
B. Resources Needed to Capture Additional FFP					
1. RC Operations Costs -Temporary Costs	\$2,148,000	\$716,000 b/	\$716,000	\$716,000	\$1,432,000
a. Workload Implementation Costs					
2. RC Purchase of Service (POS) Costs - Ongoing Costs	1,317,000	317,000 c/d/	317,000	683,000	\$1,000,000
a. Provider Resources for Collection of FFP for Contracted Services	9 months				
b. Effective 10/1/06					
3. Total Costs	\$3,465,000	\$1,033,000	\$1,033,000	\$1,399,000	\$2,432,000
C. Net Impact (Item A. + Item B.3.)	\$3,465,000	\$14,901,000			-\$11,436,000

a/ \$13,868,000 HCBS Waiver

b/ \$716,000 HCBS Waiver Administration

c/ \$317,000 HCBS Waiver

d/ Effective date is 10/1/06.

Collection of FFP for Contracted Services

	BY 2007-08				
	(A) Total	Fund Sources			
		(B) Federal Funds	(C)	(D)	(E)
			GF Match	GF Other	Total GF (C + D)
A. Additional Contracted Services FFP (Assume 12 months)	\$0	\$18,490,000 a/			-\$18,490,000
1. Contract Transportation		15,390,000			
2. Other Contract Services		3,100,000			
B. Resources Needed to Capture Additional FFP					
1. RC Operations Costs -Temporary Costs	\$2,157,000	\$719,000 b/	\$719,000	\$719,000	\$1,438,000
a. Workload Implementation Costs					
2. RC Purchase of Service (POS) Costs - Ongoing Costs	1,826,000	\$411,000 c/	411,000	1,004,000	\$1,415,000
a. Provider Resources for Collection of FFP for Contracted Services	12 months				
b. Effective 10/1/06					
3. Total Costs	\$3,983,000	\$1,130,000	\$1,130,000	\$1,723,000	\$2,853,000
C. Net Impact (Item A. + Item B.3.)	\$3,983,000	\$19,620,000			-\$15,637,000

a/ \$18,490,000 HCBS Waiver

b/ \$719,000 HCBS Waiver Administration

c/ \$411,000 HCBS Waiver

Report on the Plan for the Closure of Agnews Developmental Center



January 2007

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



“Building Partnerships, Supporting Choices”

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

Report on the Plan for the Closure of Agnews Developmental Center

Executive Summary

This report provides a comprehensive update on the status of the Plan for the Closure of Agnews Developmental Center (Agnews Closure Plan). This is the third statutorily required update and covers progress from April 1, 2006, through November 30, 2006. The prior reports provided updates on progress from July 1, 2004, through March 31, 2006, and are available at www.dds.ca.gov/AgnewsClosure.

Background

The Department of Developmental Services (DDS) directly operates five state developmental centers and two smaller community facilities. These facilities provide programs, treatment, and supervision in 24-hour structured health care facilities. The population of California's developmental centers has decreased over time. This decrease in the use of institutions began when the community-based system was initiated in 1969 under the newly established Lanterman Mental 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 2,895 individuals on November 30, 2006. Declining populations made it possible for the state to cease operating five facilities. Modesto State Hospital was closed in 1970, DeWitt State Hospital in 1972, Mendocino State Hospital in 1973, Stockton Developmental Center in 1995, and Camarillo State Hospital and Developmental Center in 1996.

The development of community services as an alternative to institutional care in California mirrors national trends that support the development of integrated services and the reduced reliance on state institutions. There has been a reduction in the national population of large state facilities of almost 70 percent in the last 25 years. Most states, including California, have reduced the population of their state facilities by over half since 1990. On average, ten large state facilities are closed each year across the nation. Seven states no longer operate state institutions.

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, the United States Supreme Court decision stated that services should be provided in community settings when treatment professionals have determined that community placement is appropriate, when the individual 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 the decision, the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), issued recommendations to the states to prepare comprehensive Olmstead plans to decrease dependency on institutional services.

Report on the Plan for the Closure of Agnews Developmental Center

The increased emphasis on the provision of services in community-based settings derives from a service philosophy embodied by the Lanterman Act and judicial interpretation. It also reflects the development of resources and expertise available in the community services system to serve individuals with complex support needs.

The plan to close Agnews Developmental Center (Agnews) was developed over a three-year period, formally submitted to the Legislature in January 2005, and approved as part of the Budget Act for Fiscal Year 2005 – 2006. Enabling legislation to support the implementation of the critical elements of the plan has been enacted. Legislation supported the development of permanent housing through the Bay Area Housing Plan (BAHP), established a pilot of community care licensed homes to serve adults with special health care needs in the Bay Area, and authorized Agnews' employees to work in the community to support the transition of Agnews' residents into community homes.

The foundation of the Agnews Closure Plan is the development of sufficient community capacity to support the transition of Agnews' consumers into the communities that are close to their families. New service and support options are being created that provide meaningful choices for each person and that are designed to provide a stable home and service system that people can count on. The administration extended the Agnews closure date from June 30, 2007, to June 30, 2008, to assure that the necessary resources would be in place.

The Agnews Closure Plan is the first significant deinstitutionalization initiative since the Coffelt settlement agreement that was reached in January, 1994. The implementation of the Coffelt settlement resulted in a reduction of the developmental center population by more than 2,320 persons 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 by obtaining increased federal funding through the Medicaid Home and Community-Based Services (HCBS) Waiver.

Resource Development

The acquisition and development of housing is a critical element in the implementation of the Agnews Closure Plan. Over 75 percent of the current Agnews' residents will move into BAHP homes. Twenty-six homes have been acquired and two are in escrow. BAHP funds are being used to purchase SB 962 homes, which provide for persons with specialized health care needs, Family Teaching Homes (FTH), and Specialized Residential Homes (SRH), which provide for persons with behavioral challenges or other specialized needs. Bay Area regional centers have also identified organizations that will be responsible for the provision of residential and support services required for the implementation of the Agnews Closure Plan. These providers are in the process of developing and implementing a service strategy that includes program design, staff recruitment and development, and review of the needs of consumers whom they may serve. For those living arrangements that require licensure, providers are also now engaged or preparing for the licensing process. Based on our success with the

Report on the Plan for the Closure of Agnews Developmental Center

acquisition of homes, it is expected that significant progress will be achieved in transitioning consumers into the community by the end of the fiscal year. The first SB 962 homes are expected to be licensed as early as February 2007, and transition activities are underway to support consumers moving into these homes. Permit documents have been submitted for 14 properties. It is anticipated that ten property permits will be approved in January 2007. Selective demolition has begun on four properties.

AB 1378 authorizes the DDS to utilize existing Agnews' state employees as part of the Agnews Closure Plan. State employees may serve as direct care staff, provide clinical and other support services, or directly operate facilities to ensure the health and well being of Agnews' residents as they transition into the community. The DDS has reached agreements with a range of labor organizations that identify the process for the deployment of state staff to the community. Agnews has also established an Outpatient Clinic as part of its acute care hospital license. The clinic is licensed by the Department of Health Services (DHS) and vendorized by San Andreas Regional Center (SARC) to provide outpatient medical and dental services with Agnews' staff. The Agnews Outpatient Clinic was operational on May 1, 2006, and has provided over 100 services to date.

Agnews' Consumers

As of November 30, 2006, 261 residents remain at Agnews. Ninety-nine persons have transitioned into the community since the closure planning process began in July 2004. It is projected that 113 consumers will transition from Agnews into the community in Fiscal Year 2006 – 2007 and the remainder of persons that will transition from Agnews into the community will do so by June 30, 2008.

As of December 21, 2006, 17 consumers have moved from Agnews in the current year, and approximately 40 persons are in various stages of the community living options process and are expected to transition into the community over the next several months. In these instances, potential residential providers and community resources have been identified.

The profile of current Agnews' consumers has not changed significantly since the prior report. Sixty-nine percent of the residents today are over the age of 40. Sixty-five percent of them have lived at Agnews over 20 years. Fifty-four percent of the residents have extensive personal care and significant health care needs, approximately 25 percent have significant behavioral issues, and 20 percent require constant supervision and ongoing intervention to prevent self-injury.

Of the 99 consumers who have transitioned from Agnews between July 1, 2004, and November 30, 2006, 79 percent had been served in Intermediate Care Facility residences and 21 percent had been served in the Nursing Facility residences while they lived at Agnews. Of these consumers, 27 percent have moved to Community Care Facilities Negotiated (CCF Negotiated), 22 percent moved to Intermediate Care

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Facilities/Developmentally Disabled-Nursing (ICF-DD-N), 19 percent moved to Community Care Facilities Level 4I (CCF L4I), 13 percent moved to Intermediate Care Facilities/Developmentally Disabled-Habilitation (ICF-DD-H), 5 percent moved to Residential Care Facilities for the Elderly (RCFE), 5 percent moved to the FTH, 5 percent returned to their parents homes, and 4 percent moved into Supported Living arrangements.

Of the consumers who have transitioned to the community, 87 percent are over the age of 30 years. Fifty-two percent had lived at Agnews for over 20 years. Fifty-one percent of the consumers who transitioned to the community have significant behavioral needs, 44 percent have significant health and extensive personal care needs, and 5 percent have protection and safety needs.

Agnews' Employees

As of November 30, 2006, there were 1,054 employees at Agnews. Of these employees, 85 percent are full-time employees. Fifty-four percent of Agnews' employees have worked at Agnews for 10 years or less. Fifty-seven percent of the employees are over 50 years of age. Fifty-three percent of the Agnews' employees provide direct care. Seventy-one percent of the employees live in Santa Clara County.

Between July 1, 2004, and November 30, 2006, 404 employees separated from employment at Agnews. Of those separating, 38 percent left state service, 29 percent retired, and 29 percent transferred to other state employment. Of the employees that separated, 69 percent had worked at Agnews 10 years or less and 47 percent were direct care staff.

Agnews continues to promote employee stability and provide opportunities for staff to strengthen the community-based developmental services system. Managing employee attrition during closure remains a high priority at Agnews to assure continuity of services and to protect our most valuable resource, the expertise and commitment of a dedicated workforce.

Sufficient Agnews' staff is needed while the facility is in operation to protect the health and safety of remaining residents and to ensure ongoing the certification of the facility and the associated federal financial participation. Annual staff attrition remains at less than 15 percent, but it is expected to increase as the closure date nears. Personnel management will remain a constant priority throughout the closure process.

Purpose of the Report and Background

Purpose of the Report

This report on the Plan for the Closure of Agnews Developmental Center (Agnews Closure Plan) is submitted pursuant to the Budget Act of 2006 (Assembly Bill 1801, Chapter 47, Statutes of 2006). Provisions of the Act include the following:

“The State Department of Developmental Services shall provide the fiscal and policy committees of the Legislature with a comprehensive status update on the Agnews Plan, on January 10, 2007, and May 15, 2007, which will include at a minimum all of the following:

- (a) A description and progress report on all pertinent aspects of the community-based resources development;
- (b) An aggregate update on the consumers living at Agnews and consumers who have been transitioned to other living arrangements;
- (c) An update to the major implementation steps and timelines;
- (d) A comprehensive update to the fiscal analysis as provided in the original plan; and
- (e) An update to the plan regarding Agnews’ employees.”

The report is divided into five sections:

- Progress Report on Resource Development
- Update on Agnews’ Consumers
- Update on Agnews’ Employees
- Major Implementation Steps and Timelines
- Fiscal Update

This report provides a comprehensive update on the status of the Agnews Closure Plan. This is the third statutorily required update and covers progress from April 1, 2006, through November 30, 2006. The prior reports provided updates on progress from July 1, 2004, through March 31, 2006, and are available at www.dds.ca.gov/AgnewsClosure.

Background

The Agnews Closure Plan was developed over a three-year period, formally submitted to the Legislature in January 2005, and approved as part of the Budget Act for Fiscal Year 2005 – 2006. The foundation of the Agnews Closure Plan is building community capacity and successfully transitioning consumers into the community. Consistent with the plan, new service and support options are being created aimed at ensuring consumer health and safety throughout the transition and permanent housing capacity in the Bay Area.

In 2004, the administration began introducing legislation that served as the policy framework for the plan. In January 2005, AB 2100 (Chapter 831, Statutes 2004), modified by SB 643 (Chapter 551, Statutes of 2005), was effective, allowing the Bay

Area regional centers to secure and assure lease payments for residents of Agnews moving into BAHP homes and added FTHs as a new service delivery option. In January 2006, SB 962 (Chapter 558, Statutes of 2005) established a pilot project for the creation of homes licensed by the Community Care Licensing (CCL) division of the Department of Social Services to serve adults with special health care needs in the Bay Area. Additionally, 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.

The Agnews Closure Plan projected a closure date of June 30, 2007. However, the DDS evaluated the progress in implementing the plan and determined that it was not possible to carry it out and close Agnews by June 30, 2007. The DDS concluded that a June 30, 2008, closure date was more appropriate. Through a Finance letter dated March 30, 2006, the administration extended the closure date to June 30, 2008.

Progress Report on Resource Development

Background

The planning process for the closure of Agnews started in Fiscal Year 2003 – 2004. The DDS utilized broad participation from internal and external stakeholders to develop a plan that would result in the orderly transition of Agnews' residents into alternative services and supports in the community. In October 2003, the teams completed their recommendations and reports that served as the basis for the Agnews Closure Plan. The Bay Area regional centers, SARC, the Regional Center of the East Bay (RCEB), and Golden Gate Regional Center (GGRC), and Agnews played a significant role in developing the plan. After several public meetings in Fiscal Year 2003 – 2004, the Agnews Closure Plan was submitted to the Legislature in January 2005, and it was approved with the enactment of the Budget Act of 2005.

The Transition to the Community Process

The 1992 amendments to the Lanterman Developmental Disabilities Services Act, Welfare & Institutions Code (W&I) sections 4500 et seq. (Lanterman Act) require a person-centered approach for consumer services and supports based on sensitivity to the consumer's choices, lifestyle, and cultural background. The choices of consumers, in consultation with their families and/or authorized representatives, are given the full attention and respect of all planning team members. W&I section 4646 states in part that it is the intent of the Legislature to ensure that the provision of services and supports is centered on the consumer and takes into account needs and preferences as well as promoting community integration to lead independent, productive lives in stable and healthy environments. When it is determined that a consumer may benefit from the appointment of an authorized representative, one will be pursued on his or her behalf.

Agnews, the Bay Area regional centers, the Regional Project of the Bay Area (RPBA), and the DDS remain committed to assuring that each consumer who chooses a community living option has the appropriate services and supports for a successful transition. The selection of a future living option takes into account the consumers needs and preferences as identified through comprehensive interdisciplinary team assessments and input from the consumer and others who are important in the person's life. A plan to explore and evaluate all identified options of interest is developed and specific activities scheduled to support implementation of the plan. The participation of the consumer's authorized representative and/or family in the selection of, and movement into, a community living option is supported through the process. The transition process provides an opportunity for the consumer, his or her family, and the planning team to determine the appropriateness of possible community living options. The process ensures that team members have an opportunity to express questions or concerns so that they can be addressed during transition planning. To facilitate this process, each planning team has a designated chair and facilitator and maintains a summary of actions and issues requiring resolution.

To make an informed decision about the appropriateness of a specific living option and service/support provider, the consumer has opportunities to meet potential housemates and service providers and experience the environment of the living option under consideration. Additionally, the ability of the consumer to be supported in the living option must be evaluated. To that end, visits are scheduled to include the consumer and authorized representative, and to the extent that individuals are able and available, the family and key planning team members. Visits are scheduled at times convenient for the consumer and other planning team members.

Upon completion of the planned exploration of living options, and with input from the consumer and others who participated, the option is identified that best meets the consumer's choices and needs. At this point in time, any preferences for continued friendships and relationships are also noted to enable further consideration and coordination on the part of those individuals identified.

The regional center service coordinator and the RPBA representative monitor the status of Bay Area housing being developed and the availability of other community living options and advises consumers and their authorized representatives and families when opportunities exist consistent with their preferred living option. When specific housing options become available, a Community Living Option (CLO) planning meeting is scheduled, with the consumer, his/her authorized representative, and/or family, as appropriate, to initiate detailed transition planning.

There are two significant updates related to transitioning consumers since the last report:

1. Community Transition Guidelines for Agnews have been prepared by the DDS and are being finalized. The intent of the guidelines is to assist Agnews' staff in taking the steps necessary, consistent with existing statute and regulation, to ensure consumers experience a successful transition from Agnews to the community prior to the facility's closure in June 2008. The guidelines include an emphasis on ensuring appropriate notification of appeal processes for consumers, their family, and other planning team members and also on confidentiality of consumer information by all involved in the transition process.
2. The consumer program at Agnews is primarily focusing on the provision of training that can augment consumer skills as they transition to their new home in the community. The discussion of services and supports needed for a successful transition is the focus of each individual program plan. Program planning meeting documentation highlights the transition-related action items to be completed by the planning team.

In order to facilitate the above revisions, additional training of planning team members has occurred and will continue to occur throughout the coming year. Training has been provided to relevant staff with special emphasis on chair and facilitator roles and responsibilities.

Consumer Choices

The DDS, in collaboration with Agnews' residents, Agnews' staff, and the Bay Area regional centers, has adapted the "Making My Own Choices" booklet and the "Picture and Sticker Book," and produced a ten-minute DVD that depicts four types of living options and samples of community activities. The materials were adapted specifically to support Agnews' residents in being actively involved participants in the IPP process and transition discussions.

The "Making My Own Choices" materials focus on living decisions such as how people want to live, what they want in their home, and maintaining friends and important relationships. The "Things I Like to Do" component focuses on community activities and how the person wants to spend his or her day. In addition, an Interviewers Guide that ensures that the interview process is person-centered was developed. The "Making My Own Choices" booklet and Interviewer's Guide was completed in April 2006 and discussions with Agnews' residents to complete their "Making My Own Choices" booklets began in August 2006.

The DDS Coordinator of Consumer Services is meeting with each resident of Agnews to discuss their individualized choices for living options using the adapted "Making My Own Choices" booklet. The Coordinator and support staff typically meet with 24 residents per month. Appointments are scheduled with residents one month prior to their IPP meetings so that all team members have ample time to receive the consumer's information. The estimated completion date for the project is September 2007.

Resource Development

Bay Area Housing Plan

The DDS sponsored AB 2100. This legislation authorizes 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 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.

On September 22, 2005, the Department of Finance submitted the BAHP and the expenditure plan to the Joint Legislative Budget Committee (JLBC) for review. The expenditure plan proposed using the \$11.115 million appropriated in the Budget Act of 2004 (SB 1113, Chapter 208, Statutes of 2004) and re-appropriated in the Budget Act of 2005 (4300-491) for the pre-development costs associated with acquisition and development of housing to implement the BAHP. The Budget Act of 2006 authorized the re-appropriation of the \$11.115 million in funds until June 30, 2010, to liquidate any encumbrances associated with the BAHP Expenditure Plan. On November 8, 2005, the JLBC reviewed and concurred with the BAHP, provided that the DDS submits monthly project status reports to the Legislature. The JLBC concurred with the proposed expenditure of the \$11.115 million for the pre-development costs associated with acquisition and development of housing for residents leaving Agnews. Subsequent to

the first property acquisition in June 2006, the DDS began submitting the BAHP progress reports to the Legislature.

On September 8, 2005, the initial \$20 million in bond financing was approved. On January 12, 2006, the California Housing Finance Agency (CalHFA) Board of Directors approved an additional request for \$25 million in bond financing for the BAHP. Then, on November 9, 2006, CalHFA Board approved an additional \$25 million in bond financing. The DDS anticipates additional bond financing will be approved by CalHFA at the May 2007 Board meeting. The BAHP housing funds are used to acquire properties and either renovate or construct SB 962 homes, the FTHs, and the SRHs. The housing developer, the Bay Area regional centers, and the Bay Area nonprofit housing development corporations (NPOs) have secured the necessary agreements for bond financing with the CalHFA and construction financing with the Bank of America.

Since January, the housing developer has coordinated with the Bay Area regional centers, the NPOs, and BAHP service providers to clarify the roles and responsibilities of the parties, understand licensing requirements, explain the BAHP documents, and streamline the acquisition and development process. Based on consumer-centered planning underway at Agnews, housing rollout schedules have been coordinated among the parties. The rollout schedules provide projections of housing acquisition, construction and development based on individual program planning, and is adjusted as necessary to reflect real-time influences and changes in circumstances. The NPOs started identifying properties for purchase in March, 2006. In early April 2006, the housing developer trained regional center staff and the NPOs on the housing acquisition and approval process. As of December 12, 2006, 26 properties have been acquired (closed escrow) and two properties are in escrow. It is projected that it will take an average of three to six months to renovate each property.

The competitive California housing market requires significant commitment by all parties to successfully negotiate contracts that meet the needs of the BAHP. The developer began acquiring property in April 2006, prior to the real estate market decline. Finding single-story with four or five-bedroom homes affordable to purchase in the Bay Area presented a challenge. With the market softening, the acquisition of property is on track, but the construction has been delayed as a result of the complexity of dealing with local zoning and permitting processes. Acquisitions are located in 13 separate jurisdictions with different permitting processes and timelines. Efforts are underway to expedite the permitting process and engage local officials early on during the design phase.

The current 28 BAHP properties have not encountered a negative community response. However, one prior property acquisition encountered strong opposition from some neighborhood residents after the property was purchased. Although the property was exempt from local zoning controls and use permits, the steering committee decided to sell the property and focus on purchasing properties in more receptive neighborhoods.

To foster community support, the resource development teams are implementing several measures including identification of properties that have adequate on-site parking and setbacks that will allow BAHP homes to blend into the existing neighborhood. The resource development teams also seek out properties to purchase that are attractive, or that provide an opportunity in the rehabilitation process to make the house one of the more attractive homes in the neighborhood. Additionally, a rapid response by service providers to neighbor concerns is a critical factor in the ongoing success of the BAHP community living arrangements.

The BAHP funds are being used to purchase SB 962 homes, Family Teaching Homes (FTH), and Specialized Residential Homes (SRH). Bay Area regional centers have also identified organizations that will be responsible for the provision of residential and support services required for the implementation of the Agnews Closure Plan. These providers are in the process of developing and implementing a service strategy that includes program design, staff recruitment and development, and review of the needs of consumers they serve. For those living arrangements that require licensure, providers are also now engaged or preparing for the licensing process. Based on our success with the acquisition of homes, it is expected that significant progress will be achieved in transitioning consumers into the community by the end of the fiscal year. The first SB 962 homes are expected to be licensed as early as February 2007, and transition activities are underway to support consumers moving into these homes.

BAHP Acquisition Process

The property acquisition process has been streamlined, as follows, to increase the number of BAHP acquisitions.

Site Identification

In January, 2006, each Bay Area regional center began forecasting the number of homes, by housing type, needed to support consumer placement within their respective catchment areas. The NPOs collaborated with the housing developer to identify properties based on predetermined the BAHP site selection criteria. The criteria ensures that homes are located in safe, high-quality neighborhoods, near public transportation, community amenities, emergency medical services and recreational activities. Research conducted during the site identification process determines the concentration, if any, of licensed facilities in the area.

Expedited Initial Proposal

Once a home has been identified, the housing developer, service provider, NPO and the regional center representative conduct a site visit and determine if the home should be placed under contract. If the determination meets team agreement, a formal request is made to the BAHP Steering Committee to approve placement of the home under contract. If approved, a refundable deposit is wired into escrow, the home is placed under contract for a period of 60 days, and the 25 – 30 day contingency period begins.

Formal Initial Proposal

During the contingency period, the NPOs coordinate due diligence inspections of the property to verify any existing structural, mechanical or environmental concerns. Further, the NPO works directly with the CCL to ensure that there is no overconcentration of licensed facilities in the area.

Due Diligence Period

The housing developer, in conjunction with the service provider, the regional center and the NPO generate a scope of work for each property to ensure the property can achieve a set of design principles and guidelines unique to the particular population moving into each housing type. Once generated, the housing developer engages an architect to visit the site and create a proposed space plan that captures the scope of work. Subsequently, the housing developer analyzes the inspection reports, the space plan, a design guidelines checklist, and estimated budget for the improvements. During the contingency period a construction inspector, representing the lenders, visits the property and approves the proposed scope of work or recommends changes to the scope of work.

Final Proposal

Prior to the end of the contingency period and before the deposit becomes non refundable, the housing developer presents a final proposal to the steering committee for review. The final proposal includes a scope of work, budget, site photos, space plan, independent appraisal ordered by the lender and all due diligence reports. Upon approval from the BAHP Steering Committee, the housing developer releases the contingency on the property and closes escrow on the property.

Acquisition Construction Loan Closing

The acquisition construction loan closing is when the housing developer coordinates with the NPO, service provider, regional center, and both lenders to execute multiple loan documents and records the required documents to acquire the property.

Design Phase

Upon close of escrow, the design phase begins. During this phase, the regional center team, the service provider and the NPO review and approve preliminary plans and finishes for each property. The architect incorporates final comment, develops the permit documentation, and submits the plans and necessary permit applications (e.g. building, asbestos removal, sprinkler, fire alarm).

Due to the need to research the various code requirements for each home type among jurisdictions, the BAHP properties have taken approximately 75 days to complete the permit application process. An upfront investment in research of the local permit processes has resulted in the architects producing a permit application package in as little as 28 days. As of December 14, 2006, 19 BAHP properties are in the design phase.

Permit Approval

To date, the properties acquired are located in 13 jurisdictions including, but not limited to Livermore, Union City, Castro Valley, Hayward, Alameda, Campbell, San Mateo, San Bruno, Cupertino, San Jose, Los Gatos, Morgan Hill, and South San Francisco. Each locale has its own permit process. The housing developer and the architect work with each local jurisdiction to educate them on the BAHF and to access the requirements and anticipated turnaround time to receive permit approval. The permit process varies widely between jurisdictions; some jurisdictions grant permits over-the-counter, while others require three to four weeks from formal submittal to approval. A continued investment in education with the local jurisdictions is anticipated to reduce the permit turnaround time for future BAHF homes.

Once permits are received, the housing developer pursues final lender approval and proceeds with construction. Permit documents have been submitted for 14 properties. It is anticipated that ten permits will be approved in January 2007. Selective demolition has begun on four properties.

Schedule Update

The current plan is for 20 homes to receive certificates of occupancy by mid-May 2007 with staggered delivery beginning in February 2007. The housing developer projects the remaining 42 homes will be delivered for occupancy between mid-May and December 31, 2007.

Family Teaching Homes and Extended Family Teaching Homes

FTH were added to the Adult Family Home Agency (AFHA) model as part of AB 2100. The FTH model differs from the AFHA in two ways. First, a FTH can serve up to three individuals in a home rather than two. Second, individuals living in a FTH do not share the same home as the family. The teaching family lives in an adjoining home, and typically the home is a duplex. To accommodate the FTH model, the DDS developed FTH regulations that were promulgated on November 7, 2006. Currently, six individuals are living in FTHs in the SARC catchment area. Resources are under development in Fiscal Year 2006 – 2007 to move 18 individuals into FTHs. Current plans are for an additional 27 individuals to move into FTHs in Fiscal Year 2007 – 2008.

In addition to implementing the FTH model, the regional centers are actively recruiting Agnews' staff to provide Extended Family Teaching Homes (EFTH). An EFTH is owned, leased or rented by the family. The AFHA recruits, trains, approves, and monitors families who provide this service. Each EFTH will serve no more than two adults with developmental disabilities in their home where they will receive specialized, highly-supported and well-monitored services.

Agnews has had six staff orientations to provide information to prospective EFTH families from among Agnews' staff. More orientations are scheduled in 2007. There are

many Agnews' staff who have established long term personal relationships with consumers currently living at Agnews and who are interested in providing ongoing supports in their own homes to these same consumers. The orientation covers a brief synopsis of the program and the attendees of the orientation are given an interest survey. The interest survey requests contact information, inquires why they are interested in the program, if they plan on working an additional job while being an adult family home provider, whether they will be moving or if they will be providing services in their current home, and if they would like to meet with a representative of the AFHA to personally discuss the program. Once potential home providers are identified they must go through a stringent screening process that includes, a general physical, drug screening, tuberculosis testing, and fingerprinting. The recruitment and training process is time intensive and involves multiple agencies as well as consumers and their families. At present, plans are for seven consumers to move to an EFTH with families of Agnews' employees.

Specialized Residential Homes

To address the needs of Agnews' residents with behavioral challenges or other specialized needs, the SRHs that serve three or four persons are being developed. The homes are CCL licensed adult residential facilities that provide augmented staffing and professional services to address the unique needs of the consumer. Consumers living in the SRHs have unique behavioral needs related, but not limited, to mental health and behavioral challenges. The SRHs provide 24-hour on-site staff with specialized expertise to meet the unique needs of the individuals that they serve. In addition, these homes have the capability for on-site crisis response to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence. These homes provide supervision and direct care support to ensure the health, safety, and well being of consumers with challenging needs.

To address statutory requirements when a majority of consumers in any one SRH turns age 60, the adult SRH will need to be re-licensed as a RCFE. To accommodate this transition, all BAHP SRHs will be constructed, or renovated, to meet the physical plant requirements for both the Adult Residential Facility license and the RCFE license.

In Fiscal Year 2006 – 2007, six SRHs are being developed for 21 consumers leaving Agnews. Homes will be located in Santa Clara, Alameda, Contra Costa, and San Mateo Counties. In the 2007 – 2008 Fiscal Year, 15 SRHs will be developed.

SB 962 Homes

The DDS sponsored legislation to establish SB 962 homes, also known as adult residential homes for persons with specialized health care needs. This type of residence is necessary to fill a critical gap in licensure categories for Agnews' residents who have a combination of specialized health care and intensive support needs. Examples of the health services that can be provided in a SB 962 home include, but are not limited to, nutritional support including total parenteral nutrition, gastrostomy feeding

and hydration; renal dialysis; and special medication regimes including injections, intravenous medications, management of insulin dependent diabetes, catheterization, indwelling urinary catheter management, and pain management. The creation of this new type of CCL licensed residential care facility, as a pilot project, will provide for community-based services in the Bay Area for up to 120 current Agnews' residents. The SB 962 requirements include licensed nursing staff on duty 24 hours per day, seven days per week, development of an Individual Health Care Plan for each consumer that is updated at least every six months, and at least monthly face-to-face visits with the consumer by a regional center nurse. Moreover, state costs for the residential, day programming and transportation services provided to HCBS Waiver participants are eligible for federal reimbursement. An independent evaluation of the pilot will be submitted to the Legislature by January 1, 2009.

The DDS is responsible for granting the certificate of program approval for SB 962 homes and monitoring regional center compliance with the SB 962 requirements. Monitoring activities will include on-site visits to the homes at least every six months by a registered nurse from the DDS. These visits will include, but are not limited to, confirming regional center nurse on-site visits, ensuring that each consumer has an individual health care plan that meets their needs, that there are written procedures for administration of medications, and a review of consumer records for documentation compliance.

Training was provided to regional centers and SB 962 service providers on November 30, 2006. The training included an overview of the SB 962 legislation, the DDS certification process, the transition process for Agnews' consumers into SB 962 homes, the role of the DDS, regional center, the CCL, service provider, and the QMS in SB 962 Homes.

DDS staff will provide technical assistance and, as needed, develop and monitor corrective action plans. In addition, DDS staff will respond to and investigate complaints related to consumer health care, review and approve any requested changes to the approved program design prior to implementation, and manage the contract for the independent contractor responsible for evaluating and determining the effectiveness of this pilot program.

Negotiations with the CCL have resulted in agreements to expedite and coordinate licensing applications received from potential SB 962 service providers, including pre-application reviews to ensure that BAHF properties meet local planning authority requirements. These agreements have been detailed in a flow chart that documents the steps of the process including property identification, property purchase, program certification, facility licensure, and transfer to local nonprofit housing organizations. Structured, problem-solving meetings with CCL, the Bay Area regional centers, and the housing developer occur on a monthly basis. These meetings are now focused on the development of monitoring and enforcement processes to ensure that each entity conducts its responsibilities in a coordinated manner. The completion of a Memorandum of Understanding (MOU) required by SB 962 has provided the framework

for these discussions. The MOU addresses coordination of housing acquisition and service provider licensing; routine monitoring visits; complaint assessment and response; information sharing and cross reporting; confidentiality; cooperation in administrative and enforcement actions; and, participation in the evaluation of the SB 962 Pilot. Importantly, the MOU also provides the framework for ongoing flexibility and problem solving between the two departments to ensure safe and appropriate community living options.

In addition, the DDS is meeting with the DHS, Licensing and Certification Division, to discuss the need for similar collaboration with that organization when the placement of choice and need for an Agnews' resident is an Intermediate Care Facility or other living arrangement licensed by the DHS.

Briefings regarding SB 962 requirements and implementation strategies have been completed with, the Northern California Fire Prevention Officers Association, the San Mateo County Fire Prevention Officers Association, and the fire officials for Santa Clara, San Mateo and Alameda Counties. One meeting was also held with Santa Clara County Building officials. The State Fire Marshal has aided our efforts by distributing an update on SB 962 to all fire jurisdictions in California. Since the Fire Marshal is in the process of consolidating, and re-writing fire occupancy regulations, the DDS will continue to work with these officials to ensure SB 962 and BAHP placements are designed to meet current and future fire code compliance. In Fiscal Year 2006 – 2007, nine SB 962 homes will be developed for 30 persons. Additional SB 962 homes will be developed in the 2007 – 2008 Fiscal Year.

Behavioral Services

The established community system is being enhanced to provide a more comprehensive behavioral support system. As part of transition planning, the behavioral needs of each Agnews' resident are assessed and intervention strategies are identified as appropriate.

Agnews and SARC are developing a Community Intervention Response Team (CIRT) that proactively supports persons transitioning from Agnews with behavioral needs. CIRT staff will be available to provide consultation, training, and support to service providers in need of CIRT services to transition Agnews' consumers.

Four Agnews Psychiatric Technicians have been identified and trained for this project and will be supported by other professional staff such as psychologists, psychiatrists, pharmacists, and nurses. The CIRT members are now certified trainers in Professional Crisis Management and have completed a twelve unit Competent Learner course. Foundational to this model is the premise that all behaviors are a form of communication and that intervention requires a comprehensive assessment of the person's health, emotional, social and mental conditions as well as an understanding of their skills and abilities. CIRT is considered a valuable resource for Agnews' residents with behavioral needs who will be living in the community.

The Bay Area regional centers have also contracted with Telecare to develop an acute psychiatric facility that will be available for persons who are experiencing a behavioral crisis and require short-term treatment and stabilization services. Telecare has identified a site and developed a proposal that is being reviewed by Alameda County. The treatment facility will have a capacity to serve 15 persons and services will be provided within 12 to 18 months from the approval of the proposal.

Health Services

Wellness is foundational to the transition plan for Agnews' residents. There are three significant components to this effort:

1. Assuring that the health needs of each Agnews' resident is assessed and that a comprehensive individualized health plan is developed.
2. Providing supports to existing community providers to enable them to become service partners in the transition effort.
3. Developing and implementing a service strategy that fills identified service gaps and supports the ongoing availability of needed services.

Agnews, the Bay Area regional centers, and DDS staff have developed a comprehensive nursing and risk assessment tool that is completed for each Agnews' resident prior to placement and on an annual basis. The nursing and risk assessment tool includes over 60 health related items including, risk conditions, special health care needs and dietary needs. The assessment is used to develop a Health Transition Plan that is incorporated into the Community Living Options transition process. The RPBA, the regional center service coordinators, and the QMS team members share responsibility to assure that the plans are implemented.

The DDS and the Bay Area regional centers have formed a Training Committee to implement training and support activities for community providers. The most recent training was on September 12, 2006, by Columbus Medical Services and Elwyn. Dr. Robert Perry led a workshop on Dementia in Persons with Special Needs. Continuing education credit was made available to encourage attendance. Sixty health service participants attended the training. Another workshop on Practical Implications of Genetic Disorders was provided by Brenda Finucane and Elliot Simon.

Agnews expanded its license on March 30, 2006, allowing it to provide outpatient medical services to persons with developmental disabilities who reside in the community. The clinic has provided over 100 services to date, including primary medical care; specialty services, such as psychiatry and neurology; and other services such as occupational and physical therapy; and dental services. The most frequently used services are dental, primary medical care, psychiatry and neurology. In addition, SARC has vendorized Agnews to provide specialized therapeutic services. The costs of specialized therapeutic services provided to consumers who meet the qualifications

and requirements for enrollment in the HCBS Waiver are eligible for federal financial participation.

A comprehensive health service strategy has been developed that includes a short and long term plan. Medical and professional services in the short-term will be provided by Agnews to consumers transitioning to the Bay Area whenever the planning team determines that the service is needed. This may, depending on the person, include medical and professional services provided by Agnews, or the person may only require more specialized services such as psychiatry or neurology. After Agnews closes, the longer term strategy is to have identified and partnered with community medical providers prior to the closure of Agnews. A number of established health provider agencies have expressed an interest in expanding their services to continue and augment the services provided by the Agnews Outpatient Clinic. We are currently discussing the service needs of Agnews' consumers with these established providers and are exploring their capacity and interest. These alternatives will be finalized to ensure that the transition can begin prior to the end of 2007.

Agnews will play a significant role in the provision of medical services needed to support transition of its residents to the community. These services may be provided in the person's home as well as at the outpatient clinic. Many of the consumers with extensive needs will receive their medical services from state staff.

The health service fiscal component is complex and, like the service strategy, includes short and long-term components. Some of the outpatient services that Agnews provides to transitioning residents are allowable costs integral to the closure process. Regional centers can also authorize the purchase of specialized therapeutic services through the Medicaid Waiver when appropriate. The DDS is continuing to work with the DHS as well as internally to assure that the costs for these services are appropriately billed.

The DDS and the Bay Area Regional Centers are working to ensure ongoing access to health services. We are collaborating with the DHS to identify ways to improve access to managed care programs. This service option has the potential to meet the needs of a number of regional center consumers because it provides access to a wide range of medical and professional services through a system that is coordinated by a primary care physician. The DDS has scheduled meetings with the Santa Clara and Alameda County Health Plans to strategize on ways to access health services through their plans. Both counties have or are in the process of establishing Special Needs Plans for persons who are eligible for Medi-Cal and Medicare. The long-term objective is to access coordinated medical services for consumers in the community.

Oral Health

The Bay Area regional centers have contracted with the University of the Pacific (UOP) School of Dentistry to provide training and support to assist the regional center dental coordinators to fulfill their goal of increasing access to dental resources and providers for consumers transitioning from Agnews into community living arrangements. With the assistance of the UOP School of Dentistry, the Bay Area regional centers have interviewed and hired a dental coordinator at each regional center. The dental coordinators act as liaison between the regional centers and community oral health professionals. They also provide triage, referral and tracking, conduct individual and community prevention programs, and develop local resources. Each of the regional centers has appointed a dental liaison who supports and facilitates the dental coordinators. The UOP School of Dentistry is providing training and technical assistance to the dental coordinators and liaisons.

The UOP School of Dentistry is also completing a feasibility study to determine whether their Union City clinic could expand its services to include dental sedation. A number of Agnews' residents as well as current community consumers require dental services that include sedation. The need for this service has been demonstrated by its significant utilization through the Agnews Outpatient Clinic. The feasibility study is underway and will be completed and available for consideration in early 2007.

Each of the regional centers has collected information about oral health systems present within their catchment area. They have completed a community-mapping process to identify community clinics, dental offices, and hospitals that might be sources of treatment for Agnews' residents. Dental coordinators are also contacting oral health providers in their areas who are known to have accepted referrals in the past or who have been identified as possible sources of care. This process will allow them to understand the capabilities and desires of those providers. Dental coordinators are offering support for referrals which can allow providers to increase the number of referrals they accept or start to accept.

The UOP School of Dentistry has completed a survey of all the dentists and dental hygienists in the Bay Area. Six hundred dentists and dental hygienists responded to the survey. The oral health professionals responding to these surveys will be targeted for further follow-up as possible sources of care. The UOP School of Dentistry is also collaborating with the regional centers to plan for continuing education courses to be provided in 2007 for oral health professionals. These courses will be offered at a low tuition rate to increase enrollment. The course will better prepared dental professionals to treat people with developmental disabilities. Attendee lists will be used for further follow-up by dental coordinators in their resource development efforts. Finally, the UOP School of Dentistry is supporting a major effort to prevent dental disease through training of direct care community staff on measures to prevent dental disease.

The final component of the project is completing an assessment of the oral health needs of individual consumers. The process begins with gathering data from existing Agnews'

records. An oral health screening examination will be conducted by the regional center dental coordinator. The oral health assessments will be integrated into transition planning and support targeted referrals to community resources. This targeted referral process involves carefully matching the needs of the consumer to the capacities of the provider and pacing the number of referrals to an acceptable level for the provider.

State Staff in the Community

Employees at Agnews, as well as at other developmental centers have developed a wide range of special skills that make them effective in providing services and supports to persons with developmental disabilities. Agnews has a large number of registered nurses, licensed psychiatric technicians, physicians, social workers, teachers, physical therapists, occupational therapists, registered dietitians, rehabilitation therapists, and other professionals who have developed a repertoire of expertise beyond their formal education that is invaluable in working with persons with developmental disabilities.

As many of the Agnews employees have dedicated their entire career to providing services and supports to persons with developmental disabilities and have expressed an interest in continuing to serve the people who reside at Agnews as they transition to community services, it is beneficial to support and encourage Agnews staff to make this transition with the consumers. Toward this end, Agnews and the DDS have provided extensive staff training and orientation to prepare these employees for transition to the community-based developmental services system.

AB 1378 is a critical component for successfully transitioning Agnews' residents into community living arrangements. This legislation authorizes the DDS to utilize existing Agnews' state employees as part of the administration's plan for the closure. State employees can consider serving as direct care staff, providing clinical and other support services, and directly operating facilities to ensure the health and well being of former Agnews' residents.

The State has negotiated contracts with the three Bay Area regional centers to use state employees in the community and has reached agreement concerning the implementation of the state employees in the community program with the American Federation of State, County, and Municipal Employees, the California Association for Psychiatric Technicians, the Service Employees International Union, and the Union of American Physicians and Dentists. The agreements cover the employee selection process, the provision of ongoing supervision, employee rights and representation, and the rights of those employees in the actual closure process.

Agnews has been working collaboratively with each of the Bay Area regional centers to establish direct lines of communication with families, staff, and provider organizations in an effort to keep people informed of new developments and upcoming opportunities. One of the ways in which communication has been provided is through Community Resource Fairs. A fair was offered in the Fall of 2005 and held again on April 28-29, 2006. The Community Resource Fair is an opportunity for staff and families to meet

with current and future community providers. This two-day event includes booths, presentations, and opportunities to discuss resources available to Agnews' residents. Since regional centers have selected most of the providers to be serving Agnews' consumers, the fair provided families an opportunity to meet a number of these providers.

Agnews is also implementing a number of other strategies to keep staff apprised of opportunities for positions as state employees in the community and to prepare them to assume these responsibilities. The Agnews Staff Support Committee is working with a group of professionals from Community Care Licensing, Regional Centers, Community Providers, the RPBA, and the DDS, to provide training to interested Agnews' employees who wish to pursue becoming service providers or employees in community settings. A curriculum has been developed for state staff to assist them in transitioning their unique clinical skills to smaller, more intimate, community settings. Additionally, plans are being formulated to support Agnews' staff who receive employment offers as administrators to complete the required coursework for certification.

Since May 2006, Agnews has provided eight Information and Orientation Sessions for their employees. Morning and afternoon sessions were conducted on May 24, July 19, August 23, and September 13, 2006. During these sessions, employees received an update on the Agnews Closure Plan and information on possible business or employment opportunities in the community and the Marchesi Career Center activities, which are discussed later in this report, to support employees in the above opportunities. Over 350 staff have participated in these sessions this year. At the conclusion of each Information and Orientation Session, employees were offered an evaluation tool to assist Agnews in better understanding employee interests and needs. The tool also provided feedback to tailor future sessions to meet employee needs. In response to this employee feedback, staff information sessions have continued on a smaller more personal scale with 20 – 30 persons per class. Between September 1, 2006 and November 30, 2006, these focused sessions provided 75 Agnews' staff with an overview of the community-based developmental services and 44 Agnews' staff attended training on how to become a certified group home administrator. The RPBA, in conjunction with community providers such as California Community Opportunities have provided and will continue to provide through the Marchesi Career Center informational sessions on an individual or group basis on becoming a FTH service provider. All of these activities are publicized in the monthly staff support newsletter.

To date, Agnews has provided community state staff information sessions to over 350 employees and more than 40 employees have applied for community state staff positions. The opportunities for employees to apply for community state staff positions will increase as BAHF homes become available. State staff are now playing a number of roles in the community including direct care, training and consultation, and assessment, planning and case management. A significant increase in state staff positions in the community over the next six months is anticipated based on housing availability. These systems are designed to assure that the services provided by the

state staff meet the needs of the consumers being served and the community provider/regional center.

Bay Area Quality Management System (QMS)

A refined model for QMS was completed and introduced to the Unified Plan Steering Committee, regional center quality assurance staff, advocacy groups, and the CMS Grants Advisory Stakeholder Committee in Fall 2006. The Committee included all persons (i.e., consumers, providers, regional center, and DDS staff) that have been, or will be, involved in the Unified Plan. The Bay Area QMS is based on values set forth in the Agnews Closure Plan and described in the DDS's Strategic Plan. A three-year federal System Change Quality Assurance/Quality Improvement Grant was completed in September 2006 and served as the basis for the development of the QMS model.

Specifically, the Bay Area QMS outlines the activities that will be used to:

- support value-based outcomes for providers and individuals served by those providers;
- keep people safe and assure their well being;
- ensure the satisfaction of consumers and their families;
- identify, and fill, gaps in the community system; and,
- develop, and pilot, a QMS with potential for statewide implementation; and meet CMS expectations.

QMS Components

The QMS includes a provider performance expectation and quality improvement tool called Quality Services Review (QSR) that includes 37 provider expectations and 84 measurements of those expectations. A key component of the QSR is its focus on quality outcomes for individuals using several provider services monitoring tools. These tools are implemented by professional staff at regional centers, including registered nurses, psychologists, QMS specialists, and service coordinators as well as by family members, friends and other visitors to individual's homes. These outcome-based quality expectations measure achievement criteria for consumers and providers. Providers that are part of the QMS will be required to meet all expectations that will lead to their approval by regional centers. In December 2006, intensive training began on the implementation of the new monitoring tools.

In addition, a central information and integration system using Microsoft Access software has been developed. Once fully deployed, this Quality Management Information System will manage QMS data storage and display. The information system will aid QMS Specialists in working with providers to continuously improve their service provision and ensure services meet the entire array of provider quality expectations. In addition, the system will include a response tracking process to any areas or discoveries needing attention during the quality improvement efforts. The

information and integration system has been installed and is being phased in with full implementation in the Spring 2007.

The National Core Indicators (NCI) Consumer and Family Satisfaction surveys were selected to measure individual outcomes and family satisfaction on an annual basis. The Bay Area regional centers have completed Year 1 implementation of the Consumer Survey and Family Satisfaction Survey. A statistically significant random sample of approximately 750 consumers from the Medicaid Waiver population was surveyed in-person using the NCI Consumer Survey. Another sample of approximately 400 families from the same Medicaid Waiver population was surveyed by mail using the NCI Family Satisfaction Survey. In addition, the entire population of consumers that have transitioned into the community from Agnews from July 2003 through March 2005 were surveyed in-person using the NCI Consumer Survey. The implementation of Year 2 for the NCI Family Satisfaction Survey began in October 2006. Year 2 of the NCI Consumer Survey is underway, with in-person interviews beginning in November 2006. Surveys of the consumers that have transitioned from Agnews for Year 2 have been completed. The Year 1 and Year 2 survey findings and final reports will be available in early 2007.

The QMS includes ongoing mechanisms to measure individual outcomes and satisfaction in addition to the annual NCI surveys. It incorporates information from reviews by a range of regional center professionals and a Quality Snapshot survey that is completed by families and other visitors to the residential homes. These surveys provide information about the visitor's perspective on the home environment and staff, as well as the consumers well being, and are mailed directly to the Director of QMS. Quality Snapshot surveys have been distributed to many homes and data from returned surveys is being reviewed, utilized, and entered into the Quality Management Information System.

A Review Commission was established to serve in an advisory capacity to review Bay Area QMS data and reports. The members include two consumers, seven parents, an advocate from Protection and Advocacy, Inc., and one provider. The commission has held three orientation meetings since September 2005. The commission will hold its fourth meeting in early 2007, and will begin regular meetings to review outcomes and satisfaction data gathered by the QSR process. Recommendations for system improvements and capacity building will be made to the Steering Committee by the Review Commission.

Business Management Team

The Business Management Team (BMT) was formed in 2003 to identify and develop the various tasks required to address the operational functions, construction projects, fiscal management, and space utilization as they relate to the closure of Agnews. The BMT is comprised of both developmental center and headquarters personnel. Seventeen project plans were developed that include the necessary tasks, responsible persons, and completion dates for facilitating closure activities. The project plans

include Client Property Transfer, Communications and Information Systems, Construction Projects, Fiscal Services, Hazardous Materials, Health and Safety, Historical, Leased Properties, Notifications, Physical Plant, Records, Regional Resource Development Projects including the Delta Regional Project and the RPBA, Security, Space Utilization, Staff Support, State Property and Supplies, and Trust. All project plans include specific protocols to define the implementation steps necessary to ensure a smooth transition.

The Human Resource Committee has begun meeting on a more frequent and regular basis since October 2006, to initiate the implementation of both personnel and labor relations functions associated with closure.

Plans have been developed to maintain the buildings in a warm shutdown condition after facility closure to prevent deterioration, provide for security, maintain health and safety conditions, and adhere to all post closure fiscal obligations. One of the four residential buildings was placed in a warm shut down on July 1, 2006. This decreases operational costs for utilities, building maintenance, and janitorial services.

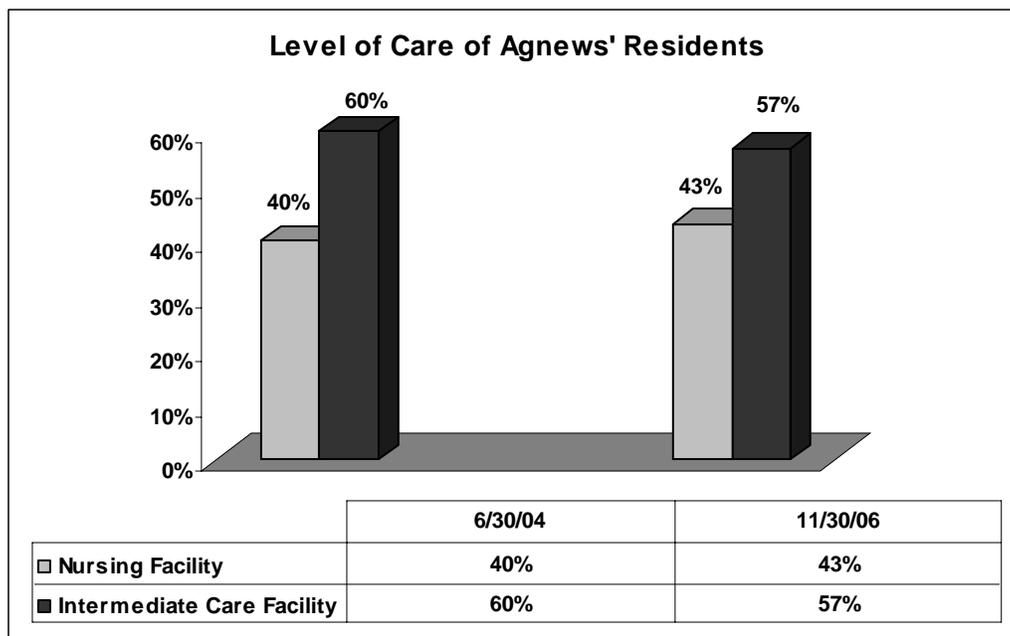
The Agnews' campus includes 51 buildings on 87 acres of land. Two off-site leases have been terminated, and their functions have been consolidated and moved onto the Agnews' campus. The only remaining lease is for the Nuttman warehouse that serves as the distribution point for laundry services provided through a contract with the Prison Industry Authority.

Update on Agnews' Consumers

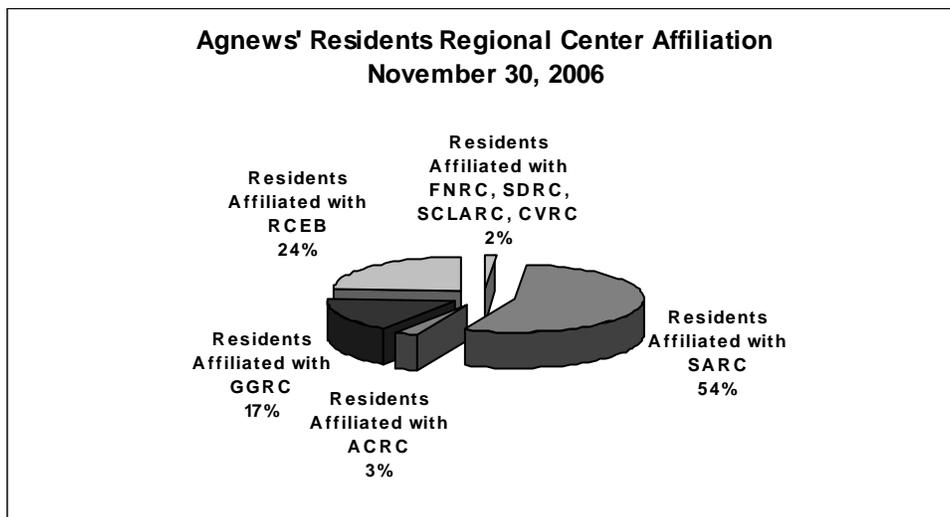
Current Agnews' Residents

As of November 30, 2006, 261 persons reside at the Agnews' campus in three residential buildings. There are a total of 14 residences within these three buildings, with an average census of approximately 18 residents each.

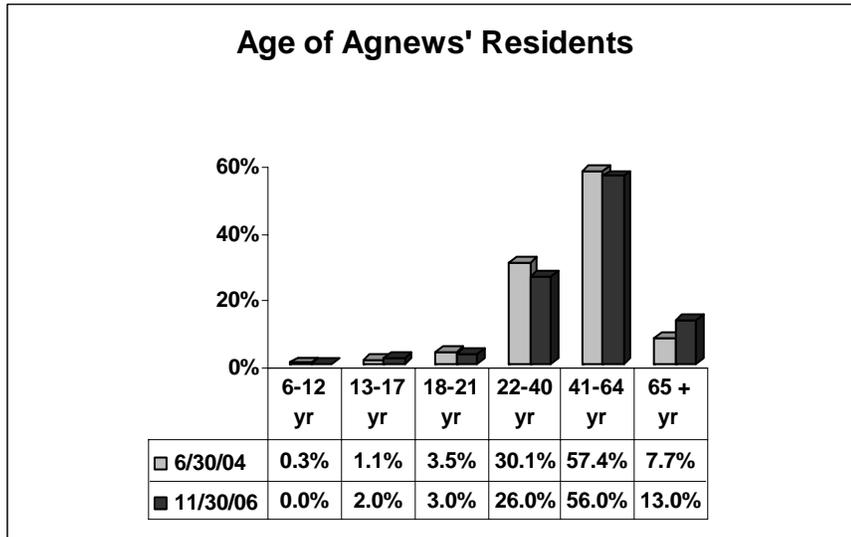
Agnews provides three levels of care to people who reside at the facility. The first level of care is provided in the Nursing Facility residences in which approximately 43 percent of Agnews' residents live. The second level of care is provided in the Intermediate Care Facility residences, which are home to the remaining 57 percent of the consumers. Both the Nursing Facility residences and the Intermediate Care Facility 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 illness or injury.



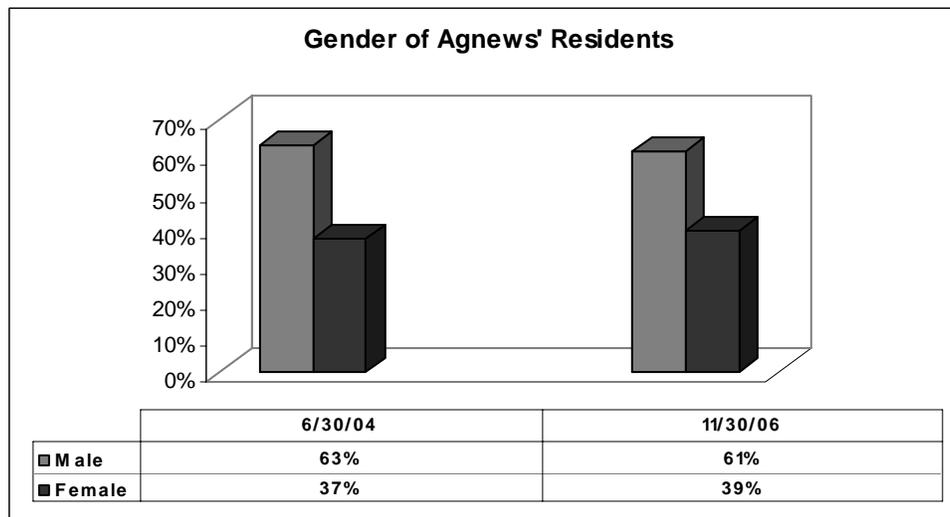
Fifty-four percent of current residents are affiliated with SARC, 24 percent are affiliated RCEB, 17 percent are affiliated with GGRC, 3 percent are affiliated with Alta California Regional Center (ACRC), and 2 percent are affiliated with Far Northern Regional Center (FNRC), San Diego Regional Center (SDRC), South Central Los Angeles Regional Center (SCLARC), or Central Valley Regional Center (CVRC).



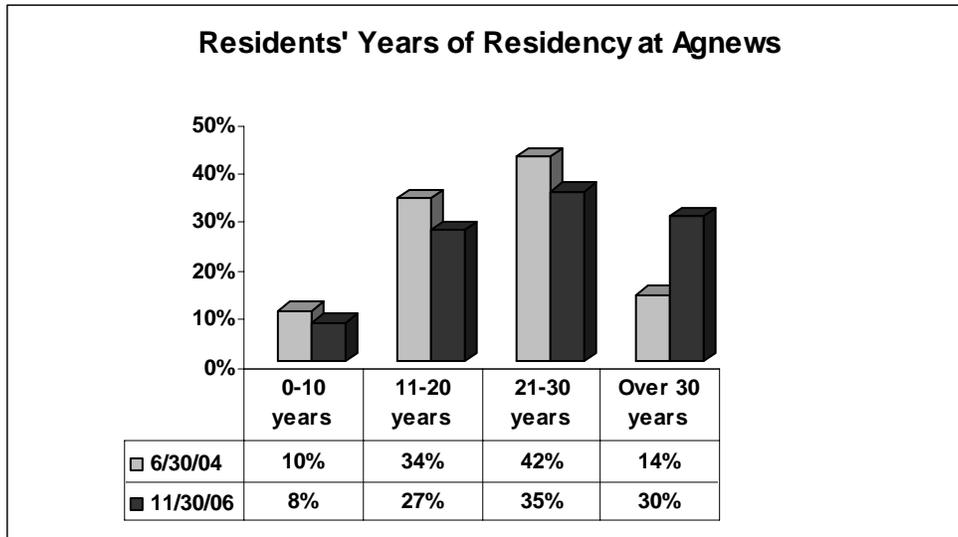
As of November 30, 2006, 69 percent of the residents are over age 40. People who are 65 years or older make up 13 percent of the population. In contrast, 2 percent of the residents are under the age of 18 years.



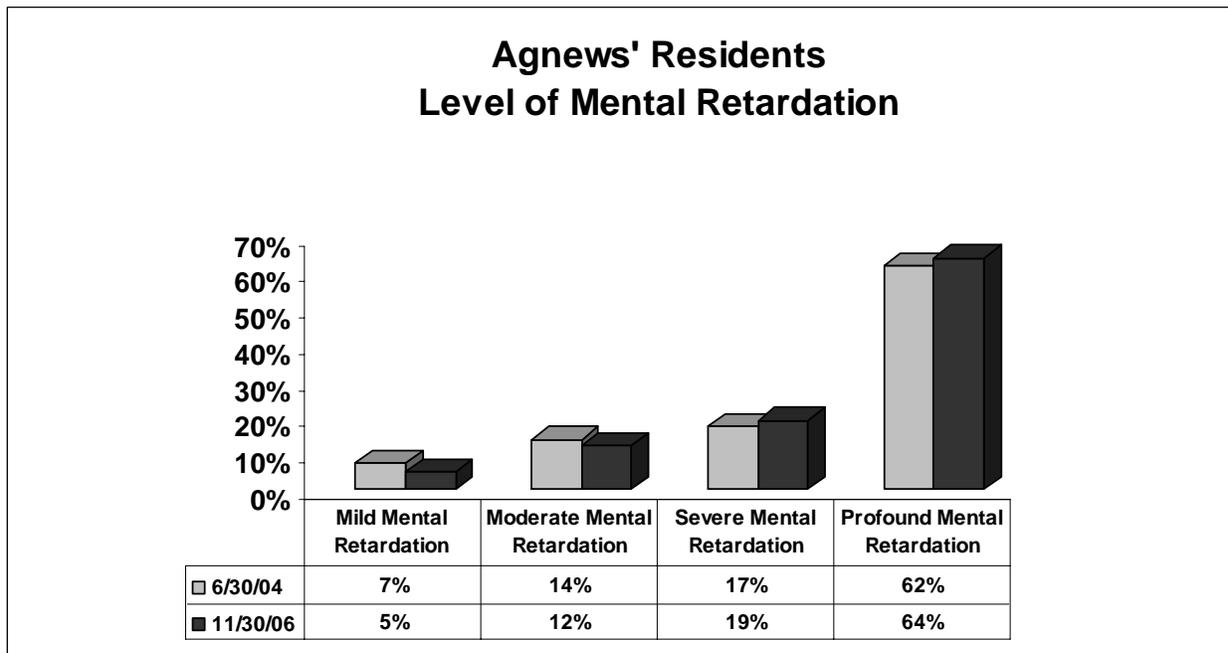
Sixty-one percent of the residents are male, and 39 percent are female.



Sixty-five percent of the current residents have lived at Agnews over 20 years. Twenty-seven percent have resided at Agnews for 11 to 20 years. Eight percent have resided at Agnews less than ten years.

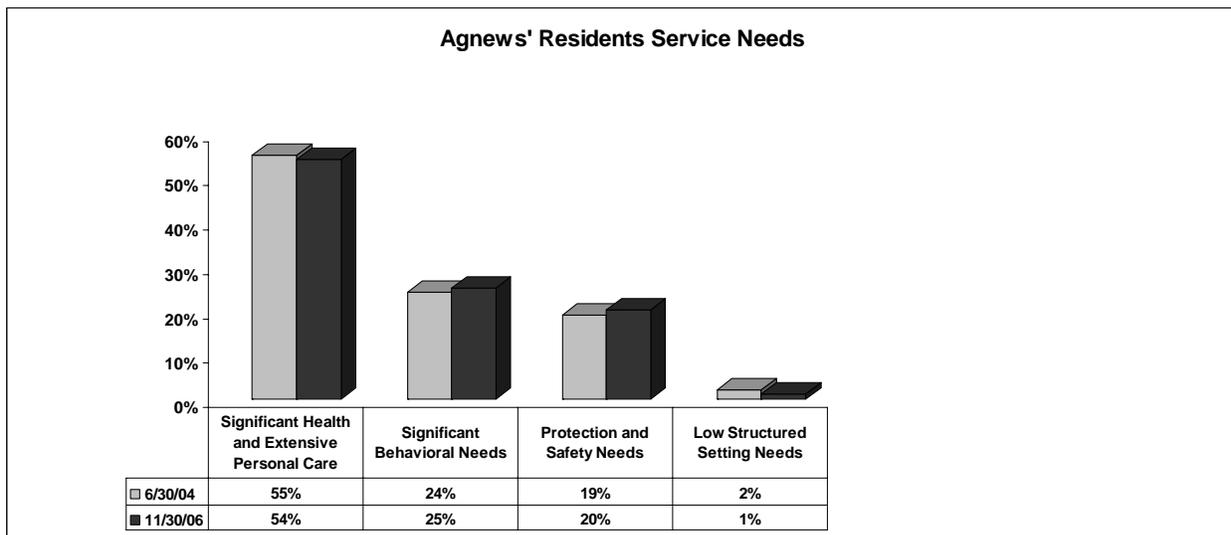


Sixty-four percent of the current Agnews' residents have profound mental retardation, 19 percent have severe mental retardation, 12 percent have moderate mental retardation, and 5 percent have mild mental retardation.



There are four primary service needs for persons who reside at Agnews.

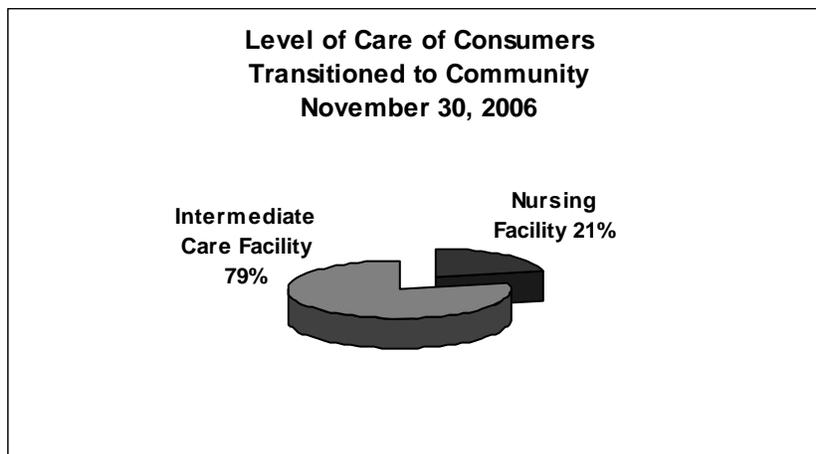
- Significant Health and Extensive Personal Care Needs:** This category includes people who require intermittent pressure breathing, inhalation assistive devices, or tracheotomy care; have recurrent pneumonias or apnea; and are non-ambulatory, requiring total assistance and care, and/or receive enteral (tube) feeding. Significant nursing intervention and monitoring are required to effectively support these individuals. Fifty-four percent of the residents have significant health and extensive personal care needs.
- Significant Behavioral Needs:** This category describes persons who have significant aggression issues that may require intervention for the safety of themselves or others. Approximately 25 percent of the residents are persons with significant behavioral issues.
- Protection and Safety Needs:** This category includes persons who need a highly structured setting because of a lack of safety awareness, a pattern of self-abusive behaviors and/or inappropriate expression of social behavior. These consumers require constant supervision and ongoing intervention to prevent self-injury and/or stigmatization. Twenty percent of the persons residing at Agnews require this type of structure and service need.
- Low Structured Setting Needs:** This service need addresses those residents who require minimal supervision and support. One percent of the Agnews' residents require minimal supervision or support.



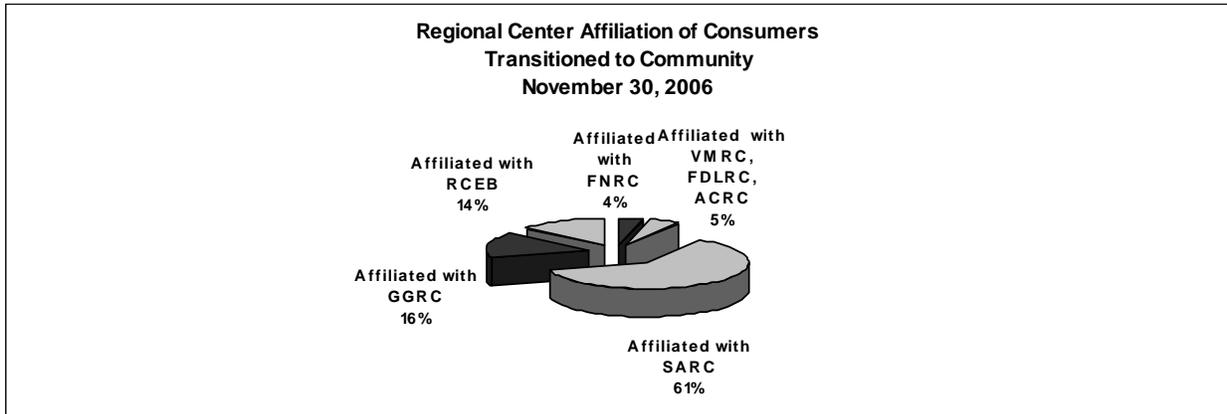
Agnews' Consumers Who Have Transitioned Into Community Living Arrangements

Between the period of July 1, 2004, and November 30, 2006, 99 residents transitioned to the community, 10 persons were admitted to Agnews, and 2 persons were transferred to other developmental centers. Of the consumers who transitioned to community living arrangements between July 1, 2004, and November 30, 2006, 79 percent had been served in Intermediate Care Facility residences and 21 percent had been served in the Nursing Facility residences while at Agnews.

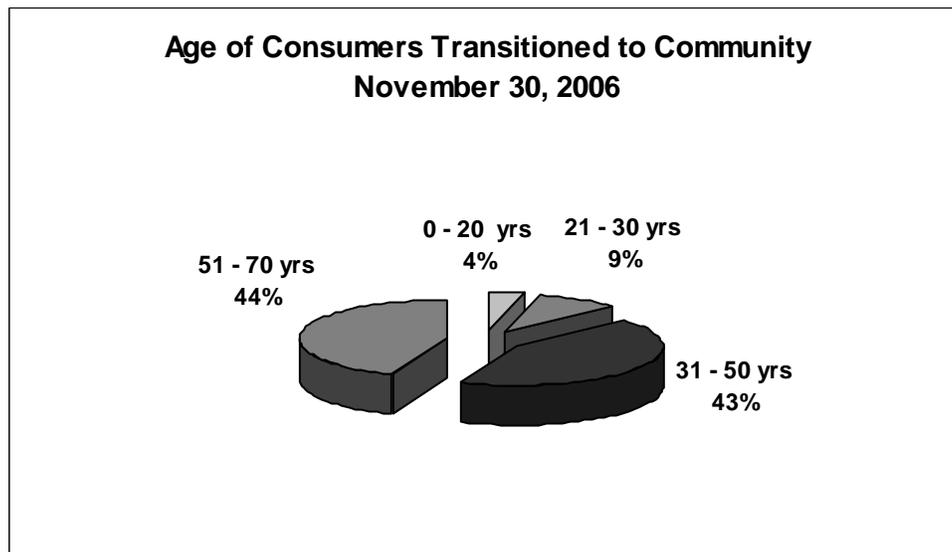
As of December 21, 2006, 17 consumers have moved from Agnews into the community, and 40 persons are in various stages of the community living options process and are expected to transition into the community over the next several months. In these instances, potential residential providers and community resources have been identified. The majority of the remaining Agnews' residents that will transition into the community will require BHP homes. Based on our success with the acquisition of homes, it is expected that significant progress will be achieved in transitioning consumers into the community by the end of the fiscal year.



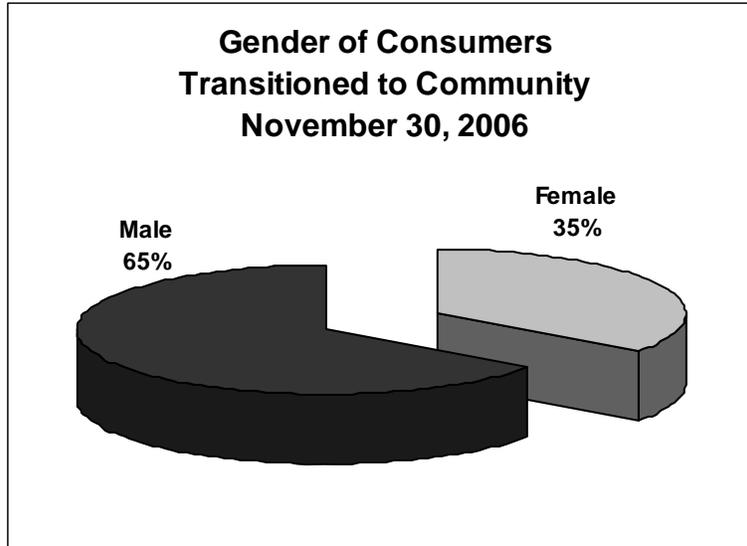
Sixty-one percent of the consumers transitioning to the community between July 1, 2004, and November 30, 2006, were affiliated with SARC, 16 percent were affiliated with GGRC, 14 percent were affiliated with RCEB, 4 percent were affiliated with FNRC, and 5 percent were affiliated with Valley Mountain Regional Center (VMRC), FDLRC, or ACRC.



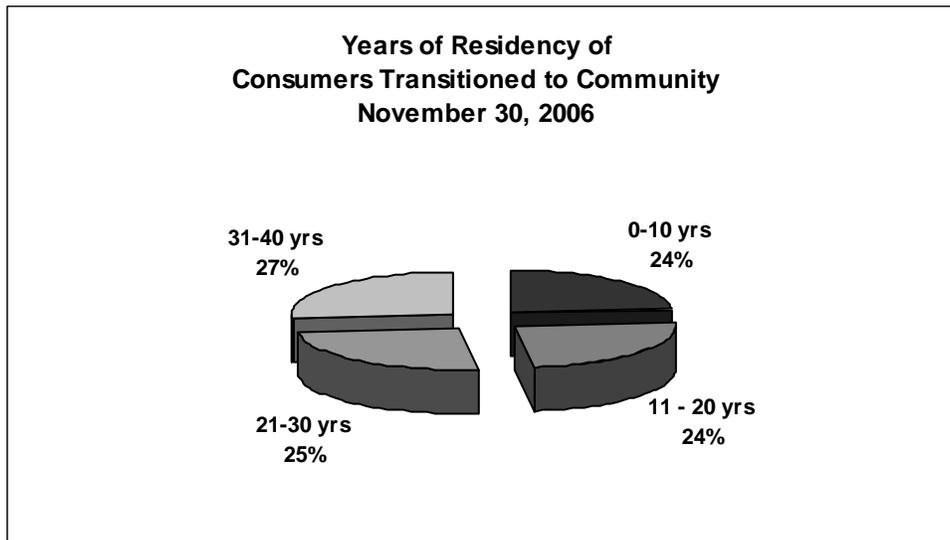
Of the consumers transitioned to the community between July 1, 2004, and November 30, 2006, 44 percent were 51 to 70 years of age at the time of transition from Agnews, 43 percent were 31 to 50 years old, 9 percent were 21 to 30 years old, and 4 percent were 20 years of age or younger.



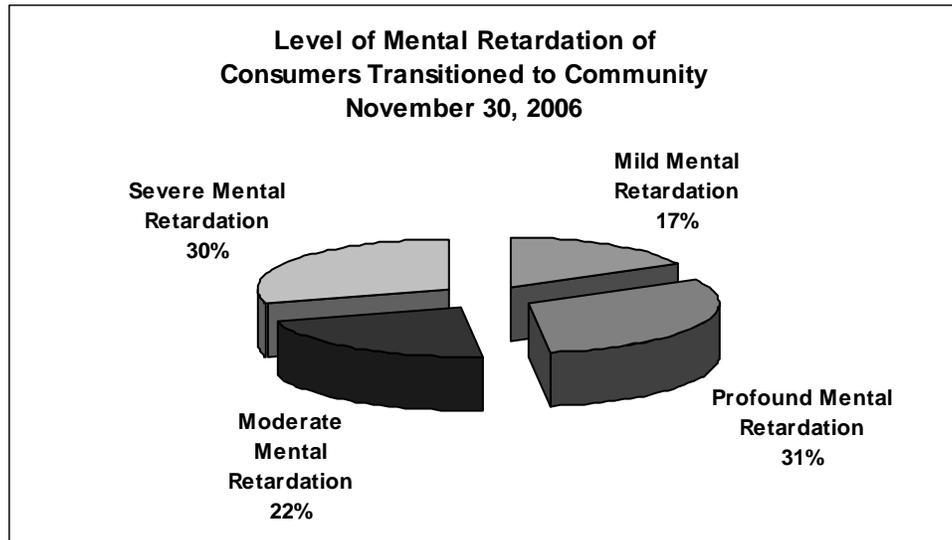
Sixty-five percent of the consumers transitioned to the community between July 1, 2004, and March 31, 2006, were male, and 35 percent were female.



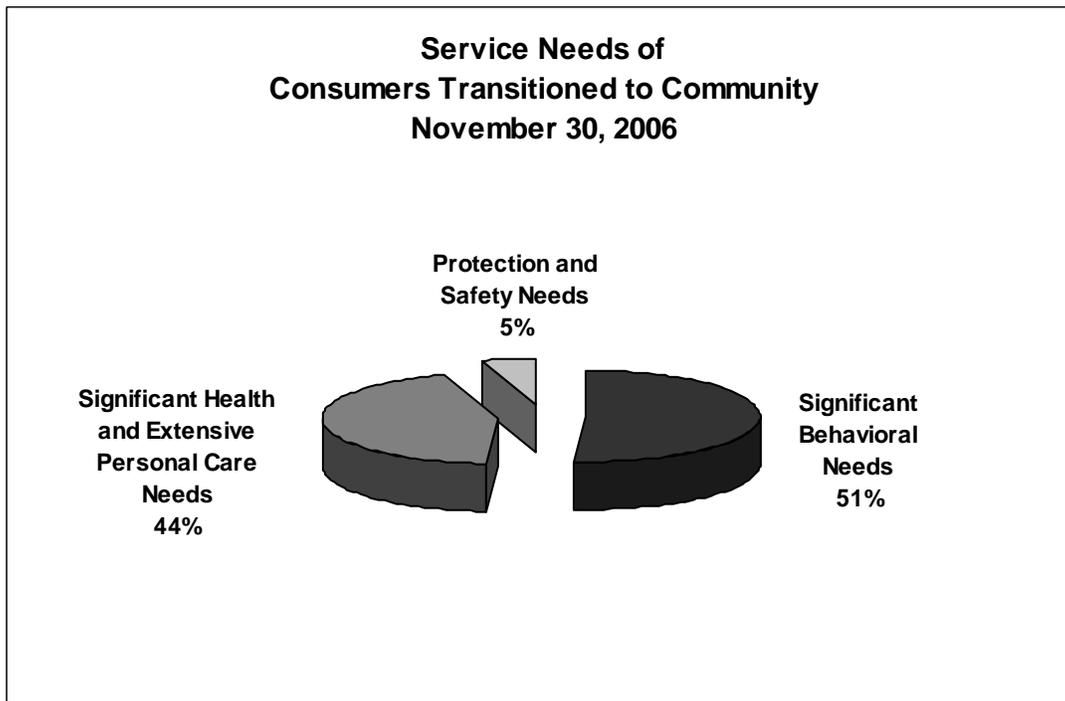
Of the consumers transitioned to the community between July 1, 2004, and November 30, 2006, 27 percent lived at Agnews for 31 to 40 years, 25 percent for 21 to 30 years, 24 percent for 11 to 20 years, 24 percent for 10 years or less.



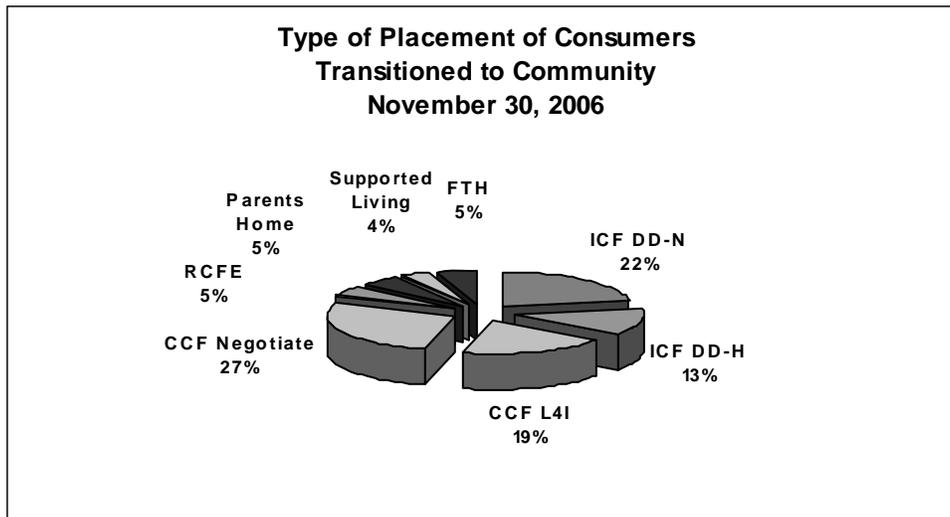
Of the consumers who transitioned to the community between July 1, 2004, and November 30, 2006, 31 percent had profound mental retardation, 30 percent had severe mental retardation, 22 percent had moderate mental retardation, and 17 percent had mild mental retardation.



Fifty-one percent of the consumers who transitioned to the community between July 1, 2004, and November 30, 2006, had significant behavioral needs, 44 percent had significant health and extensive personal care needs, and 5 percent had protection and safety needs.



Twenty-seven percent of the consumers who transitioned to the community between July 1, 2004, and November 30, 2006, moved to CCF Negotiate, 19 percent moved to CCF L4I, 22 percent moved to ICF DD-N, 13 percent moved to ICF DD-H, 5 percent moved to RCFE, 5 percent moved to FTH, 4 percent moved to Supported Living, and 5 percent moved to their Parents Home.

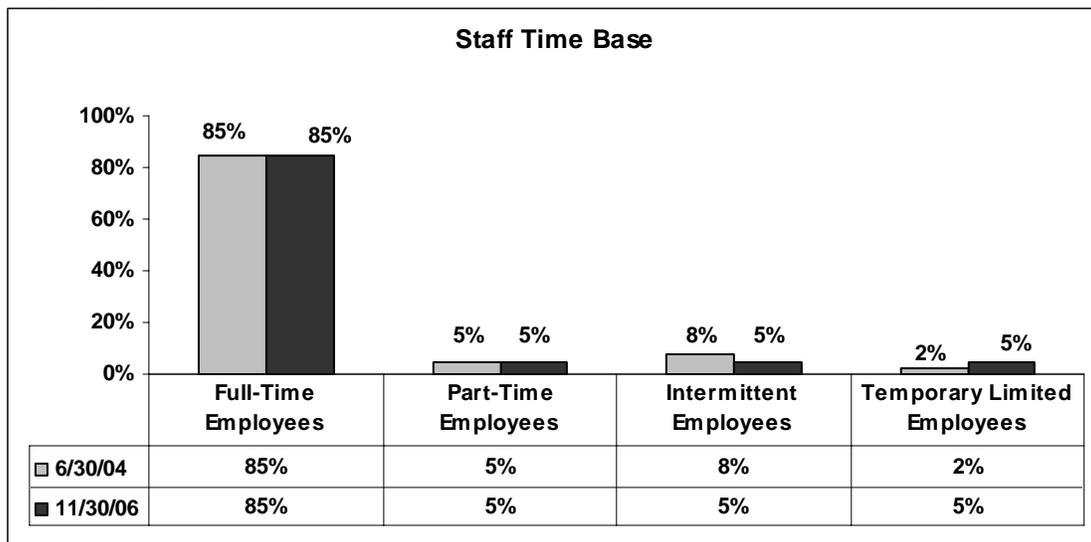


Update on Employees

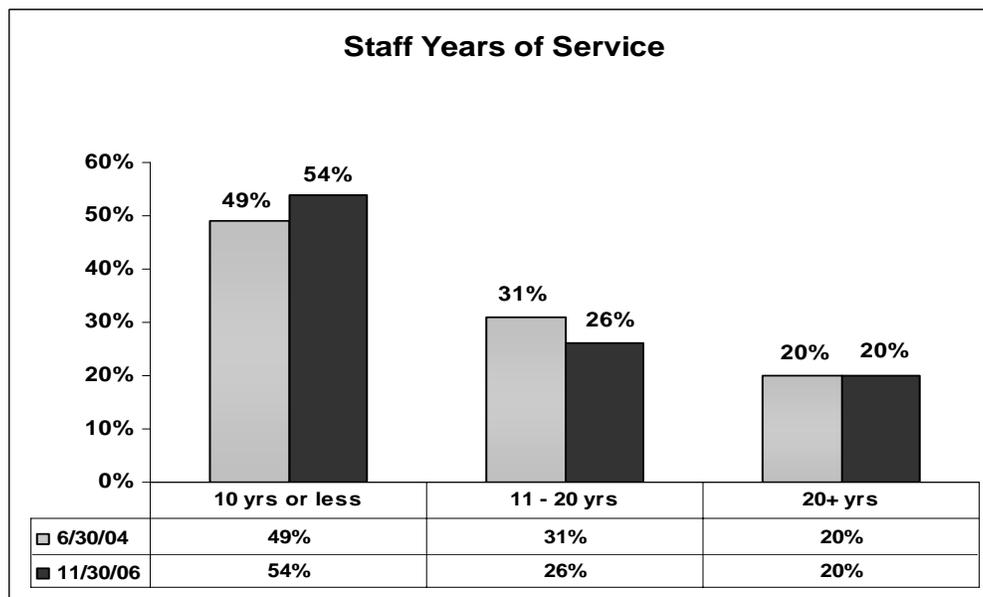
This report is an update on current employee status as of November 30, 2006. This includes updates on Current Employee Composition, Separated Staff Composition, and Plans for Employees.

Current Employee Composition

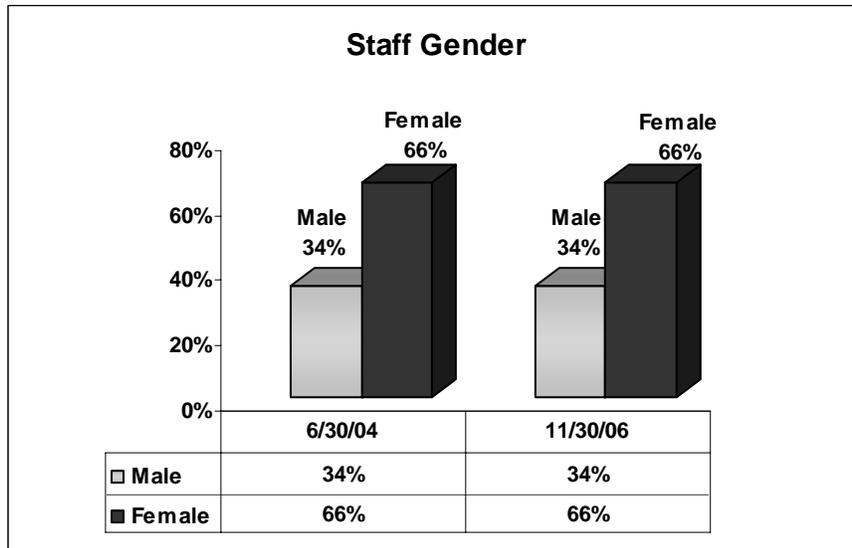
As of November 30, 2006, there are 1,054 employees at Agnews. Of these employees, 85 percent are currently full-time employees, 5 percent are part-time employees, 5 percent are intermittent employees and the remaining 5 percent are temporary limited term employees.



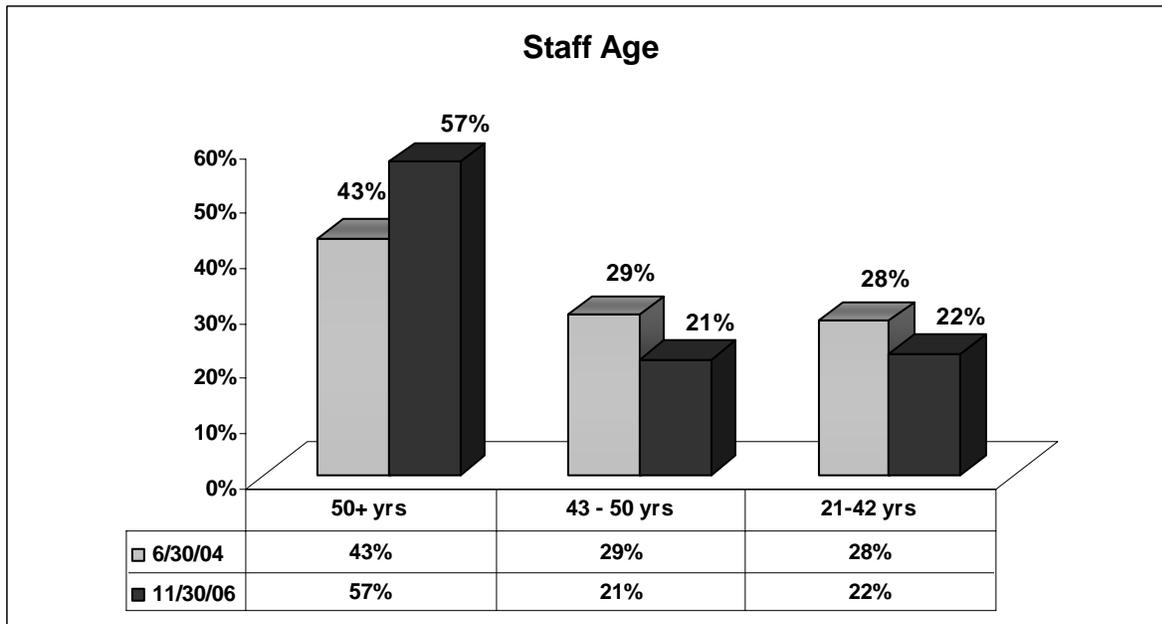
Fifty-four percent of the employees have worked at Agnews for 10 years or less. Twenty-six percent of the employees have been employed at Agnews between 11 and 20 years. The remaining 20 percent have worked at Agnews for more than 20 years.



Sixty-six percent of the workforce are female and 34 percent of the workforce are male.

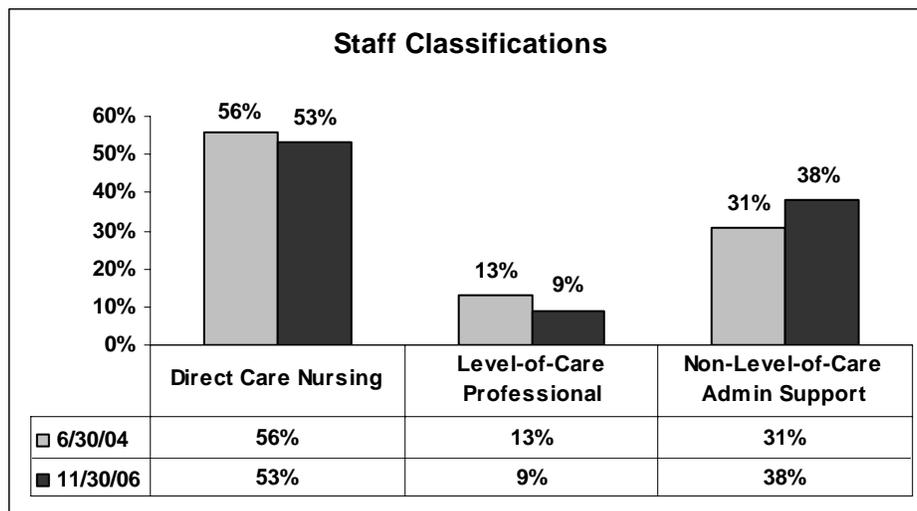


The age range of current employees is 22 to 81 years of age. The current average age of Agnews' employees is 49 years. Twenty-two percent of the workforce are between 21 and 42 years of age. Twenty-one percent are between 43 to 50 years, and 57 percent are over 50 years of age.

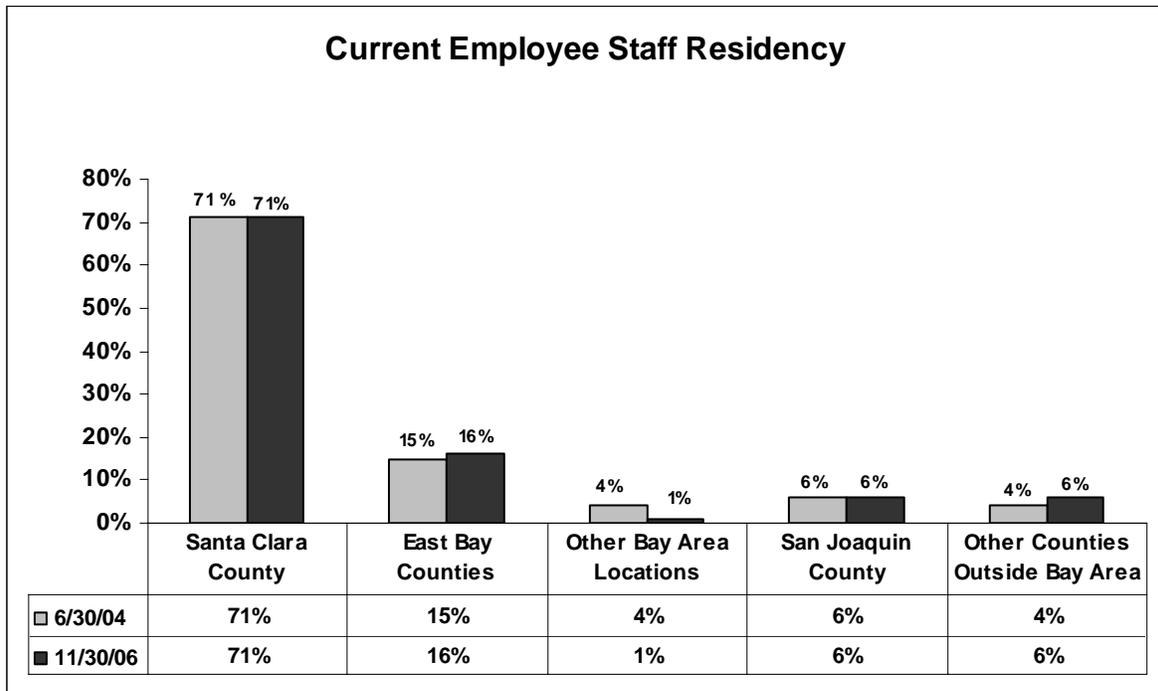


There is a wide range of employees and classifications that provide services to people residing at Agnews. These classifications are categorized as follows:

- **Direct Care Nursing:** The direct care employees make up 53 percent of the employee population and include those employees who provide direct services to the residents at Agnews. These employees are registered nurses, licensed vocational nurses, psychiatric technicians, psychiatric technician assistants, trainees, and students.
- **Level-of-Care Professional:** The level-of-care professional employees make up nine percent of the total employee population and 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 those employees who are in non-level-of-care positions and administrative support. This includes clerical employees, food service employees, personnel and fiscal services employees, plant operations employees, and all supervisors and managers.

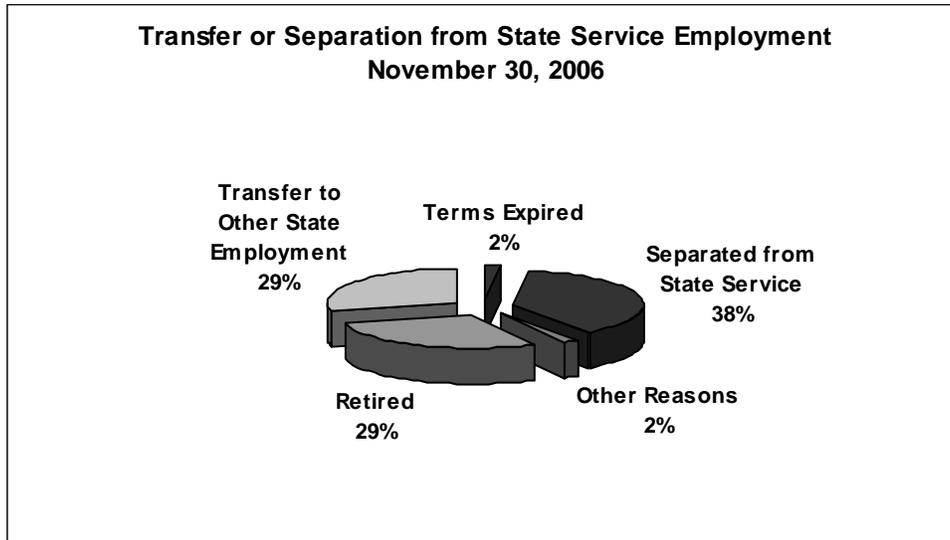


Agnews' employees continue to reside in neighborhoods throughout the Bay Area. Seventy-one percent live in Santa Clara County, 16 percent reside in the East Bay counties, 1 percent of employees live in various other Bay Area locations, 6 percent commute from San Joaquin County, and 6 percent who commute from other counties outside Bay Area.

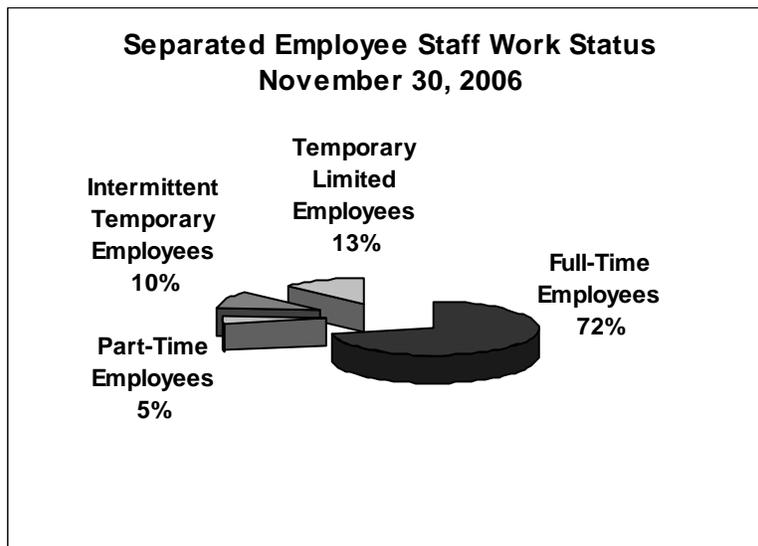


Separated Employee Composition

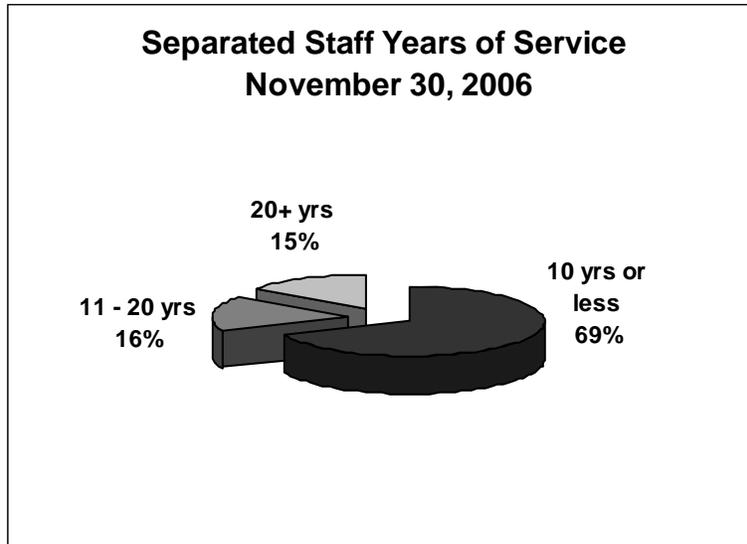
Between the time period of July 1, 2004, and November 30, 2006, 404 employees separated from employment with Agnews. Of those separating, 38 percent separated from state service, 29 percent retired, 29 percent transferred to other state employment, 2 percent terms expired, and 2 percent separated for other reasons.



Of the employees that separated from Agnews' state service between July 1, 2004, and November 30, 2006, 72 percent had been full-time employees, 13 percent had been temporary limited term employees, 5 percent had been part-time, and 10 percent had been intermittent temporary employees.



Sixty-nine percent of the employees who separated from State service had worked at Agnews for ten years or less. Sixteen percent of the employees had worked at Agnews between 11 and 20 years. The remaining 15 percent had worked at Agnews for more than 20 years.



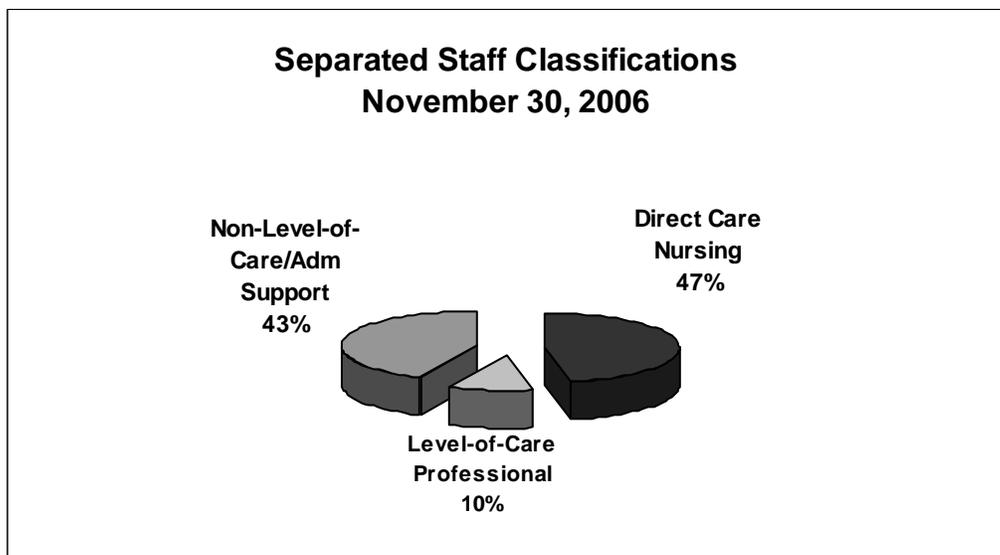
Sixty-one percent of those who separated from State service were female and 39 percent were male.



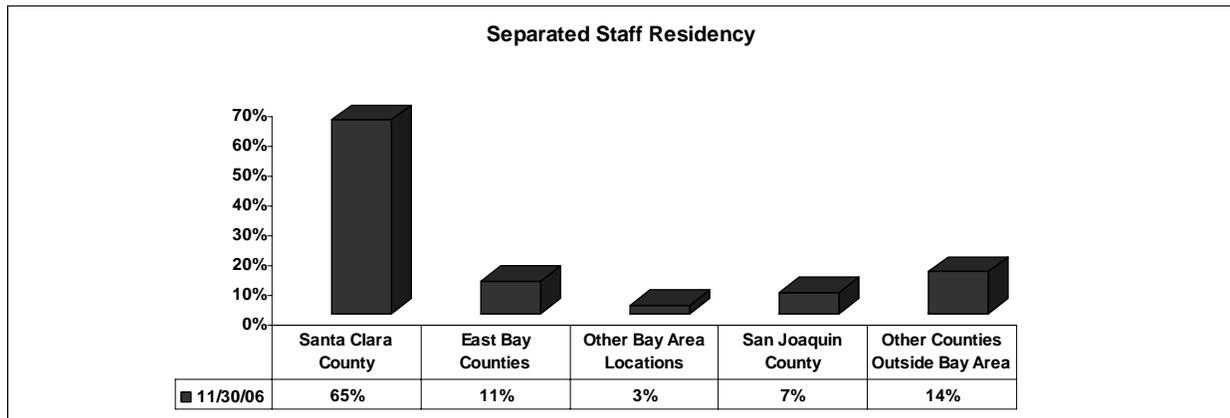
Thirty-one percent of those who separated were between 21 and 42 years of age. Sixteen percent were between 43 to 49 years old, and 53 percent were 50 years or older.



Forty-seven percent of the separated employee population were providers of direct care including nursing services to the consumers at Agnews. Forty-three percent of the separated employee population included those employees in non-level-of-care positions and administrative support. Ten percent of the separated employee population were level of care professional service providers to the consumers at Agnews.



Separated employees continue to reside in neighborhoods throughout the Bay Area. Sixty-five percent live in Santa Clara County, and 11 percent reside in the East Bay counties. Three percent of employees live in other Bay Area locations. In addition, separated employees residing in communities outside of the Bay Area include 7 percent who commuted from San Joaquin County, and 14 percent who commute from other counties outside the Bay Area.



Plans for Employees

Agnews' employees are aware of the closure date of June 30, 2008, and the range of options that are, or will become, available to them. There are a number of resources and services that have been initiated, and will continue during the implementation of this plan.

Continued Employment in the Developmental Services System

As discussed previously in the section entitled State Staff in the Community, approximately 200 Agnews' employees will have the opportunity to seek community-based state employment. These employees will participate in providing direct residential services, training, consultation, quality assurance, and other services in the community. The procedures for selecting persons to fill these positions was developed based on negotiations, and development of the agreement with each labor organization, taking into consideration current hiring practices for state employment. Regional centers and service providers are accessing the State Staff in the Community Program and opportunities will increase greatly as BAHF housing becomes available.

Individual Assistance in Developing Job Skills and Locating Job Opportunities

The Staff Support Committee, in cooperation with the BMT, has developed a larger, more user-friendly career center called the Marchesi Career Center. The new Marchesi Career Center was officially opened in September 2006 and is currently staffed with three professionals who provide assistance to staff in a wide variety of ways including career counseling, training, and support on an individual or group basis. As of November 30, 2006, 367 staff received services from the Marchesi Career Center in the first three months of operation, with an expected increase over the next year.

The Marchesi Career Center is equipped with five computer systems with access to the internet for job searching purposes. Web links are available for connecting to advertisements for state, county, city and local jobs, as well as information on State Restriction of Appointment, Surplus Status, retirement, and benefits. The center is also a location for posting job bulletins and provides information on job opportunities within the state system.

The Marchesi Career Center also serves as a training site complete with a media center which includes a power point projector for presentations, equipment for DVD or video presentations, and training materials specific to community-based business opportunities, community-based employment, job searching, résumé writing, application processing and interview tips and techniques.

The career counseling process is designed to assist employees with decisions about current as well as future goals, and begins with a survey tool which assists the counselor in providing needed services to employees. The survey tool identifies employees by name and current classification, and queries their educational background, employment or retirement interests, job shadowing interests, and includes a comment section for any other information the employee wishes to share such as concerns or supports needed.

To better understand employee transition needs, surveys have been completed with dietary services staff, plant operations staff, registered nurses, licensed vocational nurses, psychiatric technicians, psychiatric technician assistants, and teaching assistants. The intent is to have every employee of Agnews communicate their future career interests so it is possible to identify and tailor counseling, training, and information based on those needs.

The Marchesi Career Center staff uses this information to develop training and support services consistent with employee interests. The counselors assist employees with job search information, assessing qualifications based on job specifications, finding employment within state service, preparing applications, comparing benefits, and evaluating retirement options. In addition, personal invitations and save-the-date cards are sent to employees who have expressed interest in certain opportunities.

Between September 1, 2006, and November 30, 2006, 99 staff received individual career counseling in the Marchesi Career Center. Fifty-six of those staff made advance appointments for career counseling, and 43 initiated the career counseling process based on available drop-in sessions.

Workshops on interviewing techniques and résumé writing were provided to 268 staff from September 1, 2006, to November 30, 2006, and will continue to be provided for employees. Quarterly retirement and benefit workshops continue to be provided by the California Public Employees' Retirement System.

In addition, Agnews offered a job fair for prospective employers of Agnews' employees in November 2005, and another is planned to occur in early 2007.

In association with the Marchesi Career Center, Agnews has also established a work group to gather and review questions being raised by employees for response through the Agnews Employee Newsletter. The work group, in partnership with the Employee Advisory Council, also facilitates staff morale-building activities.

Agnews remains committed to the establishment and implementation of a system that promotes employee stability and provides opportunities to assist employees with taking the next step in their future plans.

VII. Major Implementation Steps and Timelines

Report on the Plan for the Closure of Agnews Developmental Center

ID		Task Name	2						
			4th Quarter	1st Quarter			2nd Quarter		
			Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
1	<input checked="" type="checkbox"/>	Plan Development							
2	<input checked="" type="checkbox"/>	Establish the Bay Area Project Steering Committee							
3	<input checked="" type="checkbox"/>	Establish Agnews' proposed closure Advisory Committee							
4	<input checked="" type="checkbox"/>	Begin Agnews' proposed closure Advisory Committee meetings							
5	<input checked="" type="checkbox"/>	Establish Bay Area Project planning teams to solicit input on the Agnews Closure Plan							
6	<input checked="" type="checkbox"/>	Public Hearing on the proposed closure of Agnews							
7	<input checked="" type="checkbox"/>	Letter to Legislators and Other Interested Parties announcing postponement of Agnews Closure to July 2006							
8	<input checked="" type="checkbox"/>	Submission of the Agnews Closure Plan to the Legislature							
9	<input checked="" type="checkbox"/>	Legislative approval of Plan for Closure							
10	<input checked="" type="checkbox"/>	Resource Development							
11	<input checked="" type="checkbox"/>	Bay Area Housing Plan (BAHP)							
12	<input checked="" type="checkbox"/>	Draft Legislation							
13	<input checked="" type="checkbox"/>	AB 2100 Introduced							
14	<input checked="" type="checkbox"/>	AB 2100 effective 1/1/2005							
15	<input checked="" type="checkbox"/>	Regional Center Development of BAHP							
16	<input checked="" type="checkbox"/>	DDS, Housing and Community Development, California Housing and Finance Agency (CalHFA), DOF, Governor's Office Review BAHP							
17	<input checked="" type="checkbox"/>	BAHP and Expenditure Plan submitted to JLBC							
18	<input checked="" type="checkbox"/>	CalHFA Bd approves 1st bond financing							
19	<input checked="" type="checkbox"/>	CalHFA Bd approves 2nd bond financing							
20		Construction and acquisition financing secured							
21		NPOs identify potential properties							
22		Hallmark acquires properties							
23		Hallmark renovates properties							
24	<input checked="" type="checkbox"/>	BAHP Legal Agreements endorsed							
25	<input checked="" type="checkbox"/>	BAHP RC Contract Amendment Enforced							
26		Budget Act Reappropriation of Expenditure Plan Funds							

A check indicates a completed task.
January 2007

Major Implementation Steps and Timelines

VII. Major Implementation Steps and Timelines

Report on the Plan for the Closure of Agnews Developmental Center

ID	Task Name	2						
		4th Quarter	1st Quarter			2nd Quarter		
		Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
27	 21 Properties Receive Certificates of Occupancy							
28	 Balance of 46 Properties to be Delivered							
29	SB 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 IAs							
34	 Prospective licensees program plans submit to DDS by RCs							
35	 Facilities certification letters issued							
36	<input checked="" type="checkbox"/> IA for evaluation of project developed							
37	 Homes developed by BAHP							
38	 Develop Consumers' Individual Health Care Plans							
39	 Transition Consumers into homes							
40	<input checked="" type="checkbox"/> Project evaluation contractor selected							
41	 Monitoring of individuals placed in homes							
42	 Evaluation report to Legislature of pilot							
43	 SB 962 sunsets unless extended							
44	<input checked="" type="checkbox"/> Family Teaching Homes (FTH)							
45	<input checked="" type="checkbox"/> Assembly Bill 2100 Enacted							
46	<input checked="" type="checkbox"/> Draft FTH Regulations							
47	<input checked="" type="checkbox"/> Promulgate Regulations							
48	Health Services							
49	<input checked="" type="checkbox"/> Establish Dental Coordinator Positions							
50	<input checked="" type="checkbox"/> Implement Expanded Nursing Assessment Components							
51	<input checked="" type="checkbox"/> Implement Expanded Nursing Assessment							
52	<input checked="" type="checkbox"/> Develop Individual Health Care Plan							
53	<input checked="" type="checkbox"/> Implement Individual Health Care Plan							
54	<input checked="" type="checkbox"/> Develop Risk Assessment Tool							
55	<input checked="" type="checkbox"/> Implement Risk Assessment Tool							
56								

A check indicates a completed task.
January 2007

VII. Major Implementation Steps and Timelines

Report on the Plan for the Closure of Agnews Developmental Center

ID	Task Name							2
		4th Quarter		1st Quarter		2nd Quarter		
		Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
57	State Employees in the Community							
58	<input checked="" type="checkbox"/> Draft Legislation							
59	<input checked="" type="checkbox"/> Introduce AB 1378							
60	<input checked="" type="checkbox"/> AB 1378 effective 1/1/2006							
61	<input checked="" type="checkbox"/> DDS-Labor Relations notice impacted unions of change in working conditions and offer to meet and confer/discuss.							
62	<input checked="" type="checkbox"/> DDS establishes negotiating team							
63	<input checked="" type="checkbox"/> DDS initiate survey of regional centers regarding need for State employees for use in transition to community.							
64	<input checked="" type="checkbox"/> DDS-Agnews analyze survey results to determine bargaining positions, number of unions impacted, notice additional unions if necessary							
65	<input checked="" type="checkbox"/> DDS—Agnews/Regional Centers develop contracts for use of state employees and reimbursement							
66	<input checked="" type="checkbox"/> DPA and DDS meet with unions to negotiate /discuss use of State employees							
67	<input checked="" type="checkbox"/> Agnews deploys 50 State employees							
68	<input type="checkbox"/> Agnews deploys 100 State employees per union agreements							
69	<input checked="" type="checkbox"/> Quality Management System							
70	<input checked="" type="checkbox"/> Establish QMS Commission							
71	<input checked="" type="checkbox"/> Provider - Tools							
72	<input checked="" type="checkbox"/> Complete Provider Expectations document							
73	<input checked="" type="checkbox"/> Draft QSR expectations							
74	<input checked="" type="checkbox"/> Complete QSR Manual							
75	<input checked="" type="checkbox"/> Draft and Pilot QSR monitoring tools							
76	<input checked="" type="checkbox"/> Complete QSR monitoring tools							
77	<input checked="" type="checkbox"/> Draft QSR and monitoring tools Training Manual							
78	<input checked="" type="checkbox"/> Pilot QSR and monitoring tools Training Manual							
79	<input checked="" type="checkbox"/> Consumer - Tools							
80	<input checked="" type="checkbox"/> Develop, pilot test, and finalize Service Coordinator Tool							
81	<input checked="" type="checkbox"/> Develop, pilot, and finalize Behavior Plan Review tool							
82	<input checked="" type="checkbox"/> Develop, pilot test and DRAFT a Quality Snapshot tool							
83	<input checked="" type="checkbox"/> Develop, pilot, and finalize Nurse Health Review tool							

A check indicates a completed task.
January 2007

VII. Major Implementation Steps and Timelines

Report on the Plan for the Closure of Agnews Developmental Center

ID	Task Name	2						
		4th Quarter	1st Quarter			2nd Quarter		
		Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
84	✓ Develop, pilot, and finalize Bay Area Project staff tool							
85	✓ Xenologic Contract							
86	✓ Completion of NCI Consumer Survey Year One							
87	✓ Completion of NCI Family Satisfaction Survey Year One							
88	✓ Final reports on both Consumer and Family Surveys							
89	✓ Develop contract and Scope of Work for Year Two							
90	Final Report Year Two Surveys							
91	✓ Community Development team Meetings							
92	CMS final report due on Grant							
93	✓ Business Management Team							
94	Identify and support employees' personal needs to plan for future employment or retirement							
95	✓ Develop a plan to secure and protect Agnews' property throughout closure							
96	✓ Protocols in process to secure and protect Agnews' property throughout closure							
97	✓ Develop a process to ensure timely notification to stakeholders and appropriate entities regarding closure activities							
98	✓ Protocols in process to ensure timely notification regarding closure							
99	✓ Plan for inventory communications and IT equipment, determine and develop a plan, and effectuate disposition							
100	✓ Create website for DCs containing policies and procedures for inventory of communications, and IT equipment							
101	✓ Manage Workers' Compensation cases, and preserve and transfer active and inactive cases including Stockton DC							
102	✓ Plan for purge and preserve Agnews' records as appropriate							
103	✓ Protocols in process for purge and preserve records							
104	✓ Develop process to move personal property with the consumer							
105	✓ Protocols in process to move personal property with consumer							
106	Project, plan, and manage fiscal resources thru closure							
107	Plan and facilitate consolidation of programs and services as population declines, including property leases							
108	✓ Inventory, store, distribute state surplus property - supplies							

A check indicates a completed task.
January 2007

VII. Major Implementation Steps and Timelines

Report on the Plan for the Closure of Agnews Developmental Center

ID		Task Name	2							
			4th Quarter	1st Quarter			2nd Quarter			
			Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07	
109		Create website for DCs containing policies and procedures for inventory, store-distribute state surplus property supplies								
110		Develop a process to properly handle all trust account transactions during closure and forward balances at the time of discharge								
111		Inventory and arrange for proper disposal of hazardous materials								
112		Inventory and preserve historical items								
113		Develop a plan to maintain Agnews' property during warm shutdown								
114		Maintain physical plant during warm shutdown								

A check indicates a completed task.
January 2007

Fiscal Update

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

BUDGET BY FISCAL YEAR

	Base 2004-05	2006-07 May Revision CY 2005-06	2007-08 November Estimate CY 2006-07	2007-08 November Estimate BY 2007-08	2008-09	2009-10	2010-11
<u>FISCAL IMPACT BY ISSUE</u>							
<u>Developmental Centers</u>							
1. Agnews Budget Base	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$0	\$0	\$0
2. Placements Into the Community	-2,502,000	-9,654,000	-5,662,000	-14,949,000	0	0	0
3. Consumer Transfers to Other DCs	0	0	0	-430,000	0	0	0
4. State Employees in the Community	0	682,000	5,398,000	9,217,000	18,042,000	18,042,000	0
5. Administrative Staff for Closure	0	0	0	0	440,000	0	0
6. Warm Shut Down	0	0	0	0	4,348,000	0	0
7. Foster Grandparent/Senior Companion Program	0	0	0	0	-399,000	0	0
8. Staff Costs for Closure Plan	0	201,000	716,000	4,918,000	163,000	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	937,000	937,000	937,000
12. Agnews Staffing Plan	0	3,231,000	366,000	731,000	0	0	0
Sub-Total, Developmental Centers	\$97,712,000	\$86,862,000	\$83,851,000	\$73,419,000	\$23,531,000	\$18,979,000	\$937,000
<i>General Fund</i>	51,610,000	45,888,000	41,809,000	36,253,759	5,182,000	549,000	549,000
<i>Other</i>	46,102,000	40,974,000	42,042,000	37,165,241	18,349,000	18,430,000	388,000
<u>Regional Centers</u>							
13. Community Placement Plan	\$27,798,000	\$21,511,000	\$31,436,000	\$55,743,000	\$519,000	\$519,000	\$519,000
14. Placement Continuation	5,279,000	9,442,000	17,782,000	44,215,000	94,472,000	94,518,000	94,518,000
Sub-Total, Regional Centers	\$33,077,000	\$30,953,000	\$49,218,000	\$99,958,000	\$94,991,000	\$95,037,000	\$95,037,000
<i>General Fund</i>	29,667,000	27,543,000	42,069,000	79,976,000	72,140,000	72,174,000	72,174,000
<i>Other</i>	3,410,000	3,410,000	7,149,000	19,982,000	22,851,000	22,863,000	22,863,000
GRAND TOTAL	\$130,789,000	\$117,815,000	\$133,069,000	\$173,377,000	\$118,522,000	\$114,016,000	\$95,974,000
(Please see pages G-7.2 to G- 7.4 for detail.)	<i>General Fund</i> 81,277,000	73,431,000	83,878,000	116,229,759	77,322,000	72,723,000	72,723,000
	<i>Other</i> 49,512,000	44,384,000	49,191,000	57,147,241	41,200,000	41,293,000	23,251,000
<u>CHANGE FROM PRIOR FISCAL YEAR</u>							
GRAND TOTAL	Total	-\$12,974,000	\$15,254,000	\$40,308,000	-\$54,855,000	-\$4,506,000	-\$18,042,000
	<i>General Fund</i>	-7,846,000	10,447,000	32,351,759	-38,907,759	-4,599,000	0
	<i>Other</i>	-5,128,000	4,807,000	7,956,241	-15,947,241	93,000	-18,042,000
Developmental Centers	Total	-\$10,850,000	-\$3,011,000	-\$10,432,000	-\$49,888,000	-\$4,552,000	-\$18,042,000
	<i>General Fund</i>	-5,722,000	-4,079,000	-5,555,241	-31,071,759	-4,633,000	0
	<i>Other</i>	-5,128,000	1,068,000	-4,876,759	-18,816,241	81,000	-18,042,000
Regional Centers	Total	-\$2,124,000	\$18,265,000	\$50,740,000	-\$4,967,000	\$46,000	\$0
	<i>General Fund</i>	-2,124,000	14,526,000	37,907,000	-7,836,000	34,000	0
	<i>Other</i>	0	3,739,000	12,833,000	2,869,000	12,000	0

**DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center**

COSTS TO CLOSE AGNEWS DEVELOPMENTAL CENTER

FISCAL SYNOPSIS

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 Nov. Estimate for CY 2006-07	2007-08 Nov. Estimate for BY 2007-08	2008-09	2009-10	2010-11
DEVELOPMENTAL CENTERS								
1. Agnews Budget Base	Total	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$0	\$0	\$0
Includes the costs related to the base operations of Agnews including personal services, operating expenses, and equipment costs.	<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	975.0	0.0	0.0	0.0
	Year Beginning Population	376	327	280	161	0	0	0
2. Placements Into the Community	Total	-\$2,502,000	-\$9,654,000	-\$5,662,000	-\$14,949,000	\$0	\$0	\$0
Includes the savings resulting from the relocation of Agnews residents into the community.	<i>General Fund</i>	-1,313,000	-5,067,000	-3,005,000	-7,975,000	0	0	0
	<i>Other</i>	-1,189,000	-4,587,000	-2,657,000	-6,974,000	0	0	0
	PYs	0.0	-122.0	-82.0	-172.5	0.0	0.0	0.0
	Placements	-52	-63	-113	-145	0	0	0
	Deaths		-10	-6	-6	0	0	0
3. Consumer Transfers to Other DCs	Total	\$0	\$0	\$0	-\$430,000	\$0	\$0	\$0
Includes the savings resulting from the transfer of 10 Agnews residents to other Developmental Centers.	<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	\$682,000	\$5,398,000	\$9,217,000	\$18,042,000	\$18,042,000	\$0
Includes costs for direct support services and clinical staff. After closure in 2007-08 costs will be transferred to Sonoma.	<i>General Fund</i>	0	0	0	0	0	0	0
	<i>Other</i>	0	682,000	5,398,000	9,217,000	18,042,000	18,042,000	0
5. Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$440,000	\$0	\$0
Includes the costs of staff needed to ensure records are transferred or stored in a confidential manner, and essential historical documents are chronicled and maintained for approximately 90 days.	<i>General Fund</i>	0	0	0	0	440,000	0	0
	<i>Other</i>	0	0	0	0	0	0	0
	PYs	0.0	0.0	0.0	0.0	20.0	0.0	0.0
6. Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$4,348,000	\$0	\$0
Includes the staff and operating expenses to maintain the Agnews facility, including security, utilities and supplies for approximately one year.	<i>General Fund</i>	0	0	0	0	4,348,000	0	0
	<i>Other</i>	0	0	0	0	0	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	-\$399,000	\$0	\$0
Includes savings for the Foster Grandparent and Senior Companion Programs that will be transferred to the regional center system for continuation of services.	<i>General Fund</i>	0	0	0	0	-318,000	0	0
	<i>Other</i>	0	0	0	0	-81,000	0	0
	PYs	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
8. Staff Costs for Closure Plan	Total	\$0	\$201,000	\$716,000	\$4,918,000	\$163,000	\$0	\$0
Includes costs for staff transition, staff training, staffing escorts for transportation of clients, etc.	<i>General Fund</i>	0	105,000	382,000	4,625,000	163,000	0	0
	<i>Other</i>	0	96,000	334,000	293,000	0	0	0

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 Nov. Estimate for CY 2006-07	2007-08 Nov. Estimate for BY 2007-08	2008-09	2009-10	2010-11
9. Facility Preparation	Total	\$0	\$0	\$0	\$73,000	\$0	\$0	\$0
Includes the costs associated with preparing Sonoma to receive Agnews residents.	<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
Includes costs associated with relocation of clients, such as moving vans, transportation vehicles, etc.	<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	\$937,000	\$937,000	\$937,000
Includes costs to relocate the RRDP due to Agnews closure. The existing RRDP costs are transferring to Sonoma for administrative purposes.	<i>General Fund</i>	0	0	0	0	549,000	549,000	549,000
	<i>Other</i>	0	0	0	0	388,000	388,000	388,000
	PYs	0.0	0.0	0.0	0.0	12.0	12.0	12.0
12. Agnews Staffing Plan	Total	\$0	\$3,231,000	\$366,000	\$731,000	\$0	\$0	\$0
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	195,000	390,000	0	0	0
	<i>Other</i>	0	1,535,000	171,000	341,000	0	0	0
	PYs	0.0	43.0	5.0	10.0	0.0	0.0	0.0
Total Developmental Centers	Total	\$97,712,000	\$86,862,000	\$83,851,000	\$73,419,000	\$23,531,000	\$18,979,000	\$937,000
	<i>General Fund</i>	51,610,000	45,888,000	41,809,000	36,253,759	5,182,000	549,000	549,000
	<i>Other</i>	46,102,000	40,974,000	42,042,000	37,165,241	18,349,000	18,430,000	388,000
	PYs	1,173.0	1,108.0	980.0	812.5	56.0	12.0	12.0
	Year Ending Population	324	254	161	0	0	0	0

REGIONAL CENTERS								
13. Community Placement Plan	Total							
A) Operations								
Includes costs for CPP administration, service coordination, clinical, and resource development staff.	<i>General Fund</i>	3,422,000	6,428,000	6,993,000	7,405,000	438,000	438,000	438,000
	<i>Other</i>	0	257,000	991,000	1,214,000	81,000	81,000	81,000
B) Purchase of Services (POS)	Total	\$24,376,000	\$14,826,000	\$23,452,000	\$47,124,000	\$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	113	145	0	0	0
	<i>General Fund</i>	21,853,000	13,664,000	21,215,000	39,425,000	0	0	0
	<i>Other</i>	2,523,000	1,162,000	2,237,000	7,699,000	0	0	0
(FYI: State Employees in the Community costs included in POS above)		(0)	(251,000)	(4,008,000)	(7,514,000)	(0)	(0)	(0)
Total Community Placement Plan (A+B)	Total	\$27,798,000	\$21,511,000	\$31,436,000	\$55,743,000	\$519,000	\$519,000	\$519,000
	Placements	52	63	113	145	0	0	0
	<i>General Fund</i>	25,275,000	20,092,000	28,208,000	46,830,000	438,000	438,000	438,000
	<i>Other</i>	2,523,000	1,419,000	3,228,000	8,913,000	81,000	81,000	81,000

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 Nov. Estimate for CY 2006-07	2007-08 Nov. Estimate for BY 2007-08	2008-09	2009-10	2010-11	
14. Placement Continuation									
A) Operations	Total	\$70,000	\$297,000	\$309,000	\$423,000	\$2,340,000	\$2,386,000	\$2,386,000	
	Includes costs for additional service coordination.								
	General Fund	37,000	125,000	130,000	166,000	734,000	768,000	768,000	
	Other	33,000	172,000	179,000	257,000	1,606,000	1,618,000	1,618,000	
B) Purchase of Services (POS)	Total	\$5,209,000	\$9,145,000	\$17,473,000	\$43,792,000	\$92,132,000	\$92,132,000	\$92,132,000	
	Includes costs for CPP placements and specialized services and housing.								
	Placements	49	44	63	113	145	0	0	
	General Fund	4,355,000	7,326,000	13,731,000	32,980,000	70,968,000	70,968,000	70,968,000	
	Other	854,000	1,819,000	3,742,000	10,812,000	21,164,000	21,164,000	21,164,000	
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)	(0)	(16,339,000)	(16,339,000)	(0)	
Total Placements Continuation (A+B)		\$5,279,000	\$9,442,000	\$17,782,000	\$44,215,000	\$94,472,000	\$94,518,000	\$94,518,000	
	Prior Year Placements	49	44	63	113	145	0	0	
	General Fund	4,392,000	7,451,000	13,861,000	33,146,000	71,702,000	71,736,000	71,736,000	
	Other	887,000	1,991,000	3,921,000	11,069,000	22,770,000	22,782,000	22,782,000	
Total Regional Centers		\$33,077,000	\$30,953,000	\$49,218,000	\$99,958,000	\$94,991,000	\$95,037,000	\$95,037,000	
	General Fund	29,667,000	27,543,000	42,069,000	79,976,000	72,140,000	72,174,000	72,174,000	
	Other	3,410,000	3,410,000	7,149,000	19,982,000	22,851,000	22,863,000	22,863,000	
TOTAL: DEVELOPMENTAL CENTERS AND REGIONAL CENTERS		Total	\$130,789,000	\$117,815,000	\$133,069,000	\$173,377,000	\$118,522,000	\$114,016,000	\$95,974,000
	General Fund	81,277,000	73,431,000	83,878,000	116,229,759	77,322,000	72,723,000	72,723,000	
	Other	49,512,000	44,384,000	49,191,000	57,147,241	41,200,000	41,293,000	23,251,000	
	PYs	1,173.0	1,108.0	980.0	812.5	56.0	12.0	12.0	
	Year Ending Population	324	254	161	0	0	0	0	
	Placements	52	63	113	145	0	0	0	
	Prior Year Placements	49	44	63	113	145	0	0	