

2008-09 Budget Act

Highlights

Department of Developmental Services



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DEPARTMENT OF DEVELOPMENTAL SERVICES 2008-09 BUDGET ACT

PROGRAM HIGHLIGHTS

The Department of Developmental Services (the Department) is responsible under the Lanterman Developmental Disabilities Services Act (Lanterman Act) for ensuring that more than 232,000 persons with developmental disabilities receive the services and support they require to lead more independent and productive lives and to make choices and decisions about their lives.

The 2008-09 Budget Act allocates \$4.6 billion (\$2.8 billion General Fund) for the Department, a net increase of \$229.4 million (\$190.1 million General Fund) above the revised 2007-08 budget.

COMMUNITY SERVICES PROGRAM

The 2008-09 Budget Act includes funding for the Department to provide services and supports to persons with developmental disabilities in the community totaling \$3.9 billion (\$2.4 billion General Fund), an increase of \$318.5 million (\$251.0 million General Fund), or 8.8 percent, over the revised 2007-08 budget.

Caseload and Utilization Update

The Budget Act reflects an increase of \$338.9 million (\$282.3 million General Fund) for regional center operations and purchase of services in 2008-09 due to caseload increases and projected increase in consumers' utilization of services.

Increased Access to Mental Health Services

The Budget Act also augments \$0.7 million from the Mental Health Services Fund to increase access to mental health services for consumers with dual diagnoses of a developmental and mental health disability. Through the identification of best practice models and training, the Department will improve clinical capacity and effectiveness of direct services to these consumers.

Cost Containment

The Community Services Program's budget reflects a net reduction of \$58.0 million (\$49.0 million General Fund), which is comprised of the following adjustments:

- Froze negotiated rates and established limits on rates for new providers \$38.3 million (\$26.1 million General Fund)



- Reduced costs through increased parental responsibility in the Family Cost Participation Program redesign
\$1.3 million General Fund
- Reduced rates for supported employment services by 10 percent
\$9.3 million (\$7.5 million General Fund)
- Established regional center internal processes to ensure adherence to federal and state law: When purchasing services and supports, regional centers must ensure that generic resources are accessed and that consideration of the family's responsibility for providing similar services and supports to a minor child without disabilities is taken into account.
\$9.7 million (\$7.5 million General Fund)
- Increased reimbursements for the Early Start program from Proposition 10 funds and reduced General Fund by an equal amount. Services will not be affected.
\$0 (\$5.0 million General Fund)
- Reduced Clients' Rights Advocacy agreements by 10 percent
\$512,000 General Fund
- Reduced Community Placement Plan Operations by 10 percent
\$2.1 million (\$1.9 million General Fund)
- Increased the Department's budget to conform to the Department of Social Services' budget reduction suspending the June 1, 2008 and June 1, 2009 State Supplementary Program (SSP) cost of living adjustment (COLA) increases. The January 1, 2009 federal Social Security Income (SSI) COLA will be passed through to SSI/SSP recipients.
\$6.0 million (\$3.6 million General Fund)
- Reduced other miscellaneous budget items
\$2.8 million General Fund

Ongoing Operations and Purchase of Service cost containment measures will save \$348.3 million (\$235.1 million General Fund) in 2008-09. (These savings are not reflected in the net reduction above, as the measures were also in place during the prior fiscal year.)

Closure of Agnews Developmental Center

The Community Services Program budget includes an increase of \$36.9 million (\$17.7 million General Fund) for the costs of providing services to consumers moving from Agnews Developmental Center into the community.



DEVELOPMENTAL CENTERS PROGRAM

The Budget Act authorizes funding for services and supports to persons with developmental disabilities residing in five large developmental centers and two smaller state-operated community facilities at \$668.7 million (\$356.4 million General Fund), a reduction of \$86.4 million (\$58.5 million General Fund), or 11.4 percent, from the revised 2007-08 budget. The reduction was primarily driven by the scheduled closure of the Agnews Developmental Center. The total number of positions authorized for the Developmental Centers Program for 2008-09 is 6,438.1, a net reduction of 899.7 positions from the revised 2007-08 budget.

Developmental Center Population

The Budget Act allows for an average 2008-09 population of 2,404 residents in the developmental centers and state-operated community facilities, a decrease of 216 residents from the revised 2007-08 budget.

Sonoma Developmental Center – Fire Alarm Systems Upgrade

The Budget Act includes a one-time augmentation of \$1.0 million General Fund to fund the preparation of preliminary plans for the purchase and installation of new fire alarm systems in buildings at the Sonoma Developmental Center. The current system, installed in the late 1970s and early 1980s, requires significant upgrades to continue the level of protection and reliability needed to ensure the health and safety of consumers and staff.

Budget Reductions

The Developmental Centers Program budget was reduced by \$27.6 million (\$21.1 million General Fund) which is comprised of the following adjustments:

- Maintained program capacity at Porterville Developmental Center's Secure Treatment Program
Expenditure Reduction: \$11.7 million General Fund
Position Reduction: 13.0
- Reduced Regional Resource Developmental Projects staffing and operating costs
Expenditure Reduction: \$1.2 million (\$663,000 General Fund)
Position Reduction: 12.0



- Reduced Clients' Rights Advocacy and Volunteer Advocacy Agreement by 10 percent
Expenditure Reduction: \$165,000 (\$80,000 General Fund). This annualizes the 2007-08 reduction in 2008-09. The full-year impact of the reduction is \$204,000 (\$119,000 General Fund).
- Reduced Quality Assurance fees on Intermediate Care Facility for Developmentally Disabled
Expenditure Reduction: \$2.9 million (\$1.5 million General Fund). This annualizes the 2007-08 reduction in 2008-09. The full-year impact of the reduction is \$4.2 million (\$2.3 million General Fund).
- Reduced Office of Protective Services staffing at the Porterville Developmental Center
Expenditure Reduction: \$557,000 (\$366,000 General Fund). This annualizes the 2007-08 reduction in 2008-09. The full-year impact of the reduction is \$938,000 (\$547,000 General Fund).
Position Reduction: 13.0
- Reduced Developmental Centers Program operating expenses and equipment expenditure authority
Expenditure Reduction: \$10.2 million (\$5.9 million General Fund)
- Reduced Proposition 98 funding
Expenditure Reduction: \$913,000 Prop 98 General Fund

Other Miscellaneous Budget Adjustments

The Budget Act appropriation for the Developmental Centers Program was increased by \$2.9 million (\$0.3 million General Fund) for employee compensation, price letter increase adjustments, and other miscellaneous adjustments.

Closure of Agnews Developmental Center

The 2008-09 Budget Act includes a decrease of \$62.7 million (\$38.7 million General Fund), for the scheduled closure of Agnews Developmental Center (Agnews DC), from the revised 2007-08 Budget. The decrease also includes the reduction of 773 positions at Agnews DC. The 2008-09 Budget Act includes funding for transition, warm shutdown and clinic operations.

Due to the delay in the scheduled closure date of June 30, 2008, the Department received reappropriation authority for 2007-08 funds from the Developmental Centers Program and Community Services Program to cover the cost of operating Agnews DC through closure.



DEVELOPMENTAL CENTERS CAPITAL OUTLAY

(Capital Outlay is a separate appropriation and not included in the Program totals above.)

Fairview Developmental Center

The Capital Outlay budget includes \$2.7 million General Fund for the purchase and installation of a new personal alarm locating system (PALS) (construction phase) throughout the facility, including the outdoor areas, for the safety of consumers and employees.

\$2.2 million General Fund is provided for the installation of new air conditioning systems, for the Goodell School and Activity Center, to provide a comfortable environment for better health and safety for consumers and employees.

\$0.6 million General Fund is provided to prepare the preliminary plans to upgrade the fire alarm systems (FAS). Upgrade of the FAS will bring the facility into code compliance.

Porterville Developmental Center

The Capital Outlay budget includes \$5.4 million in Lease Revenue Bond (LRB) funds to augment the construction phase of the New Main Kitchen project.

\$3.2 million General Fund is provided for the installation of the PALS in the existing Secure Treatment Area, for the safety of consumers and employees.

Sonoma Developmental Center

The Capital Outlay budget includes \$0.3 million General Fund to prepare preliminary plans to install medical gases/oxygen piping in the Johnson and Ordahl building. The piping project provides local outlets for more efficient and enhanced care for each medically fragile consumer and ensures employee safety.



HEADQUARTERS

The Budget Act provides support for Headquarters operations totaling \$37.9 million (\$24.3 million General Fund), a net decrease of \$2.8 million (\$2.4 million General Fund) and 11.0 positions from the revised 2007-08 budget.

Increased Access to Mental Health Services

The Budget Act appropriates \$378,000 and 3.0 positions from the Mental Health Services Fund to the Department to identify best practice models and provide training to enhance the effectiveness of the regional center and county mental health service systems to better identify and provide a competent response for those consumers with developmental and mental health disabilities.

Budget Reductions

The Headquarters budget was reduced by \$3.4 million (\$2.6 million General Fund), which reflects a reduction of 24.0 positions, including a reduction of 10.0 positions in the revised 2007-08 budget, for a net decrease of 14.0 positions.

- Reduced Information Systems Division expenditures and staffing
Expenditure Reduction: \$720,000 (\$540,000 General Fund)
Position Reduction: 6.0
- Reduced Developmental Centers Division Headquarters positions
Expenditure Reduction: \$295,000 (\$147,000 General Fund)
Position Reduction: 3.0
- Reduced Office of Clinical Services staff
Expenditure Reduction: \$255,000 (128,000 General Fund)
Position Reduction: 2.0
- Reduced Community Placement Plan support
Expenditure Reduction: \$158,000 (\$80,000 General Fund)
Position Reduction: 2.0
- Eliminated an audit appeal position through redesign of the process
Expenditure Reduction: \$88,000 (\$46,000 General Fund)
Position Reduction: 1.0
- Reduced operating expenses and equipment authority
Expenditure Reduction: \$1,418,000 General Fund



- Reduced Regional Center Fiscal Audits Program
Expenditure Reduction: \$119,000 (\$48,000 General Fund). This annualizes the 2007-08 reduction in 2008-09. The full-year impact of the reduction is \$142,000 (\$71,000 General Fund).
Position Reduction: 2.0
- Reduced Vendor Fiscal Audits Program
Expenditure Reduction: \$390,000 (\$195,000 General Fund). This annualizes the 2007-08 reduction in 2008-09. The full-year impact of the reduction is \$582,000 (\$291,000 General Fund).
Position Reduction: 8.0

Other Miscellaneous Budget Adjustments

The Headquarters budget was increased by \$258,000 (\$174,000 General Fund) for miscellaneous employee compensation and price letter adjustments.



**DEPARTMENT OF DEVELOPMENTAL SERVICES
2008-09 BUDGET ACT**

(Dollars in Thousands)

	2007-08 Estimated Expenditures	2008-09 Enacted Budget	Difference	Percent Change
Community Services Program				
Regional Centers	\$3,603,449	\$3,921,964	\$318,515	8.8%
Totals, Community Services	\$3,603,449	\$3,921,964	\$318,515	8.8%
General Fund	\$2,133,629	\$2,384,620	\$250,991	11.8%
PTA	134,982	138,275	3,293	2.4%
PDF	1,075	1,147	72	6.7%
Federal Trust Fund	72,279	88,957	16,678	23.1%
Reimbursements	1,261,484	1,308,225	46,741	3.7%
<i>HCBS Waiver Administration</i>	4,359	4,363	4	0.1%
<i>Medicaid Administration</i>	13,869	14,353	484	3.5%
<i>Targeted Case Management (TCM)</i>	132,816	133,907	1,091	0.8%
<i>TCM Administration</i>	4,488	4,351	-137	-3.1%
<i>Self-Directed HCBS Waiver Admin.</i>	224	1,453	1,229	548.7%
<i>HCBS Waiver</i>	857,497	891,690	34,193	4.0%
<i>Title XX Block Grant</i>	203,903	203,903	0	0.0%
<i>Self-Directed HCBS Waiver</i>	0	4,617	4,617	-
<i>Vocational Rehabilitation</i>	328	588	260	79.3%
<i>Medicaid Reimbursement</i>	44,000	44,000	0	0.0%
<i>CA Children & Families Trust Fund</i>	0	5,000	5,000	-
Mental Health Services Account	0	740	740	-
Developmental Centers Program				
Personal Services	\$596,691	\$532,181	-\$64,510	-10.8%
Operating Expense & Equipment	158,425	136,560	-21,865	-13.8%
Total, Developmental Centers	\$755,116	\$668,741	-\$86,375	-11.4%
General Fund	\$414,948	\$356,436	-\$58,512	-14.1%
Federal Trust Fund	620	533	-87	-14.0%
Lottery Education Fund	563	563	0	0.0%
Reimbursements	338,985	311,209	-27,776	-8.2%
<i>Title XIX</i>	326,690	284,697	-41,993	-12.9%
<i>Other Reimbursements</i>	12,295	26,512	14,217	115.6%
Headquarters Support				
Personal Services	\$32,994	\$32,370	-\$624	-1.9%
Operating Expense & Equipment	\$7,710	\$5,567	-2,144	-27.8%
Total, Headquarters Support	\$40,704	\$37,936	-\$2,768	-6.8%
General Fund	\$26,761	\$24,332	-\$2,429	-9.1%
Federal Trust Fund	2,345	2,351	6	0.3%
PDF	280	280	0	0.0%
Reimbursements	11,318	10,595	-723	-6.4%
<i>HCBS Waiver Administration</i>	4,275	3,340	-935	-21.9%
<i>Targeted Case Management</i>	350	352	2	0.6%
<i>Self-Directed HCBS Waiver Admin.</i>	0	382	382	-
<i>Title XIX</i>	6,466	6,273	-193	-3.0%
<i>Other Reimbursements</i>	227	248	21	9.3%
Mental Health Services Account	0	378	378	-
Totals, All Programs	\$4,399,269	\$4,628,641	\$229,372	5.2%

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(Dollars in Thousands)

	2007-08 Estimated Expenditures	2008-09 Enacted Budget	Difference	Percent Change
Total Funding				
General Fund	\$2,575,338	\$2,765,388	\$190,050	7.4%
Federal Trust Fund	75,244	91,841	16,597	22.1%
Lottery Education Fund	563	563	0	0.0%
PTA	134,982	138,275	3,293	2.4%
PDF	1,355	1,427	72	5.3%
Reimbursements	1,611,787	1,630,029	18,242	1.1%
<i>HCBS Waiver Administration</i>	8,634	7,703	-931	-10.8%
<i>Targeted Case Management</i>	133,166	134,259	1,093	0.8%
<i>Medicaid Administration</i>	13,869	14,353	484	3.5%
<i>TCM Administration</i>	4,488	4,351	-137	-3.1%
<i>Self-Directed HCBS Waiver Admin.</i>	224	1,835	1,611	719.2%
<i>HCBS Waiver</i>	857,497	891,690	34,193	4.0%
<i>Title XX Block Grant</i>	203,903	203,903	0	0.0%
<i>Self-Directed HCBS Waiver</i>	0	4,617	4,617	-
<i>Vocational Rehabilitation</i>	328	588	260	79.3%
<i>Medicaid Reimbursement</i>	44,000	44,000	0	0.0%
<i>CA Children & Families Trust Fund</i>	0	5,000	5,000	-
<i>Title XIX</i>	333,156	290,970	-42,186	-12.7%
<i>Other Reimbursements</i>	12,522	26,760	14,238	113.7%
Mental Health Services Account	0	1,118	1,118	-
Caseloads				
Developmental Centers	2,620	2,404	-216	-8.2%
Regional Centers	221,069	229,675	8,606	3.9%
Authorized Positions				
Developmental Centers	7,337.8	6,438.1	-899.7	-12.3%
Headquarters	393.5	382.5	-11.0	-2.8%