

FOR LEGISLATIVE REVIEW

NOVEMBER ESTIMATE

**LOCAL ASSISTANCE FOR
REGIONAL CENTERS**

2009-10 GOVERNOR'S BUDGET



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

January 10, 2009

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2008-09 Adjusted Budget to 2009-10 November Estimate
Current Year 2008-09

	Adjusted Budget CY 2008-09	2009-10 November Estimate CY 2008-09	2009-10 November Estimate Request CY 2008-09
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$451,866,000	\$451,866,000	\$0
2. Federal Compliance	41,127,000	41,127,000	0
3. Projects	27,045,000	27,120,000	75,000
4. Subtotal (Items 1 thru 3)	\$520,038,000	\$520,113,000	\$75,000
5. New Major Assumption: Special Session (SS): 3 Percent Reduction	\$0	-\$6,600,000	-\$6,600,000
6. Revised Major Assumptions:	\$9,801,000	\$9,801,000	\$0
a. Self-Directed Services	2,905,000	2,905,000	0
b. Agnews Developmental Center Closure	6,896,000	6,896,000	0
7. Operations Total (Items 4 thru 6)	\$529,839,000	\$523,314,000	-\$6,525,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$787,010,000	\$787,010,000	\$0
2. Medical Facilities	22,544,000	22,544,000	0
3. Day Programs	782,611,000	782,611,000	0
4. Habilitation Services	148,897,000	148,897,000	0
5. Transportation	208,664,000	208,664,000	0
6. Support Services	628,977,000	628,977,000	0
7. In-Home Respite	233,035,000	233,035,000	0
8. Out-of-Home Respite	57,732,000	57,732,000	0
9. Health Care	100,603,000	100,603,000	0
10. Miscellaneous	338,325,000	338,325,000	0
11. Transfer to Developmental Centers	0	0	0
12. Subtotal (Items 1 thru 11)	\$3,308,398,000	\$3,308,398,000	\$0
13. New Major Assumptions:	\$0	-\$33,592,000	-\$33,592,000
a. SS: 3 Percent Payment Reduction	0	-40,400,000	-40,400,000
b. Other Department's SS: SSP to MOE Floor	0	6,808,000	6,808,000
14. Revised Major Assumptions:	\$63,640,000	\$63,640,000	\$0
a. Self-Directed Services	2,105,000	2,105,000	0
b. Agnews Developmental Center Closure	61,535,000	61,535,000	0
15. POS Total (Items 12 thru 14)	\$3,372,038,000	\$3,338,446,000	-\$33,592,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,921,972,000	\$3,881,855,000	-\$40,117,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,384,628,000	\$2,359,979,000	-\$24,649,000
2. General Fund - Other	1,025,577,000	1,014,459,000	-11,118,000
3. General Fund - Other	1,359,051,000	1,345,520,000	-13,531,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,308,225,000	\$1,293,269,000	-\$14,956,000
2. HCBS Waiver Administration	891,690,000	878,147,000	-13,543,000
3. HCBS Waiver Administration	4,363,000	4,326,000	-37,000
4. Medicaid Administration	14,353,000	14,199,000	-154,000
5. Targeted Case Management (TCM)	133,907,000	132,685,000	-1,222,000
6. TCM Administration	4,351,000	4,351,000	0
7. 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
8. Self-Directed HCBS Waiver	4,617,000	4,617,000	0
9. Self-Directed HCBS Waiver Administration	1,453,000	1,453,000	0
10. Medicaid	44,000,000	44,000,000	0
11. Vocational Rehabilitation	588,000	588,000	0
12. CA Children & Families First Trust Fund	5,000,000	5,000,000	0
C. Program Development Fund/Parental Fees			
1. Program Development Fund/Parental Fees	\$1,147,000	\$1,575,000	\$428,000
D. Developmental Disabilities Services Account			
1. Developmental Disabilities Services Account	\$0	\$75,000	\$75,000
E. Mental Health Services Fund			
1. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Public Transportation Account			
1. Public Transportation Account	\$138,275,000	\$138,275,000	\$0
G. Federal Funds			
1. Federal Funds	\$88,957,000	\$87,942,000	-\$1,015,000
2. Early Start/Part C Grant	88,397,000	87,382,000	-1,015,000
3. Foster Grandparent Program	560,000	560,000	0
H. GRAND TOTAL	\$3,921,972,000	\$3,881,855,000	-\$40,117,000

NOTE: The above amounts EXCLUDE the remaining \$6,383,000 of the Current Year 2008-09 reappropriation of \$18,669,000 for the purpose of closing Agnews Developmental Center.

Funding Summary
Comparison of Enacted CY 2008-09 Budget to the 2009-10 November Estimate

Current Year 2008-09

	A	B	C	D	E	F
	Enacted Budget CY 2008-09	Budget Adjustments^{a/} CY 2008-09	Adjusted Budget CY 2008-09 (Cols A + B)	2009-10 November Estimate CY 2008-09	November Estimate Request CY 2008-09 (Cols D - C)	Change from Enacted Budget CY 2008-09 (Cols D - A)
I. BUDGET ITEMS:						
A. Operations						
1. Staffing	\$451,866,000	\$0	\$451,866,000	\$451,866,000	\$0	\$0
2. Federal Compliance	41,127,000	0	41,127,000	41,127,000	0	0
3. Projects	27,037,000	8,000	27,045,000	27,120,000	75,000	83,000
4. Subtotal (Items 1 thru 3)	\$520,030,000	\$8,000	\$520,038,000	\$520,113,000	\$75,000	\$83,000
5. New Major Assumption: Special Session (SS): 3 Percent Reduction	\$0	\$0	\$0	-\$6,600,000	-\$6,600,000	-\$6,600,000
6. Revised Major Assumptions:	\$9,801,000	\$0	\$9,801,000	\$9,801,000	\$0	\$0
a. Self-Directed Services	2,905,000	0	2,905,000	2,905,000	0	0
b. Agnews Developmental Center Closure	6,896,000	0	6,896,000	6,896,000	0	0
7. Operations Total (Items 4 thru 6)	\$529,831,000	\$8,000	\$529,839,000	\$523,314,000	-\$6,525,000	-\$6,517,000
B. Purchase of Services (POS)						
1. Community Care Facilities	\$787,010,000	\$0	\$787,010,000	\$787,010,000	\$0	\$0
2. Medical Facilities	22,544,000	0	22,544,000	22,544,000	0	0
3. Day Programs	782,611,000	0	782,611,000	782,611,000	0	0
4. Habilitation Services	148,897,000	0	148,897,000	148,897,000	0	0
5. Transportation	208,664,000	0	208,664,000	208,664,000	0	0
6. Support Services	628,977,000	0	628,977,000	628,977,000	0	0
7. In-Home Respite	233,035,000	0	233,035,000	233,035,000	0	0
8. Out-of-Home Respite	57,732,000	0	57,732,000	57,732,000	0	0
9. Health Care	100,603,000	0	100,603,000	100,603,000	0	0
10. Miscellaneous	338,325,000	0	338,325,000	338,325,000	0	0
11. Transfer to Developmental Centers	N/A	0	0	0	0	0
12. Subtotal (Items 1 thru 11)	\$3,308,398,000	\$0	\$3,308,398,000	\$3,308,398,000	\$0	\$0
13. New Major Assumptions:	\$0	\$0	\$0	-\$33,592,000	-\$33,592,000	-\$33,592,000
a. SS: 3 Percent Payment Reduction	0	0	0	-40,400,000	-40,400,000	-40,400,000
b. Other Department's SS: SSP to MOE Floor	0	0	0	6,808,000	6,808,000	6,808,000
14. Revised Major Assumptions:	\$63,640,000	\$0	\$63,640,000	\$63,640,000	\$0	\$0
a. Self-Directed Services	2,105,000	0	2,105,000	2,105,000	0	0
b. Agnews Developmental Center Closure	61,535,000	0	61,535,000	61,535,000	0	0
15. POS Total (Items 12 thru 14)	\$3,372,038,000	\$0	\$3,372,038,000	\$3,338,446,000	-\$33,592,000	-\$33,592,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0	\$0
E. GRAND TOTAL	\$3,921,964,000	\$8,000	\$3,921,972,000	\$3,881,855,000	-\$40,117,000	-\$40,109,000
II. FUND SOURCES:						
A. General Fund Total						
1. General Fund Match	\$2,384,620,000	\$8,000	\$2,384,628,000	\$2,359,979,000	-\$24,649,000	-\$24,641,000
2. General Fund - Other	1,025,577,000	0	1,025,577,000	1,014,459,000	-11,118,000	-11,118,000
	1,359,043,000	8,000	1,359,051,000	1,345,520,000	-13,531,000	-13,523,000
B. Reimbursements						
1. Home and Community-Based Services (HCBS) Waiver	\$1,308,225,000	\$0	\$1,308,225,000	\$1,293,269,000	-\$14,956,000	-\$14,956,000
2. HCBS Waiver Administration	891,690,000	0	891,690,000	878,147,000	-13,543,000	-13,543,000
3. Medicaid Administration	4,363,000	0	4,363,000	4,326,000	-37,000	-37,000
4. Targeted Case Management (TCM)	14,353,000	0	14,353,000	14,199,000	-154,000	-154,000
5. TCM Administration	133,907,000	0	133,907,000	132,685,000	-1,222,000	-1,222,000
6. Title XX Block Grant	4,351,000	0	4,351,000	4,351,000	0	0
a. Social Services	147,903,000	0	147,903,000	147,903,000	0	0
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	56,000,000	0	0
7. Self-Directed HCBS Waiver	4,617,000	0	4,617,000	4,617,000	0	0
8. Self-Directed HCBS Waiver Administration	1,453,000	0	1,453,000	1,453,000	0	0
9. Medicaid	44,000,000	0	44,000,000	44,000,000	0	0
10. Vocational Rehabilitation	588,000	0	588,000	588,000	0	0
11. CA Children & Families First Trust Fund	5,000,000	0	5,000,000	5,000,000	0	0
C. Program Development Fund / Parental Fees	\$1,147,000	\$0	\$1,147,000	\$1,575,000	\$428,000	\$428,000
D. Developmental Disabilities Services Account	\$0	\$0	\$0	\$75,000	\$75,000	\$75,000
E. Mental Health Services Fund	\$740,000	\$0	\$740,000	\$740,000	\$0	\$0
F. Public Transportation Account	\$138,275,000	\$0	\$138,275,000	\$138,275,000	\$0	\$0
G. Federal Funds						
1. Early Start/Part C Grant	\$88,957,000	\$0	\$88,957,000	\$87,942,000	-\$1,015,000	-\$1,015,000
2. Foster Grandparent Program	88,397,000	0	88,397,000	87,382,000	-1,015,000	-1,015,000
	560,000	0	560,000	560,000	0	0
H. GRAND TOTAL	\$3,921,964,000	\$8,000	\$3,921,972,000	\$3,881,855,000	-\$40,117,000	-\$40,109,000

^{a/} Budget Adjustments Include:

1. State Council on Developmental Disabilities Retirement and Employee Compensation Adjustment \$8,000.

NOTE: The above amounts EXCLUDE the remaining \$6,383,000 of the Current Year 2008-09 reappropriation of \$18,669,000 for the purpose of closing Agnews Developmental Center.

**2009-10 Adjusted Budget to 2009-10 November Estimate
Budget Year 2009-10**

	Adjusted Budget BY 2009-10	2009-10 November Estimate BY 2009-10	2009-10 November Estimate Request BY 2009-10
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$451,866,000	\$481,563,000	\$29,697,000
2. Federal Compliance	41,127,000	42,155,000	1,028,000
3. Projects	27,050,000	27,011,000	-39,000
4. Subtotal (Items 1 thru 3)	\$520,043,000	\$550,729,000	\$30,686,000
5. New Major Assumptions:	\$0	-\$14,264,000	-\$14,264,000
a. RC Service Coordination Enhancement	0	3,136,000	3,136,000
b. Special Session (SS): 3 Percent Reduction	0	-17,400,000	-17,400,000
6. Revised Major Assumptions:	\$9,801,000	\$11,108,000	\$1,307,000
a. Self-Directed Services (SDS)	2,905,000	3,427,000	522,000
b. Agnews Developmental Center Closure	6,896,000	7,681,000	785,000
7. Operations Total (Items 4 thru 6)	\$529,844,000	\$547,573,000	\$17,729,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$787,010,000	\$806,070,000	\$19,060,000
2. Medical Facilities	22,544,000	22,924,000	380,000
3. Day Programs	782,611,000	864,924,000	82,313,000
4. Habilitation Services	148,897,000	146,634,000	-2,263,000
5. Transportation	208,664,000	239,281,000	30,617,000
6. Support Services	628,977,000	722,379,000	93,402,000
7. In-Home Respite	233,035,000	264,442,000	31,407,000
8. Out-of-Home Respite	57,732,000	63,425,000	5,693,000
9. Health Care	100,603,000	112,865,000	12,262,000
10. Miscellaneous	338,325,000	452,190,000	113,865,000
11. Subtotal (Items 1 thru 10)	\$3,308,398,000	\$3,695,134,000	\$386,736,000
12. New Major Assumptions:	\$0	-\$80,347,000	-\$80,347,000
a. SS: 3 Percent Payment Reduction	0	-100,772,000	-100,772,000
b. SS: SSP to the MOE Floor	0	20,425,000	20,425,000
13. Revised Major Assumptions:	\$63,640,000	\$44,423,000	-\$19,217,000
a. SDS	2,105,000	2,590,000	485,000
b. Agnews Developmental Center Closure	61,535,000	41,833,000	-19,702,000
14. POS Total (Items 11 thru 13)	\$3,372,038,000	\$3,659,210,000	\$287,172,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,921,977,000	\$4,226,878,000	\$304,901,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,384,633,000	\$2,684,386,000	\$299,753,000 *
2. General Fund - Other	1,025,577,000	1,045,260,000	19,683,000
	1,359,056,000	1,639,126,000	280,070,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,308,225,000	\$1,350,651,000	\$42,426,000
2. HCBS Waiver Administration	891,690,000	883,924,000	-7,766,000
3. Medicaid Administration	4,363,000	4,359,000	-4,000
4. Targeted Case Management (TCM)	14,353,000	14,458,000	105,000
5. TCM Administration	133,907,000	155,131,000	21,224,000
6. Title XX Block Grant	4,351,000	4,217,000	-134,000
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	80,270,000	24,270,000
7. Self-Directed HCBS Waiver	4,617,000	9,375,000	4,758,000
8. Self-Directed HCBS Waiver Administration	44,000,000	44,000,000	0
9. Medicaid	588,000	300,000	-288,000
10. Vocational Rehabilitation	5,000,000	5,000,000	0
11. CA Children & Families First Trust Fund	5,000,000	5,000,000	0
C. Program Development Fund/ Parental Fees	\$1,147,000	\$1,592,000	\$445,000
D. Mental Health Services Fund	\$740,000	\$740,000	\$0
E. Public Transportation Account	\$138,275,000	\$138,275,000	\$0
F. Federal Funds			
1. Early Start/Part C Grant	\$88,957,000	\$51,234,000	-\$37,723,000
2. Foster Grandparent Program	88,397,000	50,674,000	-37,723,000
	560,000	560,000	0
G. GRAND TOTAL	\$3,921,977,000	\$4,226,878,000	\$304,901,000

* This General Fund amount is reduced in the Governor's proposed budget by \$334 million as a savings target. See Section B, Executive Highlights, page B-6, for more information.

Funding Summary
Comparison of Enacted CY 2008-09 Budget to the 2009-10 November Estimate

Budget Year 2009-10

	A	B	C	D	E	F
	Enacted Budget CY 2008-09	Budget Adjustments ^{a/} BY 2009-10	Adjusted Budget BY 2009-10 (Cols A + B)	2009-10 November Estimate BY 2009-10	November Estimate Request BY 2009-10 (Cols D - C)	Change from Enacted Budget CY 2008-09 (Cols D - A)
I. BUDGET ITEMS:						
A. Operations						
1. Staffing	\$451,866,000	\$0	\$451,866,000	\$481,563,000	\$29,697,000	\$29,697,000
2. Federal Compliance	41,127,000	0	41,127,000	42,155,000	1,028,000	1,028,000
3. Projects	27,037,000	13,000	27,050,000	27,011,000	-39,000	-26,000
4. Subtotal (Items 1 thru 3)	\$520,030,000	\$13,000	\$520,043,000	\$550,729,000	\$30,686,000	\$30,699,000
5. New Major Assumptions:	\$0	\$0	\$0	-\$14,264,000	-\$14,264,000	-\$14,264,000
a. RC Service Coordination Enhancement	0	0	0	3,136,000	3,136,000	3,136,000
b. Special Session (SS): 3 Percent Reduction	0	0	0	-17,400,000	-17,400,000	-17,400,000
6. Revised Major Assumption:	\$9,801,000	\$0	\$9,801,000	\$11,108,000	\$1,307,000	\$1,307,000
a. Self-Directed Services (SDS)	2,905,000	0	2,905,000	3,427,000	522,000	522,000
b. Agnews Developmental Center Closure	6,896,000	0	6,896,000	7,681,000	785,000	785,000
7. Operations Total (Items 4 thru 6)	\$529,831,000	\$13,000	\$529,844,000	\$547,573,000	\$17,729,000	\$17,742,000
B. Purchase of Services (POS)						
1. Community Care Facilities	\$787,010,000	\$0	\$787,010,000	\$806,070,000	\$19,060,000	\$19,060,000
2. Medical Facilities	22,544,000	0	22,544,000	22,924,000	380,000	380,000
3. Day Programs	782,611,000	0	782,611,000	864,924,000	82,313,000	82,313,000
4. Habilitation Services	148,897,000	0	148,897,000	146,634,000	-2,263,000	-2,263,000
5. Transportation	208,664,000	0	208,664,000	239,281,000	30,617,000	30,617,000
6. Support Services	628,977,000	0	628,977,000	722,379,000	93,402,000	93,402,000
7. In-Home Respite	233,035,000	0	233,035,000	264,442,000	31,407,000	31,407,000
8. Out-of-Home Respite	57,732,000	0	57,732,000	63,425,000	5,693,000	5,693,000
9. Health Care	100,603,000	0	100,603,000	112,865,000	12,262,000	12,262,000
10. Miscellaneous	338,325,000	0	338,325,000	452,190,000	113,865,000	113,865,000
11. Subtotal (Items 1 thru 10)	\$3,308,398,000	\$0	\$3,308,398,000	\$3,695,134,000	\$386,736,000	\$386,736,000
12. New Major Assumptions:	\$0	\$0	\$0	-\$80,347,000	-\$80,347,000	-\$80,347,000
a. SS: 3 Percent Payment Reduction	0	0	0	-100,772,000	-100,772,000	-100,772,000
b. SS: SSP to the MOE Floor	0	0	0	20,425,000	20,425,000	20,425,000
13. Revised Major Assumptions	\$63,640,000	\$0	\$63,640,000	\$44,423,000	-\$19,217,000	-\$19,217,000
a. SDS	2,105,000	0	2,105,000	2,590,000	485,000	485,000
b. Agnews Developmental Center Closure	61,535,000	0	61,535,000	41,833,000	-19,702,000	-19,702,000
14. POS Total (Items 11 thru 13)	\$3,372,038,000	\$0	\$3,372,038,000	\$3,659,210,000	\$287,172,000	\$287,172,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$3,921,964,000	\$13,000	\$3,921,977,000	\$4,226,878,000	\$304,901,000	\$304,914,000
II. FUND SOURCES:						
A. General Fund Total						
1. General Fund Match	\$2,384,620,000	\$13,000	\$2,384,633,000	\$2,684,386,000	\$299,753,000	\$299,766,000 ^{b/}
2. General Fund - Other	1,025,577,000	0	1,025,577,000	1,045,260,000	19,683,000	19,683,000
	1,359,043,000	13,000	1,359,056,000	1,639,126,000	280,070,000	280,083,000
B. Reimbursements						
1. Home and Community-Based Services (HCBS) Waiver	\$1,308,225,000	\$0	\$1,308,225,000	\$1,350,651,000	\$42,426,000	\$42,426,000
2. HCBS Waiver Administration	891,690,000	0	891,690,000	883,924,000	-7,766,000	-7,766,000
3. Medicaid Administration	4,363,000	0	4,363,000	4,359,000	-4,000	-4,000
4. Targeted Case Management (TCM)	14,353,000	0	14,353,000	14,458,000	105,000	105,000
5. TCM Administration	133,907,000	0	133,907,000	155,131,000	21,224,000	21,224,000
6. Title XX Block Grant	4,351,000	0	4,351,000	4,217,000	-134,000	-134,000
a. Social Services	147,903,000	0	147,903,000	147,903,000	0	0
b. Temporary Assistance for Needy Families	56,000,000	0	56,000,000	80,270,000	24,270,000	24,270,000
7. Self-Directed HCBS Waiver	4,617,000	0	4,617,000	9,375,000	4,758,000	4,758,000
8. Self-Directed HCBS Waiver Administration	1,453,000	0	1,453,000	1,714,000	261,000	261,000
9. Medicaid	44,000,000	0	44,000,000	44,000,000	0	0
10. Vocational Rehabilitation	588,000	0	588,000	300,000	-288,000	-288,000
11. CA Children & Families First Trust Fund	5,000,000	0	5,000,000	5,000,000	0	0
C. Program Development Fund / Parental Fees	\$1,147,000	\$0	\$1,147,000	\$1,592,000	\$445,000	\$445,000
D. Mental Health Services Fund	\$740,000	\$0	\$740,000	\$740,000	\$0	\$0
E. Public Transportation Account	\$138,275,000	\$0	\$138,275,000	\$138,275,000	\$0	\$0
F. Federal Funds	\$88,957,000	\$0	\$88,957,000	\$51,234,000	-\$37,723,000	-\$37,723,000
1. Early Start/Part C Grant	88,397,000	0	88,397,000	50,674,000	-37,723,000	-37,723,000
2. Foster Grandparent Program	560,000	0	560,000	560,000	0	0
G. GRAND TOTAL	\$3,921,964,000	\$13,000	\$3,921,977,000	\$4,226,878,000	\$304,901,000	\$304,914,000

^{a/} Budget Adjustments Include State Council on Developmental Disabilities Retirement and Employee Compensation Adjustment \$13,000.

^{b/}

This General Fund amount is reduced in the Governor's proposed budget by \$334 million as a savings target. See Section B, Executive Highlights, page B-6, for more information.

2009-10 November Estimate
Current Year 2008-09 to Budget Year 2009-10

	2009-10 November Estimate CY 2008-09	2009-10 November Estimate BY 2009-10	Difference
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$451,866,000	\$481,563,000	\$29,697,000
2. Federal Compliance	41,127,000	42,155,000	1,028,000
3. Projects	27,120,000	27,011,000	-109,000
4. Subtotal (Items 1 thru 3)	\$520,113,000	\$550,729,000	\$30,616,000
5. New Major Assumptions:	-\$6,600,000	-\$14,264,000	-\$7,664,000
a. RC Service Coordination Enhancement	0	3,136,000	3,136,000
b. Special Session (SS): 3 Percent Reduction	-6,600,000	-17,400,000	-10,800,000
6. Revised Major Assumptions:	\$9,801,000	\$11,108,000	\$1,307,000
a. Self-Directed Services (SDS)	2,905,000	3,427,000	522,000
b. Agnews Developmental Center Closure	6,896,000	7,681,000	785,000
7. Operations Total (Items 4 thru 6)	\$523,314,000	\$547,573,000	\$24,259,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$787,010,000	\$806,070,000	\$19,060,000
2. Medical Facilities	22,544,000	22,924,000	380,000
3. Day Programs	782,611,000	864,924,000	82,313,000
4. Habilitation Services	148,897,000	146,634,000	-2,263,000
5. Transportation	208,664,000	239,281,000	30,617,000
6. Support Services	628,977,000	722,379,000	93,402,000
7. In-Home Respite	233,035,000	264,442,000	31,407,000
8. Out-of-Home Respite	57,732,000	63,425,000	5,693,000
9. Health Care	100,603,000	112,865,000	12,262,000
10. Miscellaneous	338,325,000	452,190,000	113,865,000
11. Transfer to Developmental Centers	0	0	0
12. Subtotal (Items 1 thru 11)	\$3,308,398,000	\$3,695,134,000	\$386,736,000
13. New Major Assumptions:	-\$33,592,000	-\$80,347,000	-\$46,755,000
a. SS: 3 Percent Payment Reduction for RCs	-40,400,000	-100,772,000	-60,372,000
b. SS: SSP to the MOE Floor	6,808,000	20,425,000	13,617,000
14. Revised Major Assumptions:	\$63,640,000	\$44,423,000	-\$19,217,000
a. Self-Directed Services	2,105,000	2,590,000	485,000
b. Agnews Developmental Center Closure	61,535,000	41,833,000	-19,702,000
15. POS Total (Items 12 thru 14)	\$3,338,446,000	\$3,659,210,000	\$320,764,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,881,855,000	\$4,226,878,000	\$345,023,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	\$2,359,979,000	\$2,684,386,000	\$324,407,000
2. General Fund - Other	1,014,459,000	1,045,260,000	30,801,000
	1,345,520,000	1,639,126,000	293,606,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,293,269,000	\$1,350,651,000	\$57,382,000
2. HCBS Waiver Administration	878,147,000	883,924,000	5,777,000
3. Medicaid Administration	4,326,000	4,359,000	33,000
4. Targeted Case Management (TCM)	14,199,000	14,458,000	259,000
5. TCM Administration	132,685,000	155,131,000	22,446,000
6. Title XX Block Grant	4,351,000	4,217,000	-134,000
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	80,270,000	24,270,000
7. Self-Directed HCBS Waiver	4,617,000	9,375,000	4,758,000
8. Self-Directed HCBS Waiver Administration	1,453,000	1,714,000	261,000
9. Medicaid	44,000,000	44,000,000	0
10. Vocational Rehabilitation	588,000	300,000	-288,000
11. CA Children & Families First Trust Fund	5,000,000	5,000,000	0
C. Program Development Fund / Parental Fees	\$1,575,000	\$1,592,000	\$17,000
D. Developmental Disabilities Services Account	\$75,000	\$0	-\$75,000
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Public Transportation Account	\$138,275,000	\$138,275,000	\$0
G. Federal Funds			
1. Early Start/Part C Grant	\$87,942,000	\$51,234,000	-\$36,708,000
2. Foster Grandparent Program	87,382,000	50,674,000	-\$36,708,000
	560,000	560,000	0
H. GRAND TOTAL	\$3,881,855,000	\$4,226,878,000	\$345,023,000

NOTE: The above amounts EXCLUDE the Current Year 2008-09 reappropriation of \$18,669,000 for Agnews Developmental Center.

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Detailed Comparison of Prior Year 2007-08: Budget Act Appropriation vs. 2008-09 May Revision

	Budget Act Appropriation PY 2007-08	Proposed Governor's Budget with Approved BBRs PY 2007-08	Proposed Final Budget PY 2007-08	Change from Proposed Governor's Budget with Approved BBRs PY 2007-08	Change from Budget Act Appropriation PY 2007-08
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$432,294,000	\$437,527,000	\$434,636,000	-\$2,891,000	\$2,342,000
2. Federal Compliance	39,565,000	39,565,000	39,415,000	-150,000	-150,000
3. Projects	25,697,000	26,328,000	25,355,000	-973,000	-342,000
4. DDS Budget-Balancing Reductions (BBR)	N/A	-706,000	-706,000	0	-706,000
5. Operations Total (Items 1 thru 4)	\$497,556,000	\$502,714,000	\$498,700,000	-\$4,014,000	\$1,144,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$782,540,000	\$774,928,000	\$753,249,000	-\$21,679,000	-\$29,291,000
2. Medical Facilities	22,784,000	22,971,000	22,190,000	-781,000	-594,000
3. Day Programs	763,431,000	750,447,000	736,638,000	-13,809,000	-26,793,000
4. Habilitation Services	150,570,000	148,064,000	151,985,000	3,921,000	1,415,000
5. Transportation	212,418,000	204,863,000	204,660,000	-203,000	-7,758,000
6. Support Services	551,343,000	576,232,000	556,690,000	-19,542,000	5,347,000
7. In-Home Respite	188,062,000	197,821,000	205,412,000	7,591,000	17,350,000
8. Out-of-Home Respite	54,642,000	53,403,000	52,505,000	-898,000	-2,137,000
9. Health Care	84,526,000	81,865,000	87,601,000	5,736,000	3,075,000
10. Miscellaneous	318,028,000	322,526,000	312,576,000	-9,950,000	-5,452,000
11. Self-Directed Services (SDS)	137,000	160,000	0	-160,000	-137,000
12. ICF-DD Day Programs/Transportation Services	-44,000,000	0	0	0	44,000,000
13. Transfer to Developmental Centers ^{ai}	N/A	676,000	676,000	0	676,000
14. POS Total (Items 1 thru 13)	\$3,084,481,000	\$3,133,956,000	\$3,084,182,000	-\$49,774,000	-\$299,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$0
D. POS New Major Assumption: Other Departments' BBRs	N/A	N/A	\$472,000	\$472,000	\$472,000
E. GRAND TOTAL	\$3,602,132,000	\$3,656,765,000	\$3,603,449,000	-\$53,316,000	\$1,317,000
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,224,677,000	\$2,222,421,000	\$2,133,629,000	-\$88,792,000	-\$91,048,000
2. General Fund - Other	925,870,000	979,073,000	987,051,000	7,978,000	61,181,000
	1,298,807,000	1,243,348,000	1,146,578,000	-96,770,000	-152,229,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,194,890,000	\$1,251,879,000	\$1,261,484,000	\$9,605,000	\$66,594,000
2. HCBS Waiver Administration	822,507,000	843,457,000	857,497,000	14,040,000	34,990,000
3. Medicaid Administration	2,153,000	4,722,000	4,359,000	-363,000	2,206,000
4. Targeted Case Management (TCM)	14,436,000	14,285,000	13,869,000	-416,000	-567,000
5. TCM Administration	146,023,000	135,850,000	132,816,000	-3,034,000	-13,207,000
6. Title XX Block Grant	4,319,000	4,458,000	4,488,000	30,000	169,000
a. Social Services	147,902,000	147,903,000	147,903,000	0	1,000
b. Temporary Assistance For Needy Families	56,000,000	56,000,000	56,000,000	0	0
7. Self-Directed HCBS Waiver	387,000	182,000	0	-182,000	-387,000
8. Self-Directed HCBS Waiver Administration	575,000	434,000	224,000	-210,000	-351,000
9. Medicaid	0	44,000,000	44,000,000	0	44,000,000
10. Vocational Rehabilitation	588,000	588,000	328,000	-260,000	-260,000
C. Program Development Fund/Parental Fees	\$1,265,000	\$1,075,000	\$1,075,000	\$0	-\$190,000
D. Public Transportation Account	\$128,806,000	\$128,806,000	\$134,982,000	\$6,176,000	\$6,176,000
E. Federal Funds					
1. Early Start/Part C Grant	\$52,494,000	\$52,584,000	\$72,279,000	\$19,695,000	\$19,785,000
2. Foster Grandparent Program	52,038,000	52,038,000	71,823,000	19,785,000	19,785,000
	456,000	546,000	456,000	-90,000	0
F. GRAND TOTAL	\$3,602,132,000	\$3,656,765,000	\$3,603,449,000	-\$53,316,000	\$1,317,000

^{ai} Represents amounts transferred to developmental centers, based on the General Fund savings to the Community Placement Plan in FY 2007-08.

Executive Highlights

I. CURRENT YEAR 2008-09 COSTS AND FUND SOURCES

While regional centers continue to experience caseload and expenditure growth, the Department retained the 2008-09 Adjusted Budget. The Department will work closely with regional centers to manage program expenditures while meeting consumer service needs within the existing 2008-09 appropriation authority. In addition, this estimate includes reductions proposed in the recent Special Session and legislatively mandated adjustments. Funding for the regional centers is \$6.5 million less in Operations and \$33.6 million less in Purchase of Services, for a total of \$40.1 million (\$24.6 million General Fund) less than projected in the 2008-09 Adjusted Budget.

2008-09 Costs <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
Total Costs	\$3,921.9	\$3,881.8	-\$40.1
Operations	529.8	523.3	-6.5
Purchase of Services	3,372.0	3,338.4	-33.6
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,921.9	\$3,881.8	-\$40.1
General Fund (GF)	2,384.6	2,360.0	-24.6
GF Match	(1,025.6)	(1,014.5)	-(11.1)
GF Other	(1,359.0)	(1,345.5)	-(13.5)
Reimbursements	1,308.2	1,293.2	-15.0
Program Development Fund	1.1	1.6	0.5
Developmental Disabilities Svcs Acct	0.0	0.1	0.1
Mental Health Services Fund	0.7	0.7	0.0
Public Transportation Account	138.3	138.3	0.0
Federal Funds	89.0	87.9	-1.1

Current Year 2008-09 (continued)A. Caseload

The Governor's Budget retains the caseload estimate of 229,675 included in the 2008-09 Adjusted Budget.

2008-09 Caseload <i>as of January 31, 2009</i>			
	Adjusted Budget	November Estimate	Difference
Total Community Caseload	229,675	229,675	0
Active Caseload (Age 3 & Older)	197,755	197,755	0
Early Start (Birth through 2 Years)	31,920	31,920	0

Changes from the 2008-09 Adjusted Budget to the November Estimate are as follows:

B. Total Costs: \$40.1 Million Decrease1. Operations: \$6.5 Million Decreasea. Projects: \$0.1 Million Increase

Review of SB 1175 Housing Proposals: Chapter 617, Statutes of 2008, (SB 1175) permits the Department to approve regional center housing proposals for consumers with special health care needs. This legislation requires a nonrefundable fee to be paid by housing developers to reimburse the Department's costs for review and approval of the proposals. \$75,000 is being appropriated into the Developmental Disabilities Services Account in 2008-09 for this purpose.

b. New Major Assumption: Special Session: 3 Percent Reduction for Regional Centers: \$6.6 Million Decrease

The Department proposes to permanently decrease regional centers' operations funding by 3 percent, \$6.6 million (\$4.6 million General Fund). From February 1, 2009 through June 30, 2010, the Department proposes to provide flexibility and relief to regional centers' operational requirements by temporarily suspending specified reporting requirements, the 1:66 caseload ratio requirement for consumers residing in the community with specified exemptions, and the requirement that regional centers have, or contract for, specialized expertise in specified areas. In the interim, the Department will work with

Current Year 2008-09 (continued)

stakeholders to identify permanent strategies for implementation of this reduction. (See Section E, page E-3.11, for more information.)

2. Purchase of Services (POS): \$33.6 Million Decrease**a. New Major Assumption: Special Session: 3 Percent Payment Reduction: \$40.4 Million Decrease**

This proposal reduces regional center expenditures for consumer services by 3 percent, \$40.4 million (\$24.1 million General Fund), through a payment reduction. The proposal applies to all regional center purchased services with the exception of supported employment services, services for which the established rate is a usual and customary rate, and State Supplementary Program (SSP) restoration payments to consumers residing in supported/independent living arrangements. A provision to protect consumer health and safety is included through a regional center requested, Department approved, health and safety waiver exemption. The Department will work with stakeholders to identify permanent strategies for ongoing implementation of this reduction prior to the sunset of the payment reduction on June 30, 2010. (See Section E, page E-15.1, for more information.)

b. New Major Assumption: Other Department's Special Session: SSP to the Maintenance of Effort (MOE) Floor: \$6.8 Million Increase

The Department of Developmental Services will increase the Independent Living Supplement to the regional center budget consistent with the Department of Social Services proposal in the Governor's Budget to reduce the SSP for adults in independent and supported living arrangements. Beginning in 1992-93, and in each fiscal year thereafter, the regional center budget has been adjusted to reflect the fiscal impact of reductions in SSP. These reductions are to the State's portion of Supplemental Security Income (Federal Social Security Administration portion)/SSP (State Department of Social Services portion) grant payments. DDS will increase the 2008-09 regional center budget adjustment by \$6.8 million (\$4.1 million General Fund) to backfill the proposed SSP reduction to the MOE floor effective March 1, 2009. The increase in the Independent Living Supplement is necessary to assure that those affected will be able to remain in independent and supported living settings instead of having to move into community care facilities or even more costly institutions. (See Section E, pages E-15.2 to E-15.3, for more information.)

Current Year 2008-09 (continued)**C. Fund Sources****1. General Fund: \$24.6 Million Decrease**

The net General Fund in 2008-09 decreases by \$24.6 million due to projected savings of \$40.1 million in Operations and Purchase of Services (described above).

2. Reimbursements: \$15.0 Million Decrease

Current year 2008-09 reimbursements reflect reductions in Operations and POS expenditures as indicated in the following table:

2008-09 Reimbursements			
<i>(in millions)</i>			
Reimbursement	Adjusted Budget	November Estimate	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$891.7	\$878.2	-\$13.5
b. HCBS Waiver Administration	4.4	4.3	-0.1
c. Medicaid Administration	14.4	14.2	-0.2
d. Targeted Case Management (TCM)	133.9	132.7	-1.2
e. TCM Administration	4.3	4.3	0.0
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	56.0	0.0
g. Self-Directed HCBS Waiver	4.6	4.6	0.0
h. Self-Directed HCBS Waiver Administration	1.4	1.4	0.0
i. Medicaid	44.0	44.0	0.0
j. Vocational Rehabilitation	0.6	0.6	0.0
k. CA Children & Families Trust Fund	5.0	5.0	0.0
Total	\$1,308.2	\$1,293.2	-\$15.0

Changes reflect the following:

- **HCBS Waiver:** The \$13.5 million decrease in HCBS Waiver federal financial participation (FFP) is the net result of a \$16.3 million reduction in FFP due to the 3 Percent Payment Reduction (POS) new major assumption and a \$2.8 million increase in FFP related to the SSP to the MOE Floor new major assumption.

Current Year 2008-09 (continued)

- HCBS Waiver Administration: The \$0.1 million decrease in FFP is due to the 3 Percent Payment Reduction (Operations) new major assumption.
- Medicaid Administration: The \$0.2 million decrease in FFP is due to the 3 Percent Payment Reduction (Operations) new major assumption.
- TCM: The \$1.2 million decrease in FFP is due to the 3 Percent Payment Reduction (Operations) new major assumption.

2. Program Development Fund: \$0.5 Million Increase

This estimate reflects the most current available data, producing an increase of \$0.5 million.

3. Developmental Disabilities Services Account: \$0.1 Million Increase

The Developmental Disabilities Services Account is being used as a depository for application fees collected by the Department related to the review of housing proposals pursuant to SB 1175 (Chapter 617, Statutes of 2008).

3. Federal Funds: \$1.1 Million Decrease

This decrease is due to a reduction in the Early Start Grant (See Section E, pages E-32.1 to E-32.2, for more information.)

II. BUDGET YEAR 2009-10 COSTS AND FUND SOURCES

Budget Year 2009-10 expenditures were estimated to be \$4.3 billion, an increase of \$304.9 million from the 2009-10 Adjusted Budget as shown in the table below:

2009-10 Costs (in millions)			
	Adjusted Budget	November Estimate	Difference
Total Costs	\$3,922.0	\$4,226.9	\$304.9
Operations	529.9	547.6	17.7
Purchase of Services	3,372.0	3,659.2	287.2
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,922.0	\$4,226.9	\$304.9
General Fund (GF)	2,384.6	2,684.4	299.8 *
GF Match	(1,025.6)	(1,045.3)	(19.7)
GF Other	(1,359.0)	(1,639.1)	(280.1)
Reimbursements	1,308.2	1,350.7	42.4
Program Development Fund	1.2	1.6	0.4
Mental Health Services Fund	0.7	0.7	0.0
Public Transportation Account	138.3	138.3	0.0
Federal Funds	89.0	51.2	-37.8

- This General Fund amount is reduced in the Governor's proposed budget by \$334 million as a savings target.

A. Savings Target Placeholder

Due to the State's unprecedented structural budget deficit, the budget establishes a savings target of \$334 million to mitigate the growth in the Community Services Program. This growth is identified in the Department's Estimate. The Department will work with stakeholders over the next few months to develop proposals to achieve the targeted savings while maintaining the entitlement and ensuring program and service integrity.

B. Detail to Budget Year 2009-10 Estimated Expenditures

Significant changes from the 2009-10 Adjusted Budget to the November Estimate are as follows:

1. Caseload

The 2008-09 Adjusted Budget reflects an estimated community caseload of 229,675 on January 31, 2009. For the 2009-10 November Estimate, the community caseload is projected to increase by 12,845, or 5.6 percent, to 242,520 on January 31, 2010. This mid-year caseload is assumed to be the

Budget Year 2009-10 (continued)

average for 2009-10 and is used to estimate regional center Operations costs.

2009-10 Caseload <i>as of January 31, 2010</i>			
	Adjusted Budget	November Estimate	Difference
Total Community Caseload	229,675	242,520	12,845
<i>Active Caseload (Age 3 & Older)</i>	<i>197,755</i>	<i>206,320</i>	<i>8,565</i>
<i>Early Start (Birth through 2 Years)</i>	<i>31,920</i>	<i>36,200</i>	<i>4,280</i>

2. Total Costs: \$304.9 Million Increasea. Operations: \$17.7 Million Increase

- Staffing: \$29.7 Million Increase

Estimated 2009-10 costs for Staffing were revised as follows:

2009-10 Staffing <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Core Staffing	\$458.0	\$486.3	\$28.3
(2) Intake and Assessment (Cost Containment)	-4.5	-4.5	0.0
(3) Community Placement Plan	12.7	14.1	1.4
(4) Unallocated Reduction	-10.6	-10.6	0.0
(5) Cost Containment	-6.0	-6.0	0.0
(6) Staffing for Collection of FFP for Contracted Services	2.2	2.2	0.0
Total	\$451.8	\$481.5	\$29.7

Changes reflect the following:

- Core Staffing: The \$28.3 million increase in Core Staffing reflects the costs associated with updated caseload, facility, vendor and expenditure data.
- Community Placement Plan (CPP): The \$1.4 million increase reflects staffing necessary to implement the 2009-10 CPP.

Budget Year 2009-10 (continued)

- Federal Compliance: \$1.0 Million Increase

Estimated 2009-10 costs for Federal Compliance are shown in the table below:

2009-10 Federal Compliance <i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Home and Community-Based Services (HCBS) Waiver	\$21.1	\$21.1	\$0.0
(2) Accelerated HCBS Waiver Enrollments	0.8	1.6	0.8
(3) Compliance w/HCBS Waiver Requirements	9.2	9.2	0.0
(4) Case Managers to Meet HCBS Waiver Requirements	5.4	5.6	0.2
(5) Targeted Case Management	4.1	4.1	0.0
(6) Nursing Home Reform/Pre-Admission Screening and Resident Review	0.5	0.5	0.0
Total	\$41.1	\$42.1	\$1.0

The following minor adjustments were made:

- Accelerated HCBS Waiver Enrollments: These costs were increased by \$0.8 General Fund to reflect 1,835 more Waiver enrollments in 2009-10 above the 1,920 enrollments projected in 2008-09 to 3,755 enrollments in 2009-10.
- Case Managers to Meet HCBS Waiver Requirements: This item is intended to ensure compliance with the Centers for Medicare and Medicaid Services' (CMS) requirement that the HCBS Waiver participant-to-case-manager ratio of 62:1 is consistently met. The \$0.2 million increase reflects the projected 2009-10 caseload increase. (See Section E, page E-2.5, for the fiscal detail.)

Budget Year 2009-10 (continued)

- Projects: \$0.1 Million Decrease

Estimated 2009-10 costs for Projects were revised as shown in the table below:

2009-10 Projects <i>(in thousands)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Information Technology	\$4,517	\$4,517	\$0
(a) Applications Support	3,167	3,167	0
(b) Data Processing	1,350	1,350	0
(2) Clients' Rights Advocacy Contract	4,918	5,137	219
(3) Life Quality Assessment Contract	4,928	5,032	104
(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	1,719	1,719	0
(8) Special Incident Rptg/Risk Assessment	940	940	0
(9) Increased Access to Mental Health Services	740	740	0
(10) Sherry S. Court Case	534	534	0
(11) Movers Evaluation Contract	600	600	0
(12) Enhancing FFP, Phase II, Consultant	530	530	0
(13) University Enterprises, Inc.	175	175	0
(14) Affordable Housing	94	94	0
(15) Cost Containment	-490	-490	0
(16) Self-Directed Services: Trng & Dev	200	200	0
(17) Evaluation of SB 962 Pilots	362	0	-362
Total	\$27,050	\$27,011	-\$39

Changes reflect the following:

- Clients' Rights Advocacy Contract: The increase of \$219,000 reflects updated caseload and expenditure projections based on the actual per capita cost in 2007-08.
- Life Quality Assessment Contract: The increase of \$104,000 reflects updated caseload projections.

Budget Year 2009-10 (continued)

- Evaluation of SB 962 Pilots: The results of this evaluation will be presented in a report to the Legislature by June 30, 2009.
- New Major Assumptions: \$14.3 Million Decrease
 - Regional Center Service Coordination Enhancement: \$3.2 Million Increase: Pursuant to the proposed settlement agreement for Capitol People First, et al. v. Department of Developmental Services, et al, \$3.2 million (\$1.6 million General Fund) will be used to enhance the regional center core staffing formula to provide dedicated case management resources to regional centers to participate in developmental center residents' annual individual program plan meetings, as well as support other visits and communications appropriate for case management. (See Section E, pages E-3.8 to E-3.10, for more information.)
 - Special Session: 3 Percent Reduction for Regional Centers: \$17.4 Million Decrease: The full-year savings related to the 3 percent permanent reduction in operations is estimated to be \$17.4 million (\$12.2 million General Fund). From February 1, 2009 through June 30, 2010, the Department proposes to provide flexibility and relief to regional centers' operational requirements by temporarily suspending specified reporting requirements, the 1:66 caseload ratio requirement for consumers residing in the community with specified exemptions, and the requirement that regional centers have, or contract for, specialized expertise in specified areas. In the interim, the Department will work with stakeholders to identify permanent strategies for implementation of this reduction. (See Section E, page E-3.11, for more information.)
- Revised Major Assumptions: \$1.3 Million Increase
 - Staffing for Self-Directed Home and Community-Based Services (SDHCBS) Waiver: \$0.5 Million Increase: Self-Directed Services (SDS) is a voluntary program that enables consumers to have more control of their services and to manage a finite amount of funds allocated to the consumer's individual budget to pay for services specified in the consumer's individual program plan. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the CMS of a 1915(c) HCBS Waiver and adoption of state regulations, the Department will roll out SDS on March 1, 2009. One SDS Director position is being phased in at each regional center six months prior to the center's

Budget Year 2009-10 (continued)

implementation of SDS, and one Federal Compliance Coordinator position will be phased in at the time of implementation at each regional center. The \$0.5 million increase, from \$2.9 million to \$3.4 million, in regional center Operations costs is due to the continued phase-in of these positions. (See Section E, pages E-3.12 to E-3.15, for detail on the Operations component of SDS, and pages E-15.4 to E-15.7, for detail on the POS component.)

- Agnews Developmental Center Closure: \$0.8 Million Increase: These funds are needed for post-closure staffing costs to ensure that clinical team, placement stability support, and ongoing quality assurance management services are available for all Agnews movers. (See the Agnews Closure fiscal charts on pages B-20 to B-28 of this Section, Section E, pages E-3.16 to E-3.18, and Section G, Agnews Closure Update, for more information.)

b. Purchase of Services (POS): \$287.2 Million Increase

Total POS expenditures are estimated to be \$4.2 billion, representing an increase of \$287.2 million from the Adjusted Budget.

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

2009-10 Purchase of Services <i>(in millions)</i>			
POS Category	Adjusted Budget	November Estimate	Difference
(1) Base	\$2,992.8	\$3,323.8	\$331.0
(2) Updated Caseload, Utilization and Expenditure Data	253.5	346.7	93.2
(3) Community Placement Plan (CPP)	64.8	64.8	0.0
(4) Placement/Deflection Continuation	48.3	20.5	-27.8
(5) Minimum Wage Increases	10.4 a/	0.0 a/	-10.4
(6) Budget-Balancing Reductions	-61.4	-60.7	0.7
(7) New Major Assumptions:	0.0	-80.3	-80.3
a. 3 Percent Payment Reduction for RCs	N/A	-100.7	-100.7
b. SSP to the MOE Floor	N/A	20.4	20.4
(8) Revised Major Assumptions:	63.6	44.4	-19.2
a. Self-Directed Services	2.1	2.6	0.5
b. Agnews Developmental Center Closure	61.5	41.8	-19.7
Total	\$3,372.0	\$3,659.2	\$287.2

a/ \$10.4 million, plus \$43.3 million in the Base above, equal a total of \$53.7 million for

Budget Year 2009-10 (continued)

1/1/07 and 1/1/08 minimum wage increases in 2008-09. In 2009-10 these costs are in the base.

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

- Base: The 2009-10 base costs of \$3,323.9 million increased by \$331.0 million from the 2008-09 base. The 2009-10 base is comprised of total estimated 2008-09 POS expenditures, minus one-time 2008-09 costs. Therefore, the \$331.0 million difference between the 2008-09 and the 2009-10 bases reflects authorized 2008-09 expenditures for continuous items beyond the 2008-09 base.
- Updated Caseload, Utilization, and Expenditure Data: Updated caseload and expenditure data, including Placement/ Deflection Continuation costs for consumers placed prior to fiscal year 2007-08, were used to update this projection, resulting in an increase of \$93.2 million from the Adjusted Budget.
- Community Placement Plan: CPP reflects the costs to place individuals from DCs into the community and to deflect individuals who have been referred to the DC for potential admission. This CPP estimate is for Regular CPP which represents costs for individuals moving from a developmental center other than Agnews Developmental Center. Consistent with prior years, Regular CPP is only updated in the May Revision.
- Placement/Deflection Continuation: These costs are for consumers who, under the CPP in the prior year, (a) moved from a DC into the community, or (b) were deflected away from placement in a DC. These Placement/Deflection Continuation costs for consumers placed prior to fiscal year 2007-08 are now reflected in the trends resulting in a decrease to this line item of \$27.8 million. (See Base and Updated Caseload, Utilization and Expenditure Data above.)
- Minimum Wage Increases: On January 1, 2007 the California minimum wage increased from \$6.75 to \$7.50 per hour and from \$7.50 to \$8.00 per hour on January 1, 2008. These increases, enacted with Chapter 203, Statutes of 2006 (AB 1835), impact entry-level direct care staff who provide services in community care facilities, day and work activity programs, respite care, and

Budget Year 2009-10 (continued)

supported living services. Beginning in 2009-10 the impact of the increases is in the base.

- **Budget-Balancing Reductions (BBR):** The projected savings from the 2008-09 May Revision budget-balancing reductions and the reductions adopted by the Legislature prior to enactment of the 2008-09 Budget have been updated for 2009-10. The total savings in 2009-10 is estimated to be \$122.5 million of which \$61.8 million is in the 2009-10 base resulting in additional incremental savings of \$60.7 million, a difference of \$0.7 million from the Adjusted Budget.

2009-10 Budget-Balancing Reductions			
<i>(in millions)</i>			
	Adjusted Budget	November Estimate	Difference
(1) Negotiated Rate Reduction	-\$38.3	-\$53.3	-\$15.0
(2) Reduce SEP Provider Rate by 10 Percent	-9.3	-2.3	7.0
(3) Redesign Family Cost Participation Program	-1.3	-0.7	0.6
(4) Rollback Devereux Maintenance Contract	-1.2	0.0	1.2
(5) Eliminate Best Buddies Program Grant	-1.5	0.0	1.5
(6) RC Internal Review Process	-9.8	-4.4	5.4
Total	-\$61.4	-\$60.7	\$0.7

- **Negotiated Rate Reduction:** This BBR expands the contracted-services rate freeze to all regional center-negotiated rates and establishes an upper limit on the rates regional centers can negotiate for new providers of negotiated-rate services. Expenditures have been updated for 2009-10 resulting in total estimated savings of \$97.3 million of which \$44.0 million is in the base resulting in incremental savings of \$53.3 million. The additional savings from the Adjusted Budget is \$15.0 million.
- **Reduce Supported Employment Program Provider Rates:** The Supported Employment Program (SEP) provides services to assist consumers to enter into employment and to maintain their employment status. This BBR reduced the SEP job coach rate by 10 percent effective October 1, 2008. Expenditures have been updated for 2009-10 resulting in total estimated savings of \$9.5 million of which \$7.2 million is in the

Budget Year 2009-10 (continued)

base. The 2009-10 incremental savings are \$2.3 million, a reduction in savings of \$7.0 million from the Adjusted Budget.

- Redesign Family Cost Participation Program: The additional savings reflects the full-year impact of including children under age 36 months in the Family Cost Participation Program and the revised participation of families that earn more than 400 percent of the Federal Poverty Level. Expenditures have been updated for 2009-10 resulting in total estimated savings of \$2.0 million of which \$1.3 million is in the base. The 2009-10 incremental savings are \$0.7 million, a reduction in savings of \$0.6 million from the Adjusted Budget.
- Rollback Devereux Maintenance Contract: The elimination of funding for maintenance of services at a Devereux facility located in Santa Barbara is now reflected in the base; therefore, this adjustment is no longer applicable.
- Eliminate Best Buddies Program Grant: The elimination of funding for the Best Buddies Program grant is now reflected in the base; therefore, this adjustment is no longer applicable.
- Regional Center Internal Review Process: Effective October 1, 2008, regional centers' authority and responsibility were expanded to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. Expenditures have been updated for 2009-10 resulting in total estimated savings of \$13.7 million of which \$9.3 million is in the base. The 2009-10 incremental savings are \$4.4 million, a reduction in savings of \$5.4 million from the Adjusted Budget.

Budget Year 2009-10 (continued)

- POS New Major Assumptions: \$80.3 Million Decrease
 - 3 Percent Payment Reduction for RCs: \$100.7 Million Decrease: The full-year savings related to the proposal to reduce regional center expenditures for consumer services by 3 percent through a payment reduction is estimated to be \$100.7 million (\$60.2 million General Fund). The proposal applies to all regional center purchased services with the exception of supported employment services, services for which the established rate is a usual and customary rate, and State Supplementary Program (SSP) restoration payments to consumers residing in supported/independent living arrangements. A provision to protect consumer health and safety is included through a regional center requested, Department approved, health and safety waiver exemption. The Department will work with stakeholders to identify a permanent strategy for ongoing implementation of this reduction prior to the sunset of the payment reduction. (See Section E, page E-15.1, for more information.)
 - State Supplementary Payment (SSP) to the Maintenance of Effort (MOE) Floor: \$20.4 Million Increase: The full-year impact related to increasing the Independent Living Supplement to the regional center budget to backfill the Department of Social Services' proposed SSP reduction to the MOE floor for adults in independent and supported living arrangements is estimated to cost \$20.4 million (\$12.2 million General Fund) in 2009-10. The increase in the Independent Living Supplement is necessary to assure that those affected will be able to remain in independent and supported living settings instead of having to move into community care facilities or even more costly institutions. (See Section E, pages E-15.2 to E-15.3, for more information.)

Budget Year 2009-10 (continued)

- POS Revised Major Assumptions: \$44.4 Million Increase
 - Self-Directed Services: \$2.6 Million Increase: SDS is a voluntary program that enables consumers to have more control of their services and to manage a finite amount of funds allocated to the consumer's individual budget to pay for services specified in the consumer's individual program plan. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services (CMS) of a 1915(c) HCBS Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on March 1, 2009. The \$0.5 million increase reflects a phased-in implementation during 2009-10 pending approval of the HCBS Waiver and adoption of state regulations. (See Section E, pages E-15.4 to E-15.7, for more information.)

2009-10 Self-Directed Services Summary <i>(in thousands)</i>			
	Adjusted Budget	November Estimate	Difference
General Fund	-\$1,726.0	-\$5,202.0	-\$3,476.0
<i>General Fund Match and Other</i>	-2,910.0	-6,466.0	-3,556.0
<i>SDS Risk Pool</i>	1,184.0	1,264.0	80.0
Reimbursements	3,831.0	7,792.0	3,961.0
<i>SDHCBS Waiver</i>	4,617.0	9,375.0	4,758.0
<i>HCBS Waiver</i>	-786.0	-1,583.0	-797.0
Total	\$2,105.0	\$2,590.0	\$485.0

- Agnews Developmental Center Closure: \$19.7 Million Decrease: The 2008-09 Adjusted Budget reflects a closure date of June 30, 2008 for Agnews Developmental Center. The ability of the Department to close Agnews is directly linked to the implementation of each component of the closure plan (housing, new program models and the use of state staff). Delays in achieving these key components have resulted in extending the closure date until all the community supports are in place to ensure the health and safety of the consumer. The Department proposes that \$41.8 million be made available to fund POS placement and deflection continuation costs for movers in 2008-09. This results in 2009-10 savings of \$19.7 million from the Adjusted Budget. (See the Agnews Closure fiscal charts on pages B-20 to B-28 of this Section,

Budget Year 2009-10 (continued)

Section E, pages E-15.8 to E-15.11, and Section G, Agnews Closure Update, for more information.)

c. Fund Sources

- General Fund: \$299.8 Million Increase

The 2009-10 General Fund is estimated to increase by \$299.8 million from the Adjusted Budget. This increase is the net result of caseload and utilization updates for Operations and POS.

Due to the State's unprecedented structural budget deficit, the budget establishes a savings target of \$334 million to mitigate the growth in the Community Services Program. This growth is identified in the Department's Estimate. The Department will work with stakeholders over the next few months to develop proposals to achieve the targeted savings while maintaining the entitlement and ensuring program and service integrity.

Budget Year 2009-10 (continued)

- Reimbursements: \$42.4 Million Increase

2009-10 reimbursements have been revised based on updated caseload and expenditure data:

2009-10 Reimbursements <i>(in millions)</i>			
	Adjusted Budget	November Estimate*	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$891.7	\$883.9	-\$7.8
b. HCBS Waiver Administration	4.4	4.4	0.0
c. Medicaid Administration	14.3	14.3	0.0
d. Targeted Case Management (TCM)	133.9	155.1	21.2
e. TCM Administration	4.3	4.3	0.0
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families (TANF)	56.0	80.3	24.3
g. Self-Directed (SD) HCBS Waiver	4.6	9.4	4.8
h. SDHCBS Waiver Administration	1.5	1.7	0.2
i. Medicaid	44.0	44.0	0.0
j. Vocational Rehabilitation	0.6	0.3	-0.3
k. CA Children & Families First Trust Fund	5.0	5.0	0.0
Total	\$1,308.2	\$1,350.6	\$42.4

* Total reimbursements decreased in the Governor's proposed budget by \$49.6 million associated with the General Fund savings target. However, the proposals developed over the next few months will determine actual impact on reimbursements.

In addition, the above changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July 2007 through June 2008 and assumes enrollment growth to 79,766 by June 2010. It reflects the 3 Percent Payment Reduction and SSP to the MOE Floor new major assumptions, resulting in a decrease of \$7.8 million in HCBS Waiver reimbursements.
- Targeted Case Management (TCM): This estimate reflects the most current available data, producing an increase of \$21.2 million.
- Title XX Block Grant, TANF: The Department of Social Services is transferring an additional \$24.3 million in TANF funding to the

Budget Year 2009-10 (continued)

Department of Developmental Services in 2009-10, which is offset by a like reduction in General Fund.

- SDHCBS Waiver: SDS is a voluntary program that enables consumers to have more control of their services and to manage a finite amount of funds allocated to the consumer's individual budget to pay for services specified in the consumer's individual program plan. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services of a 1915(c) HCBS Waiver and adoption of state regulations, the Department of Developmental Services (DDS) will roll out SDS on March 1, 2009. The \$4.8 million increase reflects additional consumer participation in 2009-10. (See Section E, pages E-24.1 to E-24.2, for the fiscal detail on SDHCBS Waiver reimbursements.)
- SDHCBS Waiver Administration: SDHCBS Waiver Administration funds are for the proper and efficient administration of the SDHCBS Waiver. The \$0.2 million increase in reimbursements for regional center SDS Operations costs is due to phased implementation of the program beginning March 1, 2009. (See Section E, pages E-25.1 to E-25.2, for detail on SDHCBS Waiver Administration reimbursements, and pages E-1.4 to E-1.5, for detail on the SDS Operations Estimate.)
- Vocational Rehabilitation: This estimate reflects the most current available data, producing a reduction of \$0.3 million.

3. Program Development Fund: \$0.5 Million Increase

This estimate was updated to reflect the latest available data, resulting in an increase of \$0.5 million. (See Section E, page E-29, for more information.)

4. Federal Funds: \$37.8 Million Decrease

This decrease is due to a one-time drawdown of unspent federal Early Start grant funds for early intervention services in 2008-09. (See Section E, pages E-32.1 to E-32.2, for more information.)

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

		2008-09 Budget Act	2009-10 November Estimate CY 2008-09	Difference
		A	B	B - A
DEVELOPMENTAL CENTERS				
1. Agnews Budget Base¹	Total	\$0	\$34,950,760	\$34,950,760
	<i>General Fund</i>	0	21,954,843	21,954,843
	<i>Other</i>	0	12,995,917	12,995,917
	PYs	0.0	0.0	0.0
	Year Beginning Population	0	125	125
2. Placements Into the Community	Total	\$0	\$0	\$0
	<i>General Fund</i>	0	0	0
	<i>Other</i>	0	0	0
	PYs	0.0	0.0	0.0
	Placements	0	0	0
	Deaths	0	0	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 Community²	Total	\$4,454,000	\$4,454,000	\$0
		(20,082,000)	(20,082,000)	(0)
	Subtotal	2,542,900	2,542,900	0
	<i>Clinical Staff</i>	2,327,500	2,327,500	0
	<i>Admin for Clinical Staff</i>	0	0	0
	<i>Operating Expense & Equipment</i>	215,400	215,400	0
	Subtotal	17,539,100	17,539,100	0
	<i>Direct Support Services</i>	15,451,500	15,451,500	0
	<i>Admin for Direct Support Services</i>	0	0	0
	<i>Operating Expense & Equipment</i>	2,087,600	2,087,600	0
	Subtotal	485,000	485,000	0
	<i>Personal Services</i>	437,000	437,000	0
	<i>Operating Expense & Equipment</i>	48,000	48,000	0
	PYs	6.0	6.0	0.0
	Subtotal	3,969,000	3,969,000	0
	<i>Personal Services</i>	3,185,000	3,185,000	0
	<i>Operating Expense & Equipment</i>	784,000	784,000	0
	PYs	24.0	24.0	0.0
	<i>General Fund</i>	475,000	475,000	0
	<i>Other</i>	3,979,000	3,979,000	0
5. Administrative Staff for Closure	Total	\$335,000	\$335,000	\$0
	PYs	5.0	5.0	0.0
	<i>General Fund</i>	195,000	195,000	0
	<i>Other</i>	140,000	140,000	0
6. Warm Shut Down	Total	\$4,836,000	\$1,612,000	-\$3,224,000
	PYs	25.0	25.0	0.0
	<i>General Expenses</i>	75,000	25,000	-50000
	<i>Facilities Operations</i>	30,000	10,000	-20000
	<i>Contracts</i>	1,203,000	401,000	-802000
	<i>Vehicle Operations</i>	154,000	51,000	-103000
	<i>Utilities</i>	1,089,000	363,000	-726000
	<i>Staffing</i>	2,285,000	762,000	-1523000
	<i>General Fund</i>	2,822,000	941,000	-1881000
	<i>Other</i>	2,014,000	671,000	-1343000

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

		2008-09 Budget Act	2009-10 November Estimate CY 2008-09	Difference
		A	B	B - A
7.	Foster Grandparent/Senior Companion Program	Total	-\$384,000	-\$384,000
		PYs	0.0	0.0
		<i>General Fund</i>	-318,000	-318,000
		<i>Other</i>	-66,000	-66,000
8.	Staff Costs for Closure Plan	Total	\$0	\$4,918,000
			0	828,000
			0	496,000
			0	3,595,000
		<i>General Fund</i>	0	2,624,000
		<i>Other</i>	0	2,294,000
9.	Facility Preparation	Total	\$0	\$0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$0	\$0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
11.	Regional Resource Development Projects	Total	\$809,000	\$809,000
		PYs	6.0	6.0
		<i>General Fund</i>	472,000	472,000
		<i>Other</i>	337,000	337,000
12.	Agnews Staffing Plan	Total	\$293,000	\$293,000
		PYs	3.0	3.0
		<i>General Fund</i>	156,000	156,000
		<i>Other</i>	137,000	137,000
Total Developmental Centers Costs of Closure		Total	\$10,343,000	\$46,987,760
		PYs	69.0	69.0
		<i>General Fund</i>	3,802,000	26,499,843
		<i>Other</i>	6,541,000	20,487,917
Year Ending Population		0	125	125
REGIONAL CENTERS				
13.	Community Placement Plan³	Total	\$7,177,000	\$7,177,000
A)	Operations	Total	\$7,177,000	\$7,177,000
			4,845,000	4,845,000
			2,231,000	2,231,000
			0	0
			362,000	362,000
			499,000	499,000
			-760,000	-760,000
		<i>General Fund</i>	5,128,000	5,128,000
		<i>Other</i>	2,049,000	2,049,000
B)	Purchase of Services (POS)	Total	\$0	\$27,210,000
		Placements	0	121
			0	0
			0	0
			0	27,210,000
		<i>General Fund</i>	0	15,379,000
		<i>Other</i>	0	11,831,000
			(0)	(0)
			(0)	(0)
Total Community Placement Plan (A+B)		Total	\$7,177,000	\$34,387,000
		Placements	0	121
		<i>General Fund</i>	5,128,000	20,507,000
		<i>Other</i>	2,049,000	13,880,000

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

		2008-09 Budget Act	2009-10 November Estimate CY 2008-09	Difference
		A	B	B - A
14.	Placement Continuation³			
A)	Operations			
	Total	\$580,000	\$580,000	\$0
	1. Client Program Coordinators (CPC)	51,000	51,000	0
	2. Nurse Consultant	297,000	297,000	0
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	232,000	232,000	0
	General Fund	203,000	203,000	0
	Other	377,000	377,000	0
B)	Purchase of Services (POS)			
	Total	\$96,636,000	\$38,996,000	-\$57,640,000
	Prior Year Placements	252	252	0
	Placement Continuation (property management and lease)	96,636,000	38,996,000	-57,640,000
	General Fund	61,603,000	24,958,000	-36,645,000
	Other	35,033,000	14,038,000	-20,995,000
	(FYI: State Employees in the Community costs included in POS above)	(17,539,000)	(17,509,000)	-(30,000)
	Total Placement Continuation (A+B)	\$97,216,000	\$39,576,000	-\$57,640,000
	Prior Year Placements	252	252	0
	General Fund	61,806,000	25,161,000	-36,645,000
	Other	35,410,000	14,415,000	-20,995,000
	Total Regional Center Costs of Closure	\$104,393,000	\$73,963,000	-\$30,430,000
	General Fund	66,934,000	45,668,000	-21,266,000
	Other	37,459,000	28,295,000	-9,164,000
	GRAND TOTAL - COSTS OF CLOSURE	Total \$114,736,000	\$120,950,760	\$6,214,760
	PYs	69.0	69.0	0.0
	General Fund	70,736,000	72,167,843	1,431,843
	Other	44,000,000	48,782,917	4,782,917
	Year Ending Population	0	125	125

1. Reappropriated funding from FY 2007-08.
2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.
3. In the 2008-09 May Revision, funding was provided for Line 14 with the assumption of all consumers transferred by June 30, 2008. Since all consumers were not transferred, \$27.2 million was shifted to Line 13.

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2009-10**

		2008-09 Budget Act	2009-10 November Estimate BY 2009-10	Difference
		A	B	B - A
DEVELOPMENTAL CENTERS				
1.	Agnews Budget Base¹	Total	\$0	\$0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
		PYs	0.0	0.0
	Year Beginning Population	0	0	0
2.	Placements Into the Community	Total	\$0	\$0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
		PYs	0.0	0.0
	Placements	0	0	0
	Deaths	0	0	0
3.	Consumer Transfers to Other DCs	Total	\$0	\$0
		<i>General Fund</i>	0	0
		<i>Other</i>	0	0
	Population	0	0	0
4.	State Employees in the Community²	Total	\$4,454,000	\$4,454,000
			(20,082,000)	(0)
	Clinical Staff (RC Operations)	Subtotal	2,542,900	2,542,900
		<i>Clinical Staff</i>	2,327,500	0
		<i>Admin for Clinical Staff</i>	0	0
		<i>Operating Expense & Equipment</i>	215,400	0
	Direct Support Services (RC Purchase of Services)	Subtotal	17,539,100	17,539,100
		<i>Direct Support Services</i>	15,451,500	0
		<i>Admin for Direct Support Services</i>	0	0
		<i>Operating Expense & Equipment</i>	2,087,600	0
	Administrative Staff (SDC)	Subtotal	485,000	485,000
		<i>Personal Services</i>	437,000	0
		<i>Operating Expense & Equipment</i>	48,000	0
		PYs	6.0	6.0
	Primary Care Clinic and Closure Services	Subtotal	3,969,000	3,969,000
		<i>Personal Services</i>	3,185,000	0
		<i>Operating Expense & Equipment</i>	784,000	0
		PYs	24.0	24.0
		<i>General Fund</i>	475,000	0
		<i>Other</i>	3,979,000	0
5.	Administrative Staff for Closure	Total	\$335,000	\$0
		PYs	5.0	0.0
		<i>General Fund</i>	195,000	-195,000
		<i>Other</i>	140,000	-140,000
6.	Warm Shut Down	Total	\$4,836,000	\$4,836,000
		PYs	25.0	25.0
	<i>General Expenses</i>		75,000	0
	<i>Facilities Operations</i>		30,000	0
	<i>Contracts</i>		1,203,000	0
	<i>Vehicle Operations</i>		154,000	0
	<i>Utilities</i>		1,089,000	0
	<i>Staffing</i>		2,285,000	0
		<i>General Fund</i>	2,822,000	0
		<i>Other</i>	2,014,000	0

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2009-10**

		2008-09 Budget Act	2009-10 November Estimate BY 2009-10	Difference	
		A	B	B - A	
7.	Foster Grandparent/Senior Companion Program	Total	-\$384,000	\$0	\$384,000
		PYs	0.0	0.0	0.0
		<i>General Fund</i>	-318,000	0	318,000
		<i>Other</i>	-66,000	0	66,000
8.	Staff Costs for Closure Plan	Total	\$0	\$0	\$0
		Staff Transition Costs	0	0	0
		Overtime for Consumer Transfers and Escort	0	0	0
		Costs for Lump-Sum Buyout	0	0	0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
9.	Facility Preparation	Total	\$0	\$0	\$0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
10.	Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$0	\$0	\$0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
11.	Regional Resource Development Projects	Total	\$809,000	\$809,000	\$0
		PYs	6.0	6.0	0.0
		<i>General Fund</i>	472,000	472,000	0
		<i>Other</i>	337,000	337,000	0
12.	Agnews Staffing Plan	Total	\$293,000	\$201,000	-\$92,000
		PYs	3.0	3.0	0.0
		<i>General Fund</i>	156,000	107,000	-49,000
		<i>Other</i>	137,000	94,000	-43,000
Total Developmental Centers Costs of Closure		Total	\$10,343,000	\$10,300,000	-\$43,000
		PYs	69.0	64.0	-5.0
		<i>General Fund</i>	3,802,000	3,876,000	74,000
		<i>Other</i>	6,541,000	6,424,000	-117,000
Year Ending Population			0	0	0
REGIONAL CENTERS					
13.	Community Placement Plan³	Total	\$7,177,000	\$7,314,000	\$137,000
A)	Operations				
	1. Unified Operations Costs		4,845,000	4,242,000	-603,000
	2. State Employees in the Community		2,231,000	2,573,000	342,000
	3. Consultant Services - Tech. Assistance on Housing Issues		0	0	0
	4. Evaluation of Licensing Pilots		362,000	0	-362,000
	5. Foster Grandparent/Senior Companion Program		499,000	499,000	0
	6. Budget-Balancing Reduction		-760,000	0	760,000
		<i>General Fund</i>	5,128,000	5,021,000	-107,000
		<i>Other</i>	2,049,000	2,293,000	244,000
B)	Purchase of Services (POS)	Total	\$0	\$0	\$0
		Placements	0	0	0
	1. Start-up Costs (resource development)		0	0	0
	2. Assessments		0	0	0
	3. Placements (property management and lease)		0	0	0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
	(FYI: State Employees in the Community costs included in POS above)		(0)	(0)	(0)
Total Community Placement Plan (A+B)		Total	\$7,177,000	\$7,314,000	\$137,000
		Placements	0	0	0
		<i>General Fund</i>	5,128,000	5,021,000	-107,000
		<i>Other</i>	2,049,000	2,293,000	244,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2009-10**

		2008-09 Budget Act	2009-10 November Estimate BY 2009-10	Difference
		A	B	B - A
14.	Placement Continuation³			
A)	Operations			
	Total	\$580,000	\$866,000	\$286,000
	1. Client Program Coordinators (CPC)	51,000	275,000	224,000
	2. Nurse Consultant	297,000	356,000	59,000
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	232,000	235,000	3,000
	General Fund	203,000	340,000	137,000
	Other	377,000	526,000	149,000
B)	Purchase of Services (POS)			
	Total	\$96,636,000	\$80,829,000	-\$15,807,000
	Prior Year Placements	252	373	121
	Placement Continuation (property management and lease)	96,636,000	80,829,000	-15,807,000
	General Fund	61,603,000	49,872,000	-11,731,000
	Other	35,033,000	30,957,000	-4,076,000
	(FYI: State Employees in the Community costs included in POS above)	(17,539,000)	(17,509,000)	-(30,000)
	Total Placement Continuation (A+B)	\$97,216,000	\$81,695,000	-\$15,521,000
	Prior Year Placements	252	373	121
	General Fund	61,806,000	50,212,000	-11,594,000
	Other	35,410,000	31,483,000	-3,927,000
	Total Regional Center Costs of Closure	\$104,393,000	\$89,009,000	-\$15,384,000
	General Fund	66,934,000	55,233,000	-11,701,000
	Other	37,459,000	33,776,000	-3,683,000
	GRAND TOTAL - COSTS OF CLOSURE	Total \$114,736,000	\$99,309,000	-\$15,427,000
	PYs	69.0	64.0	-5.0
	General Fund	70,736,000	59,109,000	-11,627,000
	Other	44,000,000	40,200,000	-3,800,000
	Year Ending Population	0	0	0

1. Reappropriated funding from FY 2007-08.

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

3. In the 2008-09 May Revision, funding was provided for Line 14 with the assumption of all consumers transferred by June 30, 2008. Since all consumers were not transferred, \$27.2 million was shifted to Line 13.

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2008-09 TO BUDGET YEAR 2009-10**

		2009-10 November Estimate CY 2008-09 A	2009-10 November Estimate BY 2009-10 B	Change from CY 2008-09 to BY 2009-10 B - A	
DEVELOPMENTAL CENTERS					
1.	Agnews Budget Base¹	Total	\$34,950,760	\$0	-\$34,950,760
		<i>General Fund</i>	21,954,843	0	-21,954,843
		<i>Other</i>	12,995,917	0	-12,995,917
		PYs	0.0	0.0	0.0
		Year Beginning Population	125	0	-125
2.	Placements Into the Community	Total	\$0	\$0	\$0
		<i>General Fund</i>	0	0	0
		<i>Other</i>	0	0	0
		PYs	0.0	0.0	0.0
		Placements	0	0	0
		Deaths	0	0	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 Community²	Total	\$4,454,000	\$4,454,000	\$0
			(20,082,000)	(20,082,000)	(0)
	Clinical Staff (RC Operations)	Subtotal	2,542,900	2,542,900	0
		<i>Clinical Staff</i>	2,327,500	2,327,500	0
		<i>Admin for Clinical Staff</i>	0	0	0
		<i>Operating Expense & Equipment</i>	215,400	215,400	0
	Direct Support Services (RC Purchase of Services)	Subtotal	17,539,100	17,539,100	0
		<i>Direct Support Services</i>	15,451,500	15,451,500	0
		<i>Admin for Direct Support Services</i>	0	0	0
		<i>Operating Expense & Equipment</i>	2,087,600	2,087,600	0
	Administrative Staff (SDC)	Subtotal	485,000	485,000	0
		<i>Personal Services</i>	437,000	437,000	0
		<i>Operating Expense & Equipment</i>	48,000	48,000	0
		PYs	6.0	6.0	0.0
	Primary Care Clinic and Closure Services	Subtotal	3,969,000	3,969,000	0
		<i>Personal Services</i>	3,185,000	3,185,000	0
		<i>Operating Expense & Equipment</i>	784,000	784,000	0
		PYs	24.0	24.0	0.0
		<i>General Fund</i>	475,000	475,000	0
		<i>Other</i>	3,979,000	3,979,000	0
5.	Administrative Staff for Closure	Total	\$335,000	\$0	-\$335,000
		PYs	5.0	0.0	-5.0
		<i>General Fund</i>	195,000	0	-195,000
		<i>Other</i>	140,000	0	-140,000
6.	Warm Shut Down	Total	\$1,612,000	\$4,836,000	\$3,224,000
		PYs	25.0	25.0	0.0
		<i>General Expenses</i>	25,000	75,000	50,000
		<i>Facilities Operations</i>	10,000	30,000	20,000
		<i>Contracts</i>	401,000	1,203,000	802,000
		<i>Vehicle Operations</i>	51,000	154,000	103,000
		<i>Utilities</i>	363,000	1,089,000	726,000
		<i>Staffing</i>	762,000	2,285,000	1,523,000
		<i>General Fund</i>	941,000	2,822,000	1,881,000
		<i>Other</i>	671,000	2,014,000	1,343,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2008-09 TO BUDGET YEAR 2009-10**

		2009-10 November Estimate CY 2008-09 A	2009-10 November Estimate BY 2009-10 B	Change from CY 2008-09 to BY 2009-10 B - A	
7.	Foster Grandparent/Senior Companion Program	Total	-\$384,000	\$0	\$384,000
		PYs	0.0	0.0	0.0
		General Fund	-318,000	0	318,000
		Other	-66,000	0	66,000
8.	Staff Costs for Closure Plan	Total	\$4,918,000	\$0	-\$4,918,000
	Staff Transition Costs		828,000	0	-828,000
	Overtime for Consumer Transfers and Escort		496,000	0	-496,000
	Costs for Lump-Sum Buyout		3,595,000	0	-3,595,000
		General Fund	2,624,000	0	-2,624,000
		Other	2,294,000	0	-2,294,000
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	\$809,000	\$809,000	\$0
		PYs	6.0	6.0	0.0
		General Fund	472,000	472,000	0
		Other	337,000	337,000	0
12.	Agnews Staffing Plan	Total	\$293,000	\$201,000	-\$92,000
		PYs	3.0	3.0	0.0
		General Fund	156,000	107,000	-49,000
		Other	137,000	94,000	-43,000
Total Developmental Centers Costs of Closure		Total	\$46,987,760	\$10,300,000	-\$36,687,760
		PYs	69.0	64.0	-5.0
		General Fund	26,499,843	3,876,000	-22,623,843
		Other	20,487,917	6,424,000	-14,063,917
	Year Ending Population		125	0	-125
REGIONAL CENTERS					
13.	Community Placement Plan³				
A)	Operations	Total	\$7,177,000	\$7,314,000	\$137,000
	1. Unified Operations Costs		4,845,000	4,242,000	-603,000
	2. State Employees in the Community		2,231,000	2,573,000	342,000
	3. Consultant Services - Tech. Assistance on Housing Issues		0	0	0
	4. Evaluation of Licensing Pilots		362,000	0	-362,000
	5. Foster Grandparent/Senior Companion Program		499,000	499,000	0
	6. Budget-Balancing Reduction		-760,000	0	760,000
		General Fund	5,128,000	5,021,000	-107,000
		Other	2,049,000	2,293,000	244,000
B)	Purchase of Services (POS)	Total	\$27,210,000	\$0	-\$27,210,000
	Placements		121	0	-121
	1. Start-up Costs (resource development)		0	0	0
	2. Assessments		0	0	0
	3. Placements (property management and lease)		27,210,000	0	-27,210,000
		General Fund	15,379,000	0	-15,379,000
		Other	11,831,000	0	-11,831,000
	(FYI: State Employees in the Community costs included in POS above)		(0)	(0)	(0)
Total Community Placement Plan (A+B)		Total	\$34,387,000	\$7,314,000	-\$27,073,000
		Placements	121	0	-121
		General Fund	20,507,000	5,021,000	-15,486,000
		Other	13,880,000	2,293,000	-11,587,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2008-09 TO BUDGET YEAR 2009-10**

		2009-10 November Estimate CY 2008-09 A	2009-10 November Estimate BY 2009-10 B	Change from CY 2008-09 to BY 2009-10 B - A
14.	Placement Continuation³			
A)	Operations			
	Total	\$580,000	\$866,000	\$286,000
	1. Client Program Coordinators (CPC)	51,000	275,000	224,000
	2. Nurse Consultant	297,000	356,000	59,000
	3. State Employees in the Community	0	0	0
	4. Clinical Staff	0	0	0
	5. Increased Access to Oral Health Care	232,000	235,000	3,000
	General Fund	203,000	340,000	137,000
	Other	377,000	526,000	149,000
B)	Purchase of Services (POS)			
	Total	\$38,996,000	\$80,829,000	\$41,833,000
	Prior Year Placements	252	373	121
	Placement Continuation (property management and lease)	38,996,000	80,829,000	41,833,000
	General Fund	24,958,000	49,872,000	24,914,000
	Other	14,038,000	30,957,000	16,919,000
	(FYI: State Employees in the Community costs included in POS above)	(17,509,000)	(17,509,000)	(0)
	Total Placement Continuation (A+B)	\$39,576,000	\$81,695,000	\$42,119,000
	Prior Year Placements	252	373	121
	General Fund	25,161,000	50,212,000	25,051,000
	Other	14,415,000	31,483,000	17,068,000
	Total Regional Center Costs of Closure	\$73,963,000	\$89,009,000	\$15,046,000
	General Fund	45,668,000	55,233,000	9,565,000
	Other	28,295,000	33,776,000	5,481,000
	GRAND TOTAL - COSTS OF CLOSURE	\$120,950,760	\$99,309,000	-\$21,641,760
	PYs	69.0	64.0	-5.0
	General Fund	72,167,843	59,109,000	-13,058,843
	Other	48,782,917	40,200,000	-8,582,917
	Year Ending Population	125	0	-125

1. Reappropriated funding from FY 2007-08.
 2. Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.
 3. In the 2008-09 May Revision, funding was provided for Line 14 with the assumption of all consumers transferred by June 30, 2008. Since all consumers were not transferred, \$27.2 million was shifted to Line 13.

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

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

NEW MAJOR ASSUMPTIONS

OPERATIONS

Regional Center Service Coordination Enhancement

Pursuant to the proposed settlement agreement for Capitol People First, et al. v. Department of Developmental Services, et al, the regional center core staffing formula will be enhanced to provide dedicated case management resources to regional centers to participate in developmental center residents' annual individual program plan meetings, as well as support other visits and communications appropriate for case management.

Change from Prior Estimate: This is a new major assumption beginning in 2009-10.

3 Percent Reduction

The Department proposes to permanently decrease regional centers' operations funding by 3 percent. From February 1, 2009 through June 30, 2010, the Department proposes to provide flexibility and relief to regional centers' operational requirements by temporarily suspending specified reporting requirements, the 1:66 caseload ratio requirement for consumers residing in the community with specified exemptions, and the requirement that regional centers have, or contract for, specialized expertise in specified areas. In the interim, the Department will work with stakeholders to identify permanent strategies for implementation of this reduction.

Change from Prior Estimate: This is a new major assumption beginning in 2009-10.

NEW MAJOR ASSUMPTIONS (continued)

PURCHASE OF SERVICES

3 Percent Payment Reduction

This proposal reduces regional center expenditures for consumer services by 3 percent through a payment reduction. The proposal applies to all regional center purchased services with the exception of supported employment services, services for which the established rate is a usual and customary rate, and State Supplementary Program (SSP) restoration payments to consumers residing in supported/independent living arrangements. A provision to protect consumer health and safety is included through a regional center requested, Department approved, health and safety waiver exemption. The Department will work with stakeholders to identify permanent strategies for ongoing implementation of this reduction prior to the sunset of the payment reduction on June 30, 2010.

Change from Prior Estimate: This is a new major assumption beginning in 2009-10.

SSP to the Maintenance of Effort (MOE) Floor

The Department of Developmental Services will increase the Independent Living Supplement to the regional center budget consistent with the Department of Social Services proposal in the Governor's Budget to reduce the SSP for adults in independent and supported living arrangements. Beginning in 1992-93, and in each fiscal year thereafter, the regional center budget has been adjusted to reflect the fiscal impact of reductions in SSP. These reductions are to the State's portion of Supplemental Security Income (Federal Social Security Administration portion)/SSP (State Department of Social Services portion) grant payments. DDS will increase the 2008-09 regional center budget adjustment to backfill the proposed SSP reduction to the MOE floor effective March 1, 2009. The increase in the Independent Living Supplement is necessary to assure that those affected will be able to remain in independent and supported living settings instead of having to move into community care facilities or even more costly institutions.

Change from Prior Estimate: This is a new major assumption beginning in 2009-10.

REVISED MAJOR ASSUMPTIONS

OPERATIONS

Self-Directed Services

Subject to the approval by the Centers of Medicare and Medicaid Services of a Home and Community Based Services 1915 (c) Independence-Plus Waiver (Waiver), the Department of Developmental Services will implement Self-Directed Services (SDS). This new service delivery model of funding will provide finite individual budgets in exchange for increased consumer control over services. SDS is one of the Governor's Budget fiscal year 2008-09 "cost containment" initiatives. However, the implementation of SDS is delayed from July 1, 2008 to March 1, 2009, contingent upon the approval of the Waiver and promulgation of regulations to implement SDS.

Change from Prior Estimate: Implementation of SDS is delayed from July 1, 2008 to March 1, 2009. In 2008-09, the Department proposes to retain figures contained in the 2008-09 Budget Act. In 2009-10, SDS enrollments are projected to increase by 1,800.

Agnews Developmental Center Closure

The ability of the Department to close Agnews is directly linked to the implementation of each component of the plan (housing, new program models and the use of state staff). Delays in achieving these key components will result in extending the closure date. Agnews remains open with 80 consumers still residing at Agnews as of November 30, 2008. The implementation of a revised closure date will be needed in order to ensure a safe transition of all consumers into the community. Transition to the community will continue as homes become ready for occupancy and support services are developed over the next few months. As the Agnews Closure approaches its final stages, the Department will continue to ensure that the health and safety of each consumer remain its highest priority. The Department continually refines its projections with the intention of providing a more accurate timeline for achieving Agnews' Closure.

Change from Prior Estimate: For 2008-09, the Department proposes to retain figures contained in the 2008-09 Budget Act. The 2009-10 request reflects post-closure costs needed to ensure that clinical team, placement stability support, and ongoing quality assurance management services are available for all Agnews movers.

REVISED MAJOR ASSUMPTIONS (continued)

PURCHASE OF SERVICES

Self-Directed Services

Subject to the approval by the Centers of Medicare and Medicaid Services of a Home and Community Based Services 1915 (c) Independence-Plus Waiver (Waiver), the Department of Developmental Services will implement Self-Directed Services (SDS). This new service delivery model of funding will provide finite individual budgets in exchange for increased consumer control over services. SDS is one of the Governor's Budget fiscal year 2008-09 "cost containment" initiatives. However, the implementation of SDS is delayed from July 1, 2008 to March 1, 2009, contingent upon the approval of the Waiver and promulgation of regulations to implement SDS.

Change from Prior Estimate: Implementation of SDS is delayed from July 1, 2008 to March 1, 2009. In 2008-09, the Department proposes to retain figures contained in the 2008-09 Budget Act. In 2009-10, SDS enrollments are projected to increase by 1,800.

Agnews Developmental Center Closure

The ability of the Department to close Agnews is directly linked to the implementation of each component of the plan (housing, new program models and the use of state staff). Delays in achieving these key components will result in extending the closure date. Agnews remains open with 80 residents remaining at Agnews as of November 30, 2008. The implementation of a revised closure date will be needed in order to ensure a safe transition of all consumers into the community. Transition to the community will continue as homes become ready for occupancy and support services are developed over the next few months. As the Agnews Closure approaches its final stages, the Department will continue to ensure that the health and safety of each consumer remain its highest priority. The Department continually refines its projections with the intention of providing a more accurate timeline for achieving Agnews' Closure.

Change from Prior Estimate: For 2008-09, the Department proposes to retain figures contained in the 2008-09 Budget Act. The 2009-10 request reflects funding for placement and deflection continuation costs for the movers in 2008-09.

UNCHANGED MAJOR ASSUMPTIONS

OPERATIONS

Staffing

- Personal Services
- Operating Expenses
- 60 to 120 Days for Intake and Assessment
- Community Placement Plan
- Cost Containment
- Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver
- Staffing for Collection of Federal Financial Participation (FFP) for Contracted Services

Federal Compliance

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

Projects

- Information Technology
- Clients' Rights Advocacy
- Life Quality Assessment
- Direct Support Professional Training
- Administrative Hearings
- Wellness
- Foster Grandparent/Senior Companion
- Special Incident Reporting/Risk Assessment
- Increased Access to Mental Health Services
- Sherry S. Court Case
- Movers' Evaluation
- FFP Enhancement
- University Enterprises, Inc.
- Affordable Housing
- Cost Containment
- Self-Directed Services: Training and Development
- Agnews Closure: Technical Assistance on Housing Issues
- Evaluation of SB 962 Projects
- Review of SB 1175 Housing Proposals

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES

Community Care Facilities

- Base
- SSI/SSP Increases (No Pass Through)
- Utilization Change/Growth
- Average Cost Increase
- Service-Level Freeze
- Minimum Wage Increases
- Community Placement Plan
- Placement/Deflection Continuation
- Negotiated Rate Reduction
- Regional Center Internal Review Process

Medical Facilities

- Base
- Utilization Change/Growth
- Gap Resource Development
- Community Placement Plan
- Placement/Deflection Continuation
- Negotiated Rate Reduction
- Regional Center Internal Review Process

Day Programs

- Base
- Utilization Change/Growth
- Average Cost Increase
- Temporary Payment Rate Freeze
- Minimum Wage Increases
- Community Placement Plan
- Placement Continuation
- Program Days Adjustment
- Negotiated Rate Reduction
- Regional Center Internal Review Process

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Habilitation Services Program

- Work Activity Program (WAP)
- Supported Employment Program (SEP)
- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Rate Reduction and Rate Freeze
- Increased Rates for SEP
- WAP Minimum Wage Increases
- Reduce SEP Provider Rates by 10 Percent
- Regional Center Internal Review Process

Transportation

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Contracted-Services Rate Freeze
- Negotiated Rate Reduction
- Regional Center Internal Review Process

Support Services

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Independent Living Supplement
- Contracted-Services Rate Freeze
- Minimum Wage Increases
- Negotiated Rate Reduction
- Regional Center Internal Review Process

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

In-Home Respite

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Rate Freeze
- Minimum Wage Increases
- Negotiated Rate Reduction
- Regional Center Internal Review Process

Out-of-Home Respite

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Minimum Wage Increases
- Negotiated Rate Reduction
- Regional Center Internal Review Process

Health Care

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Negotiated Rate Reduction
- Regional Center Internal Review Process

Miscellaneous

- Base
- Utilization Change/Growth
- Suspension of Non-CPP Start Up
- Contracted-Services Rate Freeze
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Negotiated Rate Reduction
- Government Claims
- Regional Center Internal Review Process

UNCHANGED MAJOR ASSUMPTIONS

FUND SOURCES

General Fund
HCBS Waiver
HCBS Waiver Administration
Medicaid Administration
Targeted Case Management (TCM)
TCM Administration
Title XX Block Grant
Self-Directed HCBS Waiver
Self-Directed HCBS Waiver Administration
Medicaid
Vocational Rehabilitation
California Children and Families First Trust Fund
Program Development Fund/Parental Fees
Developmental Disabilities Services Account
Mental Health Services Fund
Public Transportation Account
Early Start/Part C Grant
Foster Grandparent Program

HISTORY OF DISCONTINUED MAJOR ASSUMPTIONS

There are no discontinued major assumptions to report at this time.

CASELOAD
Current Year 2008-09 vs. Budget Year 2009-10

	Adjusted Budget Authority CY 2008-09	2009-10 November Estimate BY 2009-10		
	<i>Estimated Caseload as of 1/31/09 a/</i>	<i>Estimated Caseload as of 1/31/10</i>	<i>Annual Change</i>	<i>Percent Annual Change</i>
A. Active Caseload (Age 3 & Older)	197,755	206,320	8,565	4.3%
B. Early Start (Birth through 2 Years)	31,920	36,200	4,280	13.4%
C. Total Community Caseload	229,675	242,520	12,845	5.6%
D. Total Developmental Center (DC) Population	2,425 b/	2,425 c/	0	0.0%
E. Total Regional Center Caseload (C + D)	232,100	244,945	12,845	5.5%

a/ The 2008-09 caseload numbers in this table reflect caseload as of the Budget Act of 2008. The actual caseload as of December 31, 2008 was 231,355 (Active Caseload 198,879 and Early Start 32,476). Actual data through July 2008 were used to project the BY 2009-10 caseload.

b/ As explained in footnote a/, the 2008-09 Adjusted Budget is being retained. Therefore, the forecast in the 2008-09 May Revision of 2,425 is being retained, and reflects the following:

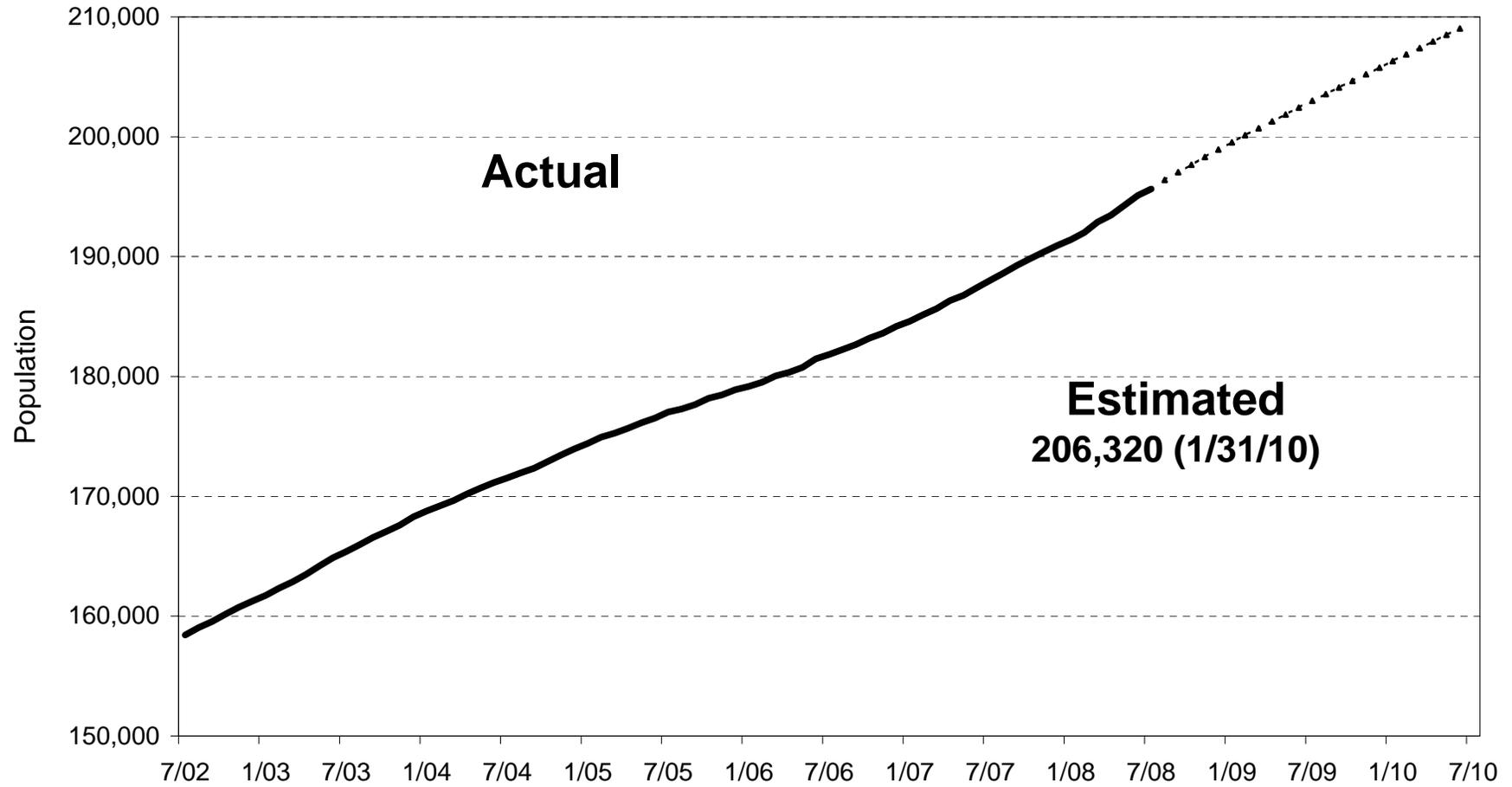
	<u>CY 2008-09</u>
Average Total Population	2,426 rounded to 2,425
On Leave	<u>-22</u>
Total In-Center Population	2,404

c/ The BY 2009-10 caseload estimate is consistent with the 2009-10 November Estimate for the DC population, which reflects the following:

	<u>BY 2009-10</u>
Average Total Population	2,426 rounded to 2,425
On Leave	<u>-22</u>
Total In-Center Population	2,404

Active Status Caseload

(Age 3 & Older)
Trend Analysis

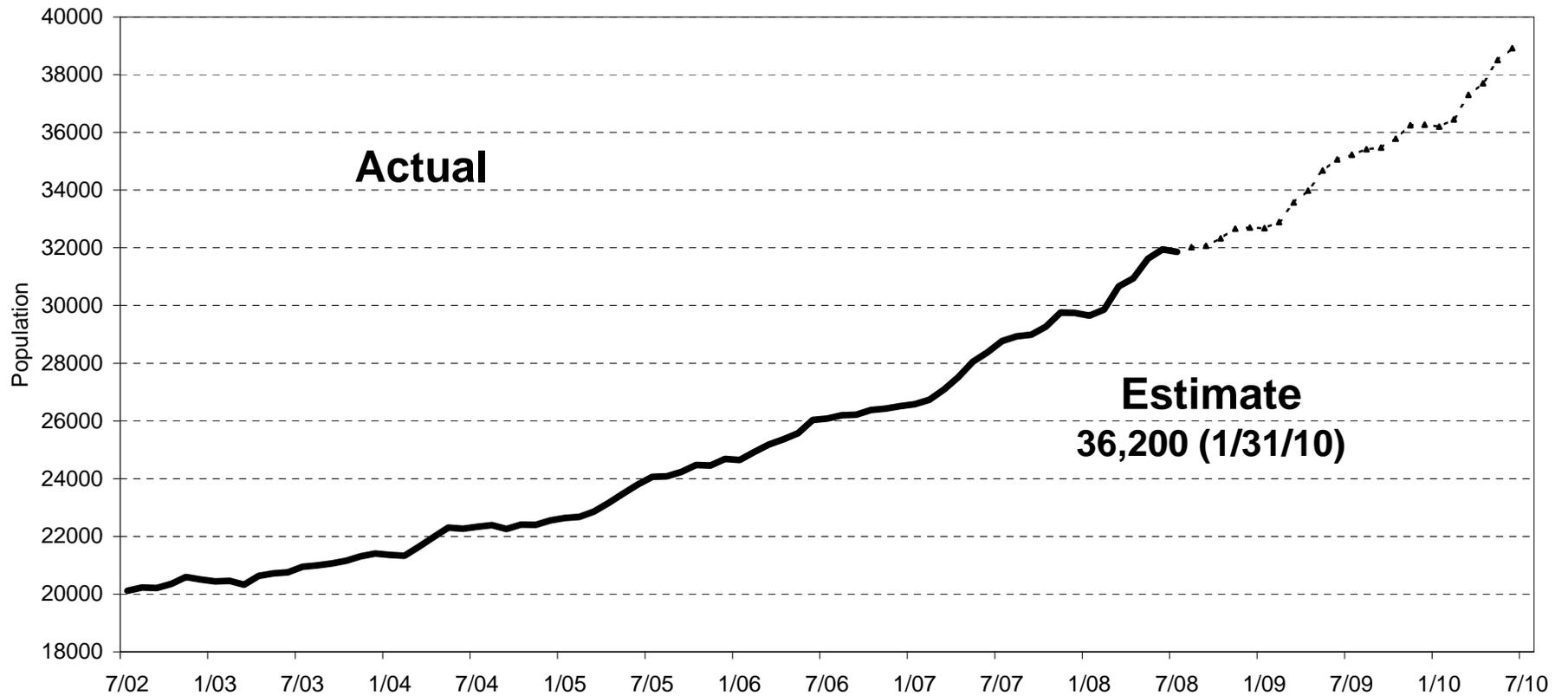


Data Set: 7/02 through 7/08

Early Start Caseload

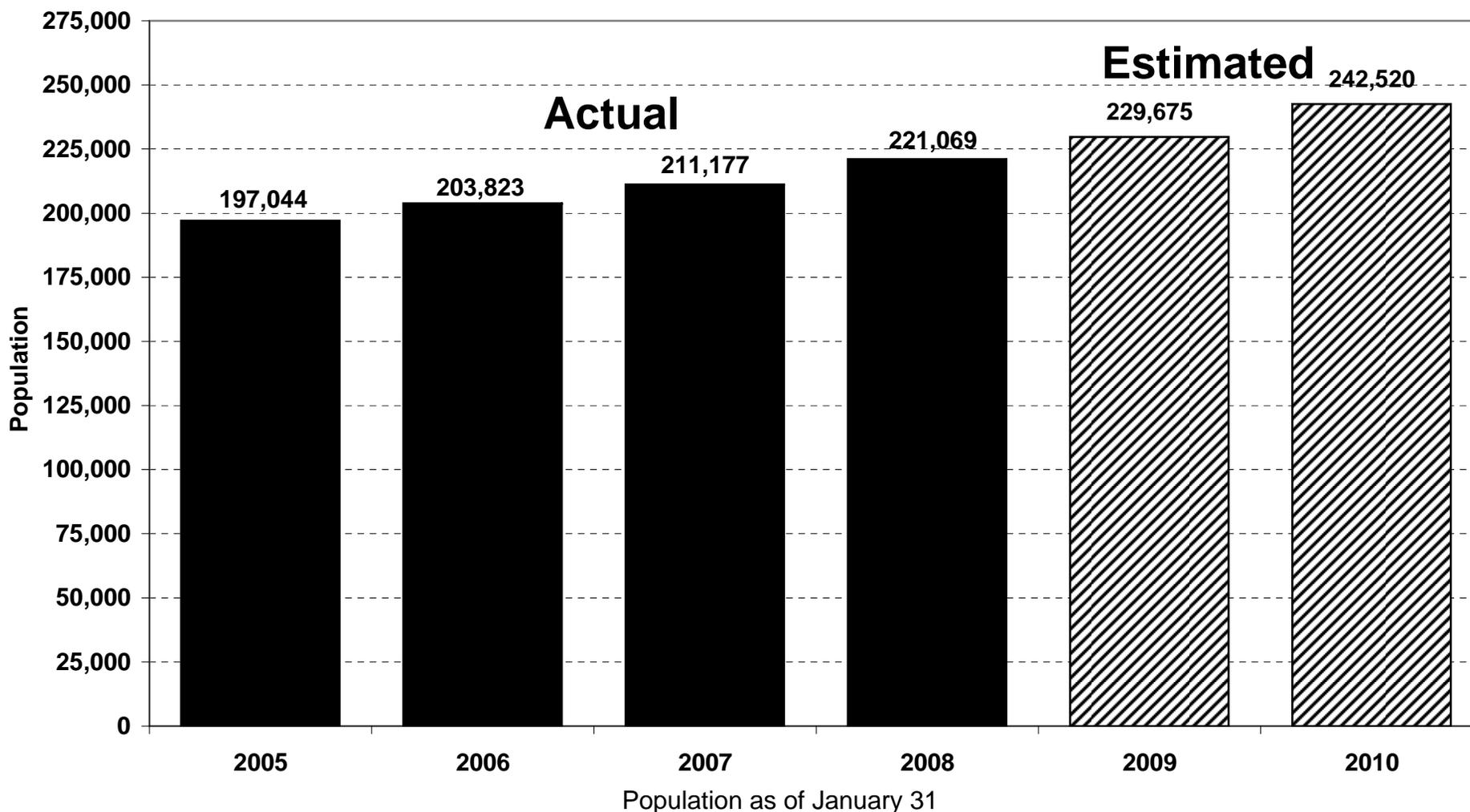
Birth through 2 Years

Client Master File Trend Analysis



Data Set: 7/02 - 7/08

Community Caseload



Staffing

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Caseload data is from the Client Master File.		
• Caseload Projections: (See Section D, Population, for detail)		
• Active Caseload (Age 3 and Over)	197,755	206,320
• Early Start (Birth through 2 Years, High-Risk and Active)	31,920	36,200
Total Community Caseload	229,675	242,520
• Developmental Center (DC) Population	2,425	2,425
Total Regional Center Caseload	232,100	244,945
Informational:		
• Community Care Facility (CCF) Consumers (including Placement Continuation)	23,838	24,464
• Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers	76,334	79,150
• Self-Directed HCBS Waiver-Enrolled Consumers	550	1,150
• Early Start (Assessment, High-Risk and Active)	37,305	41,225
• Placement Continuation Consumers	380	176
• Intake cases per month	5,470	6,040
• Vendors	50,442	50,833
• Mediations per year	400	400
• For CY 2008-09 Governor's Budget retains the Staffing estimate included in the 2008-09 Adjusted Budget		

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
CORE STAFFING		
PERSONAL SERVICES:		
• Direct Services and Administration:	\$310,522,000	\$327,924,000
Total Estimated Number of Positions:		
CY 2008-09 8,978.40		
BY 2009-10 9,492.02		
See Attachment A for Core Staffing Expenditure Detail.		
See Attachment B for Core Staffing Formulas.		
• Fringe Benefits:	\$73,594,000	\$77,718,000
Based on 23.7% per position.		
• Salary Savings:	-\$12,978,000	-\$13,708,000
<i>Client Program Coordinators: 1.0% Per Position</i>	-1,811,000	-1,912,000
<i>All Other Staff: 5.5% Per Position</i>	-11,167,000	-11,796,000
• Early Start /Part C Administrative and Clinical Support:	\$694,000	\$694,000
Includes salaries, fringe benefits and salary savings.		
TOTAL PERSONAL SERVICES	\$371,832,000	\$392,628,000

Staffing

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY:		
OPERATING EXPENSES :		
<ul style="list-style-type: none"> ● Operating Expenses: \$34,278,000 \$35,925,000 Base amount plus the following adjustments: Professional Positions: \$3,400 Per New Position Clerical Positions: \$2,400 Per New Position ● Rent: \$51,945,000 \$57,878,000 Base amount plus the following adjustments: CY 2008-09 \$6,798 Per New Position BY 2009-10 \$7,695 Per New Position 		
TOTAL OPERATING EXPENSES	\$86,223,000	\$93,803,000
CORE STAFFING SUB TOTAL	\$458,055,000	\$486,431,000
<ul style="list-style-type: none"> ● 2007-08 BUDGET-BALANCING REDUCTION (BBR) REDUCE RC HIPPA OPERATIONS -\$141,000 -\$141,000 ● Department of Finance BBR Adjustments \$69,000 		
TOTAL CORE STAFFING	\$457,983,000	\$486,290,000
INTAKE AND ASSESSMENT	-\$4,465,000	-\$4,465,000
<ul style="list-style-type: none"> ● Expenditures reflect savings as a result of extending the amount of time allowable for regional centers to perform intakes and assessments from 60 to 120 days. 		
COMMUNITY PLACEMENT PLAN:	\$12,696,000	\$14,048,000
<ul style="list-style-type: none"> ● See Community Placement Plan, Pages E-16.1 to E-16.14, for the methodology detail. 		
UNALLOCATED REDUCTION	-\$10,559,000	-\$10,559,000
COST CONTAINMENT	-\$5,968,000	-\$5,968,000
STAFFING FOR COLLECTION OF FFP FOR CONTRACTED SERVICES	\$2,179,000	\$2,217,000
<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 allows the processing of vendor invoices that do not include the individual consumer data required to support Home and Community-Based Services Waiver billing. See page E-1.13 for the fiscal detail. 		
● TOTAL EXPENDITURES	\$451,866,000	\$481,563,000

Staffing

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

TOTAL EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$451,866,000	\$481,563,000
General Fund	\$306,012,000	\$312,125,000
<i>General Fund Match</i>	139,132,000	162,915,000
<i>General Fund Other</i>	166,880,000	149,210,000
Reimbursements	\$145,854,000	\$169,438,000
<i>Medicaid Administration</i>	10,084,000	10,084,000
<i>HCBS Waiver Administration</i>	2,930,000	3,023,000
<i>Targeted Case Management</i>	128,489,000	152,114,000
<i>TCM Administration</i>	4,351,000	4,217,000

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2008
to the 2009-10 November Estimate
CY 2008-09

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2008 CY 2008-09	2009-10 November Estimate CY 2008-09			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,199,400	116.05	\$79,271	\$9,199,400	\$0
(b) Psychologist	9,691,103	232.10	41,754	9,691,103	0
(c) Nurse	4,313,695	116.05	37,171	4,313,695	0
(d) Nutritionist	3,264,487	116.05	28,130	3,264,487	0
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,969,836	54.00	92,034	4,969,836	0
(b) Consulting Pharmacist	3,264,300	54.00	60,450	3,264,300	0
(c) Behavioral Psychologist	2,968,488	54.00	54,972	2,968,488	0
(d) Nurse	2,725,812	54.00	50,478	2,725,812	0
(3) SB 1038 Health Reviews					
(a) Physician	1,932,714	21.00	92,034	1,932,714	0
(b) Nurse	4,947,854	98.02	50,478	4,947,854	0
b. Intake / Case Management					
(1) Supervising Counselor (Intake) (1:10 Intake Workers in Item (2) below)	2,972,133	78.14	38,036	2,972,133	0
(2) Intake Worker	24,640,051	781.43	31,532	24,640,051	0
(3) Supervising Counselor (Case Management) (1:10 CPCs in Items (4) and (5) below)	19,018,296	363.00	52,392	19,018,296	0
(4) Client Program Coordinator (CPC), 1:66 Consumers	62,272,434	1,829.82	34,032	62,272,434	0
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumers	59,722,757	1,754.90	34,032	59,722,757	0
(6) CPC, Quality Assurance for ARM	1,539,267	45.23	34,032	1,539,267	0
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	58,155	1.11	52,392	58,155	0
(8) CPC, DSS Incidental Medical Care Regs	420,603	11.12	37,824	420,603	0
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,897,114	36.21	52,392	1,897,114	0
(2) CPC	12,323,668	362.12	34,032	12,323,668	0
d. Early Intervention					
(1) General					
(a) Prevention Coordinator	876,792	21.00	41,752	876,792	0
(b) High-Risk Infant Case Manager	856,905	21.00	40,805	856,905	0
(c) Genetics Associate	798,714	21.00	38,034	798,714	0
(2) Early Start / Part C					
(a) Supervising Counselor	1,190,870	22.73	52,392	1,190,870	0
(b) CPC	7,735,814	227.31	34,032	7,735,814	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	1,350,417	26.56	50,844	1,350,417	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	230,498	6.06	38,036	230,498	0
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	12,050	0.23	52,392	12,050	0
(b) CPC (Supplement at 1:45 Consumers)	78,614	2.31	34,032	78,614	0
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	350,502	6.69	52,392	350,502	0
(2) QA/CPC	2,278,102	66.94	34,032	2,278,102	0
(3) Nurses	1,689,499	33.47	50,478	1,689,499	0
g. Mediation					
(1) Clinical Staff	7,093	0.11	64,484	7,093	0
(2) Supervising Counselor	52,916	1.01	52,392	52,916	0
(3) CPC	17,356	0.51	34,032	17,356	0
h. Expansion of Autism Spectrum Disorders (ASD) Initiative					
(1) ASD Clinical Specialist	1,371,888	21.00	65,328	1,371,888	0
(2) ASD Program Coordinator	1,318,464	21.00	62,784	1,318,464	0
i. SUBTOTAL DIRECT SERVICES	\$256,730,763	6,775.78		\$256,730,763	\$0

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

	Budget Act of 2008 CY 2008-09	2009-10 November Estimate CY 2008-09			
		Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	3,044,575	76.33	39,887	3,044,575	0
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	619,227	16.98	36,468	619,227	0
(5) Revenue Clerk	1,366,701	66.29	20,617	1,366,701	0
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,116,512	386.83	18,397	7,116,512	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	245,574	10.50	23,388	245,574	0
(5) MD/Psychologist Secretary I	3,808,174	174.08	21,876	3,808,174	0
(6) Secretary II	3,580,469	153.09	23,388	3,580,469	0
(7) Secretary I	17,050,488	909.02	18,757	17,050,488	0
e. SUBTOTAL ADMINISTRATION	<u>\$53,791,047</u>	<u>2,202.62</u>		<u>\$53,791,047</u>	<u>\$0</u>
3. TOTAL POSITIONS AND SALARIES					
(Items A.1.h. + Item A.2.e.)	<u>\$310,521,810</u>	<u>8,978.40</u>		<u>\$310,521,810</u>	<u>\$0</u>
a. CPCs	146,388,615			146,388,615	0
b. All Other Staff	164,133,195			164,133,195	0
4. Fringe Benefits					
a. CPCs 23.7%	\$34,694,102			\$34,694,102	\$0
b. All Other Staff 23.7%	38,899,567			38,899,567	0
c. Total Fringe Benefits	<u>\$73,593,669</u>			<u>\$73,593,669</u>	<u>\$0</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,810,827			-\$1,810,827	\$0
b. All Other Staff 5.5%	-11,166,802			-11,166,802	0
c. Total Salary Savings	<u>-\$12,977,629</u>			<u>-\$12,977,629</u>	<u>\$0</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	<u>\$694,000</u>			<u>\$694,000</u>	<u>\$0</u>
7. TOTAL PERSONAL SERVICES					
(Items A.3. + A.4. + A.5. + A.6.)	<u>\$371,831,850</u>			<u>\$371,831,850</u>	<u>\$0</u>
ROUNDED	<u>\$371,832,000</u>	<u>8,978.00</u>		<u>\$371,832,000</u>	<u>\$0</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$34,278,000			\$34,278,000	\$0
2. Rent	51,945,000			51,945,000	0
3. Subtotal Operating Expenses and Rent	<u>\$86,223,000</u>			<u>\$86,223,000</u>	<u>\$0</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$458,055,000</u>			<u>\$458,055,000</u>	<u>\$0</u>
E. 2007-08 Budget-Balancing Reduction (BBR):					
Reduce RC HIPAA Operations	-\$141,000			-\$141,000	\$0
F. Department of Finance BBR Adjustments	<u>\$69,000</u>			<u>\$69,000</u>	<u>\$0</u>
G. TOTAL CORE STAFFING (Items C.+ D.+E.+F.)	<u>\$457,983,000</u>			<u>\$457,983,000</u>	<u>\$0</u>

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2008
to the 2009-10 November Estimate
BY 2009-10

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2008 CY 2008-09	2009-10 November Estimate BY 2009-10			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,199,400	122.47	\$79,271	\$9,708,319	\$508,919
(b) Psychologist	9,691,103	244.95	41,754	10,227,642	536,539
(c) Nurse	4,313,695	122.47	37,171	4,552,332	238,637
(d) Nutritionist	3,264,487	122.47	28,130	3,445,081	180,594
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	4,969,836	57.00	92,034	5,245,938	276,102
(b) Consulting Pharmacist	3,264,300	57.00	60,450	3,445,650	181,350
(c) Behavioral Psychologist	2,968,488	57.00	54,972	3,133,404	164,916
(d) Nurse	2,725,812	57.00	50,478	2,877,246	151,434
(3) SB 1038 Health Reviews					
(a) Physician	1,932,714	23.26	92,034	2,140,711	207,997
(b) Nurse	4,947,854	108.54	50,478	5,478,882	531,028
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,972,133	86.29	38,036	3,282,126	309,993
(2) Intake Worker	24,640,051	862.86	31,532	27,207,702	2,567,651
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	19,018,296	383.33	52,392	20,083,425	1,065,129
(4) Client Program Coordinator (CPC), 1:66 Consumers	62,272,434	1,907.83	34,032	64,927,271	2,654,837
(5) CPC (Waiver, Early Start only), 1:62 Consumers	59,722,757	1,879.03	34,032	63,947,149	4,224,392
(6) CPC, Quality Assurance for ARM	1,539,267	46.42	34,032	1,579,765	40,498
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	58,155	1.18	52,392	61,823	3,668
(8) CPC, DSS Incidental Medical Care Regs	420,603	11.79	37,824	445,945	25,342
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,897,114	37.24	52,392	1,951,078	53,964
(2) CPC	12,323,668	372.39	34,032	12,673,176	349,508
d. Early Intervention					
(1) General					
(a) Prevention Coordinator	876,792	21.00	41,752	876,792	0
(b) High-Risk Infant Case Manager	856,905	21.00	40,805	856,905	0
(c) Genetics Associate	798,714	21.00	38,034	798,714	0
(2) Early Start / Part C					
(a) Supervising Counselor	1,190,870	25.12	52,392	1,316,087	125,217
(b) CPC	7,735,814	251.19	34,032	8,548,498	812,684
(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	1,350,417	26.69	50,844	1,357,026	6,609
(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	230,498	6.06	38,036	230,498	0
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	12,050	0.11	52,392	5,763	-6,287
(b) CPC (Supplement at 1:45 Consumers)	78,614	1.07	34,032	36,414	-42,200
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	350,502	6.95	52,392	364,124	13,622
(2) QA/CPC	2,278,102	69.50	34,032	2,365,224	87,122
(3) Nurses	1,689,499	34.75	50,478	1,754,111	64,612
g. Mediation					
(1) Clinical Staff	7,093	0.11	64,484	7,093	0
(2) Supervising Counselor	52,916	1.01	52,392	52,916	0
(3) CPC	17,356	0.51	34,032	17,356	0
h. Expansion of Autism Spectrum Disorders (ASD) Initiative					
(1) ASD Clinical Specialist	1,371,888	21.00	65,328	1,371,888	0
(2) ASD Program Coordinator	1,318,464	21.00	62,784	1,318,464	0
i. SUBTOTAL DIRECT SERVICES	\$256,730,763	7,187.09	\$272,064,640	\$15,333,877	

Attachment A**CORE STAFFING, BY 2009-10 (continued)**

	Budget Act of 2008 CY 2008-09	Positions	2009-10 November Estimate BY 2009-10		
			Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	3,044,575	79.15	39,887	3,157,056	112,481
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	619,227	19.27	36,468	702,738	83,511
(5) Revenue Clerk	1,366,701	68.09	20,617	1,403,812	37,111
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,116,512	408.24	18,397	7,510,391	393,879
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	245,574	11.63	23,388	272,002	26,428
(5) MD/Psychologist Secretary I	3,808,174	183.71	21,876	4,018,840	210,666
(6) Secretary II	3,580,469	157.05	23,388	3,673,085	92,616
(7) Secretary I	17,050,488	968.29	18,757	18,162,216	1,111,728
e. SUBTOTAL ADMINISTRATION	\$53,791,047	2,304.93		\$55,859,467	\$2,068,420
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.h. + Item A.2.e.)	\$310,521,810	9,492.02		\$327,924,107	\$17,402,297
a. CPCs	146,388,615			154,540,798	8,152,183
b. All Other Staff	164,133,195			173,383,309	9,250,114
4. Fringe Benefits					
a. CPCs 23.7%	\$34,694,102			\$36,626,169	\$1,932,067
b. All Other Staff 23.7%	38,899,567			41,091,844	2,192,277
c. Total Fringe Benefits	\$73,593,669			\$77,718,013	\$4,124,344
5. Salary Savings					
a. CPCs 1.0%	-\$1,810,827			-\$1,911,670	-\$100,843
b. All Other Staff 5.5%	-11,166,802			-11,796,133	-629,331
c. Total Salary Savings	-\$12,977,629			-\$13,707,803	-\$730,174
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.)	\$371,831,850			\$392,628,317	\$20,796,467
ROUNDED	\$371,832,000	9,492.00		\$392,628,000	\$20,796,000
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$34,278,000			\$35,925,000	\$1,647,000
2. Rent	51,945,000			57,878,000	5,933,000
3. Subtotal Operating Expenses and Rent	\$86,223,000			\$93,803,000	\$7,580,000
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	\$458,055,000			\$486,431,000	\$28,376,000
D. 2007-08 Budget-Balancing Reduction (BBR):					
Reduce RC HIPPA Operations	-\$141,000			-\$141,000	\$0
E. Department of Finance BBR Adjustments	\$69,000			N/A	-\$69,000
F. TOTAL CORE STAFFING (Items C + D + E)	\$457,983,000			\$486,290,000	\$28,307,000

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	1.0 position : 10 Intake Workers
(2) Intake Worker	1.0 position : 14 monthly intake cases (assume average intake case lasts 2 mos.)
(3) Supervising Counselor: Case Management	1.0 position : 10 CPCs in Items b.(4 and 5) below
(4) Client Program Coordinator (CPC)	1.0 position : 62 Waiver and Early Start consumers (excluding CPP placements)
(5) CPC	1.0 position : 66 consumers (all other consumers, excluding CPP placements)
(6) CPC, Quality Assurance for Alternative Residential Model	1.0 position : 527 CCF consumers
(7) Supervising Counselor: DSS Incidental Medical Care Regulations	1.0 position : 10 CPCs in item b.(8) below
(8) CPC, DSS Incidental Medical Care Regulations	1.0 position : 2.5 hrs x 8 visits per year to CCF consumers who rely on others to perform activities of daily living

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

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

d. Early Intervention

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

e. Community Services

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

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

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

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

Staffing for Collection of FFP for Contracted Services (Operations)

			<u>CY 2008-09</u>	<u>BY 2009-10</u>
STAFFING				
PERSONAL SERVICES:				
	<u>Positions</u>	<u>Salary</u>		
• Positions and Salaries				
Community Program Specialist I	21.00	\$42,948	\$901,908	\$901,908
Account Clerk II	<u>21.00</u>	29,220	<u>613,620</u>	<u>613,620</u>
Total, Positions and Salaries	42.00		<u>\$1,515,528</u>	<u>\$1,515,528</u>
• Fringe Benefits (@ 23.7%):			359,180	359,180
• Salary Savings (@ -5.5%):			<u>-103,109</u>	<u>-103,109</u>
Total Personal Services			<u>\$1,771,599</u>	<u>\$1,771,599</u>
OPERATING EXPENSES:				
• Operating Expenses:				
Professional Positions: \$3,400	Per Position		\$71,400	\$71,400
Clerical Positions: 2,400	Per Position		50,400	50,400
• Rent Factor:				
CY 2008-09 6,798	Per Position		285,516	
BY 2009-10 7,695	Per Position			323,190
Total Operating Expenses			<u>\$407,316</u>	<u>\$444,990</u>
TOTAL STAFFING			<u>\$2,178,915</u>	<u>\$2,216,589</u>
(Rounded)			\$2,179,000	\$2,217,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

The rent factor for BY 2009-10 is higher than the rent factor for CY 2008-09.

		<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:			
	TOTAL	\$2,179,000	\$2,217,000
	General Fund	\$1,819,000	\$1,851,000
	<i>General Fund Match</i>	360,000	366,000
	<i>General Fund Other</i>	1,459,000	1,485,000
	Reimbursements	\$360,000	\$366,000
	<i>HCBS Waiver Administration</i>	360,000	366,000

Federal Compliance

DESCRIPTION:

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

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

ASSUMPTIONS/METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<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 HCBS Waiver reimbursements of \$325,148,000. (100% General Fund)		
<ul style="list-style-type: none">● Accelerated HCBS Waiver Enrollments	\$829,000	\$1,621,000
Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% General Fund) Reason for Year-to-Year Change: BY 2009-10 expenditures reflect more HCBS Waiver enrollments than in CY 2008-09		

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> <p>● Compliance with HCBS Waiver Requirements</p> <p>Provides funding to ensure that the regional center system maintains compliance with the HCBS Waiver. Functions include maintaining service coordinator-to-consumer caseload ratios at not more than 1:62; performing quarterly face-to-face monitoring of consumers residing in out-of-home living arrangements; clinical consultation, monitoring, and review of consumers' medications; and developing and annually reviewing Waiver consumers' individual program plans and Client Developmental Evaluation Reports. See the attachment on page E-2.4 for fiscal detail.</p> <p>CY and BY: \$3,950,000 GF Match, \$3,300,000 Targeted Case Management, \$1,950,000 Medicaid Administration</p> 	\$9,200,000	\$9,200,000
<ul style="list-style-type: none"> <p>● Case Managers to Meet HCBS Waiver Requirements</p> <p>An April 21, 2006 letter from the Centers for Medicare and Medicaid Services (CMS) indicated that the State must "review and revise, as needed, its policies to assure that the waiver participant to case manager ratio of 62:1 is consistently met." This augmentation by the California Legislature is intended to ensure further compliance. See the attachment on page E-2.5 for fiscal detail.</p> <p>CY: \$2,680,000 GF Match, \$2,681,000 Targeted Case Management BY: \$2,798,000 GF Match, \$2,799,000 Targeted Case Management</p> <p>Change from Prior Estimate and Reason for Year-to-Year Change: CY 2008-09 expenditures reflect an increase in HCBS Waiver consumers from the 2008-09 May Revision. BY 2009-10 expenditures reflect an increase in HCBS Waiver consumers from CY 2008-09.</p> 	\$5,361,000	\$5,597,000
<ul style="list-style-type: none"> <p>● Targeted Case Management</p> <p>Operations costs for TCM activities in CY and BY are based upon 5.8% of 1995-96 TCM reimbursements of \$71,181,000. (100% General Fund)</p> 	\$4,129,000	\$4,129,000

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued): CY 2008-09 BY 2009-10

- **Nursing Home Reform/Pre-Admission Screening and Resident Review (PASRR)** \$473,000 \$473,000

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

- **TOTAL EXPENDITURES** \$41,127,000 \$42,155,000

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 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$41,127,000	\$42,155,000
General Fund	\$33,196,000	\$34,106,000
<i>General Fund Match</i>	6,630,000	6,748,000
<i>General Fund Other</i>	26,566,000	27,358,000
Reimbursements	\$7,931,000	\$8,049,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>Targeted Case Management</i>	5,981,000	6,099,000

Attachment

**Compliance with Home and Community-Based Services Waiver Requirements
(Operations)
CY 2008-09 and BY 2009-10**

	<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 2008-09 and BY 2009-10
		\$9,200,000
General Fund		\$3,950,000
<i>General Fund Match</i>		3,950,000
<i>General Fund Other</i>		0
Reimbursements		\$5,250,000
<i>Medicaid Administration</i>		1,950,000
<i>TCM</i>		3,300,000

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

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions	1,590.28	1,635.36
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x <u>4.5%</u> x	<u>4.5%</u>
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	71.56	73.59
D. CPC Salary	x <u>\$39,606</u> x	<u>\$39,606</u>
E. Total CPC Salary Expenditures (Item C x Item D)	\$2,834,205	\$2,914,606
F. Supervising Counselors (at 1:10 CPCs)		
CY 71.56 x 1/10 = 7.16	7.16	
BY 73.59 x 1/10 = 7.36		7.36
G. Supervising Counselor Salary	x <u>\$62,784</u> x	<u>\$62,784</u>
Total Supervising Counselor Salary Expenditures (Item F x Item G)	\$449,533	\$462,090
H. Secretary II (at 1:6 CPCs and Supervising Counselors)		
CY 71.56 + 7.16 = 78.72		
78.72 x 1/6 = 13.12	13.12	
BY 73.59 + 7.36 = 80.95		
80.95 x 1/6 = 13.49		13.49
I. Secretary II Salary	x <u>\$28,736</u> x	<u>\$28,736</u>
Total Secretary II Salary Expenditures (Item H x Item I)	\$377,016	\$387,649
J. Fringe Benefits		
CPCs 23.7%	\$671,707	\$690,762
All Other Staff 23.7%	+ <u>195,892</u> +	<u>201,388</u>
	\$867,599	\$892,150
K. Salary Savings		
CPCs 1.0%	-\$35,059	-\$36,054
All Other Staff 5.5%	+ <u>-56,234</u> +	<u>-57,812</u>
	-\$91,293	-\$93,866
L. Total Personal Services (Item E + Item G + Item I + Item K)	\$4,437,060	\$4,562,629
M. Operating Expenses		
Professional Positions \$3,400	\$267,648	\$275,230
Clerical Positions \$2,400	31,488	32,376
Rent		
CY 2008-09 \$6,798		
BY 2009-10 \$7,695	+ <u>624328.00</u> +	<u>726,716</u>
Total Operating Expenses	\$923,464	\$1,034,322
N. Total Costs (Item L + Item M)	\$5,360,524	\$5,596,951
Rounded	<u>\$5,361,000</u>	<u>\$5,597,000</u>
	General Fund	\$2,680,000
	General Fund Match	2,680,000
	General Fund Other	0
	Reimbursements	\$2,681,000
	Targeted Case Management	2,681,000

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

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

Projects

DESCRIPTION:

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

ASSUMPTIONS/METHODOLOGY:

CY 2008-09 BY 2009-10

<ul style="list-style-type: none"> ● Information Technology Costs 	\$4,517,000	\$4,517,000
<ul style="list-style-type: none"> ● Regional Center Application Support ● Data Processing 	3,167,000	3,167,000
(100% General Fund)	1,350,000	1,350,000
<ul style="list-style-type: none"> ● Clients' Rights Advocacy 	\$4,918,000	\$5,137,000

The Department contracts with Disability Rights California (formerly known as Protection and Advocacy, Inc.) for clients' rights advocacy services for regional center consumers. (100% General Fund)

Change from Prior Estimate:

This contract is based on a per capita average cost. BY 2009-10 expenditures reflect updated caseload projections and the actual per capita cost in CY 2008-09.

Reason for Year-to-Year Change:

In BY 2009-10, the community caseload is estimated to increase by 12,845 consumers.

<ul style="list-style-type: none"> ● Life Quality Assessment 	\$4,923,000	\$5,032,000
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The Department contracts with the State Council on Developmental Disabilities (SCDD) to conduct life quality assessments of consumers served by the regional centers. (100% General Fund)

Change from Prior Estimate:

The CY 2008-9 estimate reflects a projected increase of 50 assessments from the 2008-09 May Revision.

Reason for Year-to-Year Change:

The number of assessments is estimated to increase by 365 in BY 2009-10.

Projects

CY 2008-09 BY 2009-10

ASSUMPTIONS/METHODOLOGY (continued):

- **Direct Support Professional Training** \$3,582,000 \$3,582,000

Welfare and Institutions Code (WIC) Section 4695.2, Statutes of 1998, mandates all direct support service professionals working in licensed community care facilities to complete two 35-hour competency-based training courses or pass challenge tests within the first two years of employment. The Department contracts with the Department of Education which in turn administers the training through the Regional Occupational Centers and Programs. (80% of CY and BY costs are eligible for Home and Community-Based Services (HCBS) Waiver Administration: 50% General Fund Match/50% FFP.)

CY and BY: \$716,000 General Fund Other, \$1,433,000 General Fund Match, \$1,433,000 HCBS Waiver Administration

- **Office of Administrative Hearings** \$2,211,000 \$2,211,000

Federal law requires the Department to have a process to adjudicate disputes involving Medicaid beneficiaries; both the fair hearing and mediation processes satisfy this requirement. The Department contracts with the Office of Administrative Hearings to: (1) conduct fair hearings to resolve conflicts between regional centers and their consumers. Section 4700 et seq. of the Lanterman Act requires regional centers to offer mediation to consumers whose services are proposed to be terminated, reduced, or suspended, and (2) provide mediation services. (100% General Fund)

- **Wellness Projects** \$1,490,000 \$1,490,000

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.

Projects

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
ASSUMPTIONS/METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Foster Grandparent/Senior Companion 	\$1,719,000	\$1,719,000
<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: \$1,159,000 General Fund, \$560,000 Federal Funds</p>		
<ul style="list-style-type: none"> ● Special Incident Reporting/Risk Assessment 	\$940,000	\$940,000
<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% General Fund)</p>		
<ul style="list-style-type: none"> ● Increased Access to Mental Health Services 	\$740,000	\$740,000
<p>The Department, in collaboration with the Department of Mental Health, coordinates the following services to provide consumers with developmental disabilities and mental health issues (dually diagnosed), who are not served and underserved, access to community mental health resources.</p>		
<ul style="list-style-type: none"> ● Regional Best Practice Training 	270,000	270,000
<ul style="list-style-type: none"> ● Statewide Training for Families, Service Providers, Service Coordinators, and Consumers 	270,000	270,000
<ul style="list-style-type: none"> ● Regional Center Technical Assistance and Liaison Support 	65,000	65,000
<ul style="list-style-type: none"> ● Regional Planning Projects <p>(100% Mental Health Services Fund)</p>	135,000	135,000
<ul style="list-style-type: none"> ● Sherry S. Court Case 	\$534,000	\$534,000
<p>In 1981 the Supreme Court ruled In Re Hop that before an adult is admitted to a developmental center, he/she must be afforded due process through a court hearing to determine if such a placement is warranted. Subsequently, in the Sherry S. case, the court ruled that a conservator or parent of an adult has authority to admit that adult through the Hop process. This estimate reflects the regional center costs of processing Hop actions for regional center consumers. (100% General Fund)</p>		

Projects

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
ASSUMPTIONS/METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Movers Evaluation <p>Pursuant to WIC Section 4418.1, the Department contracts with an independent agency to track and monitor all persons moved from developmental centers into community settings to ensure they are receiving necessary services and supports. (100% General Fund)</p>	\$600,000	\$600,000
<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II <p>These costs are associated with legal support for federal program activities. (100% General Fund)</p>	\$530,000	\$530,000
<ul style="list-style-type: none"> ● University Enterprises, Inc. <p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. (100% General Fund)</p>	\$175,000	\$175,000
<ul style="list-style-type: none"> ● Affordable Housing <p>In 1994, pursuant to the court decision commonly referred to as the Coffelt Settlement Agreement, funds were allocated to create affordable housing for persons with developmental disabilities. Funding was allocated on a per capita basis to four geographic regions throughout California to provide affordable housing to very low-income individuals receiving services from the regional centers. Annual loan forgiveness for the term of twenty years was stipulated to occur based on each project's compliance with the Standard and Regulatory Agreement. Fiscal review and site monitoring activities are required annually. Technical assistance on additional housing-related issues is obtained through an interagency agreement (IA) with the Department of Housing and Community Development (HCD) as needed. (100% General Fund)</p>	\$94,000	\$94,000
<ul style="list-style-type: none"> ● Cost Containment <p>2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% General Fund)</p>	-\$490,000	-\$490,000
<ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development <p>In anticipation of the SDS program implementation expected to occur in July 2008, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers and for maintenance of the methodology and calculation of the individual budget. (100% General Fund)</p>	\$200,000	\$200,000

Projects

CY 2008-09 BY 2009-10

ASSUMPTIONS/METHODOLOGY (continued):

- \$362,000
\$0

A comprehensive evaluation of the SB 962 pilot project is required by statute and necessary, given the many complex policy, programmatic, and fiscal issues this innovative program presents. The evaluation is conducted by an independent organization or agency which will present its findings in a report to the Legislature and Administration. Areas to be addressed in the evaluation include basic descriptive information about the facilities and clients, costs, consumer access to medical and dental services, extent of consumers' community integration and satisfaction, program staffing, effectiveness, etc. (100% General Fund)

Reason for Year-to-Year Change:

The report is due June 30, 2009.

- \$75,000
\$0

Chapter 617, Statutes of 2008, (SB 1175) permits the Department to approve regional center housing proposals for consumers with special health care needs. This legislation requires a nonrefundable fee to be paid by housing developers to reimburse the Department's costs for review and approval of the proposals. \$75,000 is being appropriated for this purpose. (Developmental Disabilities Services Account)

- \$27,120,000
\$27,011,000

Projects

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 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$27,120,000	\$27,011,000
General Fund	\$24,162,000	\$24,278,000
<i>General Fund Match</i>	1,433,000	1,433,000
<i>General Fund Other</i>	22,729,000	22,845,000
Reimbursements	\$2,323,000	\$2,173,000
<i>HCBS Waiver Administration</i>	1,433,000	1,433,000
Developmental Disabilities Services Account	\$75,000	\$0
<i>SB 1175 Housing Proposals</i>	75,000	0
Mental Health Services Fund	\$740,000	\$740,000
Federal Funds	\$560,000	\$560,000
<i>Foster Grandparent Program</i>	560,000	560,000

Cost Containment Summary (Operations)

DESCRIPTION:

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

ASSUMPTIONS:

CY 2008-09 and BY 2009-10

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

Caseload Ratios for Client Program Coordinators (CPCs): The maximum average CPC-to-consumer caseload ratio was increased from 1:62 to 1:66, and the limit of a CPC carrying in excess of 79 consumers for more than 60 days was increased to 84 consumers for more than 60 days. However, caseload ratios for consumers in the Early Start Program, consumers who are enrolled in the Home and Community-Based Services Waiver, and consumers who have moved from a state developmental center to the community since April 14, 1993 and have resided in the community for at least 12 months, shall be maintained at the current staffing levels.

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

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

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

- Intake and Assessment: WIC Section 4643 extends the time period (from 60 days to 120 days) for regional centers to perform intake and assessment to determine eligibility for services. Chapter 3, Statutes of 2008, Third Extraordinary Session, made this measure permanent.
- Unallocated Reduction in Staffing: A \$10,559,000 unallocated reduction, which has accumulated since the early 1990s, is being maintained.
- 2004-05 Cost Containment Reductions: \$5,968,000 in Staffing and \$490,000 in Projects.
- Reduce Community Placement Plan (CPP) Operations: The CPP provides dedicated funding to cover the costs of moving developmental center residents to the community and for deflection of individuals from developmental center admission. Effective March 1, 2008, this measure reduced the amount of funding for regional center staffing under CPP by 10 percent.
- Reduce Health Insurance Portability and Accountability Act (HIPAA) Operations: HIPAA was signed into federal law in 1996 (PL 104-191), and in 2002 the Budget Act included funding to DDS for HIPAA compliance. The primary intent and purpose of HIPAA is to promote health insurance portability and continuity for workers and their families when they change or lose their jobs and to require the secure transmission of confidential health information. Regional centers are required by contract to carry out the requirements set forth by the HIPAA Privacy and Security regulations for business associates. Effective March 1, 2008, this measure reduced the amount of funding for regional center HIPAA staffing by 10 percent.

Cost Containment Summary (Operations)

ASSUMPTIONS: (continued)

- Reduce Clients' Rights Advocacy (CRA) Agreement: DDS contracts with Protection and Advocacy, Inc., for statewide provision of clients' rights advocacy to consumers served by the regional centers. Effective July 1, 2008, this measure reduced the amount of funding for the CRA agreement by 10 percent.
- 3 Percent Reduction (Operations): The Department proposes to permanently decrease regional centers' operations funding by 3 percent, \$6.6 million (\$4.6 million General Fund). From February 1, 2009 through June 30, 2010, the Department proposes to provide flexibility and relief to regional centers' operational requirements by temporarily suspending specified reporting requirements, the 1:66 caseload ratio requirement for consumers residing in the community (with specified exemptions), and the requirement that regional centers have, or contract for, specialized expertise in specified areas. In the interim, the Department will work with stakeholders to identify permanent strategies for implementation of this section.

New Major Assumption Regional Center Service Coordination Enhancement

DESCRIPTION:

Summary

This New Major Assumption (NMA) provides funding to enhance the regional center core staffing formula to provide dedicated case management resources to regional centers to participate in developmental center residents' annual individual program plan (IPP) meetings, as well as support other visits and communications appropriate for case management.

Nature of Request

This proposal is associated with the Proposed Settlement Agreement for Capitol People First, et al. v. Department of Developmental Services (DDS), et al. (Capitol People First). In this case, Plaintiffs (12 individuals as representative of 7,000 residents of developmental centers or large community institutions who make up the class) brought the major class action lawsuit of Capitol People First against State defendants (DDS, and the Departments of Health Care Services and Mental Health) and 21 regional center defendants. Plaintiffs allege that class members are being discriminated against as a result of their placement in large institutional settings (16 beds or more) rather than in less restrictive environments. The parties to Capitol People First have agreed to settlement on the terms reflected in the Proposed Settlement Agreement, which includes a commitment by the State to seek funding for regional center service coordination enhancement. Final approval of the settlement is pending with the Trial Court.

In the Capitol People First Proposed Settlement Agreement, the State committed to fund, subject to legislative approval, a dedicated resource for regional centers to provide service coordination (case management) for developmental center residents. The enhanced funding of \$3,136,000 for BY 2009-10 and ongoing, adjusted for population, addresses a serious gap in regional center resources. By providing this resource, the planning process for each developmental center resident will be significantly improved through better communication and information. This NMA is the only item in the Proposed Settlement Agreement that requires new funding.

Background/History

Regional center resources for developmental center case management were stripped from the regional center budget years ago. The result has been that regional centers are no longer as familiar with their developmental center consumers or their families, and there is often tension and difficult communication among the regional center, developmental center and family members. For proper planning and perspective, the regional centers should be in attendance at the IPP meetings of developmental center residents and have other developmental center and consumer/family contact so that individualized and well informed planning can take place for the benefit of the consumer and the integrity of the process.

New Major Assumption Regional Center Service Coordination Enhancement

IMPLEMENTATION DATE:

Funding will be provided to regional centers each fiscal year beginning 2009-10.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

Under this proposal, each regional center will be allocated funding proportional to the number of class members each regional center has residing in the developmental centers. Each fiscal year the funding will be adjusted for population based on a caseload ratio of 1:66 developmental center residents. Additional staffing consists of Client Program Coordinators (CPCs)(1:66 Developmental Center Consumers), Supervising Counselors (1:10 CPCs), and Secretaries (1:6 professionals).

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
PERSONAL SERVICES:	<u>Positions</u>	<u>Salary</u>
● Positions and Salaries (@ mid-step)		
Supervising Counselor (Community Program Specialist III)	3.94	\$67,200
Client Program Coordinator (Psychiatric Social Worker)	39.38	42,390
Secretary	7.22	31,848
Total, Positions and Salaries	50.54	<u>\$2,164,029</u>
● Fringe Benefits (@ 23.7%):		\$512,875
● Salary Savings (@-1.0% for CPCs and -5.5% for All other Staff):		
CPCs		-\$16,693
All other Staff		-27,209
Total Personal Services		<u>\$2,633,000</u>
 OPERATING EXPENSES:		
● Operating Expenses:		
Professional Positions	\$3,400 Per Position	\$147,288
Clerical Positions	\$2,400 Per Position	17,328
● Rent:		
BY 2008-09	\$6,798 Per Position	338,571
Total Operating Expenses		<u>\$503,187</u>
 TOTAL PERSONAL SERVICES AND OPERATING EXPENSES		<u>\$3,136,000</u>

New Major Assumption Regional Center Service Coordination Enhancement

FUNDING:

Funding will be provided to regional centers each fiscal year beginning 2009-10. Regional Center Service Coordination Enhancement expenditures are funded by the General Fund and the Targeted Case Management Administration(TCM).

CHANGE FROM PRIOR ESTIMATE:

This is a new major assumption beginning in BY 2009-10.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL		\$3,136,000
General Fund	\$0	\$1,646,000
<i>General Fund Match</i>		1,490,000
<i>General Fund Other</i>		156,000
Reimbursements	\$0	\$1,490,000
<i>TCM</i>		1,490,000

New Major Assumption Special Session

3 Percent Reduction in Regional Center Operations Funding

DESCRIPTION:

The Department of Developmental Services proposes to permanently decrease regional centers' operations funding by 3 percent, \$6.6 million (\$4.6 million General Fund). From February 1, 2009 through June 30, 2010, the Department proposes to provide flexibility and relief to regional centers' operational requirements by temporarily suspending specified reporting requirements and the 1:66 caseload ratio requirement for consumers residing in the community with specified exemptions, and the requirement that regional centers have, or contract for, specialized expertise in specified areas. In the interim, the Department will work with stakeholders to identify permanent strategies for implementation of this reduction.

KEY DATA/ASSUMPTIONS:

The 3 percent reduction in Operations is estimated to save \$6,600,000 in CY 2008-09 and \$17,400,000 in BY 2009-10.

IMPLEMENTATION DATE:

February 1, 2009

FUNDING:

The funding is comprised of reimbursements from: Targeted Case Management (TCM) (50% Federal Financial Participation (FFP)/50% GF Match) and Medicaid Administration (75% FFP/25% GF Match). The State General Fund portion is that which is non-FFP.

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	-\$6,600,000	-\$17,400,000
General Fund	-\$4,600,000	-\$12,200,000
<i>General Fund Match</i>	-1,897,000	-4,933,000
<i>General Fund Other</i>	-2,703,000	-7,267,000
Reimbursements	-\$2,000,000	-\$5,200,000
<i>Medicaid Administration</i>	-154,000	-400,000
<i>HCBS Waiver Administration</i>	-37,000	-97,000
<i>TCM</i>	-1,809,000	-4,703,000

Revised Major Assumption Staffing for Self-Directed Services (Operations)

DESCRIPTION:

Implementation of Self-Directed Services (SDS) is contingent on the Department applying for, and receiving approval of a Centers for Medicare & Medicaid Services (CMS) Self-Directed Services Home and Community-Based Services (SDS HCBS) Waiver. The Department of Health Care Services, the single-state agency responsible for administering the Medicaid program in California, submitted the Department's Self-Directed Services Home and Community-Based Services (SDS HCBS) Waiver Application to CMS on April 2, 2008. The Department is awaiting approval of the SDS HCBS Waiver application. The SDS regulations continue to be under review within the Administration. The regulations are subject to a required 45-day public comment period.

Implementation of SDS is contingent upon approval of the SDS HCBS Waiver and promulgation of regulations. As a result, the anticipated date of implementation and enrollment has been extended from July 1, 2008 to March 1, 2009. Regional center implementation will be phased in over an eight-month period beginning in March 2009 and through October 2009. In January, 2008, the Department began working with the first five regional centers scheduled to develop informational and training materials and to provide opportunity for regional centers to share strategies for administrative rollout.

IMPLEMENTATION DATE:

Implementation will be phased in beginning March 2009 as follows:

CY 2008-09

March 2009: 1 regional center
April 2009: 1 regional center
May 2009: 1 regional center
June 2009: 2 regional centers

BY 2009-10

July 2009: 4 regional centers
August 2009: 4 regional centers
September 2009: 4 regional centers
October 2009: 4 regional centers

Revised Major Assumption Staffing for Self-Directed Services (Operations)

ASSUMPTIONS/METHODOLOGY:

- Regional center staff will be phased in as indicated in the assumptions below.
- This major assumption reflects the need for regional center positions as follows:
 - Add 1 Self-Directed Services Director (SDSD) position at each regional center, to be phased in six months prior to implementation of SDS at each regional center, and 1 Federal Compliance Coordinator (FCC) position to be phased in at the time of implementation at each regional center in accordance with the schedule above.
 - 1 additional FCC will be added for every 1,000 new SD-HCBS Waiver enrollees at each regional center.
 - There will be approximately 100 new SDS enrollees in CY 2008-09 and an additional 1,800 new SDS enrollees in BY 2009-10.

METHODOLOGY:

		<u>CY 2008-09</u>	<u>BY 2009-10</u>
PERSONAL SERVICES:			
• Administration	<u>Positions</u>	<u>Salary</u>	
• SDSD/FCC	1.00	\$57,437	57,437
• Secretary II (1:6 professionals)	0.17	\$28,736	4,885
• Total Positions and Salaries	1.17		\$62,322
• Fringe Benefits:	23.7% Per Position		\$14,770
• Salary Savings:	5.5% Per Position		-4,240
Total Personal Services			\$72,852

Revised Major Assumption Staffing for Self-Directed Services (Operations)

METHODOLOGY:

CY 2008-09 BY 2009-10

OPERATING EXPENSES:

• Operating Expenses:				
Professional Positions:	\$3,400	Per Position	\$3,400	\$3,400
Clerical Positions:	\$2,400	Per Position	408	408
• Rent:				
CY 2008-09	\$6,798	Per Position	7,954	
BY 2009-10	\$7,695	Per Position		9,003
Total Operating Expenses			\$11,762	\$12,811
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY			\$84,614	\$85,663

For this 2009-10 November Estimate, CY 2008-09 expenditures are retained; therefore, this CY estimate reflects the same assumptions and amounts as the 2008-09 May Revision. This estimate will be updated in the 2009-10 May Revision.

Below is a chart that displays the BY 2009-10 rollout.

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

$$\text{BY 2009-10} \quad \$85,663 \quad \div \quad 12 \text{ mos.} \quad = \quad \$7,139$$

BY 2009-10 Cost per Month	# of Positions		Expenditures	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 09	21.0	9.0	149,919	64,251
Aug 09	21.0	13.0	149,919	92,807
Sep 09	21.0	17.0	149,919	121,363
Oct 09	21.0	21.0	149,919	149,919
Nov 09	21.0	21.0	149,919	149,919
Dec 09	21.0	21.0	149,919	149,919
Jan 10	21.0	21.0	149,919	149,919
Feb 10	21.0	21.0	149,919	149,919
Mar 10	21.0	21.0	149,919	149,919
Apr 10	21.0	21.0	149,919	149,919
May 10	21.0	21.0	149,919	149,919
Jun 10	21.0	21.0	149,919	149,919
Totals			\$1,799,028	\$1,627,692
TOTAL EXPENDITURES, FY 2009-10 (SDSD + FCC Phased In)			\$3,426,720	
Rounded			\$3,427,000	

**Revised Major Assumption
Staffing for Self-Directed Services
(Operations)**

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Implementation was delayed from July 1, 2008 to March 1, 2009. Current statute requires the Department to obtain an approved waiver prior to the rollout of SDS and the promulgation of regulations. Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDS HCBS Waiver requirements. The 8-month delay in implementation to March 2009 will result in a reduction of savings.

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2008-09 and BY 2009-10 costs reflect phased-in regional center implementation schedule.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$2,905,000	\$3,427,000
General Fund	\$1,452,000	\$1,713,000
<i>General Fund Match</i>	1,452,000	1,713,000
<i>General Fund Other</i>	0	0
Reimbursements	\$1,453,000	\$1,714,000
<i>SD-HCBS Waiver Administration</i>	1,453,000	1,714,000

Revised Major Assumption Agnews Developmental Center Closure (Operations)

DESCRIPTION:

The Plan for the Closure of Agnews Developmental Center (Plan) was formally submitted to the Legislature in January 2005, concurrent with the Governor's Budget for 2005-06. The foundation of the Plan is to build community capacity and successfully transition consumers into the community, with new service and support options aimed at ensuring consumer health and safety throughout the transition, as well as permanency in the community living arrangement. The 2008-09 May Revision maintained the closure date of June 30, 2008 for Agnews Developmental Center (Agnews).

As indicated in the Plan, the ability of the Department of Developmental Services (DDS) to close Agnews is directly linked to the implementation of each component of the plan (housing, new program models and the use of state staff). Delays in achieving these key components have resulted in extending the closure date until all the community supports are in place to ensure the health and safety of the consumer.

KEY DATA/ASSUMPTIONS and METHODOLOGY:

For CY 2008-09, DDS proposes to retain figures contained in the 2008-09 Budget Act. The CY 2008-09 Operations display will reflect a prior Budget-Balancing Reduction amount of -\$760,000. Placement Continuation Staffing will also be added to the Agnews Developmental Center Closure Operations display resulting in a reduction from \$7,937,000 contained in the 2008-09 Budget Act to \$6,896,000 projected in this Revised Major Assumption for the 2009-10 November Estimate.

For BY 2009-10, DDS proposes a total Operations funding of \$7,681,000 for post-closure staffing costs that are needed to ensure that clinical team, placement stability support, and ongoing quality assurance management services are available for all Agnews movers.

See page E-3.17 for the fiscal detail.

CHANGE FROM PRIOR ESTIMATE:

Several factors have affected the final closure:

- The amount of time spent in the permitting phase delayed the start of construction.
- Construction delays due to materials not being ordered in a timely manner.
- Service providers are having a difficult time recruiting direct care staff and qualified administrators for homes because of the limited candidate pool.

Transition to the community will continue as homes become ready for occupancy and support services are developed over the next few months.

Revised Major Assumption Agnews Developmental Center Closure (Operations)

FUNDING:

The funding for Agnews expenditures is comprised of reimbursements from: Targeted Case Management (TCM) (50% Federal Financial Participation (FFP)/50% GF Match) and Medicaid Administration (75% FFP/25% GF Match). The State General Fund portion is that which is non-FFP.

IMPLEMENTATION DATE:

As the Agnews Closure approaches its final stages, DDS will continue to ensure that the health and safety of each consumer remain its highest priority.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$6,896,000	\$7,681,000
General Fund	\$4,553,000	\$4,726,000
<i>General Fund Match</i>	798,000	874,000
<i>General Fund Other</i>	3,755,000	3,852,000
Reimbursements	\$2,343,000	\$2,955,000
<i>TCM</i>	24,000	131,000
<i>Medicaid Administration</i>	2,319,000	2,824,000

REVISED MAJOR ASSUMPTION
Agnews Developmental Center Closure
(Operations)

	CY 2008-09		BY 2009-10	
	Positions	Cost	Positions	Cost
A. Community Placement Plan Staffing				
1. Unified Operations Costs				
a. Personal Services				
(1) Resource Development	0.00	\$450,000		\$775,000
(2) Quality Assurance/ Management	26.00	3,026,500	22.00	2,523,500
(3) Assessment	0.00	0	0.00	0
(4) Placement	5.15	365,600	0.00	0
(5) Crisis Services Teams	0.00	0	0.00	0
(6) Nurse Consultants for SB 962 Homes	0.00	0		
(7) Health Care Community Community Specialists	4.00	503,000	3.00	503,000
(8) Total Personal Services	35.15	\$4,345,100		\$3,801,500
b. Operating Expenses				
(1) Operating Expenses		\$103,900		\$72,800
(2) Rent		197,900		169,400
(3) Training, Travel, Consultants		198,000		198,000
(4) Total Operating Expenses		\$499,800		\$440,200
c. Subtotal Unified Operational Costs (Rounded)		\$4,844,900		\$4,241,700
		\$4,845,000		\$4,242,000
2. State Employees in the Community				
a. Personal Services	20.00	\$2,040,000	22.50	\$2,327,500
b. Operating Expenses		191,100		245,700
c. Total State Employees in the Community	20.00	\$2,231,100		\$2,573,200
3. Budget-Balancing Reduction		-\$760,000		\$0
4. Subtotal CPP Staffing (Rounded)	55.15	\$6,316,000		\$6,814,900
	55.00	\$6,316,000		\$6,815,000
B. Placement Continuation Staffing				
1. Client Program Coordinators	1.14	\$51,000	5.79	\$275,000
2. Nurse Consultants	4.47	297,000	5.29	356,000
3. Oral Health Care	3.50	232,000	3.50	235,000
4. Subtotal Placement Continuation Staffing		\$580,000		\$866,000
C. Total (A + B) (Rounded)		\$6,896,000		\$7,680,900
		\$6,896,000		\$7,681,000
		<u>CY 2008-09</u>		<u>BY 2009-10</u>
EXPENDITURES:				
TOTAL		\$6,896,000		\$7,681,000
General Fund		\$4,553,000		\$4,726,000
General Fund Match		798,000		874,000
General Fund Other		3,755,000		3,852,000
Reimbursements		\$2,343,000		\$2,955,000
TCM		24,000		131,000
Medicaid Administration		2,319,000		2,824,000

Community Care Facilities

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

- CCF Population and Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated October 1, 2008. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.
- For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 95.1 percent of persons in CCFs), the regional centers fund only the portion of the facility costs that is above the SSI/SSP level of payment (i.e., the "net" costs). Funds for the SSI/SSP grants are in the DSS budget. This factor is incorporated in the CCF estimate.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Base: Actual FY 2007-08 expenditures were used to project the Budget Year (BY) base:	\$714,384,000	\$747,260,000
• SSI/SSP Increases Effective 1/1/08, 1/1/09, and 1/1/10:	-\$3,683,000	-\$6,569,000

Effective 1/1/08, the SSI/SSP rate was \$928. The rate increased to \$961 on 1/1/09, and to \$970 on 1/1/10. SSI/SSP rate increases will not be passed through to CCF providers, resulting in an offset to regional center costs.

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$38,915,000	\$52,777,000
<ul style="list-style-type: none"> ● Caseload Growth 	13,413,000	13,919,000
<p>These BY 2009-10 estimate is based on forecasting models specific to the July 2002 through May 2008 CCF caseload data.</p> <p>An ARIMA (Auto Regressive Integrated Moving Average) model was used to forecast CCF caseload growth. The ARIMA procedure models a discrete time series as a function of constant, autoregressive terms, and moving-average terms.</p> <p>Estimated Caseload Growth:</p> <p style="padding-left: 40px;">CY 2008-09: 4,820 Person Months BY 2009-10: 5,089 Person Months</p>		
<ul style="list-style-type: none"> ● Average Cost Increase: 	25,502,000	38,858,000
<p>Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p>BY 2009-10 base net costs of \$747,260,000 were multiplied by 5.2 percent to project an average cost increase of \$38,858,000. The 5.2 percent increase is based on the estimated increase in the average cost per person month from 2006-07 to 2007-08.</p>		
<ul style="list-style-type: none"> ● Service-Level Freeze: 	In Trends	In Trends
<p>The Budget Act of 2003 amended Welfare and Institutions Code Section 4681.5 to prohibit regional centers from approving any service-level increase for specified residential service providers unless DDS has granted prior written authorization. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. Savings from this freeze are reflected in the CCF trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$22,372,000	\$22,372,000

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Placement / Deflection Continuation: These are the continuing costs for consumers residing in CCFs who, under the Community Placement Plan in the prior year, were <ul style="list-style-type: none"> (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. 	\$28,336,000	\$10,116,000
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	<p>13,297,000</p> <p>15,039,000</p>	<p>3,003,000</p> <p>7,113,000</p>
<ul style="list-style-type: none"> ● Minimum Wage Increase: <p>Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$53,657,000 in CY 2008-09 for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. CY 2008-09 costs remain in the base for BY 2009-10. See Section F, Auxiliary Tables, Charts and Graphs, pages F-17.1 to F-17.3 for a summary of minimum wage cost increases.</p>	\$4,782,000	\$0
<ul style="list-style-type: none"> ● RC Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$9.7 million and \$13.7 million in CY 2008-09 and BY 2009-10, respectively, for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$2,023,000	-\$715,000

Community Care Facilities

METHODOLOGY (continued):

- Negotiated Rate Reduction:** -\$16,073,000 -\$19,171,000

Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$38.3 million and \$97.3 million in CY 2008-09 and BY 2009-10, respectively, for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.

- TOTAL EXPENDITURES** \$787,010,000 \$806,070,000

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 2007-08 billing data, approximately 80 percent of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP). The State General Fund portion is that which is non-

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional caseload and expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected caseload and expenditures and the full-year impact of the Regional Center Internal Review Process budget-balancing

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$787,010,000	\$806,070,000
General Fund	\$491,330,000	\$496,651,000
<i>General Fund Match</i>	291,192,000	302,985,000
<i>General Fund Other</i>	200,138,000	193,666,000
Reimbursements	\$295,680,000	\$309,419,000
<i>HCBS Waiver FFP</i>	291,191,000	302,985,000
<i>Title XX TANF</i>	4,489,000	6,434,000

Medical Facilities

DESCRIPTION:

Pursuant to the Health and Safety Code, Sections 1250, 1255.6, and 1255.7, among others, the regional centers vendor Intermediate Care Facilities (ICFs) for consumers not eligible for Medi-Cal. ICFs are health facilities licensed by the Licensing and Certification Division of the State Department of Health Care Services (DHCS) 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), and ICF/DD-N (Nursing).

KEY DATA/ASSUMPTIONS:

- Assumptions regarding caseload and facility growth are based on the 2008-09 May Revision Regional Center Survey.
- For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.
- The daily rates for 4 to 6 bed ICFs for CY 2008-09 and Budget Year (BY) 2009-10 are provided by the DHCS as follows:

CY 2008-09 effective August 1, 2007:
\$174.58 for DD-Hs and \$212.02 for DD-Ns.

BY 2009-10 effective August 1, 2008:
\$185.50 for DD-Hs and \$211.63 for DD-Ns.

- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	76	76
DD-N	105	105

- 2.1 percent of the consumers in Medical Facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Base: Actual Fiscal Year (FY) 2007-08 expenditures were used to project the BY base.	\$20,370,000	\$20,480,000
• Utilization Change/Growth:	\$272,000	\$278,000

It is assumed that 2.1 percent 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 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Gap Resource Development: 	\$1,684,000	\$2,173,000
<ul style="list-style-type: none"> ● New Facilities: <p style="margin-left: 20px;">Gap is the time period between licensure and certification of small health facilities when Medi-Cal does not cover any person's facility costs.</p> <p style="margin-left: 20px;">In CY 2008-09 and BY 2009-10 it is assumed 17 DD-H facilities will need gap funding for 2 consumers each for an average of 60 days, and 23 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days.</p>	1,220,000	1,220,000
<ul style="list-style-type: none"> ● Change of Ownership Facilities <p style="margin-left: 20px;">It is estimated that five ICF/DD-H and five ICF/DD-N providers will sell their facilities during CY 2008-09. It is estimated that ten ICF/DD-H and ten ICF/DD-N providers will sell their facilities during BY 2009-10. This will result in having to pay for continued consumer care in the form of gap funding during the ownership transition period, which averages 60 days.</p>	464,000	953,000
<ul style="list-style-type: none"> ● Community Placement Plan: <p style="margin-left: 20px;">These are costs for individuals moving from a developmental center into a Medical Facility. See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail.</p>	\$273,000	\$273,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers residing in Medical Facilities who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection.</p>	\$0	-\$263,000
(a) Placement	0	-263,000
(b) Deflection	0	0

Medical Facilities

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p style="margin-left: 20px;">Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$9.7 million and \$13.7 million in CY 2008-09 and BY 2009-10, respectively, for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$55,000	-\$17,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$22,544,000	\$22,924,000

FUNDING:

Medical Facility expenditures are funded by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures reflects an increase in caseload from the current year to the budget year and the full-year impact of the Regional Center Internal Review Process budget-balancing reduction.

EXPENDITURES:

TOTAL	\$22,544,000	\$22,924,000
General Fund	\$22,544,000	\$22,924,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	22,544,000	22,924,000
Reimbursements	\$0	\$0

Day Programs

DESCRIPTION:

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

Types of services available through a day program include:

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

KEY DATA/ASSUMPTIONS:

- Day Program Consumer and Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated October 1, 2008. Data were adjusted for lag based on FY 2005-06 expenditures.
- For CY 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
● Base: Actual FY 2007-08 expenditures were used to project the BY base.	\$730,878,000	\$794,443,000
● Utilization Change/Growth:	\$34,410,000	\$51,764,000

Caseload Growth

The caseload growth is estimated to be 47,635 person months in BY 2009-10. The BY estimate is based on a simple Auto Regressive Integrated Moving Average (ARIMA) model of Day Program consumer data from July 2002 through May 2008.

<i>Average Cost Increase:</i> Reflects the cost of new community-based day programs.	\$10,417,000	\$13,449,000
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The BY 2009-10 base net costs of \$791,102,000 (which includes the FY 2008-09 cost of Community Placement Plan [CPP] placements, rate adjustments and program changes) were multiplied by 1.7 percent to project an average cost increase of \$13,449,000. The 1.7 percent is based on the estimated increase in the average cost per person per month from FY 2006-07 to FY 2007-08.

Day Programs

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: In Trends In Trends <p>The Budget Act of 2003 amended the Welfare and Institutions Code Section 4691.6(b), (c), (d) and (e), establishing a freeze on rate increases for specified programs. Specifically, the following was provided:</p> <ol style="list-style-type: none"> (1) Prohibits the Department from approving a rate adjustment that would result in a higher payment rate for a community-based day program, in-home respite service agency or work activity program than the rate that is in effect on or after June 30, 2003, and allows exceptions for the protection of the consumer’s health and safety. (2) Prohibits the approval of any program design modifications or revendorization of a community-based day program or in-home respite service agency provider, if the change would result in a rate increase. (3) Prohibits the approval of any anticipated rate adjustments for community-based day program or in-home respite service agency providers unless the regional center demonstrates the rate increase is necessary to protect the consumer’s health or safety. <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. \$3,613,000 \$3,613,000 		
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: \$5,895,000 \$3,452,000 <p>These are the continuing costs for consumers utilizing Day Programs who were moved from a developmental center into the community under the CPP in prior year. It is assumed these consumers will receive 12 months of services in the year after placement.</p> <ol style="list-style-type: none"> (a) Placement 5,895,000 3,706,000 (b) Deflection 0 -254,000 		
<ul style="list-style-type: none"> ● Program Days Adjustment: \$0 \$0 <p>There is no change in program days in BY 2009-10 compared to CY 2008-09.</p> 		

Day Programs

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Minimum Wage Increases: 	\$177,000	\$0
<p>Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$53,657,000 in CY 2008-09 for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. CY 2008-09 costs remain in the base for BY 2009-10. See Section F, Auxiliary Tables, Charts and Graphs, pages F-17.1 to F-17.3, for a summary of minimum wage cost increases.</p>		
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: 	-\$2,187,000	-\$981,000
<p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$13.7 million in BY 2009-10 for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>		
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: 	-\$592,000	-\$816,000
<p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$97.3 million in BY 2009-10 for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>		
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$782,611,000	\$864,924,000

Day Programs

METHODOLOGY (continued):

FUNDING:

Day Program expenditures are funded by the General Fund, Medicaid, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families, and the Early Start Grant. Based on actual FY 2007-08 billing data, approximately 51 percent of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 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. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures and the full-year impact of the Regional Center Internal Review Process budget-balancing reduction.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$782,611,000	\$864,924,000
General Fund	\$456,862,000	\$551,743,000
<i>General Fund Match</i>	223,941,000	231,569,000
<i>General Fund Other</i>	232,921,000	320,174,000
Reimbursements	\$289,683,000	\$296,791,000
<i>HCBS Waiver FFP</i>	188,336,000	195,964,000
<i>Title XX Social Services</i>	63,288,000	61,705,000
<i>Title XX TANF</i>	2,454,000	3,517,000
<i>Medicaid</i>	35,605,000	35,605,000
Federal Funds	\$36,066,000	\$16,390,000
<i>Early Start Grant</i>	36,066,000	16,390,000

Habilitation Services Program

DESCRIPTION:

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

Work Activity Program:

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

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

Supported Employment Program:

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

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

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

Group Placement:

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

Habilitation Services Program

DESCRIPTION (continued):

Individual Placement:

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

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated October 1, 2008. Data were adjusted for lag based on FY 2005-06 expenditures.
- For CY 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY:		
Work Activity Program:	\$65,518,000	\$54,884,000
• Base: Actual FY 2007-08 expenditures were used to project the BY base.	\$64,728,000	\$57,956,000
• Utilization Change/Growth:	\$903,000	-\$3,005,000
<p>WAP expenditure data for the period July 2002 through May 2008 were used to update BY 2009-10. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple Auto Regressive Integrated Moving Average (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. Starting July 2003, the model detected the combined impact of the FY 2003-04 biennial rate adjustment suspension and the simultaneous 5 percent rate reduction.</p>		

Habilitation Services Program

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
Work Activity Program (continued):		
<ul style="list-style-type: none"> ● Freeze Average Cost Increase: 	In Trends	In Trends
<p>Chapter 225, Statutes of 2003 (AB 1752) and Chapter 226, Statutes of 2003 (AB 1753) suspended the biennial rate adjustment for WAP for one year, which suspended the need to collect cost statements in FY 2003-04. Subsequent Trailer Bill Language continued the suspension through FY 2007-08. Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of the reductions and suspension is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$9,000	\$9,000
<ul style="list-style-type: none"> ● Placement Continuation: <p>These are the continuing costs for consumers utilizing WAP services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement.</p>	\$0	-\$49,000
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p>Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$53,657,000 in CY 2008-09 for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. CY 2008-09 costs remain in the base for BY 2009-10. See Section F, Auxiliary Tables, Charts and Graphs, pages F-17.1 to F-17.3, for a summary of minimum wage cost increases.</p>	\$7,000	\$0

Habilitation Services Program

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
Work Activity Program (continued):		
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p style="margin-left: 20px;">Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$13.7 million in BY 2009-10 for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$129,000	-\$27,000
Supported Employment Program:	\$83,379,000	\$91,750,000
HSP Group Placement:	\$63,696,000	\$70,201,000
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to project the BY base. 	\$66,769,000	\$67,220,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p style="margin-left: 20px;">HSP Group Placement expenditure data for the period July 2002 through May 2008 were used to update BY 2009-10. 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. One intervention variable was statistically significant. Starting July 2006, this intervention was assumed to be related to the 3 percent rate increase for providers combined with the budgetary augmentation to increase the SEP job coach rate, increasing the hourly rate from \$27.62 to \$34.24.</p>	\$3,022,000	\$3,134,000
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$114,000	\$114,000

Habilitation Services Program

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Group Placement (continued):		
<ul style="list-style-type: none"> ● Placement Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing HSP Group Placement services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement.</p>	\$112,000	\$112,000
<ul style="list-style-type: none"> ● SEP Job Coach Rate Increase: <p style="margin-left: 20px;">Effective July 1, 2006, in the Budget Act of 2006, a 24 percent increase in the SEP job coaching rate to \$34.24 per hour was approved. As a result of this increase, it is estimated that 235 new consumers will be phased in BY 2009-10. CY costs remain in the base for BY 2009-10.</p>	\$911,000	\$1,399,000
<ul style="list-style-type: none"> ● Reduce Supported Employment Program Provider Rate by 10 Percent: <p style="margin-left: 20px;">Chapter 758, Statutes of 2008, (AB 1183), amended the Welfare and Institutions Code Section 4860 to reduce the hourly rate for both group and individual supported employment services from \$34.24 to \$30.82. The total estimated savings is \$9.4 million in BY 2009-10 for the SEP Group Placements and SEP Individual Placements. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$7,093,000	-\$1,728,000
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p style="margin-left: 20px;">Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$13.7 million in BY 2009-10 for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$139,000	-\$50,000

Habilitation Services Program

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Individual Placement:	\$19,683,000	\$21,549,000
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to project the BY base. 	\$20,435,000	\$20,685,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>Monthly SEP Individual Placement expenditure data from July 2002 through May 2008 were used to update BY 2009-10. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two intervention variables were statistically significant: (1) Starting July 2003, this intervention was assumed to be related to the reduction in the hourly job coach rate to \$27.62 per AB 1753. (2) Starting July 2006, this intervention was assumed to be related to the 3 percent rate increase for providers combined with the budgetary augmentation to increase the SEP job coach rate, increasing the hourly rate from \$27.62 to \$34.24.</p>	\$918,000	\$1,423,000
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$0	\$0
<ul style="list-style-type: none"> ● Placement Continuation: <p>These are the continuing costs for consumers utilizing HSP Individual Placement services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement.</p>	\$0	-\$15,000
<ul style="list-style-type: none"> ● SEP Job Coach Rate Increase: <p>Effective July 1, 2006, in the Budget Act of 2006, a 24 percent increase in the SEP job coaching rate to \$34.24 per hour was approved. For BY 2009-10, the impact of the increase is reflected in the trends.</p>	\$566,000	In Trends

Habilitation Services Program

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
<i>HSP Individual Placement (continued):</i>		
<ul style="list-style-type: none"> ● Reduce Supported Employment Program Provider Rate by 10 Percent: <p>Chapter 758, Statutes of 2008, (AB 1183), amended the Welfare and Institutions Code Section 4860 to reduce the hourly rate for both group and individual supported employment services from \$34.24 to \$30.82. The total estimated savings is \$9.4 million in BY 2009-10 for the SEP Group Placements and SEP Individual Placements. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$2,192,000	-\$529,000
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$13.7 million in BY 2009-10 for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$44,000	-\$15,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$148,897,000	\$146,634,000

FUNDING:

Habilitation Services expenditures are funded by the General Fund, HCBS Waiver, and the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families. Based on actual FY 2007-08 billing data, approximately 62 percent, 44 percent, and 26 percent of WAP, SEP Group, and SEP Individual Placement expenditures, respectively, are eligible for the HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

Habilitation Services Program

CHANGE FROM PRIOR ESTIMATE:

The caseload and expenditures have been updated and reflect the most current available data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects a projected increase in caseload and the full-year impact of budget-balancing reductions.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$148,897,000	\$146,634,000
General Fund	\$97,742,000	\$95,079,000
<i>General Fund Match</i>	36,399,000	37,872,000
<i>General Fund Other</i>	61,343,000	57,207,000
Reimbursements	\$51,155,000	\$51,555,000
<i>HCBS Waiver FFP</i>	36,399,000	37,874,000
<i>Title XX Social Services</i>	14,746,000	13,666,000
<i>Title XX TANF</i>	10,000	15,000

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 Sources:

Purchase of Service (POS) Claims Data file dated October 1, 2008.
Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.

For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to project the Budget Year (BY) base. 	\$203,364,000	\$225,923,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$4,009,000	\$12,338,000

BY 2009-10 was estimated based on forecasting models specific to the July 2002 through May 2008 Transportation expenditure data (excluding Community Placement Plan [CPP] placement and placement continuation).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA (Auto Regressive Integrated Moving Average) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention was found to be statistically significant beginning July 2006 and is assumed to be related to the 3 percent rate increase budgeted for providers of specified services. A second one-time intervention was identified as being significant in April 2008.

Transportation

METHODOLOGY (continued):

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze: 	In Trends	In Trends
<p>Welfare and Institutions Code Section 4648.4(b) prohibits regional centers from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$767,000	\$767,000
<ul style="list-style-type: none"> ● Placement Continuation: <p>These are the continuing costs for consumers utilizing Transportation services who were moved from a developmental center into the community under the CPP in the prior year. It is assumed these consumers will receive 12 months of services in the year after placement.</p>	\$1,335,000	\$840,000
(a) Placement	1,335,000	847,000
(b) Deflection	0	-7,000
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$97.3 million in BY 2009-10 for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$342,000	-\$397,000

Transportation

METHODOLOGY (continued):

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p style="margin-left: 20px;">Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$13.7 million in BY 2009-10 for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$469,000	-\$190,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$208,664,000	\$239,281,000

FUNDING:

Transportation expenditures are funded by the Public Transportation Account (PTA), Home and Community-Based Services (HCBS) Waiver, Vocational Rehabilitation (DOR), Medicaid and General Fund. Based on actual FY 2007-08 HCBS Waiver billing data, approximately 56 percent of Transportation expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP). The General Fund portion is that which is neither FFP, PTA, Medicaid, nor DOR.

CHANGE FROM PRIOR ESTIMATE:

BY 2009-10 expenditures reflect the most current available data, including seven months of additional expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$208,664,000	\$239,281,000
General Fund	\$0	\$30,033,000
<i>General Fund Match</i>	0	8,395,000
<i>General Fund Other</i>	0	21,638,000
Public Transportation Account (PTA)	\$138,275,000	\$138,275,000
<i>PTA Match</i>	59,854,000	62,278,000
<i>PTA Other</i>	78,421,000	75,997,000
Reimbursements	\$68,838,000	\$70,973,000
<i>HCBS Waiver FFP</i>	59,855,000	62,278,000
<i>Vocational Rehabilitation</i>	588,000	300,000
<i>Medicaid</i>	8,395,000	8,395,000

Support Services

DESCRIPTION:

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

Included in the Support Services expenditures are Independent Living Supplement payments to adults who are in independent living and supported living settings and receiving Supplemental Security Income/State Supplementary Program (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: Purchase of Services (POS) Claims Data File, dated October 1, 2008. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.
- For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Base: Actual FY 2007-08 expenditures were used to project the Budget Year (BY) base:	\$550,505,000	\$636,827,000
• Utilization Change/Growth:	\$70,765,000	\$85,119,000

BY 2009-10 was estimated based on forecasting models specific to the July 2002 through May 2008 Support Services expenditure data (excluding Community Placement Plan [CPP] placement and including placement continuation).

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

Support Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Contracted-Services Rate Freeze <p style="margin-left: 20px;">Welfare and Institutions Code Section 4648.4(b) prohibits regional centers, during FY 2007-08, from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after June 30, 2008, unless: 1) the increase is required by a contract in effect on June 30, 2008, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p style="margin-left: 20px;">Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 	In Trends	In Trends
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$5,232,000	\$5,232,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Support Services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection.</p> 	\$10,911,000	\$5,448,000
(a) Placement	7,588,000	2,752,000
(b) Deflection	3,323,000	2,696,000
<ul style="list-style-type: none"> ● Independent Living Supplement: Based on Client Master File (CMF) data as of August 11, 2008, it is estimated the following consumers will live in supported living/independent living (SL/IL) arrangements. Of these totals, based on the 2008-09 May Revision Regional Center Survey (February 2008), estimated persons who are part of a couple, who will receive their monthly supplemental payment of \$53.14, as well as the remainder who will receive their monthly payments of \$41.60 as individuals, are also displayed. All consumers are assumed to receive their payments in each month of the fiscal year. Prior year costs remain in the base, therefore only the incremental costs are added. 	\$387,000	\$409,000
Total SL/IL Consumers	<u>20,560</u>	<u>21,360</u>
Part of a Couple	<u>- 1,449</u>	<u>- 1,516</u>
Individuals	19,111	19,844

Support Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> <p>• Regional Center Internal Review Process:</p> <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$13.7 million in BY 2009-10 for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$1,688,000	-\$818,000
<ul style="list-style-type: none"> <p>• Negotiated Rate Reduction:</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$97.3 million in BY 2009-10 for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$7,953,000	-\$9,838,000
<ul style="list-style-type: none"> <p>• Minimum Wage Increases:</p> <p>Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$53,657,000 in CY 2008-09 for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. CY 2008-09 costs remain in the base for BY 2009-10. See Section F, Auxiliary Tables, Charts and Graphs, pages F-17.1 to F-17.3, for a summary of minimum wage cost increases.</p> 	\$818,000	\$0
<ul style="list-style-type: none"> <p>• TOTAL EXPENDITURES</p> 	\$628,977,000	\$722,379,000

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 2007-08 billing data, approximately 68 percent of Support Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures and the full-year impact of the Regional Center Internal Review Process budget-balancing reduction.

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$628,977,000	\$722,379,000
General Fund	\$398,620,000	\$481,758,000
<i>General Fund Match</i>	<i>192,244,000</i>	<i>200,032,000</i>
<i>General Fund Other</i>	<i>206,376,000</i>	<i>281,726,000</i>
Reimbursements	\$228,675,000	\$239,856,000
<i>HCBS Waiver FFP</i>	<i>192,245,000</i>	<i>200,031,000</i>
<i>Title XX Social Services</i>	<i>29,995,000</i>	<i>30,601,000</i>
<i>Title XX TANF</i>	<i>6,435,000</i>	<i>9,224,000</i>
Federal Funds	\$1,682,000	\$765,000
<i>Early Start Grant</i>	<i>1,682,000</i>	<i>765,000</i>

In-Home Respite

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

In-Home Respite Expenditure Data Source:

Purchase of Services (POS) Claims Data File, dated October 1, 2008. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.

For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Base: Actual FY 2007-08 expenditures were used to project the BY base:	\$205,402,000	\$238,175,000
• Utilization Change/Growth:	\$24,890,000	\$27,250,000

BY 2009-10 was estimated based on forecasting models specific to the July 2002 through May 2008 In-Home Respite expenditure data (excluding CPP placement and including placement continuation).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple Auto Regressive Integrated Moving Average (ARIMA) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Four interventions/events were found to be statistically significant. Two events beginning October 2004 and December 2004, were assumed to be related to vouchered respite regulation changes. Two additional interventions identified effective January 2007 and January 2008, were assumed to be related to minimum wage increases. Refer to page E-10.4 for more detail.

In-Home Respite

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Rate Freeze: <p style="margin-left: 20px;">The Budget Act of 2003 amended the Welfare and Institutions Code Section 4691.6(b), (c), (d) and (e), establishing a freeze on rate increases for specified programs. Specifically, the following was provided:</p> <ol style="list-style-type: none"> (1) Prohibits the Department from approving a rate adjustment that would result in a higher payment rate for a community-based day program, in-home respite service agency or work activity program than the rate that is in effect on or after June 30, 2003, and allows exceptions for the protection of the consumer's health and safety. (2) Prohibits the approval of any program design modifications or revendorization of a community-based day program or in-home respite service agency provider, if the change would result in a rate increase. (3) Prohibits the approval of any anticipated rate adjustments for community-based day program or in-home respite service agency providers unless the regional center demonstrates the rate increase is necessary to protect the consumer's health or safety. <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 	In Trends	In Trends
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$6,000	\$6,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing In-Home Respite services who, under the Community Placement Plan in the prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection.</p> <ol style="list-style-type: none"> (a) Placement (b) Deflection 	\$2,000	-\$6,000
	2,000	-6,000
	0	0

In-Home Respite

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> <p>Regional Center Internal Review Process:</p> <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$9.7 million and \$13.7 million in CY 2008-09 and BY 2009-10, respectively, for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$967,000	-\$481,000
<ul style="list-style-type: none"> <p>Negotiated Rate Reduction:</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$38.3 million and \$97.3 million in CY 2008-09 and BY 2009-10, respectively, for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	\$0	-\$9,000
<ul style="list-style-type: none"> <p>Redesign Family Cost Participation Program:</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), and Chapter 758, Statutes of 2008, (AB 1183), amended Welfare and Institutions Code Section 4783 to: (1) increase the participation of families earning 400 to 500 percent of the Federal Poverty Level (FPL) to 10 percent share of cost; (2) increase the share of cost to 100 percent at 1,000 percent of the FPL; and (3) add children under age 36 months for the three existing services. The total estimated savings is \$1.3 million and \$2.0 million in CY 2008-09 and BY 2009-10, respectively, for day care, camping and respite services reflected in the following budget categories: In-Home Respite, Out-of-Home Respite, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$881,000	-\$493,000

In-Home Respite

CY 2008-09 BY 2009-10

METHODOLOGY (continued):

- **Minimum Wage Increases:** \$4,583,000 \$0

Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$53,657,000 in CY 2008-09 for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. CY 2008-09 costs remain in the base for BY 2009-10. See Section F, Auxiliary Tables, Charts and Graphs, pages F-17.1 to F-17.3, for a summary of minimum wage cost increases.

- **TOTAL EXPENDITURES** \$233,035,000 \$264,442,000

FUNDING:

In-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2007-08 billing data, approximately 57 percent of In-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented budget-balancing reduction proposals which are reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditure and the full-year impact of the budget-balancing reductions.

In-Home Respite

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$233,035,000	\$264,442,000
General Fund	\$143,207,000	\$167,825,000
<i>General Fund Match</i>	59,333,000	61,736,000
<i>General Fund Other</i>	83,874,000	106,089,000
Reimbursements	\$86,935,000	\$95,302,000
<i>HCBS Waiver FFP</i>	59,333,000	61,736,000
<i>Title XX Social Services</i>	14,834,000	15,264,000
<i>Title XX TANF</i>	12,768,000	18,302,000
Federal Funds	\$2,893,000	\$1,315,000
<i>Early Start Grant</i>	2,893,000	1,315,000

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:

Purchase of Services (POS) Claims Data File, dated October 1, 2008. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.

For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

METHODOLOGY:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to project the BY base: 	\$52,393,000	\$58,071,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$6,458,000	\$6,458,000

BY 2008-09 was estimated based on forecasting models specific to the November 2001 through October 2007 Out-of-Home Respite expenditure data (excluding CPP placement and placement continuation). These amounts are the same as in the 2008-09 May Revision and were retained for BY 2009-10.

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

Out-of-Home Respite

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$125,000	\$125,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation <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.</p>	\$236,000	\$222,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	236,000 0	236,000 -14,000
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$9.7 million and \$13.7 million in CY 2008-09 and BY 2009-10, respectively, for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$271,000	-\$127,000
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$38.3 million and \$97.3 million in CY 2008-09 and BY 2009-10, respectively, for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$851,000	-\$1,111,000

Out-of-Home Respite

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Redesign Family Cost Participation Program: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), and Chapter 758, Statutes of 2008, (AB 1183), amended Welfare and Institutions Code Section 4783 to: (1) increase the participation of families earning 400 to 500 percent of the Federal Poverty Level (FPL) to 10 percent share of cost; (2) increase the share of cost to 100 percent at 1,000 percent of the FPL; and (3) add children under age 36 months for the three existing services. The total estimated savings is \$1.3 million and \$2.0 million in CY 2008-09 and BY 2009-10, respectively, for day care, camping and respite services reflected in the following budget categories: In-Home Respite, Out-of-Home Respite, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$381,000	-\$213,000
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p>Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$53,657,000 in CY 2008-09 for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. CY 2008-09 costs remain in the base for BY 2009-10. See Section F, Auxiliary Tables, Charts and Graphs, pages F-17.1 to F-17.3, for a summary of minimum wage cost increases.</p>	\$23,000	\$0
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$57,732,000	\$63,425,000

FUNDING:

Out-of-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2007-08 billing data, approximately 11 percent percent Out-of-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

Out-of-Home Respite

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures and the full-year impact of the Regional Center Internal Review Process and Redesign Family Cost Participation Program budget-balancing reductions.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$57,732,000	\$63,425,000
General Fund	\$32,798,000	\$33,209,000
<i>General Fund Match</i>	3,041,000	3,164,000
<i>General Fund Other</i>	29,757,000	30,045,000
Reimbursements	\$24,126,000	\$29,849,000
<i>HCBS Waiver FFP</i>	3,040,000	3,163,000
<i>Title XX Social Services</i>	8,268,000	8,312,000
<i>Title XX TANF</i>	12,818,000	18,374,000
Federal Funds	\$808,000	\$367,000
<i>Early Start Grant</i>	808,000	367,000

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:

Purchase of Services (POS) Claims Data File, dated October 1, 2008. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.

For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

METHODOLOGY:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to project the BY base: 	\$86,092,000	\$98,527,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p style="margin-left: 20px;">BY 2009-10 was estimated based on forecasting models specific to the November 2001 through October 2007 Health Care expenditure data (excluding CPP placement and placement continuation). These amounts are the same as the 2008-09 May Revision and were retained for BY 2009-10.</p> <p style="margin-left: 20px;">A simple ARIMA model was used to forecast utilization change/growth.</p>	\$13,733,000	\$13,733,000
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$577,000	\$577,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Health Care services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection.</p>	\$738,000	\$385,000
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	<p>738,000</p> <p>0</p>	<p>385,000</p> <p>0</p>

Health Care

METHODOLOGY (continued):

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> • Negotiated Rate Reduction: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$38.3 million and \$97.3 million in CY 2008-09 and BY 2009-10, respectively, for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$125,000	-\$157,000
<ul style="list-style-type: none"> • Regional Center Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$9.7 million and \$13.7 million in CY 2008-09 and BY 2009-10, respectively, for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p>	-\$412,000	-\$200,000
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$100,603,000	\$112,865,000

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 2007-08 billing data, approximately 8 percent of Health Care expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process budget-balancing reduction proposal which is reflected in this estimate.

Health Care

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures and the full-year impact of the Regional Center Internal Review Process budget-balancing reduction.

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$100,603,000	\$112,865,000
General Fund	\$87,016,000	\$102,823,000
<i>General Fund Match</i>	3,388,000	3,525,000
<i>General Fund Other</i>	83,628,000	99,298,000
Reimbursements	\$5,311,000	\$6,281,000
<i>HCBS Waiver FFP</i>	3,388,000	3,525,000
<i>Title XX TANF</i>	1,923,000	2,756,000
Federal Funds	\$8,276,000	\$3,761,000
<i>Early Start Grant</i>	8,276,000	3,761,000

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:

Purchase of Services (POS) Claims Data File, dated October 1, 2008. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.

For Current Year (CY) 2008-09, the Governor's Budget retains the estimate in the 2008-09 Adjusted Budget.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to project the BY base: 	\$277,458,000	\$358,235,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 		
<p>BY 2009-10 was estimated based on forecasting models specific to the July 2002 through May 2008 Miscellaneous expenditure data (excluding CPP placement and including placement continuation).</p> <p>A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple Auto Regressive Integrated Moving Average (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. Three interventions were found to be statistically significant. Data points at June 2006 and April 2008 were abnormally high and, therefore, represented one-point interventions. Another intervention beginning July 2006 was assumed to be related to the 3 percent provider rate increase.</p>	\$44,871,000	\$84,616,000

Miscellaneous Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Contracted-Services Rate Freeze <p>Welfare and Institutions Code Section 4648.4(b) prohibited regional centers, during FY 2007-08, from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 	In Trends	In Trends
<ul style="list-style-type: none"> CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$31,691,000	\$31,691,000
<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</p> 	\$749,000	\$312,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	749,000 0	371,000 -59,000
<ul style="list-style-type: none"> Regional Center Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$9.7 million and \$13.7 million in CY 2008-09 and BY 2009-10, respectively, for all budget categories. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$1,344,000	-\$775,000

Miscellaneous Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Negotiated Rate Reduction: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to (1) freeze rates negotiated by regional centers for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$38.3 million and \$97.3 million in CY 2008-09 and BY 2009-10, respectively, for all the following programs: Community Care Facilities, Day Programs, Transportation, Support Services, In-Home Respite, Out-of-Home Respite, Health Care, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$12,402,000	-\$21,882,000
<ul style="list-style-type: none"> Redesign Family Cost Participation Program: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), and Chapter 758, Statutes of 2008, (AB 1183), amended Welfare and Institutions Code Section 4783 to: (1) increase the participation of families earning 400 to 500 percent of the Federal Poverty Level (FPL) to 10 percent share of cost; (2) increase the share of cost to 100 percent at 1,000 percent of the FPL; and (3) add children under age 36 months for the three existing services. The total estimated savings is \$1.3 million and \$2.0 million in CY 2008-09 and BY 2009-10, respectively, for day care, camping and respite services reflected in the following budget categories: In-Home Respite, Out-of-Home Respite, and Miscellaneous. Estimated savings reflected in CY 2008-09 remain in the base for BY 2009-10.</p> 	-\$13,000	-\$7,000
<ul style="list-style-type: none"> Eliminate Best Buddies Program Grant: <p>Funding for the Best Buddies Program Grant was eliminated from the Department's budget as a cost savings measure. The total savings are \$1.5 million in CY 2008-09 and remain in the base for BY 2009-10.</p> 	-\$1,500,000	\$0
<ul style="list-style-type: none"> Rollback Devereux Maintenance Contract: <p>The Department's budget was augmented in 2000-01 to provide support for the maintenance of services at a Devereux facility located in Santa Barbara. Funding for this contract was eliminated as Devereux has gradually reduced its services to consumers. The CY 2008-09 and BY 2009-10 savings is reflected in the base.</p> 	-\$1,185,000	In Base
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$338,325,000	\$452,190,000

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 California Children and Families First Trust Fund, the Early Start Grant, and Program Development Funds. Based on actual FY 2007-08 billing data, approximately 23 percent of Miscellaneous Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2007-08 and BY 2008-09 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including seven months of additional expenditure data. After release of the 2008-09 May Revision, budgetary actions implemented the Regional Center Internal Review Process and Elimination of the Best Buddies Program Grant budget-balancing reduction proposals which are reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures and the full-year impact of the Regional Center Internal Review Process and Redesign Family Cost Participation Program budget-balancing reductions.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$338,325,000	\$452,190,000
General Fund	\$247,392,000	\$361,277,000
<i>General Fund Match</i>	34,922,000	36,336,000
<i>General Fund Other</i>	212,470,000	324,941,000
Reimbursements	\$71,796,000	\$81,340,000
<i>HCBS Waiver FFP</i>	34,921,000	36,337,000
<i>Title XX Social Services</i>	16,772,000	18,355,000
<i>Title XX TANF</i>	15,103,000	21,648,000
<i>California Children and Families First Trust Fund</i>	5,000,000	5,000,000
Federal Funds	\$17,562,000	\$7,981,000
<i>Early Start Grant</i>	17,562,000	7,981,000
Program Development Funds	\$1,575,000	\$1,592,000

Cost Containment Summary (Purchase of Services)

DESCRIPTION:

The objective is to contain costs while offering flexibility and consistency in obtaining needed services.

ASSUMPTIONS:

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

CY 2008-09 and BY 2009-10

- Permanent Cost Containment Measures: The following cost containment measures were made permanent by Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5): 2003-04 and 2004-05 unallocated reductions, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and Supplemental Security Income/State Supplementary Payment (SSI/SSP) pass through elimination.
- Continue Revision of Eligibility Definition: Reduce the intake population growth by prospectively applying the federal standard (PL 95-602 [1978] amended in 1996) for "substantial disability" to Lanterman Developmental Disabilities Services Act eligibility criteria, requiring a person to have deficits in at least three of the following seven life domains as described in California Code of Regulations, Title 17, Section 54001: communication skills; learning; self-care; mobility; self-direction; capacity for independent living; and economic self-sufficiency. Effective July 1, 2003, this was a permanent measure estimated to result in a cumulative annual population reduction of 405 consumers.
- Reduced Growth Trend: Reduce growth trends due to the influence of cost containment measures.
- Continue Family Cost Participation Program: The Family Cost Participation Program was implemented effective January 1, 2005 for specified services purchased by regional centers for children 3 through 17 years of age whose parents have the ability to pay. Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX3 5) and Chapter 758, Statutes of 2008, (AB1183) made this program permanent and amended Welfare and Institutions Code Section 4783, respectively. The legislation expanded the program to: (1) increase the participation of families that earn 400 percent to 500 percent of the Federal Poverty Level (FPL) to 10 percent of the share of cost, and (2) increase the share of cost from 50 percent to 100 percent at 1,000 percent of FPL or above, and (3) include children under age 36 months.
- Self-Directed Services: Implementation of Self-Directed Services (SDS) has been delayed until March 1, 2009. Consistent with requirements in Welfare and Institutions Code 4685.7, the Department cannot implement SDS without an approved 1915(c) Home and Community-Based Services (HCBS) Waiver and applicable regulations. The HCBS Waiver application was submitted to the Centers for Medicare and Medicaid Services (CMS) on April 2, 2008. The SDS regulations continue to be under review within the Administration. SDS is a model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. Regional center implementation will be phased in over an eight-month period beginning March 2009 through October 2009.

Cost Containment Summary (Purchase of Services)

ASSUMPTIONS (continued):

- Continue Rate Standardization/Cost Avoidance Project: Since fiscal year 2003-04, rates negotiated by regional centers for providers vendored in specified service codes have been frozen. Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX3 5) made this freeze permanent and expanded the freeze to all negotiated rates. In addition, it set parameters or limits on the rates for new providers with whom the regional centers may negotiate.
- Continue Supported Living Services Rate Standardization: The Department intends to implement revised supported living regulations. These regulations were based on the Department's comprehensive review and analysis of supported living services (SLS) statute and regulation, regional center purchase of service policies for SLS, discussions of the SLS workgroup of the Service Delivery Reform Committee, SLS-related fair hearings for the most recent three years, annual SLS cost and utilization statistics from FY 1996-97 forward, and information gathering through interviews with staff at seven regional centers and meetings with stakeholders, including Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, Association of Regional Center Agencies, and consumer/ parent representatives. The regulations are being reviewed within the Administration and will be implemented for the purpose of cost avoidance.
- Devereux Maintenance Contract: The Department is permanently eliminating funding for this contract beginning in CY 2008-09 as Devereux has gradually reduced its services to consumers, and the supplemental grant can no longer be justified.
- Supported Employment Program Provider Rate Reduction: The rate received by providers of supported employment services in 2006-07 was permanently reduced by 10 percent beginning October 1, 2008.
- Regional Center Internal Review Process: Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws.
- Eliminate Best Buddies Program Grant: Grant funds for the Best Buddies Program was permanently eliminated beginning in CY 2008-09.
- 3 Percent Payment Reduction (POS): The Department proposes to reduce regional center expenditures for consumer services by 3 percent through a payment reduction. The proposal applies to all regional center purchased services with the exception of supported employment services, services for which the established rate is a usual and customary rate, and State Supplementary Program restoration payments to consumers residing in supported/independent living arrangements. A provision to protect consumer health and safety is included through a regional center requested, Department approved, health and safety waiver exemption. The Department will work with stakeholders to identify permanent strategies for ongoing implementation of this reduction prior to the sunset of the payment reduction on June 30, 2010.

**New Major Assumption
Special Session
3 Percent Payment Reduction for
Regional Center Purchase of Services Providers**

DESCRIPTION:

This proposal reduces regional center expenditures for consumer services by 3 percent, \$40.4 million (\$24.1 million General Fund), through a payment reduction. The proposal applies to all regional center purchased services with the exception of supported employment services, services for which the established rate is a usual and customary rate, and State Supplementary Program restoration payments to consumers residing in supported/independent living arrangements. A provision to protect consumer health and safety is included through a regional center requested, Department approved, health and safety waiver exemption. The Department will work with stakeholders to identify permanent strategies for ongoing implementation of this reduction prior to the sunset of the payment reduction on June 30, 2010.

KEY DATA/ASSUMPTIONS:

The 3 percent payment reduction in Purchase of Services is estimated to save \$40,400,000 in CY 2008-09 and \$100,772,000 in BY 2009-10.

IMPLEMENTATION DATE:

This reduction is effective February 1, 2009.

FUNDING:

Expenditures are funded by the General Fund and Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in BY reflects a full year implementation.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	-\$40,400,000	-\$100,772,000
General Fund	-\$24,100,000	-\$60,200,000
<i>General Fund Match</i>	-16,300,000	-40,572,000
<i>General Fund Other</i>	-7,800,000	-19,628,000
Reimbursements	-\$16,300,000	-\$40,572,000
<i>HCBS Waiver FFP</i>	-16,300,000	-40,572,000

New Major Assumption

Reduce SSP Payment to the Maintenance of Effort Floor

(Purchase of Services)

DESCRIPTION:

Nature of Request

The Department of Developmental Services (DDS) will increase the Independent Living Supplement to the regional center budget consistent with the Department of Social Services proposal in the Governor's Budget to reduce the State Supplementary Payment (SSP) for adults in independent and supported living arrangements.

Background/History

Beginning in Fiscal Year (FY) 1992-93, and in each fiscal year thereafter, the regional center budget has been adjusted to reflect the fiscal impact of reductions in SSP. These reductions are to the State's portion of Supplemental Security Income (Federal Social Security Administration portion)/SSP (State Department of Social Services portion) grant payments. DDS will increase the Current Year (CY) 2008-09 regional center budget adjustment by an amount sufficient to backfill the proposed SSP reduction to the maintenance of effort floor effective March 1, 2009. The increase in the Independent Living Supplement is necessary to assure that those affected will be able to remain in independent and supported living settings instead of having to move into community care facilities or even more costly institutions.

KEY DATA/ASSUMPTIONS:

Beginning on November 1, 1992, and ongoing, the State's SSP was reduced by a cumulative amount of \$53.14 a month for a couple, and \$41.60 a month for an individual. Currently, the regional center budget is adjusted in an equivalent amount to enable the regional center to pay an Independent Living Supplement to adults in independent and supported living settings receiving SSI/SSP grant payments.

The Governor's Budget raises the State's SSP reduction amount by \$171.80 a month for each couple and \$76.60 a month for an individual effective March 1, 2009. DDS proposes to increase the current Independent Living Supplement by this same amount.

METHODOLOGY:

Based upon updated Client Master File (CMF) data, DDS estimates the number of adults who will live in independent/supported living (IL/SL) arrangements. Using an updated Regional Center Survey, DDS estimates the number of persons who are part of a couple, who will receive the monthly incremental increase of \$171.80, as well as the remainder of individuals who will receive their monthly incremental increase of \$76.60. Both couples and individuals are assumed to receive their payments each month of the fiscal year. DDS will include 4 months of costs for CY 2008-09 and full-year costs for Budget Year 2009-10.

**New Major Assumption
Reduce SSP Payment to the Maintenance of Effort Floor
(Purchase of Services)**

METHODOLOGY (continued):

	Current Year 2008-09			Budget Year 2009-10		
	(4 Months' Costs from 3/1/09 thru 6/30/09)			(12 Months' Costs from 7/1/09 thru 6/30/10)		
	Individuals	Couples	Total	Individuals	Couples	Total
A. Monthly SSP Rate	\$233.00	\$568.00				
B. Proposed Maintenance of Effort (MOE)	156.40	396.20				
C. Difference per month (A - B)	\$76.60	\$171.80				
D. Annual Difference per Consumer (C * 12)	\$919.20	\$2,061.60				
E. # of Consumers	18,971	1,449				
F. Total Fiscal Impact (D * E)	\$17,438,143	\$2,987,258	\$20,425,402	\$17,438,143	\$2,987,258	\$20,425,402
G. 4-Month Fiscal Impact (F / 12 months x 4 months)	\$5,812,714	\$995,753	\$6,808,467	N/A	N/A	N/A
H. Waiver Eligible (total x 81%)	\$4,708,298	\$806,560	\$5,514,858	\$14,124,896	\$2,419,679	\$16,544,575
I. General Fund (CY:G - J, BY: F - J)	\$3,458,565	\$592,473	\$4,051,038	\$10,375,695	\$1,777,418	\$12,153,114
J. Federal Financial Participation (FFP) (H * 50%)	\$2,354,149	\$403,280	\$2,757,429	\$7,062,448	\$1,209,840	\$8,272,288
K. Total Fiscal Impact (I + J)	\$5,812,714	\$995,753	\$6,808,467	\$17,438,143	\$2,987,258	\$20,425,402

FUNDING:

Independent Living Supplement expenditures are funded by the General Fund and the Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP).

CHANGE FROM PRIOR ESTIMATE:

DDS has an existing policy to supplement any reductions to the SSP payment rate for individuals in independent /supported living settings. This is a continuation of an existing policy in effect since FY 1992-93.

IMPLEMENTATION DATE:

This assumption reflects costs of proposed additional decreases to the SSP payment rate effective March 1, 2009.

EXPENDITURES:

	CY 2008-09	BY 2009-10
TOTAL	\$6,808,000	\$20,425,000
General Fund	\$4,051,000	\$12,153,000
General Fund Match	2,757,000	8,272,000
General Fund Other	1,294,000	3,881,000
Reimbursements	\$2,757,000	\$8,272,000
HCBS Waiver FFP	2,757,000	8,272,000

Revised Major Assumption Cost Containment: Self-Directed Services (Purchase of Services)

DESCRIPTION:

Welfare and Institutions Code 4685.7 established Self-Directed Services (SDS), authorizing the Department of Developmental Services to administer SDS contingent on the approval of a Home and Community-Based Services (HCBS) Waiver. Originally approved in the Budget Act of 2005 (Chapter 38, Statutes of 2005), SDS has been included in the Governor's Budget each subsequent fiscal year as one of California's cost containment initiatives.

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

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

The Department of Health Care Services, the single-state agency responsible for administering the Medicaid program in California, submitted the Department's Self-Directed Home and Community-Based Services (SDHCBS) Waiver Application to CMS on April 2, 2008. The Department is awaiting approval of the SDHCBS Waiver application. The SDS regulations continue to be under review within the Administration. The regulations are subject to a required 45-day public comment period. Implementation of SDS is contingent upon approval of the SDHCBS Waiver and promulgation of regulations. As a result, the anticipated date of implementation and enrollment has been extended from July 1, 2008 to March 1, 2009. Regional center implementation will be phased in over an eight-month period beginning in March 2009 and through October 2009.

There will be approximately 100 new SDS enrollees in CY 2008-09 and an additional 1,800 consumers in BY 2009-10 from all 21 regional centers. Maximum waiver enrollment of approximately 9,300 consumers across all 21 regional centers is anticipated to occur over a five-year period. The aggregate of all individual budget allocations to consumers will result in a cost savings to the General Fund. Additionally, SDS proposes to achieve federal reimbursement (50/50 match) for both consumer services and for administrative effort. All services in SDS will be waiver "billable," with the result that 100 percent of the services will be allowed to receive federal reimbursement.

Revised Major Assumption

Cost Containment: Self-Directed Services

DESCRIPTION (continued):

Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDHCBS Waiver requirements. This cost containment opportunity will require regional center staff to ensure that regional centers appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative efforts. Costs for these regional center Operations activities are reflected on pages E-3.11 to E-3.14 of this section.

ASSUMPTIONS/METHODOLOGY:

- CY 2008-09
 - The CY 2008-09 estimate is the Adjusted CY 2008-09 Budget Act.
- BY 2009-10
 - For the BY 2009-10 cost/savings estimate, it is assumed that an additional 1,800 participants will be enrolled.
 - The average cost per consumer per month for regional center POS is estimated to be \$1,960.
- Consistent with WIC 4685.7(r) an SDS participant may request a criminal history records clearance on prospective service providers. It is assumed ten percent of the consumers enrolled in SDS will request at least one criminal background check at \$60 each.
- The average one-time transition cost per consumer is estimated to be \$500.
- Upon approval of his/her individual budget, each consumer will receive an advance of one month of that individual budget allocation to ensure that sufficient funding is available to the consumer to begin implementation of his/her SDS program plan.

Without Self-Directed Services

- BY 2009-10
 - Total annual BY 2009-10 pre-SDS POS costs for 100 continuing consumers and 1,800 new consumers (phased in over 12 months) are estimated to be \$25,284,000.

With Self-Directed Services

- With SDS, finite and individual budgets are assumed to be 95 percent of historical aggregate expenditures.
- BY 2009-10
 - Total BY 2009-10 costs for 100 continuing consumers and 1,800 new consumers (phased-in over 12 months) are estimated to be \$26,610,000 including criminal history records clearance and one-time transition costs.
 - \$1,264,000 of the SDS consumers' historical expenditures will be set aside in a risk pool fund for their unanticipated needs.

**Revised Major Assumption
Cost Containment: Self-Directed Services**

ASSUMPTIONS/METHODOLOGY: (continued)

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

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
● Estimated SDS cost of services	\$12,113,000	\$25,710,000
● Estimated pre-SDS cost for consumers	<u>11,842,000</u>	<u>25,284,000</u>
● Difference	\$271,000	\$426,000
● SDS Risk Pool Fund	1,184,000	1,264,000 *
● One-time Transition Costs	<u>650,000</u>	<u>900,000</u>
● Total Net Expenditures	\$2,105,000	\$2,590,000

* Increase not being funded in the Governor's Budget.

FUNDING:

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

REASON FOR CHANGE:

Current statute requires the Department to obtain an approved waiver prior to the rollout of SDS, and the promulgation of regulations.

Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDHCBS Waiver requirements.

The eight-month delay in implementation to March 2009 will result in a reduction of savings.

IMPLEMENTATION DATE:

Implementation will be phased-in beginning March 2009 as follows:

<u>CY 2008-09</u>	<u>BY 2009-10</u>
March 2009: 1 regional center	July 2009: 4 regional center
April 2009: 1 regional center	August 2009: 4 regional center
May 2009: 1 regional center	September 2009: 4 regional center
June 2009: 2 regional center	October 2009: 4 regional center

Revised Major Assumption
Cost Containment: Self-Directed Services

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$2,105,000	\$2,590,000
General Fund	-\$1,726,000	-\$5,202,000
<i>General Fund Match</i>	<i>3,831,000</i>	<i>7,792,000</i>
<i>General Fund Other</i>	<i>-6,741,000</i>	<i>-14,258,000</i>
<i>SDS Risk Pool Fund</i>	<i>1,184,000</i>	<i>1,264,000</i>
Reimbursements	\$3,831,000	\$7,792,000
<i>SDHCBS Waiver</i>	<i>4,617,000</i>	<i>9,375,000</i>
<i>HCBS Waiver</i>	<i>-786,000</i>	<i>-1,583,000</i>

Revised Major Assumption Agnews Developmental Center Closure (Purchase of Services)

DESCRIPTION:

The Plan for the Closure of Agnews Developmental Center (Plan) was formally submitted to the Legislature in January 2005, concurrent with the Governor's Budget for 2005-2006. The foundation of the Plan is to build community capacity and successfully transition consumers into the community, with new service and support options aimed at ensuring consumer health and safety throughout the transition, as well as permanency in the community living arrangement. The 2008-09 May Revision maintained the closure date of June 30, 2008 for Agnews Developmental Center (Agnews).

As indicated in the Plan, the ability of the Department of Developmental Services (DDS) to close Agnews is directly linked to the implementation of each component of the plan (housing, new program models and the use of state staff). Delays in achieving these key components have resulted in extending the closure date until all the community supports are in place to ensure the health and safety of the consumer.

KEY DATA/ASSUMPTIONS and METHODOLOGY:

As of November 30, 2008, 80 residents remained at Agnews.

For CY 2008-09, the DDS proposes to retain figures contained in the 2008-09 Budget Act. To cover the cost of placements in the CY, the DDS will use CY 2008-09 POS Placement and Deflection Continuation (PDC) funding for placement costs of CY movers. It is proposed that of the \$61,535,000 POS PDC contained in the 2008-09 Budget Act for the Agnews placements, \$27,210,000 be made available to fund POS placement costs for those consumers to be placed in CY 2008-09.

For BY 2009-10, the DDS proposes that \$41,833,000 be made available to fund POS PDC costs for the movers in CY 2008-09.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
● COMMUNITY PLACEMENT PLAN	\$27,210,000	\$0
● PLACEMENT AND DEFLECTION CONTINUATION	\$34,325,000	\$41,833,000
● TOTAL EXPENDITURES	\$61,535,000	\$41,833,000

See pages E-15.10 to E-15.11 for detail.

IMPLEMENTATION DATE:

As the Plan approaches its final stages, the DDS will continue to ensure that the health and safety of each consumer remain its highest priority.

Revised Major Assumption Agnews Developmental Center Closure (Purchase of Services)

FUNDING:

Agnews Community Placement Plan POS expenditures are funded by the General Fund and Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

Several factors have affected the final closure:

- The amount of time spent in the permitting phase delayed the start of construction.
- Construction delays due to materials not being ordered in a timely manner.
- Service providers are having a difficult time recruiting direct care staff and qualified administrators for homes because of the limited candidate pool.

Transition to the community will continue as homes become ready for occupancy and support services are developed over the next few months.

REASON FOR YEAR-TO-YEAR CHANGE:

This estimate assumes all Agnews consumers will be placed in CY 2008-09.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$61,535,000	\$41,833,000
General Fund	\$36,202,000	\$24,914,000
<i>General Fund Match</i>	25,333,000	16,919,000
<i>General Fund Other</i>	10,869,000	7,995,000
Reimbursements	\$25,333,000	\$16,919,000
<i>HCBS Waiver FFP</i>	25,333,000	16,919,000

**COMMUNITY PLACEMENT PLAN
PURCHASE OF SERVICES
Agnews Unified Plan ^{a/}
CY 2008-09 and BY 2009-10**

For the 2009-10 November Estimate, Agnews Unified CPP and Placement Continuation costs have been updated for CY 2008-09 and BY 2009-10.

CPP Activity	2008-09 May Revision	CY 2008-09	BY 2009-10	Annual Change
I. Community Placement Plan	\$0 0 consumer	\$27,210,000 121 consumers	\$0 0 consumer	-\$27,210,000 -121 consumers
II. Placement and Deflection Continuation	\$61,535,000 193 consumers	\$34,325,000 72 consumers	\$41,833,000 121 consumers	\$7,508,000 49 consumers
III. TOTAL CPP (I. + II.)	\$61,535,000	\$61,535,000	\$41,833,000	-\$19,702,000

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

Community Placement Plan

DESCRIPTION:

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

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

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

This CPP estimate is for Regular CPP. Regular CPP represents all community placement costs associated with moving consumers from DCs, excluding Agnews consumers, into the community.

Agnews Unified CPP, which represents the Bay Area regional centers' costs for individuals moving from Agnews DC, are reflected separately in the Agnews Developmental Center Closure Revised Major Assumption. See Section E, Estimate Methodologies, Operations, pages E-3.15 to E-3.17, and Purchase of Services, pages E-15.8 to E-15.11; and Section G, Agnews Closure Plan Update for further details.

Regular CPP funding covers these Operations and POS categories:

OPERATIONS:

Personal Services:

- **Resource Development:** Positions needed to develop community living arrangements for consumers moving from DCs into the community. These positions are critical to developing living arrangements that will safely meet the challenges of people moving into the community.
- **Assessment:** Positions needed to identify DC residents ready for placement in community living arrangements. Proper comprehensive assessment is critical to community placement and should minimize re-admission to a DC and/or unstable and cost-inefficient community placement.
- **Placement:** Positions for placement activities. Individuals in the DCs have, on average, more complex "unique" placement needs that will be addressed by these staff.
- **Crisis Service Teams:** Positions for crisis services which include a behavioral team, a clinical team and an emergency response team.

Operating Expenses:

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

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES:

- **Start-Up:** These costs are related to development of new facilities/programs and program expansion.
- **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.
- **Deflection:** Placement POS for residential costs of facilities developed with CY CPP start-up to deflect admission from a DC. These facilities are developed based on a comprehensive analysis of DC admission data, current trends in needed services specific to the RC, and other local issues.

KEY DATA/ASSUMPTIONS:

- Department of Health Care Services approved rates, as of August 2007, used for:
 - Intermediate Care Facilities/Developmentally Disabled – Nursing Facilities
 - Intermediate Care Facilities/Developmentally Disabled – Habilitation Facilities

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY:		
• OPERATIONS TOTAL	\$12,696,000	\$14,048,000
• PURCHASE OF SERVICES TOTAL	\$64,779,000	\$64,779,000
• TOTAL EXPENDITURES	\$77,475,000	\$78,827,000

See pages E-16.4 to E-16.11 for detail.

FUNDING:

CPP expenditures are funded by the General Fund and Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 50 percent in CY 2008-09 and BY 2009-10 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

Operations Regular CPP costs for CY 2008-09 and Purchase of Services Regular CPP costs for CY 2008-09 and BY 2009-10 are assumed to be the same as BY 2008-09 costs in the 2008-09 May Revision. BY 2009-10 Regular CPP Operations costs have been updated to reflect necessary staffing.

Community Placement Plan

REASON FOR YEAR-TO-YEAR CHANGE:

The Operations change in expenditures from the current year to the budget year is based on updated staffing needs. Purchase of Services BY 2009-10 CPP costs will be updated in the 2009-10 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2008.

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$77,475,000	\$78,827,000
RC Operations	\$12,696,000	\$14,048,000
RC Purchase of Services	\$64,779,000	\$64,779,000
<i>Community Care Facilities</i>	22,372,000	22,372,000
<i>Medical Facilities</i>	273,000	273,000
<i>Day Programs</i>	3,613,000	3,613,000
<i>Work Activity Program</i>	9,000	9,000
<i>Supported Employment Program: Group Placement</i>	114,000	114,000
<i>Supported Employment Program: Individual Placement</i>	0	0
<i>Transportation</i>	767,000	767,000
<i>Support Services</i>	5,232,000	5,232,000
<i>In-Home Respite</i>	6,000	6,000
<i>Out-of-Home Respite</i>	125,000	125,000
<i>Health Care</i>	577,000	577,000
<i>Miscellaneous Services</i>	31,691,000	31,691,000
FUND SOURCES:		
TOTAL	\$77,475,000	\$78,827,000
General Fund	\$68,222,000	\$69,574,000
<i>General Fund Match</i>	9,253,000	9,253,000
<i>General Fund Other</i>	58,969,000	60,321,000
Reimbursements	\$9,253,000	\$9,253,000
<i>HCBS Waiver FFP</i>	9,253,000	9,253,000

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

Regular CPP costs will be updated in the 2009-10 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2008.

CPP Activity	2008-09 May Revision	2009-10 November Estimate: CY 2008-09				CY 2008-09 Difference	
		Regular	Agnews a/		Total		
			Unified Plan	Other RCs			Subtotal
I. OPERATIONS	\$21,985,000	\$12,696,000	0	0	\$0	\$12,696,000	-\$9,289,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$30,449,000	\$30,449,000	0	0	\$0	\$30,449,000	\$0
B. Assessment	678,000 226 consumers	678,000 226 consumers	0 0 consumers	0 0 consumers	0 0 consumers	678,000 226 consumers	0 0 consumers
C. Placement	22,210,000 176 consumers	22,210,000 176 consumers	0 0 consumers	0 0 consumers	0 0 consumers	22,210,000 176 consumers	0 0 consumers
D. Deflection	11,442,000 92 consumers	11,442,000 92 consumers	0 0 consumers	0 0 consumers	0 0 consumers	11,442,000 92 consumers	0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$64,779,000	\$64,779,000	0	0	\$0	\$64,779,000	\$0
III. TOTAL CPP (I. + II.E.)	\$86,764,000	\$77,475,000	0	0	\$0	\$77,475,000	-\$9,289,000

a/ See Section E, Estimate Methodologies, Operations, pages E-3.15 to E-3.17, and Purchase of Services, pages E-15.8 to E-15.11 for the Agnews Developmental Center Closure Revised Major Assumptions, and Section G, Agnews Closure Update, for a comprehensive status on the Agnews Closure Plan.

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
BY 2009-10**

BY 2009-10 CPP costs will be updated in the 2009-10 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2008.

CPP Activity	2008-09 May Revision	2009-10 November Estimate: BY 2009-10				BY 2009-10 Difference	
		Regular	Agnews a/		Total		
			Unified Plan	Other RCs			Subtotal
I. OPERATIONS	\$21,985,000	\$14,048,000	0	0	\$0	\$14,048,000	-\$7,937,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$30,449,000	\$30,449,000	0	0	\$0	\$30,449,000	\$0
B. Assessment	678,000 226 consumers	678,000 226 consumers	0 0 consumers	0 0 consumers	0 0 consumers	678,000 226 consumers	0 0 consumers
C. Placement	22,210,000 176 consumers	22,210,000 176 consumers	0 0 consumers	0 0 consumers	0 0 consumers	22,210,000 176 consumers	0 0 consumers
D. Deflection	11,442,000 92 consumers	11,442,000 92 consumers	0 0 consumers	0 0 consumers	0 0 consumers	11,442,000 92 consumers	0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$64,779,000	\$64,779,000	0	0	\$0	\$64,779,000	\$0
III. TOTAL CPP (I. + II.E.)	\$86,764,000	\$78,827,000	0	0	\$0	\$78,827,000	-\$7,937,000

a/ See Section E, Estimate Methodologies, Operations, pages E-3.15 to E-3.17, and Purchase of Services, pages E-15.8 to E-15.11 for the Agnews Developmental Center Closure Revised Major Assumptions, and Section G, Agnews Closure Update, for a comprehensive status on the Agnews Closure Plan.

COMMUNITY PLACEMENT PLAN
Operations
CY 2008-09

Current Year 2008-09					
Regular CPP		Unified CPP		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing

1. Personal Services			See Section E,		
a. Resource Development	54.65	\$4,684,500	Estimate Methodologies,	54.65	\$4,684,500
b. Quality Assurance/ Management	10.80	968,500	Operations,	10.80	968,500
c. Assessment	17.35	1,788,500	Pages E-3.15 to E-3.17,	17.35	1,788,500
d. Placement	48.90	3,786,000	For the Agnews	48.90	3,786,000
e. Crisis Services Teams	10.00	1,328,100	Developmental Center	10.00	1,328,100
f. Nurse Consultants for SB 962 Homes	0.00	0	Closure Revised Major	0.00	0
g. 2007 - 08 Legislative Augmentation: Resource for Health Care Community Specialists	0.00	0	Assumption.		
h. Total Personal Services	141.70	\$12,555,600		141.70	\$12,555,600

2. Operating Expenses					
a. Operating Expenses		\$470,600			\$470,600
b. Rent		897,100			897,100
c. Training, Travel, Consultants		124,900			124,900
d. Total Operating Expenses		\$1,492,600			\$1,492,600

3. State Employees in the Community					
a. Personal Services		\$0			\$0
b. Operating Expenses		0			0
c. Total Clinical Staff		\$0			\$0

4. Subtotal Staffing (Rounded)		\$14,048,200			\$14,048,200
		\$14,048,000			\$14,048,000

B. Projects

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

C. Subtotal (A + B) (Rounded)		\$14,048,200			\$14,048,200
		\$14,048,000			\$14,048,000

D. Budget Balancing Reduction Reduce CPP Operations		-\$1,352,000			-\$1,352,000
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E. Total (C+D)		\$12,696,000			\$12,696,000
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COMMUNITY PLACEMENT PLAN

Operations

BY 2009-10

Budget Year 2009-10					
Regular CPP		Unified CPP		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing

1. Personal Services

				See Section E, Estimate Methodologies, Operations, Pages E-3.15 to E-3.17, For the Agnews Developmental Center Closure Revised Major Assumption.		
a. Resource Development	54.65	\$4,684,500			54.65	\$4,684,500
b. Quality Assurance/ Management	10.80	968,500			10.80	968,500
c. Assessment	17.35	1,788,500			17.35	1,788,500
d. Placement	48.90	3,786,000			48.90	3,786,000
e. Crisis Services Teams	10.00	1,328,100			10.00	1,328,100
f. Nurse Consultants for SB 962 Homes	0.00	0			0.00	0
g. 2007 - 08 Legislative Augmentation: Resource for Health Care Community Specialists	0.00	0				
h. Total Personal Services	141.70	\$12,555,600			141.70	\$12,555,600

2. Operating Expenses

a. Operating Expenses		\$470,600				\$470,600
b. Rent		897,100				897,100
c. Training, Travel, Consultants		124,900				124,900
d. Total Operating Expenses		\$1,492,600				\$1,492,600

3. State Employees in the Community

a. Personal Services		\$0				\$0
b. Operating Expenses		0				0
c. Total Clinical Staff		\$0				\$0

**4. Subtotal Staffing
(Rounded)**

		\$14,048,200				\$14,048,200
		\$14,048,000				\$14,048,000

B. Projects

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

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

		\$14,048,200				\$14,048,200
		\$14,048,000				\$14,048,000

Community Placement Plan

Purchase of Services

Summary of Costs by POS Category

Current Year 2008-09

For the 2009-10 November Estimate, Regular CPP costs are assumed to be the same as in the 2008-09 May Revision.

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	CY 2008-09 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,449,000	\$30,449,000
B. Assessment	226	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$678,000	\$678,000
C. Placement	176	\$12,035,000	\$13,000	\$273,000	\$0	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$564,000	\$22,210,000
D. Deflection b/	92	\$9,892,000	\$432,000	\$0	\$1,118,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,442,000
E. 2009-10 NOV EST 2008-09 TOTAL		\$21,927,000	\$445,000	\$273,000	\$1,118,000	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$31,691,000	\$64,779,000
F. 2008-09 MAY REV 2008-09 TOTAL		\$21,927,000	\$445,000	\$273,000	\$1,118,000	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$31,691,000	\$64,779,000
G. DIFFERENCE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Budget Year 2009-10

For the 2009-10 November Estimate, Regular BY 2009-10 CPP costs are assumed to be the same as BY 2008-09 costs in the 2008-09 May Revision. BY 2009-10 CPP costs will be updated in the 2009-10 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2008.

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	BY 2009-10 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,449,000	\$30,449,000
B. Assessment	226	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$678,000	\$678,000
C. Placement	176	\$12,035,000	\$13,000	\$273,000	\$0	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$564,000	\$22,210,000
D. Deflection b/	92	\$9,892,000	\$432,000	\$0	\$1,118,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,442,000
E. 2009-10 NOV EST 2009-10 TOTAL		\$21,927,000	\$445,000	\$273,000	\$1,118,000	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$31,691,000	\$64,779,000
F. 2008-09 MAY REV 2008-09 TOTAL		\$21,927,000	\$445,000	\$273,000	\$1,118,000	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$31,691,000	\$64,779,000
G. DIFFERENCE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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

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

For the 2009-10 November Estimate, Regular CPP costs are assumed to be the same as in the 2008-09 May Revision.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																		
● Community Care Facilities (CCF) ● Residential Facilities Avg Cost/Consumer Mo	25	14%	203	\$860,000 \$4,236				\$656,000 \$3,232				\$156,000 \$768	\$398,000 \$1,961		\$13,000 \$64	\$14,000 \$69	\$131,000 \$645	\$2,228,000 \$10,975
● Specialized Residential Facilities (SRF) Avg Cost/Consumer Mo	114	65%	892	\$11,175,000 \$12,528				\$2,185,000 \$2,450	\$9,000 \$10	\$114,000 \$128		\$473,000 \$530	\$724,000 \$812		\$82,000 \$92	\$459,000 \$515	\$339,000 \$380	\$15,560,000 \$17,445
● Intermediate Care Facilities (ICF) Avg Cost/Consumer Mo	17	9%	136			\$273,000 N/A		\$446,000 \$3,279				\$77,000 \$566	\$364,000 \$2,676		\$15,000 \$110	\$68,000 \$500	\$27,000 \$199	\$1,270,000 \$7,330
● Supported Living Avg Cost/Consumer Mo	18	10%	149					\$317,000 \$2,128				\$58,000 \$389	\$2,628,000 \$17,638		\$15,000 \$101	\$34,000 \$228	\$64,000 \$430	\$3,116,000 \$20,914
● Adult Family Home Agencies ● Adult Family Home Avg Cost/Consumer Mo	1	1%	1		\$13,000 \$13,000							\$1,000 \$1,000					\$3,000 \$3,000	\$17,000 \$17,000
● Other (Own Home, etc.) Avg Cost/Consumer Mo	1	1%	5					\$9,000 \$1,800				\$2,000 \$400		\$6,000 \$1,200		\$2,000 \$400		\$19,000 \$3,800
TOTAL	176	100%	1,386	\$12,035,000	\$13,000	\$273,000	\$0	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$564,000	\$22,210,000

Agnews Unified CPP

See Section E, Estimate Methodologies, Purchase of Services, pages E-15.8 to E-15.11, for the Agnews Developmental Center Closure Revised Major Assumption.

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Budget Year 2009-10

For the 2009-10 November Estimate, Regular CPP costs are assumed to be the same as in the 2008-09 May Revision.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																		
● Community Care Facilities (CCF)																		
● Residential Facilities	25	14%	203	\$860,000				\$656,000				\$156,000	\$398,000		\$13,000	\$14,000	\$131,000	\$2,228,000
Avg Cost/Consumer Mo				\$4,236				\$3,232				\$768	\$1,961		\$64	\$69	\$645	\$10,975
● Specialized Residential Facilities (SRF)	114	65%	892	\$11,175,000				\$2,185,000	\$9,000	\$114,000		\$473,000	\$724,000		\$82,000	\$459,000	\$339,000	\$15,560,000
Avg Cost/Consumer Mo				\$12,528				\$2,450	\$10	\$128		\$530	\$812		\$92	\$515	\$380	\$17,445
● Intermediate Care Facilities (ICF)	17	9%	136			\$273,000		\$446,000				\$77,000	\$364,000		\$15,000	\$68,000	\$27,000	\$1,270,000
Avg Cost/Consumer Mo						N/A		\$3,279				\$566	\$2,676		\$110	\$500	\$199	\$7,330
● Supported Living	18	10%	149					\$317,000				\$58,000	\$2,628,000		\$15,000	\$34,000	\$64,000	\$3,116,000
Avg Cost/Consumer Mo								\$2,128				\$389	\$17,638		\$101	\$228	\$430	\$20,914
● Adult Family Home Agencies																		
● Adult Family Home	1	1%	1		\$13,000							\$1,000					\$3,000	\$17,000
Avg Cost/Consumer Mo					\$13,000							\$1,000					\$3,000	\$17,000
● Other (Own Home, etc.)	1	1%	5					\$9,000				\$2,000		\$6,000		\$2,000		\$19,000
Avg Cost/Consumer Mo								\$1,800				\$400		\$1,200		\$400		\$3,800
TOTAL	176	100%	1,386	\$12,035,000	\$13,000	\$273,000	\$0	\$3,613,000	\$9,000	\$114,000	\$0	\$767,000	\$4,114,000	\$6,000	\$125,000	\$577,000	\$564,000	\$22,210,000

General Fund

DESCRIPTION:

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

ASSUMPTIONS/METHODOLOGY: CY 2008-09 BY 2009-10

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: \$1,014,459,000 \$1,045,260,000

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

FMAP % of General Fund Match	<u>CY</u>	<u>BY</u>		
<i>Home and Community-Based Services (HCBS) Waiver</i>	50.00%	50.00%	818,294,000	821,646,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	4,325,000	4,358,000
<i>Medicaid Administration</i>	25.00%	25.00%	4,734,000	4,820,000
<i>Targeted Case Management (TCM)</i>	50.00%	50.00%	132,685,000	155,131,000
<i>TCM Administration</i>	50.00%	50.00%	4,351,000	4,217,000
<i>Self-Directed HCBS Waiver</i>	50.00%	50.00%	4,617,000	9,375,000
<i>Self-Directed HCBS Waiver Administration</i>	50.00%	50.00%	1,453,000	1,713,000
<i>Medicaid</i>	50.00%	50.00%	44,000,000	44,000,000

- General Fund Other: \$1,345,520,000 \$1,639,126,000

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

- **TOTAL EXPENDITURES** **\$2,359,979,000 \$2,684,386,000**

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 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$2,359,979,000	\$2,684,386,000
General Fund	\$2,359,979,000	\$2,684,386,000
<i>General Fund Match</i>	1,014,459,000	1,045,260,000
<i>General Fund Other</i>	1,345,520,000	1,639,126,000

Home and Community-Based Services Waiver

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

Data Source: Medicaid Waiver Total Billed Dollar Amounts and Client Counts report, dated August 20, 2008. (July 2007 - June 2008 data used).

The CY 2008-09 estimate is the Adjusted CY 2008-09 Budget Act.

The HCBS Waiver enrollment cap is 85,000 as of 10/1/08, and will be 90,000 as of 10/1/09.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Base:	\$1,677,726,000	\$1,757,661,000
• BY 2009-10		
The updated CY estimate, minus one-time CY costs, was used to develop the BY base.		1,763,055,000
Less Adjusted One-Time Costs		-5,394,000
• Annual Growth (New RC Consumers)	\$37,650,000	\$43,416,000
• BY Annual Growth		
• 2009-10 Annual Growth		34,903,000
Add 6 months of annual growth costs in BY for 3,753 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2009-10 (3,753 x \$15,000 (annual cost/consumer) x .62 (phase-in factor) = \$34,903,000).		
• 2008-09 Annual Growth Continuation		8,513,000
Annualize growth costs in BY for 1,957 consumers who will be added to the HCBS Waiver and phased-in during CY 2008-09 (1,957 x \$15,000 (annual cost/consumer) x .29 (phase-in factor) = \$8,513,000).		
• Increase of Waiver Cap - Growth	\$5,460,000	\$0
• Community Placement Plan (CPP)	\$18,499,000	\$18,506,000
The annual cost for the total number of HCBS Waiver-eligible CPP placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.		
• BY 2009-10: Total HCBS Waiver-billable costs for 144 Waiver-eligible consumers:		18,506,000
• Placement/Deflection Continuation:	\$22,968,000	\$22,846,000
The annual estimated Placement/Deflection Continuation costs for the total number of HCBS Waiver-eligible placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.		
• BY 2009-10: Total HCBS Waiver-billable costs for 149 Waiver-eligible consumers:		22,846,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Increasing FFP for Services added to the HCBSW	\$60,000	In Base
• SSI/SSP Increase/RC Savings	-\$4,167,000	-\$5,255,000
• Minimum Wage Increase	\$7,159,000	In Base
• HCBS Waiver Decrease due to Self-Directed HCBS Waiver	-\$4,703,000	-\$9,175,000
• BY 2009-10		-8,487,000
It is assumed that 1,800 consumers will be phased into SDS beginning 7/1/09. Approximately 24% or 432 of the 1,800 consumers will transfer from the HCBS Waiver to the new SDHCBS Waiver. The average monthly HCBS waiver-billable costs for these consumers who will no longer be on the HCBS Waiver is estimated to be \$1,043. The total BY 2009-10 HCBS Waiver-billable costs for these consumers are estimated to be \$2,929,000. In addition to the costs for the 432 new consumers moving from the HCBS Waiver, there will be a reduction to the HCBS Waiver annual growth of \$5,558,000 for 684 (average monthly cost is estimated to be \$1,250) consumers who would have been new enrollees on the HCBS Waiver, but will instead go directly onto the SDHCBS waiver (\$2,929,000 + 5,558,000 = \$8,487,000).		
• BY 2009-10 Continuation		-688,000
Annualize growth costs for 24 consumers who transferred from the HCBS Waiver and and were phased-in to the SDSHCBS Waiver during CY 2008-09 (24 x \$12,516 (annual cost/consumer) x .79 (phase-in factor) = \$237,000).		
Annualize growth costs for 38 consumers who would have been new enrollees on the HCBS Waiver, but will instead be phased-in to the SDSHCBS waiver directly during CY 2008-09 (38 x \$15,000 (annual cost/consumer) x .79 (phase-in factor) = \$451,000).		
• DDS Budget-Balancing Reductions	-\$27,938,000	-\$29,389,000
• Negotiated Rate Reduction	-24,438,000	-26,558,000
• Reduce SEP Provider Rates by 10%	-3,500,000	-903,000
• RC Internal Review Process	0	-1,928,000
• New Major Assumptions: Special Session	-\$27,085,000	-\$64,600,000
• 3% Payment Reduction	-32,600,000	-81,144,000
• Reduce SSP to the MOE Floor	5,515,000	16,544,000
• Revised Major Assumption: Agnew Closure Plan	\$50,666,000	\$33,838,000
• CPP Placements	N/A	0
• Placement Continuation	50,666,000	33,838,000
• TOTAL EXPENDITURES	\$1,756,295,000	\$1,767,848,000
• Federal Medical Assistance Percentage	50.00%	50.00%
• Total FFP	\$878,147,000	\$883,924,000
• General Fund Match	\$818,294,000	\$821,646,000
• Public Transportation Account (PTA) Match	\$59,854,000	\$62,278,000

Home and Community-Based Services Waiver

FUNDING:

Home and Community-Based Services Waiver reimbursements fund a broad array of purchase of service costs for eligible individuals, as reflected in most of the POS methodologies, Pages E-4.1 through E-15.10, and as displayed on Page E-18.4. These home and community-based services are in all of the POS budget categories, except Medical Facilities and Self-Directed Services.

CHANGE FROM PRIOR ESTIMATE:

The budget year estimate reflects the most current data available. In addition, it reflects the impact of new and revised major assumptions.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects the most current data available.

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

	Estimated % of Costs Billable to HCBS Waiver	% of Actual 2007-08 Waiver Expenditures by Budget Category	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,756,295,000	\$1,767,848,000
<i>GF Match</i>			818,294,000	821,646,000
<i>PTA Match</i>			59,854,000	62,278,000
<i>FFP (from DHS)</i>			878,147,000	883,924,000
<i>FMAP</i>			50%	50%
SUBTOTAL: PURCHASE OF SERVICES		100.00%	\$1,732,714,000	\$1,798,610,000
<i>GF Match</i>			806,504,000	837,027,000
<i>PTA Match</i>			59,854,000	62,278,000
<i>FFP (from DHS)</i>			866,356,000	899,305,000
Community Care Facilities	80%	33.52%	582,383,000	605,970,000
<i>GF Match</i>			291,192,000	302,985,000
<i>FFP</i>			291,191,000	302,985,000
Day Programs	51%	21.68%	376,672,000	391,928,000
<i>GF Match</i>			188,336,000	195,964,000
<i>FFP</i>			188,336,000	195,964,000
Work Activity Program	62%	2.20%	38,223,000	39,771,000
<i>GF Match</i>			19,112,000	19,885,000
<i>FFP</i>			19,111,000	19,886,000
Supported Employment Placement/Group	44%	1.68%	29,189,000	30,371,000
<i>GF Match</i>			14,594,000	15,185,000
<i>FFP</i>			14,595,000	15,186,000
Supported Employment Placement/Individual	26%	0.31%	5,386,000	5,604,000
<i>GF Match</i>			2,693,000	2,802,000
<i>FFP</i>			2,693,000	2,802,000
Transportation	56%	6.89%	119,709,000	124,556,000
<i>GF Match</i>			0	0
<i>PTA Match</i>			59,854,000	62,278,000
<i>FFP</i>			59,855,000	62,278,000
Support Services	68%	22.13%	384,489,000	400,063,000
<i>GF Match</i>			192,244,000	200,032,000
<i>FFP</i>			192,245,000	200,031,000
In-Home Respite	57%	6.83%	118,666,000	123,472,000
<i>GF Match</i>			59,333,000	61,736,000
<i>FFP</i>			59,333,000	61,736,000
Out-of-Home Respite	11%	0.35%	6,081,000	6,327,000
<i>GF Match</i>			3,041,000	3,164,000
<i>FFP</i>			3,040,000	3,163,000
Health Care	8%	0.39%	6,776,000	7,050,000
<i>GF Match</i>			3,388,000	3,525,000
<i>FFP</i>			3,388,000	3,525,000
Miscellaneous	23%	4.02%	69,843,000	72,673,000
<i>GF Match</i>			34,922,000	36,336,000
<i>FFP</i>			34,921,000	36,337,000
Self-Directed Services			-\$4,703,000	-\$9,175,000
<i>GF Match</i>			-2,351,000	-4,587,000
<i>FFP</i>			-2,352,000	-4,588,000

Home and Community-Based Services Waiver

EXPENDITURES (continued):

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
NEW MAJOR ASSUMPTIONS:		
Special Session: 3% Payment Reduction for RCs	-\$32,600,000	-\$81,144,000
<i>GF Match</i>	-16,300,000	-40,572,000
<i>FFP</i>	-16,300,000	-40,572,000
Other Department's Special Session: SSP to the MOE Floor	\$5,515,000	\$16,544,000
<i>GF Match</i>	2,757,000	8,272,000
<i>FFP</i>	2,758,000	8,272,000
REVISED MAJOR ASSUMPTION: AGNEWS DEVELOPMENTAL CENTER CLOSURE PLAN	\$50,666,000	\$33,838,000
<i>GF Match</i>	25,333,000	16,919,000
<i>FFP</i>	25,333,000	16,919,000

Home and Community-Based Services Waiver Administration

DESCRIPTION:

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

Training for Direct Support Professional (DSP) Staff:

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

Collection of FFP for Contracted Services

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

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

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

CY 2008-09 BY 2009-10

ASSUMPTIONS/METHODOLOGY:

- The CY 2008-09 estimate is the Adjusted 2008-09 Budget Act.
- **Training for DSP Staff** \$2,866,000 \$2,866,000
 - CY: Total cost of DSP Training is \$3,582,000
 - BY: Total cost of DSP Training is \$3,582,000
 - 80% of the consumers residing in CCFs are HCBS Waiver eligible; therefore, it is assumed that 80% of the DSP Training costs are eligible for HCBS Waiver Administration reimbursement.
 - CY cost: \$3,582,000 x 80% = \$2,866,000
 - BY cost: \$3,582,000 x 80% = \$2,866,000
 - The federal financial participation (FFP) portion of the total HCBS Waiver Administration-eligible costs is 50%.
 - These costs are reflected in the DSP Training estimate, under Operations, Projects, page E-3.2.

Home and Community-Based Services Waiver Administration

CY 2008-09 BY 2009-10

ASSUMPTIONS/METHODOLOGY:

- **Staffing for Collection of FFP for Contracted Services** \$719,000 \$732,000
 - **CY 2008-09**
 - Total cost of Staffing for Collection of FFP for Contracted Services is \$2,179,000.
 - 33% of the total community population is HCBS Waiver eligible.
 - Therefore 33% of the total costs would be FFP + General Fund (GF) Match. ($\$2,179,000 \times 33\% = \$719,000$)
 - $\$719,000 \times 50\% = \$360,000$ FFP
 - **BY 2009-10**
 - Total cost of Staffing for Collection of FFP for Contracted Services is \$2,217,000.
 - 33% of the total community population is HCBS Waiver eligible.
 - Therefore 33% of the total costs would be FFP + GF Match. ($\$2,217,000 \times 33\% = \$732,000$)
 - $\$732,000 \times 50\% = \$366,000$ FFP
 - These costs are reflected under Operations, Staffing, page E-1.12.
- **FFP Enhancement (related to 2003-04 Enhancing FFP BCP):** \$5,140,000 \$5,313,000
 - CY Total RC Administrative Costs are \$5,140,000
 - BY Total RC Administrative Costs are \$5,313,000
 - The FFP portion of total HCBS Waiver Administration-eligible costs is 50%.
- **New Major Assumption: Special Session: 3% Payment Reduction for Regional Centers** -\$74,000 -\$194,000
 - CY Total RC Reduction is \$74,000
 - BY Total RC Reduction is \$194,000
 - The FFP portion of total HCBS Waiver Administration-eligible costs is 50%.

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

FFP Enhancement costs were revised based on updated administrative cost and utilization data.

REASON FOR YEAR-TO-YEAR CHANGE:

Staffing for Collection of FFP costs were increased in BY to reflect updated survey data.

EXPENDITURES:

TOTAL HCBS WAIVER ADMINISTRATION	\$8,651,000	\$8,717,000
<i>Federal Financial Participation</i>	4,326,000	4,359,000
<i>General Fund Match</i>	4,325,000	4,358,000

Medicaid Administration

DESCRIPTION:

Clinical Support Teams and SB 1038 Health Reviews

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

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

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

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

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

Agnews Closure

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

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

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

ASSUMPTIONS/METHODOLOGY:

- The cost of providing health reviews is provided to DDS by the regional centers each year.
- For CY 2008-09, the Governor's Budget retains the estimate in the CY 2008-09 Adjusted Budget.
- BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2006-07 data collected from the regional centers (\$18,937,000).
 - 71% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 71% of costs are eligible for MA reimbursement ($\$18,937,000 \times .71 = \$13,445,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$13,445,000 \times .75 = \$10,084,000$).

Medicaid Administration

METHODOLOGY (continued)

- Staffing for Compliance with HCBS Waiver Requirements
 - BY 2009-10
 - 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% ($\$2,600,000 \times .75 = \$1,950,000$).
- Revised Major Assumption: Closure of Agnews Developmental Center
 - State Employees in the Community
 - BY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$2,573,000.
 - The FFP portion of total MA-eligible costs is \$2,052,000.
 - Nurse Consultants
 - BY 2009-10
 - Total personal services and operating costs related to MA are estimated to be
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$297,000 \times .95 = \$282,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$282,000 \times .75 = \$212,000$).
 - Dental Coordinators
 - BY 2009-10
 - 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% ($\$188,000 \times .75 = \$141,000$).
 - Health Care Community Specialists
 - BY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$503,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$503,000 \times .75 = \$377,000$).
- New Major Assumption: Special Session: 3% Payment Reduction for Regional Centers
 - CY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$205,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$205,000 \times .75 = \$154,000$).
 - BY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$533,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$533,000 \times .75 = \$400,000$).

Medicaid Administration

FUNDING:

The Medicaid Administration reimbursement is 75% federal funds and 25% General Fund. These MA funds are reflected in the Operations Core Staffing estimate on pages E-1.1 to E-1.12, the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, and the Agnews Closure Developmental Center Revised Major Assumption on pages E-3.17 to E-3.19.

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 2008-09</u>	<u>BY 2009-10</u>
TOTAL MEDICAID ADMINISTRATION	\$18,933,000	\$19,278,000
<i>Federal Financial Participation</i>	<i>14,199,000</i>	<i>14,458,000</i>
<i>General Fund Match</i>	<i>4,734,000</i>	<i>4,820,000</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 2008-09: the CY 2008-09 estimate is the Adjusted CY 2008-09 Budget Act.

BY 2009-10: Source data is from the TCM Regional Center Billed Units report dated 8/7/08:
April 2007 - April 2008.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Base: TCM expenditures are based on actual TCM billable units for 12 months (April 2007 - April 2008, excluding May 2007) multiplied by the regional center TCM rates effective July 2008. 	\$263,441,000	\$316,426,000
<ul style="list-style-type: none"> ● Revised Major Assumption (RMA): Agnews Developmental Center Closure See pages E-3._ to E-3._ for more information. <ul style="list-style-type: none"> ● BY 2009-10 <ul style="list-style-type: none"> ● Placement Continuation: Client Program Coordinators (CPCs) <ul style="list-style-type: none"> ● The total personal services and operating expenses for CPCs is \$275,000. ● Approximately 95% of the total cost is eligible for TCM reimbursement (\$275,000 x .95 = \$262,000). 	\$48,000	\$262,000
<ul style="list-style-type: none"> ● Case Managers to Meet HCBS Waiver Requirements 	\$5,361,000	In Base
<ul style="list-style-type: none"> ● DOF Item 9944 Rounding Adjustment 	\$78,000	N/A
<ul style="list-style-type: none"> ● DOF BBR Adjustment 	\$60,000	N/A
<ul style="list-style-type: none"> ● New Major Assumption: Special Session: 3% Payment Reduction for Regional Centers 	-\$3,618,000	-\$9,406,000
<ul style="list-style-type: none"> ● New Major Assumption: Regional Center Service Coordination Enhancement 	N/A	\$2,980,000
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$265,370,000	\$310,262,000

Targeted Case Management

FUNDING:

Targeted Case Management reimbursements fund regional center Operations costs for: (1) the case management services provided by Client Program Coordinators (CPCs), Secretaries for CPCs, Supervising Counselors for CPCs, (2) HIPAA Privacy Officers (reflected under Operations, Staffing, pages E-1.1 to E-1.12, (3) the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, (4) Agnews DC Closure RMA, and (5) the Case Managers to Meet HCBS Waiver Requirements estimate on pages E-2.2 and E-2.5.

CY 2008-09 and BY 2009-10 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 reimbursement amounts reflect the most current available data, rates and information.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL TARGETED CASE MANAGEMENT	\$265,370,000	\$310,262,000
<i>Federal Financial Participation</i>	132,685,000	155,131,000
<i>General Fund Match</i>	132,685,000	155,131,000

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:

- The CY 2008-09 estimate is the Adjusted 2008-09 Budget Act.
- TCM Administration reimbursements in the budget year will be \$4,217,000.
- 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 2008-09</u>	<u>BY 2009-10</u>
	\$8,702,000	\$8,434,000

FUNDING:

Funding for Targeted Case Management Administration reimbursement 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-1.12.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL TCM ADMINISTRATION	\$8,702,000	\$8,434,000
<i>Federal Financial Participation</i>	4,351,000	4,217,000
<i>General Fund Match</i>	4,351,000	4,217,000

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 2008-09</u>	<u>BY 2009-10</u>
TOTAL TITLE XX BLOCK GRANT	\$203,903,000	\$228,173,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	63,288,000	61,705,000
<i>Habilitation Services</i>	14,746,000	13,666,000
<i>Support Services</i>	29,995,000	30,601,000
<i>In-Home Respite</i>	14,834,000	15,264,000
<i>Out-of-Home Respite</i>	8,268,000	8,312,000
<i>Miscellaneous Services</i>	16,772,000	18,355,000
TANF	\$56,000,000	\$80,270,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	4,489,000	6,434,000
<i>Day Programs</i>	2,454,000	3,517,000
<i>Habilitation Services</i>	10,000	15,000
<i>Support Services</i>	6,435,000	9,224,000
<i>In-Home Respite</i>	12,768,000	18,302,000
<i>Out-of-Home Respite</i>	12,818,000	18,374,000
<i>Health Care</i>	1,923,000	2,756,000
<i>Miscellaneous Services</i>	15,103,000	21,648,000

Self-Directed Home and Community Based Services Waiver

DESCRIPTION:

Welfare and Institutions Code Section 4685.7 established the Self-Directed Services (SDS) program contingent on the State of California applying for a Centers for Medicare and Medicaid Services (CMS) Independence Plus Waiver. The proposed waiver for SDS, known as the Self-Directed Home and Community Based Services (SDHCBS) Waiver, will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund.

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

IMPLEMENTATION DATE:

The 2009-10 November Estimate assumes implementation of the SDS program will begin March 1, 2009.

KEY DATA/ASSUMPTIONS:

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

- For CY 2008-09, the Governor's Budget retains the estimate in the CY 2008-09 Adjusted Budget.
- Implementation and enrollment of approximately 9,300 consumers will be phased in over five years.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,960 in BY.
- With SDS, finite and individual budgets are assumed to be 95% of historical aggregate expenditures.
- 5% of the SDS consumers' historical expenditures will be set aside for their unanticipated needs.
- 68% of the consumers participating in self-directed services will be eligible to be included in the SDHCBS Waiver; therefore, 68% of their ongoing costs will be 100% billable to the SDHCBS Waiver.
- 24% of the consumers on the Department's existing Home and Community-Based Services Waiver will transfer to the SDHCBS Waiver in CY 2008-09 and BY 2009-10. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.2). However, transfers from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for federal financial participation.

Self-Directed Home and Community Based Services Waiver

METHODOLOGY:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
● Self-Directed Services Expenditures	\$12,105,000	\$25,699,000
● % of SDHCBS Waiver-Eligible Consumers	68%	68%
● % of Self-Directed Services billable to the SDHCBS Waiver	100%	100%
● Subtotal Self-Directed Services Expenditures	8,231,000	17,475,000
● Criminal background checks	8,000	11,000
● Risk Pool Fund	<u>1,184,000</u>	<u>1,264,000</u> *
● Total Costs Eligible for SDHCBS Waiver	\$9,234,000	\$18,750,000

* Increase not being funded in the Governor's Budget.

FUNDING:

The SDHCBS Waiver reimbursement is 50% federal funds and 50% General Fund.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

An additional 500 consumers will be phased-in beginning July 1, 2009.

EXPENDITURES:

TOTAL	\$9,234,000	\$18,750,000
General Fund	\$4,617,000	\$9,375,000
<i>General Fund Match</i>	4,617,000	9,375,000
<i>General Fund Other</i>	0	0
Reimbursements	\$4,617,000	\$9,375,000
<i>Self-Directed Home and Community Based Services Waiver</i>	4,617,000	9,375,000

Self-Directed Home and Community Based Services Waiver Administration

DESCRIPTION:

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

This waiver will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund.

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

- Providing comprehensive pre-service and ongoing training to regional center consumers and service providers.
- Ensuring determinations are made appropriately regarding SDS participant eligibility.
- Fairly and equitably determining participant individual budget allocations and re-assessing when needed.
- Ensuring financial management service entities are vendorized.
- Obtaining background checks of prospective service providers, at the consumer's request, as required by CMS.
- Ensuring quality services and supports are provided in a manner that is consistent with the Individual Program Plan and individual budget allocation.
- Ensuring the consumer's health and safety is protected and specifying emergency back-up plans for each consumer.
- Ensuring service providers meet the requisite qualifications as specified in the Waiver.

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

IMPLEMENTATION DATE:

The 2009-10 November Estimate assumes a March 1, 2009 implementation of the SDS program.

Medicaid

DESCRIPTION:

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

DDS expends approximately \$88.0 million for day program and transportation services to ICF/DD residents who are not eligible for federal financial participation (FFP). Through legislative action, Budget Bill language in the Budget Act of 2007 was adopted requiring that the State Plan Amendment (SPA) seeking FFP in the day program and transportation services of ICF/DD residents be constructed in a manner that was seamless to consumers and providers and retained the individual program plan process as the means for determining the resident's day and transportation services. Consistent with Budget Bill language and the SPA submitted to the Centers for Medicare and Medicaid Services (CMS), an ICF/DD supplemental reimbursement program is being established to provide the FFP to DDS via Medicaid reimbursements from DHCS. CMS has not yet approved the SPA.

IMPLEMENTATION DATE:

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

ASSUMPTIONS/METHODOLOGY:

The total expenditures for adult day program and non-medical transportation services received by regional center consumers residing in an ICF are estimated to be \$88,000,000 in 2008-09 and 2009-10.

FUNDING:

Funding for Medicaid is 50 percent FFP and 50 percent General Fund. Expenditures related to this reimbursement are reflected in Day Programs and Transportation. See Purchase of Services, pages E-6.1 - E-6.5 and E-8.1 - E-8.3 for more information..

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Total Medicaid Expenditures	\$88,000,000	\$88,000,000
Federal Financial Participation	44,000,000	44,000,000
General Fund Match	44,000,000	44,000,000

Vocational Rehabilitation/Work Activity Program (VR/WAP)

DESCRIPTION:

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

ASSUMPTIONS:

This program is only open to HSP consumers enrolled in a work activity program. The projected VR/WAP caseload for both CY 2008-09 and BY 2009-10 is estimated to be 1,118.

FUNDING:

VR/WAP is cost neutral to DDS.

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

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

CHANGE FROM PRIOR ESTIMATE:

Reduced reimbursements in 2009-10 are based on actual reimbursements from DOR.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated reimbursement data from DOR.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$588,000	\$300,000

California Children and Families First Trust Fund

DESCRIPTION:

The California Children and Families First Act, also known as Proposition 10, was enacted in 1998. The ultimate goal of this Act is to enhance the health and early growth experiences of children, enabling them to be more successful in school and to give them a better opportunity to succeed in life. Pursuant to Health and Safety Code Section 130105, the California Children and Families First Trust Fund was established to provide funding for research and development, education, training and other functions specified in the California Children and Families First Act of 1998.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
ASSUMPTIONS:		
The California Children and Families First Trust Fund will fund \$5,000,000 for regional center services in both CY 2008-09 and BY 2009-10.	\$5,000,000	\$5,000,000

FUNDING:

These costs are reflected in the Miscellaneous Services estimate, under Purchase of Services, page E-13.4.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

No change

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$5,000,000	\$5,000,000
General Fund	\$0	\$0
California Children and Families First Trust Fund	\$5,000,000	\$5,000,000

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:

Updated revenue and expenditure projections.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated revenue and expenditure projections.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$1,575,000	\$1,592,000

Developmental Disabilities Services Account

DESCRIPTION:

The Developmental Disabilities Services Account is being used as a depository for application fees collected by DDS related to the review of housing proposals pursuant to SB 1175 (Chapter 617, Statutes of 2008).

ASSUMPTIONS:

SB 1175 appropriated \$75,000 for the cost of reviewing affordable housing proposals.

FUNDING:

These costs are reflected in the Review of SB 1175 Housing Proposals, under Operations, Projects, Page E-3.5.

CHANGE FROM PRIOR ESTIMATE:

This is a new detailed assumption beginning in CY 2008-09.

REASON FOR YEAR-TO-YEAR CHANGE:

Fees will be collected in CY 2008-09.

EXPENDITURES:

CY 2008-09 BY 2009-10

TOTAL	\$75,000	\$0
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Mental Health Services Fund

DESCRIPTION:

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

ASSUMPTIONS/METHODOLOGY:

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

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• Regional Best Practice Training	\$270,000	\$270,000
• Statewide Training for Families, Service Providers, Service Coordinators, and Consumers	270,000	270,000
• Regional Center Technical Assistance and Liaison Support	65,000	65,000
• Regional Planning Projects	<u>135,000</u>	<u>135,000</u>
• TOTAL EXPENDITURES	\$740,000	\$740,000

FUNDING:

These funds are reflected in the Increased Access to Mental Health Services estimate, under Operations, Projects, page E-3.3.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$740,000	\$740,000
General Fund	\$0	\$0
Mental Health Services Fund	\$740,000	\$740,000

Public Transportation Account

DESCRIPTION:

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

ASSUMPTIONS:

The CY 2008-09 and BY 2009-10 PTA will fund \$138,275,000 for transportation services.

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Public Transportation Account	\$138,275,000	\$138,275,000
<i>PTA Match for HCBS Waiver</i>	<i>59,854,000</i>	<i>62,278,000</i>
<i>PTA Other</i>	<i>78,421,000</i>	<i>75,997,000</i>

Early Start Part C Grant

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

CY 2008-09: Federal Office of Special Education Programs (OSEP) Grant letter, dated July 1, 2008.

BY 2009-10: Federal OSEP Grant not awarded until July 2009.

CY 2008-09 BY 2009-10

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, and (2) RC Purchase of Services (POS). Services and costs for this age group are already included in the forecasts for each of the POS budget categories displayed below.

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

Early Start Part C Grant

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
Family Resource Centers: Funds pay for services that are provided by 33 contractors. Services, which are specified in Government Code 95024(d)(2), include parent-to-parent support, information dissemination, public awareness and family professional collaboration activities.	2,750,000	2,750,000
• RC Purchase of Services	\$67,287,000	\$30,579,000
The remaining Part C Grant funds, after funding system requirements, are used for POS. The following estimates are based on the proportion of total POS expenditures in FY 2007-08 by budget category, which reflects mid-year increases not necessarily applicable to the forecast period.		
Day Programs	36,066,000	16,390,000
Transportation	0	0
Support Services	1,682,000	765,000
In-Home Respite	2,893,000	1,315,000
Out-of-Home Respite	808,000	367,000
Health Care	8,276,000	3,761,000
Miscellaneous Services	17,562,000	7,981,000
• TOTAL DISBURSEMENTS	\$87,382,000	\$50,674,000

FUNDING:

The annual Part C Grant is independently determined by OSEP. Included in CY 2008-09 is an estimated one-time drawdown of \$36.4 million in unspent federal grant funds for early intervention services. California will be taking advantage of the opportunity to access funds that have already been awarded by OSEP. Of the total funds available for drawdown, it is estimated that a total of \$87,382,000 in CY can be accessed without jeopardizing federal maintenance of effort requirements. The total is 100 percent federal funds and does not require a state General Fund match.

CHANGE FROM THE APPROPRIATION:

The grant amount and disbursements reflect the most current available data and information. CY 2008-09 and BY 2009-10 appropriations were revised.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL Federal Funds	\$87,382,000	\$50,674,000
Grant	50,931,000	50,674,000
Additional Grant Funds	36,351,000	0
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 2008-09</u>	<u>BY 2009-10</u>
ASSUMPTIONS/METHODOLOGY:		
<ul style="list-style-type: none"> ● Foster Grandparent Program Grant \$560,000 \$560,000 		
The Foster Grandparent program grant is used as a fund source for specified operations costs in five regional centers: Valley Mountain, Tri-Counties, Kern, Central Valley and San Andreas.		
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES \$560,000 \$560,000 		

FUNDING:

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

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

No change.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$560,000	\$560,000
General Fund	\$0	\$0
Reimbursements	\$0	\$0
Federal Funds	\$560,000	\$560,000
<i>Foster Grandparent Program</i>	<i>560,000</i>	<i>560,000</i>

Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2008-09

	Adjusted Budget CY 2008-09	2009-10 November Estimate CY 2008-09	Difference
POPULATION			
Active (Age 3 & Older)	197,755	197,755	0
Early Start (Birth through 2 Years)	31,920	31,920	0
Total Community Populator	229,675	229,675	0
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$457,983,000	\$457,983,000	\$0
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,696,000	12,696,000	0
D. Unallocated Reduction	-10,559,000	-10,559,000	0
E. Cost Containment	-5,968,000	-5,968,000	0
F. Staffing for Collection of FFP for Contracted Services	2,179,000	2,179,000	0
G. Total Staffing	\$451,866,000	\$451,866,000	\$0
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	829,000	829,000	0
C. Compliance with HCBS Waiver Requirement	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirement	5,361,000	5,361,000	0
E. Targeted Case Managemen	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening an Resident Review	473,000	473,000	0
G. Total Federal Compliance	\$41,127,000	\$41,127,000	\$0
III. PROJECTS			
A. Information Technology Costs	\$4,517,000	\$4,517,000	\$0
1. Regional Center Application Support	3,167,000	3,167,000	0
2. Data Processing	1,350,000	1,350,000	0
B. Clients' Rights Advocacy Contrac	4,918,000	4,918,000	0
C. Life Quality Assessment Contrac	4,923,000	4,923,000	0
D. Direct Support Professional Trainin	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contrac	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Program	1,719,000	1,719,000	0
H. Special Incident Reporting/Risk Assessment Contrac	940,000	940,000	0
I. Increased Access to Mental Health Service:	740,000	740,000	0
J. Sherry S. Court Case / Los Angeles County Hop:	534,000	534,000	0
K. Movers Evaluation Contrac	600,000	600,000	0
L. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
M. University Enterprises, Inc	175,000	175,000	0
N. Affordable Housing	94,000	94,000	0
O. Cost Containment	-490,000	-490,000	0
P. Self-Directed Services: Training and Development	200,000	200,000	0
Q. Evaluation of SB 962 Pilots	362,000	362,000	0
R. Review of SB 1175 Housing Proposals	0	75,000	75,000
S. Total Projects	\$27,045,000	\$27,120,000	\$75,000
IV. NEW MAJOR ASSUMPTION			
A. Special Session: 3% Payment Reduction	\$0	-\$6,600,000	-\$6,600,000
B. Total New Major Assumptions	\$0	-\$6,600,000	-\$6,600,000
V. REVISED MAJOR ASSUMPTIONS			
A. Staffing for Self-Directed Services	\$2,905,000	\$2,905,000	\$0
B. Agnews Developmental Center Closure	6,896,000	6,896,000	0
C. Total Revised Major Assumptions	\$9,801,000	\$9,801,000	\$0
VI. GRAND TOTAL	\$529,839,000	\$523,314,000	-\$6,525,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2009-10

	Adujusted Budget BY 2009-10	2009-10 November Estimate BY 2009-10	Difference
POPULATION			
Active (Age 3 & Older)	197,755	206,320	8,565
Early Start (Birth through 2 Years)	31,920	36,200	4,280
Total Community Populator	229,675	242,520	12,845
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$457,983,000	\$486,290,000	\$28,307,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,696,000	14,048,000	1,352,000
D. Unallocated Reduction	-10,559,000	-10,559,000	0
E. Cost Containment	-5,968,000	-5,968,000	0
F. Staffing for Collection of FFP for Contracted Services	2,179,000	2,217,000	38,000
G. Total Staffing	\$451,866,000	\$481,563,000	\$29,697,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	829,000	1,621,000	792,000
C. Compliance with HCBS Waiver Requirement	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirement	5,361,000	5,597,000	236,000
E. Targeted Case Managemen	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening an Resident Review	473,000	473,000	0
G. Total Federal Compliance	\$41,127,000	\$42,155,000	\$1,028,000
III. PROJECTS			
A. Information Technology Costs	\$4,517,000	\$4,517,000	\$0
1. Regional Center Application Support	3,167,000	3,167,000	0
2. Data Processing	1,350,000	1,350,000	0
B. Clients' Rights Advocacy Contrac	4,918,000	5,137,000	219,000
C. Life Quality Assessment Contrac	4,928,000	5,032,000	104,000
D. Direct Support Professional Trainin	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contrac	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Program	1,719,000	1,719,000	0
H. Special Incident Reporting/Risk Assessment Contrac	940,000	940,000	0
I. Increased Access to Mental Health Service:	740,000	740,000	0
J. Sherry S. Court Case / Los Angeles County Hop:	534,000	534,000	0
K. Movers Evaluation Contrac	600,000	600,000	0
L. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
M. University Enterprises, Inc	175,000	175,000	0
N. Affordable Housing	94,000	94,000	0
O. Cost Containment	-490,000	-490,000	0
P. Self-Directed Services: Training and Development	200,000	200,000	0
Q. Evaluation of SB 962 Pilots	362,000	0	-362,000
R. Total Projects	\$27,050,000	\$27,011,000	-\$39,000
IV. NEW MAJOR ASSUMPTIONS			
A. RC Service Coordination Enhancement	\$0	\$3,136,000	\$3,136,000
B. Special Session: 3% Payment Reduction For RCs	0	-17,400,000	-17,400,000
C. Total New Major Assumptions	\$0	-\$14,264,000	-\$14,264,000
V. REVISED MAJOR ASSUMPTIONS			
A. Staffing for Self-Directed Services	\$2,905,000	\$3,427,000	\$522,000
B. Agnews Developmental Center Closur	6,896,000	7,681,000	785,000
C. Total Revised Major Assumptions	\$9,801,000	\$11,108,000	\$1,307,000
VI. GRAND TOTAL	\$529,844,000	\$547,573,000	\$17,729,000

Purchase of Services

	CY 2008-09			BY 2009-10		
	Adjusted Budget CY 2008-09	November Estimate CY 2008-09	Difference CY 2008-09	Adjusted Budget BY 2009-10	November Estimate BY 2009-10	Difference BY 2009-10
A. Base	\$2,992,817,000	\$2,992,817,000	\$0	\$2,992,817,000	\$3,323,802,000	\$330,985,000
B. Updated Population, Utilization and Expenditure Data	253,448,000	253,448,000	0	253,448,000	346,746,000	93,298,000
C. Community Placement Plan (CPP)	64,779,000	64,779,000	0	64,779,000	64,779,000	0
D. Placement/Deflection Continuation	48,314,000	48,314,000	0	48,314,000	20,554,000	-27,760,000
E. Minimum Wage	10,390,000	10,390,000	0	10,390,000	0	-10,390,000
F. Transfer to Developmental Centers	0	0	0	0	0	0
G. Budget-Balancing Reductions	-61,350,000	-61,350,000	0	-61,350,000	-60,747,000	603,000
H. Subtotal (Items A thru G)	\$3,308,398,000	\$3,308,398,000	\$0	\$3,308,398,000	\$3,695,134,000	\$386,736,000
I. New Major Assumptions:	\$0	-\$33,592,000	-\$33,592,000	\$0	-\$80,347,000	-\$80,347,000
1. Special Session (SS): 3 Percent Payment Reduction for RCs	N/A	-40,400,000	-40,400,000	N/A	-100,772,000	-100,772,000
2. SS: SSP to the MOE Floor	N/A	6,808,000	6,808,000	N/A	20,425,000	20,425,000
J. Revised Major Assumptions:	\$63,640,000	\$63,640,000	\$0	\$63,640,000	\$44,423,000	-\$19,217,000
1. Self-Directed Services	2,105,000	2,105,000	0	2,105,000	2,590,000	485,000
2. Agnews Developmental Center Closure	61,535,000	61,535,000	0	61,535,000	41,833,000	-19,702,000
K. Total (Items H thru J)	\$3,372,038,000	\$3,338,446,000	-\$33,592,000	\$3,372,038,000	\$3,659,210,000	\$287,172,000

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

CY 2008-09

	2008-09 May Revision BY 2008-09	2008-09 November Estimate CY 2008-09	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$38,915,000	\$38,915,000	\$0
1. Caseload Growth	13,413,000	13,413,000	0
2. Average Cost Increase	25,502,000	25,502,000	0
B. Medical Facilities	272,000	272,000	0
C. Day Programs	44,827,000	44,827,000	0
1. Caseload Growth	34,410,000	34,410,000	0
2. Average Cost Increase	10,417,000	10,417,000	0
D. Habilitation Services	4,843,000	4,843,000	0
1. Work Activity Program	903,000	903,000	0
2. Supported Employment (SE) Group	3,022,000	3,022,000	0
3. SE Individual Placements	918,000	918,000	0
E. Transportation	4,009,000	4,009,000	0
F. Support Services	70,765,000	70,765,000	0
G. In-Home Respite	24,890,000	24,890,000	0
H. Out-of-Home Respite	6,458,000	6,458,000	0
I. Health Care	13,733,000	13,733,000	0
J. Miscellaneous	44,871,000	44,871,000	0
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$253,583,000	\$253,583,000	\$0

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

BY 2009-10

	2008-09 May Revision BY 2008-09	2009-10 November Estimate BY 2009-10	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$38,915,000	\$52,777,000	\$13,862,000
1. Caseload Growth	13,413,000	13,919,000	506,000
2. Average Cost Increase	25,502,000	38,858,000	13,356,000
B. Medical Facilities	272,000	278,000	6,000
C. Day Programs	44,827,000	65,213,000	20,386,000
1. Caseload Growth	34,410,000	51,764,000	17,354,000
2. Average Cost Increase	10,417,000	13,449,000	3,032,000
D. Habilitation Services	4,843,000	1,552,000	-3,291,000
1. Work Activity Program	903,000	-3,005,000	-3,908,000
2. Supported Employment (SE) Group	3,022,000	3,134,000	112,000
3. SE Individual Placements	918,000	1,423,000	505,000
E. Transportation	4,009,000	12,338,000	8,329,000
F. Support Services	70,765,000	85,119,000	14,354,000
G. In-Home Respite	24,890,000	27,250,000	2,360,000
H. Out-of-Home Respite	6,458,000	6,458,000	0
I. Health Care	13,733,000	13,733,000	0
J. Miscellaneous	44,871,000	84,616,000	39,745,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$253,583,000	\$349,334,000	\$95,751,000

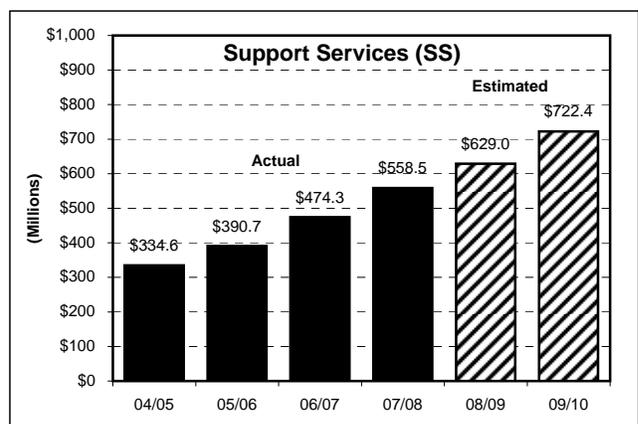
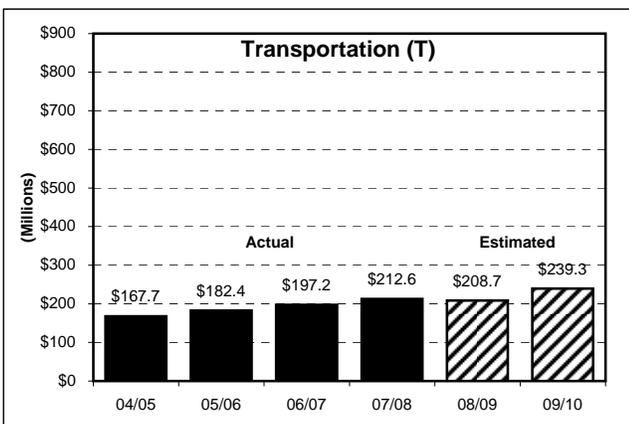
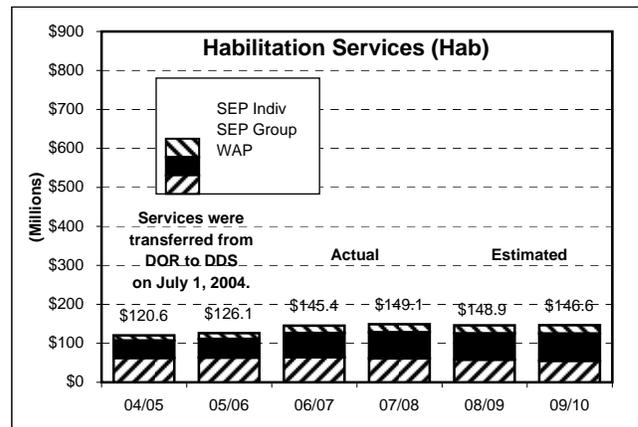
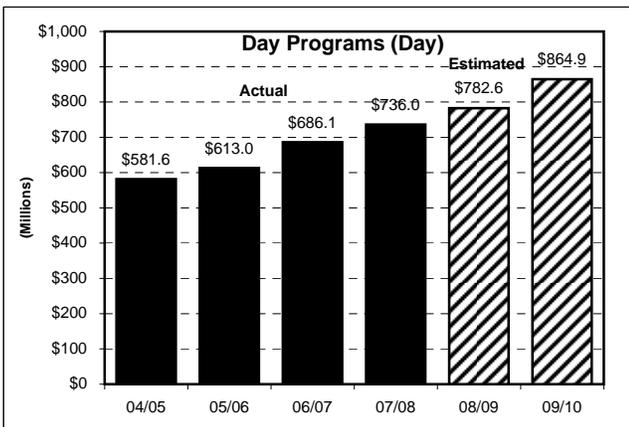
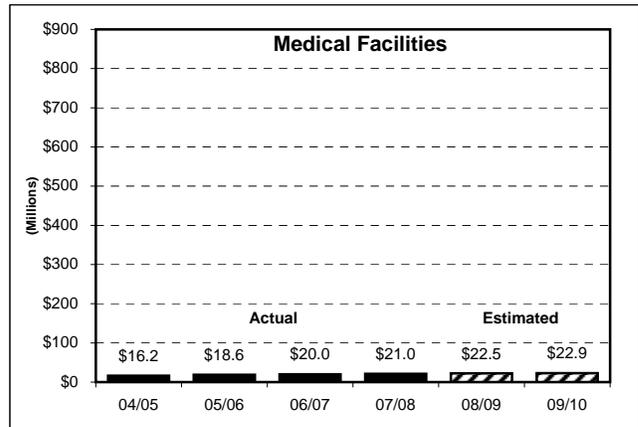
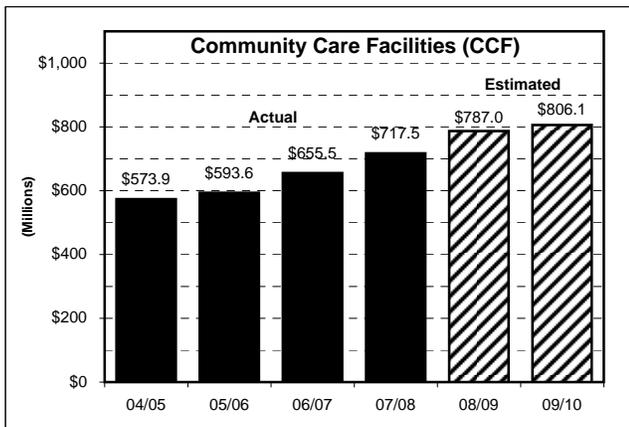
**Purchase of Services
Summary of Utilization Change/Growth**

CY 2008-09 and BY 2009-10

	2009-10 November Estimate CY 2008-09	2009-10 November Estimate BY 2009-10	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$38,915,000	\$52,777,000	\$13,862,000
1. Caseload Growth	13,413,000	13,919,000	506,000
2. Average Cost Increase	25,502,000	38,858,000	13,356,000
B. Medical Facilities	272,000	278,000	6,000
C. Day Programs	44,827,000	65,213,000	20,386,000
1. Caseload Growth	34,410,000	51,764,000	17,354,000
2. Average Cost Increase	10,417,000	13,449,000	3,032,000
D. Habilitation Services	4,843,000	1,552,000	-3,291,000
1. Work Activity Program	903,000	-3,005,000	-3,908,000
2. Supported Employment (SE) Group	3,022,000	3,134,000	112,000
3. SE Individual Placements	918,000	1,423,000	505,000
E. Transportation	4,009,000	12,338,000	8,329,000
F. Support Services	70,765,000	85,119,000	14,354,000
G. In-Home Respite	24,890,000	27,250,000	2,360,000
H. Out-of-Home Respite	6,458,000	6,458,000	0
I. Health Care	13,733,000	13,733,000	0
J. Miscellaneous	44,871,000	84,616,000	39,745,000
K. TOTAL	\$253,583,000	\$349,334,000	\$95,751,000

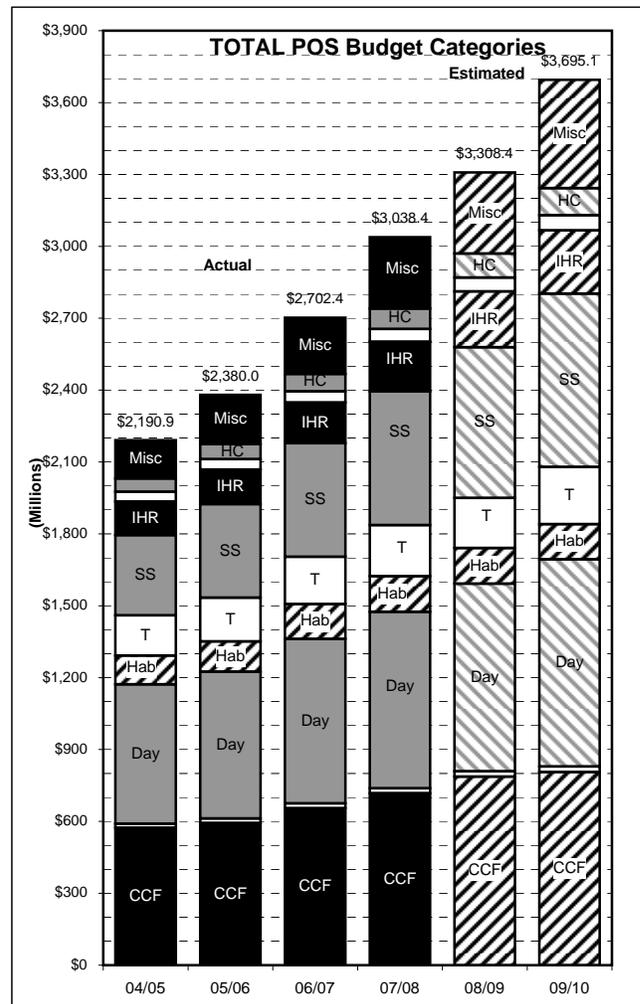
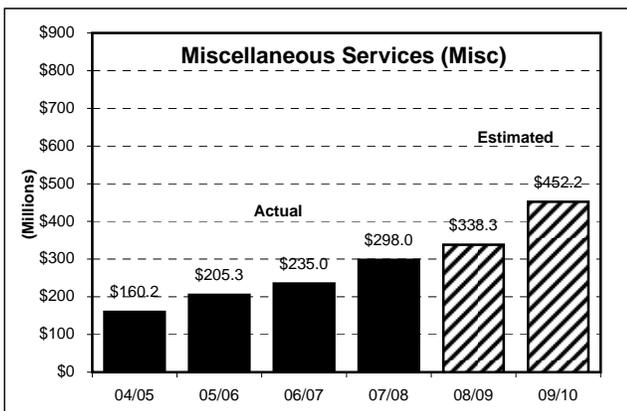
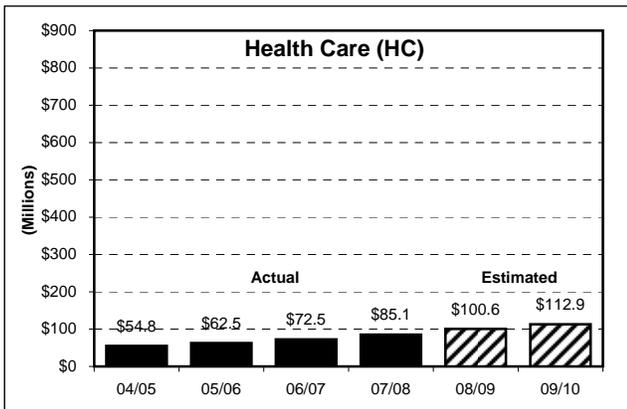
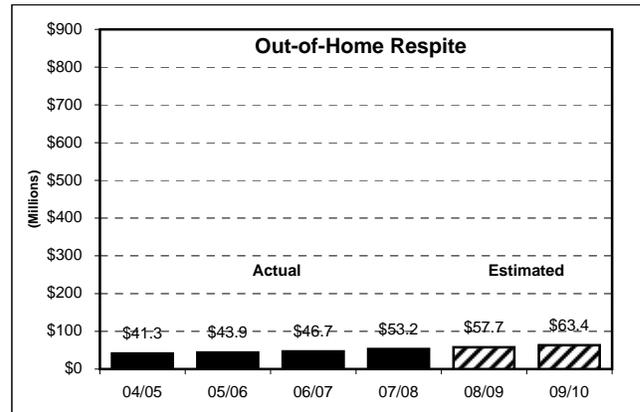
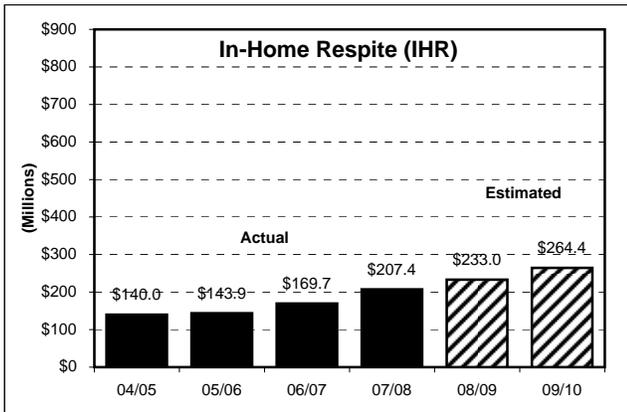
Purchase of Services TOTAL EXPENDITURES by Budget Category

(Excludes Self-Directed Services and Major Assumptions)



Purchase of Services TOTAL EXPENDITURES by Budget Category

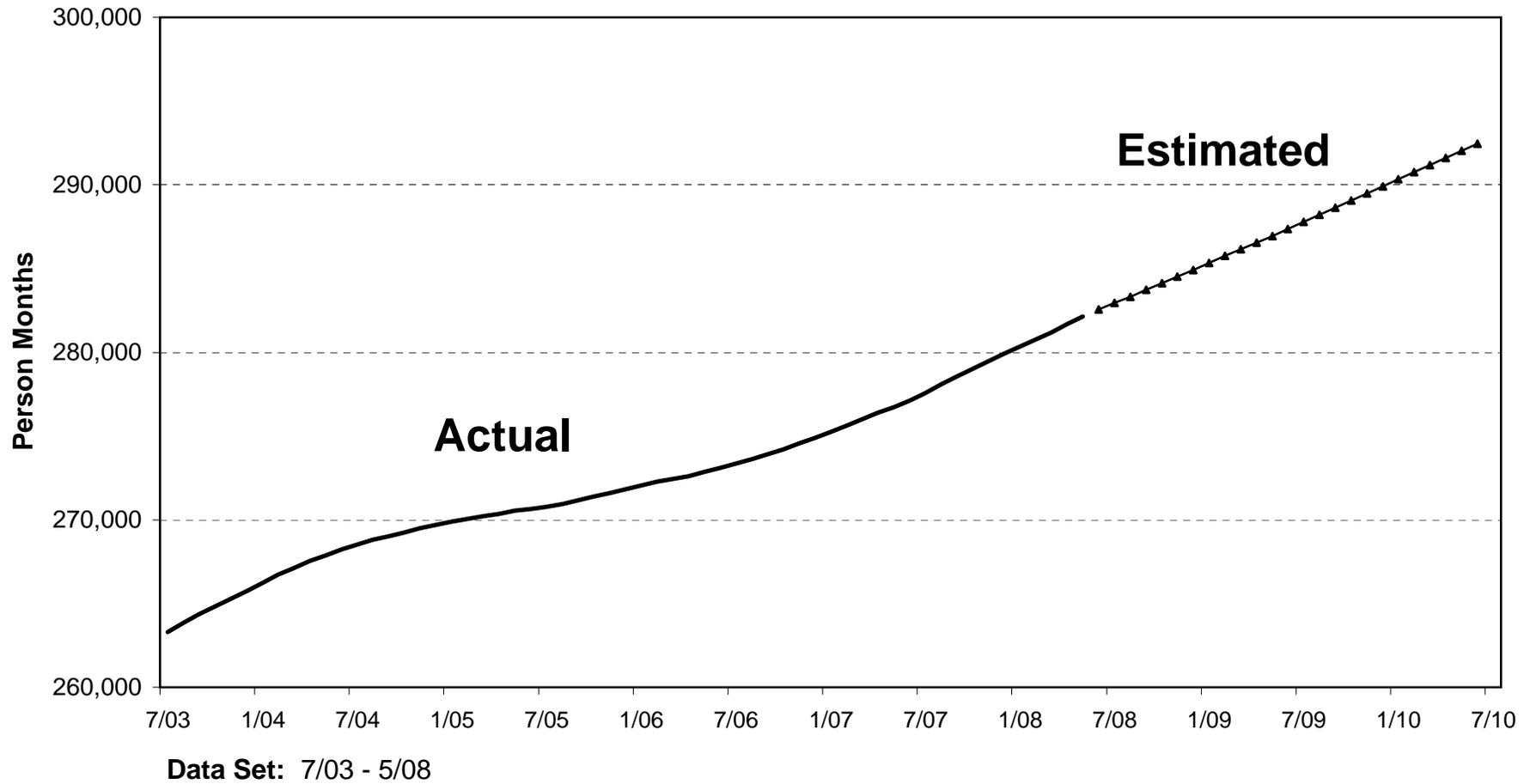
(Excludes Self-Directed Services and Major Assumptions)



Purchase of Services COMMUNITY CARE FACILITIES

12-month Moving Total Trend

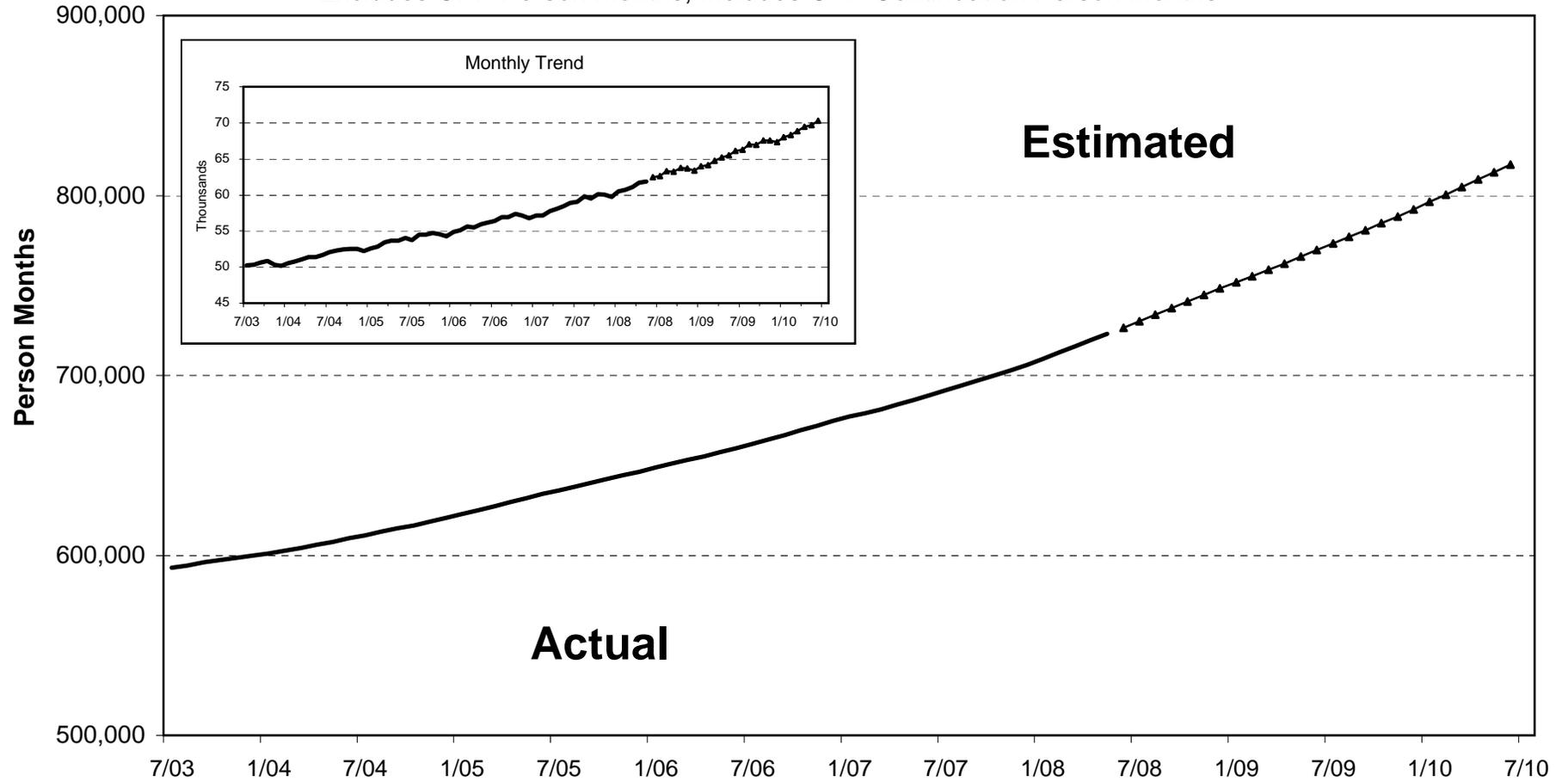
2009-10 November Estimate: Excludes CPP Person Months, Includes CPP Continuation Person Months



Purchase of Services DAY PROGRAMS

12-month Moving Total Trend

Excludes CPP Person Months, Includes CPP Continuation Person Months

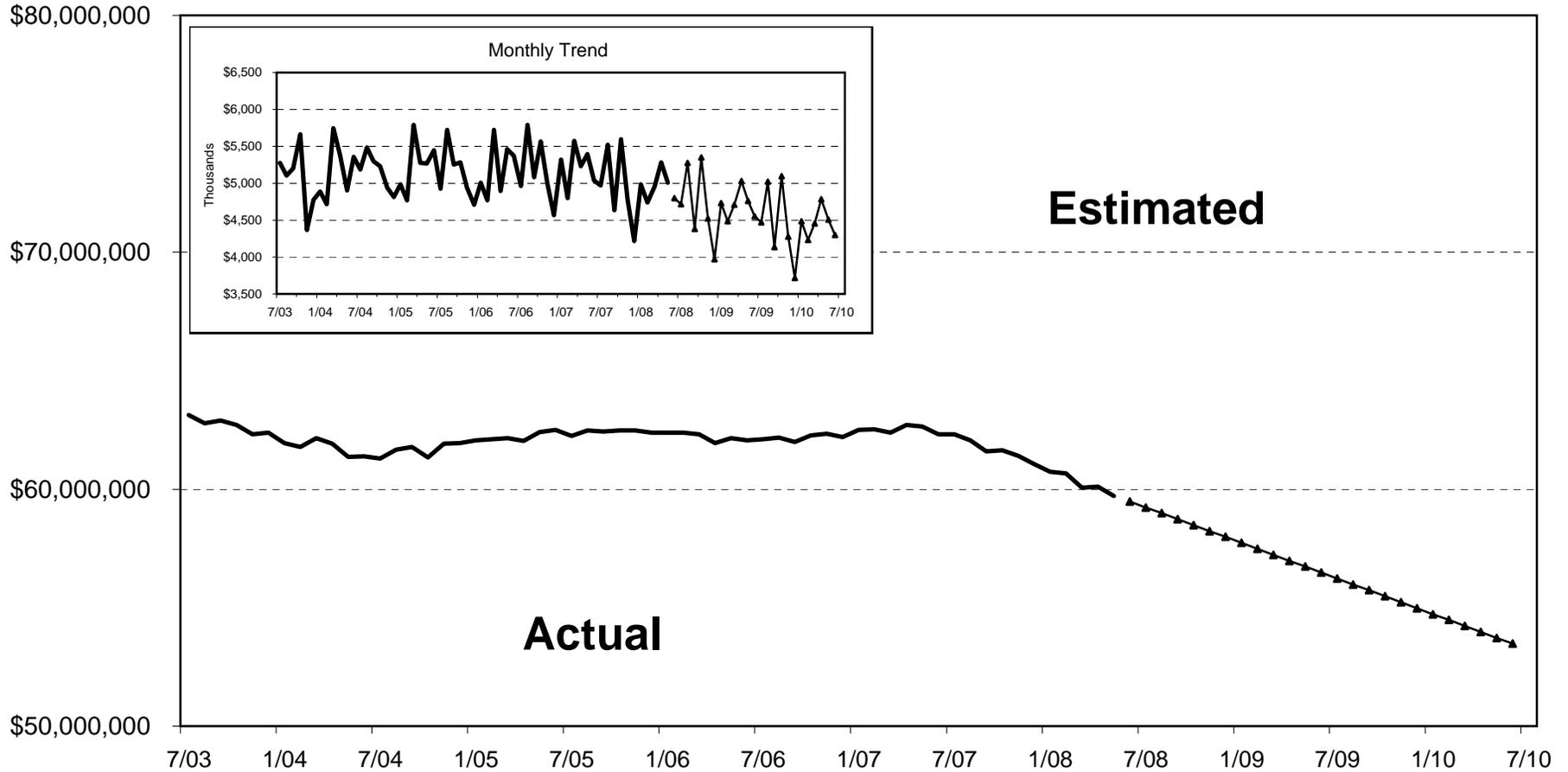


Data Set: 7/02 - 5/08

Purchase of Services WORK ACTIVITY PROGRAM

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation



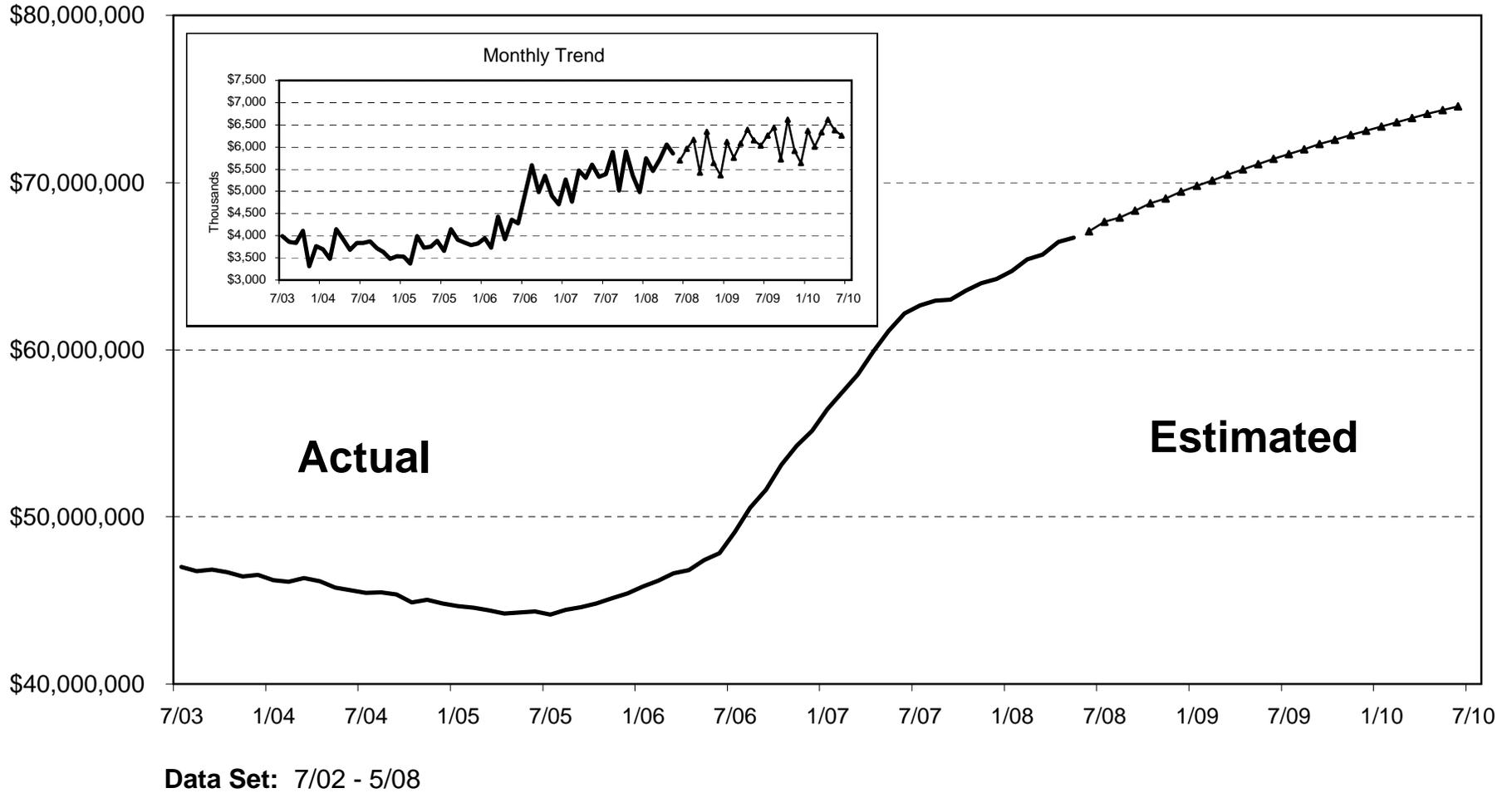
Data Set: 7/02 - 5/08

Purchase of Services

SUPPORTED EMPLOYMENT PROGRAM: GROUP PLACEMENT

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation

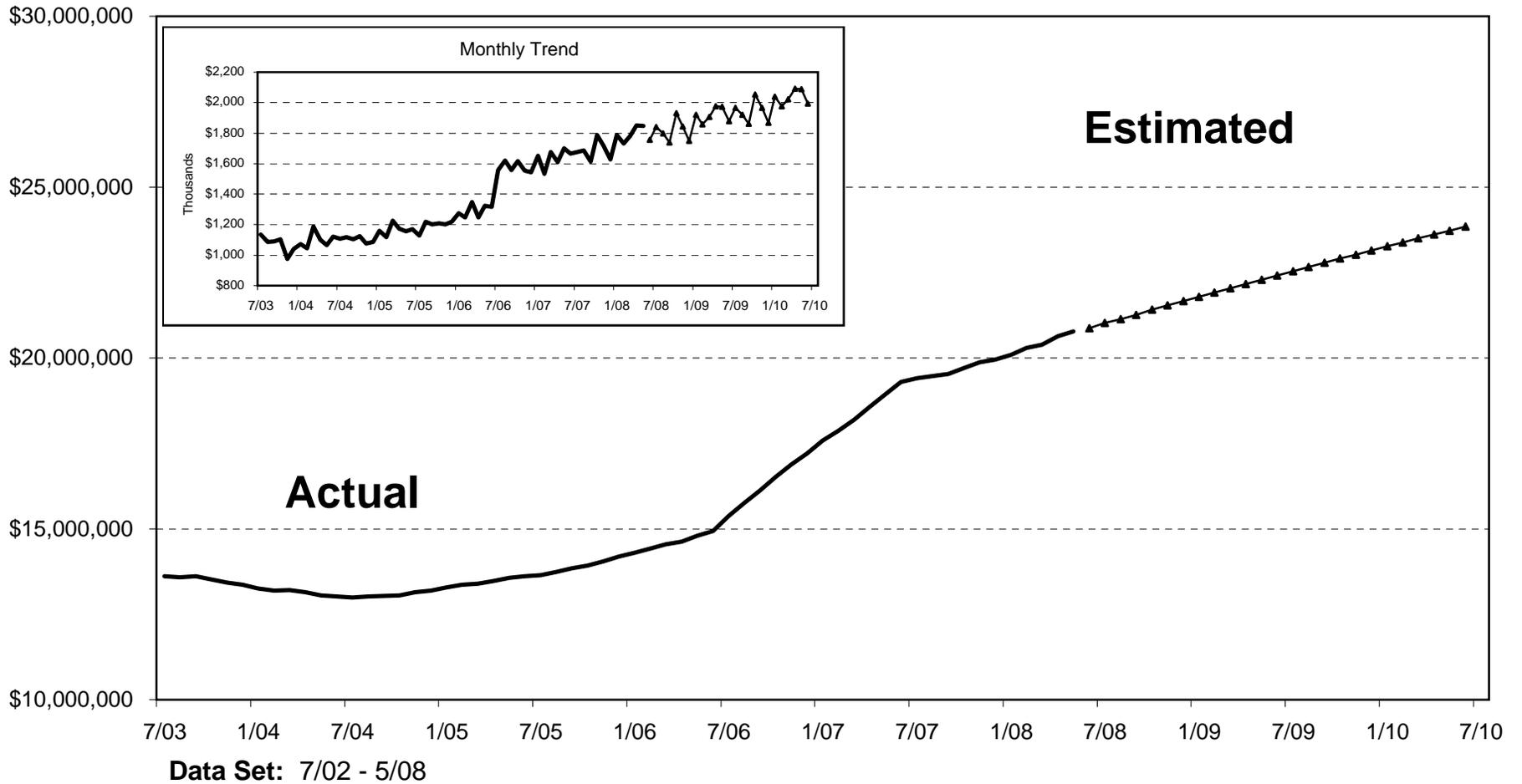


Purchase of Services

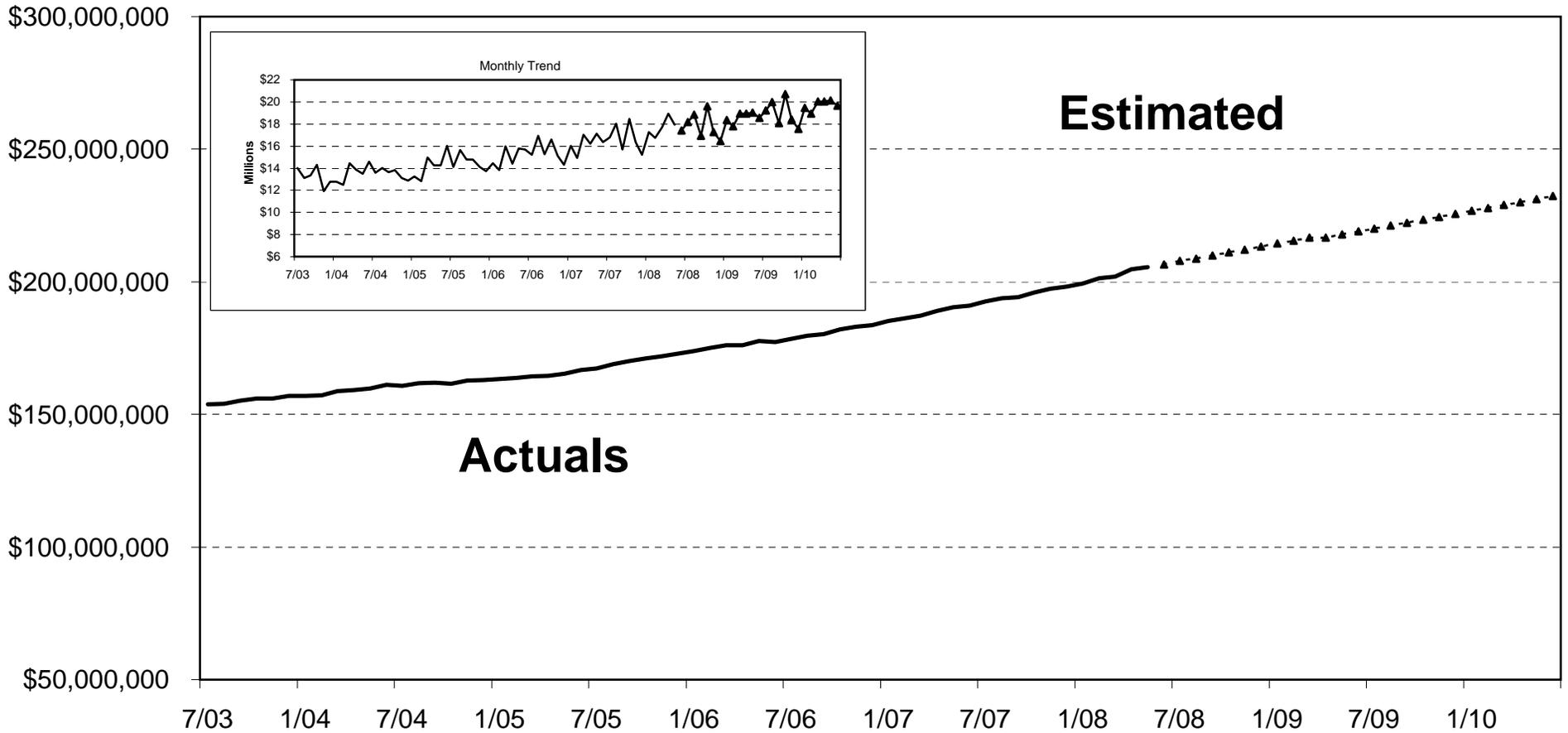
SUPPORTED EMPLOYMENT PROGRAM: INDIVIDUAL PLACEMENT

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation



Purchase of Services
TRANSPORTATION
12-month Moving Total Trend

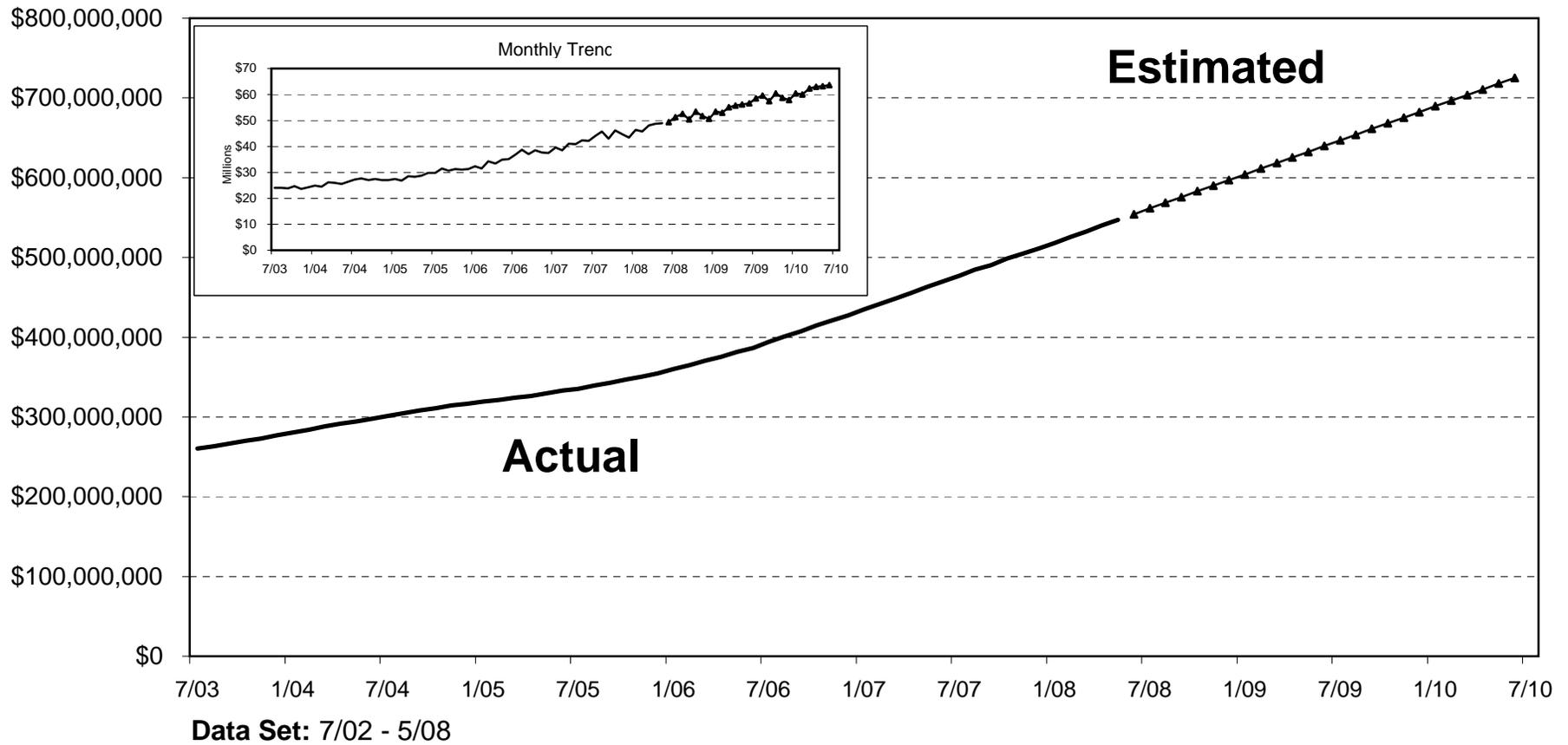


Data Set: 7/02 - 5/08

Purchase of Services **SUPPORT SERVICES**

12-month Moving Total Trend

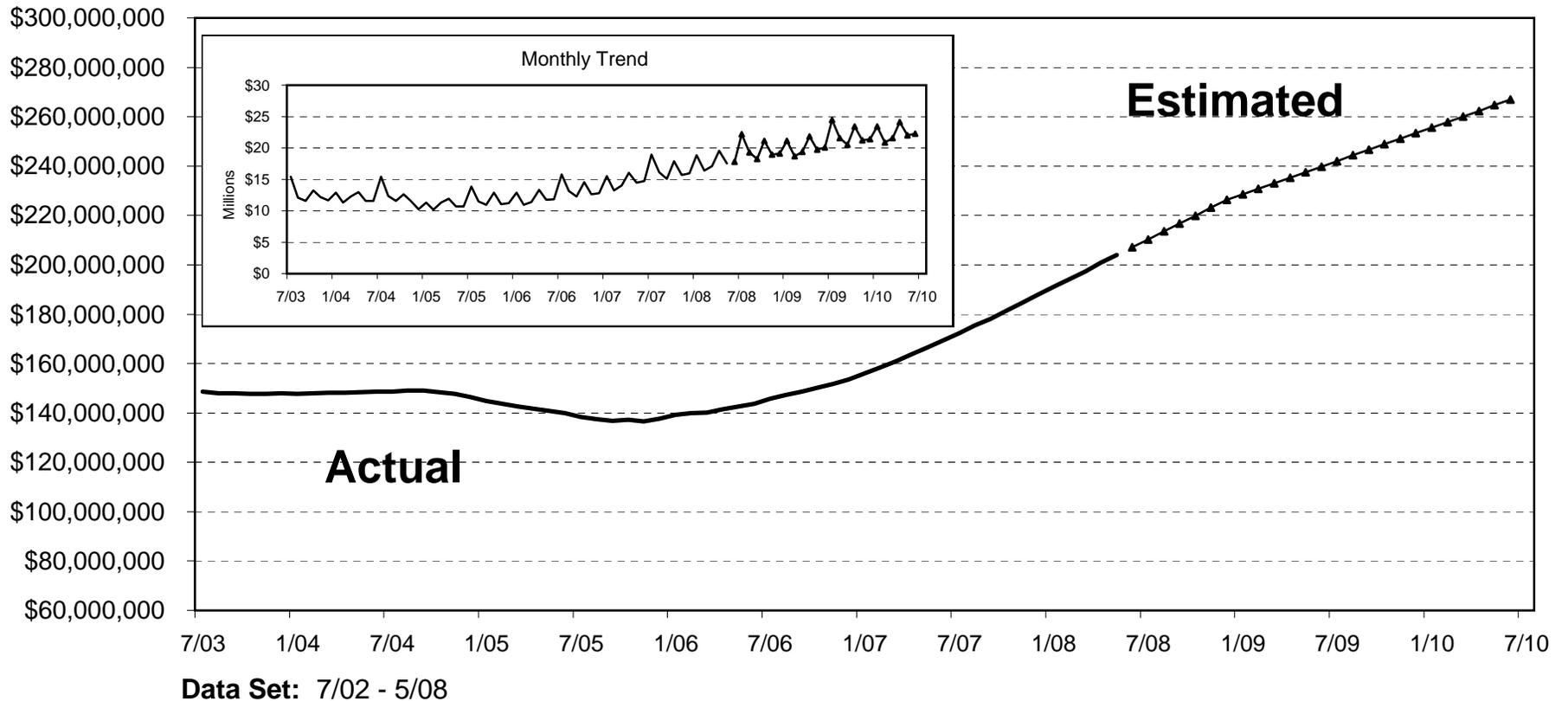
Excludes CPP, Includes Program/Rate Changes and CPP Continuation



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

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation

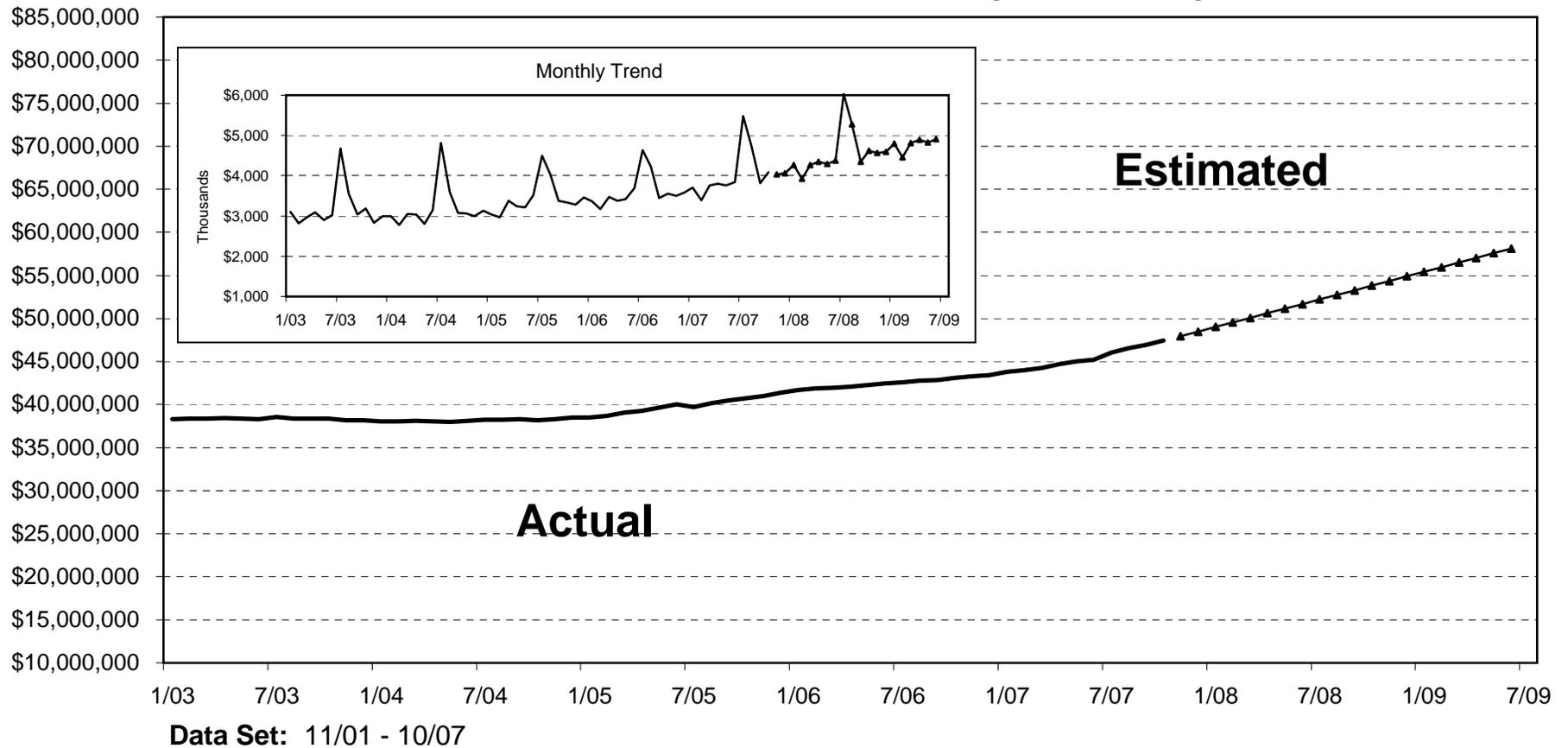


Purchase of Services

OUT-OF-HOME RESPITE SERVICES

12-month Moving Total Trend

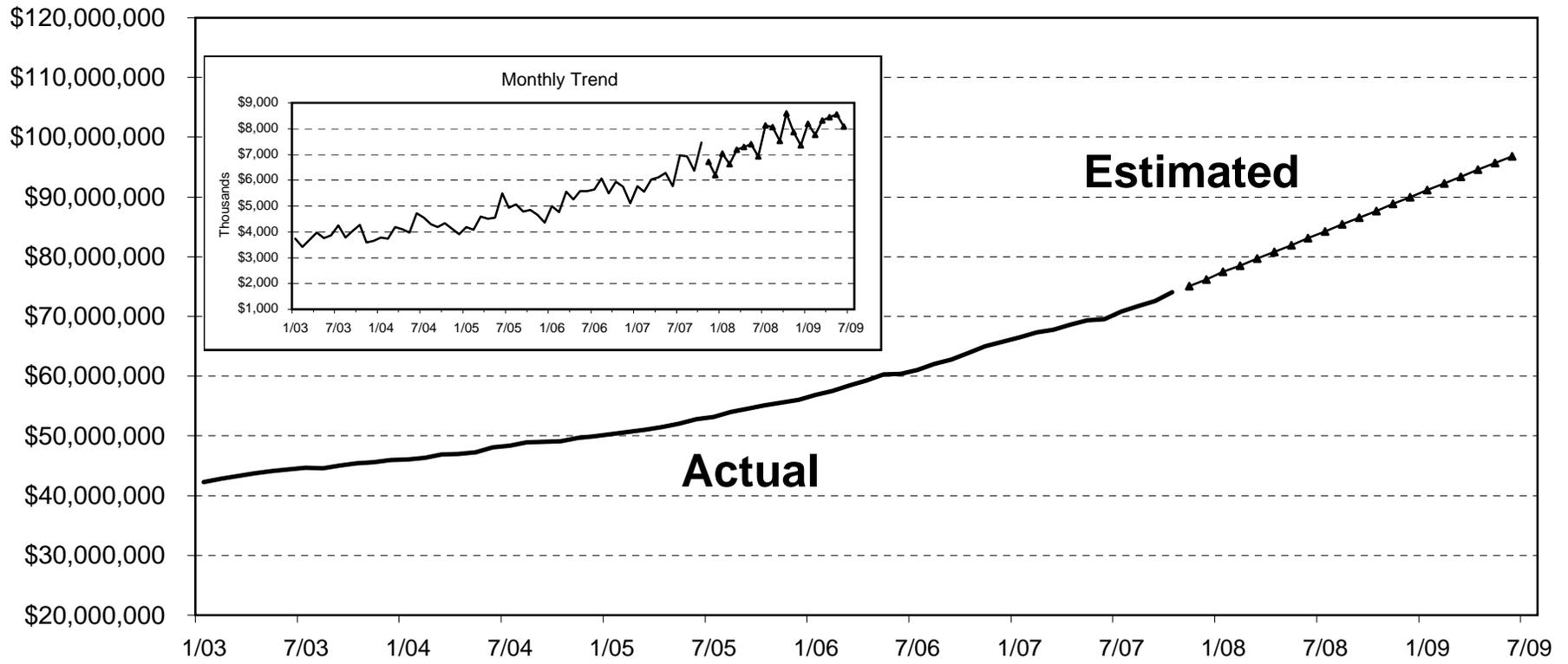
Excludes CPP and CPP Continuation, Includes Program/Rate Changes



Purchase of Services **HEALTH CARE SERVICES**

12-month Moving Total Trend

Excludes CPP and CPP Continuation, Includes Program/Rate Changes

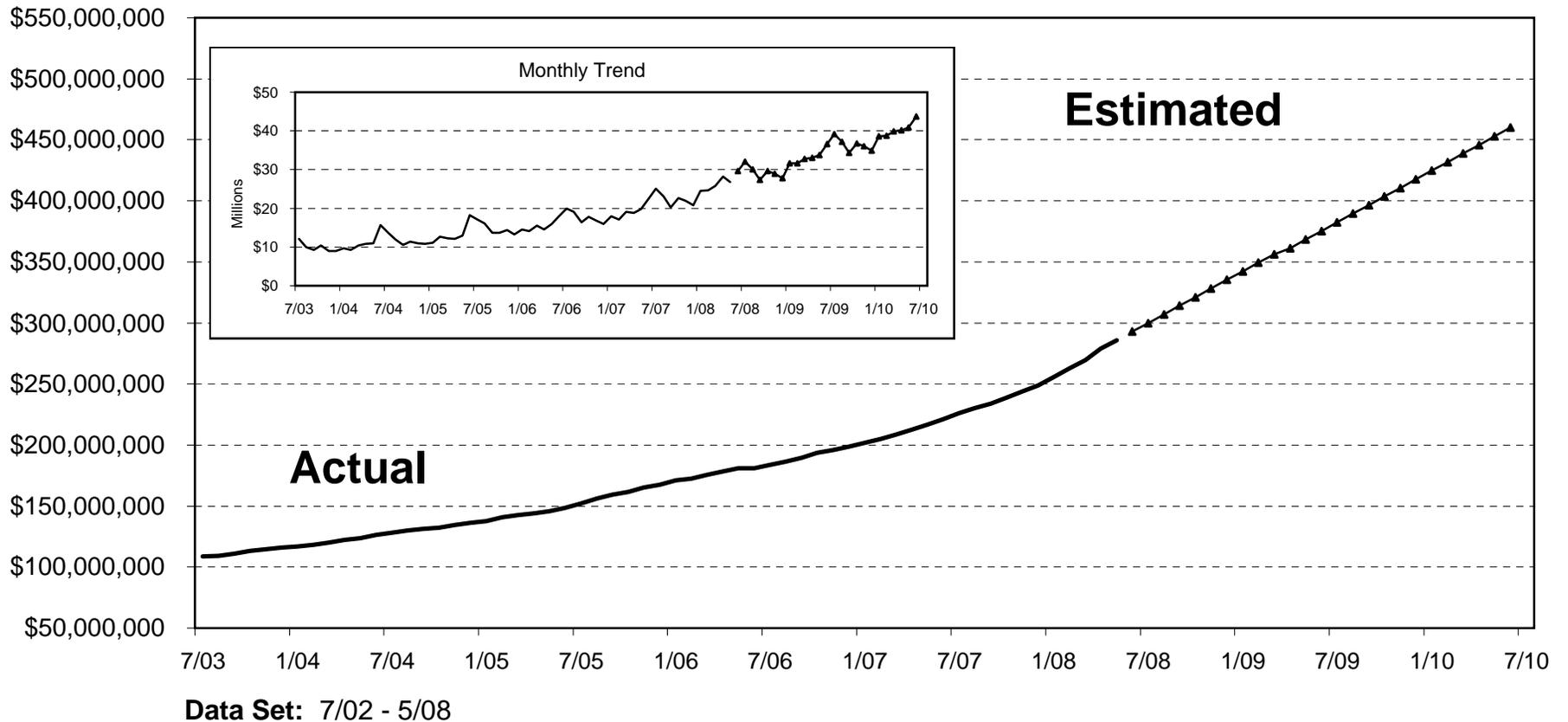


Data Set: 11/01 - 10/07

Purchase of Services **MISCELLANEOUS SERVICES**

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation



Reimbursements
Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS a/	2009-10 November Estimate CY 2008-09	2009-10 November Estimate BY 2009-10
A. Home and Community-Based Services (HCBS) Waiver	\$1,756,295,000	\$1,767,848,000
1. Reimbursement (from DHS) = 50%	878,147,000	883,924,000
2. DDS GF Match = 50%	818,294,000	821,646,000
3. PTA Match (Purchase of Services)	59,854,000	62,278,000
B. HCBS Waiver Administration	\$8,651,000	\$8,717,000
1. Reimbursement (from DHS) = 50%	4,326,000	4,359,000
2. DDS GF Match = 50% (Operations)	4,325,000	4,358,000
C. Medicaid Administration	\$18,933,000	\$19,278,000
1. Reimbursement (from DHS) = 75%	14,199,000	14,458,000
2. DDS GF Match = 25% (Operations)	4,734,000	4,820,000
D. Targeted Case Management (TCM)	\$265,370,000	\$310,262,000
1. Reimbursement (from DHS) = 50%	132,685,000	155,131,000
2. DDS GF Match = 50% (Operations)	132,685,000	155,131,000
E. Targeted Case Management Administration	\$8,702,000	\$8,434,000
1. Reimbursement (from DHS) = 50%	4,351,000	4,217,000
2. DDS GF Match = 50% (Operations)	4,351,000	4,217,000
F. Title XX Block Grant	\$203,903,000	\$228,173,000
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	80,270,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Home and Community Based Services (SD-HCBS) Waiver	\$9,234,000	\$18,750,000
1. Reimbursement (from DHS) = 50%	4,617,000	9,375,000
2. DDS GF Match = 50% (Purchase of Services)	4,617,000	9,375,000
H. Self-Directed Home and Community Based Services Waiver Administration	\$2,906,000	\$3,427,000
1. Reimbursement (from DHS) = 50%	1,453,000	1,714,000
2. DDS GF Match = 50% (Operations)	1,453,000	1,713,000
I. Medicaid	\$88,000,000	\$88,000,000
1. Reimbursement (from DHS) = 50%	44,000,000	44,000,000
2. DDS GF Match = 50% (Purchase of Services)	44,000,000	44,000,000
J. Vocational Rehabilitation (VR)	\$588,000	\$300,000
1. VR Reimbursement (from DOR) 100%	588,000	300,000
2. DDS GF Match (Purchase of Services)	0	0
K. California Children and Families First Trust Fund	\$5,000,000	\$5,000,000
1. Reimbursement (from DHS) = 100%	5,000,000	5,000,000
2. DDS GF Match (Purchase of Services)	0	0
L. TOTAL	\$2,367,582,000	\$2,458,189,000
1. Reimbursements	1,293,269,000	1,350,651,000
2. Total GF Match	1,014,459,000	1,045,260,000
3. Total PTA Match	59,854,000	62,278,000

a/ Reimbursements are funds received via other state agencies.

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

	FY 2006-07 6 months of \$0.75 Increase					CY 2007-08 12 months of \$0.75 Increase					BY 2008-09 12 months of \$0.75 Increase				
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other
Community Care Facilities	\$7,174,000	\$5,739,000	\$2,870,000	\$2,869,000	\$1,435,000	\$14,348,000	\$11,478,000	\$5,739,000	\$5,739,000	\$2,870,000	\$14,348,000	\$11,478,000	\$5,739,000	\$5,739,000	\$2,870,000
Day and Work Activity Programs	\$2,366,000	\$1,706,000	\$854,000	\$852,000	\$660,000	\$4,732,000	\$3,412,000	\$1,707,000	\$1,705,000	\$1,320,000	\$4,732,000	\$3,412,000	\$1,707,000	\$1,705,000	\$1,320,000
Day	569,000	296,000	148,000	148,000	273,000	1,138,000	592,000	296,000	296,000	546,000	1,138,000	592,000	296,000	296,000	546,000
WAP	253,000	159,000	80,000	79,000	94,000	506,000	319,000	160,000	159,000	187,000	506,000	319,000	160,000	159,000	187,000
Supported Living Services (SLS)	1,544,000	1,251,000	626,000	625,000	293,000	3,088,000	2,501,000	1,251,000	1,250,000	587,000	3,088,000	2,501,000	1,251,000	1,250,000	587,000
Respite Services	\$6,909,000	\$3,853,000	\$1,927,000	\$1,926,000	\$3,056,000	\$13,818,000	\$7,707,000	\$3,854,000	\$3,853,000	\$6,111,000	\$13,818,000	\$7,707,000	\$3,854,000	\$3,853,000	\$6,111,000
In-Home Respite	6,874,000	3,849,000	1,925,000	1,924,000	3,025,000	13,748,000	7,699,000	3,850,000	3,849,000	6,049,000	13,748,000	7,699,000	3,850,000	3,849,000	6,049,000
Out-of-Home Respite	35,000	4,000	2,000	2,000	31,000	70,000	8,000	4,000	4,000	62,000	70,000	8,000	4,000	4,000	62,000
GRAND TOTAL	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$32,898,000	\$22,597,000	\$11,300,000	\$11,297,000	\$10,301,000	\$32,898,000	\$22,597,000	\$11,300,000	\$11,297,000	\$10,301,000
			\$10,798,000 Total GF					\$21,598,000 Total GF					\$21,598,000 Total GF		
INCREMENTAL INCREASE	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$16,449,000	\$11,299,000	\$5,649,000	\$5,650,000	\$5,150,000	\$0	\$0	\$0	\$0	\$0
			\$10,798,000 Total GF					\$10,800,000 Total GF					\$0 Total GF		

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

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

	CY 2007-08 6 months of \$0.50 Increase					BY 2008-09 12 months of \$0.50 Increase				
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other
Community Care Facilities	\$4,782,000	\$3,826,000	\$1,913,000	\$1,913,000	\$956,000	\$9,564,000	\$7,651,000	\$3,826,000	\$3,825,000	\$1,913,000
Day and Work Activity Programs	\$981,000	\$747,000	\$374,000	\$373,000	\$234,000	\$1,983,000	\$1,506,000	\$753,000	\$753,000	\$477,000
Day	161,000	84,000	42,000	42,000	77,000	338,000	176,000	88,000	88,000	162,000
WAP	6,000	4,000	2,000	2,000	2,000	13,000	8,000	4,000	4,000	5,000
Supported Living Services (SLS)	814,000	659,000	330,000	329,000	155,000	1,632,000	1,322,000	661,000	661,000	310,000
Respite Services	\$4,606,000	\$2,569,000	\$1,285,000	\$1,284,000	\$2,037,000	\$9,212,000	\$5,139,000	\$2,570,000	\$2,569,000	\$4,073,000
In-Home Respite	4,583,000	2,566,000	1,283,000	1,283,000	2,017,000	9,166,000	5,133,000	2,567,000	2,566,000	4,033,000
Out-of-Home Respite	23,000	3,000	2,000	1,000	20,000	46,000	6,000	3,000	3,000	40,000
GRAND TOTAL	\$10,369,000	\$7,142,000	\$3,572,000	\$3,570,000	\$3,227,000	\$20,759,000	\$14,296,000	\$7,149,000	\$7,147,000	\$6,463,000
				\$6,797,000 Total GF					\$13,610,000 Total GF	
INCREMENTAL INCREASE	\$10,369,000	\$7,142,000	\$3,572,000	\$3,570,000	\$3,227,000	\$10,390,000	\$7,154,000	\$3,577,000	\$3,577,000	\$3,236,000
				\$6,797,000 Total GF					\$6,813,000 Total GF	

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

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

	FY 2006-07 6 months of \$0.75 Increase					CY 2007-08 12 months of \$0.75 Increase 6 months of \$0.50 Increase					BY 2008-09 12 months of \$0.75 Increase 12 months of \$0.50 Increase									
	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Federal Financial Participation	General Fund Match	General Fund Other					
Community Care Facilities	\$7,174,000	\$5,739,000	\$2,870,000	\$2,869,000	\$1,435,000	\$19,130,000	\$15,304,000	\$7,652,000	\$7,652,000	\$3,826,000	\$23,912,000	\$19,129,000	\$9,565,000	\$9,564,000	\$4,783,000					
Day and Work Activity Programs	\$2,366,000	\$1,706,000	\$854,000	\$852,000	\$660,000	\$5,713,000	\$4,159,000	\$2,081,000	\$2,078,000	\$1,554,000	\$6,715,000	\$4,918,000	\$2,460,000	\$2,458,000	\$1,797,000					
Day	569,000	296,000	148,000	148,000	273,000	1,299,000	676,000	338,000	338,000	623,000	1,476,000	768,000	384,000	384,000	708,000					
WAP	253,000	159,000	80,000	79,000	94,000	512,000	323,000	162,000	161,000	189,000	519,000	327,000	164,000	163,000	192,000					
Supported Living Services (SLS)	1,544,000	1,251,000	626,000	625,000	293,000	3,902,000	3,160,000	1,581,000	1,579,000	742,000	4,720,000	3,823,000	1,912,000	1,911,000	897,000					
Respite Services	\$6,909,000	\$3,853,000	\$1,927,000	\$1,926,000	\$3,056,000	\$18,424,000	\$10,276,000	\$5,139,000	\$5,137,000	\$8,148,000	\$23,030,000	\$12,846,000	\$6,424,000	\$6,422,000	\$10,184,000					
In-Home Respite	6,874,000	3,849,000	1,925,000	1,924,000	3,025,000	18,331,000	10,265,000	5,133,000	5,132,000	8,066,000	22,914,000	12,832,000	6,417,000	6,415,000	10,082,000					
Out-of-Home Respite	35,000	4,000	2,000	2,000	31,000	93,000	11,000	6,000	5,000	82,000	116,000	14,000	7,000	7,000	102,000					
GRAND TOTAL	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$43,267,000	\$29,739,000	\$14,872,000	\$14,867,000	\$13,528,000	\$53,657,000	\$36,893,000	\$18,449,000	\$18,444,000	\$16,764,000					
						\$10,798,000 Total GF					\$28,395,000 Total GF					\$35,208,000 Total GF				
INCREMENTAL INCREASE	\$16,449,000	\$11,298,000	\$5,651,000	\$5,647,000	\$5,151,000	\$26,818,000	\$18,441,000	\$9,221,000	\$9,220,000	\$8,377,000	\$10,390,000	\$7,154,000	\$3,577,000	\$3,577,000	\$3,236,000					
						\$10,798,000 Total GF					\$17,597,000 Total GF					\$6,813,000 Total GF				

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

Report on the Plan for the Closure of Agnews Developmental Center



January 2009

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



“Building Partnerships, Supporting Choices”

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

Executive Summary

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

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

As of November 30, 2008, 80 residents remained at Agnews. Between July 1, 2004 and November 30, 2008 a total of 264 Agnews residents transitioned to other living arrangements.

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

As of November 30, 2008, all 61 properties have been purchased and financed; 52 have been remodeled and either occupied or ready for occupancy; 8 are under construction; and one remains in the permitting phase. One of the 61 homes has since been removed from the "critical path" to closure, as waiting for the home's completion would have significantly delayed the closure of Agnews. Instead, the home will be available for consumers moving from other developmental centers. It is anticipated that the remaining homes will be completed by December 31, 2008, and that the remaining consumers will be transitioned when supports and services are available.

Transition Planning: As of November 30, 2008, all Agnews residents had either selected homes or were in the process of finalizing placement plans. A comprehensive transition plan is completed for each person. It includes specific plans for health and behavioral services as well as identification of needed services to assure continuity of care.

Health Care Services: The DDS has developed innovative and comprehensive health, behavioral and dental care services for residents transitioning out of Agnews. The foundation of the community medical services strategy is a partnership between the DDS, the Department of Health Care Services (DHCS), the Bay Area regional centers and the designated health plans including Santa Clara Family Health Plan (SCFHP), Alameda Alliance for Health (AAH), and the Health Plan of San Mateo (HPSM). The DDS, the DHCS, Agnews staff and the Bay Area regional centers have developed a transition process to health services in the community, including in-depth consultation and assistance with the enrollment and transfer process. At the local level, the Bay Area regional centers and designated health plans continue to secure health care services for residents transitioning out of Agnews into the community through signed MOUs to assure access to comprehensive services for those consumers who elect to enroll.

Outpatient Clinic: The Agnews outpatient clinic continues to provide a safety net to ensure that health, dental, and behavioral services are available during the transition process. The DHCS submitted an amendment to the Medicaid State Plan (State Plan Amendment or SPA) to establish a reimbursement methodology for the freestanding outpatient clinic that will continue to operate as the Agnews Community Clinic (ACC) after Agnews closes. Upon the closure of Agnews, the ACC will continue to provide primary medical care, psychiatry, and dental services, as necessary. The DDS has secured authority to provide these medical and dental services from the time of closure until the DDS is no longer responsible for the property.

Behavioral Services: To address the behavioral support of residents transitioning to the community, Agnews staff support and train service providers on how to prevent and respond to challenging behaviors. Each of the regional centers and the designated health plans are identifying psychiatric resources to accommodate Agnews residents in the community. Each regional center has also established a behavioral and crisis service that emphasizes prevention and early intervention. In addition, the Bay Area regional centers and Alameda County Mental Health Department will be opening a secured-treatment facility in San Leandro that can serve former Agnews residents, providing short-term treatment and stabilization available for up to 15 Bay Area residents at a time.

Dental Services: Dental services are a critical component of community resource development efforts. The Bay Area regional centers continue recruitment efforts to identify community dentists capable of providing prevention and care consistent with each consumer's needs, as well as dental surgery suites and hospital-based dentistry resources that can provide timely and appropriate access to sedation dentistry services, as necessary. In addition, the Bay Area regional centers provide in-home registered

dental hygienists' services through a contract for dental screening and preventive services. The Agnews Outpatient Clinic remains a resource for persons who need general dentistry and sedation dentistry services.

Agnews Employees: Agnews continues to maintain sufficient staff to protect the health and safety of remaining residents and to ensure the ongoing certification of the facility. As of November 30, 2008, there were 559 employees at Agnews with 103 employees participating in the community state staff program, including 73 working in assignments, and 30 waiting for report dates. In addition, 16 positions are currently being advertised for 3 providers, with 32 applications received.

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

Introduction

The population of California's developmental centers has decreased over time, mirroring national trends. This decrease began when the community-based system was initiated in 1969 under the newly established Lanterman Mental Retardation Services Act, now called the Lanterman Developmental Disabilities Services Act (Lanterman Act). The Lanterman Act promotes the provision of services in the least restrictive environment and emphasizes community settings as the preferred living option for most consumers. The total developmental center population declined dramatically as the community system expanded, falling from a high of 13,355 individuals in 1968 to the census of approximately 2436 individuals by November 30, 2008. The DDS currently operates five developmental centers and two smaller state-operated community facilities and is in the process of closing Agnews Developmental Center (Agnews). As of November 30, 2008, the Agnews Developmental Center population census was at 80 individuals.

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

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

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

Purpose of the Report

This report is submitted in accordance with the Budget Act of 2008 (AB 1781, Chapter 268, Statutes of 2008). This is the seventh statutorily required update and covers progress from April 30, 2008, through November 30, 2008. The final report on the closure of Agnews, including the requirements outlined below for the Budget Act, will be issued after the remaining Agnews residents have transitioned to the community. This report provides an update on the status of the Plan for the Closure of Agnews Developmental Center. The prior reports provided updates on progress from July 1, 2004, through April 30, 2008, and are available at www.dds.ca.gov/AgnewsClosure.

“The State Department of Developmental Services shall provide the fiscal and policy committees of both houses of the Legislature with a comprehensive status update on the Agnews Plan, on January 10, 2009, which will include:

- (a) A final report on all pertinent aspects of the community-based resources and placement of Agnews consumers.
- (b) A final report of living arrangements and the range of services the consumers receive by housing model. This shall include a final report of the construction of housing and the expenditure of the \$11,115,000 appropriated in Item 4300-105-0001, Budget Act of 2004 (ch.208, Statutes of 2004). At a minimum, this shall include all of the following components: (1) all the properties acquired, (2) the cost of each property, (3) the address of each property, and (4) the square footage of any residential structures on the property.
- (c) A summary of the fiscal analyses as provided in the original plan.
- (d) A report on Agnews employees, including employees who are providing medical services to consumers on an outpatient basis, as well as employees who are providing services to consumers in residential settings.
- (e) A final report on the specific measures the state, including the State Department of Developmental Services and the State Department of Health Care Services, is taking in meeting the health, mental health, medical, dental, and overall well-being of consumers living in the community.

Background

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

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

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

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

Resource Development: Housing

Bay Area Housing Plan

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

In conformance with the statutory requirements, the BAHP details the proposed plan for development and ownership of the properties, management entities, and developer. As required by statute, the BAHP must meet several conditions. The acquired or developed real property must be occupied by consumers eligible for regional center

services. The property must be integrated with housing for people without disabilities. The regional center must approve the proposed ownership, management, and developer entities, and the costs associated with the proposal must be reasonable. The proposal must include a plan for transfer at a time certain of the property ownership to an approved non-profit entity for use by consumers eligible for regional center services.

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

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

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

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

As of November 30, 2008, all 61 properties have been purchased and financed; 52 have been remodeled and either occupied or ready for occupancy; 8 are under construction; and one remains in the permitting phase. In addition, one of the 61 homes has since been removed from the "critical path" to closure, as waiting for the home's completion would have significantly delayed the closure of Agnews. Instead, the home will be available for consumers moving from other developmental centers. It is anticipated that all homes will be completed by December 31, 2008, and that the remaining Agnews residents will be transitioned when supports and services are available.

Family Teaching Homes

AB 2100 added FTH to the existing Adult Family Home Agency (AFHA) model. The AFHA was first established in 1994 to provide a cost-effective option for adults moving from developmental centers into the community enabling adults to enter into partnerships with families as fully participating family members. Under this arrangement, the teaching family manages the consumers' home, provides direct support, and directly supervises relief staff. The FTH model serves up to three adults in the consumers' home, with the teaching family living in an adjoining home. In the Bay Area, this has been accomplished by housing consumers and teaching families in adjoining duplexes and adding a door to connect the homes. The FTH model is certified, monitored, and evaluated by the regional center and the DDS through the same process as an AFHA. The FTH regulations were promulgated on November 7, 2006. As of November 30, 2008, 27 former Agnews residents reside in 9 BAHP FTHs located in the SARC catchment area.

Extended Family Teaching Homes

Agnews consumers and Agnews staff have expressed an interest in continuing to provide support services to Agnews consumers upon transition to the community. In an extended family teaching home (EFTH), a consumer relocates to a former Agnews staff family home and participates in daily family activities as an extended member of the family. Each consumer receives specialized, highly-supported and well-monitored services. EFTHs are also governed by the AFHA regulations, certification, and review process. As of November 30, 2008, five former residents of Agnews reside in EFTHs in the SARC catchment area.

Specialized Residential Homes

As DSS-licensed adult residential facilities, SRHs provide augmented staffing and professional services to three or four residents. Each SRH provides 24-hour, on-site staff with specialized expertise to meet the consumers various needs. In addition, the homes have the capability for on-site response to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence. When a majority of residents turn age 60, a SRH is re-licensed as a residential care facility for the elderly (RCFE). All SRHs in the BAHP have been constructed or renovated to meet the physical plant requirements for both the SRH and the RCFE licenses. As of November 30, 2008, 44 former Agnews residents reside in BAHP SRHs and 17 former Agnews residents reside in BAHP RCFEs.

962 Homes

SB 962 authorized the DDS and the DSS to jointly establish and administer a pilot project for certifying and licensing a new residential model, the adult residential facilities for consumers with special health care needs, referred to as "962 homes". This type of

residence fills a critical gap in licensure categories for people with developmental disabilities who have a combination of specialized health care and intensive support needs.

Examples of the health services that can be provided in a 962 home include, but are not limited to, nutritional support including total parenteral nutrition, gastrostomy feeding and hydration, renal dialysis, special medication regimes including injections, intravenous medications, management of insulin dependent diabetes, catheterization, indwelling urinary catheter management, pain management, and palliative care. The 962 homes are required to provide licensed staff 24 hours per day, develop an individual health care plan for each consumer that is updated at least every six months, and conduct monthly face-to-face visits with the consumer by a regional center nurse. As of November 30, 2008, ten 962 BAHP homes provide services to 33 former Agnews residents.

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

Addressing the Housing Challenges

The housing acquisition process proceeded slower than anticipated. Initially, the development of the unique financing arrangement delayed purchases. Under the BAHP, Hallmark secures loans from the Bank of America to acquire and remodel the homes. When the properties are ready for occupancy, the deed transfers to the nonprofit housing corporation associated with the respective regional center and CalHFA provides permanent financing through state bonds. The recent economic crisis has compelled the CalHFA to seek a mechanism to sell all the BAHP housing bonds earlier than anticipated, potentially in late January 2009.

Obtaining permits in 19 separate jurisdictions was the single greatest hurdle to finishing construction. Throughout the closure process, the DDS and the Bay Area regional centers dedicated resources to address lender and local government concerns, ensure work was properly completed prior to transfer of the home from Hallmark to the nonprofit, and to facilitate state licensure. At the direction of the Bay Area regional centers, Hallmark added contractors, pre-ordered building materials, and augmented on-site supervision of construction. In addition, the DDS continues to conduct weekly meetings with the Bay Area regional centers and the developer to identify and address any problems or delays.

All homes were completed by December 31, 2008, with the exception of one of the 61 homes, which was removed from the “critical path” to closure. In particular, this home was the last BAHP home purchased and required the approval of the homes’ site and architectural plans, permits and complete demolition and rebuilding. Although the City of Los Gatos planning commission approved the home’s site and architecture plans in August, 2008, some neighbors appealed the decision to the city’s town county which led to a lengthy formal appeal process. The planning commission upheld the original

decision with some modifications and the permitting process has just recently started to move forward and it is expected that construction will be completed in the spring of 2009. Waiting for the home's completion would have significantly delayed the closure of Agnews. Instead, the home will be available for consumers moving from other developmental centers.

Construction of the remaining homes was completed by December 31, 2008. No person will move from Agnews until the housing, services, and supports are available in the community. The DDS will remain closely involved with the Bay Area regional centers and Hallmark through the successful completion of the project.

Resource Development: Transition Planning Process

Transition Planning: Values and Purpose

The transition process from a developmental center to a community living arrangement is developed through an individual placement plan (IPP) process. The IPP meeting offers a consumer-centered approach to identifying the services and supports necessary for a successful transition, taking into account the consumer's needs and preferences. The choices of consumers are given the full attention and respect of all team members, in consultation with the families, where appropriate, and/or authorized representatives, with sensitivity to lifestyle and cultural background.

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

Consumer Empowerment

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

Since August 2006, 196 consumers participated in Choices meetings, often with the involvement of family members, advocates and Agnews staff. The meetings were completed in January 2008.

Exploring Community Living Options

Together with the regional center service coordinator, the Agnews staff engages a consumer, his or her family and an authorized representative, when appropriate, in an educational discussion regarding various housing and service and support models. This discussion centers on the consumer's needs and preferences identified through comprehensive interdisciplinary team assessments. Agnews staff identify interests of the participants in exploring certain models. In addition, staff of each regional center meet with the families throughout the transition process and have arranged various functions including monthly family teas, home tours and provider/family meetings. All of these events provide families the opportunity to raise issues and discuss the transition process.

Community Living Options

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

Selection of the Home and Exploratory Visits: The Agnews resident, legal/authorized representatives and regional center work together on the selection of the home. Once a potential home option has been identified, exploratory visits between the resident and the provider begin. As of November 30, 2008 all Agnews residents have either selected homes or are in the process of finalizing placement plans.

Finalizing the Transition to the Community

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

Post Placement Follow-up

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

contact with the consumer five days after placement and again at 30-60-90 day intervals, 6 and 12 months, and more often as needed. For consumers placed in 962 homes, a regional center nurse will visit the consumer at least monthly, and a physician will see the consumer every 60 days.

Resource Development: Health Services

The DDS, in collaboration with the Department of Health Care Services (DHCS) and the Bay Area regional centers, continues to develop innovative and comprehensive health care, behavioral and dental care services for residents transitioning out of Agnews.

The Transition of Health Care Services

To ensure that each consumer who transitions from Agnews receives appropriate health care and related services, a comprehensive health transition plan is developed for each consumer before they leave Agnews. In February 2008, the DDS distributed a document entitled, *“Health Services for Agnews Consumers in the Community: An Overview”* to former and current Agnews residents and their families, outlining the provision of health care services in the community. The document is available on the DDS website.

Health Care Service Delivery Systems

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

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

Options for consumers enrolled in Medi-Cal: Depending on the county of residence, consumers who are Medi-Cal eligible have specific health care service options. In San Mateo County, Agnews consumers transition into the HPSM, a county organized health system (COHS). As a COHS, San Mateo operates the only Medi-Cal health plan in the county. The COHS are different from the other models of Medi-Cal managed care because the DHCS requires nearly all Medi-Cal beneficiaries residing in the COHS counties to enroll in this health plan to receive care.

In Santa Clara and Alameda Counties, Agnews consumers have the option to enroll in either the locally-administered Medi-Cal managed care plan, respectively the Santa Clara Family Health Plan (SCFHP) or the Alameda Alliance for Health (AAH), the

commercial Medi-Cal health care plan (Anthem-Blue Cross), or receive services through the fee-for service system often referred to as “regular Medi-Cal”. Therefore, the RCEB and SARC consumers have the option of staying in the Medi-Cal fee-for-service system or enrolling in one of the Medi-Cal managed health care plans, which are discussed below. For the consumers who opt to receive services through the fee-for-service system, the regional center service coordinator will assist in coordinating access to health care services in the community, as outlined in the IHTP.

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

Health Plan Medical Services

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

- Access to qualified providers. The Health Plan will arrange for an array of medical service providers that include primary care and specialty physicians, optometry and ophthalmology services, medications, support services such as occupational and physical therapies, and medical equipment and supplies including adaptive equipment.
- Comprehensive Medical Care Management. A registered nurse will be assigned to each consumer to coordinate individualized health services and assure that the consumer receives specialty services identified as medically necessary by the primary care physician.
- Coordination with the regional center and other health service providers.

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

Children's Services/Dental waiver to include former Agnews residents in Alameda and Santa Clara counties.

Health Plan Enrollment: A health transition specialist from each of the Bay Area regional centers assists consumers and families with understanding health care service delivery options as well as expediting the eligibility and enrollment process. The regional center provides information regarding health plan options, and, when appropriate, the designated health plan assists the consumer with enrollment in additional programs. As of November 30, 2008, 143 former Agnews consumers have enrolled in designated managed care plans as follows: 29 in the Alameda Alliance for Health; 25 in the Health Plan of San Mateo; and 89 in the Santa Clara Family Health Plan. The vast majority of consumers have enrolled in health plans due to the plans' capacity to assure access to a full range of services and to provide individualized medical management.

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

The Bay Area regional centers, the designated health plans, and Agnews staff continue to work with the DDS and the DHCS to expedite eligibility for membership in health plans, when indicated. The DHCS is working with counties and the Social Security Administration to expedite the processing of eligibility information. The DHCS has established a process with Maximus, the contractor that assists in the election process, to assure that health plan election decisions are processed in a timely manner.

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

Outpatient Clinic

The Agnews outpatient clinic provides access to health, dental and behavioral services to current and former Agnews residents, as well as persons with developmental disabilities who reside in the community and qualify for services. At the clinic, consumers can access specialists experienced in providing services to individuals with developmental disabilities.

The DHCS submitted an amendment to the Medicaid State Plan (State Plan Amendment or SPA) to establish a reimbursement methodology for the freestanding outpatient clinic that will continue to operate as the Agnews Community Clinic (ACC) after Agnews closes. The SPA is currently under review by the Centers for Medicare & Medicaid Services (CMS). Upon the closure of Agnews, the ACC will continue to provide primary medical care, psychiatry, and dental services, as necessary. The DDS has secured authority to provide these medical and dental services from the time of closure until the DDS is no longer responsible for the property. The ACC will continue to serve former Agnews residents as well as persons served by bay area regional centers, based on need.

Outpatient Clinic Use

MONTHS 2008	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	TOTAL
Former Agnews Clients Seen for the First Time	12	2	9	11	11	5	6	4	6	8	8	82
Former Agnews Clients Previously Seen (Return visits)	30	36	36	47	39	33	39	39	29	40	25	393
Total# - Agnews Clients Seen	42	38	45	58	50	38	45	43	35	48	33	475
Non-Agnews Clients Seen for the First Time	15	16	15	22	23	22	12	16	20	13	13	187
Non-Agnews Clients Previously Seen (Return visits)	35	32	37	21	41	29	54	42	28	45	39	403
Total# - Non-Agnews Clients Seen	50	48	52	43	64	51	66	58	48	58	52	590
Total # of Clients Seen	92	86	97	101	114	89	111	101	83	106	85	1065

Mobile Services: Crisis Intervention and Behavioral Support

During the spring of 2007, the DDS began researching the viability of mobile health care services to help meet the needs of consumers transitioning from Agnews. Meetings were arranged with established mobile clinic providers of health care and oral health services and with the Mobile Health Clinics Network to better understand the service model. Further research was conducted into the cost estimates, vehicle specifications, and custom design needs to meet accessibility standards for mobile services. This research served as the foundation for discussions with the designated health plans and Bay Area regional centers to further explore mobile service viability and needs.

In 2007, DDS met with the Bay Area regional centers, consumer and family stakeholders, as well as representatives from the local health plans to identify any potential gaps in health related services for individuals transitioning from Agnews. From these meetings, it was collectively determined that the area of need was in mobile crisis services in Alameda, San Mateo and Santa Clara counties. In Fiscal Year 2007/2008, DDS funded the development of mobile crisis projects in each Bay Area regional center. The mobile crisis services provides a broad array of services including intensive crisis prevention, emergency response intervention, and follow-up services in order to maintain stability in the lives of individuals leaving Agnews.

Dental Services

Dental services continue to be a critical component of community resource development efforts. Prevention is the emphasis of the dental service strategy. Before residents transition into the community, regional center dental coordinators complete a comprehensive individualized assessment of the dental status and needs of each consumer. The regional centers recruit dental hygienists to provide ongoing dental screenings and cleanings in the home, consistent with each consumer's needs. The Bay Area Regional Centers and the designated health plans established a workgroup to address issues including access to the full range of dental services to persons transitioning from Agnews, and assessing the effectiveness of preventive and screening activities provided by registered dental hygienists.

Prevention Services: The Bay Area regional centers provide dental screening and teeth cleaning services through registered dental hygienists in homes where Agnews clients reside.

Sedation Dentistry: Many consumers transitioning from Agnews require sedation dentistry. The Bay Area regional centers and the designated health plans are coordinating services to assure timely and appropriate access to these services, as necessary. The Agnews Outpatient Clinic remains a resource for persons who need general dentistry and sedation dentistry services. The designated health plans continue to identify community resources that will provide sedation dentistry through outpatient surgeries, and the Bay Area regional centers are identifying the qualified dentists.

Behavioral Services

Many current and former Agnews residents have behavioral challenges. To assist Agnews residents in the transition process, Agnews staff support and train service providers on how to prevent and how to respond to challenging behaviors and are available to assist in the community when a consumer's health, safety, and/or placement may be at risk.

Psychiatric services and reviews of medications are available through the Agnews outpatient clinic. Further, each of the Bay Area regional centers has developed a working relationship with psychiatric resources in the community to accommodate

Agnews residents. SARC, for example, utilizes psychiatric services at Loma Linda University and the UC Irvine, through a telemedicine system. In addition, the Hope Counseling Center provides psychiatric services to Santa Clara County consumers through a contract with the County Mental Health Department. The DDS will continue to support regional center efforts to expand partnerships with county mental health departments in order to improve access to behavioral services for consumers with mental health needs.

Behavioral Service Programs:

- **Secured Treatment Facility:** The Bay Area regional centers and Alameda County Mental Health Department will be opening a secured-treatment facility in San Leandro that can serve former Agnews residents. The facility will provide short-term treatment and stabilization available for up to 15 Bay Area residents at a time.
- **Redwood Place:** Redwood Place is a 36-bed intensive treatment program providing residential options for eligible Agnews consumers as well as consumers from RCEB, GGRC, SARC and North Bay Regional Center (NBRC) who require mental health treatment at a setting away from the home. The facility has a delayed egress arrangement but is not locked.
- **The Puente:** Through a partnership among San Mateo County Behavioral Health and Recovery Services, GGRC, and the Health Plan of San Mateo, a specialty clinic, called The Puente Clinic, recently opened. The clinic provides both medication management and therapy for persons with developmental disabilities and special mental health needs. The clinic is located in San Mateo and serves persons only in San Mateo County. Individuals who have moved from Agnews have the highest priority for service.
- **Crisis Intervention and Behavioral Support:** The Mobile Crisis projects will provide access to a broad array of services including intensive crisis prevention, emergency response intervention, and follow-up services in order to maintain stability in the lives of individuals leaving Agnews.

Quality Management

Overview of the Quality Management System

Ensuring the safety and well-being of consumers who move from Agnews into the community is an essential component to the Agnews Closure Plan. The Bay Area Quality Management System (QMS) broad-based research design was refined from the DDS QMS system and approved by numerous stakeholders, including the CMS Grants Advisory Stakeholder Committee.

The Bay Area QMS is based on values set forth in the Agnews Closure Plan and described in the DDS Strategic Plan. A three-year federal System Change Quality Assurance/Quality Improvement Grant was completed in September of 2006, and served as the basis for developing the QMS model. Data has been collected since April 2007. Specifically, the Bay Area QMS seeks to:

- ❖ Keep consumers safe and ensure their well being;
- ❖ Support value-based outcomes for providers and consumers;
- ❖ Identify and fill gaps in the community system;
- ❖ Develop and pilot a QMS with potential for statewide implementation; and,
- ❖ Meet CMS expectations.

The Bay Area QMS pairs a focus on consumer outcomes and satisfaction with process-oriented support in improving the quality of services and the capacity of provider agencies.

An 11-member QMS Commission including advocates, family members and consumers is responsible for reviewing trend data. The commission makes recommendations concerning quality of care and systems improvement. The commission has held eight meetings since September 2005. During the July and October 2008 meetings, Commissioners received an update on regional center and provider activities, discussed improvement activities in community homes, reviewed trends in the QMS tool data over the past year, and heard from regional center service coordinators as well as nurses and psychologist regarding their work in the homes. In addition, the QMS Commission discussed a new Commission report that focuses on consumer demographics, consumer and provider outcomes, and narrative comments describing what is working well in the homes. In both meetings, the Commission provided recommendations regarding ongoing QMS activities.

National Core Indicator Studies

The National Core Indicator (NCI) Surveys are a national initiative currently utilized by 26 states and four regional centers in California. The goal of the NCI is to develop a systematic approach to performance and outcome measurement. Through the NCI, participating states create performance monitoring systems, identify common performance indicators, develop comparable data collection strategies, and share results. Many of the state agencies use NCI as a key component within their quality management systems.

Three NCI reports, initiated under the CMS Grant described above, are now available from the Bay Area Regional Centers and DDS. A random sample of Medicaid Waiver Adult Consumers and their families at each of the Bay Area Regional Centers, taken in 2005, forms the basis of these reports. While these reports do not focus on residents who have transitioned from Agnews, the studies do provide a local and national context to the Bay Area QMS project. A copy of this report is available on the DDS website http://www.dds.ca.gov/AgnewsClosure/BAQMS_Reports.cfm.

Finally, former Agnews residents who transitioned to the community between July 2003 and March 2005, as well as the families of these consumers, were surveyed separately using the NCI Surveys. A copy of this report is available on the DDS website at www.dds.ca.gov/AgnewsClosure/docs/BayAreaQMS_SurveyResults.pdf.

Quality Service Review

The QMS includes a provider performance expectation and quality improvement tool, referred to as the Quality Services Review (QSR). The QSR is a detailed review and certification process involving 37 provider expectations, avenues for observations and input from consumers' family and friends as well as database tools for regional center professional support staff (i.e., Service Coordinators, Registered Nurses, Quality Management System Specialists and Psychologists). The QSR establishes consumer and service provider outcomes and expectations that are continuously monitored. Providers and QMS Specialists work together to improve quality in the home in pursuit of meeting all expectations, which is necessary for the provider's certification.

Over 2200 QMS/QSR home visits have been conducted since April 2007. These visits have been recorded on QSR tools by regional center professionals including service coordinators, registered nurses and behavior plan analysts and also by visitors – family members and friends of the individuals who live in the homes. By using the QSR tools on these visits, over 52,000 questions and observations about service quality and the home environment have been recorded in the database. This data is used at the consumer, provider and regional center levels to inform quality improvement efforts.

Quality Snapshot

The Quality Snapshot survey is designed to obtain feedback from families and other visitors to residential homes. The snapshots provide information about a visitor's perspective on the home environment and staff, as well as the consumer's well being, and are mailed directly to the QMS Specialists at each regional center. Quality Snapshot surveys have been distributed to all homes that are part of the full QMS/QSR certification process. Data from returned surveys is being reviewed, utilized, and entered into the Quality Management Information System. In addition to addressing any requests or follow up activities generated by the Snapshots, QMS Specialists use Snapshot data as part of their intensive work on the Provider Expectations in the homes.

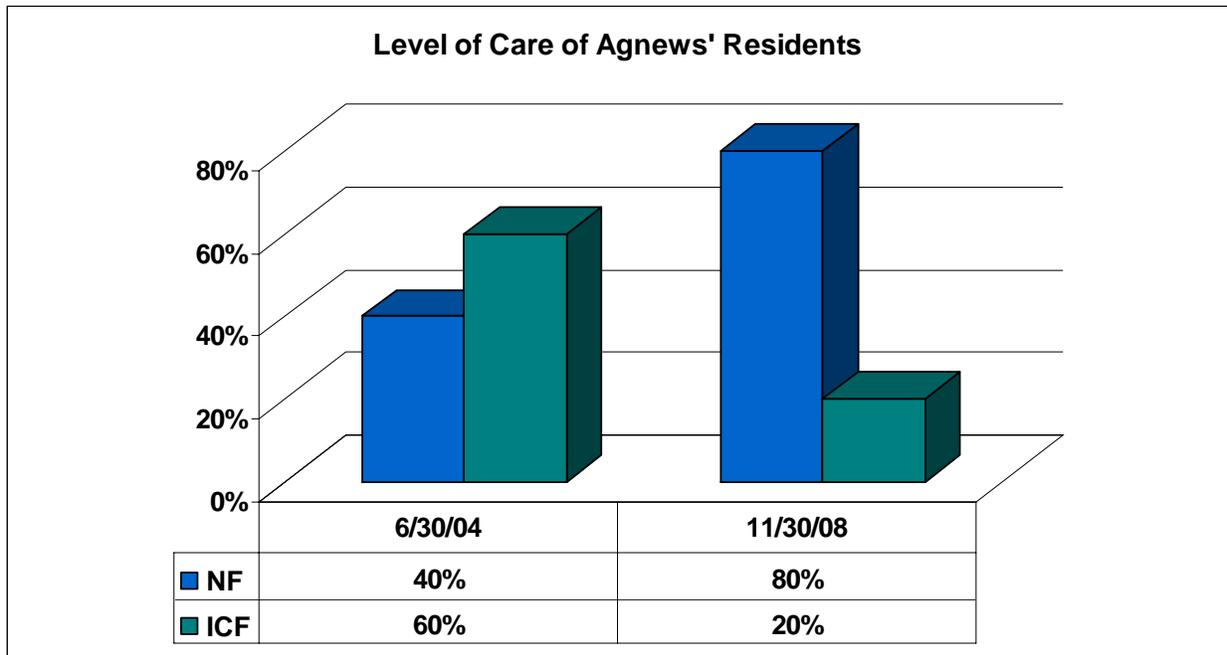
Agnews Residents

Current Agnews Residents

As of November 30, 2008, 80 residents remained at Agnews.

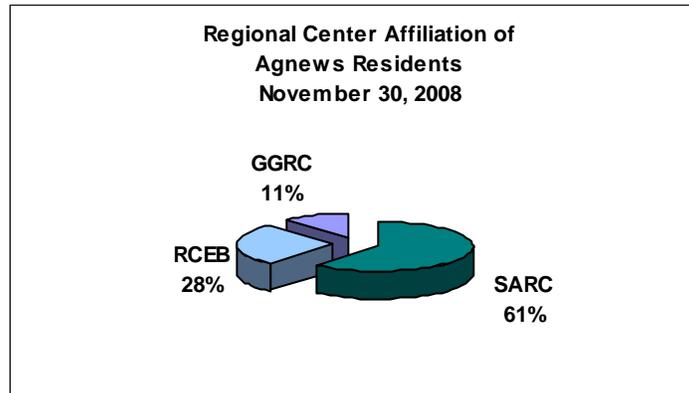
Level of Care

Agnews provides three levels of care to people who reside at the facility. The first level of care is provided in the Nursing Facility (NF) residences in which approximately 80 percent of Agnews residents live. The second level of care is provided in the Intermediate Care Facility (ICF) residences, which are home to the remaining 20 percent of residents. Both the NF residences and the ICF residences provide 24-hour residential services. The third level of care is General Acute Care where short-term medical and nursing care is provided to residents to address an acute illness or injury requiring that level of care.



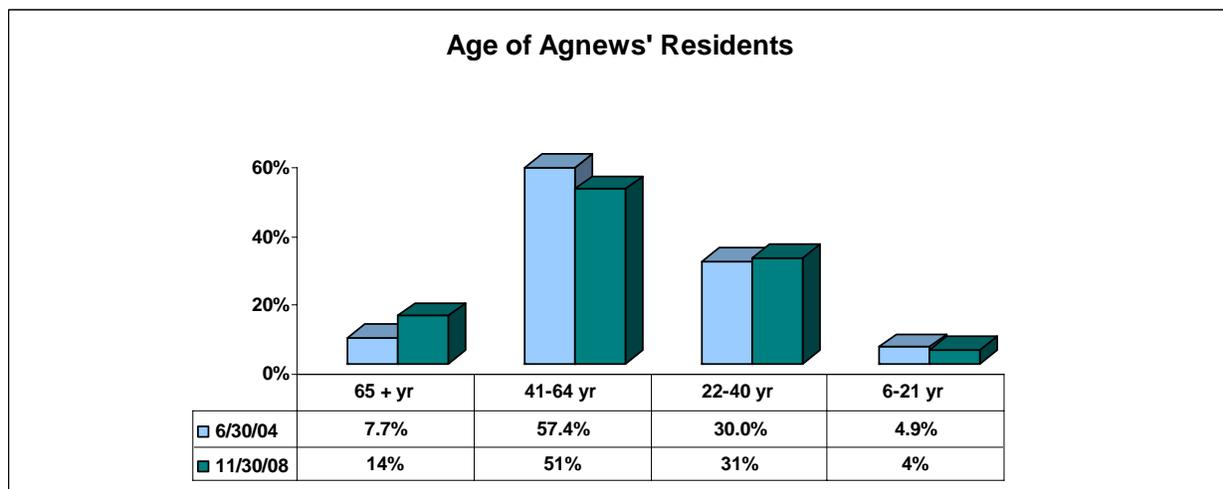
Regional Center Affiliation

Approximately 61 percent of current Agnews residents are affiliated with the SARC, 28 percent are affiliated with the RCEB, and 11 percent are affiliated with the GGRC.



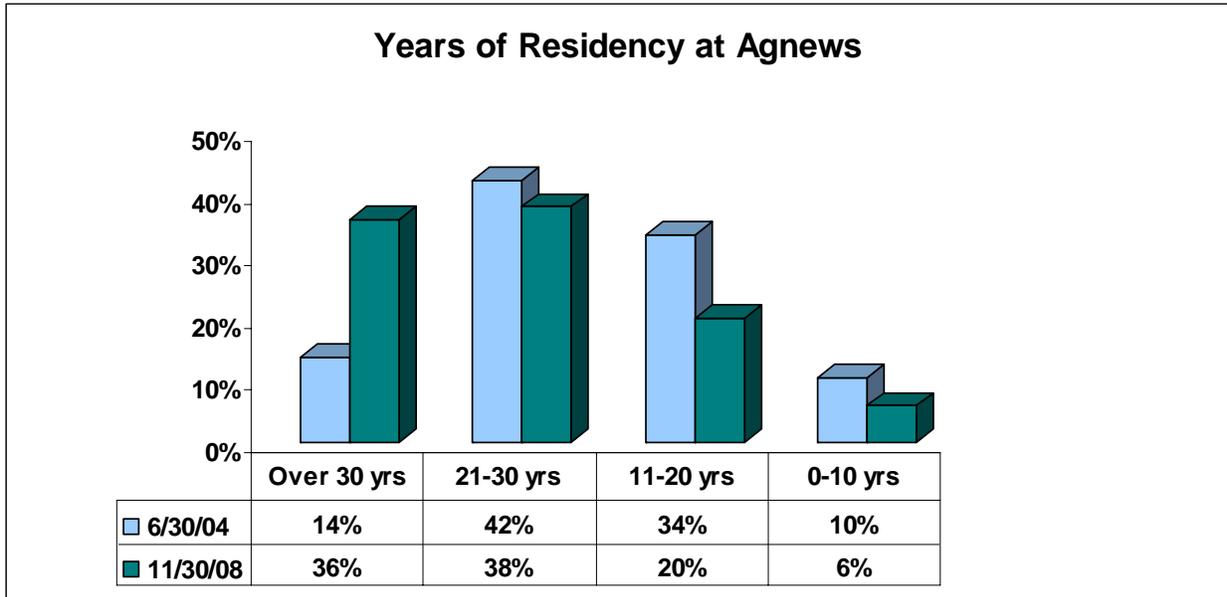
Age of Agnews Residents

As of November 30, 2008, 65 percent of the residents are over age 40. People who are 65 years or older comprise 14 percent of the population. In contrast, 4 percent of the residents are 21 years or younger.



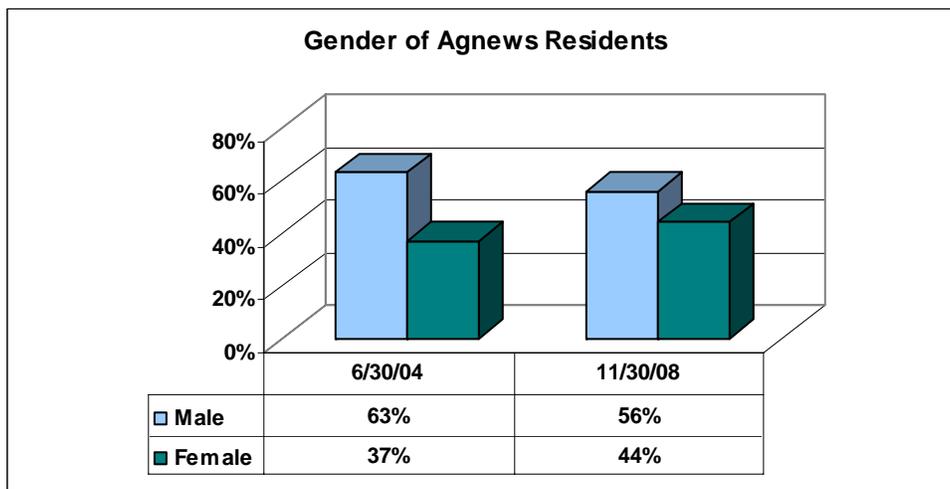
Years of Residency at Agnews

74 percent of the current residents have lived at Agnews over 20 years. 20 percent have resided at Agnews for 11 to 20 years. 6 percent have resided at Agnews for 10 years or less.



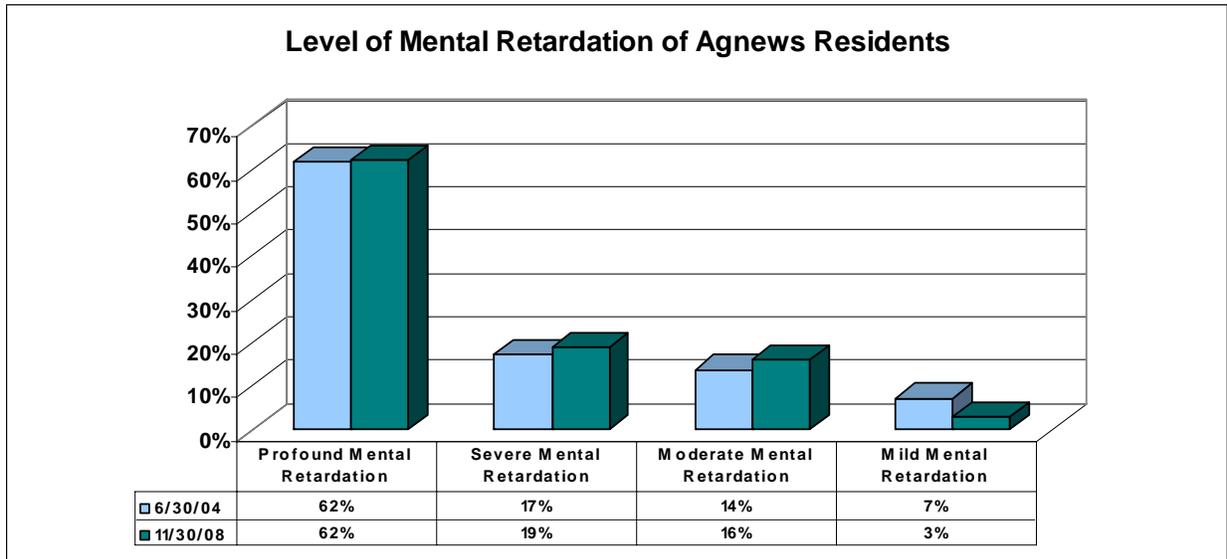
Gender of Agnews Residents

56 percent of the residents are male, and 44 percent are female.



Level of Mental Retardation

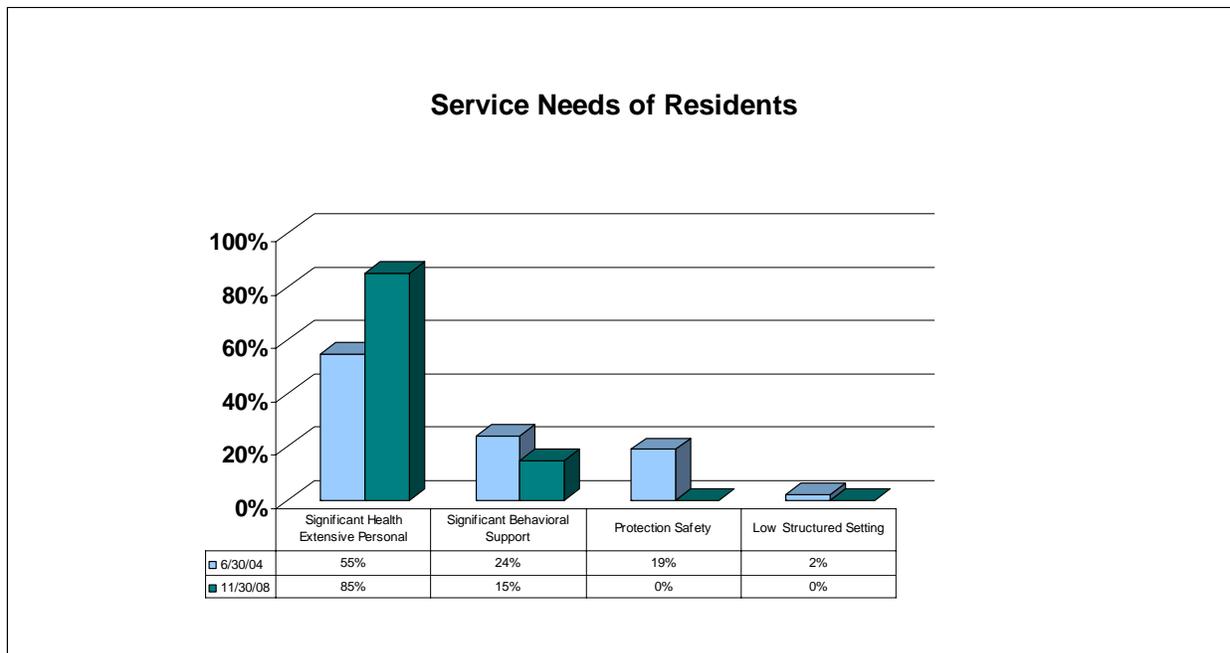
62 percent of the current Agnews' residents have profound mental retardation, 19 percent have severe mental retardation, 16 percent have moderate mental retardation, and 3 percent have mild mental retardation.



Service Needs of Residents:

Agnews residents have the following four primary service needs:

- **Significant health and extensive personal care needs:** This category includes people who require assisted breathing technology, inhalation assistive devices, or tracheotomy care; have recurrent pneumonias or apnea; and are non-ambulatory, requiring total assistance and care, and/or receive enteral (tube) feeding. Significant nursing intervention and monitoring are required to effectively support these consumers. 85 percent of the residents have significant health and extensive personal care needs.
- **Significant behavioral support:** This category describes consumers who have significant aggression issues that may require intervention for the safety of themselves or others. Approximately 15 percent of the residents are consumers needing significant behavioral support.
- **Protection and safety needs:** This category includes consumers who need a highly structured setting because of a lack of safety awareness, a pattern of self-abusive behaviors and/or inappropriate expression of social behavior. These consumers require constant supervision and ongoing intervention to prevent self-injury and/or stigmatization. At present, there are no Agnews residents requiring this type of service need.
- **Low structured setting needs:** This service need includes residents who require minimal supervision and support. At present, there are no Agnews residents requiring this type of service need.

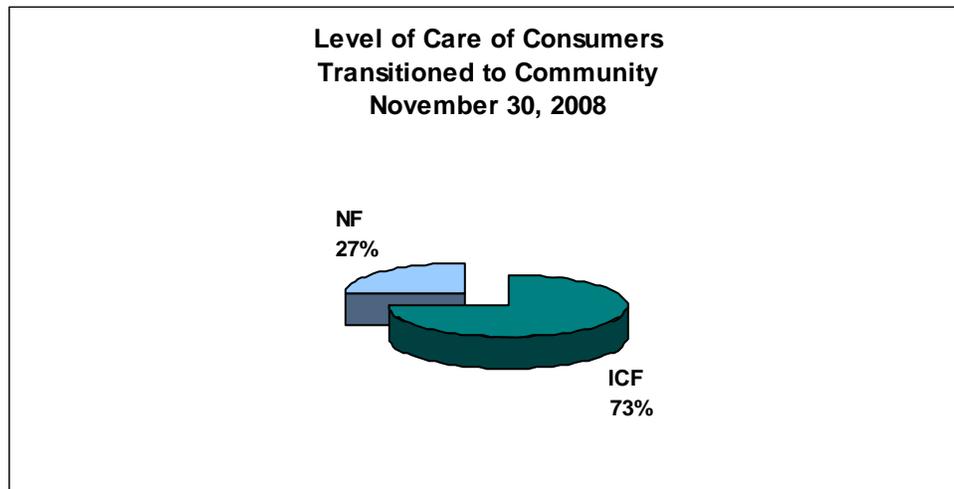


Agnews Consumers Who Have Transitioned Into the Community

Between July 1, 2004 and November 30, 2008 a total of 264 Agnews residents transitioned to other living arrangements.

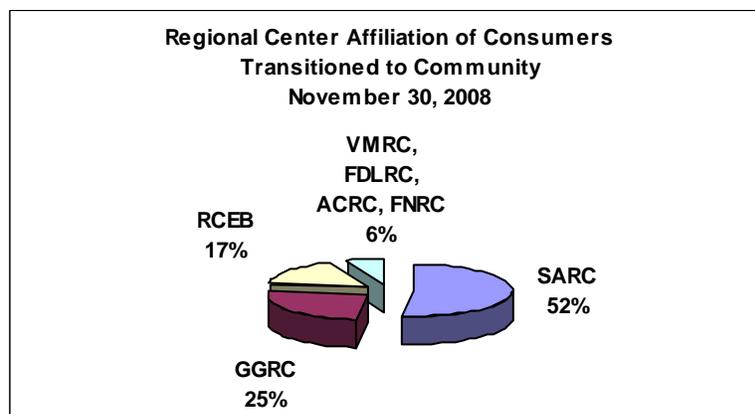
Level of Care of Consumers Who Have Transitioned Into the Community

Of the consumers who transitioned to community living arrangements between July 1, 2004 and November 30, 2008, 73 percent had been served in the ICF residences and 27 percent had been served in NF residences while at Agnews.



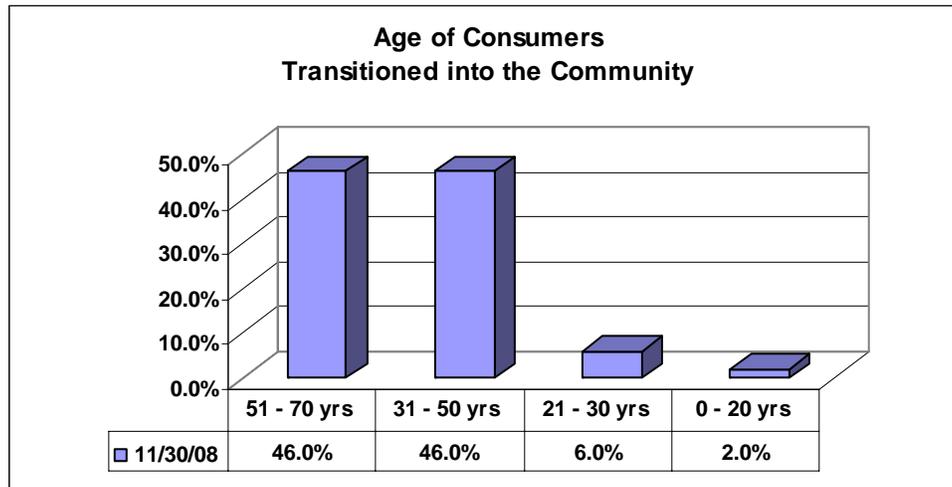
Regional Center Affiliation of Consumers Transitioned to Community

Approximately 52 percent of the consumers transitioning to the community between July 1, 2004, and November 30, 2008, were affiliated with SARC, 25 percent were affiliated with GGRC, 17 percent were affiliated with RCEB, 6 percent were affiliated with Far Northern Regional Center (FNRC), Valley Mountain Regional Center (VMRC), Frank D. Lanterman Regional Center (FDLRC), or Alta California Regional Center (ACRC).



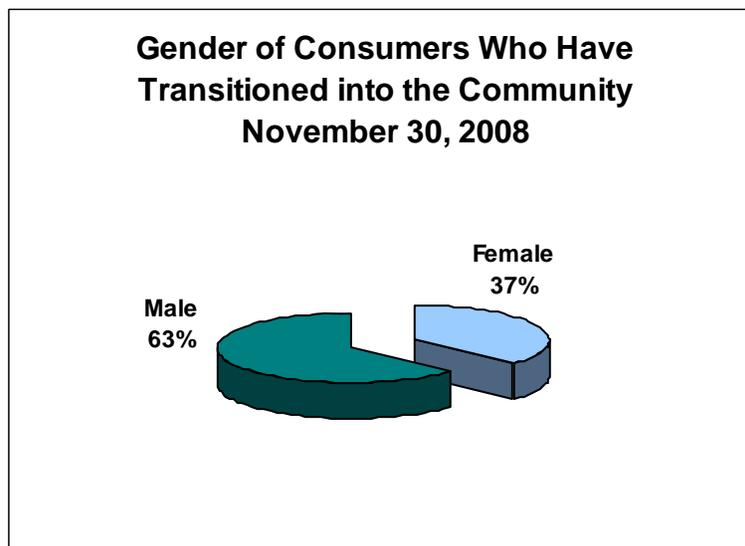
Age of Consumers Who Have Transitioned into the Community

Of the consumers transitioned to the community between July 1, 2004, and November 30, 2008, 46 percent were 51 to 70 years of age at the time of transition from Agnews, 46 percent were 31 to 50 years old, 6 percent were 21 to 30 years old, and 2 percent were 20 years of age or younger.



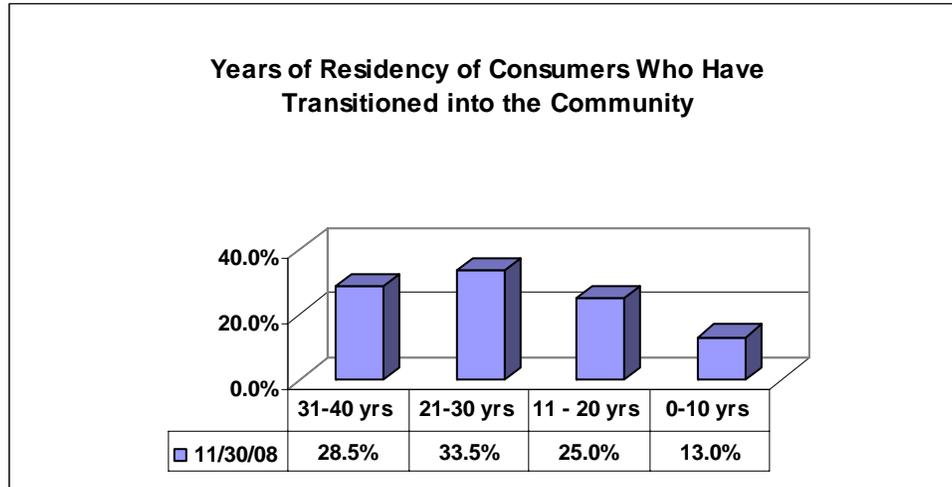
Gender of Consumers Who Have Transitioned into the Community

Sixty-three percent of the consumers transitioned to the community between July 1, 2004, and November 30, 2008, were male, and 37 percent were female.



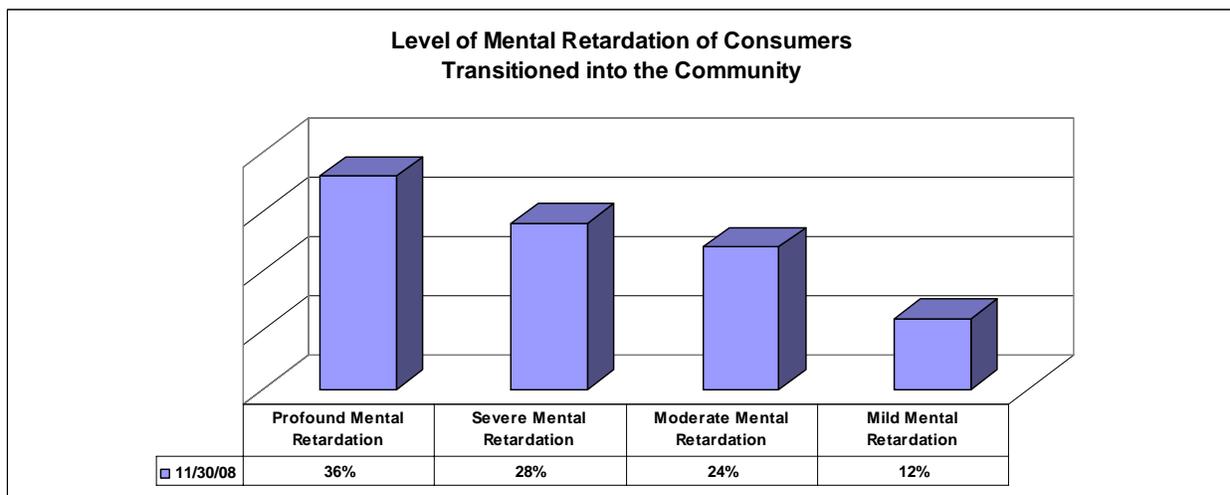
Years of Residency of Consumers Who Have Transitioned into the Community

Of the consumers transitioned to the community between July 1, 2004, and November 30, 2008, 28.5 percent lived at Agnews for 31 to 40 years, 33.5 percent for 21 to 30 years, 25 percent for 11 to 20 years, 13 percent for 10 years or less.



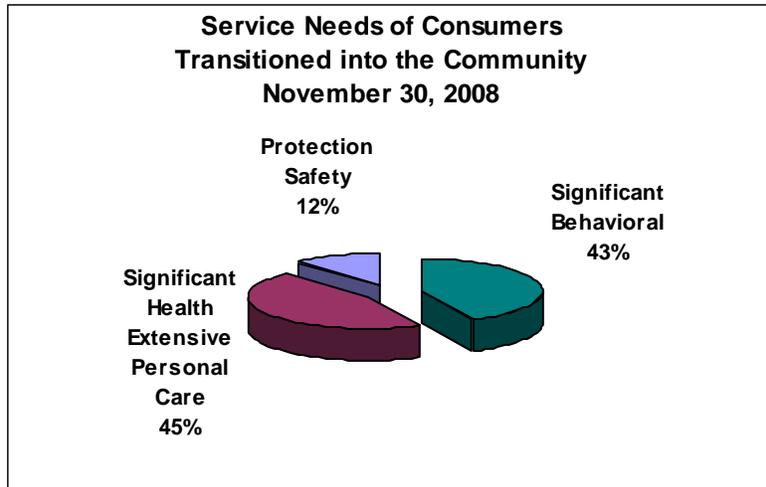
Level of Mental Retardation of Consumers Transitioned into the Community

Between July 1, 2004, and November 30, 2008, 36 percent of transitioning consumers had profound mental retardation, 28 percent had severe mental retardation, 24 percent had moderate mental retardation, and 12 percent had mild mental retardation.



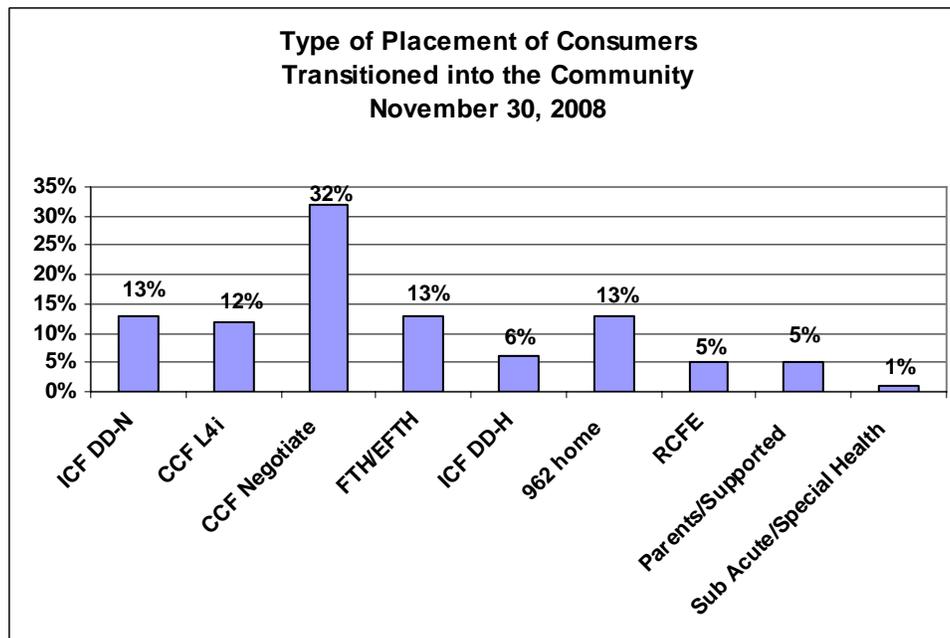
Service Needs of Consumers Transitioned into the Community

Of the consumers who transitioned to the community between July 1, 2004 and November 30, 2008, 45 percent had significant health and extensive personal care needs, 43 percent needed significant behavioral support, and 12 percent had protection and safety needs.



Type of Placement of Consumers Transitioned into the Community

13 percent of the consumers who transitioned to the community between July 1, 2004, and November 30, 2008, moved to ICF Developmentally Disabled-Nursing (DD-N), 12 percent moved to Community Care Facility Level 4i (CCF L4i), 32 percent moved to CCF Negotiate, 13 percent moved to FTH or EFTH, 6 percent moved to ICF Developmentally Disabled-Habilitative (DD-H), 13 percent moved to 962 homes, 5 percent moved to RCFE, 5 percent moved to their Parents' Home or Supported Living, and 2 individuals equaling 1 percent of the consumers required long-term care in a Sub Acute Hospital or CCF Special Health Facility.



Agnews Employees

As of November 30, 2008, there were 559 employees at Agnews. Agnews employees have been provided information regarding the closure and the options that are, or will become, available for employment. On December 28, 2007, the Department of Personnel Administration notified all impacted Bargaining Units of intent to close Agnews on or about June 30, 2008, and on March 5, 2008 State Restriction of Appointment notices were sent to all employees except those employees assigned to Warm Shut Down (facility physical plant closure process) and the Agnews Outpatient Clinic. Impact negotiations began in late January 2008, and focus on non-economic and economic proposals with unions that have identified an impact associated with the closure. Since January 2008, DDS has successfully negotiated impact agreements with unions. The negotiated impact agreements address employee needs resulting from layoff notification. The union representing medical staff was notified in early December 2008 regarding a recent amendment that included represented medical employees.

The Marchesi Career Center

The Marchesi Career Center (Career Center) opened at Agnews in July 2006. Counselors assist employees with career counseling, training, and support on an individual or group basis. Assistance with résumé writing, application processing, assessing qualifications based on job specifications and interview tips and techniques are offered. The Center is equipped with computers with Internet access for job searching for state, county, city, and local job opportunities. Since July 2006 through November 30, 2008 CalPERS has provided 30 seminars to assist employees to plan for retirement. Three Job Fairs have occurred on campus with participation of approximately forty (40) vendors.

To assist employees in securing employment, Agnews and the Employment Development Department (EDD) have collaborated with Work2Future, an organization that assists employees by providing enhanced specialized training. Work2Future and EDD have provided 18 informational sessions on issues related to job employment, training and unemployment benefits.

From the time of its opening through November 30, 2008, the Career Center recorded 1,880 employee visits, providing information and career counseling services. Between April 2007 and November 30, 2008, 680 individual career counseling sessions were provided to employees. The Career Center has provided training courses to more than 600 staff from the time it opened through November 30, 2008.

State Staff in the Community

Many Agnews employees have expressed an interest in continuing to serve the consumers who reside at Agnews as they transition to the community, by applying for community-based assignments. These assignments may be providing direct-care, administration of homes, training or consultation, quality assurance, or other services.

As of November 30, 2008, a total of 103 employees are participating in the community state staff program, with 73 employees currently working in assignments, and the remaining 30 waiting for report dates. In addition, 16 positions are currently being advertised for 3 providers, with 32 applications received.

Direct Service Professional Training

The Career Center is offering Direct Service Professional (DSP) training for employees who are interested in transitioning into the community-based service system. The training, which consists of two 35-hour classes, is required for all staff providing care to consumers in the community. The training benefits service providers, regional centers, and consumers by ensuring that there is a pool of experienced and qualified prospective employees.

The Career Center offered a challenge test, three separate full review sessions, and six training classes for the Year 1 DSP. Two training classes have been for Year 2 DSP.

Attrition

Agnews has maintained sufficient staff to protect the health and safety of remaining residents and to ensure the ongoing certification of the facility. As of November 30, 2008, there are 559 employees at Agnews.

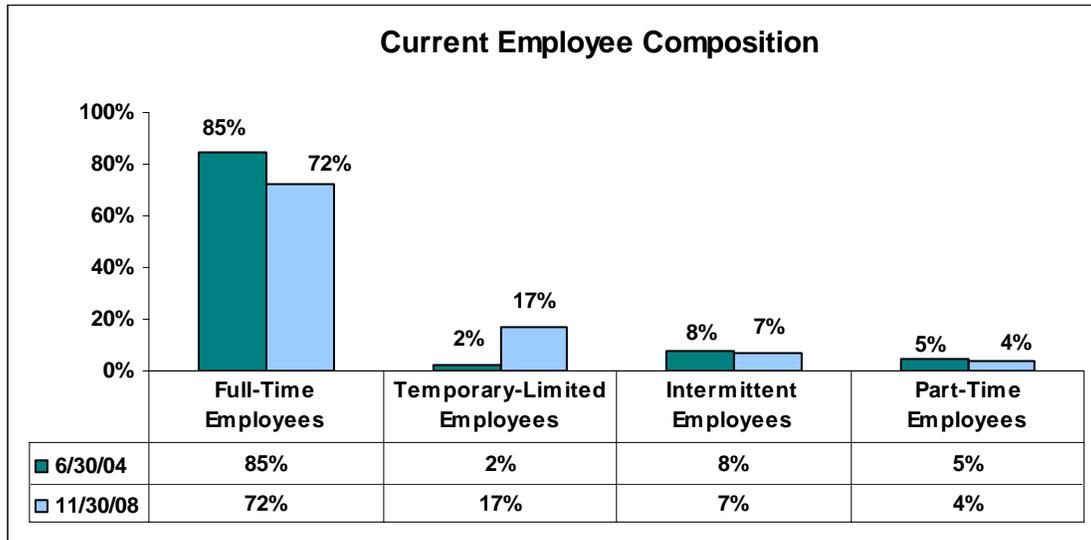
The attrition rate for this fiscal year is consistent with last fiscal year at ten percent. Licensed personnel such as registered nurses and psychiatric technicians comprise a significant majority of the separations. There is an increase in the proportion of administrative and support staff who are separating.

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

It is anticipated that the number of employees who accept community-based assignments will significantly increase with the increased availability of community resources for Agnews consumers. Residential providers have expressed a strong interest in providing employment opportunities to Agnews staff.

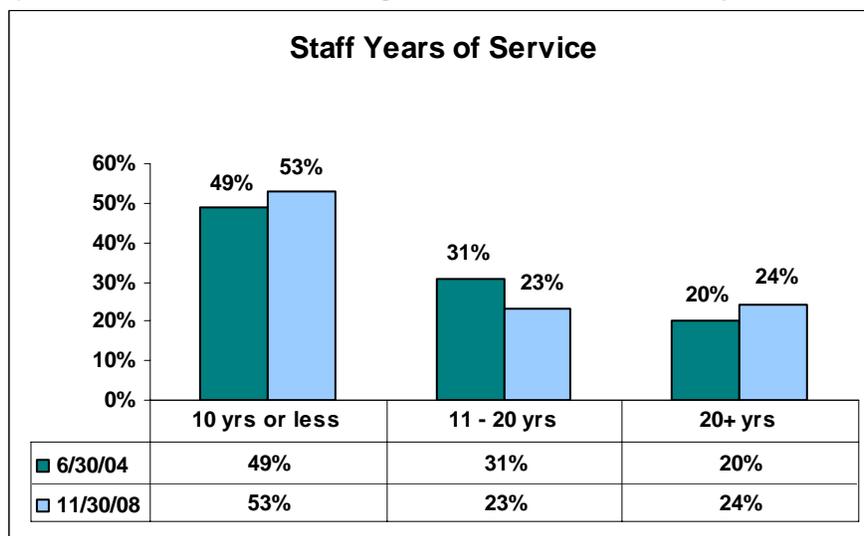
Current Employee Composition

Of the 559 employees remaining at Agnews, 72 percent are full-time employees, 17 percent are temporary limited term employees, 7 percent are intermittent employees, and the remaining 4 percent are part-time employees.



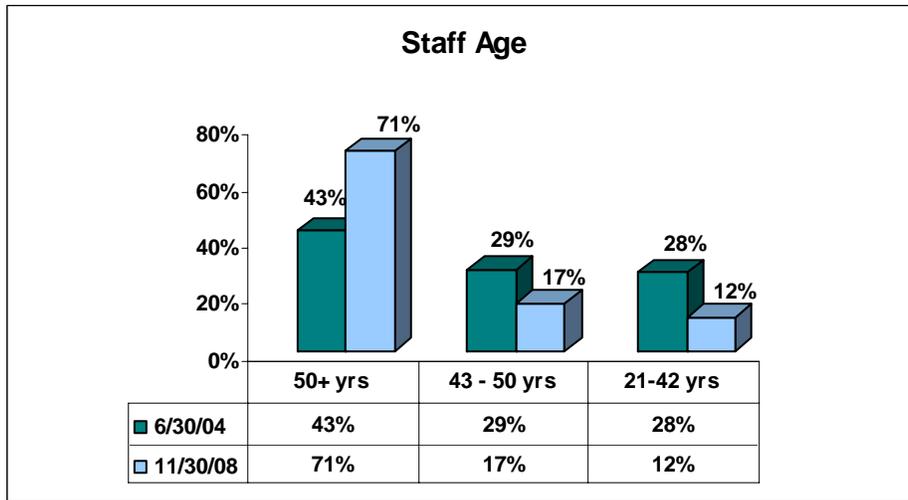
Staff Years of Service

53 percent of the employees have worked at Agnews for 10 years or less. 23 percent of the employees have been employed at Agnews between 11 and 20 years. The remaining 24 percent have worked at Agnews for more than 20 years.



Staff Age

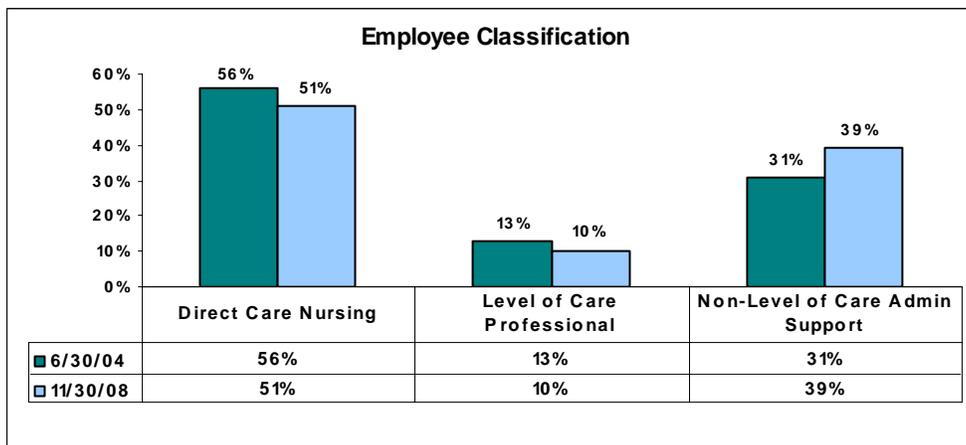
71 percent are over 50 years of age. 17 percent are between 43 to 50 years. 12 percent of the workforce are between 21 and 42 years of age.



Employee Classification

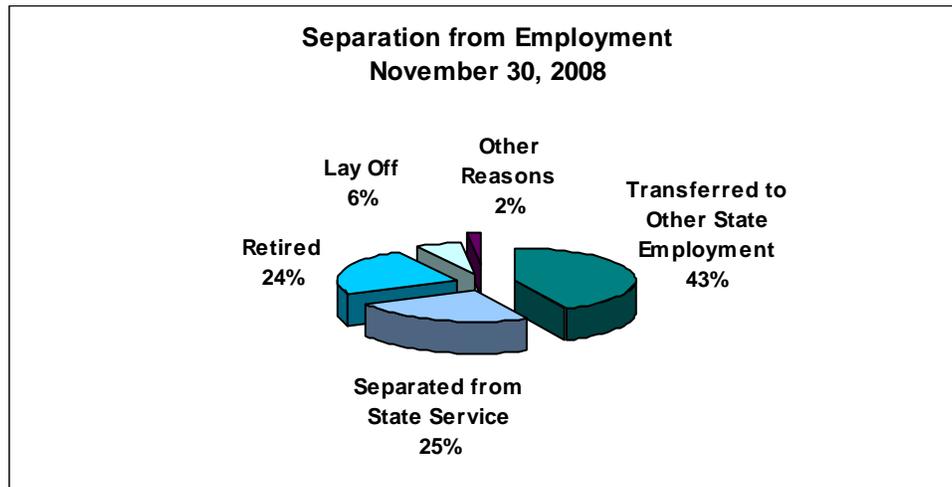
There is a wide range of employees and classifications that provide services to people residing at Agnews. These classifications are categorized as follows:

- **Direct Care Nursing:** Comprising 51 percent of the employee population, these include registered nurses, licensed vocational nurses, psychiatric technicians, psychiatric technician assistants, trainees, and students.
- **Level of Care Professionals:** Comprising 10 percent of the employee population these include physicians, rehabilitation therapists, social workers, teachers, physical and occupational therapists, respiratory therapists and others who provide a direct and specialized service to the residents at Agnews.
- **Non-Level of Care and Administrative Support:** The remaining 39 percent of the employee population includes clerical employees, food service employees, personnel and fiscal services employees, plant operations employees, and all supervisors and managers.



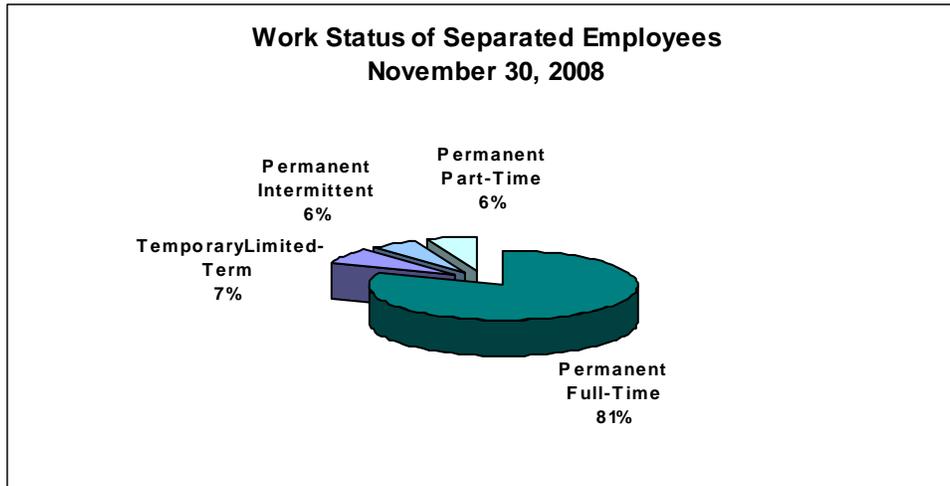
Separation from Employment

Between July 1, 2004, and November 30, 2008, 927 employees separated from employment with Agnews. Of those separating, 43 percent transferred to other state employment, 25 percent separated from state service, 24 percent retired, 6 percent were laid off, and 2 percent left for other reasons. The Agnews lay off plan includes continual assessment of employee-to-consumer need. Based on these assessments, there have been four phases of layoff between April 30, 2008 and November 30, 2008, which affected 68 employees, a number that is equivalent to approximately one fifth of the remaining workforce. Of the 68 employees impacted thus far by the layoff plan, nine have retired, seven have found employment elsewhere (four with DDS; and three with another state agency), and two have been demoted to another classification. The remaining 50 employees who faced a layoff included 18 who were LOC-Nursing; 18 who were LOC-Professional and the remaining 14 were in Non LOC staffing positions. There are two phases of layoffs currently in process, which will be fully implemented by mid-January 2009.



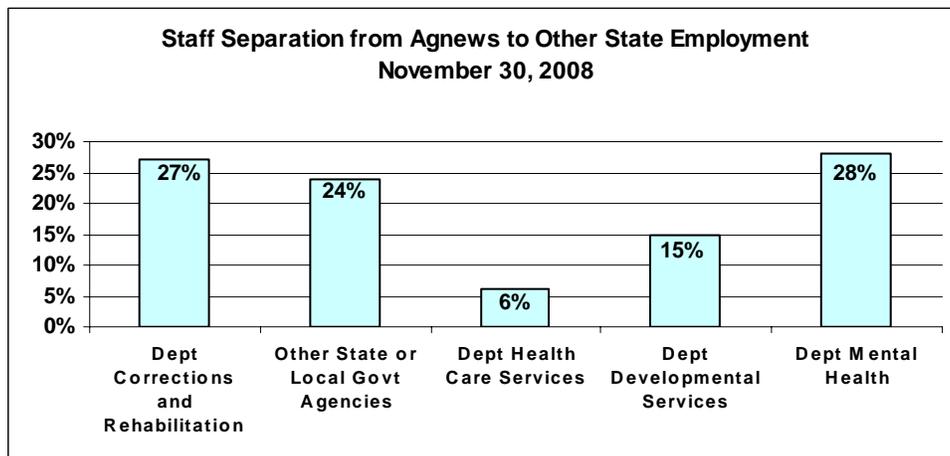
Work Status of Separated Employees

Of the employees that separated from Agnews state service between July 1, 2004, and November 30, 2008, 81 percent were full-time employees, 7 percent were temporary limited-term employees, 6 percent were permanent intermittent, and 6 percent were permanent part-time.



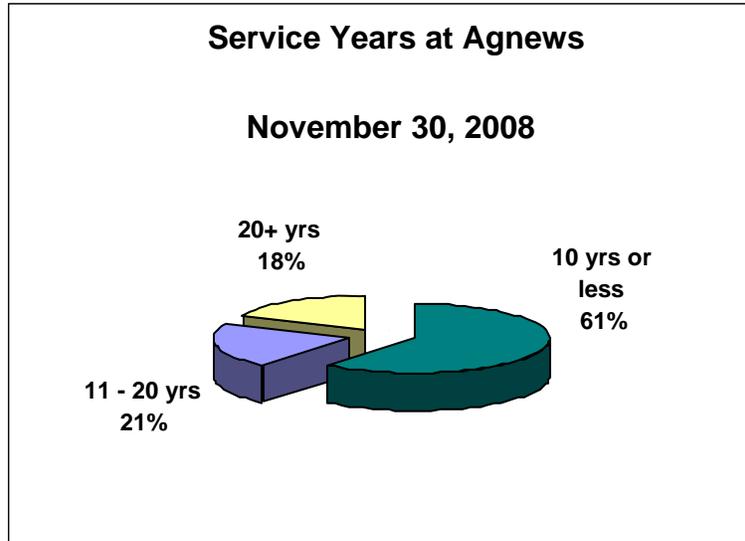
Staff Separation from Agnews to Other State Employment

For staff separating from Agnews to other state employment, 27 percent transferred to the California Department of Corrections and Rehabilitation, 24 percent transferred to other state or local government agencies, 6 percent transferred to the DHCS, 15 percent transferred to other employment within the DDS, and 28 percent transferred to the Department of Mental Health.



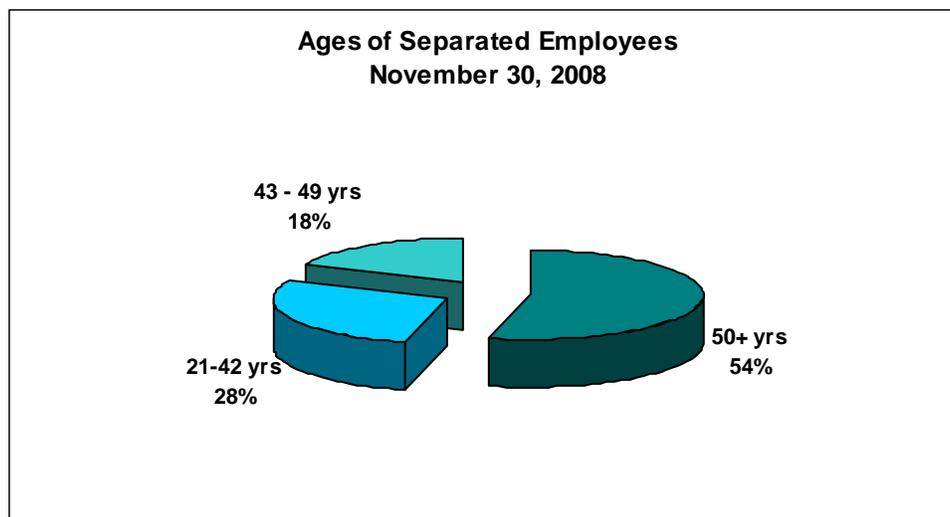
Staff Service Years at Agnews

For staff that separated from Agnews, 61 percent of the employees had worked at Agnews for ten years or less, 21 percent had worked at Agnews between 11 and 20 years, and 18 percent had worked at Agnews for more than 20 years.



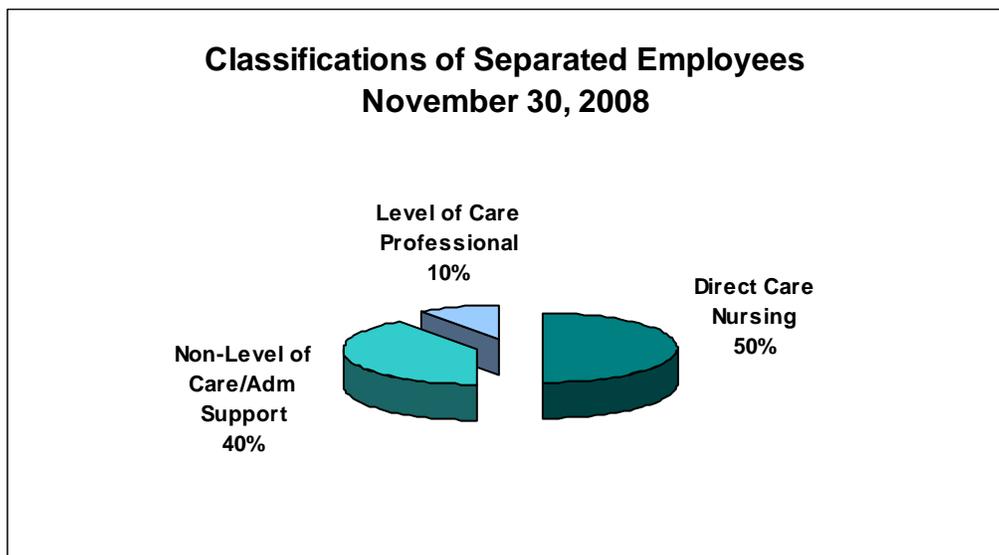
Ages of Separated Employees

54 percent of the separated employees are 50 years or older, 28 percent of those who separated are between 21 and 42 years of age, and 18 percent are between 43 to 49 years old.



Classifications of Separated Employees

50 percent of the separated employees were providers of direct care, 40 percent were in non-level of care positions and administrative support. 10 percent were level of care professional service providers to Agnews residents.



Program Consolidation

As is consistent practice at all DDS developmental center facilities, when population decreases, careful consolidation of residential areas and/or training sites must occur to ensure maximum utilization of staff and therefore greater assurance of quality services. The underpinning of Agnews' consolidation planning was the development of guidelines illuminating the process for "Movement, Transfer, and Consolidation." The guidelines were designed to assist the program managers in developing plans that assure a safe and smooth transfer of residents from one living and/or training environment to another. The Interdisciplinary Team, including the resident, family, advocate and others participate in the process to ensure a safe transition occurs. Consolidations of both residences and training sites have continued during the past six months, resulting in four residences and five training sites remaining on campus.

Conclusion

The closure of Agnews has provided the state with a critical opportunity to build community-based alternatives for consumers with unique needs who otherwise may not have opportunities to live in home-like settings. This historic effort is consistent with state and national efforts to integrate services in the least-restrictive settings possible in accordance with individual choices.

The DDS looks forward to continuing its efforts at the state and local level to build community capacity for individuals with developmental disabilities, and to address the needs of Agnews residents transitioning into the community.

Major Implementation Steps and Timelines

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID	Task Name	2009									
		3rd Quarter			4th Quarter			1st Quarter			
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
1	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	Resource Development										
11	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, CalHFA, Department of Finance, 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	<input checked="" type="checkbox"/> Construction and acquisition financing secured										
21	<input checked="" type="checkbox"/> NPOs identify potential properties										
22	<input checked="" type="checkbox"/> Hallmark acquires properties										
23	<input checked="" type="checkbox"/> BAHP legal agreements endorsed										
24	<input checked="" type="checkbox"/> BAHP RC contract amendment enforced										
25	<input checked="" type="checkbox"/> Budget Act reappropriation of expenditure plan funds										
26	<input checked="" type="checkbox"/> 60 properties receive certificates of occupancy										
27											
28											

A check indicates a completed task.
A solid black line indicates post-closure activity.
A blue line indicates pre-closure activity.

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID	Task Name	2009								
		3rd Quarter			4th Quarter			1st Quarter		
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
29	962 Homes									
30	✓ Draft legislation									
31	✓ SB 962 introduced									
32	✓ SB 962 legislation effective 1/1/2006 - pilot project									
33	✓ RCs draft and issue request for proposals for service providers									
34	🏠 Facilities certification letters issued									
35	✓ Interagency agreement for evaluation of project developed									
36	🏠 Homes developed by BAHP									
37	🏠 Finalize consumers' individual health care plans									
38	🏠 Transition consumers into homes***									
39	✓ Project evaluation contractor selected									
40	🏠 Monitoring of individuals placed in homes									
41	🏠 Evaluation report to Legislature of pilot									
42	🏠 SB 962 sunsets unless extended									
43	Family Teaching Homes									
44	✓ AB 2100 enacted									
45	✓ Draft FTH regulations									
46	✓ Promulgate regulations									
47	Health Services									
48	✓ Establish dental coordinator positions									
49	✓ Implement expanded nursing assessment components									
50	✓ Implement expanded nursing assessment									
51	✓ Develop individual health care plan									
52	✓ Implement individual health care plan									
53	✓ Develop Risk Assessment Tool									
54	✓ Implement Risk Assessment Tool									
55	✓ Establish Agnews outpatient clinic									
56										
57	*** <i>Transition to the community occurs only when the necessary services and supports are in place</i> ***									

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Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID	Task Name	2009								
		3rd Quarter			4th Quarter			1st Quarter		
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
58	Provide service through Agnews outpatient clinic									
59	Develop prototype MOU									
60	Develop DHCS/DDS MOU									
61	Submit protocols to CHHS and the Legislature									
62	Contract with Telecare for crisis facility									
63	Continue capacity building with health plans									
64	Continue recruitment of mental health and dental service providers									
65	Provide service delivery monitoring and oversight									
66										
67	State Employees in the Community									
68	Draft Legislation									
69	AB 1378 introduced									
70	AB 1378 effective 1/1/2006									
71	DDS-Labor Relations notice impacted unions of change in working conditions and offer to meet and confer/discuss.									
72	DDS establishes negotiating team									
73	DDS initiate survey of regional centers regarding need for state employees for use in transition to community.									
74	DDS-Agnews analyze survey results to determine bargaining positions, number of unions impacted, notice additional unions if necessary									
75	DDS—Agnews/regional centers develop contracts for use of state employees and reimbursement									
76	DPA and DDS meet with unions to negotiate/discuss use of State employees									
77	Agnews deploys up to 200 state employees									
78	Quality Management System									
79	Establish QMS Commission									
80	Provider - Tools									
81	Complete Provider Expectations document									
82	Draft QSR expectations									
83	Complete QSR Manual									
84	Draft and pilot QSR Monitoring Tools									

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Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2009									
			3rd Quarter			4th Quarter			1st Quarter			
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
85		Complete QSR Monitoring Tools										
86		Draft QSR and Monitoring Tools Training Manual										
87		Pilot QSR and Monitoring Tools Training Manual										
88		Consumer - Tools										
89		Develop, pilot test, and finalize Service Coordinator Tool										
90		Develop, pilot, and finalize Behavior Plan Review Tool										
91		Develop, pilot test and draft a Quality Snapshot Tool										
92		Develop, pilot, and finalize Nurse Health Review Tool										
93		Develop, pilot, and finalize Bay Area Project Staff Tool										
94		Xenologic contract										
95		Completion of NCI Consumer Survey Year One										
96		Completion of NCI Family Satisfaction Survey Year One										
97		Final reports on both consumer and family surveys										
98		Develop contract and scope of work for year two										
99		May 2008 Final Report Year Two Surveys										
100		Community development team meetings										
101		CMS final report due on grant										
102		Business Management Team										
103		Identify and support employees' personal needs to plan for future employment or retirement	[Pre-closure activity]									
104		Develop a plan to secure and protect Agnews' property throughout closure										
105		Protocols in process to secure and protect Agnews' property throughout closure										
106		Develop a process to ensure timely notification to stakeholders and appropriate entities regarding closure activities										
107		Protocols in process to ensure timely notification regarding closure										
108		Plan for inventory communications and information technology equipment, determine and develop a plan, and effectuate disposition										
109		Create website for developmental centers (DC) containing policies and procedures for inventory of communications, and information technology equipment										

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Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2009									
			3rd Quarter			4th Quarter			1st Quarter			
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
110		Manage Workers' Compensation cases, and preserve and transfer active and inactive cases including Stockton DC										
111		Plan for purge and preserve Agnews' records as appropriate										
112		Protocols in process for purge and preserve records										
113		Develop process to move personal property with the consumer										
114		Protocols in process to move personal property with consumer										
115		Project, Plan, and Manage Fiscal Resources										
116		Plan and facilitate consolidation of programs and services as population declines, including property leases										
117		Inventory, store, distribute state surplus property - supplies										
118		Create website for DCs containing policies and procedures for inventory, store-distribute state surplus property supplies										
119		Develop a process to properly handle all trust account transactions during closure and forward balances at the time of discharge										
120		Inventory/arrange for proper disposal of hazardous materials										
121		Inventory and preserve historical items										
122		Develop a plan to maintain Agnews' property during warm shutdown										
123		Maintain physical plant during warm shutdown										

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Fiscal Update

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

		Base 2004-05	2006-07 May Revision CY 2005-06	2007-08 May Revision CY 2006-07	2008-09 May Revision CY 2007-08	2009-10 November Estimate CY 2008-09 <small>1</small>	2009-10 November Estimate BY 2009-10	2010-11
FISCAL IMPACT BY ISSUE								
Developmental Centers								
1.	Agnews Budget Base	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$37,350,760	\$0	\$0
2.	Placements Into the Community	-2,502,000	-9,654,000	351,000	-11,456,000	0	0	0
3.	Consumer Transfers to Other DCs	0	0	0	-430,000	0	0	0
4.	State Employees in the Community	0	0	0	242,000	4,454,000	4,454,000	4,454,000
	a. Retained	0	0	0	242,000	4,454,000	4,454,000	4,454,000
	b. Included in Lines 13 & 14 (below)	(0)	(682,000)	(3,758,000)	(9,217,000)	(20,082,000)	(20,082,000)	(20,082,000)
5.	Administrative Staff for Closure	0	0	0	0	335,000	0	0
6.	Warm Shut Down	0	0	0	0	1,612,000	4,836,000	0
7.	Foster Grandparent/Senior Companion Program	0	0	0	0	-384,000	0	0
8.	Staff Costs for Closure Plan	0	201,000	716,000	4,918,000	4,918,000	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	809,000	809,000	809,000
12.	Agnews Staffing Plan	0	3,231,000	0	731,000	293,000	201,000	201,000
13.	2007-08 DC Reappropriation	0	0	0	-24,359,760	0	0	0
	Sub-Total, Developmental Centers	\$97,712,000	\$86,180,000	\$84,100,000	\$43,577,240	\$49,387,760	\$10,300,000	\$5,464,000
	General Fund	51,610,000	45,888,000	44,822,000	25,586,916	28,899,843	3,876,000	1,054,000
	Other	46,102,000	40,292,000	39,278,000	17,990,324	20,487,917	6,424,000	4,410,000
Regional Centers								
14.	Community Placement Plan	\$27,798,000	\$21,511,000	\$26,076,000	\$48,405,000	\$34,387,000	\$7,314,000	\$4,741,000
15.	Placement Continuation	5,279,000	9,442,000	14,314,000	19,816,000	39,576,000	81,695,000	84,268,000
16.	2007-08 RC Reappropriation	0	0	0	-18,668,900	0	0	0
	Sub-Total, Regional Centers	\$33,077,000	\$30,953,000	\$40,390,000	\$49,552,100	\$73,963,000	\$89,009,000	\$89,009,000
	General Fund	29,667,000	27,543,000	34,981,000	12,648,200	45,668,000	55,233,000	55,233,000
	Other	3,410,000	3,410,000	5,409,000	18,235,000	28,295,000	33,776,000	33,776,000
	GRAND TOTAL	\$130,789,000	\$117,133,000	\$124,490,000	\$93,129,340	\$123,350,760	\$99,309,000	\$94,473,000
	General Fund	81,277,000	73,431,000	79,803,000	38,235,116	74,567,843	59,109,000	56,287,000
	Other	49,512,000	43,702,000	44,687,000	36,225,324	48,782,917	40,200,000	38,186,000

CHANGE FROM PRIOR FISCAL YEAR								
GRAND TOTAL								
	Total		-\$13,656,000	\$7,357,000	-\$50,029,560	\$48,890,320	-\$24,041,760	-\$28,877,760
	General Fund		-7,846,000	6,372,000	-41,567,884	36,332,727	-15,458,843	-18,280,843
	Other		-5,810,000	985,000	-8,461,676	12,557,593	-8,582,917	-10,596,917
Developmental Centers								
	Total		-\$11,532,000	-\$2,080,000	-\$40,522,760	\$5,810,520	-\$39,087,760	-\$43,923,760
	General Fund		-5,722,000	-1,066,000	-19,235,084	3,312,927	-25,023,843	-27,845,843
	Other		-5,810,000	-1,014,000	-21,287,676	2,497,593	-14,063,917	-16,077,917
Regional Centers								
	Total		-\$2,124,000	\$9,437,000	-\$9,506,800	\$43,079,800	\$15,046,000	\$15,046,000
	General Fund		-2,124,000	7,438,000	-22,332,800	33,019,800	9,565,000	9,565,000
	Other		0	1,999,000	12,826,000	10,060,000	5,481,000	5,481,000

- Due to delayed placements in FY 2008-09, up to \$14.7 million will be transferred from the FY 2008-09 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget reflects the transfer of reappropriated funds.
- In FY 2008-09, the \$37.4 million includes \$14.4 million of reappropriated 2007-08 funds. The balance of the reappropriated funds will be allocated based upon need as we move towards closure.
- Prior reports included some costs of state employees in the community in State Employees in the Community (line 4) that were also included in Community Placement Plan and Placement Continuation (lines 13 and 14). The costs of state employees providing direct care services and regional center clinical services is now shown for display purposes (i.e. non-add) in State Employees in the Community (line 4) to avoid duplicating costs.
- In the 2008-09 May Revision, funding was provided for Line 15 with the assumption of all consumers transferred by June 30, 2008. Since all consumers were not transferred, \$27.2 million was shifted to Line 14.

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

COSTS TO CLOSE AGNEWS DEVELOPMENTAL CENTER

FISCAL SYNOPSIS

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 May Revision for CY 2006-07	2008-09 May Revision for CY 2007-08 1	2009-10 November Estimate for CY 2008-09	2009-10 November Estimate for BY 2009-10	2010-11
15. Placement Continuation								
A) Operations	Total	\$70,000	\$297,000	\$309,000	\$297,000	\$580,000	\$866,000	\$3,439,000
	Includes costs for additional service coordination.							
	General Fund	37,000	125,000	130,000	121,000	203,000	340,000	1,080,000
	Other	33,000	172,000	179,000	176,000	377,000	526,000	2,359,000
	Total	\$5,209,000	\$9,145,000	\$14,005,000	\$19,519,000	\$38,996,000	\$80,829,000	\$80,828,000
B) Purchase of Services (POS)	Total	49	93	133	177	252	373	373
	Includes costs for CPP placements and specialized services and housing.							
	Placements	49	93	133	177	252	373	373
	General Fund	4,355,000	7,326,000	10,663,000	14,246,000	24,958,000	49,872,000	49,872,000
	Other	854,000	1,819,000	3,342,000	5,273,000	14,038,000	30,957,000	30,957,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)	(0)	(17,509,000)	(17,509,000)	(17,509,000)
	Total Placements Continuation (A+B)	\$5,279,000	\$9,442,000	\$14,314,000	\$19,816,000	\$39,576,000	\$81,695,000	\$84,268,000
	Prior Year Placements	49	93	133	177	252	373	373
	General Fund	4,392,000	7,451,000	10,793,000	14,367,000	25,161,000	50,212,000	50,952,000
	Other	887,000	1,991,000	3,521,000	5,449,000	14,415,000	31,483,000	33,316,000
16. 2007-08 RC Reappropriation	Total	\$0	\$0	\$0	-\$18,668,900	\$0	\$0	\$0
	Reappropriated funds to provide care and assistance to consumers whom remained past the June 20, 2008 closure date.							
	General Fund	0	0	0	-18,668,900	0	0	0
	Other	0	0	0	0	0	0	0
	Total Regional Centers	\$33,077,000	\$30,953,000	\$40,390,000	\$49,552,100	\$73,963,000	\$89,009,000	\$89,009,000
	General Fund	29,667,000	27,543,000	34,981,000	31,317,100	45,668,000	55,233,000	55,233,000
	Other	3,410,000	3,410,000	5,409,000	18,235,000	28,295,000	33,776,000	33,776,000
TOTAL: DEVELOPMENTAL CENTERS AND REGIONAL	Total	\$130,789,000	\$117,133,000	\$124,490,000	\$93,129,340	\$123,350,760	\$99,309,000	\$94,473,000
	General Fund	81,277,000	73,431,000	79,803,000	56,904,016	74,567,843	59,109,000	56,287,000
	Other	49,512,000	43,702,000	44,687,000	36,225,324	48,782,917	40,200,000	38,186,000
	PYs	1,173.0	1,108.0	1,046.0	835.0	69.0	64.0	39.0
	Year Ending Population	324	254	204	0	125	0	0
	Placements	52	63	70	204	121	0	0
	Prior Year Placements	49	93	133	177	252	373	373

1. Due to delayed placements in FY 2008-09, up to \$14.7 million will be transferred from the FY 2008-09 Unified CPP regional center budget and the FY 2007-08 Agnews Developmental Center budget to FY 2008-09. The FY 2009-10 Governor's Budget reflects the transfer of reappropriated funds.

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