

FOR LEGISLATIVE REVIEW

**REGIONAL CENTERS
LOCAL ASSISTANCE ESTIMATE**

**MAY 2009 REVISION
of the
2009-10 BUDGET**



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

May 28, 2009

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**Comparison of the 2008-09 Adjusted Budget to 2009-10 May Revision
Current Year 2008-09**

	A	B	C	D	E
	2008 Adjusted Budget (Feb 20, 2009) CY 2008-09	Legislative Actions (Section Letters)	Adjusted Budget CY 2008-09 (A + B)	2009-10 May Revision CY 2008-09	2009-10 May Revision Request CY 2008-09 (D - C)
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$451,866,000		\$451,866,000	\$451,866,000	\$0
2. Federal Compliance	41,127,000		41,127,000	41,127,000	0
3. Projects	27,120,000		27,120,000	20,854,000	-6,266,000
4. Agnews Developmental Center Closure	6,896,000		6,896,000	6,896,000	0
5. 3 Percent Reduction	-6,600,000		-6,600,000	-6,600,000	0
6. Subtotal (Items 1 thru 5)	\$520,409,000	\$0	\$520,409,000	\$514,143,000	-\$6,266,000
7. New Major Assumption:	\$0	\$0	\$0	\$0	\$0
a. American Recovery Reinvestment Act (ARRA)	0	0	0	0	0
8. Revised Major Assumptions:	\$2,905,000	\$0	\$2,905,000	\$846,000	-\$2,059,000
a. Self-Directed Services	2,905,000		2,905,000	846,000	-2,059,000
9. Operations Total (Items 6 thru 8)	\$523,314,000	\$0	\$523,314,000	\$514,989,000	-\$8,325,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$787,010,000	\$0	\$787,010,000	\$772,761,000	-\$14,249,000
2. Medical Facilities	22,544,000	261,000	22,805,000	22,914,000	109,000
3. Day Programs	782,611,000	5,754,000	788,365,000	790,946,000	2,581,000
4. Habilitation Services	148,897,000	0	148,897,000	143,565,000	-5,332,000
5. Transportation	208,664,000	15,312,000	223,976,000	230,836,000	6,860,000
6. Support Services	628,977,000	25,809,000	654,786,000	664,058,000	9,272,000
7. In-Home Respite	233,035,000	4,566,000	237,601,000	239,640,000	2,039,000
8. Out-of-Home Respite	57,732,000	2,554,000	60,286,000	61,432,000	1,146,000
9. Health Care	100,603,000	0	100,603,000	97,424,000	-3,179,000
10. Miscellaneous	338,325,000	49,981,000	388,306,000	409,286,000	20,980,000
11. 3 Percent Payment Reduction	-40,400,000	0	-40,400,000	-40,400,000	0
12. Agnews Developmental Center Closure	67,918,900	0	67,918,900	58,121,900	-9,797,000 1/
13. Subtotal (Items 1 thru 12)	\$3,335,916,900	\$104,237,000	\$3,440,153,900	\$3,450,583,900	\$10,430,000
14. New Major Assumptions:	\$0	\$0	\$0	\$0	\$0
a. American Recovery Reinvestment Act (ARRA)	0	0	0	0	0
b. ARRA (Early Start)	0	0	0	0	0
15. Revised Major Assumptions:	\$2,105,000	\$0	\$2,105,000	\$0	-\$2,105,000
a. Self-Directed Services	2,105,000		2,105,000	0	-2,105,000
16. POS Total (Items 12 thru 14)	\$3,338,021,900	\$104,237,000	\$3,442,258,900	\$3,450,583,900	\$8,325,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000		\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,881,430,900	\$104,237,000	\$3,985,667,900	\$3,985,667,900	\$0
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,362,311,900	-\$170,596,000	\$2,191,715,900	\$2,191,715,900	\$0
1,011,026,000		867,046,000	874,526,000	7,480,000	
2. General Fund - Other	1,351,285,900	-26,616,000	1,324,669,900	1,317,189,900	-7,480,000
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,289,925,000	\$248,217,000	\$1,538,142,000	\$1,539,157,000	\$1,015,000
874,803,000		1,094,354,000	1,085,337,000	-9,017,000	
2. HCBS Waiver Administration	4,326,000		4,326,000	4,401,000	75,000
3. Medicaid Administration	14,199,000		14,199,000	16,145,000	1,946,000
4. Targeted Case Management (TCM)	132,685,000	28,666,000	161,351,000	175,431,000	14,080,000
5. TCM Administration	4,351,000		4,351,000	4,217,000	-134,000
6. Title XX Block Grant					
a. Social Services	147,903,000		147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000		56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	4,617,000		4,617,000	0	-4,617,000
8. Self-Directed HCBS Waiver Administration	1,453,000		1,453,000	423,000	-1,030,000
9. Medicaid	44,000,000		44,000,000	44,000,000	0
10. Vocational Rehabilitation	588,000		588,000	300,000	-288,000
11. CA Children & Families First Trust Fund	5,000,000		5,000,000	5,000,000	0
C. Program Development Fund/Parental Fees	\$1,147,000	\$0	\$1,147,000	\$1,147,000	\$0
D. Developmental Disabilities Services Account	\$75,000	\$0	\$75,000	\$75,000	\$0
E. Mental Health Services Fund	\$740,000	\$0	\$740,000	\$740,000	\$0
F. Public Transportation Account	\$138,275,000	\$0	\$138,275,000	\$138,275,000	\$0
G. Health and Human Services Fund (Prop 10)	\$0	\$0	\$0	\$0	\$0
H. Federal Funds	\$88,957,000	\$26,616,000	\$115,573,000	\$114,558,000	-\$1,015,000
1. Early Start/Part C Grant	88,397,000	26,616,000	115,013,000	113,998,000	-1,015,000
2. Foster Grandparent Program	560,000		560,000	560,000	0
I. GRAND TOTAL	\$3,881,430,900	\$104,237,000	\$3,985,667,900	\$3,985,667,900	\$0

1/ The above amounts include the remaining \$5,400,000 of the Current Year 2008-09 reappropriation of \$18,669,000 for the purpose of closing Agnews Developmental Center.

Funding Summary
Comparison of the Budget Act of 2009 to the 2009-10 May Revision

Budget Year 2009-10

	A Budget Act of 2009 (Feb 20, 2009) BY 2009-10	B 2009-10 May Revision BY 2009-10	C 2009-10 May Revision Request (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$485,377,000	\$484,478,000	-\$899,000
2. Federal Compliance	41,127,000	41,267,000	140,000
3. Projects	27,050,000	27,258,000	208,000
4. Agnews Developmental Center Closure	13,997,000 1/	7,682,000	-6,315,000
5. SS: 3 Percent Reduction	-17,400,000	-17,400,000	0
6. Subtotal (Items 1 thru 3)	\$550,151,000	\$543,285,000	-\$6,866,000
7. New Major Assumptions:	\$0	\$0	\$0
a. American Recovery Reinvestment Act (ARRA)	0	0	0
8. Revised Major Assumption:	\$2,905,000	\$1,256,000	-\$1,649,000
a. Self-Directed Services (SDS)	2,905,000	1,256,000	-1,649,000
9. Operations Total (Items 6 thru 8)	\$553,056,000	\$544,541,000	-\$8,515,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$800,631,000	\$802,458,000	\$1,827,000
2. Medical Facilities	22,801,000	23,215,000	414,000
3. Day Programs	835,484,000	851,142,000	15,658,000
4. Habilitation Services	147,862,000	143,052,000	-4,810,000
5. Transportation	228,432,000	244,150,000	15,718,000
6. Support Services	689,304,000	749,392,000	60,088,000
7. In-Home Respite	253,310,000	269,172,000	15,862,000
8. Out-of-Home Respite	61,391,000	69,319,000	7,928,000
9. Health Care	108,477,000	109,203,000	726,000
10. Miscellaneous	411,615,000	460,077,000	48,462,000
11. SS: 3 Percent Payment Reduction	-100,772,000	-100,772,000	0
12. Agnews Developmental Center Closure	63,195,000 1/	41,833,000	-21,362,000
13. Subtotal (Items 1 thru 12)	\$3,521,730,000	\$3,662,241,000	\$140,511,000
14. New Major Assumptions:	\$0	\$11,972,000	\$11,972,000
a. American Recovery Reinvestment Act (ARRA)	0	0	0
b. ARRA (Early Start)	0	0	0
c. Elimination of Medi-Cal Optional Benefits	0	11,972,000	11,972,000
15. Revised Major Assumptions:	\$2,105,000	\$118,000	-\$1,987,000
a. Self-Directed Services (SDS)	2,105,000	118,000	-1,987,000
16. POS Total (Items 13 thru 15)	\$3,523,835,000	\$3,674,331,000	\$150,496,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Savings Target (Enacted Budget, Feb 20, 2009)	\$0	-\$118,900,000	-\$118,900,000
E. Savings Target (May Revision)	\$0	-\$234,000,000 3/	-\$234,000,000
F. Impact from Other Departments	\$0	\$47,100,000	\$47,100,000
G. GRAND TOTAL	\$4,096,986,000 2/	\$3,933,167,000	-\$163,819,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	1,036,988,000	848,251,000	-188,737,000
2. General Fund - Other	1,294,473,000	1,312,514,000	18,041,000
B. Reimbursements	\$1,308,684,000	\$1,552,627,000	\$243,943,000
1. Home and Community-Based Services (HCBS) Waiver	841,357,000	1,126,427,000	285,070,000
2. HCBS Waiver Administration	4,247,000	4,408,000	161,000
3. Medicaid Administration	14,381,000	15,940,000	1,559,000
4. Targeted Case Management (TCM)	160,517,000	189,710,000	29,193,000
5. TCM Administration	4,351,000	4,217,000	-134,000
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	80,270,000	14,000,000	-66,270,000
7. Self-Directed HCBS Waiver	4,617,000	93,000	-4,524,000
8. Self-Directed HCBS Waiver Administration	1,453,000	629,000	-824,000
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	\$1,592,000	\$2,492,000	\$900,000
D. Developmental Disabilities Services Account	\$0	\$150,000	\$150,000
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Public Transportation Account	\$138,275,000	\$138,275,000	\$0
G. Health and Human Services Fund (Prop 10)	\$265,000,000	\$0	-\$265,000,000
H. Federal Funds	\$51,234,000	\$78,118,000	\$26,884,000
1. Early Start/Part C Grant	50,674,000	77,558,000	26,884,000
2. Foster Grandparent Program	560,000	560,000	0
I. GRAND TOTAL	\$4,096,986,000	\$3,933,167,000	-\$163,819,000

1/ Column A includes errors made during the restoration of the target to mitigate growth.

2/ Column A assumes \$109.5m in reductions associated with the savings target in line D.

3/ The \$234.0 million represents a Systemwide departmental reduction that is being reflected in the RC system until the final proposals are submitted.

2009-10 May Revision
Current Year 2008-09 to Budget Year 2009-10

	A	B	C
	2009-10 May Revision CY 2008-09	2009-10 May Revision BY 2009-10	2009-10 May Revison Request (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$451,866,000	\$484,478,000	\$32,612,000
2. Federal Compliance	41,127,000	41,267,000	140,000
3. Projects	20,854,000	27,258,000	6,404,000
4. Agnews Developmental Center Closure	6,896,000	7,682,000	786,000
5. SS: 3 Percent Reduction	-6,600,000	-17,400,000	-10,800,000
6. Subtotal (Items 1 thru 3)	\$514,143,000	\$543,285,000	\$29,142,000
7. New Major Assumptions:	\$0	\$0	\$0
a. American Recovery Reinvestment Act (ARRA)	0	0	0
8. Revised Major Assumption:	\$846,000	\$1,256,000	\$410,000
a. Self-Directed Services (SDS)	846,000	1,256,000	410,000
9. Operations Total (Items 6 thru 8)	\$514,989,000	\$544,541,000	\$29,552,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$772,761,000	\$802,458,000	\$29,697,000
2. Medical Facilities	22,914,000	23,215,000	301,000
3. Day Programs	790,946,000	851,142,000	60,196,000
4. Habilitation Services	143,565,000	143,052,000	-513,000
5. Transportation	230,836,000	244,150,000	13,314,000
6. Support Services	664,058,000	749,392,000	85,334,000
7. In-Home Respite	239,640,000	269,172,000	29,532,000
8. Out-of-Home Respite	61,432,000	69,319,000	7,887,000
9. Health Care	97,424,000	109,203,000	11,779,000
10. Miscellaneous	409,286,000	460,077,000	50,791,000
11. SS: 3 Percent Payment Reduction	-40,400,000	-100,772,000	-60,372,000
12. Agnews Developmental Center Closure	58,121,900	41,833,000	-16,288,900
13. Subtotal (Items 1 thru 12)	\$3,450,583,900	\$3,662,241,000	\$211,657,100
14. New Major Assumptions:	\$0	\$11,972,000	\$11,972,000
a. American Recovery Reinvestment Act (ARRA)	0	0	0
b. ARRA (Early Start)	0	0	0
c. Elimination of Medi-Cal Optional Benefits	0	11,972,000	11,972,000
15. Revised Major Assumptions	\$0	\$118,000	\$118,000
a. Self-Directed Services (SDS)	0	118,000	118,000
16. POS Total (Items 13 thru 15)	\$3,450,583,900	\$3,674,331,000	\$223,747,100
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Savings Target (Enacted Budget, Feb 20, 2009)	\$0	-\$118,900,000	-\$118,900,000
E. Savings Target (May Revision)	\$0	-\$234,000,000	-\$234,000,000
F. Impact from Other Departments	\$0	\$47,100,000	\$47,100,000
G. GRAND TOTAL	\$3,985,667,900	\$3,933,167,000	-\$52,500,900
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	874,526,000	848,251,000	-26,275,000
2. General Fund - Other	1,317,189,900	1,312,514,000	-4,675,900
B. Reimbursements	\$1,539,157,000	\$1,552,627,000	\$13,470,000
1. Home and Community-Based Services (HCBS) Waiver	1,085,337,000	1,126,427,000	41,090,000
2. HCBS Waiver Administration	4,401,000	4,408,000	7,000
3. Medicaid Administration	16,145,000	15,940,000	-205,000
4. Targeted Case Management (TCM)	175,431,000	189,710,000	14,279,000
5. TCM Administration	4,217,000	4,217,000	0
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	14,000,000	-42,000,000
7. Self-Directed HCBS Waiver	0	93,000	93,000
8. Self-Directed HCBS Waiver Administration	423,000	629,000	206,000
9. Medicaid	44,000,000	44,000,000	0
10. Vocational Rehabilitation	300,000	300,000	0
11. CA Children & Families First Trust Fund	5,000,000	5,000,000	0
C. Program Development Fund / Parental Fees	\$1,147,000	\$2,492,000	\$1,345,000
D. Developmental Disabilities Service Account	\$75,000	\$150,000	\$75,000
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Public Transportation Account	\$138,275,000	\$138,275,000	\$0
G. Health and Human Services Fund (Prop 10)	\$0	\$0	\$0
H. Federal Funds	\$114,558,000	\$78,118,000	-\$36,440,000
1. Early Start/Part C Grant	113,998,000	77,558,000	-36,440,000
2. Foster Grandparent Program	560,000	560,000	0
I. GRAND TOTAL	\$3,985,667,900	\$3,933,167,000	-\$52,500,900

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 ^{al}	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
7. Self-Directed HCBS Waiver	147,902,000	147,903,000	147,903,000	0	1,000
8. Self-Directed HCBS Waiver Administration	56,000,000	56,000,000	56,000,000	0	0
9. Medicaid	387,000	182,000	0	-182,000	-387,000
10. Vocational Rehabilitation	575,000	434,000	224,000	-210,000	-351,000
11. Medicaid	0	44,000,000	44,000,000	0	44,000,000
12. Vocational Rehabilitation	588,000	588,000	328,000	-260,000	-260,000
C. Program Development Fund/Parental Fees					
D. Public Transportation Account					
E. Federal Funds					
1. Early Start/Part C Grant	\$1,265,000	\$1,075,000	\$1,075,000	\$0	-\$190,000
2. Public Transportation Account	\$128,806,000	\$128,806,000	\$134,982,000	\$6,176,000	\$6,176,000
3. Federal Funds	\$52,494,000	\$52,584,000	\$72,279,000	\$19,695,000	\$19,785,000
4. Early Start/Part C Grant	52,038,000	52,038,000	71,823,000	19,785,000	19,785,000
5. Foster Grandparent Program	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

Executive Highlights

I. CURRENT YEAR 2008-09 COSTS AND FUND SOURCES

Funding for the regional centers for the current year is projected to be \$8.3 million less in Operations and \$8.3 million more in Purchase of Services, for a total of a net zero change to the 2008-09 Adjusted Budget.

2008-09 Costs <i>(in millions)</i>			
	Adjusted Budget *	May Revision	Difference
Total Costs	\$3,985.7	\$3,985.7	\$0.0
Operations	523.3	515.0	-8.3
Purchase of Services	3,442.3	3,450.6	8.3
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,985.7	\$3,985.7	\$0.0
General Fund (GF)	2,191.7	2,191.7	0.0
GF Match	(867.0)	(874.5)	(7.5)
GF Other	(1,324.7)	(1,317.2)	(-7.5)
Reimbursements	1,538.2	1,539.2	1.0
Program Development Fund	1.1	1.1	0.0
Developmental Disabilities Svcs Acct	0.1	0.1	0.0
Mental Health Services Fund	0.7	0.7	0.0
Public Transportation Account	138.3	138.3	0.0
Federal Funds	115.6	114.6	-1.0

* Adjusted budget includes Budget Revisions pursuant to Section 1.5 and Section 8.25 submitted to-date.

A. Caseload

The May Revision retains the caseload estimate of 229,675 included in the revised 2008-09 Budget Act.

2008-09 Caseload <i>as of January 31, 2009</i>			
	Adjusted Budget	May Revision	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

Current Year 2008-09 (Continued)

Changes from the Revised 2008-09 Budget to the May Revision are as follows:

B. Total Costs: None**1. Operations: \$8.3 Million Decrease**

All savings based on the Estimate is being redirected to the Purchase of Services (POS) based on the POS funding needs. The savings were generated from one-time deferral of project funding necessary to ensure adequate resources are available for POS costs, and delay in implementation of the Self-Directed Home and Community Based Services (SDHCBS) Waiver.

- New Major Assumptions: Net Zero
 - American Recovery Reinvestment Act (ARRA): \$28.7 Million Increase in Reimbursement and \$28.7 Million Decrease in General Fund:

The Department requests reimbursement authority in 2008-09 for an additional \$28.7 million of federal funding associated with Targeted Case Management (TCM) program operated in the state's 21 regional centers. The increase in federal reimbursements results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP). This represents a General Fund savings for the same amount.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted

Current Year 2008-09 (Continued)

in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

- Revised Major Assumptions: \$2.1 Million Decrease

- Staffing for Self-Directed Services (SDS): \$2.1 Million Decrease:

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 to April 2010. Regional center implementation will be phased in over an eight-month period beginning in April 2010 and through November 2010. 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.

2. Purchase of Services (POS): \$8.3 Million Increase

2008-09 Purchase of Services			
<i>(in millions)</i>			
POS Category	Adjusted Budget	May Revision	Difference
(1) Base	\$2,931.6	\$2,958.6	\$27.0
(2) Updated Caseload, Utilization and Expenditure Data	253.4	379.5	126.1
(3) Community Placement Plan (CPP)	64.8	64.0	-0.8
(4) Placement/Deflection Continuation	48.3	30.8	-17.5
(5) Minimum Wage Increases	10.4	0.0	-10.4
(6) 3 Percent Payment Reductions for RCs	-40.4	-40.4	0.0
(7) Agnews Developmental Center Closure	67.9	58.1	-9.8
(8) Revised Major Assumptions:	2.1	0.0	-2.1
a. Self-Directed Services	(2.1)	(0.0)	(-2.1)
(9) Section 1.5 and Section 8.25	104.2	0.0	-104.2
Total	\$3,442.3	3,450.6	8.3

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

- Base: May Revision base expenditures of \$2,958.6 million were estimated using updated 2007-08 POS actual expenditure data, resulting in an increase of \$27.0 million.

Current Year 2008-09 (Continued)

- Updated Caseload, Utilization, and Expenditure Data: Updated caseload and expenditure data were used to update this projection, resulting in an increase of \$126.1 million from the Adjusted Budget.
- Community Placement Plan: Regular CPP costs were updated for 2008-09, resulting in a decrease of \$0.8 million.
- Placement/Deflection Continuation: These costs are for consumers who, under the CPP in the prior year, (a) moved from a DC into the community, or (b) were deflected away from placement in a DC. Placement/Deflection Continuation costs were updated using the regional centers' 2008-09 Sufficiency of Allocation Reports, resulting in a decrease of \$17.5 million.
- Minimum Wage Increases: The impact of these wage rate increases is reflected in the trends, resulting in a decrease to this line item of \$10.4 million.
- Agnews Developmental Center Closure: \$9.8 million decrease from previous estimate is due to the budgeted amount including errors made during the restoration of the target to mitigate growth.
- POS New Major Assumptions: \$46.6 Million Increase
 - American Recovery Reinvestment Act (ARRA): \$161.9 Million Increase in Reimbursement and \$115.3 Million Decrease in General Fund:

The Department requests reimbursement authority in 2008-09 for an additional \$161.9 million of federal funding associated with the Home and Community-based Services Waiver for the Developmentally Disabled (HCBS Waiver) operated in the state's 21 regional centers and Medicaid funding associated with transportation and day programs provided in Intermediate Care Facilities for persons with developmental disabilities. (ICF/DD). The increase in federal reimbursements results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP). This represents a General Fund savings for the same amount.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for

Current Year 2008-09 (Continued)

the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

- ARRA Early Start Part C Grant: \$26.6 Million Increase in Federal Trust Fund and \$26.6 Million Decrease in General Fund:

Based on a federal allocation formula derived from the total state census of infants and toddlers birth to 36 months of age, the California portion of the federal Part C grant totals approximately \$51 million annually. The ARRA funds \$53.2 million are in addition to the annual grant allocation and will be receiving \$26.6 million in 2008-09 and \$26.6 million in 2009-10. Despite some restrictions on the use of these ARRA funds, the funds can be targeted for usual Part C expenditures such as the purchase of services.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering

Current Year 2008-09 (Continued)

ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

- POS Revised Major Assumptions: \$2.1 Million Decrease
 - Self-Directed Services (SDS): \$2.1 Million Decrease: Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDHCBS Waiver requirements. However, approval of the SDHCBS Waiver is pending further discussion with the new federal administration. As a result, the anticipated date of implementation and enrollment has been extended to April 1, 2010. The \$2.1 million decrease reflects the revised implementation date and adjusted phase in of the program.

C. Fund Sources**1. Reimbursements: \$1.0 Million Increase**

The net Reimbursements in 2008-09 increases by \$1.0 million due to the projected savings in Operations and additional Purchase of Services expenditures.

2008-09 Reimbursements			
<i>(in millions)</i>			
Reimbursement	Adjusted Budget	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$1,094.4	\$1,085.4	-9.0
b. HCBS Waiver Administration	4.3	4.4	0.1
c. Medicaid Administration	14.2	16.2	2.0
d. Targeted Case Management (TCM)	161.4	175.4	14.0
e. TCM Administration	4.4	4.2	-0.2
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	0.0	-4.6
h. Self-Directed HCBS Waiver Administration	1.4	0.4	-1.0
i. Medicaid	44.0	44.0	0.0
j. Vocational Rehabilitation	0.6	0.3	-0.3
k. CA Children & Families Trust Fund	5.0	5.0	0.0
Total	\$1,538.2	\$1,539.2	\$1.0

Current Year 2008-09 (Continued)

Changes reflect the following:

- HCBS Waiver: The \$9.0 million decrease in HCBS Waiver federal financial participation (FFP) is based on updated HCBS Waiver claims data for the period July 2008 through December 2008. This adjustment also included new funds from ARRA.
- HCBS Waiver Administration: The \$0.1 million increase in FFP reflects the most current available data.
- Medicaid Administration: The \$2.0 million increase in FFP reflects the most current available data.
- TCM: The \$14.0 million increase in FFP reflects the most current available data and rates. This adjustment also included new funds from ARRA.
- TCM Administration: The \$0.2 million decrease reflects the most current available data.
- SDHCBS Waiver: The \$4.6 million decrease reflects delay of the consumer participation until 2009-10.
- SDHCBS Waiver Administration: The \$1.0 million decrease in reimbursements for regional center SDS Operations costs is due to delay of the phased implementation of the program
- Vocational Rehabilitation: The \$0.3 million decrease is based on the actual reimbursement from DOR.

3. Federal Funds: \$1.0 Million Decrease in Early Start Part C Grant

- This decrease is due to a reduction in the federal Early Start Grant. This adjustment also included new funds from ARRA.

II. BUDGET YEAR 2009-10 COSTS AND FUND SOURCES

Budget Year 2009-10 expenditures were estimated to be \$3.9 billion, a decrease of \$163.8 million from the enacted 2009-10 Budget Act as shown in the table below:

2009-10 Costs (in millions)			
	Enacted Budget *	May Revision	Difference
Total Costs	\$4,097.0	\$3,933.2	-\$163.8
Operations	553.1	544.6	-8.5
Purchase of Services	3,523.8	3,674.3	150.5
Early Start - Other Agency Costs	20.1	20.1	0.0
Savings Target (Enacted Budget, Feb. 20, 2009)	0.0 a/	-118.9 b/	-118.9
Savings Target (May Revision)	0.0	-234.0	-234.0
Impact from Other Departments	0.0	47.1	47.1
Fund Sources	\$4,097.0	\$3,933.2	-\$163.8
General Fund (GF)	2,331.5	2,160.8	-170.7
GF Match	(1,037.0)	(848.3)	(-188.7)
GF Other	(1,294.5)	(1,312.5)	(18.0)
Reimbursements	1,308.7	1,552.6	243.9
Program Development Fund	1.6	2.5	0.9
Developmental Disabilities Services Account	0.0	0.2	0.2
Mental Health Services Fund	0.7	0.7	0.0
Public Transportation Account	138.3	138.3	0.0
Health & Human Services Fund (Prop. 10)	265.0	0.0	-265.0
Federal Funds	51.2	78.1	26.9

* Budget Act of 2009, February 20, 2009.

a/ The savings projected is included in the Enacted Budget figures totaling \$109.5 million, but are shown in the May Revision as a separate line item for display purpose.

b/ Savings target amount corresponds with proposals previously submitted to the Legislature to achieve \$100 million General Fund reduction.

A. Caseload

The 2008-09 Adjusted Budget reflects an estimated community caseload of 229,675 on January 31, 2009. For the 2009-10 May Revision, the community caseload is projected to decrease by 25 from 242,520 to 242,495 on January 31, 2010. This caseload is assumed to be the average for 2009-10 and is used to estimate regional center Operations costs.

Budget Year 2009-10 (Continued)

2009-10 Caseload <i>as of January 31, 2010</i>			
	Enacted Budget	May Revision	Difference
Total Community Caseload	242,520	242,495	-25
<i>Active Caseload (Age 3 & Older)</i>	206,320	206,550	230
<i>Early Start (Birth through 2 Years)</i>	36,200	35,945	-255

Significant changes from the 2009-10 Enacted Budget to the May Revision are as follows:

- B. Total Costs: \$163.8 Million Decrease
1. Operations: \$8.5 Million Decrease
- Staffing: \$0.9 Million Decrease

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

2009-10 Staffing <i>(in millions)</i>			
	Enacted Budget	May Revision	Difference
(1) Core Staffing	\$491.5	\$490.6	-\$0.9
(2) Intake and Assessment (Cost Containment)	-4.5	-4.5	0.0
(3) Community Placement Plan	12.7	12.7	0.0
(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	\$485.3	\$484.4	-\$0.9

Changes reflect the following:

- Core Staffing: The \$0.9 million decrease in Core Staffing reflects the costs associated with updated caseload, facility, vendor and expenditure data.

Budget Year 2009-10 (Continued)

- Federal Compliance: \$0.1 Million Increase

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

2009-10 Federal Compliance <i>(in millions)</i>			
	Enacted Budget	May Revision	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	4.7	-0.7
(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	\$41.2	\$0.1

The following minor adjustments were made:

- Accelerated HCBS Waiver Enrollments: These costs were increased by \$0.8 million General Fund to reflect 1,760 more Waiver enrollments in 2009-10 above the 1,920 enrollments projected in 2008-09 to 3,680 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 \$0.7 million decrease reflects the projected 2009-10 reduced number of Community Placement Coordinator vacancies related to HCBS Waiver Consumers.

Budget Year 2009-10 (Continued)

- Projects: \$0.2 Million Increase

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

2009-10 Projects <i>(in thousands)</i>			
	Enacted Budget	May Revision	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	5,037	109
(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	92	-270
(18) Review of SB 1175 Housing Proposals	0	150	150
Total	\$27,050	\$27,258	\$208

Budget Year 2009-10 (Continued)

Changes reflect the following:

- Clients' Rights Advocacy Contract: The increase of \$219,000 reflects updated caseload.
- Life Quality Assessment Contract: The increase of \$109,000 reflects the increase in the life quality assessments to be done in 2009-10 due to update caseload.
- Evaluation of SB 962 Pilots: This decrease of \$270,000 is the result of this evaluation of the SB 962 Pilot Projects and will be presented in a report to the Legislature by January 1, 2010.
- Review of SB 1175 Housing Proposals: The increase of \$150,000 represents the nonrefundable fee to be paid by housing developers to reimburse the Department's costs for review and approval of the proposals. This increase represents approval by the department for regional center housing proposals for consumers with special health care needs.

- Agnews Developmental Center Closure: \$6.3 Million Decrease

This \$6.3 million decrease from the previous estimate is due to the budgeted amount including errors made during the restoration of the target to mitigate growth.

- New Major Assumptions: Net Zero
- American Recovery Reinvestment Act (ARRA): \$36.0 Million Increase in Reimbursement and \$36.0 Million Decrease in General Fund:

The Department requests reimbursement authority in 2008-09 for an additional \$36.0 million of federal funding associated with Targeted Case Management (TCM) program operated in the state's 21 regional centers. The increase in federal reimbursements results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP). This represents a General Fund savings for the same amount.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various

Budget Year 2009-10 (Continued)

departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

- Revised Major Assumptions: \$1.6 Million Decrease

- Staffing for Self-Directed Services (SDS): \$1.6 Million Decrease

Implementation of the SDS program is contingent upon federal approval of the SDHCBS Waiver and promulgation of regulations. The anticipated date of implementation and enrollment has been extended to April 2010. Regional center implementation will be phased in over an eight-month period beginning in April 2010 through November 2010. 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.

- 2. Purchase of Services (POS): \$150.5 Million Increase

Total POS expenditures are estimated to be \$3.7 billion, representing an increase of \$150.5 million from the enacted budget.

Budget Year 2009-10 (Continued)

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	Enacted Budget	May Revision	Difference
(1) Base	\$3,140.8	\$3,317.9	\$177.1
(2) Updated Caseload, Utilization and Expenditure Data	333.1	338.5	5.4
(3) Community Placement Plan (CPP)	64.8	64.8	0.0
(4) Placement/Deflection Continuation	20.6	0.0	-20.6
(5) 3 Percent Payment Reduction for RCs	-100.8	-100.8	0.0
(6) Agnews Developmental Center Closure	63.2	41.8	-21.4
(7) New Major Assumptions	0.0	12.0	12.0
a. ARRA	<i>(0.0)</i>	<i>(0.0)</i>	<i>0.0</i>
b. ARRA (Early Start)	<i>(0.0)</i>	<i>(0.0)</i>	<i>0.0</i>
c. Elimination of Medi-Cal Optional Benefits	<i>(0.0)</i>	<i>(12.0)</i>	<i>(12.0)</i>
(8) Revised Major Assumptions:	2.1	0.1	-2.0
a. Self-Directed Services	<i>(2.1)</i>	<i>(0.1)</i>	<i>(-2.0)</i>
Total	\$3,523.8	3,674.3	150.5

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

- Base: The 2009-10 base costs of \$3,317.9 million increased by \$177.1 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 \$177.1 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 were used to update this projection, resulting in an increase of \$5.4 million from the Enacted Budget.
- 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 2008-09 are reflected in the trends resulting in a decrease to this line item of \$20.6 million.
- Agnews Developmental Center Closure: \$21.4 Million Decrease from the previous estimate is due to the budgeted amount including errors made during the restoration of the target to mitigate growth.

Budget Year 2009-10 (Continued)

- POS New Major Assumptions: \$12.0 Million Increase
- American Recovery Reinvestment Act (ARRA): \$204.9 Million Increase in Reimbursement and \$204.9 Million Decrease in General Fund:

The Department requests reimbursement authority in 2009-10 for an additional \$204.9 million of federal funding associated with the Home and Community-based Services Waiver for the Developmentally Disabled (HCBS Waiver) operated in the state's 21 regional centers. The increase in federal reimbursements results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP). This represents a General Fund savings for the same amount.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

- ARRA Early Start Part C Grant: \$26.6 Million Increase in Federal Trust Fund and \$26.6 Million Decrease in General Fund:

Based on a federal allocation formula derived from the total state census of infants and toddlers birth to 36 months of age, the California portion of the federal Part C grant totals approximately \$51 million annually. The ARRA funds \$53.2 million are in addition to the annual grant allocation and will be receiving \$26.6 million in 2008-09 and \$26.6 million in 2009-10. Despite some restrictions on

Budget Year 2009-10 (Continued)

the use of these ARRA funds, the funds can be targeted for usual Part C expenditures such as the purchase of services.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

- Elimination of Medi-Cal Optional Benefits: \$12.0 Million Increase: \$8.0 Million Increase in General Fund and \$4.0 Million Increase in Reimbursement:

Medi-Cal optional benefit eliminations include, but are not limited to, creams and washes, audiology, optometry and related services, podiatry, psychology, speech therapy, and dental services. Without the availability of generic services, regional centers will incur additional expenses in order to meet the needs of Californians with developmental disabilities.

- POS Revised Major Assumptions: \$2.0 Million Decrease
 - Self-Directed Services (SDS): \$2.0 Million Decrease: Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDHCBS Waiver requirements. However, approval of the SDHCBS Waiver is pending further discussion with the new federal administration. As a result, the anticipated date of implementation and enrollment has been extended to April 1, 2010. The \$2.0 million decrease reflects the revised implementation date and adjusted phase in of the program.

Budget Year 2009-10 (Continued)**3. Savings Target, Enacted Budget, February 20, 2009: \$118.9 Million Decrease**

The Enacted Budget directs the Department of Developmental Services (DDS) to work with stakeholders in developing proposals to achieve targeted savings while maintaining the Lanterman Act entitlement and ensuring program and service integrity. Chapter 20, Statutes of 2009, Third Extraordinary Session (AB X3 5), requires the DDS to submit a plan that involved a stakeholder process to the Legislature by April 1, 2009, that identifies cost containment measures to achieve \$100 million in General Fund reductions for BY 2009-10. In the event that statutory changes are not enacted by September 1, 2009, the DDS will be required to direct regional centers to reduce all payments for services and supports paid from purchase of services funds for services delivered on or after September 1, 2009, by 7.1 percent.

The enacted budget included a reduction of \$109.5 million (\$100.0 million General Fund). The May Revision includes \$118.9 million decrease (-\$100.0 million General Fund; -\$19.8 million HCBS Waiver; and .9 Program Development Fund) to correspond with proposals previously submitted to the Legislature.

4. Savings Target, May Revision: \$234.0 Million Decrease

The May Revision proposal would require a Department of Developmental Services (DDS) system wide savings target of an additional \$234 million in General Fund (GF). The Regional Centers (RC) is already required to identify program changes to achieve \$100 million in GF savings pursuant to the early 2009 Budget Act (see Savings Target, Enacted Budget, February 20, 2009 above). The collaborative stakeholder process used to develop proposals associated with the \$100 million GF savings target will also be used to achieve the new savings target.

5. Impact from Other Departments: \$47.1 Million Increase

The May Revision proposal includes various reductions to the Department of Social Services (DSS) and Department of Health Care Services (DHCS) that will directly impact the Department of Developmental Services. These reductions include; Limit In-Home Supportive Services (IHSS) Domestic and Related Services to the Most Functionally Impaired, Reduce Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grants, IHSS Cost Containment and Medi-Cal Adult Day Health Care Program. With the funding reductions of these services from the DSS and DHCS, regional centers

Budget Year 2009-10 (Continued)

will become the payer of these services for DDS consumers, and will see an increase to their Purchase of Services (POS) expenditures commensurate with the elimination of these services previously provided by the DSS and DHCS.

Additional funding is required to ensure necessary services are available to the DDS consumers impacted by the reduction of these services.

C. Fund Sources**1. General Fund: \$170.7 Million Decrease**

2009-10 General Fund has been revised based on updated caseload and expenditure data.

2. Reimbursements: \$243.9 Million Increase

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

2009-10 Reimbursements <i>(in millions)</i>			
	Enacted Budget	May Revision*	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$841.3	\$1,126.4	\$285.1
b. HCBS Waiver Administration	4.2	4.4	0.2
c. Medicaid Administration	14.4	16.0	1.6
d. Targeted Case Management (TCM)	160.5	189.7	29.2
e. TCM Administration	4.4	4.2	-0.2
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families (TANF)	80.3	14.0	-66.3
g. Self-Directed (SD) HCBS Waiver	4.6	0.1	-4.5
h. SDHCBS Waiver Administration	1.5	0.6	-0.9
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	\$1,308.7	\$1,552.6	\$243.9

Budget Year 2009-10 (Continued)

In addition, the above changes reflect the following:

- HCBS Waiver: The increase of \$285.1 million in HCBS Waiver reimbursements is based on updated HCBS Waiver claims data for the period July 2008 through December 2008 and assumes enrollment growth to 79,766 by June 2010. This increase also included new funds from ARRA.
 - HCBS Waiver Administration: This increase of \$0.2 million reflects the most current available data.
 - Medicaid Administration: This increase of 1.6 million reflects the most current available data.
 - Targeted Case Management (TCM): The increase of \$29.2 million reflects the most current available data and rates; and, also includes new funds from ARRA.
 - TCM Administration: This decrease of \$0.2 million decrease reflects the most current available data.
 - Title XX Block Grant, Temporary Assistance for Needy Families (TANF): This decrease of \$66.3 million consists of two separate actions: 1) a decrease of \$24.3 million is due to a reduction in the amount of funds available from the California Department of Social Services (CDSS) and 2) a decrease of \$42 million due to the reduction of the CalWORKS program in TANF/Title XX funding, which was previously provided by the CDSS. The \$66.3 million is backfilled with General Fund.
 - DHCBS Waiver: The decrease of \$4.5 million reflects delay of consumer participation in 2009-10.
 - SDHCBS Waiver Administration: The decrease of \$0.9 million in reimbursements for regional center SDS Operations costs is due to delay of the phased implementation of the program.
 - Vocational Rehabilitation: The \$0.3 reduction is based on actual reimbursement from DOR.
3. Program Development Fund: \$0.9 Million Increase

The increase of \$0.9 million was updated to reflect a savings target proposal submitted to the Legislature associated with the Parental Fee Program.

Budget Year 2009-10 (Continued)4. Developmental Disabilities Services Account: \$0.2 Million Increase

The increase of \$0.2 million represents the nonrefundable fee to be paid by housing developers to reimburse the Department's costs for review and approval of the SB 1175 Housing Proposals.

5. Health and Human Services Fund (Prop 10): \$265.0 Million Decrease

The enacted budget of February 20, 2009 included this funding pending voter approval. As a result of the election held on May 19, 2009, these funds are no longer available and will be replaced by general fund.

6. Federal Funds: \$26.9 Million Increase

The increase of \$26.9 million is due to an increase in the federal Early Start grant funds (\$0.3 million) and ARRA (\$26.6 million) for early intervention services in 2009-10.

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

Bay Area Housing Plan Financing

The Bay Area Housing Plan (BAHP) was submitted by the Department of Finance to the Joint Legislative Budget Committee on September 22, 2005. The financing portion of the BAHP assumed the California Housing Finance Agency (CalHFA) would provide permanent financing for the 61 homes acquired for consumers moving to the community due to the closure of Agnews Developmental Center. At that point in time, CalHFA estimated that the blended interest rate for the taxable and tax exempt bonds would be 7.5 percent. The global credit crisis has adversely affected CalHFA's ability to secure bond financing. This will result in increased regional center Purchase of Service costs for debt repayment that is anticipated to be higher. CalHFA recently secured a BB bond rating for the BAHP from Standard and Poor's. The actual interest rate and costs for debt repayment will not be known until the bonds are purchased by investors in the current market. The higher the interest rate on the bond sale, the higher the debt repayment.

Federal Medi-Cal Flexibility and Stabilization

The Department of Health Care Services proposal to reduce General Fund (GF) expenditures by \$750.0 million through program flexibility for the Medi-Cal program may impact the DDS programs and services.

During this time of financial crisis, California requires flexibility to manage its Medi-Cal program within available state resources. The federal government has provided California significant fiscal relief under the federal stimulus. However, the current trajectory of Medi-Cal growth is unsustainable. California faces unique challenges because of the effective cost control mechanisms that have been the hallmark of the program for decades. The low cost of the program has allowed the state to extend coverage to many populations not covered in other states.

The Governor will petition the Obama Administration to work with California to secure essential program flexibilities to slow the rate of program growth and manage Medi-Cal within available resources, support the state's authority to determine eligibility, the adequacy of provider rates and scope of benefits, and recognize the state's long-standing record of cost-containment. In addition, the Administration will work with Congress and other states to resolve longstanding, unreimbursed Medicaid claims owed to states associated with the delayed federal classification of certain permanent disability cases. Taken together, this federal support will help stabilize the nation's largest Medicaid program and its ability to preserve essential health services to low-income Californians. The impact of these changes on the DDS budget will not be known until these actions are specifically identified.

NEW MAJOR ASSUMPTIONS

OPERATIONS

American Recovery and Reinvestment Act

The Department requests reimbursement authority in 2009-10 for an additional \$64.7 million (\$28.7 million Current Year [CY] and \$36.0 million Budget Year [BY]) of federal funding associated with the Targeted Case Management Program operated in the state's 21 regional centers. The increase in federal reimbursements results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP).

No additional workload anticipated.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

Change from Prior Estimate: This is a new major assumption effective October 1, 2008 through December 31, 2010.

PURCHASE OF SERVICES

American Recovery and Reinvestment Act

The Department requests reimbursement authority in 2009-10 for an additional \$366.8 million (\$161.9 million CY and \$204.9 million BY) of federal funding associated with the Home and Community-Based Services Waiver for the Developmentally Disabled (HCBS Waiver) operated in the state's 21 regional centers. The increase in federal reimbursements results from the terms of the ARRA, which allow for a temporary increase in the FMAP.

This request assumes an enhanced FMAP of 61.59 percent (an increase of 11.59 percent from 50 percent) for the HCBS Waiver program. Workload associated with drawing down the enhanced FMAP can be incorporated into current administrative operations established to draw down the 50 percent FMAP.

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

Change from Prior Estimate: This is a new major assumption effective October 1, 2008 through December 31, 2010.

Individuals with Disabilities Education Act – Early Start Part C Grant

Part C of the federal Individuals with Disabilities Education Act provides federal grant funding for states to operate early intervention programs for families and their children with developmental delays, disabilities, or conditions that 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 this program. DDS allocates a significant portion of the federal funding to regional centers for local program operation.

Based on a federal allocation formula derived from the total state census of infants and toddlers birth to 36 months of age, the California portion of the federal Part C grant totals approximately \$51 million annually. Thus, the ARRA funds totaling \$53.2 million (\$26.6 million in both CY and BY) are in addition to the annual grant allocation and represent an increase over a two-year period. Despite some restrictions on the use of these ARRA funds, and as long as each state complies with federal program operations and data reporting requirements, the funds can be targeted for usual Part C expenditures such as the purchase of services.

Change from Prior Estimate: This is a new major assumption effective October 1, 2008 through December 31, 2010.

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

The State Budget enacted February 20, 2009 required the State Treasurer and Director of Finance to determine by April 1, 2009 whether California would receive at least \$10 billion from the ARRA and, possibly, other federal legislation. To qualify, the federal funds would have to be "made available" to California by June 30, 2010, and must offset expenditures that would otherwise be made from the State General Fund. The Enacted Budget required elimination of optional Medi-Cal benefits for adults 21 years of age and older if the stimulus funds did not materialize. California did not receive the anticipated \$10 billion from the \$789 billion federal economic stimulus package.

The Medi-Cal Optional Benefit eliminations include, but are not limited to, creams and washes, audiology, optometry and related services, podiatry, psychology, speech therapy, and dental services. Regional centers will incur an additional \$12 million (\$8.0 million General Fund and \$4.0 million Reimbursements) to maintain the health and safety of Californians with developmental disabilities in need of these services.

Change from Prior Estimate: This is a new major assumption beginning July 1, 2009.

REVISED MAJOR ASSUMPTIONS

OPERATIONS

Self-Directed Services

The Department of Health Care Services (DHCS), 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 Centers for Medicare and Medicaid Services (CMS) on April 2, 2008. Approval of the SDHCBS Waiver is pending further discussion with the new federal administration. Upon further progress toward finalizing the SDHCBS Waiver, the draft regulations will be reviewed by the Department's Administration. The regulations are subject to a required 45-day public comment. As a result, the anticipated date of implementation and enrollment has been extended from July 1, 2008 to April 1, 2010.

Change from Prior Estimate: Regional center implementation will be phased in over an eight-month period beginning in April 2010 through November 2010. This represents a CY decrease of \$2.1 million and a BY decrease of \$1.6 million in funding needs.

PURCHASE OF SERVICES

Self-Directed Services

The DHCS, the single-state agency responsible for administering the Medicaid program in California, submitted the Department's SDHCBS Waiver Application to CMS on April 2, 2008. Approval of the SDHCBS Waiver is pending further discussion with the new federal administration. Upon further progress toward finalizing the SDHCBS Waiver, the draft regulations will be reviewed by the Department's Administration. The regulations are subject to a required 45-day public comment. As a result, the anticipated date of implementation and enrollment has been extended from July 1, 2008 to April 1, 2010. Regional center implementation will be phased in over an eight-month period beginning in April 2010 through November 2010.

Change from Prior Estimate: Regional center implementation will be phased in over an eight-month period beginning in April 2010 through November 2010. This represents a CY decrease of \$2.1 million and a BY decrease of \$2.0 million in funding needs.

SAVINGS TARGET, ENACTED BUDGET, FEBRUARY 20, 2009

Savings Target, Enacted Budget, February 20, 2009

The Enacted Budget directs the DDS to work with stakeholders in developing proposals to achieve targeted savings while maintaining the Lanterman Act entitlement and ensuring program and service integrity. Chapter 20, Statutes of 2009, Third Extraordinary Session (AB X3 5), requires the DDS to submit a plan that involved a stakeholder process to the Legislature by April 1, 2009, that identifies cost containment measures to achieve up to \$100 million in General Fund reductions for BY 2009-10. In the event that statutory changes are not enacted by September 1, 2009, the DDS will be required to direct regional centers to reduce all payments for services and supports paid from purchase of services funds for services delivered on or after September 1, 2009, by 7.1 percent.

Change from Prior Estimate: The Enacted Budget included a reduction of \$109.5 million (\$100.0 million General Fund). The May Revision includes \$118.9 million decrease (-\$100.0 million General Fund; -\$19.8 million HCBS Waiver; and 0.9 Program Development Fund) to correspond with proposals previously submitted to the Legislature.

SAVINGS TARGET, MAY REVISION

Savings Target, May Revision

The May Revision proposal would require a Department of Developmental Services (DDS) system wide savings target of an additional \$234 million in General Fund (GF). The Regional Centers (RC) is already required to identify program changes to achieve \$100 million in GF savings pursuant to the early 2009 Budget Act (see Savings Target, Enacted Budget, February 20, 2009 above). The collaborative stakeholder process used to develop proposals associated with the \$100 million GF savings target will also be used to achieve the new savings target.

Change from Prior Estimate: This proposal requires an additional savings target reduction of \$234.0 million to the Departments General Fund.

IMPACT FROM OTHER DEPARTMENTS

Impact from Other Departments

The May Revision proposal includes various reductions to the Department of Social Services (DSS) and Department of Health Care Services (DHCS) that will directly impact the Department of Developmental Services. These reductions include; Limit In-Home Supportive Services (IHSS) Domestic and Related Services to the Most Functionally Impaired, Reduce Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grants, IHSS Cost Containment and Medi-Cal Adult Day Health Care Program. With the funding reductions of these services from the DSS and DHCS, regional centers will become the payer of these services, and will see an increase to their Purchase of Services (POS) expenditures commensurate with the decrease costs to the DSS and DHCS systems.

Additional funding is required to ensure necessary services are available to the DDS consumers impacted by the reduction of these services.

Change from Prior Estimate: This is a new proposal.

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
- Staffing for Developmental Center Case Management Enhancement

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	206,550	8,795	4.4%
B. Early Start (Birth through 2 Years)	31,920	35,945	4,025	12.6%
C. Total Community Caseload	229,675	242,495	12,820	5.6%
D. Total Developmental Center (DC) Population	2,340 b/	2,240 c/	-100	-4.3%
E. Total Regional Center Caseload (C + D)	232,015	244,735	12,720	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 January 31, 2009 was 231,451 (Active Caseload 199,345 and Early Start 32,106) and budgeted as adjusted from previous funding. Actual data through January 2009 were used to project the BY 2009-10 caseload.

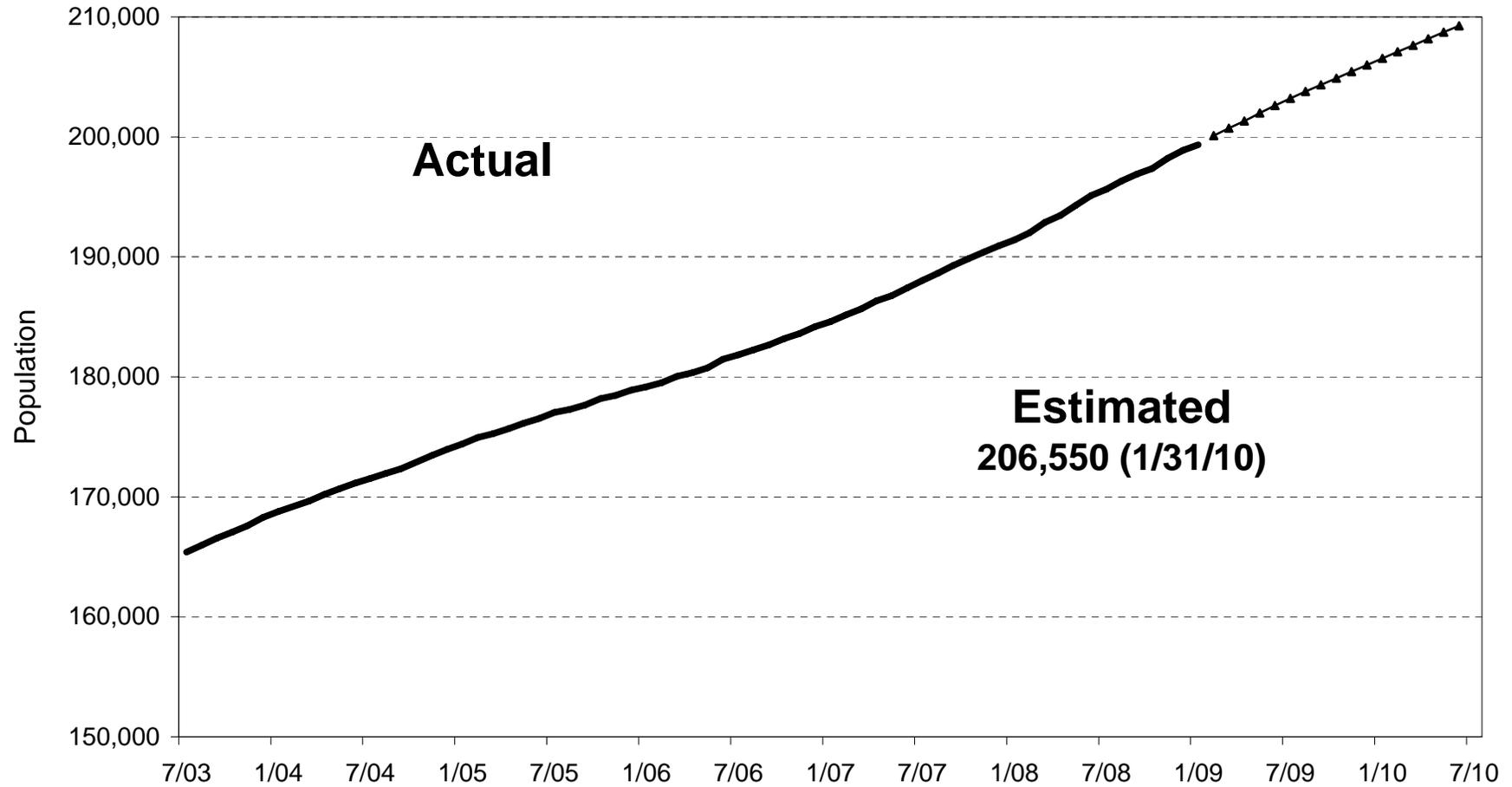
b/ The CY 2008-09 caseload estimate is consistent with the 2009-10 May Revision for the DC population, which reflects the following:

	<u>CY 2008-09</u>	
Average Total Population	2,339	rounded to 2,340
On Leave	<u>-22</u>	
Total In-Center Population	2,317	

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

	<u>BY 2009-10</u>	
Average Total Population	2,242	rounded to 2,240
On Leave	<u>-22</u>	
Total In-Center Population	2,220	

Active Status Caseload (Age 3 & Older) Trend Analysis

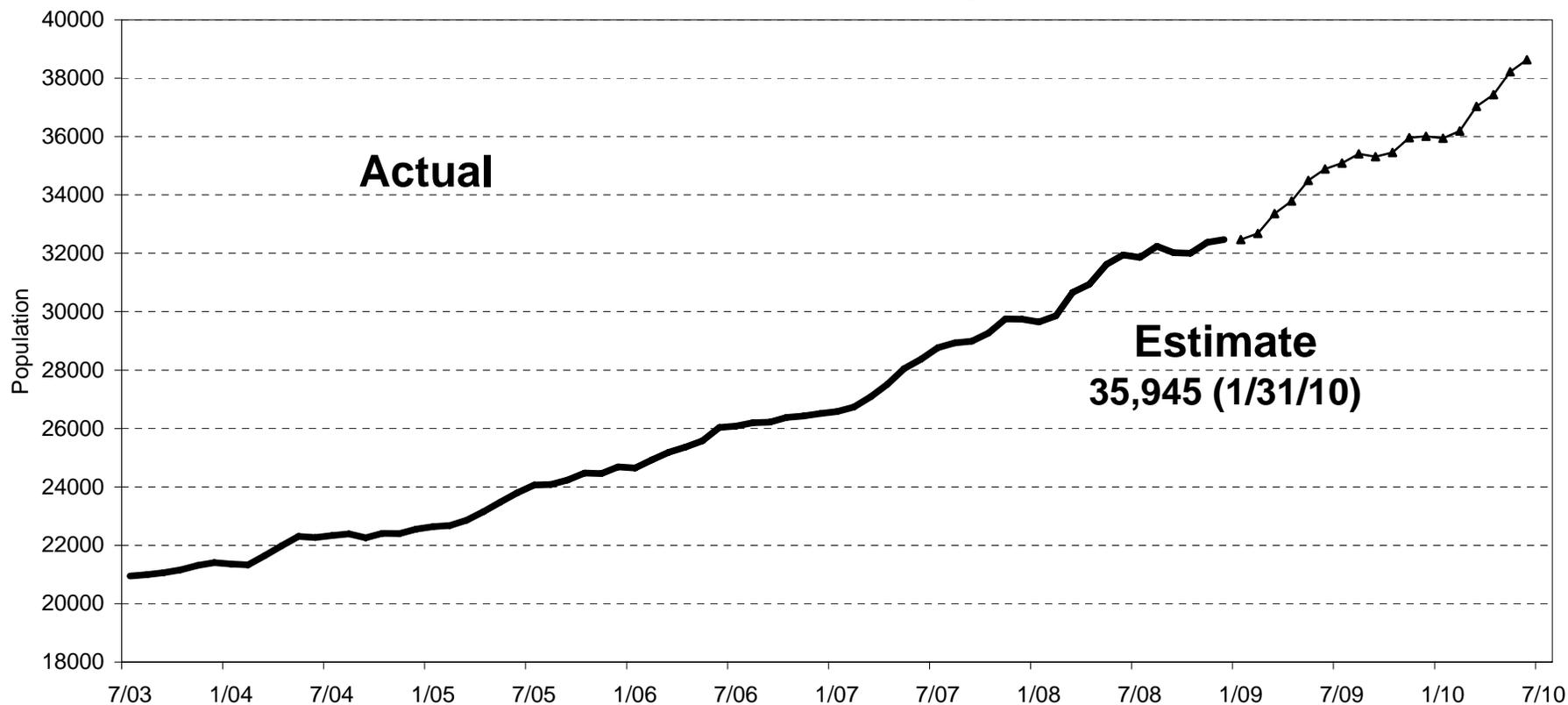


Data Set: 2/03 through 1/09

Early Start Caseload

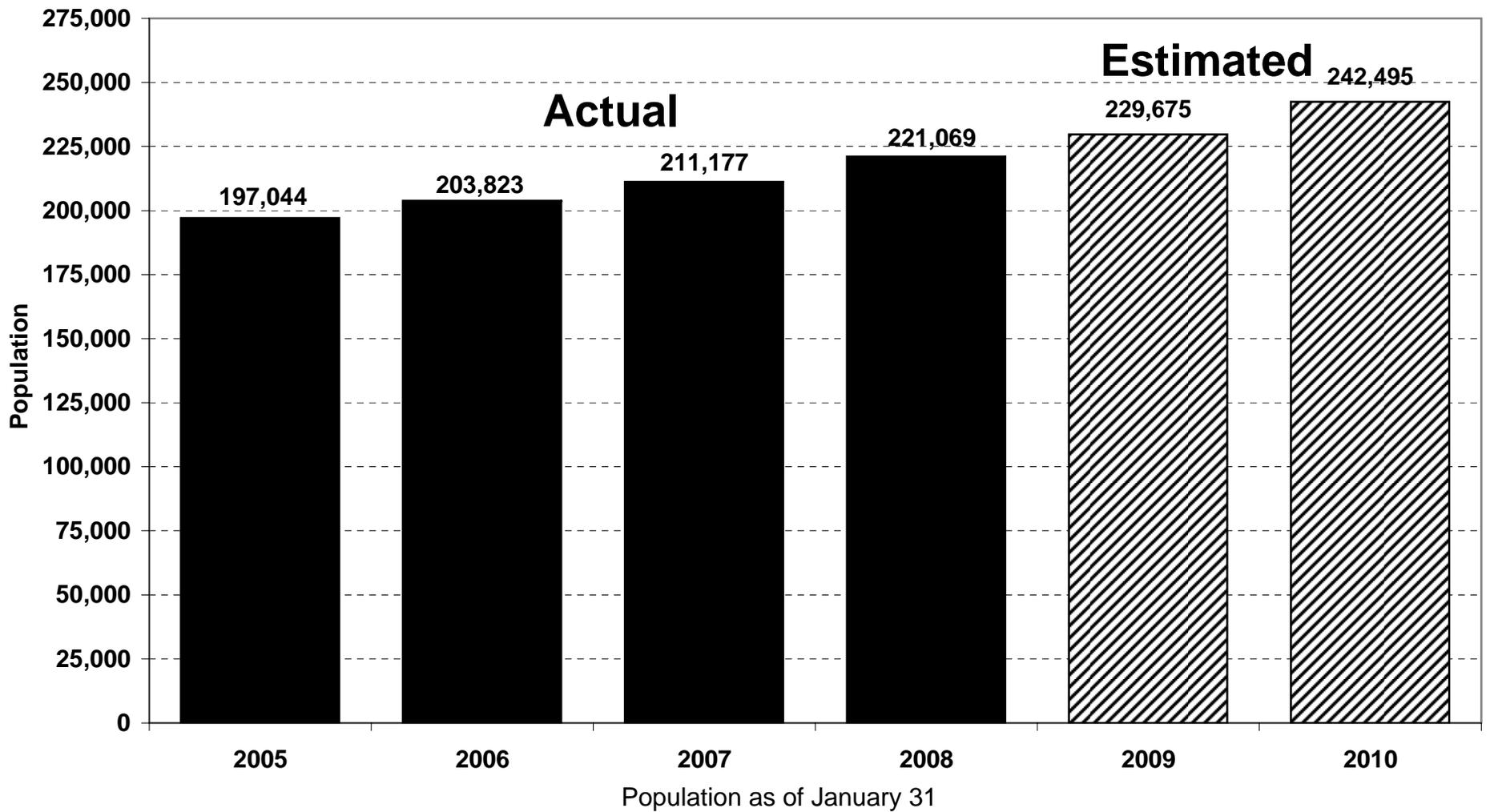
Birth through 2 Years

Client Master File Trend Analysis



Data Set: 2/03 - 12/08

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	206,550
• Early Start (Birth through 2 Years, High-Risk and Active)	31,920	35,945
Total Community Caseload	229,675	242,495
• Developmental Center (DC) Population	2,425	2,240
Total Regional Center Caseload	232,100	244,735
Informational:		
• Community Care Facility (CCF) Consumers (including Placement Continuation)	23,838	24,608
• Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers	76,334	78,610
• Self-Directed HCBS Waiver-Enrolled Consumers	550	0
• Early Start (Assessment, High-Risk and Active)	37,305	40,805
• Placement Continuation Consumers	380	176
• Intake cases per month	5,470	5,361
• Vendors	50,442	48,747
• Mediations per year	400	400
• 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	\$325,885,000
Total Estimated Number of Positions:		
CY 2008-09 8,978.40		
BY 2009-10 9,401.02		
See Attachment A for Core Staffing Expenditure Detail.		
See Attachment B for Core Staffing Formulas.		
• Fringe Benefits:	\$73,594,000	\$77,235,000
Based on 23.7% per position.		
• Salary Savings:	-\$12,978,000	-\$13,574,000
<i>Client Program Coordinators: 1.0% Per Position</i>	-1,811,000	-1,911,000
<i>All Other Staff: 5.5% Per Position</i>	-11,167,000	-11,663,000
• 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	\$390,240,000

Staffing

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY:		
OPERATING EXPENSES :		
• Operating Expenses:	\$34,278,000	\$37,285,000
Base amount plus the following adjustments:		
Professional Positions: \$3,400 Per New Position		
Clerical Positions: \$2,400 Per New Position		
• Rent:	\$51,945,000	\$61,334,000
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	<u>\$86,223,000</u>	<u>\$98,619,000</u>
CORE STAFFING SUB TOTAL	<u>\$458,055,000</u>	<u>\$488,859,000</u>
• 2007-08 BUDGET-BALANCING REDUCTION (BBR) REDUCE RC HIPPA OPERATIONS	-\$141,000	-\$141,000
• Department of Finance BBR Adjustments	\$69,000	
• Adjustments for BY BBR deduction for CPP		\$1,902,000
TOTAL CORE STAFFING	<u><u>\$457,983,000</u></u>	<u><u>\$490,620,000</u></u>
INTAKE AND ASSESSMENT	-\$4,465,000	-\$4,465,000
• 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	\$12,631,000
• See Community Placement Plan, Pages E-16.1 to E-16.11, 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	\$2,219,000
• Funding provides one Community Program Specialist I and one Account Clerk II for each regional center. This funding will be required until the regional centers have a billing system that allows the processing of vendor invoices that do not include the individual consumer data required to support Home and Community-Based Services Waiver billing.		
• TOTAL EXPENDITURES	\$451,866,000	\$484,478,000

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) (61.59% FFP) 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	\$484,478,000
General Fund	\$261,388,000	\$277,440,000
<i>General Fund Match</i>	136,323,000	127,608,000
<i>General Fund Other</i>	125,065,000	149,832,000
Reimbursements	\$190,478,000	\$207,038,000
<i>Medicaid Administration</i>	12,030,000	11,566,000
<i>HCBS Waiver Administration</i>	3,005,000	3,072,000
<i>Targeted Case Management</i>	171,226,000	188,183,000
<i>TCM Administration</i>	4,217,000	4,217,000

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2008
to the 2009-10 May Revision

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2008 CY 2008-09	2009-10 May Revision 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	\$256,730,763	\$0

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

	Budget Act of 2008 CY 2008-09	Positions	2009-10 May Revision CY 2008-09		
			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					
(Item 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 May Revision
BY 2009-10

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	Budget Act of 2009 BY 2009-10	2009-10 May Revision BY 2009-10			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,708,319	122.37	\$79,271	\$9,700,392	-\$7,927
(b) Psychologist	10,227,642	244.74	41,754	10,218,874	-8,768
(c) Nurse	4,552,332	122.37	37,171	4,548,615	-3,717
(d) Nutritionist	3,445,081	122.37	28,130	3,442,268	-2,813
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	5,245,938	57.00	92,034	5,245,938	0
(b) Consulting Pharmacist	3,445,650	57.00	60,450	3,445,650	0
(c) Behavioral Psychologist	3,133,404	57.00	54,972	3,133,404	0
(d) Nurse	2,877,246	57.00	50,478	2,877,246	0
(3) SB 1038 Health Reviews					
(a) Physician	2,140,711	23.24	92,034	2,138,870	-1,841
(b) Nurse	5,478,882	108.48	50,478	5,475,853	-3,029
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	3,282,126	76.59	38,036	2,913,177	-368,949
(2) Intake Worker	27,207,702	765.86	31,532	24,149,098	-3,058,604
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (6) and (7) below)	20,083,425	383.13	52,392	20,072,947	-10,478
(4) Supervising Counselor (Capitol People First)					
(DC Case Management 1:10 CPCs in Item (4))		3.39	67,200	227,808	227,808
(5) Client Program Coordinator (CPC), 1:66 DC Consumers					
Capitol People First		33.94	47,019	1,595,825	1,595,825
(6) CPC, 1:66 Consumers(Total Pop w/o DCs, CPP, ES , MW)	64,927,271	1,936.92	34,032	65,917,261	989,990
(7) CPC (Waiver, Early Start only), 1:62 Consumers	63,947,149	1,847.66	34,032	62,879,565	-1,067,584
(8) CPC, Quality Assurance for ARM	1,579,765	46.69	34,032	1,588,954	9,189
(9) Supervising Counselor, DSS Incidental Medical					
Care Regulations (1:10 CPCs in Item (8) below)	61,823	1.25	52,392	65,490	3,667
(10) CPC, DSS Incidental Medical Care Regs	445,945	12.49	37,824	472,422	26,477
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,951,078	37.37	52,392	1,957,889	6,811
(2) CPC	12,673,176	373.68	34,032	12,717,078	43,902
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	1,316,087	24.86	52,392	1,302,465	-13,622
(b) CPC	8,548,498	248.63	34,032	8,461,376	-87,122
(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	1,357,026	26.02	50,844	1,322,961	-34,065
(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	5.60	38,036	213,002	-17,496
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	5,763	0.11	52,392	5,763	0
(b) CPC (Supplement at 1:45 Consumers)	36,414	1.07	34,032	36,414	0
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	364,124	6.95	52,392	364,124	0
(2) QA/CPC	2,365,224	69.50	34,032	2,365,224	0
(3) Nurses	1,754,111	34.75	50,478	1,754,111	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	\$272,064,640	7,113.16	\$270,282,294	-\$1,782,346	

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

	Budget Act of 2009 BY 2009-10	Positions	2009-10 May Revision 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)	3,157,056	78.61	39,887	3,135,517	-21,539
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	702,738	19.27	36,468	702,738	0
(5) Revenue Clerk	1,403,812	64.43	20,617	1,328,353	-75,459
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,510,391	407.89	18,397	7,503,952	-6,439
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	272,002	11.62	23,388	271,769	-233
(5) MD/Psychologist Secretary I	4,018,840	183.56	21,876	4,015,559	-3,281
(6) Secretary II	3,673,085	157.20	23,388	3,676,594	3,509
(7) Secretary I	18,162,216	949.56	18,757	17,810,897	-351,319
(8) Secretary I (DC Case Management - Capitol People First)		6.22	31,848	198,095	198,095
e. SUBTOTAL ADMINISTRATION	<u>\$55,859,467</u>	<u>2,287.86</u>		<u>\$55,602,801</u>	<u>-\$454,761</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.h. + Item A.2.e.)	<u>\$327,924,107</u>	<u>9,401.02</u>		<u>\$325,885,095</u>	<u>-\$2,039,012</u>
a. CPCs	154,540,798			154,455,650	-85,148
b. All Other Staff	173,383,309			171,429,445	-1,953,864
4. Fringe Benefits					
a. CPCs 23.7%	\$36,626,169			\$36,605,989	-\$20,180
b. All Other Staff 23.7%	41,091,844			40,628,778	-463,066
c. Total Fringe Benefits	<u>\$77,718,013</u>			<u>\$77,234,767</u>	<u>-\$483,246</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,911,670			-\$1,910,616	\$1,054
b. All Other Staff 5.5%	-11,796,133			-11,663,202	132,931
c. Total Salary Savings	<u>-\$13,707,803</u>			<u>-\$13,573,818</u>	<u>\$133,985</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>\$392,628,317</u>			<u>\$390,240,044</u>	<u>-\$2,388,273</u>
ROUNDED	<u>\$392,628,000</u>	<u>9,401.00</u>		<u>\$390,240,000</u>	<u>-\$2,388,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$35,925,000			\$37,285,000	\$1,360,000
2. Rent	57,878,000			61,334,000	3,456,000
3. Subtotal Operating Expenses and Rent	<u>\$93,803,000</u>			<u>\$98,619,000</u>	<u>\$4,816,000</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$486,431,000</u>			<u>\$488,859,000</u>	<u>\$2,428,000</u>
D. 2007-08 Budget-Balancing Reduction (BBR):					
Reduce RC HIPAA Operations	-\$141,000			-\$141,000	\$0
E. Department of Finance Adjustments	<u>\$5,204,000</u>			N/A	<u>-\$5,204,000</u>
F. BY Adjustments				<u>\$1,902,000</u>	<u>\$1,902,000</u>
G. TOTAL CORE STAFFING (Items C + D + E + F)	<u>\$491,494,000</u>			<u>\$490,620,000</u>	<u>-\$874,000</u>

Attachment B
CORE STAFFING FORMULAS

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. <u>PERSONAL SERVICES</u>	
1. DIRECT SERVICES	
a. <u>Clinical</u>	
(1) <u>Intake and Assessment</u>	
(a) Physician (minimum of 1)	1.0 position : 2,000 total consumers
(b) Psychologist	1.0 position : 1,000 total consumers
(c) Nurse (minimum of 1)	1.0 position : 2,000 total consumers
(d) Nutritionist (minimum of 1)	1.0 position : 2,000 total consumers
(2) <u>Clinical Support Teams</u>	
(a) Physician/Psychiatrist	1.0 position : 1,700 consumers in community care facilities (CCF) and supported living and those with severe behavior and/or medical problems
(b) Consulting Pharmacist	1.0 position : 1,700 " "
(c) Behavioral Psychologist	1.0 position : 1,700 " "
(d) Nurse	1.0 position : 1,700 " "
(3) <u>SB 1038 Health Reviews</u>	
(a) Physician	1.5 hours : Referral/1,778 hrs./ full-time equivalent (FTE) position
(b) Nurse	1.75 hours : Individual program plan (IPP) review/1,778 hrs./FTE position
b. <u>Intake/Case Management</u>	
(1) Supervising Counselor: Intake	1.0 position : 10 Intake Workers
(2) Intake Worker	1.0 position : 14 monthly intake cases (assume average intake case lasts 2 mos.)
(3) Supervising Counselor: Case Management	1.0 position : 10 CPCs in Items b.(4 and 5) below
(4) Client Program Coordinator (CPC)	1.0 position : 62 Waiver and Early Start consumers (excluding CPP placements)
(5) CPC	1.0 position : 66 consumers (all other consumers, excluding CPP placements)
(6) Supervising Counselor: Capitol People First	1.0 position : 10 CPCs in Items b.(7) below
(7) CPC Capitol People First	1.0 position : 66 consumers (Developmental Center residents)
(8) CPC, Quality Assurance for Alternative Residential Model	1.0 position : 527 CCF consumers
(9) Supervising Counselor: DSS Incidental Medical Care Regulations	1.0 position : 10 CPCs in item b.(8) below
(10) 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.(9) and (10), 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 (5) and (8), Intake/Case Mgt. 1.b.(6) and(7) Capitol People First 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 7,757	Per Position			325,794
Total Operating Expenses			<u>\$407,316</u>	<u>\$447,594</u>
TOTAL STAFFING			<u>\$2,178,915</u>	<u>\$2,219,193</u>
(Rounded)			\$2,179,000	\$2,219,000

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	\$2,219,000
	General Fund	\$1,819,000	\$1,853,000
	<i>General Fund Match</i>	360,000	366,000
	<i>General Fund Other</i>	1,459,000	1,487,000
	Reimbursements	\$360,000	\$366,000
	<i>HCBS Waiver Administration</i>	360,000	366,000

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		197,600		169,400
(3) Training, Travel, Consultants		198,000		198,000
(4) Total Operating Expenses		\$499,500		\$440,200
c. Subtotal Unified Operational Costs (Rounded)		\$4,844,600		\$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		191,000		245,700
c. Total State Employees in the Community	22.50	\$2,231,000		\$2,573,200
3. Budget-Balancing Reduction		-\$760,000		\$0
4. Subtotal CPP Staffing (Rounded)	55.15	\$6,315,600		\$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	236,000
4. Subtotal Placement Continuation Staffing		\$580,000		\$867,000
C. Total (A + B) (Rounded)		\$6,895,600		\$7,681,900
		\$6,896,000		\$7,682,000
		<u>CY 2008-09</u>		<u>BY 2009-10</u>
EXPENDITURES:				
TOTAL		\$6,896,000		\$7,682,000
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		\$2,956,000
TCM		24,000		132,000
Medicaid Administration		2,319,000		2,824,000

Federal Compliance

DESCRIPTION:

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

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

ASSUMPTIONS/METHODOLOGY:

CY 2008-09 BY 2009-10

- | | | |
|---|--------------|--------------|
| <ul style="list-style-type: none"> ● HCBS Waiver <p style="margin-left: 20px;">Operations costs for HCBS Waiver activities in CY and BY are based upon 6.5% of 1995-96 HCBS Waiver reimbursements of \$325,148,000. (100% General Fund)</p> | \$21,135,000 | \$21,135,000 |
| <ul style="list-style-type: none"> ● Accelerated HCBS Waiver Enrollments <p style="margin-left: 20px;">Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% General Fund)</p> <p style="margin-left: 20px;">Reason for Year-to-Year Change:</p> <p style="margin-left: 20px;">BY 2009-10 expenditures reflect more HCBS Waiver enrollments than in CY 2008-09</p> | \$829,000 | \$1,621,000 |

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Compliance with HCBS Waiver Requirements <p>Provides funding to ensure that the regional center system maintains compliance with the HCBS Waiver. Functions include maintaining service coordinator-to-consumer caseload ratios at not more than 1:62; performing quarterly face-to-face monitoring of consumers residing in out-of-home living arrangements; clinical consultation, monitoring, and review of consumers' medications; and developing and annually reviewing Waiver consumers' individual program plans and Client Developmental Evaluation Reports. See the attachment on page E-2.4 for fiscal detail.</p> <p>CY and BY: \$3,950,000 GF Match, \$3,300,000 Targeted Case Management, \$1,950,000 Medicaid Administration</p> 	\$9,200,000	\$9,200,000
<ul style="list-style-type: none"> ● Case Managers to Meet HCBS Waiver Requirements <p>An April 21, 2006 letter from the Centers for Medicare and Medicaid Services (CMS) indicated that the State must "review and revise, as needed, its policies to assure that the waiver participant to case manager ratio of 62:1 is consistently met." This augmentation by the California Legislature is intended to ensure further compliance. See the attachment on page E-2.5 for fiscal detail.</p> <p>CY: \$2,680,000 GF Match, \$2,681,000 Targeted Case Management</p> <p>BY: \$2,354,000 GF Match, \$2,355,000 Targeted Case Management</p> <p>Change from Prior Estimate and Reason for Year-to-Year Change: 2008-09 November Estimate was retained for the CY 2008-09. Regional centers reported lower vacancy rate of case manager positions in the 2009-10 May Revision Regional Center Survey than was used for the 2009-10 November Estimate; the lower vacancy rate is reflected in the BY 2009-10 estimate.</p> 	\$5,361,000	\$4,709,000
<ul style="list-style-type: none"> ● Targeted Case Management <p>Operations costs for TCM activities in CY and BY are based upon 5.8% of 1995-96 TCM reimbursements of \$71,181,000. (100% General Fund)</p> 	\$4,129,000	\$4,129,000

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued): 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 \$41,267,000

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	\$41,267,000
General Fund	\$33,187,000	\$33,218,000
<i>General Fund Match</i>	6,640,000	6,748,000
<i>General Fund Other</i>	26,547,000	26,470,000
Reimbursements	\$7,940,000	\$8,049,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>Targeted Case Management</i>	5,990,000	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)

	CY 2008-09	BY 2009-10
A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions	1,590.28	1,627.69
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x <u>4.5%</u> x	<u>3.8%</u>
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	71.56	61.85
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	\$2,449,631
F. Supervising Counselors (at 1:10 CPCs)		
CY 71.56 x 1/10 = 7.16	7.16	
BY 61.85 x 1/10 = 6.19		6.19
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	\$388,633
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 61.85 + 6.19 = 68.04		
68.04 x 1/6 = 11.34		11.34
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	\$325,866
J. Fringe Benefits		
CPCs 23.7%	\$671,707	\$580,563
All Other Staff 23.7%	+ <u>195,892</u> +	<u>169,336</u>
	\$867,599	\$749,899
K. Salary Savings		
CPCs 1.0%	-\$35,059	-\$30,302
All Other Staff 5.5%	+ <u>-56,234</u> +	<u>-48,611</u>
	-\$91,293	-\$78,913
L. Total Personal Services (Item E + Item G + Item I + Item K)	\$4,437,060	\$3,835,116
M. Operating Expenses		
Professional Positions \$3,400	\$267,648	\$231,336
Clerical Positions \$2,400	31,488	27,216
Rent		
CY 2008-09 \$6,798		
BY 2009-10 \$7,757	+ <u>624,328</u> +	<u>615,751</u>
Total Operating Expenses	\$923,464	\$874,303
N. Total Costs (Item L + Item M)	\$5,360,524	\$4,709,419
Rounded	<u>\$5,361,000</u>	<u>\$4,709,000</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 <li style="padding-left: 20px;">● Regional Center Application Support <li style="padding-left: 20px;">● Data Processing
(100% General Fund) | \$4,517,000

3,167,000
1,350,000 | \$4,517,000

3,167,000
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 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. There was no change for CY 2008-09 and BY 2009-10 from 0910 November Estimate.

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 | \$5,037,000 |
|--|-------------|-------------|

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 2008-09 estimate reflects a projected increase of 35 assessments from the 2008-09 November Estimate.

Reason for Year-to-Year Change:

The number of assessments is estimated to increase by 400 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 	\$600,000	\$600,000
<p>Pursuant to WIC Section 4418.1, the Department contracts with an independent agency to track and monitor all persons moved from developmental centers into community settings to ensure they are receiving necessary services and supports. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II 	\$530,000	\$530,000
<p>These costs are associated with legal support for federal program activities. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● University Enterprises, Inc. 	\$175,000	\$175,000
<p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● Affordable Housing 	\$94,000	\$94,000
<p>In 1994, pursuant to the court decision commonly referred to as the Coffelt Settlement Agreement, funds were allocated to create affordable housing for persons with developmental disabilities. Funding was allocated on a per capita basis to four geographic regions throughout California to provide affordable housing to very low-income individuals receiving services from the regional centers. Annual loan forgiveness for the term of twenty years was stipulated to occur based on each project's compliance with the Standard and Regulatory Agreement. Fiscal review and site monitoring activities are required annually. Technical assistance on additional housing-related issues is obtained through an interagency agreement (IA) with the Department of Housing and Community Development (HCD) as needed. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● Cost Containment 	-\$490,000	-\$490,000
<p>2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% General Fund)</p>		
<ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development 	\$200,000	\$200,000
<p>In anticipation of the SDS program implementation expected to occur in April 2010, 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>		

Projects

CY 2008-09 BY 2009-10

ASSUMPTIONS/METHODOLOGY (continued):

- **Evaluation of SB 962 Pilots** \$362,000 \$92,000

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

Reason for Year-to-Year Change:

The report is due January 01, 2010.

- **Review of SB 1175 Housing Proposals** \$75,000 \$150,000

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 fo CY 2008-09 and \$150,000 for BY 2009-10.. (Developmental Disabilities Services Account)

- **Proposed Savings Transfer to POS** -\$6,266,000 \$0

All savings based on the Estimate is being redirected to the Purchase of Services (POS) based on the POS funding needs. The savings were generated from one-time deferral of project funding necessary to ensure adequate resources are available for POS costs, and delay in implementation of the Self-Directed Services Waiver.

- **TOTAL EXPENDITURES** **\$20,854,000** **\$27,258,000**

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	\$20,854,000	\$27,258,000
General Fund	\$18,046,000	\$24,375,000
<i>General Fund Match</i>	1,433,000	1,433,000
<i>General Fund Other</i>	16,613,000	22,942,000
Reimbursements	\$2,173,000	\$2,173,000
<i>HCBS Waiver Administration</i>	1,433,000	1,433,000
<i>Mental Health Services Fund</i>	\$740,000	\$740,000
Developmental Disabilities Services Account	\$75,000	\$150,000
<i>SB 1175 Housing Proposals</i>	75,000	150,000
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. 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.
- Savings Target: The Enacted Budget directs the Department to work with stakeholders in developing proposals to achieve targeted savings while maintaining the Lanterman Act entitlement and ensuring program and service integrity. Chapter 20, Statutes of 2009, Third Extraordinary Session (AB X3 5), requires the DDS to submit a plan that involved a stakeholder process to the Legislature by April 1, 2009, that identifies cost containment measures to achieve up to \$100 million in General Fund reductions for BY 2009-10. In the event that statutory changes are not enacted by September 1, 2009, the DDS will be required to direct regional centers to reduce all payments for services and supports paid from purchase of services funds for services delivered on or after September 1, 2009, by 7.1 percent.

New Major Assumption American Recovery and Reinvestment Act (ARRA) (Regional Center Operations)

DESCRIPTION:

The Department requests reimbursement authority in 2008-09 and 2009-10 for an additional \$23.1 and \$36.0 million, respectively, of federal funding associated with the Targeted Case Management (TCM) Program operated in the state's 21 regional centers. The increase in federal reimbursement results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP).

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars.

The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

Nature of Request

This request assumes an enhanced FMAP of 61.59% (an increase from 50%) for the TCM Program. Workload associated with drawing down the enhanced FMAP can be incorporated into current administrative operations established to draw down the 50% FMAP.

Background/History

The ARRA, signed into law by President Obama on February 17th, 2009, includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

The ARRA provides a temporary increase in the share of the Medicaid program paid by the federal government. The provision will take effect immediately and provide states with monetary assistance over nine calendar quarters (October 1, 2008 through December 31, 2010). Each state receives an across-the-board increase in FMAP of 6.2 percentage points. Further, the ARRA provides an additional increase in FMAP for states with increases in unemployment rates. California is eligible to receive an 11.59 percent FMAP increase; 6.2% general increase + 5.39 increase for unemployment. This increase in FMAP will result in a decrease in California's share of cost for those individuals who are currently served under existing TCM and other federal programs.

There are no programmatic changes necessary under Developmental Services in order to obtain the additional funding.

New Major Assumption American Recovery and Reinvestment Act (ARRA) (Regional Center Operations)

JUSTIFICATION/OUTCOMES AND ACCOUNTABILITY:

- The ARRA is a federal law that was passed to provide economic stimulus to states.
- The budget passed in February 2009 by the California Legislature and signed by the Governor incorporated these ARRA monies. Not drawing down these additional monies would create a shortfall in DDS' budget and increase pressure on the General Fund.
- Accessing the enhanced FMAP is supported by regional centers and stakeholders, per public testimony at stakeholder meeting held in February and March 2009.
- DDS would not be required to make programmatic or administrative changes in order to draw down these funds.

ASSUMPTIONS/METHODOLOGY:

- In CY 2008-09, the higher FMAP will produce an additional TCM reimbursement amount of \$28,700,000 (9 month impact).
- In BY 2009-10, the higher FMAP will produce an additional TCM reimbursement amount of \$35,959,000 (12 month impact).
- The ARRA funds are 100% FFP.

IMPLEMENTATION DATE:

Effective date: October 1, 2008

In April, 2009, the Department will draw down the additional FMAP for invoices submitted from October 2008 through March 2009. The higher FMAP will be used thereafter through December 31, 2010.

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	\$0	\$0
<i>Targeted Case Management</i>	28,666,000	35,959,366
<i>General Fund</i>	-28,666,000	-35,959,366

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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. Approval of the SDS HCBS Waiver is pending further discussion with the new federal administration. Upon finalization of the SDS HCBS Waiver, DDS will proceed with promulgation of SDS regulations. 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 April 2010. Regional center implementation will be phased in over an eight-month period beginning in April 2010 and through November 2010. 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 April 2010 as follows:

BY 2009-10

April 2010:	1 regional center
May 2010:	1 regional center
June 2010:	1 regional center

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.
 - The schedule assumes continued funding for the SDSD and FCC positions at the first 5 regional centers during the CY 2008-09.
 - 1 additional FCC will be added for every 1,000 new SD-HCBS Waiver enrollees at each regional center.
 - There will be approximately 75 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	<u>1.17</u>	<u>\$62,322</u>	<u>\$62,322</u>
• Fringe Benefits:	23.7%	Per Position	\$14,770
• Salary Savings:	5.5%	Per Position	-4,240
Total Personal Services		<u><u>\$72,852</u></u>	<u><u>\$72,852</u></u>

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

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
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

CY 2008-09 will reflect continued funding for the SDSD and FCC positions at the first 5 regional centers.

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

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

$$\text{CY 2008-09 } \$84,614 \div 12 \text{ mos.} = \$7,051$$

<u>BY 2009-10 Cost per Month</u>	# of Positions		Expenditures	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 09	5.0	5.0	35,255	35,255
Aug 09	5.0	5.0	35,255	35,255
Sep 09	5.0	5.0	35,255	35,255
Oct 09	5.0	5.0	35,255	35,255
Nov 09	5.0	5.0	35,255	35,255
Dec 09	5.0	5.0	35,255	35,255
Jan 10	5.0	5.0	35,255	35,255
Feb 10	5.0	5.0	35,255	35,255
Mar 10	5.0	5.0	35,255	35,255
Apr 10	5.0	5.0	35,255	35,255
May 10	5.0	5.0	35,255	35,255
Jun 10	5.0	5.0	35,255	35,255
Totals			\$423,060	\$423,060
TOTAL EXPENDITURES, FY 2009-10 (SDSD + FCC Phased In)				\$846,120
Rounded				\$846,000

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

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	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Aug 09	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Sep 09	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Oct 09	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Nov 09	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Dec 09	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Jan 10	<u>5.0</u>	<u>5.0</u>	35,695	35,695
Feb 10	<u>9.0</u>	<u>5.0</u>	64,251	35,695
Mar 10	<u>13.0</u>	<u>5.0</u>	92,807	35,695
Apr 10	<u>17.0</u>	<u>5.0</u>	121,363	35,695
May 10	<u>21.0</u>	<u>5.0</u>	149,919	35,695
Jun 10	<u>21.0</u>	<u>5.0</u>	149,919	35,695
Totals			\$828,124	\$428,340
TOTAL EXPENDITURES, FY 2009-10 (SDSD + FCC Phased In)				\$1,256,464
Rounded				\$1,256,000

FUNDING:

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

Implementation was delayed from July 1, 2008 to April 1, 2010. 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.

REASON FOR YEAR-TO-YEAR CHANGE:

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

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

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$846,000	\$1,256,000
General Fund	\$423,000	\$628,000
<i>General Fund Match</i>	423,000	628,000
<i>General Fund Other</i>	0	0
Reimbursements	\$423,000	\$628,000
<i>SD-HCBS Waiver Administration</i>	423,000	628,000

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 April 1, 2009. Data were adjusted for lag based on Fiscal Year (FY) 2005-06 expenditures.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 94.8 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 develop the CY 2008-09 base. For BY 2009-10 the prior-year estimate, with the following adjustments, was used as the base:	\$708,744,000	\$752,005,000
● Prior Year Costs		N/A
● Prior Year Estimate		772,761,000
● Less Community Placement Plan One-Time Costs		-20,756,000
● SSI/SSP Increases Effective 1/1/08, 1/1/09, and 1/1/10:	-\$9,115,000	-\$13,554,000

Effective 1/1/08, the SSI/SSP rate was \$928. The rate increased to \$961 on 1/1/09, and based on current law rates stay constant from January 1, 2009 through July 1, 2010. 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: 	\$52,253,000	\$56,730,000
<ul style="list-style-type: none"> ● Caseload Growth <p style="margin-left: 20px;">These estimates were based on forecasting models specific to the November 2002 through October 2008 CCF caseload data.</p> <p style="margin-left: 20px;">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 style="margin-left: 20px;">Estimated Caseload Growth: CY 2008-09: 6,464 BY 2009-10: 6,161 Person Months</p>	16,983,000	16,874,000
<ul style="list-style-type: none"> ● Average Cost Increase: <p style="margin-left: 20px;">Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p style="margin-left: 20px;">CY 2008-09 base net costs of \$665,468,000 (which exclude Community Placement Plan costs, rate adjustments and program changes) were multiplied by 5.3 percent to project the average cost increase of \$35,270,000. The 5.3 percent increase is based on the estimated increase in the average cost per person month from 2006-07 to 2007-08. BY 2009-10 base net costs of \$752,005,000 were also multiplied by 5.3 percent to project an average cost increase of \$39,856,000.</p>	35,270,000	39,856,000
<ul style="list-style-type: none"> ● Service-Level Freeze: <p style="margin-left: 20px;">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>	In Trends	In Trends
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail. 	\$20,756,000	\$27,892,000

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 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. For BY 2009-10, the impact of this increase is reflected in the trends. 	\$17,213,000	In Trends
<ul style="list-style-type: none"> (a) Placement 	13,295,000	In Trends
<ul style="list-style-type: none"> (b) Deflection 	3,918,000	In Trends
<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. The impact of these wage rate increases is reflected in the trends.</p>	In Trends	In Trends
<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 \$6.5 million and \$13.9 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>	-\$1,075,000	-\$1,413,000

Community Care Facilities

METHODOLOGY (continued):

- Negotiated Rate Reduction:** -\$16,015,000 -\$19,202,000

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 \$44.6 million and \$98.7 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** **\$772,761,000 \$802,458,000**

FUNDING:

CCF 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 80 percent of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 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.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$772,761,000	\$802,458,000
General Fund	\$410,537,000	\$427,788,000
<i>General Fund Match</i>	227,105,000	221,747,000
<i>General Fund Other</i>	183,432,000	206,041,000
Reimbursements	\$362,224,000	\$374,670,000
<i>HCBS Waiver FFP</i>	358,000,000	373,614,000
<i>Title XX TANF</i>	4,224,000	1,056,000

Medical Facilities

DESCRIPTION:

Pursuant to the Health and Safety Code, Sections 1250, 1255.6, and 1255.7, among others, the regional centers vendor Intermediate Care Facilities (ICFs) for consumers not eligible for Medi-Cal. ICFs are health facilities licensed by the Licensing and Certification Division of the State Department of Health Care Services to provide 24-hour-per-day services and certified for Medi-Cal reimbursement for services. The types of ICFs providing services for Californians with developmental disabilities are: ICF/DD (Developmentally Disabled), ICF/DD-H (Habilitative), ICF/DD-N (Nursing), and ICF/DD-CN (Continuous Nursing).

KEY DATA/ASSUMPTIONS:

- Assumptions regarding caseload and facility growth are based on the 2009-10 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed ICFs for CY 2008-09 and BY 2009-10 are provided by the Department of Health Care Services, effective August 1, 2008, as follows:
\$185.50 for DD-Hs, \$211.63 for DD-Ns.
- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	38	52
DD-N	73	94
- 1.9 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>
<ul style="list-style-type: none"> Base: Actual FY 2007-08 expenditures were used to develop the CY 2008-09 base. For BY 2009-10, the prior year estimate, with the following adjustments, was used as the base. 	\$20,305,000	\$20,830,000
Prior-Year Costs		22,914,000
Less Gap Resource Development in Base		-1,762,000
Less Community Placement Plan One-Time Costs		-322,000
<ul style="list-style-type: none"> Utilization Change/Growth: 	\$156,000	\$207,000
It is assumed that 1.9 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: 	\$1,762,000	\$2,062,000
<ul style="list-style-type: none"> ● New Facilities: <p>Gap is the time period between licensure and certification of small health facilities when Medi-Cal does not cover any person's facility costs.</p> <p>In CY 2008-09 it is assumed 9 DD-H facilities will need gap funding for 2 consumers each for an average of 60 days, and 18 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days. BY 2009-10 it is assumed 13 DD-H facilities will need gap funding for 2 consumers each for an average of 60 days, and 21 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days.</p>	809,000	1,109,000
<ul style="list-style-type: none"> ● Change of Ownership Facilities <p>It is estimated that ten ICF/DD-H and ten ICF/DD-N providers will sell their facilities during CY 2008-09 and 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>	953,000	953,000
<ul style="list-style-type: none"> ● Community Placement Plan: <p>These are costs for individuals moving from a developmental center into a Medical Facility. See Community Placement Plan, pages E-16.1 to E-16.14, for the methodology detail.</p>	\$322,000	\$165,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing [Day Programs] who were moved from a developmental center into the community under the CPP in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. For BY 2009-10, the impact of this increase is reflected in the trends</p>	\$408,000	In Trends
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	408,000 0	In Trends 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: 	-\$39,000	-\$49,000
<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 \$6.5 million and \$13.9 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>		
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$22,914,000	\$23,215,000

FUNDING:

Medical Facility expenditures are funded by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

TOTAL	\$22,914,000	\$23,215,000
General Fund	\$22,914,000	\$23,215,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	22,914,000	23,215,000
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 or an infant's Individualized Family Service 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 January 1, 2009. Data was adjusted for lag based on FY 2005-06 expenditures.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
● Base: Actual Fiscal Year (FY) 2007-08 expenditures were used to develop the Current Year (CY) 2008-09 base. For Budget Year (BY) 2009-10, the prior-year estimate, with the following adjustment, was used for the base:	\$735,206,000	\$788,367,000
● Prior Year Costs	\$735,206,000	N/A
● Prior Year Estimate	N/A	\$791,630,000
● Less Community Placement Plan (CPP) One-Time	N/A	-\$3,263,000
● Utilization Change/Growth:	\$40,826,000	\$48,770,000

Caseload Growth

The caseload growth is estimated to be 40,030 person months in CY 2008-09 and 45,215 person months in BY 2009-10.

The CY and BY estimate is based on a simple Auto Regressive Integrated Moving Average model of Day Program consumer data from November 2002 through October 2008.

Day Programs

METHODOLOGY (continued):

CY 2008-09

BY 2009-10

Average Cost Increase: Reflects the cost of new community-based day programs.

\$11,151,000

\$12,549,000

CY 2008-09 base net costs of \$696,927,000 (which includes the FY 2007-08 cost of CPP placements, rate adjustments and program changes) were multiplied by 1.6 percent to project an average cost increase of \$11,151,000. The 1.6 percent is based on the estimated increase in the average cost per person per month from FY 2006-07 to FY 2007-08. The BY 2009-10 base net costs of \$784,342,000 were also multiplied by 1.6 percent to project an average cost increase of \$12,549,000.

- **Freeze Average Cost Increase:**

In Trends

In Trends

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:

- (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.

Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.

- **CPP:** See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail.

\$3,263,000

\$3,934,000

Day Programs

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Day Programs who were moved from a developmental center into the community under the CPP in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. For BY 2009-10, the impact of this increase is reflected in the trends.</p>	\$2,733,000	In Trends
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	2,733,000 0	0 0
<ul style="list-style-type: none"> ● Program Days Adjustment: <p style="margin-left: 20px;">There is no change in program days in CY 2008-09 and in BY 2009-10 compared to FY 2007-08.</p>	\$0	\$0
<ul style="list-style-type: none"> ● Minimum Wage Increases: <p style="margin-left: 20px;">Chapter 230, Statutes of 2006 (AB 1835) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. The impact of these wage rate increases is reflected in the trends.</p>	In Trends	In Trends
<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 \$6.5 million and \$13.9 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>	-\$1,439,000	-\$1,637,000

Day Programs

METHODOLOGY (continued):

CY 2008-09

BY 2009-10

- **Negotiated Rate Reduction:**

-\$794,000

-\$841,000

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 \$44.6 million and \$98.7 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**

\$790,946,000

\$851,142,000

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, the Health and Human Services Fund (Prop 10), and the Early Start Grant. Based on actual FY 2007-08 billing data, approximately 50 percent of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 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.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Day Programs

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$790,946,000	\$851,142,000
General Fund	\$399,508,000	\$471,000,000
<i>General Fund Match</i>	182,440,000	178,975,000
<i>General Fund Other</i>	217,068,000	292,025,000
Reimbursements	\$328,756,000	\$336,992,000
<i>HCBS Waiver FFP</i>	231,466,000	241,561,000
<i>Title XX Social Services</i>	59,206,000	59,206,000
<i>Title XX TANF</i>	2,479,000	620,000
<i>Medicaid</i>	35,605,000	35,605,000
Federal Funds	\$62,682,000	\$43,150,000
<i>Early Start Grant</i>	62,682,000	43,150,000

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 January 1, 2009. Data was adjusted for lag based on FY 2005-06 expenditures.

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Work Activity Program:	\$59,894,000	\$55,534,000
• Base: Actual FY 2007-08 expenditures were used to develop the CY 2008-09 base. For BY 2009-10, the prior-year estimate, with the following adjustment, was used as the base.	\$61,672,000	\$59,890,000
• Prior Year Costs	61,672,000	N/A
• Prior Year Estimate	N/A	59,890,000
• Less Community Placement Plan One-Time Costs	N/A	0
• Utilization Change/Growth:	-\$1,719,000	-\$4,275,000

WAP expenditure data for the period November 2002 through October 2008 were used to update CY 2008-09 and 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.

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
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. 	\$0	\$0
<ul style="list-style-type: none"> ● Placement Continuation: 	\$0	In Trends
<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. For BY 2009-10, the impact of this increase is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● Minimum Wage Increases: 	In Trends	In Trends
<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. The impact of these wage rate increases is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: 	-\$59,000	-\$81,000
<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 \$6.5 million and \$13.9 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>		

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Supported Employment Program:	\$83,671,000	\$87,518,000
HSP Group Placement:	\$63,132,000	\$65,394,000
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to develop the CY 2008-09 base. For BY 2009-10, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> ● Prior Year Costs 67,054,000 N/A ● Prior Year Estimate N/A 63,132,000 ● Less Community Placement Plan One-Time Costs N/A -35,000 ● Utilization Change/Growth: \$3,131,000 \$1,691,000 <p style="margin-left: 20px;">HSP Group Placement expenditure data for the period November 2002 through October 2008 were used to update CY 2008-09 and 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> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. \$35,000 \$178,000 ● Placement Continuation: \$0 In Trends <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. For BY 2009-10, the impact of this increase is reflected in the trends.</p> ● SEP Job Coach Rate Increase: In Trends In Trends <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. For CY 2008-09 and BY 2009-10, the impact of this increase is reflected in the trends.</p> 		

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Supported Employment Program (continued):		
HSP Individual Placement:	\$20,539,000	\$22,124,000
<ul style="list-style-type: none"> ● Base: Actual FY 2007-08 expenditures were used to develop the CY 2008-09 base. For BY 2009-10, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> ● Prior Year Costs 20,992,000 ● Prior Year Estimate N/A ● Less Community Placement Plan One-Time Costs N/A 	\$20,992,000	\$20,539,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>Monthly SEP Individual Placement expenditure data from November 2002 through October 2008 were used to update CY 2008-09 and 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> 	\$1,845,000	\$1,541,000
<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. For BY 2009-10, the impact of this increase is reflected in the trends.</p> 	\$9,000	In Trends
<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 CY 2008-09 and BY 2009-10, the impact of the increase is reflected in the trends.</p> 	In Trends	In Trends

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Supported Employment Program (continued):		
HSP Individual Placement (continued):		
<ul style="list-style-type: none"> <p>• Reduce Supported Employment Program Provider Rate by 10 Percent:</p> <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 \$9.3 million and \$8.7 million in CY 2008-09 and BY 2009-10, respectively, 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> 	-\$2,285,000	\$77,000
<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 \$6.5 million and \$13.9 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> 	-\$22,000	-\$33,000
<ul style="list-style-type: none"> <p>• TOTAL EXPENDITURES</p> 	\$143,565,000	\$143,052,000

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, 43 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, 61.59 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.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in the budget year reflects a decrease in projected expenditures.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$143,565,000	\$143,052,000
General Fund	\$85,792,000	\$83,327,000
<i>General Fund Match</i>	28,420,000	27,749,000
<i>General Fund Other</i>	57,372,000	55,578,000
Reimbursements	\$57,773,000	\$59,725,000
<i>HCBS Waiver FFP</i>	44,800,000	46,754,000
<i>Title XX Social Services</i>	12,971,000	12,971,000
<i>Title XX TANF</i>	2,000	0

Transportation

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$734,000	\$743,000
<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. For BY 2009-10, the impact of this increase is reflected in the trends.</p>	\$451,000	In trends
<ul style="list-style-type: none"> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	451,000 0	in trends 0
<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 \$44.6 million and \$98.7 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>	-\$365,000	-\$383,000
<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 \$6.5 million and \$13.9 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>	-\$268,000	-\$388,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$230,836,000	\$244,150,000

Transportation

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, 61.59 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:

CY 2008-09 and BY 2009-10 expenditures reflect the most current available data.

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	\$230,836,000	\$244,150,000
General Fund	-\$11,507,000	-\$5,579,000
<i>General Fund Match</i>	8,395,000	8,395,000
<i>General Fund Other</i>	-19,902,000	-13,974,000
Public Transportation Account (PTA)	\$138,275,000	\$138,275,000
<i>PTA Match</i>	58,740,000	63,289,000
<i>PTA Other</i>	79,535,000	74,986,000
Reimbursements	\$104,068,000	\$111,454,000
<i>HCBS Waiver FFP</i>	95,373,000	102,759,000
<i>Vocational Rehabilitation</i>	300,000	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 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 Service (POS) Claims Data file, dated January 1, 2009.
Data were adjusted for lag based on FY 2005-06 expenditures.

	<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 develop the CY 2008-09 base. For BY 2009-10, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs 550,653,000 ● Prior Year Estimate N/A ● Less Community Placement Plan One-Time Costs 671,308,000 	\$550,653,000	\$665,033,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$108,121,000	\$90,334,000

BY 2008-09 was estimated based on forecasting models specific to the November 2002 through October 2008 Support Services expenditure data (excluding CPP placement).

A single input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention related to the three percent rate increase was found to be statistically significant beginning in July 2006.

Support Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<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, during FY 2007-08, from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	\$6,275,000	\$5,222,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing Support Services 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. For BY 2009-10, the impact of this increase is reflected in the trends.</p>	\$9,204,000	In Trends
<ul style="list-style-type: none"> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	<p>7,627,000</p> <p>1,577,000</p>	<p>In Trends</p> <p>In Trends</p>
<ul style="list-style-type: none"> ● Independent Living Supplement: Based on Client Master File (CMF) data as of February 3, 2009, it is estimated the following consumers will live in supported/independent living (SL/IL) arrangements. Of these totals, based on the 2009-10 May Revision Regional Center Survey (February 2009), 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. 	\$32,000	\$428,000
	<u>CY 2008-09</u>	<u>BY 2009-10</u>
Total SL/IL Consumers	20,500	21,340
Part of a Couple	- 1,389	- 1,449
Individuals	19,111	19,891

Support Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<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 \$6.5 million and \$13.9 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>	-\$1,122,000	-\$1,425,000
<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 \$44.6 million and \$98.7 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>	-\$9,105,000	-\$10,200,000
<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. The impact of these wage rate increases is reflected in the trends.</p>	In Trends	In Trends
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$664,058,000	\$749,392,000

FUNDING:

Support Services expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), Health and Human Services Fund (Prop 10), 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, 61.59 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.

Support Services

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$664,058,000	\$749,392,000
General Fund	\$383,891,000	\$466,136,000
<i>General Fund Match</i>	<i>150,246,000</i>	<i>146,701,000</i>
<i>General Fund Other</i>	<i>233,645,000</i>	<i>319,435,000</i>
Reimbursements	\$278,485,000	\$282,485,000
<i>HCBS Waiver FFP</i>	<i>236,842,000</i>	<i>247,171,000</i>
<i>Title XX Social Services</i>	<i>33,204,000</i>	<i>33,204,000</i>
<i>Title XX TANF</i>	<i>8,439,000</i>	<i>2,110,000</i>
Federal Funds	\$1,682,000	\$771,000
<i>Early Start Grant</i>	<i>1,682,000</i>	<i>771,000</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 Service (POS) Claims Data file, dated January 1, 2009.
Data were adjusted for lag based on FY 2005-06 expenditures.

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 develop the CY 2008-09 base. For BY 2009-10, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: 	<p>\$209,377,000</p> <p style="margin-left: 20px;"><i>209,377,000</i></p> <p style="margin-left: 20px;"><i>N/A</i></p> <p style="margin-left: 20px;"><i>N/A</i></p> <p>\$31,916,000</p>	<p>\$239,635,000</p> <p style="margin-left: 20px;"><i>N/A</i></p> <p style="margin-left: 20px;"><i>239,640,000</i></p> <p style="margin-left: 20px;"><i>-5,000</i></p> <p>\$30,703,000</p>

BY 2008-09 was estimated based on forecasting models specific to the November 2002 through October 2008 In-Home Respite expenditure data (excluding CPP placement).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Four interventions/events were found to be statistically significant. Two interventions were identified beginning October 2004 and December 2004, were assumed to be related to vouchered respite regulation changes. A third intervention beginning January 2007, and a fourth intervention beginning January 2008, were assumed to be related to the minimum wage increases. Refer to the following page 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: <div style="float: right; text-align: center;"> In Trends In Trends </div> <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> • CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. <div style="float: right; text-align: center;"> \$5,000 \$26,000 </div> • Placement/Deflection Continuation: <div style="float: right; text-align: center;"> \$0 \$0 </div> <p>These are the continuing costs for consumers utilizing In-Home Respite services 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. For BY 2009-10, the impact of this increase is reflected in the trends.</p> <ol style="list-style-type: none"> (a) Placement 0 0 (b) Deflection 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 \$6.5 million and \$13.9 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> 	-\$767,000	-\$689,000
<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 \$44.6 million and \$98.7 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> 	-\$10,000	-\$10,000
<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

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> • Minimum Wage Increases: <div style="margin-left: 20px;"> <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. The impact of these wage rate increases is reflected in the trends.</p> </div> 	In Trends	In Trends
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$239,640,000	\$269,172,000

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), Health and Human Services Fund (Prop 10), 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, 61.59 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 expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$239,640,000	\$269,172,000
General Fund	\$135,193,000	\$172,525,000
<i>General Fund Match</i>	46,545,000	45,447,000
<i>General Fund Other</i>	88,648,000	127,078,000
Reimbursements	\$101,554,000	\$95,320,000
<i>HCBS Waiver FFP</i>	73,372,000	76,572,000
<i>Title XX Social Services</i>	15,604,000	15,604,000
<i>Title XX TANF</i>	12,578,000	3,144,000
Federal Funds	\$2,893,000	\$1,327,000
<i>Early Start Grant</i>	2,893,000	1,327,000

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 Service (POS) Claims Data file, dated January 1, 2009.
Data were adjusted for lag based on FY 2005-06 expenditures.

	<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 develop the CY 2008-09 base. For BY 2009-10, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: 	<p>\$53,278,000</p> <p><i>53,278,000</i></p> <p><i>N/A</i></p> <p><i>N/A</i></p> <p>\$9,624,000</p>	<p>\$61,368,000</p> <p><i>N/A</i></p> <p><i>61,432,000</i></p> <p><i>-64,000</i></p> <p>\$9,261,000</p>
<p>BY 2008-09 was estimated based on forecasting models specific to the November 2002 through October 2008 Out-of-Home expenditure data (excluding CPP placement).</p> <p>A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two 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.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	<p>\$64,000</p>	<p>\$78,000</p>

Out-of-Home Respite

CY 2008-09 BY 2009-10

METHODOLOGY (continued):

- **Placement/Deflection Continuation** \$9,000 In Trends

These are the continuing costs for consumers utilizing Out-of-Home Respite services 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. For BY 2009-10, the impact of this increase is reflected in the trends.

- (a) Placement 9,000 In Trends
- (b) Deflection 0 In Trends

- **Regional Center Internal Review Process:** -\$214,000 -\$189,000

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 \$6.5 million and \$13.9 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.

- **Negotiated Rate Reduction:** -\$948,000 -\$986,000

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 \$44.6 million and \$98.7 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.

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. The impact of these wage rate increases is reflected in the trends.</p>	In Trends	In Trends
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$61,432,000	\$69,319,000

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), Health and Human Services Fund (Prop 10), and the Early Start Grant. Based on actual FY 2007-08 billing data, approximately 11 percent Out-of-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 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 expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Out-of-Home Respite

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$61,432,000	\$69,319,000
General Fund	\$40,320,000	\$55,348,000
<i>General Fund Match</i>	2,336,000	2,282,000
<i>General Fund Other</i>	37,984,000	53,066,000
Reimbursements	\$20,304,000	\$13,601,000
<i>HCBS Waiver FFP</i>	3,684,000	3,844,000
<i>Title XX Social Services</i>	7,469,000	7,469,000
<i>Title XX TANF</i>	9,151,000	2,288,000
Federal Funds	\$808,000	\$370,000
<i>Early Start Grant</i>	808,000	370,000

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 Service (POS) Claims Data file, dated January 1, 2009.
Data were adjusted for lag based on FY 2005-06 expenditures.

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 develop the CY 2008-09 base. For BY 2009-10, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs ● Utilization Change/Growth: <p>BY 2008-09 was estimated based on forecasting models specific to the November 2002 through October 2008 Health Care expenditure data (excluding CPP placement).</p> <p>A single input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention related to Medicare Part D and Medi-Cal Dental Cap was found to be statistically significant beginning in June 2006.</p> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. ● Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing Health Care services 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. For BY 2009-10, the impact of this increase is reflected in the trends.</p> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	<p>\$85,371,000</p> <p>85,371,000</p> <p>N/A</p> <p>N/A</p> <p>\$11,835,000</p> <p>\$529,000</p> <p>\$143,000</p> <p>143,000</p> <p>0</p>	<p>\$96,895,000</p> <p>N/A</p> <p>97,424,000</p> <p>-529,000</p> <p>\$12,076,000</p> <p>\$669,000</p> <p>In Trends</p> <p>In Trends</p> <p>0</p>

Health Care

CY 2008-09 BY 2009-10

METHODOLOGY (continued):

- \$153,000 - \$160,000

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 \$44.6 million and \$98.7 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.

- \$301,000 - \$277,000

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 \$6.5 million and \$13.9 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.

- \$97,424,000 \$109,203,000**

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), Health and Human Services Fund (Prop 10), 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, 61.59 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 expenditure

REASON FOR YEAR-TO-YEAR CHANGE:

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

Health Care

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$97,424,000	\$109,203,000
General Fund	\$83,432,000	\$100,582,000
<i>General Fund Match</i>	2,716,000	2,651,000
<i>General Fund Other</i>	80,716,000	97,931,000
Reimbursements	\$5,716,000	\$4,827,000
<i>HCBS Waiver FFP</i>	4,281,000	4,468,000
<i>Title XX TANF</i>	1,435,000	359,000
Federal Funds	\$8,276,000	\$3,794,000
<i>Early Start Grant</i>	8,276,000	3,794,000

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 Service (POS) Claims Data file, dated January 1, 2009.
Data were adjusted for lag based on FY 2005-06 expenditures.

	<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 develop the CY 2008-09 base. For BY 2009-10, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan One-Time Costs 	<p>\$293,357,000</p> <p>293,357,000</p> <p>N/A</p> <p>N/A</p>	<p>\$381,724,000</p> <p>N/A</p> <p>413,755,000</p> <p>-32,031,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: BY 2008-09 was estimated based on forecasting models specific to the November 2002 through October 2008 Miscellaneous expenditure data (excluding CPP placement). A simple ARIMA model was used to forecast utilization change/growth. 	<p>\$103,103,000</p>	<p>\$75,915,000</p>
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan, pages E-16.1 to E-16.11, for the methodology detail. 	<p>\$32,031,000</p>	<p>\$25,871,000</p>
<ul style="list-style-type: none"> ● Placement/Deflection Continuation These are the continuing costs for consumers utilizing Miscellaneous services 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. For BY 2009-10, the impact of this increase is reflected in the trends. 	<p>\$619,000</p>	<p>In Trends</p>
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	<p>545,000</p> <p>74,000</p>	<p>In Trends</p> <p>In Trends</p>

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) prohibits regional centers, during FY 2007-08, from paying providers of Transportation, Supported Living and Look-Alike Day Program contracted services or supports a rate that is greater than the new rate which is in effect on or after June 30, 2008, unless 1) the increase is required by a contract in effect on June 30, 2008, or 2) the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the Department has granted prior written authorization.</p> <p>Chapter 3, Statutes of 2008, Third Extraordinary Session (ABX3 5) made this freeze permanent. The impact of this freeze is reflected in the trends.</p> 	In Trends	In Trends
<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 \$6.5 million and \$13.9 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> 	-\$1,134,000	-\$1,070,000
<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 \$44.6 million and \$98.7 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> 	-\$17,177,000	-\$22,356,000

Miscellaneous Services

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
METHODOLOGY (continued):		
<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> 	-\$13,000	-\$7,000
<ul style="list-style-type: none"> <p>• Eliminate Best Buddies Program Grant:</p> <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"> <p>• Rollback Devereux Maintenance Contract:</p> <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> 	In Trends	In Trends
<ul style="list-style-type: none"> <p>• TOTAL EXPENDITURES</p> 	\$409,286,000	\$460,077,000

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), Health and Human Services Fund (Prop 10), 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, 61.59 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.

Miscellaneous Services

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$409,286,000	\$460,077,000
General Fund	\$310,329,000	\$380,675,000
<i>General Fund Match</i>	27,347,000	26,701,000
<i>General Fund Other</i>	282,982,000	353,974,000
Reimbursements	\$80,248,000	\$68,859,000
<i>HCBS Waiver FFP</i>	43,107,000	44,987,000
<i>Title XX Social Services</i>	19,449,000	19,449,000
<i>Title XX TANF</i>	17,692,000	4,423,000
Federal Funds	\$17,562,000	\$8,051,000
<i>Early Start Grant</i>	17,562,000	8,051,000
Program Development Funds	\$1,147,000	\$2,492,000

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 April 2010 through November 2010.
- 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.

Cost Containment Summary (Purchase of Services)

ASSUMPTIONS (continued):

- 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 July 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.
- Savings Target: The Enacted Budget directs the Department to work with stakeholders in developing proposals to achieve targeted savings while maintaining the Lanterman Act entitlement and ensuring program and service integrity. Chapter 20, Statutes of 2009, Third Extraordinary Session (AB X3 5), requires the DDS to submit a plan that involved a stakeholder process to the Legislature by April 1, 2009, that identifies cost containment measures to achieve up to \$100 million in General Fund reductions for BY 2009-10. In the event that statutory changes are not enacted by September 1, 2009, the DDS will be required to direct regional centers to reduce all payments for services and supports paid from purchase of services funds for services delivered on or after September 1, 2009, by 7.1 percent.

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:

There is no change.

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	-\$17,787,000	-\$50,795,000
<i>General Fund Match</i>	-14,102,000	-31,167,000
<i>General Fund Other</i>	-3,685,000	-19,628,000
Reimbursements	-\$22,613,000	-\$49,977,000
<i>HCBS Waiver FFP</i>	-22,613,000	-49,977,000

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:

The last consumer left on March 27, 2009.

For CY 2008-09, the DDS proposes to update Agnews Unified Community Placement Plan for CY 2008-09. Placement and Deflection Continuation (PDC) costs are assumed to be the same as in the 2009-10 November Estimate for CY 2008-09 and BY 2009-10.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• COMMUNITY PLACEMENT PLAN	\$23,796,900	\$0
• PLACEMENT AND DEFLECTION CONTINUATION	\$34,325,000	\$41,833,000
• TOTAL EXPENDITURES	\$58,121,900	\$41,833,000

See page E-14.6 for detail.

IMPLEMENTATION DATE:

The DDS has ensured that the health and safety of each consumer remained its highest priority throughout the closure process.

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, 61.59 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 had a difficult time recruiting direct care staff and qualified administrators for homes because of the limited candidate pool.

Transition to the community was completed as of March 27, 2009.

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	\$58,121,900	\$41,833,000
General Fund	\$41,714,900	\$20,992,000
<i>General Fund Match</i>	<i>10,232,000</i>	<i>12,997,000</i>
<i>General Fund Other</i>	<i>31,482,900</i>	<i>7,995,000</i>
Reimbursements	\$16,407,000	\$20,841,000
<i>HCBS Waiver FFP</i>	<i>16,407,000</i>	<i>20,841,000</i>

**AGNEWS DEVELOPMENTAL CENTER CLOSURE
PURCHASE OF SERVICES
CY 2008-09 and BY 2009-10**

For the 2009-10 May Revision, the DDS proposes to update Agnews Unified CPP for CY 2008-09. Placement and Deflection Continuation costs are assumed to be the same as in the 2009-10 November Estimate for CY 2008-09 and BY 2009-10.

CPP Activity	2009-10 November Estimate		2009-10 May Revision		Difference	
	CY 2008-09	BY 2009-10	CY 2008-09	BY 2009-10	CY Change	BY Change
I. Community Placement Plan	\$27,210,000 121 consumers	\$0 0 consumer	\$23,796,900 121 consumers	\$0 0 consumer	-\$3,413,100 0 consumer	\$0 0 consumer
II. Placement and Deflection Continuation	\$34,325,000 72 consumers	\$41,833,000 121 consumers	\$34,325,000 72 consumers	\$41,833,000 121 consumers	\$0 0 consumer	\$0 0 consumer
III. TOTAL CPP (I. + II.)	\$61,535,000	\$41,833,000	\$58,121,900	\$41,833,000	-\$3,413,100	\$0

New Major Assumption American Recovery and Reinvestment Act (ARRA) (Purchase of Services)

DESCRIPTION:

The Department requests reimbursement authority in 2008-09 and 2009-10 for an additional \$161.9 and \$204.9 million, respectively, of federal funding associated with the Home and Community-based Services Waiver for the Developmentally Disabled (HCBS Waiver) operated in the state's 21 regional centers. The increase in federal reimbursement results from the terms of the American Recovery and Reinvestment Act (ARRA), which allow for a temporary increase in the Federal Medical Assistance Percentage (FMAP).

As authorized by the federal Office of Management and Budget (OMB), a portion of the funding received under the American Recovery and Reinvestment Act (ARRA) will be used to provide support for the California Recovery Task Force (CRTF) and for the ARRA oversight and administrative activities of the various departments administering those funds. Pursuant to Executive Order S-02-09, CRTF is charged with tracking the ARRA funding coming into the state; helping cities, counties, non-profits, and others access the available funding; ensuring that the funding provided to the state is spent efficiently and effectively; and maintaining a Web site that is frequently and thoroughly updated so Californians can track the stimulus dollars. The mechanism for accessing these federal funds and for allocating them to the CRTF and state entities administering ARRA funds is under development and is not available to include in this estimate. Consequently, a future Section 28.00 request may be submitted in the coming months to properly increase the department's federal funds reimbursement authority to fund the cost of accountability and related administrative and transparency activities.

Nature of Request

This request assumes an enhanced FMAP of 61.59% (an increase from 50%) for the HCBS Waiver reimbursement.

Background/History

The ARRA, signed into law by President Obama on February 17th, 2009, includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

The ARRA provides a temporary increase in the share of the Medicaid program paid by the federal government. The provision will take effect immediately and provide states with monetary assistance over nine calendar quarters (October 1, 2008 through December 31, 2010). Each state receives an across-the-board increase in FMAP of 6.2 percentage points. Further, the ARRA provides an additional increase in FMAP for states with increases in unemployment rates. California is eligible to receive an 11.59 percent FMAP increase; 6.2% general increase + 5.4% increase for unemployment. This increase in FMAP will result in a decrease in California's share of cost for those individuals who are currently served under the existing HCBS Waiver program.

There are no programmatic changes necessary under Developmental Services in order to obtain the additional funding.

New Major Assumption American Recovery and Reinvestment Act (ARRA) (Purchase of Services)

JUSTIFICATION/OUTCOMES AND ACCOUNTABILITY:

- The ARRA is a federal law that was passed to provide economic stimulus to states.
- The budget passed in February 2009 by the California Legislature and signed by the Governor incorporated these ARRA monies. Not drawing down these additional monies would create a shortfall in DDS' budget and increase pressure on the General Fund.
- Accessing the enhanced FMAP is supported by regional centers and stakeholders, per public testimony at stakeholder meeting held in February and March 2009.
- DDS would not be required to make programmatic or administrative changes in order to draw down these funds.

ASSUMPTIONS/METHODOLOGY:

- In CY 2008-09, the higher FMAP will produce an additional HCBS Waiver reimbursement amount of \$161,914,000 (9 month impact).
- In BY 2009-10, the higher FMAP will produce an additional HCBS Waiver reimbursement amount of \$204,896,000 (12 month impact).
- The ARRA funds are 100% FFP.

IMPLEMENTATION DATE:

Effective date: October 1, 2008

In April, 2009, the Department will draw down the additional FMAP for invoices submitted from October 2008 through March 2009. The higher FMAP will be used thereafter through December 31, 2010.

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	\$46,600,000	\$0
<i>Home and Community Based Services Waiver</i>	161,914,000 ^{a/}	204,894,000
<i>General Fund</i>	-115,314,000	-204,894,000

^{a/} A portion (\$46,600,000 GF) of the \$161,914,000 GF was retained for purchase of services to meet consumer service needs for the current year caseload.

New Major Assumption Individuals With Disabilities Education Act Early Start Part C Grant

DESCRIPTION:

Part C of the federal Individuals with Disabilities Education Act (IDEA) provides federal grant funding for states to operate early intervention programs for families and their children with developmental delays, disabilities, or conditions that 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 this program. DDS allocates a significant portion of the federal funding to regional centers for local program operation.

Based on a federal allocation formula derived from the total state census of infants and toddlers birth to 36 months of age, the California portion of the federal Part C grant totals approximately \$51 million annually. Thus, the American Recovery and Reinvestment Act (ARRA) funds totaling \$53.2 million (\$26.6 million in both CY and BY) are in addition to the annual grant allocation and represent a 50 percent increase over a two-year period. Despite some restrictions on the use of these ARRA funds, and as long as each state complies with a myriad of federal program operations and data reporting requirements, the funds can be targeted for usual Part C expenditures such as Purchase of Services

KEY DATA/ASSUMPTIONS:

Expenditure of the Early Start Part C Grant is reflected in the POS Day Programs estimate.

IMPLEMENTATION DATE:

The provision will take effect immediately.

FUNDING:

The total is 100 percent federal funds (ARRA) and does not require a state General Fund match, only a "maintenance of effort" for which each state must expend at least as much as in the prior year.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$0	\$0
Federal Funds	\$26,616,000	\$26,616,000
General Fund	-\$26,616,000	-\$26,616,000

New Major Assumption Elimination of Medi-Cal Optional Benefits for Adults 21 Years of Age and Older (Purchase of Services)

DESCRIPTION:

Summary

The State budget enacted Feb. 20, 2009 required the State Treasurer and Director of Finance to determine by April 1, 2009 whether California would receive at least \$10 billion from the American Recovery and Reinvestment Act (ARRA) and, possibly, other federal legislation. To qualify, the federal funds would have to be "made available" to California by June 30, 2010, and offset expenditures that would otherwise be made from the State General Fund. The enacted budget required elimination of optional Medi-Cal benefits for adults 21 years of age and older if the stimulus funds did not materialize. California did not receive the anticipated \$10 billion from the \$789 billion federal economic stimulus package.

The Medi-Cal Optional Benefit eliminations include, but are not limited to, creams and washes, audiology, optometry and related services, podiatry, psychology, speech therapy, and dental services. Regional centers will incur additional expenses in order to maintain the health and safety of Californians with developmental disabilities in need of these services.

Nature of Request

The Department of Developmental Services (DDS) assumes that due to the elimination of Medi-Cal Optional benefits for adults 21 years of age and older regional centers will become the payer of last resort for these services and will see an increase in their Purchase of Service (POS) expenditures commensurate with the decrease in costs to the Medi-Cal system.

Without the additional funding to replace the Medi-Cal Optional benefits programs, regional centers will:

- Be unable to purchase the services that the generic resources provided, jeopardizing the health and safety of persons with developmental disabilities in the regional center service delivery system.
- Increase (POS) authorizations and case management costs due to funding the discontinued Medi-Cal benefits, as inadequate preventive care leads to higher cost medical and dental procedures.
- Increase health and safety issues resulting in increased case management and regional center service coordination costs.

Due to the cost shift associated with the elimination of the Medi-Cal Optional benefits to the regional centers, this is a high priority for DDS.

Background/History

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

New Major Assumption

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

(Purchase of Services)

DESCRIPTION (continued):

Background/History (continued):

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

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

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

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

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

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

This proposal is consistent with DDS' Strategic Plan to:

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

Funding of this proposal will provide the necessary resources for the purchase of medical services for adults, 21 years of age and older, with developmental disabilities, due to the elimination of Medi-Cal Optional benefits. Medical services are a long term, critical priority need for adults with developmental disabilities.

New Major Assumption Elimination of Medi-Cal Optional Benefits for Adults 21 Years of Age and Older (Purchase of Services)

IMPLEMENTATION DATE:

The elimination of Medi-Cal Optional benefits for adults, 21 years of age and older, will occur July 1, 2009. Concurrently, Regional center POS budgets will need to be augmented to accommodate the purchase of these healthcare services. The costs to the regional centers will be monitored and revised based upon actual consumer expenditures.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

DDS projects the cost shift from The Department of Health Care Services (DHCS) to DDS in 2009/10 to be \$11,972,000 (\$7,653,000 in dental services; \$4,319,000 in other services) for Medi-Cal Optional benefits for persons with developmental disabilities. As these benefits are now being eliminated from the Medi-Cal formulary, they will have to be purchased by the regional centers. This estimate contains the following key assumptions:

- Pursuant to Title 17, Section 57332 (b), regional centers will reimburse non-residential providers at the maximum rate of reimbursement in accordance with the "Schedule of Maximum Allowances" or, as otherwise specified.
- Pursuant to Title 17, Section 57210 (14), the "Schedule of Maximum Allowances (SMA)" means the schedule of the maximum allowable rate for the service provided as established by the DHCS for services reimbursable under the Medi-Cal program. If the vendor's usual and customary rate is less than the maximum rate allowed pursuant to the SMA, the regional center shall pay the vendor's usual and customary rate.
- Regional centers will continue to reimburse providers at the DHCS' Medi-Cal provider rate where specified by Title 17.
- Seven of the 10 Medi-Cal Optional Benefits are eligible for Federal Financial Participation. The total **General Fund** costs for these benefits is \$8,226,000 and the total **Federal Financial Participation** is \$3,746,000.
- As a result of the loss of Medi-Cal optional benefits for adults 21 years of age and older, regional centers will become the payer of last resort and purchase the services that were previously provided by

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

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

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

New Major Assumption
Elimination of Medi-Cal Optional Benefits for Adults
21 Years of Age and Older
(Purchase of Services)

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$0	\$11,972,000
General Fund	\$0	\$8,226,000
<i>General Fund Match</i>	<i>0</i>	<i>3,746,000</i>
<i>General Fund Other</i>	<i>0</i>	<i>4,480,000</i>
Reimbursements	\$0	\$3,746,000
<i>HCBS Waiver FFP</i>	<i>0</i>	<i>3,746,000</i>

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. Approval of the SDS HCBS Waiver is pending further discussion with the new federal administration. Upon further progress toward finalizing the SDS HCBS Waiver, the draft regulations will be reviewed by the Department's Administration. The regulations are subject to a required 45-day public comment. As a result, the enrollment has been extended from July 1, 2008 to April 1, 2010. Regional center implementation will be phased in over an eight-month period beginning in April 2010 through November 2010.

There will be approximately 75 new SDS enrollees in BY 2009-10 from 3 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.

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-3.13 to E-3.16 of this section.

Revised Major Assumption Cost Containment: Self-Directed Services

ASSUMPTIONS/METHODOLOGY:

- BY 2009-10
 - For the BY 2009-10 cost/savings estimate, it is assumed that 75 participants will be enrolled.
 - The average cost per consumer per month for regional center POS is estimated to be \$1,250.
- 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 75 consumers (phased in over 3 months) are estimated to be \$188,000.

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 75 consumers (phased-in over 3 months) are estimated to be \$306,000 including criminal history records clearance and one-time transition costs.
 - \$9,000 of the SDS consumers' historical expenditures will be set aside in a risk pool fund for their unanticipated needs.
 - 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.

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

ASSUMPTIONS/METHODOLOGY: (continued)

	<u>BY 2009-10</u>
● Estimated SDS cost of services	\$259,000
● Estimated pre-SDS cost for consumers	<u>188,000</u>
● Difference	\$71,000
● SDS Risk Pool Fund	9,000
● One-time Transition Costs	<u>38,000</u>
● Total Net Expenditures	\$118,000

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.

Implementation has been delayed until April 1, 2010.

IMPLEMENTATION DATE:

Implementation will be phased-in beginning April 1, 2010 as follows:

April 2010:	1 regional center
May 2010:	1 regional center
June 2010:	1 regional center

EXPENDITURES:

	<u>BY 2009-10</u>
TOTAL	\$118,000
General Fund	\$38,000
<i>General Fund Match</i>	80,000
<i>General Fund Other</i>	-51,000
<i>SDS Risk Pool Fund</i>	9,000
Reimbursements	\$80,000
<i>SDHCBS Waiver</i>	93,000
<i>HCBS Waiver</i>	-13,000

Savings Target (Enacted Budget, February 20, 2009)

DESCRIPTION:

The Enacted Budget directs the Department of Developmental Services (DDS) to work with stakeholders in developing proposals to achieve targeted savings while maintaining the Lanterman Act entitlement and ensuring program and service integrity. Chapter 20, Statutes of 2009, Third Extraordinary Session (AB X3 5), requires the DDS to submit a plan that involved a stakeholder process to the Legislature by April 1, 2009, that identifies cost containment measures to achieve up to \$100 million in General Fund reductions for BY 2009-10. In the event that statutory changes are not enacted by September 1, 2009, the DDS will be required to direct regional centers to reduce all payments for services and supports paid from purchase of services funds for services delivered on or after September 1, 2009, by 7.1 percent. Below is a summary of recommendations that achieve the targeted savings while maintaining the entitlement and ensures program and service integrity.

KEY DATA/ASSUMPTIONS:

- **Transportation**
Maximizes cost effective transportation services.
 - **Uniform Holiday Schedule**
Implements uniform 14-day holiday schedules among day and work programs. Savings include related transportation costs.
 - **New Service for Seniors at Reduced Rate**
Creates a new service for seniors at a reduced rate with a corresponding increase in the staffing ratio.
 - **Custom Endeavor Option (CEO)**
Offers the opportunity to develop a customized employment or volunteer option with support from existing providers for 5 percent of the current population.
 - **In-Home Supportive Services (IHSS)**
Ensures all eligible individuals access IHSS hours before receiving Supported Living Services (SLS) and limits regional center payments for like services.
 - **Supported Living Services**
Amends SLS regulations to: (1) require regional centers to review and renegotiate contracts to specify allowable administrative costs; (2) restrict the conditions under which a regional center can supplement a consumer's rent; and (3) require regional centers, to the extent feasible and appropriate, utilize the same SLS provider for consumers that share a home.
 - **Utilization of Neighborhood Preschools**
Expands the availability and use of neighborhood preschools as a natural environment service setting which may be less costly than segregated center-based infant development programs.
 - **Use of Private Insurance for Early Start Consumers**
Requires Early Start families to access private insurance for medical services other than intake and assessment.
-

Savings Target (Enacted Budget, February 20, 2009)

KEY DATA/ASSUMPTIONS (continued):

- **Restrict Eligibility Criteria for Early Start**
Restricts eligibility for Early Start services for low-risk infants/toddlers entering Early Start at 24 months of age or older.
- **Expansion of In-Home Respite Agency Worker Duties**
Expands the scope of duties performed by non-licensed respite workers to include routine skilled services, such as medication administration, diabetic care, g-tube feedings.
- **Reduction in One-Time Regional Center Funding**
Caps regional center operations funding for one-time relocation and expansion costs.
- **Eliminate Triennial Quality Assurance Review**
Eliminates regional center funding and requirement for conducting a triennial Quality Assurance Review of Community Care Facilities.
- **Update Parental Fee Program**
Update the Parental Fee Program for children who live in out-of home care arrangements.
- **Quality Assessment Consolidation**
Consolidates the Quality Assurance Evaluation process.
- **Group Instruction for In-Home Behavior Intervention Services**
Reduces costs for in-home behavior intervention services by requiring parents to complete group instruction on behavioral intervention, prior to being provided with in-home behavioral services.

FUNDING:

Expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, and the Program Development Fund.

CHANGE FROM PRIOR ESTIMATE:

The 2009-10 May Revision revises the target amount from the Enacted Budget of -\$109.5 million to -\$118.9 million.

REASON FOR YEAR-TO-YEAR CHANGE:

This proposal begins in BY 2009-10.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$0	-\$118,900,000
General Fund	\$0	-\$100,000,000
HCBS Waiver FFP	\$0	-\$19,800,000
Program Development Fund	\$0	\$900,000

Savings Target (May Revision)

DESCRIPTION:

The May Revision proposal would require a Department of Developmental Services (DDS) savings target of an additional \$234 million General Fund (GF). The Regional Centers (RC) are already required to identify program changes to achieve \$100 million in GF savings pursuant to the early 2009 Budget Act. The collaborative stakeholder process used to develop proposals associated with the \$100 million GF savings target will also be used to achieve the new savings target.

KEY DATA/ASSUMPTIONS:

The Department is currently working on a detailed plan for this reduction.

FUNDING:

Expenditures are 100% funded by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

This proposal increases the target amount by \$234 million.

REASON FOR YEAR-TO-YEAR CHANGE:

This proposal begins in BY 2009-10.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL, General Fund	\$0	-\$234,000,000

Impact from Other Departments

DESCRIPTION:

The May Revision proposal includes various reductions to the Department of Social Services (DSS) and Department of Health Care Services (DHCS) that will directly impact the Department of Developmental Services. These reductions include; Limit In-Home Supportive Services (IHSS) Domestic and Related Services to the Most Functionally Impaired, Reduce Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grants, IHSS Cost Containment and Medi-Cal Adult Day Health Care Program. With the funding reductions of these services from the DSS and DHCS, regional centers will become the payer of these services for DDS consumers, and will see an increase to their Purchase of Services (POS) expenditures commensurate with the elimination of these services previously provided by DSS and DHCS.

Additional funding is required to ensure necessary services are available to the DDS consumers impacted by the reduction of these services.

KEY DATA/ASSUMPTIONS:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> Limit IHSS Domestic and Related Services to the Most Functionally Impaired: <p style="margin-left: 20px;">This proposal, which would become effective October 1, 2009, would limit the provision of domestic and related services to individuals with the highest levels of need.</p> 	\$0	\$4,800,000
<ul style="list-style-type: none"> Reduce Supplemental Security Income (SSI) and State Supplementary Payment (SSP): <p style="margin-left: 20px;">This proposal would reduce maximum monthly grants to the minimum federally allowed levels for individuals and couples. This proposal, which would become effective September 1, 2009, would reduce the maximum SSI/SSP grant for an aged/disabled individual to \$830 per month and the maximum grant for aged/disabled couples to \$1,407 per month.</p> 	\$0	\$20,400,000
<ul style="list-style-type: none"> IHSS Cost Containment: <p style="margin-left: 20px;">This proposal would target services to the most vulnerable beneficiaries. Specifically, effective October 1, 2009, individuals who require minimal physical assistance from another person to perform an activity would no longer receive domestic and related services, and individuals needing only supervision from another person to perform an activity would no longer be eligible for IHSS services.</p> 	\$0	\$15,400,000
<ul style="list-style-type: none"> Medi-Cal Reduce Adult Day Health Care Program: <p style="margin-left: 20px;">Reduce the Adult Day Health Care optional benefit by limiting benefits to three days per week.</p> 	\$0	\$6,500,000
<ul style="list-style-type: none"> The Elimination of CalWORKs: <p style="margin-left: 20px;">The elimination of CalWORKs assumes that the amount of TANF/Title XX funding the California Department of Social Services provides to DDS (\$56 million) would be backfilled with General Fund.</p> 	\$0	\$0
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$0	\$47,100,000

Impact from Other Departments

FUNDING:

Expenditures are funded by the General Fund, and Home and Community-Based Services (HCBS) Waiver.

CHANGE FROM PRIOR ESTIMATE:

These major proposals were previously included in the Governor's Budget but not adopted as part of the 2009 Budget Act.

REASON FOR YEAR-TO-YEAR CHANGE:

This proposal begins in BY 2009-10.

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$0	\$47,100,000
General Fund	\$0	\$37,000,000
HCBS Waiver FFP	\$0	\$10,100,000

Community Placement Plan

DESCRIPTION:

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

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

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

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 Estimate.

See Section E, Estimate Methodologies, Purchase of Services, pages E-14.4 to E-14.6; 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

METHODOLOGY:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
• OPERATIONS TOTAL	\$12,222,000	\$12,631,000
• PURCHASE OF SERVICES TOTAL	\$64,014,000	\$64,778,000
• TOTAL EXPENDITURES	\$76,236,000	\$77,409,000

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, 61.59 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 recent individualized consumer data submitted by the RCs in January 2009 for Regular CPP.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Community Placement Plan

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$76,236,000	\$77,409,000
RC Operations	\$12,222,000	\$12,631,000
RC Purchase of Services	\$64,014,000	\$64,778,000
<i>Community Care Facilities</i>	20,756,000	27,892,000
<i>Medical Facilities</i>	322,000	165,000
<i>Day Programs</i>	3,263,000	3,934,000
<i>Work Activity Program</i>	0	0
<i>Supported Employment Program: Group Placement</i>	35,000	178,000
<i>Supported Employment Program: Individual Placement</i>	0	0
<i>Transportation</i>	734,000	743,000
<i>Support Services</i>	6,275,000	5,222,000
<i>In-Home Respite</i>	5,000	26,000
<i>Out-of-Home Respite</i>	64,000	78,000
<i>Health Care</i>	529,000	669,000
<i>Miscellaneous Services</i>	32,031,000	25,871,000
FUND SOURCES:		
TOTAL	\$76,236,000	\$77,409,000
General Fund	\$65,848,000	\$64,845,000
<i>General Fund Match</i>	6,478,000	7,836,000
<i>General Fund Other</i>	59,370,000	57,009,000
Reimbursements	\$10,388,000	\$12,564,000
<i>HCBS Waiver FFP</i>	10,388,000	12,564,000

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

For the 2009-10 May Revision, the regional centers have updated Regular CPP costs for CY 2008-09.

CPP Activity	2009-10 November Estimate	2009-10 May Revision: CY 2008-09					CY 2008-09 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$12,696,000	\$12,222,000	0	0	\$0	\$12,222,000	-\$474,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$30,449,000	\$30,574,000	0	0	\$0	\$30,574,000	\$125,000
B. Assessment	678,000 226 consumers	706,000 265 consumers	0 0 consumers	0 0 consumers	0 0 consumers	706,000 226 consumers	28,000 39 consumers
C. Placement	22,210,000 176 consumers	20,118,000 176 consumers	0 0 consumers	0 0 consumers	0 0 consumers	20,118,000 176 consumers	-2,092,000 0 consumers
D. Deflection	11,442,000 92 consumers	12,616,000 147 consumers	0 0 consumers	0 0 consumers	0 0 consumers	12,616,000 92 consumers	1,174,000 55 consumers
E. SUBTOTAL POS (A + B + C + D)	\$64,779,000	\$64,014,000	0	0	\$0	\$64,014,000	-\$765,000
III. TOTAL CPP (I. + II.E.)	\$77,475,000	\$76,236,000	0	0	\$0	\$76,236,000	-\$1,239,000

a/ See Section E, Estimate Methodologies, Purchase of Services, pages E-14.4 to E-14.6, for the Agnews Developmental Center Closure estimate.

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

For the 2009-10 May Revision, the regional centers have updated Regular CPP costs for BY 2009-10.

CPP Activity	2009-10 November Estimate	2009-10 May Revision: BY 2009-10				BY 2009-10 Difference	
		Regular	Agnews a/		Total		
			Unified Plan	Other RCs			Subtotal
I. OPERATIONS	\$14,048,000	\$12,631,000	0	0	\$0	\$12,631,000	-\$1,417,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$30,449,000	\$24,404,000	0	0	\$0	\$24,404,000	-\$6,045,000
B. Assessment	678,000 226 consumers	672,000 225 consumers	0 0 consumers	0 0 consumers	0 0 consumers	672,000 226 consumers	-6,000 -1 consumer
C. Placement	22,210,000 176 consumers	24,069,000 176 consumers	0 0 consumers	0 0 consumers	0 0 consumers	24,069,000 176 consumers	1,859,000 0 consumers
D. Deflection	11,442,000 92 consumers	15,633,000 181 consumers	0 0 consumers	0 0 consumers	0 0 consumers	15,633,000 92 consumers	4,191,000 89 consumers
E. SUBTOTAL POS (A + B + C + D)	\$64,779,000	\$64,778,000	0	0	\$0	\$64,778,000	-\$1,000
III. TOTAL CPP (I. + II.E.)	\$78,827,000	\$77,409,000	0	0	\$0	\$77,409,000	-\$1,418,000

a/ See Section E, Estimate Methodologies, Purchase of Services, pages E-14.4 to E-14.6, for the Agnews Developmental Center Closure estimate.

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	54.75	\$4,518,000	Estimate Methodologies,	54.75	\$4,518,000
b. Quality Assurance/ Management	10.80	978,700	Operations, Pages E-1.13	10.80	978,700
c. Assessment	16.35	1,681,500	For the Agnews	16.35	1,681,500
d. Placement	49.00	3,800,300	Developmental Center	49.00	3,800,300
e. Crisis Services Teams	10.10	1,136,700	Closure Estimate.	10.10	1,136,700
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	<u>141.00</u>	<u>\$12,115,200</u>		<u>141.00</u>	<u>\$12,115,200</u>
2. Operating Expenses					
a. Operating Expenses		\$469,900			\$469,900
b. Rent		895,700			895,700
c. Training, Travel, Consultants		<u>121,500</u>			<u>121,500</u>
d. Total Operating Expenses		<u>\$1,487,100</u>			<u>\$1,487,100</u>
3. State Employees in the Community					
a. Personal Services		\$0			\$0
b. Operating Expenses		<u>0</u>			<u>0</u>
c. Total Clinical Staff		\$0			\$0
4. Subtotal Staffing (Rounded)		\$13,602,300			\$13,602,300
		\$13,602,000			\$13,602,000

B. Projects

1. Evaluation of SB 962 Pilots		\$0			\$0
2. Foster Grandparent/Senior Companion Programs		<u>\$0</u>			<u>\$0</u>
3. Subtotal Projects		\$0			\$0
C. Subtotal (A + B) (Rounded)		\$13,602,300			\$13,602,300
		\$13,602,000			\$13,602,000
D. Budget Balancing Reduction					
Reduce CPP Operations		-\$1,370,000			-\$1,370,000
E. Allocation Adjustment		<u>-\$10,000</u>			<u>-\$10,000</u>
F. Total (C+D)		<u><u>\$12,222,000</u></u>			<u><u>\$12,222,000</u></u>

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-1.13 For the Agnews Developmental Center Closure Estimate.		
a. Resource Development	50.20	\$4,354,500			50.20	\$4,354,500
b. Quality Assurance/ Management	12.85	1,239,200			12.85	1,239,200
c. Assessment	14.25	1,526,600			14.25	1,526,600
d. Placement	56.95	4,539,500			56.95	4,539,500
e. Crisis Services Teams	6.30	1,162,578			6.30	1,162,578
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	<u>140.55</u>	<u>\$12,822,378</u>			140.55	\$12,822,378

2. Operating Expenses

a. Operating Expenses		\$470,000				\$470,000
b. Rent		1,081,900				1,081,900
c. Training, Travel, Consultants		158,800				158,800
d. Total Operating Expenses		<u>\$1,710,700</u>				<u>\$1,710,700</u>

3. State Employees in the Community

a. Personal Services		\$0				\$0
b. Operating Expenses		0				0
c. Total Clinical Staff		<u>\$0</u>				<u>\$0</u>

4. Subtotal Staffing (Rounded)

		\$14,533,078				\$14,533,078
		<u>\$14,533,000</u>				<u>\$14,533,000</u>

B. Projects

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

C. Budget Balancing Reduction

Reduce CPP Operations		-\$1,902,000				-\$1,902,000
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D. Total (A + B) (Rounded)

		\$12,631,078				\$12,631,078
		<u>\$12,631,000</u>				<u>\$12,631,000</u>

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Current Year 2008-09

For the 2009-10 May Revision, the regional centers have updated Regular CPP costs for CY 2008-09.

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	\$30,574,000	\$30,574,000
B. Assessment	265	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$706,000	\$706,000
C. Placement	176	\$10,489,000	\$85,000	\$322,000	\$2,631,000	\$3,263,000	\$0	\$35,000	\$0	\$734,000	\$1,210,000	\$5,000	\$64,000	\$529,000	\$751,000	\$20,118,000
D. Deflection b/	147	\$9,750,000	\$432,000	\$0	\$2,434,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,616,000
E. 2009-10 MAY REV 2008-09 TOTAL		\$20,239,000	\$517,000	\$322,000	\$5,065,000	\$3,263,000	\$0	\$35,000	\$0	\$734,000	\$1,210,000	\$5,000	\$64,000	\$529,000	\$32,031,000	\$64,014,000
F. 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
G. DIFFERENCE		-\$1,688,000	\$72,000	\$49,000	\$3,947,000	-\$350,000	-\$9,000	-\$79,000	\$0	-\$33,000	-\$2,904,000	-\$1,000	-\$61,000	-\$48,000	\$340,000	-\$765,000

a/ Start-Up Cost: This is related to start-up funds needed for 150 new facilities/programs, 4 program expansion, and 5 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 May Revision, the regional centers have updated Regular CPP costs for BY 2009-10.

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	\$24,404,000	\$24,404,000
B. Assessment	225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,000	\$672,000
C. Placement	176	\$13,622,000	\$0	\$165,000	\$2,535,000	\$3,934,000	\$0	\$178,000	\$0	\$743,000	\$1,324,000	\$26,000	\$78,000	\$669,000	\$795,000	\$24,069,000
D. Deflection b/	181	\$14,270,000	\$0	\$0	\$1,363,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,633,000
E. 2009-10 MAY REV 2009-10 TOTAL		\$27,892,000	\$0	\$165,000	\$3,898,000	\$3,934,000	\$0	\$178,000	\$0	\$743,000	\$1,324,000	\$26,000	\$78,000	\$669,000	\$25,871,000	\$64,778,000
F. 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
G. DIFFERENCE		\$5,965,000	-\$445,000	-\$108,000	\$2,780,000	\$321,000	-\$9,000	\$64,000	\$0	-\$24,000	-\$2,790,000	\$20,000	-\$47,000	\$92,000	-\$5,820,000	-\$1,000

a/ Start-Up Cost: This is related to start-up funds needed for 130 new facilities/programs, 6 program expansion, and 8 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 May Revision, the regional centers have updated Regular CPP costs for CY 2008-09.

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	23	13%	184	\$696,000				\$390,000			\$126,000	\$159,000		\$13,000	\$11,000	\$65,000	\$1,460,000	
Avg Cost/Consumer Mo				\$3,783			\$2,120			\$685	\$864		\$71	\$60	\$353	\$7,936		
● Specialized Residential Facilities (SRF)	99	56%	842	\$9,793,000				\$2,168,000		\$35,000	\$477,000	\$610,000		\$39,000	\$378,000	\$334,000	\$13,834,000	
Avg Cost/Consumer Mo				\$11,631			\$2,575		\$42	\$567	\$724		\$46	\$449	\$397	\$16,431		
● Intermediate Care Facilities (ICF)/ Skilled Nursing Facility (SNF)	20	12%	111			\$322,000		\$204,000			\$42,000	\$231,000		\$8,000	\$105,000	\$145,000	\$1,057,000	
Avg Cost/Consumer Mo						N/A	\$1,838			\$378	\$2,081		\$72	\$946	\$1,306	\$6,621		
● Supported Living/ Independent Living Services (ILS)	30	17%	185					\$2,631,000			\$77,000	\$178,000			\$35,000	\$198,000	\$3,573,000	
Avg Cost/Consumer Mo							\$14,222	\$2,454		\$416	\$962			\$189	\$1,070	\$19,313		
● Adult Family Home Agencies																		
● Adult Family Home	2	1%	20		\$85,000			\$30,000			\$10,000	\$29,000		\$4,000		\$0	\$158,000	
Avg Cost/Consumer Mo					\$4,250			\$1,500			\$500	\$1,450		\$200		\$0	\$7,900	
● Other (Own Home, etc.)	2	1%	18					\$17,000			\$2,000	\$3,000	\$5,000		\$0	\$9,000	\$36,000	
Avg Cost/Consumer Mo								\$944			\$111	\$167	\$278		\$0	\$500	\$2,000	
TOTAL	176	100%	1,360	\$10,489,000	\$85,000	\$322,000	\$2,631,000	\$3,263,000	\$0	\$35,000	\$0	\$734,000	\$1,210,000	\$5,000	\$64,000	\$529,000	\$751,000	\$20,118,000

Agnews Unified CPP

See Section E, Estimate Methodologies, Purchase of Services, pages E-14.4 to E-14.6, for the Agnews Developmental Center Closure estimate.

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

For the 2009-10 May Revision, the regional centers have updated Regular CPP costs for BY 2009-10.

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%	231	\$1,864,000				\$697,000				\$94,000	\$315,000		\$7,000	\$24,000	\$159,000	\$3,160,000
Avg Cost/Consumer Mo				\$8,069				\$3,017				\$407	\$1,364		\$30	\$104	\$688	\$13,679
● Specialized Residential Facilities (SRF)	116	66%	1,021	\$11,420,000				\$2,654,000		\$178,000		\$519,000	\$891,000		\$35,000	\$578,000	\$394,000	\$16,669,000
Avg Cost/Consumer Mo				\$11,185				\$2,599		\$174		\$508	\$873		\$34	\$566	\$386	\$16,325
● Intermediate Care Facilities (ICF)	11	6%	60			\$165,000		\$157,000				\$20,000	\$73,000		\$9,000	\$15,000	\$87,000	\$526,000
Avg Cost/Consumer Mo						N/A		\$2,617				\$333	\$1,217		\$150	\$250	\$1,450	\$6,017
● Supported Living	19	11%	154				\$2,535,000	\$377,000				\$94,000	\$44,000		\$4,000	\$51,000	\$155,000	\$3,260,000
Avg Cost/Consumer Mo							\$16,461	\$2,448				\$610	\$286		\$26	\$331	\$1,006	\$21,168
● Other (Own Home, etc.)	5	3%	24	\$338,000				\$49,000				\$16,000	\$1,000	\$26,000	\$23,000	\$1,000	\$0	\$454,000
Avg Cost/Consumer Mo				\$14,083				\$2,042				\$667	\$42	\$1,083	\$958	\$42	\$0	\$18,917
TOTAL	176	100%	1,490	\$13,622,000	\$0	\$165,000	\$2,535,000	\$3,934,000	\$0	\$178,000	\$0	\$743,000	\$1,324,000	\$26,000	\$78,000	\$669,000	\$795,000	\$24,069,000

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: \$874,526,000 \$848,251,000

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 a/</i>	61.59%	61.59%	686,806,000	671,799,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	4,401,000	4,407,000
<i>Medicaid Administration</i>	25.00%	25.00%	5,382,000	5,313,000
<i>Targeted Case Management (TCM) a/</i>	61.59%	61.59%	129,297,000	117,793,000
<i>TCM Administration</i>	50.00%	50.00%	4,217,000	4,217,000
<i>Self-Directed HCBS Waiver</i>	50.00%	50.00%	0	93,000
<i>Self-Directed HCBS Waiver Administration</i>	50.00%	50.00%	423,000	629,000
<i>Medicaid</i>	50.00%	50.00%	44,000,000	44,000,000

- General Fund Other: \$1,317,189,900 \$1,312,514,000

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** **\$2,191,715,900 \$2,160,765,000**

a/ FMAP percentage effective 10/1/08.

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	\$2,191,715,900	\$2,160,765,000
General Fund	\$2,191,715,900	\$2,160,765,000
<i>General Fund Match</i>	874,526,000	848,251,000
<i>General Fund Other</i>	1,317,189,900	1,312,514,000

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 March 11, 2009.
(July 2008 - Dec 2008 data used).

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:	\$1,783,749,000	\$1,754,273,000
• CY 2008-09		
Total estimated expenditures based on FY 2007-08 billing data (July 2008 - Dec 2008 times 2)	1,821,163,000	
Less Community Placement Plan One-Time Costs	-37,414,000	
• BY 2009-10		
Total Estimated prior-year HCBS Waiver Expenditures		1,771,139,000
Less Community Placement Plan One-Time Costs		-16,866,000
• Annual Growth (New RC Consumers)	In Base	\$54,612,000
• CY Annual Growth		
• 2008-09 Annual Growth	<i>In base</i>	
• 2007-08 Annual Growth Continuation	<i>In base</i>	
• BY Annual Growth		
• 2009-10 Annual Growth		33,828,000
Add 6 months of annual growth costs in BY for 3,697 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2009-10 (3,697 x \$15,000 (annual cost/consumer) x .61 (phase-in factor) = \$33,828,000).		
• 2008-09 Annual Growth Continuation		20,784,000
Annualize growth costs in BY for 2,389 consumers who will be added to the HCBS Waiver and phased-in during CY 2008-09 (2,389 x \$15,000 (annual cost/consumer) x .58 (phase-in factor) = \$20,784,000).		
• Community Placement Plan (CPP)	\$16,866,000	\$20,400,000
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.		
<u>CY 2008-09</u>		
• Total HCBS Waiver-billable costs for 140 Waiver-eligible consumers:	16,866,000	
<u>BY 2009-10</u>		
• Total HCBS Waiver-billable costs for 146 Waiver-eligible consumers:		20,400,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> • Placement/Deflection Continuation: <p>The annual estimated Placement/Deflection Continuation costs for the total number of HCBS Waiver-eligible placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.</p>	<p>\$16,681,000</p>	<p>\$33,299,000</p>
<u>CY 2008-09</u>		
<ul style="list-style-type: none"> • Total HCBS Waiver-billable costs for 144 Waiver-eligible consumers: 	<p>16,681,000</p>	
<u>BY 2009-10</u>		
<ul style="list-style-type: none"> • Total HCBS Waiver-billable costs for 140 Waiver-eligible consumers: 		<p>33,299,000</p>
<ul style="list-style-type: none"> • SSI/SSP Increase/RC Savings 	<p>-\$7,292,000</p>	<p>-\$10,843,000</p>
<ul style="list-style-type: none"> • HCBS Waiver Decrease due to Self-Directed HCBS Waiver 	<p>\$0</p>	<p>-\$74,000</p>
<ul style="list-style-type: none"> • BY 2009-10 <p>It is assumed that 75 consumers will be phased into SDS beginning 4/1/09. 12 of those 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 \$1,250. The total BY 2009-10 HCBS Waiver-billable costs for these consumers are estimated to be \$26,000. In addition to the costs for the 12 consumers moving from the HCBS Waiver, there will be a reduction to the HCBS Waiver annual growth of \$48,000 for 19 (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 (\$26,000 + 48,000 = \$74,000).</p>		<p>-74,000</p>
<ul style="list-style-type: none"> • Negotiated Rate Reduction 	<p>-\$22,532,000</p>	<p>-\$26,886,000</p>
<ul style="list-style-type: none"> • Reduce SEP Provider Rates by 10% 	<p>-\$3,613,000</p>	<p>\$244,000</p>
<ul style="list-style-type: none"> • RC Internal Review Process 	<p>-\$2,644,000</p>	<p>-\$3,384,000</p>
<ul style="list-style-type: none"> • 3% Payment Reduction 	<p>-\$36,715,000</p>	<p>-\$81,144,000</p>
<ul style="list-style-type: none"> • Agnew Closure Plan 	<p>\$27,643,000</p>	<p>\$33,838,000</p>
<ul style="list-style-type: none"> • Impact from Other Departments 	<p>\$0</p>	<p>\$16,399,000</p>
<ul style="list-style-type: none"> • Savings Target (100% FFP) 	<p>\$0</p>	<p>(\$18,900,000)</p>

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2008-09</u>	<u>BY 2009-10</u>
<ul style="list-style-type: none"> ● New Major Assumptions: <ul style="list-style-type: none"> ● American Recovery and Reinvestment Act (Fund Shift) ● Elimination of Medical Optional Benefits ● TOTAL EXPENDITURES ● Federal Medical Assistance Percentage (effective 10/1/08) ● Total FFP ● General Fund Match ● Public Transportation Account (PTA) Match 	(\$161,914,000) (\$161,914,000) \$1,772,143,000 61.59% \$1,085,337,000 \$628,066,000 \$58,740,000	(\$197,402,000) (\$204,894,000) 7,492,000 \$1,798,226,000 61.59% \$1,126,427,000 \$608,510,000 \$63,289,000

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-15.12, 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 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			\$1,772,143,000	\$1,798,226,000
<i>GF Match</i>			628,066,000	608,510,000
<i>PTA Match</i>			58,740,000	63,289,000
<i>FFP (from DHS)</i>			1,085,337,000	1,126,427,000
Purchase of Services				
Community Care Facilities	80%	35.96%	585,105,000	595,361,000
<i>GF Match</i>			227,105,000	221,747,000
<i>FFP</i>			358,000,000	373,614,000
Day Programs	50%	23.25%	378,301,000	384,931,000
<i>GF Match</i>			146,835,000	143,370,000
<i>FFP</i>			231,466,000	241,561,000
Work Activity Program	62%	2.36%	38,400,000	39,073,000
<i>GF Match</i>			14,905,000	14,553,000
<i>FFP</i>			23,495,000	24,520,000
Supported Employment Placement/Group	43%	1.80%	29,288,000	29,801,000
<i>GF Match</i>			11,368,000	11,100,000
<i>FFP</i>			17,920,000	18,701,000
Supported Employment Placement/Individual	26%	0.34%	5,532,000	5,629,000
<i>GF Match</i>			2,147,000	2,096,000
<i>FFP</i>			3,385,000	3,533,000
Transportation	56%	0.00%	154,113,000	166,048,000
<i>GF Match</i>				
<i>PTA Match</i>			58,740,000	63,289,000
<i>FFP</i>			95,373,000	102,759,000
Support Services	68%	23.79%	387,088,000	393,872,000
<i>GF Match</i>			150,246,000	146,701,000
<i>FFP</i>			236,842,000	247,171,000
In-Home Respite	57%	7.37%	119,917,000	122,019,000
<i>GF Match</i>			46,545,000	45,447,000
<i>FFP</i>			73,372,000	76,572,000
Out-of-Home Respite	11%	0.37%	6,020,000	6,126,000
<i>GF Match</i>			2,336,000	2,282,000
<i>FFP</i>			3,684,000	3,844,000
Health Care	8%	0.43%	6,997,000	7,119,000
<i>GF Match</i>			2,716,000	2,651,000
<i>FFP</i>			4,281,000	4,468,000
Miscellaneous	23%	4.33%	70,454,000	71,688,000
<i>GF Match</i>			27,347,000	26,701,000
<i>FFP</i>			43,107,000	44,987,000
Self-Directed Services			\$0	-\$26,000
<i>GF Match</i>			0	-13,000
<i>FFP</i>			0	-13,000

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

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
3% Payment Reduction for RCs	-\$36,715,000	-\$81,144,000
<i>GF Match</i>	-14,102,000	-31,167,000
<i>FFP</i>	-22,613,000	-49,977,000
Agnews DC Closure Plan	\$27,643,000	\$33,838,000
<i>GF Match</i>	10,618,000	12,997,000
<i>FFP</i>	17,025,000	20,841,000
Impact from Other Departments	\$0	\$16,399,000
<i>GF Match</i>	0	6,299,000
<i>FFP</i>	0	10,100,000
New Major Assumption		
Elimination of Medi-Cal Optional Benefits	N/A	\$7,492,000
<i>GF Match</i>		3,746,000
<i>FFP</i>		3,746,000

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:

● 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:

<ul style="list-style-type: none"> ● Staffing for Collection of FFP for Contracted Services ● CY 2008-09 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,179,000. ● 33% of the total community population is HCBS Waiver eligible. ● Therefore 33% of the total costs would be FFP + General Fund (GF) Match. ($\\$2,179,000 \times 33\% = \\$719,000$) ● $\\$719,000 \times 50\% = \\$360,000$ FFP ● BY 2009-10 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,219,000. ● 33% of the total community population is HCBS Waiver eligible. ● Therefore 33% of the total costs would be FFP + GF Match. ($\\$2,219,000 \times 33\% = \\$732,000$) ● $\\$732,000 \times 50\% = \\$366,000$ FFP ● These costs are reflected under Operations, Staffing, page E-1.12. 	<p>\$719,000 \$732,000</p>
<ul style="list-style-type: none"> ● FFP Enhancement (related to 2003-04 Enhancing FFP BCP): ● 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%. 	<p>\$5,313,000 \$5,313,000</p>
<ul style="list-style-type: none"> ● New Major Assumption: Special Session: 3% Payment Reduction for Regional Centers ● CY Total RC Reduction is \$96,000 ● BY Total RC Reduction is \$96,000 ● The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. 	<p>-\$96,000 -\$96,000</p>

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	\$8,802,000	\$8,815,000
<i>Federal Financial Participation</i>		4,401,000	4,408,000
<i>General Fund Match</i>		4,401,000	4,407,000

Medicaid Administration

DESCRIPTION:

Clinical Support Teams and SB 1038 Health Reviews

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

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

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

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

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

Agnews Closure

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

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

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

ASSUMPTIONS/METHODOLOGY:

- The cost of providing health reviews is provided to DDS by the regional centers each year.
- CY and BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2007-08 data collected from the regional centers (\$22,673,000).
 - 71% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 71% of costs are eligible for MA reimbursement ($\$22,673,000 \times .71 = \$16,098,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$16,098,000 \times .75 = \$12,074,000$).

Medicaid Administration

METHODOLOGY (continued)

- Staffing for Compliance with HCBS Waiver Requirements
 - CY 2008-09 and 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% ($\$2,600,000 \times .75 = \$1,950,000$).
- Closure of Agnews Developmental Center
 - State Employees in the Community
 - CY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$2,327,000.
 - The FFP portion of total MA-eligible costs is \$1,658,000.
 - 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 \$1,833,000.
 - Nurse Consultants
 - CY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$297,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$297,000 \times .95 = \$282,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$282,000 \times .75 = \$212,000$).
 - BY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$388,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$356,000 \times .95 = \$338,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$338,000 \times .75 = \$254,000$).
 - Dental Coordinators
 - CY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$198,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA. ($\$198,000 \times .95 = \$188,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$188,000 \times .75 = \$141,000$).
 - BY 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% ($\$188,000 \times .75 = \$141,000$).

Medicaid Administration

METHODOLOGY (continued)

- Health Care Community Specialists
 - CY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$503,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$503,000 \times .75 = \$377,000$).
 - 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% ($\$503,000 \times .75 = \$377,000$).
- 3% Payment Reduction for Regional Centers
 - CY 2008-09
 - Total personal services and operating costs related to MA are estimated to be \$-356,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$-356,000 \times .75 = \$-267,000$).
 - BY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$-918,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$-918,000 \times .75 = \$-689,000$).

FUNDING:

The Medicaid Administration reimbursement is 75% federal funds and 25% General Fund. These MA funds are reflected in the Operations Core Staffing estimate on pages E-1.1 to E-1.12, the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, and Agnews Closure Developmental Center 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	\$21,527,000	\$21,253,000
<i>Federal Financial Participation</i>	<i>16,145,000</i>	<i>15,940,000</i>
<i>General Fund Match</i>	<i>5,382,000</i>	<i>5,313,000</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 140,000 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: Source data is from the TCM Regional Center Billed Units report dated 2/3/09: July 2007 - June 2008.

BY 2009-10: Source data is from the TCM Regional Center Billed Units report dated 2/3/09: July 2007 - June 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 (July 2007 - June 2008) multiplied by the regional center TCM rates effective July 2008 and adjusted for CPI for BY 2009-10. 	\$308,298,000	\$313,667,000
<ul style="list-style-type: none"> ● Agnews Developmental Center Closure See pages E-3._ to E-3._ for more information. <ul style="list-style-type: none"> ● CY 2008-09 <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 \$51,000. ● Approximately 95% of the total cost is eligible for TCM reimbursement (\$51,000 x .95 = \$48,000). ● 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"> ● Regional Center Service Coordination Enhancement 	N/A	\$2,980,000
<ul style="list-style-type: none"> ● 3% Payment Reduction for Regional Centers 	-\$3,618,000	-\$9,406,000
<ul style="list-style-type: none"> ● New Major Assumption: American Recovery and Reinvestment Act (Fund Shift) 	(\$28,666,000)	(\$35,959,000)
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$304,728,000	\$307,503,000

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, and (5) the Case Managers to Meet HCBS Waiver Requirements estimate on pages E-2.2 and E-2.5.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amounts reflect the most current available data, rates information and also includes the American Revocery and Reinvestment Act.

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	\$304,728,000	\$307,503,000
<i>Federal Financial Participation</i>	<i>175,431,000</i>	<i>189,710,000</i>
<i>General Fund Match</i>	<i>129,297,000</i>	<i>117,793,000</i>

Targeted Case Management Administration

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services for specific client groups. There are approximately 140,000 Medi-Cal eligible persons in the regional center (RC) system. Federal legislation enacted in 1986 defined case management services as services which "...will assist individuals...in gaining access to needed medical, social, educational, and other services." This means that the cost for most of the RC case manager's time spent on Medi-Cal eligible developmentally disabled persons and the cost of providing administrative support to the case management program are both eligible for federal financial participation (FFP). These TCM Administration funds are for the proper and efficient administration of the TCM.

KEY DATA/ASSUMPTIONS:

- TCM Administration reimbursements in the current year and 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>
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	\$8,434,000	\$8,434,000
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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	\$8,434,000	\$8,434,000
<i>Federal Financial Participation</i>		4,217,000	4,217,000
<i>General Fund Match</i>		4,217,000	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:

The amount of available TANF funds were reduced by Department of Social Services in BY 2009-10.

REASON FOR YEAR-TO-YEAR CHANGE:

The amount of available TANF funds were reduced by Department of Social Services in BY 2009-10.

Title XX Block Grant

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL TITLE XX BLOCK GRANT	\$203,903,000	\$161,903,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	59,206,000	59,206,000
<i>Habilitation Services</i>	12,971,000	12,971,000
<i>Support Services</i>	33,204,000	33,204,000
<i>In-Home Respite</i>	15,604,000	15,604,000
<i>Out-of-Home Respite</i>	7,469,000	7,469,000
<i>Miscellaneous Services</i>	19,449,000	19,449,000
TANF	\$56,000,000	\$14,000,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	4,224,000	1,056,000
<i>Day Programs</i>	2,479,000	620,000
<i>Habilitation Services</i>	2,000	0
<i>Support Services</i>	8,439,000	2,110,000
<i>In-Home Respite</i>	12,578,000	3,144,000
<i>Out-of-Home Respite</i>	9,151,000	2,288,000
<i>Health Care</i>	1,435,000	359,000
<i>Miscellaneous Services</i>	17,692,000	4,423,000

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 May Revision assumes implementation of the SDS program will begin April 1, 2010.

KEY DATA/ASSUMPTIONS:

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

- Implementation and enrollment of approximately 9,300 consumers will be phased in over five years.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,250 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:

BY 2009-10

●	Self-Directed Services Expenditures	\$259,000
●	% of SDHCBS Waiver-Eligible Consumers	68%
●	% of Self-Directed Services billable to the SDHCBS Waiver	100%
●	Subtotal Self-Directed Services Expenditures	176,000
●	Criminal background checks	1,000
●	Risk Pool Fund	<u>9,000</u>
●	Total Costs Eligible for SDHCBS Waiver	\$186,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

The implementation date was changed from March 1, 2009 to April 1, 2010.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation delayed due to pending approval of new federal administration.

EXPENDITURES:

	TOTAL	\$0	\$186,000
	General Fund	\$0	\$93,000
	<i>General Fund Match</i>	0	93,000
	<i>General Fund Other</i>	0	0
	Reimbursements	\$0	\$93,000
	<i>Self-Directed Home and Community Based Services Waiver</i>	0	93,000

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 May Revision assumes an April 1, 2010 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	\$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	\$300,000	\$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.

ASSUMPTIONS:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
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

EXPENDITURES:

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$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:

N/A

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$1,147,000	\$2,492,000

Mental Health Services Fund

DESCRIPTION:

Initiative Statute (Proposition 63) imposes an additional tax on taxable income over \$1 million to provide funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults and seniors. Consistent with the requirements of the Mental Health Services Act (MHSA - Proposition 63), the Department of Developmental Services, in consultation with the Department of Mental Health, 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

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>
TOTAL	\$138,275,000	\$138,275,000
PTA Match for HCBS Waiver	58,740,000	63,289,000
PTA Other	79,535,000	74,986,000

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:

CY 2008-09: 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:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

Fees will be collected in CY 2008-09.

	<u>CY 2008-09</u>	<u>BY 2009-10</u>
EXPENDITURES:		
TOTAL	\$75,000	\$150,000

Early Start Part C Grant, Federal Funds

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 agency programs and services, in accordance with the California Early Intervention Services Act, contained in Title 14 of the Government Code, Sections 95000 through 95029.

KEY DATA/ASSUMPTIONS:

CY 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
Department of Education: Additional federal requirements include shorter time lines for conducting evaluation, assessment and program plan development, provision of year-round services, service coordination and administrative services, and provision of services to children with solely low incidence disabilities in regions where such services to this age group were not provided prior to Part C implementation.	14,435,000	14,435,000
System Requirements: Funding is required for public awareness and a comprehensive system of personnel development, mediation and due process hearings conducted by the State Office of Administrative Hearings, and collaboration with Department of Health Care Services' Children's Medical Services.	2,910,000	2,910,000

Early Start Part C Grant, Federal Funds

	<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	\$93,903,000	\$57,463,000
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	62,682,000	43,150,000
Transportation	0	0
Support Services	1,682,000	771,000
In-Home Respite	2,893,000	1,327,000
Out-of-Home Respite	808,000	370,000
Health Care	8,276,000	3,794,000
Miscellaneous Services	17,562,000	8,051,000
• TOTAL DISBURSEMENTS	\$113,998,000	\$77,558,000

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. 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.

EXPENDITURES:	<u>CY 2008-09</u>	<u>BY 2009-10</u>
TOTAL	\$113,998,000	\$77,558,000
Grant	77,547,000	77,558,000
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:		
• 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.		
• 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

Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2008-09

	Adjusted Budget CY 2008-09	2009-10 May Revision 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. Agnews Developmental Center Closure	6,896,000	6,896,000	0
H. 3% Reduction in Regional Center Operations Funding	-6,600,000	-6,600,000	0
I. Total Staffing	\$452,162,000	\$452,162,000	\$0
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollment:	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 Containmen	-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	75,000	75,000	0
S. Proposed Savings Transfer to POS		-6,266,000	-6,266,000
T. Total Projects	\$27,120,000	\$20,854,000	-\$6,266,000
IV. NEW MAJOR ASSUMPTIONS			
A. American Recovery and Reinvestment Act	\$0	\$0	\$0
B. Total New Major Assumptions	\$0	\$0	\$0
V. REVISED MAJOR ASSUMPTIONS			
A. Staffing for Self-Directed Services	\$2,905,000	\$846,000	-\$2,059,000
B. Total Revised Major Assumptions	\$2,905,000	\$846,000	-\$2,059,000
VI. GRAND TOTAL	\$523,314,000	\$514,989,000	-\$8,325,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2009-10

	Budget Act of 2009 BY 2009-10	2009-10 May Revision BY 2009-10	Difference
POPULATION			
Active (Age 3 & Older)	206,320	206,550	230
Early Start (Birth through 2 Years)	36,200	35,945	-255
Total Community Populator	242,520	242,495	-25
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$491,494,000	\$490,620,000	-\$874,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,696,000	12,631,000	-65,000
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	2,219,000	40,000
G. Agnews Developmental Center Closure	13,997,000	7,682,000	-6,315,000
H. 3% Reduction in Regional Center Operations Funding	-17,400,000	-17,400,000	0
I. Total Staffing	\$481,974,000	\$474,760,000	-\$7,214,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollment:	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	4,709,000	-652,000
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	\$41,267,000	\$140,000
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	5,037,000	109,000
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 SB962 Pilots	362,000	92,000	-270,000
R. Review of SB 1175 Housing Proposals	0	150,000	150,000
S. Total Projects	\$27,050,000	\$27,258,000	\$208,000
IV. NEW MAJOR ASSUMPTIONS			
A. American Recovery and Reinvestment Act	\$0	\$0	\$0
B. Total New Major Assumptions	\$0	\$0	\$0
V. REVISED MAJOR ASSUMPTIONS			
A. Staffing for Self-Directed Services	\$2,905,000	\$1,256,000	-\$1,649,000
B. Total Revised Major Assumptions	\$2,905,000	\$1,256,000	-\$1,649,000
VI. GRAND TOTAL	\$553,056,000	\$544,541,000	-\$8,515,000

Purchase of Services

	CY 2008-09			BY 2009-10 <u>a/</u>		
	2009-10		Difference	2009-10		Difference
	Adjusted Budget	May Revision		Adjusted Budget	May Revision	
	CY 2008-09	CY 2008-09	CY 2008-09	BY 2009-10	BY 2009-10	BY 2009-10
A. Adjusted Base	\$2,931,467,000	\$2,958,552,000	\$27,085,000	\$3,140,811,000	\$3,317,855,000	\$177,044,000
B. Updated Population, Utilization and Expenditure Data	253,448,000	379,507,000	\$126,059,000	333,163,000	338,547,000	\$5,384,000
C. Community Placement Plan (CPP)	64,779,000	64,014,000	-765,000	64,779,000	64,778,000	-1,000
D. Placement/Deflection Continuation	48,314,000	30,789,000	-17,525,000	20,554,000	0	-20,554,000
E. Minimum Wage	10,390,000	0	-10,390,000	0	0	0
F. Special Session (SS): 3 Percent Payment Reduction for RCs	-40,400,000	-40,400,000	0	-100,772,000	-100,772,000	0
G. Agnews Developmental Center Closure	67,919,000	58,122,000	-9,797,000	63,195,000	41,833,000	-21,362,000
H. Subtotal (Items A thru G)	\$3,335,917,000	\$3,450,584,000	\$114,667,000	\$3,521,730,000	\$3,662,241,000	\$140,511,000
I. New Major Assumptions:	\$0	\$0	\$0	\$0	\$11,972,000	\$11,972,000
1. American Recovery Reinvestment Act (ARRA)	\$0	\$0	\$0	\$0	\$0	\$0
2. ARRA (Early Start)	\$0	\$0	\$0	\$0	\$0	\$0
3. Elimination of Medi-Cal Optional Benefits	\$0	\$0	\$0	\$0	\$11,972,000	\$11,972,000
J. Revised Major Assumptions:	\$2,105,000	\$0	-\$2,105,000	\$2,105,000	\$118,000	-\$1,987,000
1. Self-Directed Services	2,105,000	0	-2,105,000	2,105,000	118,000	-1,987,000
K. Subtotal (Items H thru J)	\$3,338,022,000	\$3,450,584,000	\$112,562,000	\$3,523,835,000	\$3,674,331,000	\$150,496,000
L. Budget Revisions pursuant to Section 1.5 and Section 8.25	\$104,237,000					
Total (Items K and L)	\$3,442,259,000	\$3,450,584,000	\$8,325,000	\$3,523,835,000	\$3,674,331,000	\$150,496,000

a/ Budget year totals for May Revision do not include the savings target impact of \$118.9 million as this is displayed separately in the Estimate. However, the Adjusted Budget as displayed includes savings of \$109.5 million (RC Operations and Purchase of Services). See Funding Summary, Page A - 2.

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

CY 2008-09

	2009-10 November Estimate CY 2008-09	2009-10 May Revision CY 2008-09	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$38,915,000	\$52,253,000	\$13,338,000
1. Caseload Growth	13,413,000	16,983,000	3,570,000
2. Average Cost Increase	25,502,000	35,270,000	9,768,000
B. Medical Facilities	272,000	156,000	-116,000
C. Day Programs	44,827,000	51,977,000	7,150,000
1. Caseload Growth	34,410,000	40,826,000	6,416,000
2. Average Cost Increase	10,417,000	11,151,000	734,000
D. Habilitation Services	4,843,000	3,257,000	-1,586,000
1. Work Activity Program	903,000	-1,719,000	-2,622,000
2. Supported Employment (SE) Group	3,022,000	3,131,000	109,000
3. SE Individual Placements	918,000	1,845,000	927,000
E. Transportation	4,009,000	14,586,000	10,577,000
F. Support Services	70,765,000	108,121,000	37,356,000
G. In-Home Respite	24,890,000	31,916,000	7,026,000
H. Out-of-Home Respite	6,458,000	9,624,000	3,166,000
I. Health Care	13,733,000	11,835,000	-1,898,000
J. Miscellaneous	44,871,000	103,103,000	58,232,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$253,583,000	\$386,828,000	\$133,245,000

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

BY 2009-10

	2009-10 November Estimate BY 2009-10	2009-10 May Revision BY 2009-10	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$52,777,000	\$56,730,000	\$3,953,000
1. Caseload Growth	13,919,000	16,874,000	2,955,000
2. Average Cost Increase	38,858,000	39,856,000	998,000
B. Medical Facilities	278,000	207,000	-71,000
C. Day Programs	65,213,000	61,319,000	-3,894,000
1. Caseload Growth	51,764,000	48,770,000	-2,994,000
2. Average Cost Increase	13,449,000	12,549,000	-900,000
D. Habilitation Services	1,552,000	-1,043,000	-2,595,000
1. Work Activity Program	-3,005,000	-4,275,000	-1,270,000
2. Supported Employment (SE) Group	3,134,000	1,691,000	-1,443,000
3. SE Individual Placements	1,423,000	1,541,000	118,000
E. Transportation	12,338,000	14,109,000	1,771,000
F. Support Services	85,119,000	90,334,000	5,215,000
G. In-Home Respite	27,250,000	30,703,000	3,453,000
H. Out-of-Home Respite	6,458,000	9,261,000	2,803,000
I. Health Care	13,733,000	12,076,000	-1,657,000
J. Miscellaneous	84,616,000	75,915,000	-8,701,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$349,334,000	\$349,611,000	\$277,000

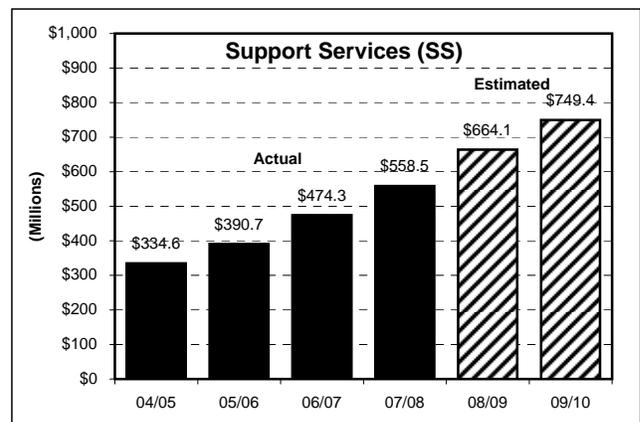
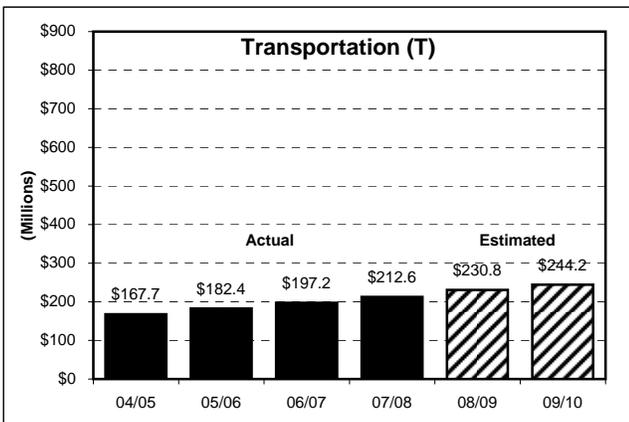
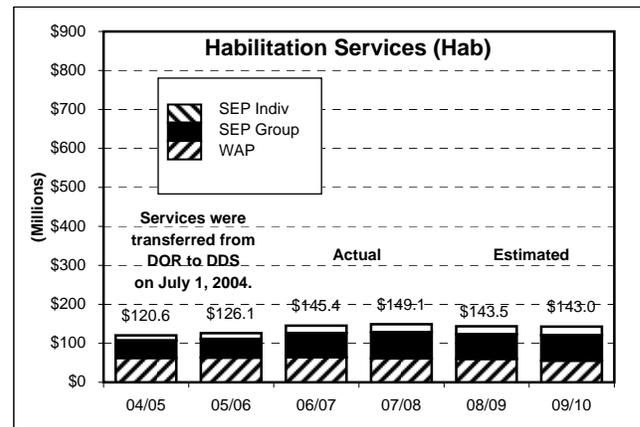
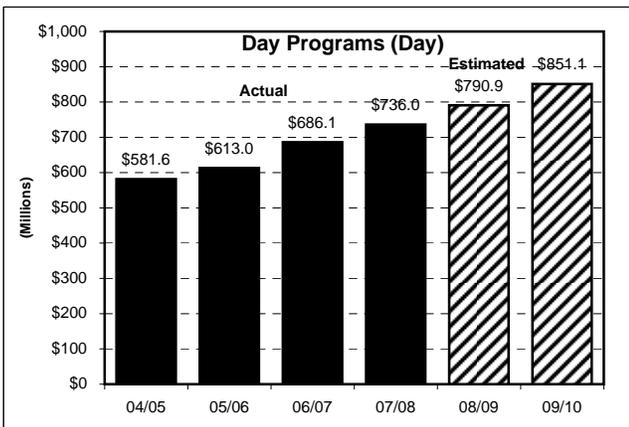
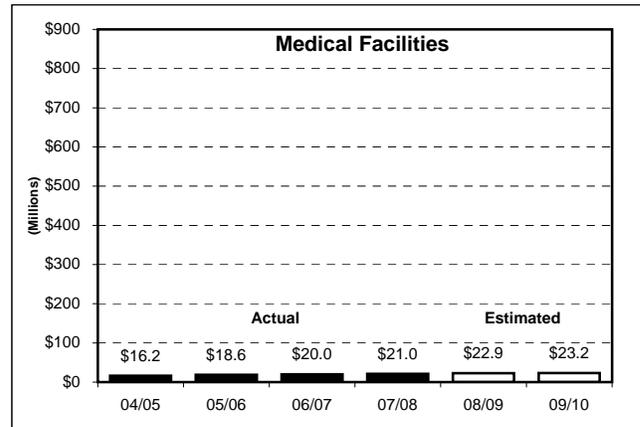
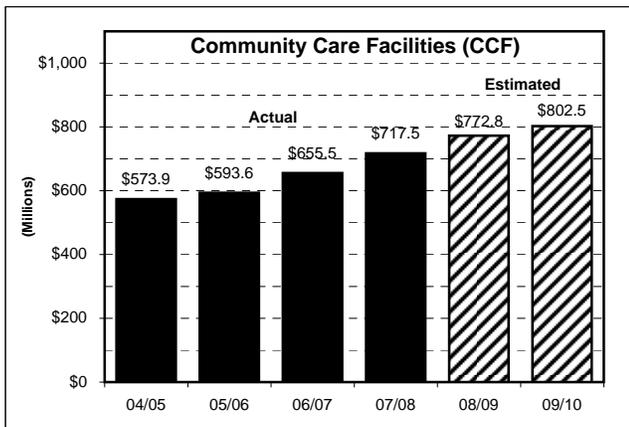
**Purchase of Services
Summary of Utilization Change/Growth**

CY 2008-09 and BY 2009-10

	2009-10 May Revsion CY 2008-09	2009-10 May Revsion BY 2009-10	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$52,253,000	\$56,730,000	\$4,477,000
1. Caseload Growth	16,983,000	16,874,000	-109,000
2. Average Cost Increase	35,270,000	39,856,000	4,586,000
B. Medical Facilities	156,000	207,000	51,000
C. Day Programs	51,977,000	61,319,000	9,342,000
1. Caseload Growth	40,826,000	48,770,000	7,944,000
2. Average Cost Increase	11,151,000	12,549,000	1,398,000
D. Habilitation Services	3,257,000	-1,043,000	-4,300,000
1. Work Activity Program	-1,719,000	-4,275,000	-2,556,000
2. Supported Employment (SE) Group	3,131,000	1,691,000	-1,440,000
3. SE Individual Placements	1,845,000	1,541,000	-304,000
E. Transportation	14,586,000	14,109,000	-477,000
F. Support Services	108,121,000	90,334,000	-17,787,000
G. In-Home Respite	31,916,000	30,703,000	-1,213,000
H. Out-of-Home Respite	9,624,000	9,261,000	-363,000
I. Health Care	11,835,000	12,076,000	241,000
J. Miscellaneous	103,103,000	75,915,000	-27,188,000
K. TOTAL	\$386,828,000	\$349,611,000	-\$37,217,000

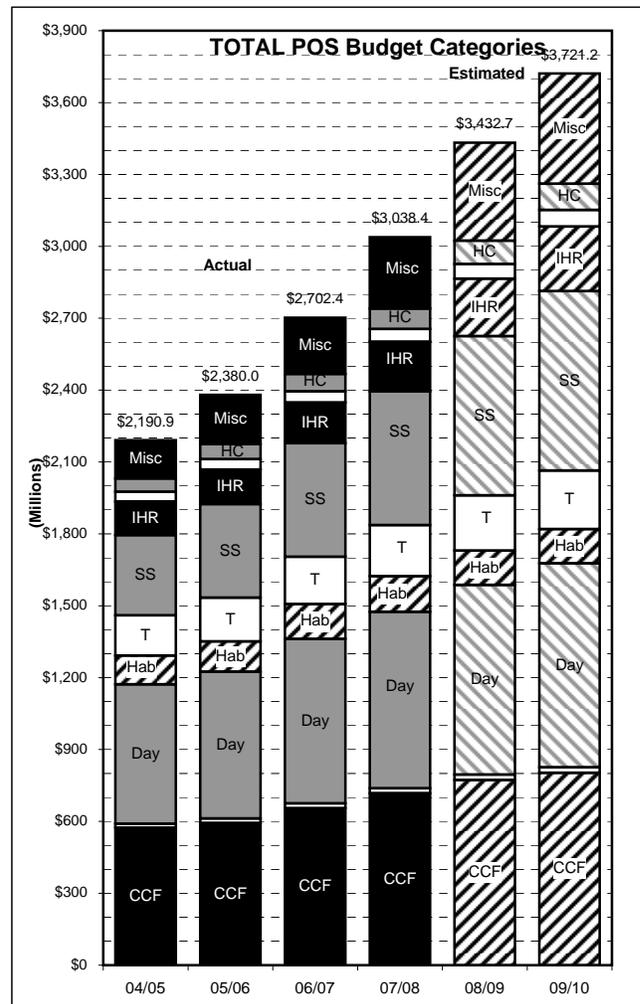
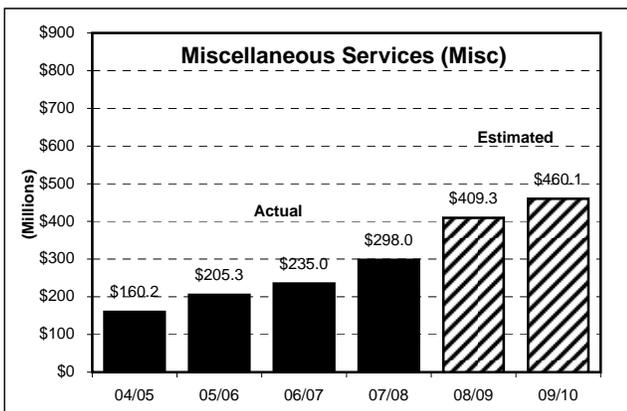
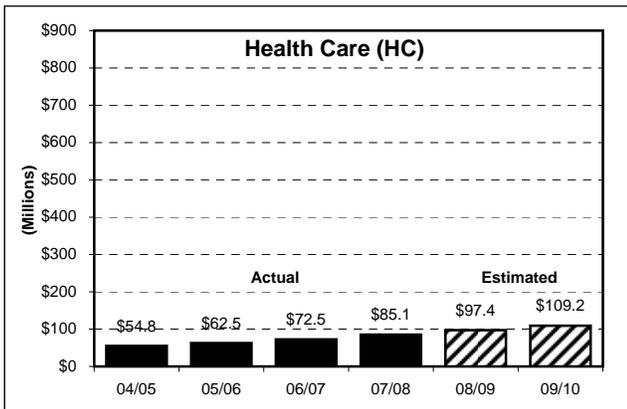
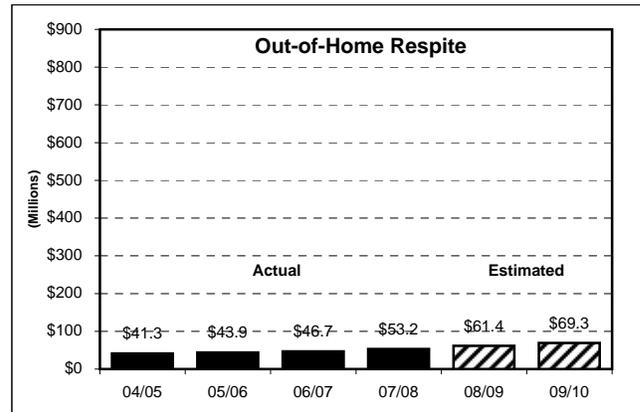
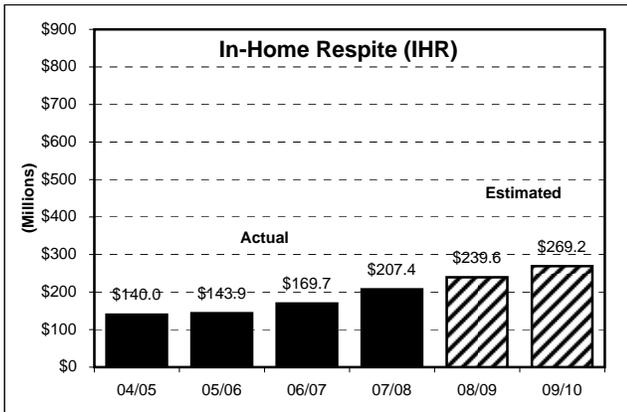
Purchase of Services TOTAL EXPENDITURES by Budget Category

(Excludes Self-Directed Services and Major Assumptions)



Purchase of Services TOTAL EXPENDITURES by Budget Category

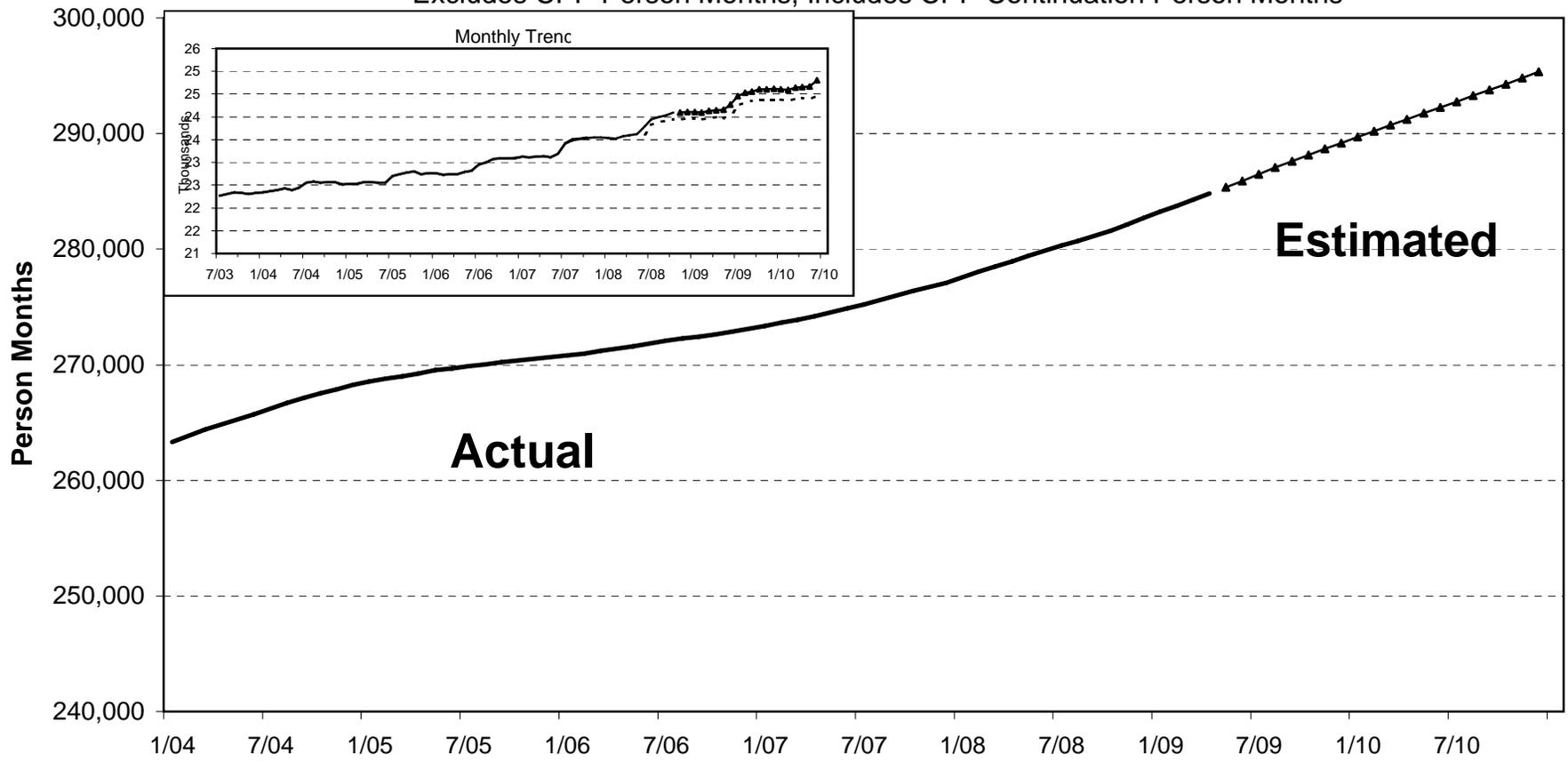
(Excludes Self-Directed Services and Major Assumptions)



Purchase of Services COMMUNITY CARE FACILITIES

12-month Moving Total Trend

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

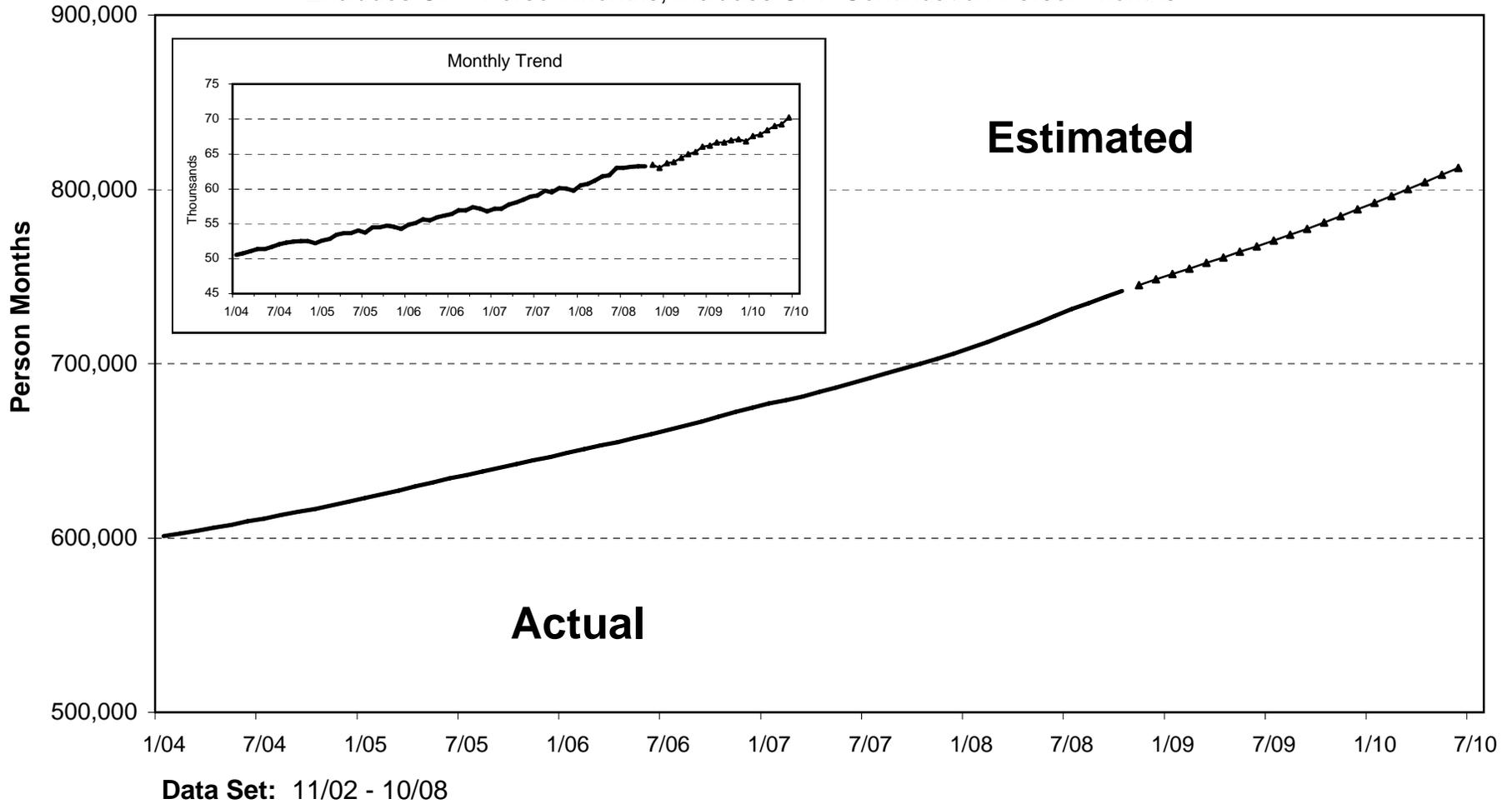


Data Set: 11/02 - 10/08

Purchase of Services DAY PROGRAMS

12-month Moving Total Trend

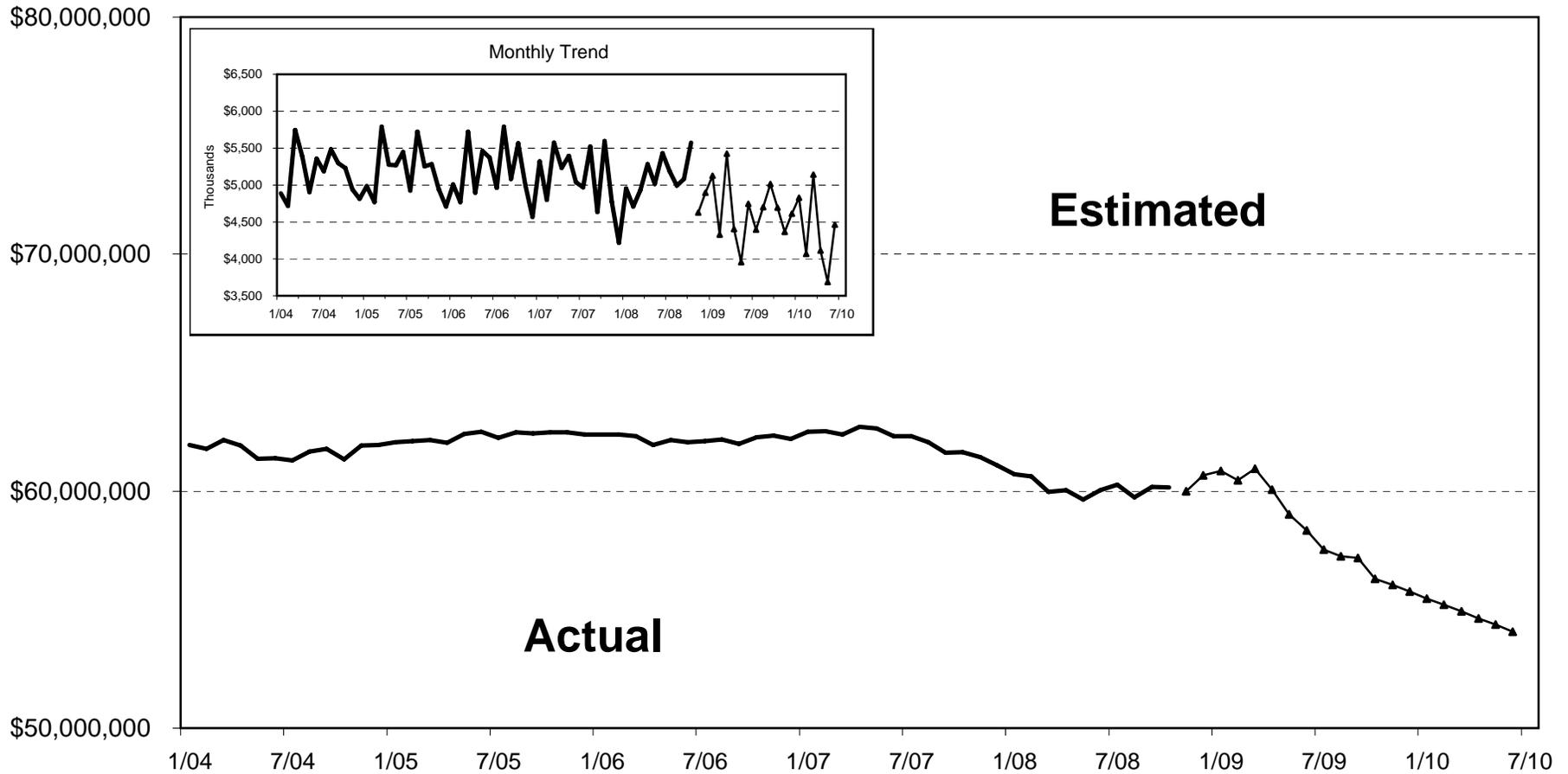
Excludes CPP Person Months, Includes CPP Continuation Person Months



Purchase of Services **WORK ACTIVITY PROGRAM**

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation



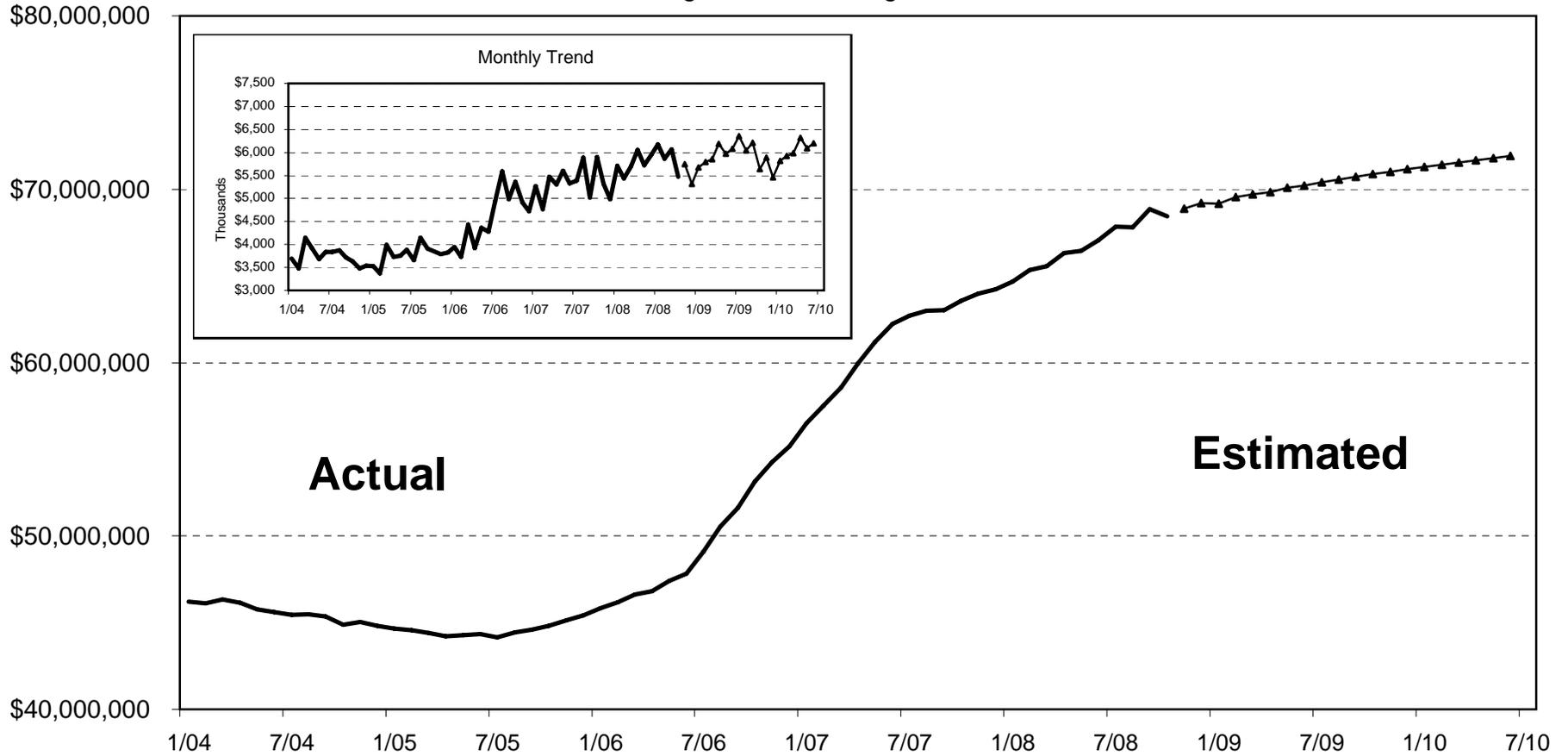
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Purchase of Services

SUPPORTED EMPLOYMENT PROGRAM: GROUP PLACEMENT

12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation



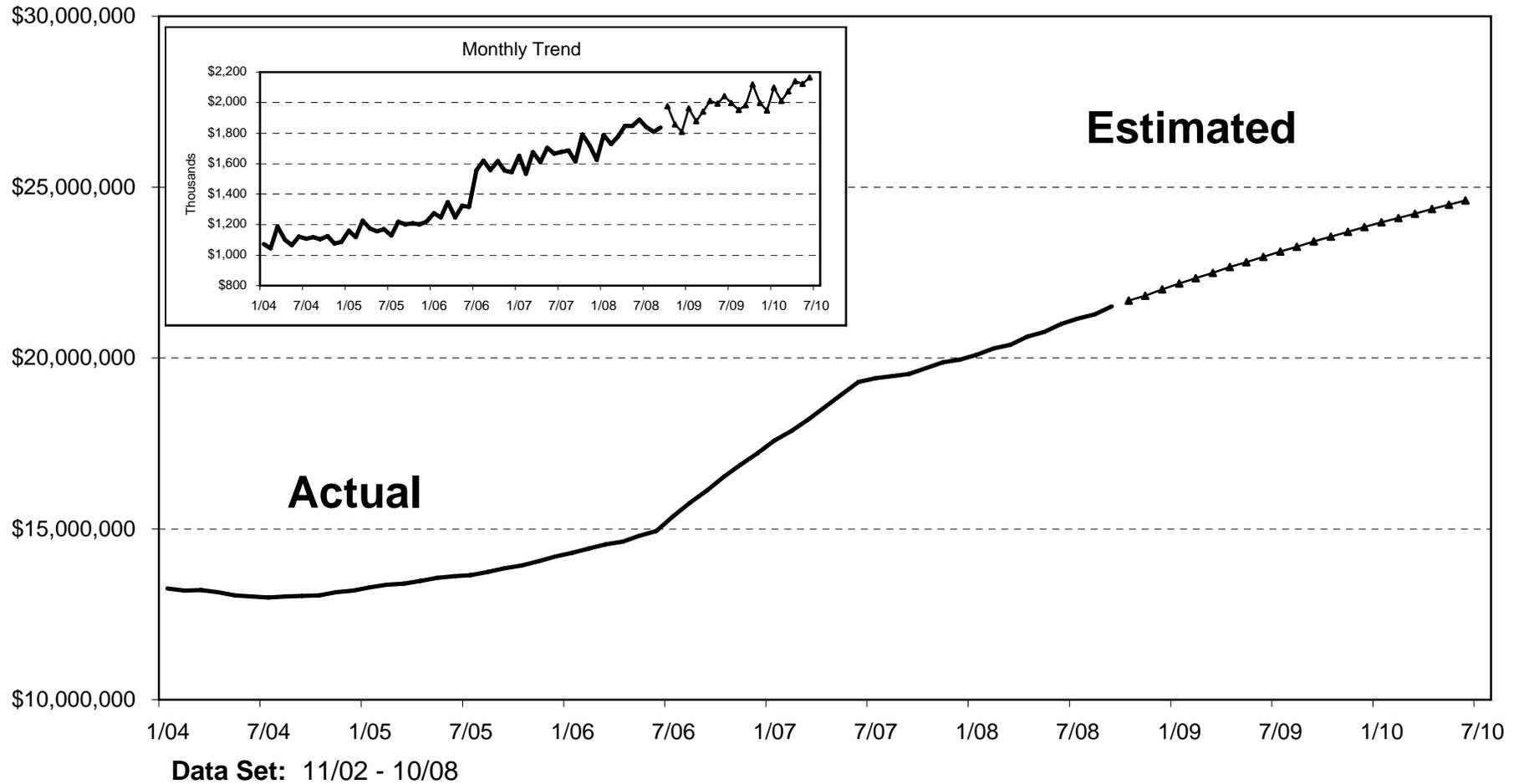
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Purchase of Services

SUPPORTED EMPLOYMENT PROGRAM: INDIVIDUAL PLACEMENT

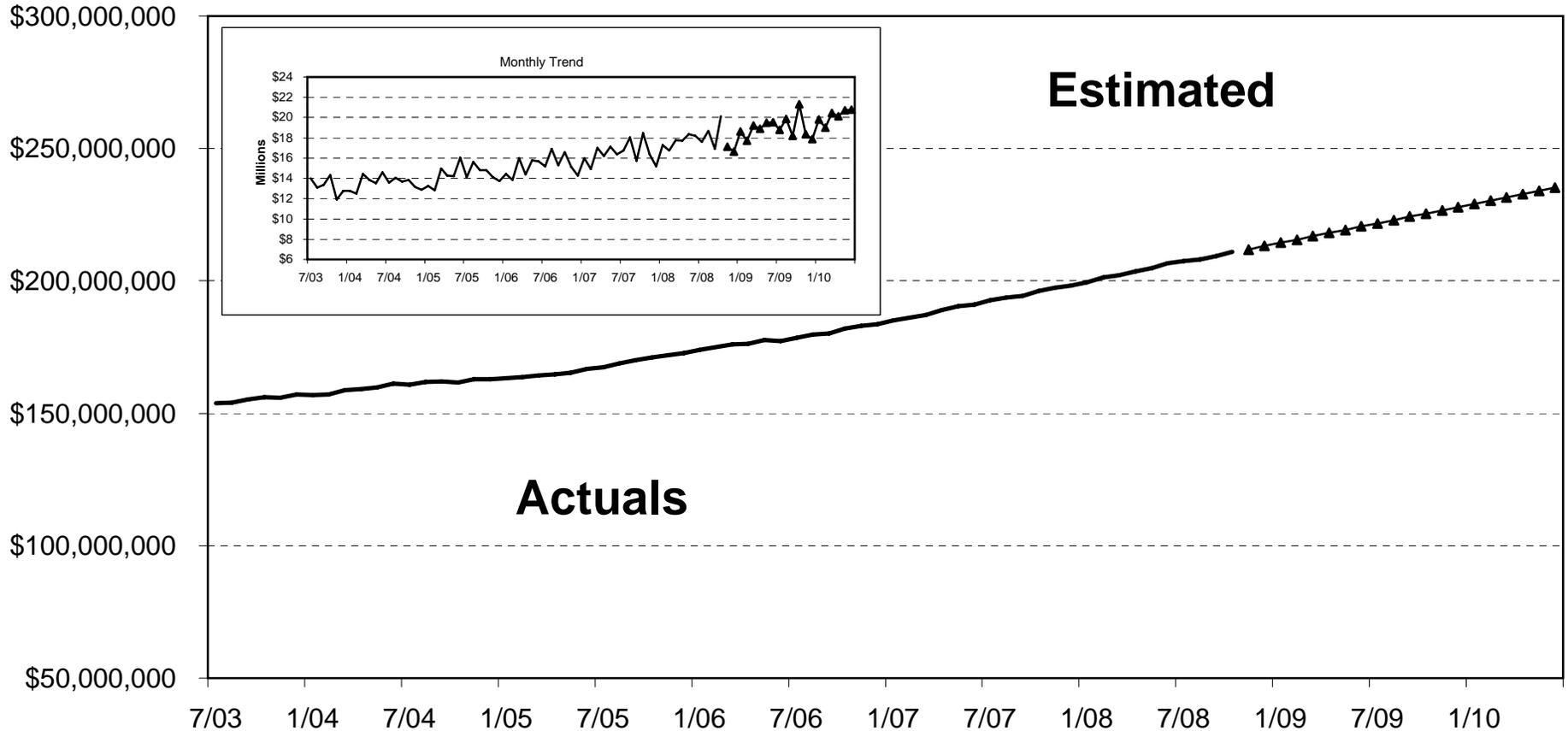
12-month Moving Total Trend

Excludes CPP, Includes Program/Rate Changes and CPP Continuation



Purchase of Services TRANSPORTATION

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



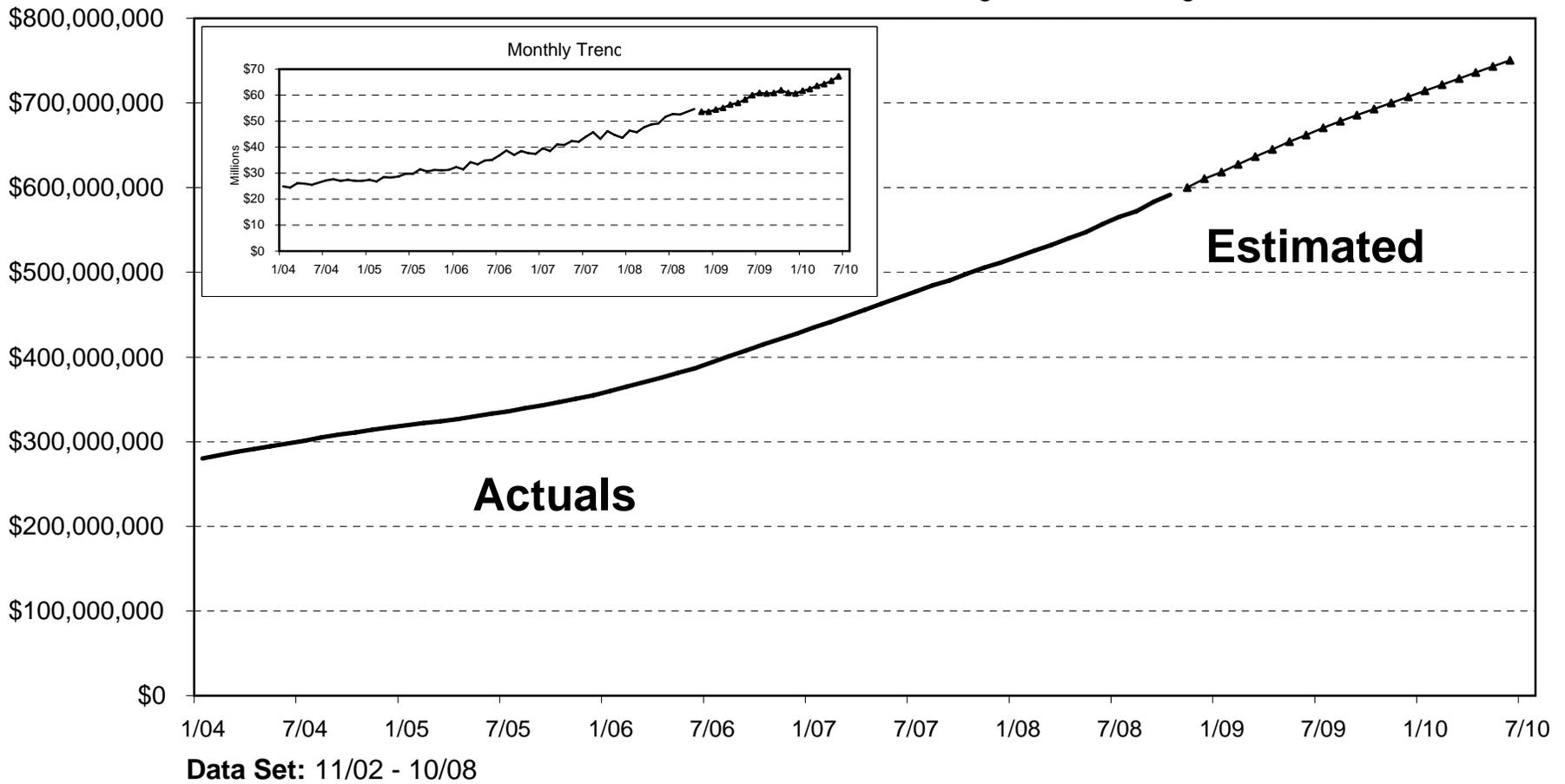
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Model: CSUS Multiple Transfer Function

Purchase of Services **SUPPORT SERVICES**

12-month Moving Total Trend

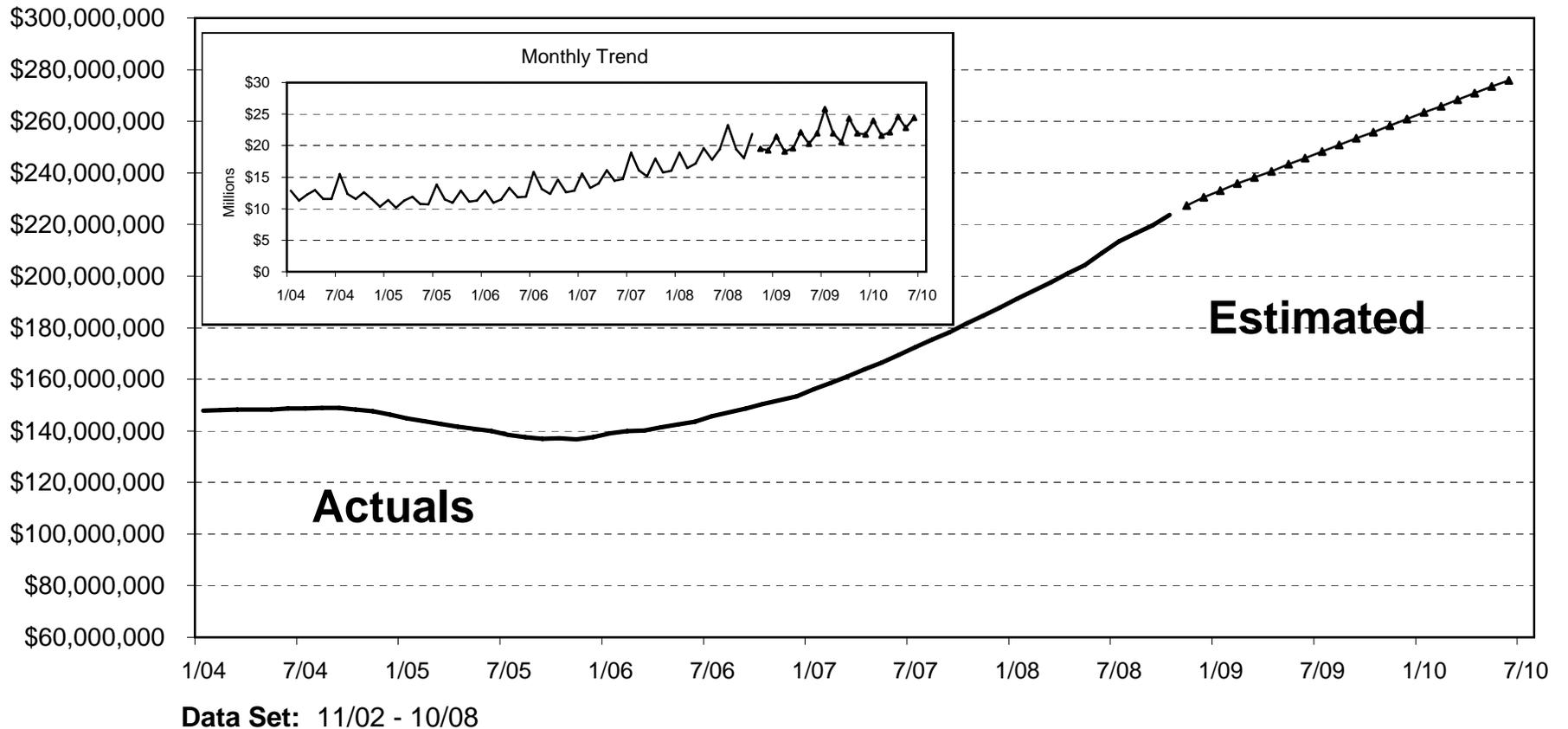
Excludes CPP, Includes Continuation and Program/Rate Changes



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

12-month Moving Total Trend

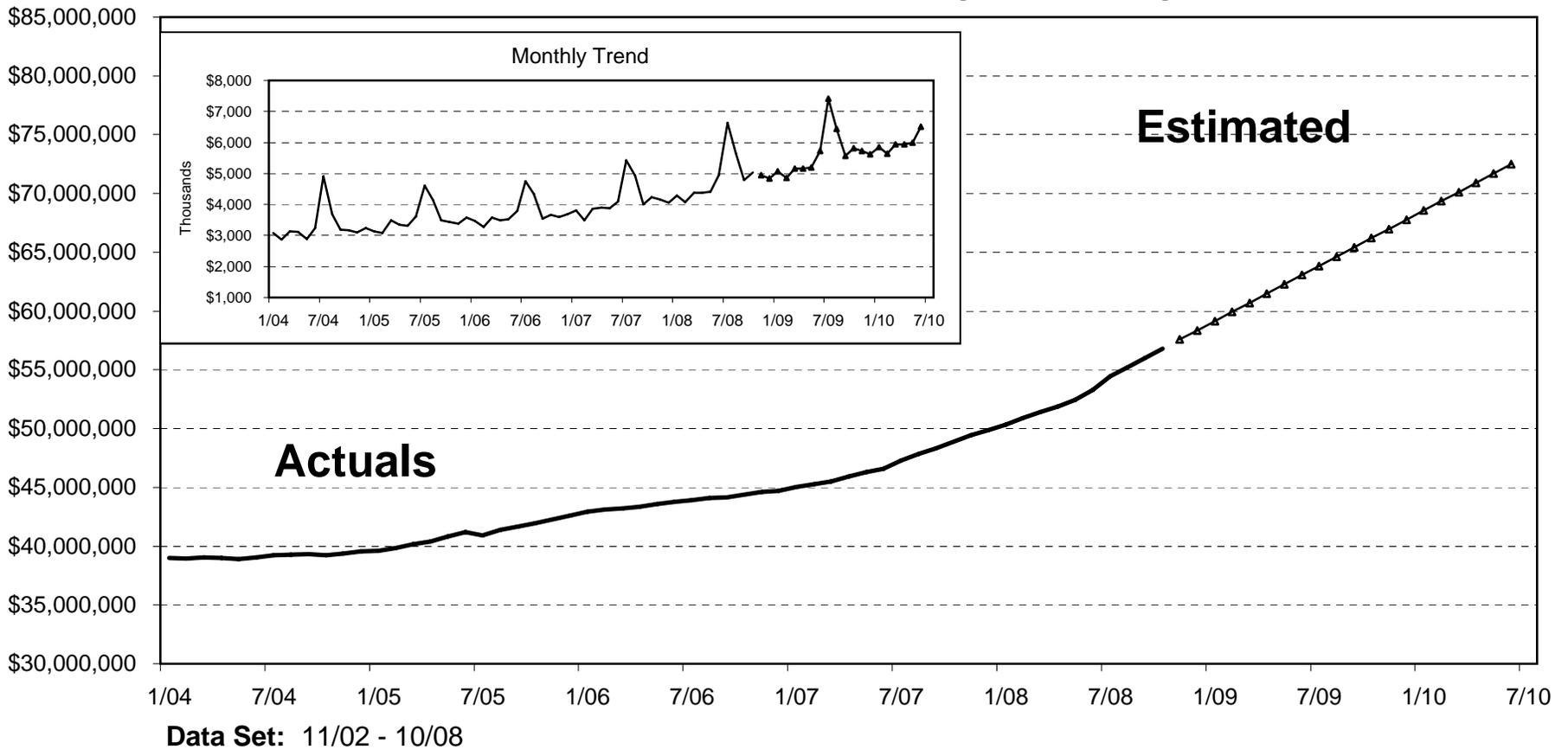
Excludes CPP, Includes Continuation and Program/Rate Changes



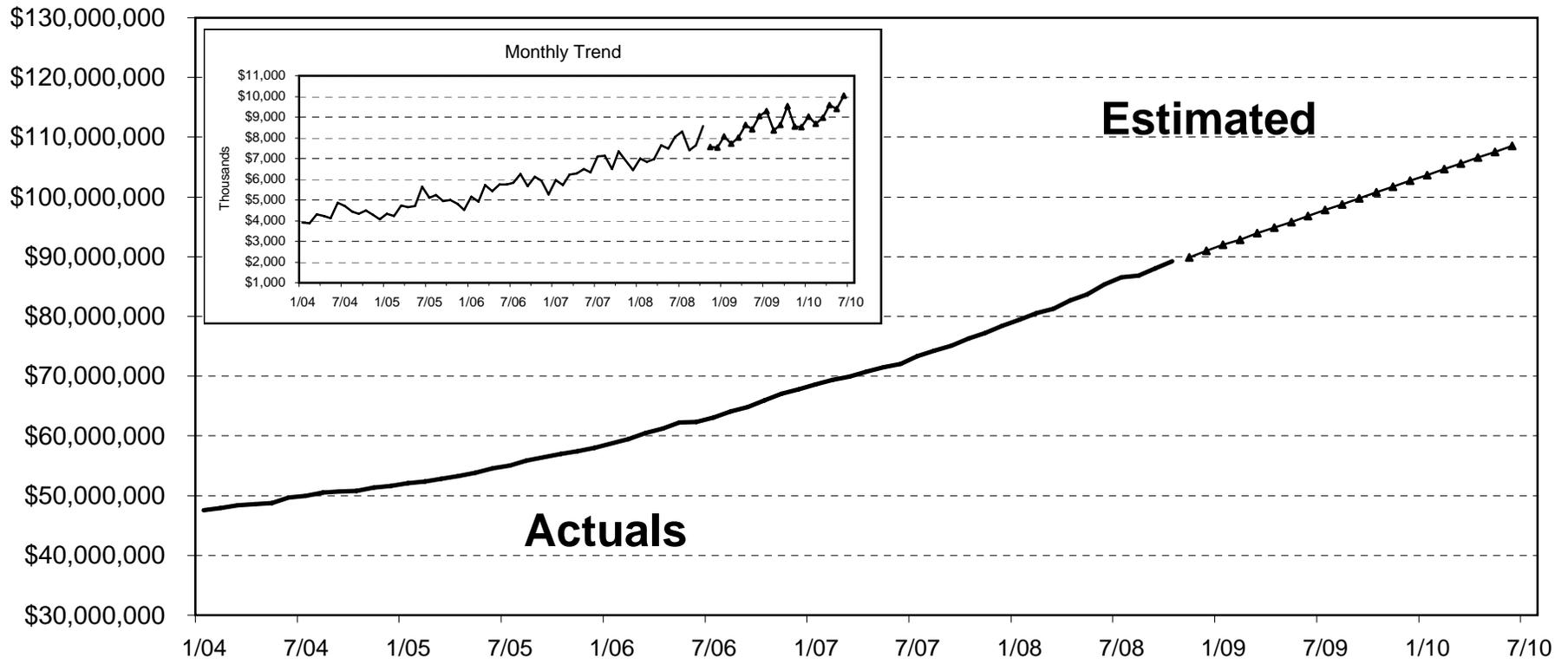
Purchase of Services **OUT-OF-HOME RESPITE SERVICES**

12-month Moving Total Trend

Excludes CPP, Includes Continuation and Program/Rate Changes



Purchase of Services
HEALTH CARE SERVICES
12-month Moving Total Trend
Excludes CPP, Includes Continuation and Program/Rate Changes

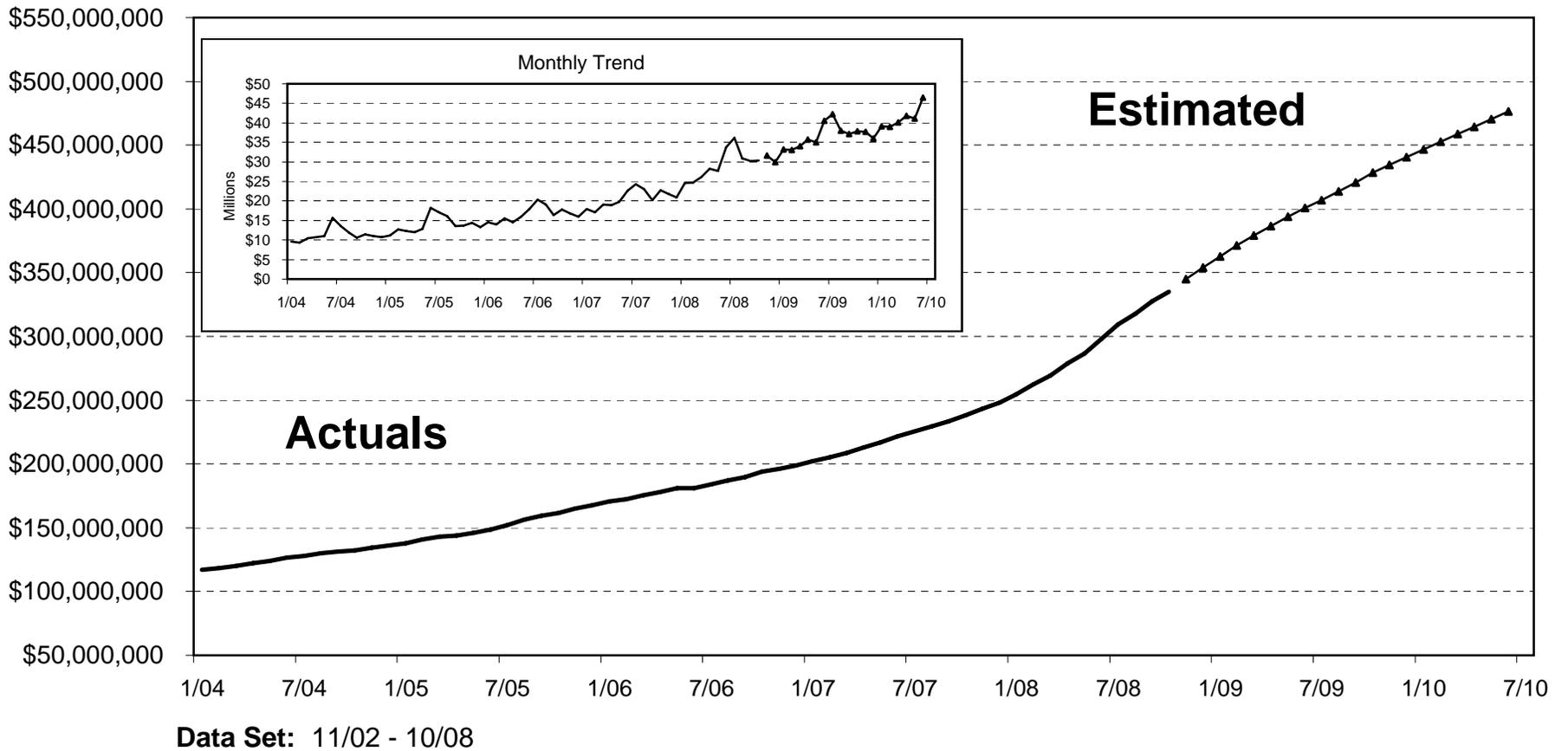


Data Set: 11/02 - 10/08

Purchase of Services **MISCELLANEOUS SERVICES**

12-month Moving Total Trend

Excludes CPP, Includes Continuation and Program/Rate Changes



Reimbursements
Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS <i>a/</i>	2009-10 May Revision CY 2008-09	2009-10 May Revision BY 2009-10
A. Home and Community-Based Services (HCBS) Waiver	\$1,772,143,000	\$1,798,226,000
1. Reimbursement (from DHS) = 50%; 61.59% effective 10/1/08	1,085,337,000	1,126,427,000
2. DDS GF Match = 50%	628,066,000	608,510,000
3. PTA Match (Purchase of Services)	58,740,000	63,289,000
B. HCBS Waiver Administration	\$8,802,000	\$8,815,000
1. Reimbursement (from DHS) = 50%	4,401,000	4,408,000
2. DDS GF Match = 50% (Operations)	4,401,000	4,407,000
C. Medicaid Administration	\$21,527,000	\$21,253,000
1. Reimbursement (from DHS) = 75%	16,145,000	15,940,000
2. DDS GF Match = 25% (Operations)	5,382,000	5,313,000
D. Targeted Case Management (TCM)	\$304,728,000	\$307,503,000
1. Reimbursement (from DHS) = 50%; 61.59% effective 10/1/08	175,431,000	189,710,000
2. DDS GF Match = 50% (Operations)	129,297,000	117,793,000
E. Targeted Case Management Administration	\$8,434,000	\$8,434,000
1. Reimbursement (from DHS) = 50%	4,217,000	4,217,000
2. DDS GF Match = 50% (Operations)	4,217,000	4,217,000
F. Title XX Block Grant	\$203,903,000	\$161,903,000
1a. Social Services (from DSS) = 100%	147,903,000	147,903,000
1b. Temporary Assistance for Needy Families (TANF) (from DSS) = 100%	56,000,000	14,000,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Home and Community Based Services (SD-HCBS) Waiver	\$0	\$186,000
1. Reimbursement (from DHS) = 50%	0	93,000
2. DDS GF Match = 50% (Purchase of Services)	0	93,000
H. Self-Directed Home and Community Based Services Waiver Administration	\$846,000	\$1,258,000
1. Reimbursement (from DHS) = 50%	423,000	629,000
2. DDS GF Match = 50% (Operations)	423,000	629,000
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)	\$300,000	\$300,000
1. VR Reimbursement (from DOR) 100%	300,000	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	\$2,413,683,000	\$2,400,878,000
1. Reimbursements	\$1,539,157,000	\$1,552,627,000
2. Total GF Match	\$874,526,000	\$848,251,000
a. GF Match	815,786,000	784,962,000
b. PTA Match	58,740,000	63,289,000

a/ Reimbursements are funds received via other state agencies.