

FOR LEGISLATIVE REVIEW

**LOCAL ASSISTANCE FOR
REGIONAL CENTERS**

**MAY 2010 REVISION
of the
2010-11 BUDGET**



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

May 14, 2010

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**Comparison of the 2010-11 November Estimate to 2010-11 May Revision
Current Year 2009-10**

	A	B	C
	2010-11 November Estimate CY 2009-10	2010-11 May Revision CY 2009-10	2010-11 May Revision Request CY 2009-10 (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$486,343,000	\$486,343,000	\$0
2. Federal Compliance	41,536,000	41,536,000	0
3. Projects	27,429,000	27,429,000	0
4. Agnews Developmental Center Closure	7,682,000	7,682,000	0
5. Cost Saving Items:	-40,245,000	-40,245,000	0
a. Savings Target	-17,445,000	-17,445,000	0
b. Transfer to Prevention Program	-5,400,000	-5,400,000	0
c. 3 Percent Reduction	-17,400,000	-17,400,000	0
6. Operations Total	\$522,745,000	\$522,745,000	\$0
B. Purchase of Services (POS)			
1. Community Care Facilities	\$808,198,000	\$808,198,000	\$0
2. Medical Facilities	24,645,000	24,645,000	0
3. Day Programs	847,086,000	847,086,000	0
4. Habilitation Services	146,465,000	146,465,000	0
5. Transportation	240,967,000	240,967,000	0
6. Support Services	751,307,000	751,307,000	0
7. In-Home Respite	272,256,000	272,256,000	0
8. Out-of-Home Respite	65,516,000	65,516,000	0
9. Health Care	98,669,000	98,669,000	0
10. Miscellaneous	482,237,000	482,237,000	0
11. Self Directed Services	118,000	0	-118,000
12. Agnews Developmental Center Closure	41,833,000	41,833,000	0
13. Cost Saving Items:	-353,227,000	-353,227,000	0
a. Savings Target	-230,655,000	-230,655,000	0
b. Transfer to Prevention Program	-21,800,000	-21,800,000	0
c. 3 Percent Reduction	-100,772,000	-100,772,000	0
14. Subtotal (Items 1 thru 13)	\$3,426,070,000	\$3,425,952,000	-\$118,000
15. Revised Major Assumptions:	\$20,339,000	\$20,339,000	\$0
a. Impact from Other Departments	8,367,000	8,367,000	0
b. Elimination of Medi-Cal Optional Benefits	11,972,000	11,972,000	0
16. POS Total (Items 14 and 15)	\$3,446,409,000	\$3,446,291,000	-\$118,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Prevention Program	\$27,200,000	\$27,200,000	\$0
E. GRAND TOTAL	\$4,016,449,000	\$4,016,331,000	-\$118,000

**Comparison of the 2010-11 November Estimate to 2010-11 May Revision
Current Year 2009-10**

	A	B	C
	2010-11 November Estimate CY 2009-10	2010-11 May Revision CY 2009-10	2010-11 May Revision Request CY 2009-10 (B - A)
II. FUND SOURCES:			
A. General Fund Total	\$2,196,595,000	\$2,193,595,000	-\$3,000,000
1. General Fund Match	902,630,000	908,557,000	5,927,000
2. General Fund - Other	1,293,956,000	1,285,038,000	-8,918,000
3. SDS Risk Pool	9,000	0	-9,000
B. Reimbursements	\$1,729,458,000	\$1,732,740,000	\$3,282,000
1. Home and Community-Based Services (HCBS) Waiver	1,174,252,000	1,181,374,000	7,122,000
2. HCBS Waiver Administration	4,507,000	4,507,000	0
3. Medicaid Administration	12,488,000	12,488,000	0
4. Targeted Case Management (TCM)	170,286,000	169,418,000	-868,000
5. TCM Administration	4,000,000	3,321,000	-679,000
6. Title XX Block Grant	203,903,000	203,903,000	0
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed Services HCBS Waiver	93,000	0	-93,000
8. Self-Directed Services HCBS Waiver Administration	629,000	429,000	-200,000
9. Medicaid (ICF-DD/State Plan Amendment)	44,000,000	47,000,000	3,000,000
10. Vocational Rehabilitation	300,000	300,000	0
11. CA Children & Families First Trust Fund	55,000,000	50,000,000	-5,000,000
12. 1915(i) State Plan Amendment	60,000,000	60,000,000	0
C. Program Development Fund / Parental Fees	\$2,492,000	\$2,092,000	-\$400,000
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$0
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Federal Funds	\$87,014,000	\$87,014,000	\$0
1. Early Start/Part C Grant	86,454,000	86,454,000	0
2. Foster Grandparent Program	560,000	560,000	0
G. GRAND TOTAL	\$4,016,449,000	\$4,016,331,000	-\$118,000

**Comparison of the 2010-11 November Estimate to 2010-11 May Revision
Budget Year 2010-11**

	A	B	C
	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	2010-11 May Revision Request BY 2010-11 (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$494,502,000	\$476,470,000	-\$18,032,000
2. Federal Compliance	41,722,000	43,595,000	1,873,000
3. Projects	24,758,000	28,407,000	3,649,000
4. Agnews Developmental Center Closure	5,114,000	5,114,000	0
5. Lanterman Development Center Closure	0	3,537,000	3,537,000
6. Cost Saving Items:	-40,812,000	-47,183,000	-6,371,000
a. Savings Target	-17,445,000	-17,645,000	-200,000
b. Transfer to Prevention Program	-7,200,000	-7,200,000	0
c. 3 Percent Reduction	-16,167,000	-15,743,000	424,000
d. Additional 1.25 Percent Reduction	0	-6,595,000	-6,595,000
7. Operations Total	\$525,284,000	\$509,940,000	-\$15,344,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$826,832,000	\$824,492,000	-\$2,340,000
2. Medical Facilities	24,868,000	25,347,000	479,000
3. Day Programs	905,031,000	905,461,000	430,000
4. Habilitation Services	143,518,000	143,535,000	17,000
5. Transportation	249,973,000	250,052,000	79,000
6. Support Services	832,208,000	832,282,000	74,000
7. In-Home Respite	304,252,000	304,253,000	1,000
8. Out-of-Home Respite	71,644,000	71,650,000	6,000
9. Health Care	106,495,000	106,566,000	71,000
10. Miscellaneous	545,589,000	547,074,000	1,485,000
11. Self Directed Services	858,000	118,000	-740,000
12. Agnews Developmental Center Closure	0	0	0
13. Cost Saving Items:	-484,846,000	-501,325,000	-16,479,000
a. Savings Target	-331,196,000	-331,196,000	0
b. Transfer to Prevention Program	-29,100,000	-29,100,000	0
c. 3 Percent Reduction	-99,550,000	-99,550,000	0
d. Additional 1.25 Percent Reduction	-25,000,000	-41,479,000	-16,479,000
14. Subtotal (Items 1 thru 13)	\$3,526,422,000	\$3,509,505,000	-\$16,917,000
15. Revised Major Assumptions:	\$70,339,000	\$42,354,000	-\$27,985,000
a. Impact from Other Departments	58,367,000	30,382,000	-27,985,000
b. Elimination of Medi-Cal Optional Benefits	11,972,000	11,972,000	0
16. POS Total (Items 14 and 15)	\$3,596,761,000	\$3,551,859,000	-\$44,902,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Prevention Program	\$36,300,000	\$36,300,000	\$0
E. GRAND TOTAL	\$4,178,440,000	\$4,118,194,000	-\$60,246,000

**Comparison of the 2010-11 November Estimate to 2010-11 May Revision
Budget Year 2010-11**

	A	B	C
	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	2010-11 May Revision Request BY 2010-11 (B - A)
II. FUND SOURCES:			
A. General Fund Total^{al}	\$2,242,158,000	\$2,376,364,000	\$134,206,000 ^{al}
1. General Fund Match	1,075,245,000	1,102,256,000	27,011,000
2. General Fund - Other	1,166,904,000	1,274,099,000	107,195,000
3. SDS Risk Pool	9,000	9,000	0
B. Reimbursements	\$1,628,017,000	\$1,633,565,000	\$5,548,000
1. Home and Community-Based Services (HCBS) Waiver	1,038,142,000	1,038,420,000	278,000
2. HCBS Waiver Administration	4,499,000	4,449,000	-50,000
3. Medicaid Administration	12,806,000	12,603,000	-203,000
4. Targeted Case Management (TCM)	154,613,000	151,666,000	-2,947,000
5. TCM Administration	4,000,000	3,321,000	-679,000
6. Title XX Block Grant	246,646,000	246,646,000	0
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	98,743,000	98,743,000	0
7. Self-Directed Services HCBS Waiver	4,030,000	93,000	-3,937,000
8. Self-Directed Services HCBS Waiver Administration	1,663,000	632,000	-1,031,000
9. Medicaid (ICF-DD/State Plan Amendment)	44,000,000	47,000,000	3,000,000
10. Vocational Rehabilitation	118,000	118,000	0
11. CA Children & Families First Trust Fund	5,000,000	0	-5,000,000
12. 1915(i) State Plan Amendment	112,500,000	112,500,000	0
13. Impacts from Other Departments FFP	0	12,580,000	12,580,000
14. Money Follows the Person	0	3,537,000	3,537,000
C. Program Development Fund / Parental Fees	\$3,292,000	\$3,292,000	\$0
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$0
E. Mental Health Services Fund	\$703,000	\$703,000	\$0
F. Counties Children & Families Account	\$244,000,000	\$50,000,000	-\$194,000,000
G. Mass Media Communications Account	\$6,000,000	\$0	-\$6,000,000
H. Federal Funds	\$54,120,000	\$54,120,000	\$0
1. Early Start/Part C Grant	53,560,000	53,560,000	0
2. Foster Grandparent Program	560,000	560,000	0
I. GRAND TOTAL	\$4,178,440,000	\$4,118,194,000	-\$60,246,000

^{al}This estimate does NOT include the GF reduction proposed for Control Section 8.65, federal reimbursement of the ARRA related enhanced FMAP.

**2010-11 May Revision
Current Year 2009-10 to Budget Year 2010-11**

	A	B	C
	2010-11 May Revision CY 2009-10	2010-11 May Revision BY 2010-11	Difference (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$486,343,000	\$476,470,000	-\$9,873,000
2. Federal Compliance	41,536,000	43,595,000	2,059,000
3. Projects	27,429,000	28,407,000	978,000
4. Agnews Developmental Center Closure	7,682,000	5,114,000	-2,568,000
5. Lanterman Developmental Center Closure	0	3,537,000	3,537,000
6. Cost Saving Items:	-40,245,000	-47,183,000	-6,938,000
a. <i>Savings Target</i>	-17,445,000	-17,645,000	-200,000
b. <i>Transfer to Prevention Program</i>	-5,400,000	-7,200,000	-1,800,000
c. <i>3 Percent Reduction</i>	-17,400,000	-15,743,000	1,657,000
d. <i>Additional 1.25 Percent Reduction</i>	0	-6,595,000	-6,595,000
7. Operations Total	\$522,745,000	\$509,940,000	-\$12,805,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$808,198,000	\$824,492,000	\$16,294,000
2. Medical Facilities	24,645,000	25,347,000	702,000
3. Day Programs	847,086,000	905,461,000	58,375,000
4. Habilitation Services	146,465,000	143,535,000	-2,930,000
5. Transportation	240,967,000	250,052,000	9,085,000
6. Support Services	751,307,000	832,282,000	80,975,000
7. In-Home Respite	272,256,000	304,253,000	31,997,000
8. Out-of-Home Respite	65,516,000	71,650,000	6,134,000
9. Health Care	98,669,000	106,566,000	7,897,000
10. Miscellaneous	482,237,000	547,074,000	64,837,000
11. Self Directed Services	0	118,000	118,000
12. Agnews Developmental Center Closure	41,833,000	0	-41,833,000
13. Cost Saving Items:	-353,227,000	-501,325,000	-148,098,000
a. <i>Savings Target</i>	-230,655,000	-331,196,000	-100,541,000
b. <i>Transfer to Prevention Program</i>	-21,800,000	-29,100,000	-7,300,000
c. <i>3 Percent Reduction</i>	-100,772,000	-99,550,000	1,222,000
d. <i>Additional 1.25 Percent Reduction</i>	0	-41,479,000	-41,479,000
14. Subtotal (Items 1 thru 13)	\$3,425,952,000	\$3,509,505,000	\$83,553,000
15. Revised Major Assumptions:	\$20,339,000	\$42,354,000	\$22,015,000
a. <i>Impact from Other Departments</i>	8,367,000	30,382,000	22,015,000
b. <i>Elimination of Medi-Cal Optional Benefits</i>	11,972,000	11,972,000	0
16. POS Total (Items 14 and 15)	\$3,446,291,000	\$3,551,859,000	\$105,568,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Prevention Program	\$27,200,000	\$36,300,000	\$9,100,000
E. GRAND TOTAL	\$4,016,331,000	\$4,118,194,000	\$101,863,000

**2010-11 May Revision
Current Year 2009-10 to Budget Year 2010-11**

	A	B	C
	2010-11 May Revision CY 2009-10	2010-11 May Revision BY 2010-11	Difference (B - A)
II. FUND SOURCES:			
A. General Fund Total ^{af}	\$2,193,595,000	\$2,376,364,000	\$182,769,000
1. General Fund Match	908,557,000	\$1,102,256,000	193,699,000
2. General Fund - Other	1,285,038,000	\$1,274,099,000	-10,939,000
3. SDS Risk Pool	0	\$9,000	9,000
B. Reimbursements	\$1,732,740,000	\$1,633,565,000	-\$99,175,000
1. Home & Community-Based Services (HCBS) Waiver	1,181,374,000	\$1,038,420,000	-142,954,000
2. HCBS Waiver Administration	4,507,000	\$4,449,000	-58,000
3. Medicaid Administration	12,488,000	\$12,603,000	115,000
4. Targeted Case Management (TCM)	169,418,000	\$151,666,000	-17,752,000
5. TCM Administration	3,321,000	\$3,321,000	0
6. Title XX Block Grant	203,903,000	\$246,646,000	42,743,000
a. Social Services	147,903,000	\$147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	\$98,743,000	42,743,000
7. Self-Directed Services HCBS Waiver	0	\$93,000	93,000
8. Self-Directed Services HCBS Waiver Administration	429,000	\$632,000	203,000
9. Medicaid (ICF-DD/State Plan Amendment)	47,000,000	\$47,000,000	0
10. Vocational Rehabilitation	300,000	\$118,000	-182,000
11. CA Children & Families First Trust Fund	50,000,000	\$0	-50,000,000
12. 1915(i) State Plan Amendment	60,000,000	\$112,500,000	52,500,000
13. Impacts from Other Departments FFP	0	\$12,580,000	12,580,000
14. Money Follows the Person	0	\$3,537,000	3,537,000
C. Program Development Fund / Parental Fees	\$2,092,000	\$3,292,000	\$1,200,000
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$0
E. Mental Health Services Fund	\$740,000	\$703,000	-\$37,000
F. Counties Children & Families Account	\$0	\$50,000,000	\$50,000,000
G. Mass Media Communications Account	\$0	\$0	\$0
H. Federal Funds	\$87,014,000	\$54,120,000	-\$32,894,000
1. Early Start/Part C Grant	\$86,454,000	\$53,560,000	-\$32,894,000
2. Foster Grandparent Program	\$560,000	\$560,000	0
I. GRAND TOTAL	\$4,016,331,000	\$4,118,194,000	\$101,863,000

^{af}This estimate does NOT include the GF reduction proposed for Control Section 8.65, federal reimbursement of the ARRA related enhanced FMAP.

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Detailed Comparison of Prior Year 2008-09: Budget Act Appropriation vs. 2009-10 May Revision

	Budget Act Appropriation PY 2008-09	Proposed Governor's Budget with Legislative Actions PY 2008-09	Proposed Final Budget PY 2008-09	Change from Proposed Governor's Budget with Leg. Actions PY 2008-09	Change from Budget Act Appropriation PY 2008-09
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$454,771,000	\$454,771,000	\$452,712,000	-\$2,059,000	-\$2,059,000
2. Federal Compliance	41,127,000	41,127,000	41,127,000	0	0
3. Projects	27,037,000	27,120,000	20,854,000	-6,266,000	-6,183,000
4. Agnews DC Closure	6,896,000	6,896,000	6,896,000	0	0
5. 3 Percent Reduction	0	-6,600,000	-6,600,000	0	-6,600,000
5. Operations Total (Items 1 thru 4)	\$529,831,000	\$523,314,000	\$514,989,000	-\$8,325,000	-\$14,842,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$787,010,000	\$787,010,000	\$772,761,000	-\$14,249,000	-\$14,249,000
2. Medical Facilities	22,544,000	22,805,000	22,914,000	109,000	370,000
3. Day Programs	782,611,000	788,365,000	790,946,000	2,581,000	8,335,000
4. Habilitation Services	148,897,000	148,897,000	143,565,000	-5,332,000	-5,332,000
5. Transportation	208,664,000	223,976,000	230,836,000	6,860,000	22,172,000
6. Support Services	628,977,000	654,786,000	664,058,000	9,272,000	35,081,000
7. In-Home Respite	233,035,000	237,601,000	239,640,000	2,039,000	6,605,000
8. Out-of-Home Respite	57,732,000	60,286,000	61,432,000	1,146,000	3,700,000
9. Health Care	100,603,000	100,603,000	97,424,000	-3,179,000	-3,179,000
10. Miscellaneous	338,325,000	388,306,000	409,286,000	20,980,000	70,961,000
11. 3 Percent Payment Reduction		-40,400,000	-40,400,000	0	-40,400,000
12. Agnews DC Closure	61,535,000	67,918,900	70,406,900	2,488,000	8,871,900
13. Self-Directed Services (SDS)	2,105,000	2,105,000	0	-2,105,000	-2,105,000
14. POS Total (Items 1 thru 13)	\$3,372,038,000	\$3,442,258,900	\$3,462,868,900	\$20,610,000	\$90,830,900
C. Early Start/Part C: Other Agency Costs					
	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL					
	\$3,921,964,000	\$3,985,667,900	\$3,997,952,900	\$12,285,000	\$75,988,900
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$2,384,620,000	\$2,191,715,900	\$2,204,000,900	\$12,285,000	-\$180,619,100
2. General Fund - Other	1,028,636,000	867,046,000	873,342,000	6,296,000	-155,294,000
	1,355,984,000	1,324,669,900	1,330,658,900	5,989,000	-25,325,100
B. Reimbursements					
1. Home and Community-Based Services (HCBS) Waiver	\$1,308,225,000	\$1,538,142,000	\$1,539,157,000	\$1,015,000	\$230,932,000
2. HCBS Waiver Administration	891,690,000	1,094,354,000	1,085,337,000	-9,017,000	193,647,000
3. Medicaid Administration	4,363,000	4,326,000	4,401,000	75,000	38,000
4. Targeted Case Management (TCM)	14,353,000	14,199,000	16,145,000	1,946,000	1,792,000
5. TCM Administration	133,907,000	161,351,000	175,431,000	14,080,000	41,524,000
6. Title XX Block Grant	4,351,000	4,351,000	4,217,000	-134,000	-134,000
7. Self-Directed Services HCBS Waiver	147,903,000	147,903,000	147,903,000	0	0
8. Self-Directed Services HCBS Waiver Administration	56,000,000	56,000,000	56,000,000	0	0
9. Self-Directed Services HCBS Waiver Administration	4,617,000	4,617,000	0	-4,617,000	-4,617,000
10. Medicaid (ICF-DD/State Plan Amendment)	1,453,000	1,453,000	423,000	-1,030,000	-1,030,000
11. Vocational Rehabilitation	44,000,000	44,000,000	44,000,000	0	0
12. CA Children & Families Trust Fund	588,000	588,000	300,000	-288,000	-288,000
13. Program Development Fund/Parental Fees	5,000,000	5,000,000	5,000,000	0	0
14. Developmental Disabilities Service Account	\$1,147,000	\$1,147,000	\$1,147,000	\$0	\$0
15. Mental Health Services Fund	\$0	\$75,000	\$75,000	\$0	\$75,000
16. Public Transportation Account	\$740,000	\$740,000	\$740,000	\$0	\$0
17. Federal Funds	\$138,275,000	\$138,275,000	\$138,275,000	\$0	\$0
18. Early Start/Part C Grant	\$88,957,000	\$115,573,000	\$114,558,000	-\$1,015,000	\$25,601,000
19. Foster Grandparent Program	88,397,000	115,013,000	113,998,000	-1,015,000	25,601,000
20. Foster Grandparent Program	560,000	560,000	560,000	0	0
F. GRAND TOTAL					
	\$3,921,964,000	\$3,985,667,900	\$3,997,952,900	\$12,285,000	\$75,988,900

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SECTION B: EXECUTIVE HIGHLIGHTS B-1 to B-11

Executive Highlights

I. CURRENT YEAR 2009-10 COSTS AND FUND SOURCES

A. Overview

Funding for the regional centers is projected to decrease by \$118,000 compared to the 2010-11 November Estimate.

2009-10 Costs (in millions)			
	November Estimate	May Revision	Difference
Total Costs	4,016.4	4,016.3	-0.1
Operations	522.7	522.7	0.0
Purchase of Services	3,446.4	3,446.3	-0.1
Early Start - Other Agency Costs	20.1	20.1	0.0
Prevention Program	27.2	27.2	0.0
Fund Sources	4,016.4	4,016.3	-0.1
General Fund (GF)	2,196.6	2,193.6	-3.0
GF Match	902.6	908.6	6.0
GF Other	1,294.0	1,285.0	-9.0
SDS Risk Pool	0.0	0.0	0.0
Reimbursements	1,729.4	1,732.7	3.3
Program Development Fund	2.5	2.1	-0.4
Developmental Disabilities Services Account	0.2	0.2	0.0
Mental Health Services Fund	0.7	0.7	0.0
Federal Funds	87.0	87.0	0.0

Although caseload is lower than previously estimated, current year expenditures were not adjusted for the following reasons:

- Regional centers have implemented over 25 savings proposals included in the enacted budget. While the developmental disability services system is on track to achieve the overall savings amount anticipated in the enacted budget, current expenditure data indicates the anticipated savings will not be realized in a few areas, such as the two day program related reductions that provide alternative program options.
- The savings proposals included in the enacted budget have resulted in 2,513 fair hearings to date in 2009-10. Regional centers are required to continue to provide the appealed service pending the outcome of the fair hearing. Providing the service pending the outcome of the fair hearing request reduces the anticipated savings. In approximately 28 percent of the fair hearing decisions, the appeal has been granted.

Current Year 2009-10 (Continued)

- Early Start expenditure trends indicate a shift from consumers that require low to moderate service levels to consumers with higher service level needs, offsetting expected saving resulting from the lower caseload.

B. Caseload

	2010-11 November Estimate CY 2009-10	2010-11 May Estimate CY 2009-10	Difference
<u>CASELOAD</u>			
Active (Age 3 & Older)	206,550	206,576	26
Early Start and Prevention (Birth through 2 Years)	35,945	30,282	-5,663
Total Community Population	242,495	236,858	-5,637

This caseload reduction is attributable to a 4.3 percent reduction in the California birth rate for calendar year 2009 in addition to the 2.6 percent reduction in the California birth rate in calendar year 2008. The Early Start program changes implemented by regional centers in 2009-10 may have led to confusion about eligibility criteria among referral sources such as Neonatal Intensive Care Units, pediatricians, etc. This may also be a contributing factor in the caseload reduction. The May Revision projects caseload growth for 2010-11.

C. Total Regional Center Costs: \$0.1 Million Decrease

1. Operations: No Change
2. Purchase of Services (POS): \$0.1 Million Decrease

The decrease in POS expenditures for Purchase of Service is due to the delayed implementation of Self-Directed Services (SDS) waiver. The new date for implementation of the SDS waiver is April 1, 2011.

D. Fund Sources

1. General Fund: \$3 Million Decrease

The \$3 million decrease in General Fund is due to a \$3 million adjustment to projected reimbursements in the Medicaid ICF-DD/State Plan Amendment. The adjustment was inadvertently left out of the November Estimate. This reduction corrects that error.

Current Year 2009-10 (Continued)

2. Reimbursements: \$3.3 Million Increase

2009-10 Reimbursements			
<i>(in millions)</i>			
Reimbursements	November Estimate	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$1,174.2	\$1,181.4	\$7.2
b. HCBS Waiver Administration	4.5	4.5	0.0
c. Medicaid Administration	12.4	12.4	0.0
d. Targeted Case Management (TCM)	170.3	169.4	-0.9
e. TCM Administration	4.0	3.3	-0.7
f. Title XX Block Grant	\$203.9	\$203.9	\$0.0
(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	0.1	0.0	-0.1
h. Self-Directed HCBS Waiver Administration	0.7	0.5	-0.2
i. Medicaid (ICF-DD/State Plan Amendment)	44.0	47.0	3.0
j. Vocational Rehabilitation	0.3	0.3	0.0
k. CA Children & Families Trust Fund	55.0	50.0	-5.0
l. 1915(i) State Plan Amendment	60.0	60.0	0.0
TOTAL	\$1,729.4	\$1,732.7	\$3.3

Changes in the table above reflect the following:

- HCBS Waiver: The \$7.2 million increase in HCBS Waiver FFP is based on updated billing data.
- TCM: The \$0.9 million decrease in FFP reflects a reduction in the number of billed units of service.
- TCM Administration: The \$0.7 million decrease reflects the most current available data.
- SDS HCBS Waiver: The \$0.1 million decrease reflects the new implementation date of April 1, 2011.

Current Year 2009-10 (Continued)

- SDS HCBS Waiver Administration: The \$0.2 million decrease reflects the new implementation date of April 1, 2011.
 - Medicaid (ICF-DD/State Plan Amendment): The \$3 million increase reflects the inclusion of additional reimbursable services identified as part of the 2009-10 trailer bill language to generate \$334 million in General Fund savings. This adjustment was inadvertently left out of the November Estimate.
 - California Children & Families First Trust Fund: The decrease of \$5.0 million reflects the April 21, 2010 action by the First 5 California Children and Families Commission to approve reimbursements in the amount of \$50 million from the fund for 2009-10 expenditures. The revised 2009-10 budget assumed \$55 million in reimbursements from the California First Five Trust Fund.
3. Program Development Fund: The \$0.4 million decrease reflects updated data.

II. BUDGET YEAR 2010-11 COSTS AND FUND SOURCES**A. Overview**

Funding for the regional centers in the budget year are projected to decrease by \$60.2 million compared to the November Estimate.

2010-11 Costs <i>(in millions)</i>			
	November Estimate	May Revise	Difference
Total Costs	4,178.5	4,118.3	-60.2
Operations	525.3	510.0	-15.3
Purchase of Services	3,596.8	3,551.9	-44.9
Early Start - Other Agency Costs	20.1	20.1	0.0
Prevention Program	36.3	36.3	0.0
Fund Sources	4,178.4	4,118.2	-60.2
General Fund (GF)	2,242.1	2,376.3	134.2
GF Match	1,075.2	1,102.2	27.0
GF Other	1,166.9	1,274.1	107.2
SDS Risk Pool	0.0	0.0	0.0
Reimbursements	1,628.0	1,633.6	5.6
Program Development Fund	3.3	3.3	0.0
Developmental Disabilities Services Account	0.2	0.2	0.0
Mental Health Services Fund	0.7	0.7	0.0
California Children and Families Fund, Counties Children and Families Account	244.0	50.0	-194.0
California Children and Families Fund, Mass Media Communications Account	6.0	0.0	-6.0
Federal Funds	54.1	54.1	0.0

The \$60.2 million decrease is composed of:

- \$15.3 million decrease in Operations due to caseload reductions and the proposed additional 1.25 percent reduction to achieve \$25 million General Fund savings in 2010-11.
- \$44.9 million decrease in POS due to the proposed additional 1.25 percent reduction, updated impact from other Departments costs, and the delayed implementation of Self-Directed Services (SDS).

Budget Year 2010-11 (Continued)

B. Caseload

The 2010-11 total community caseload is projected at 243,704 on January 31, 2011. This caseload is assumed to be the average for 2010-11 and is used to estimate regional center Operations costs.

	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	Difference
<u>CASELOAD</u>			
Active (Age 3 & Older)	213,140	213,140	0
Early Start and Prevention (Birth through 2 Yrs)	36,835	30,564	-6,271
Total Community Population	249,975	243,704	-6,271

C. Total Regional Center Costs: \$60.2 Million Decrease1. Operations: \$9.2 Million Decrease

- Staffing: \$14.6 Million Decrease

	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	Difference
<u>OPERATIONS: STAFFING</u>	(in millions)		
A. Core Staffing	\$494.5	\$476.6	-\$18.1
B. Agnews D. C. Closure	5.1	5.1	0.0
C. Lanterman D. C. Closure	0.0	3.5	3.5
C. Total Staffing	\$499.6	\$485.1	-\$14.6

Staffing costs reflect updated caseload and assessment projections, offset by increased staffing costs to fund resource development, transition coordinators, health care specialists, and oral health care consultants needed to successfully transition residents of Lanterman Developmental Center to the community as part of the proposed closure of Lanterman. Additional information about the proposed closure is available at:

Budget Year 2010-11 (Continued)

<http://www.dds.ca.gov/LantermanNews/Index.cfm>. The increased staffing costs associated with the closure of Lanterman will be funded by the Federal Money Follows the Person (MFP) grant, known in California as the California Community Transitions demonstration project. The MFP grant provides enhanced FFP to support State efforts to move individuals currently residing in institutions back into their communities.

- Federal Compliance: \$1.8 Million Increase

	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	Difference
OPERATIONS	(in millions)		
FEDERAL COMPLIANCE			
A. HCBS Waiver	21.1	21.1	\$0.0
B. Accelerated HCBS Waiver Enrollments	1.7	1.7	0.0
C. HCBS Waiver Compliance	9.2	9.2	0.0
D. HCBS Waiver Case Managers	5.1	6.9	1.8
E. Targeted Case Management	4.1	4.1	0.0
F. Nursing Home Reform/PASRR	0.5	0.5	0.0
G. Total Federal Compliance	\$41.7	\$43.6	\$1.8

Changes to Federal Compliance reflect an increase of \$1.8 million for the projected number of Case Managers that will be needed due to increased waiver enrollments. This increase ensures compliance with the Centers for Medicare and Medicaid Services requirement that Regional Centers maintain a participant-to-case manager ratio of 1:62.

Budget Year 2010-11 (Continued)

- Projects: \$3.7 Million Increase

	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	Difference
<u>OPERATIONS</u>	(in millions)		
<u>PROJECTS</u>			
A. Information Technology Costs:	\$4.5	\$4.5	\$0.0
1. Regional Center Application Support	3.2	3.2	0.0
2. Data Processing	1.3	1.3	0.0
B. Clients' Rights Advocacy Contract	5.3	5.3	0.0
C. Quality Assessment Contract	3.7	5.7	2.0
D. Direct Support Professional Training	3.6	3.6	0.0
E. Office of Administrative Hearings Contract	3.0	3.9	0.9
F. Wellness Projects	0.2	0.2	0.0
G. Foster Grandparent/ Sr Companion Programs	1.7	1.7	0.0
H. Special Incident Rpting/Risk Assessment Contract	0.9	0.9	0.0
I. Increased Access to Mental Health Services	0.7	0.7	0.0
J. Sherry S. Court Case / LA County Hops	0.5	0.5	0.0
K. Enhancing FFP, Ph II, Proposal C, Consultant	0.5	0.5	0.0
L. University Enterprises, Inc.	0.1	0.1	0.0
M. Affordable Housing	0.1	0.1	0.0
N. Cost Containment	-0.5	-0.5	0.0
O. Self-Directed Services: Training and Dev.	0.2	0.2	0.0
P. Review of SB 1175 Housing Proposals	0.2	0.2	0.0
Q. Denti-Cal Infrastructure for RC Dental Services	0.0	0.8	0.8
R. Total Projects	\$24.8	\$28.5	\$3.7

Changes reflect the following:

- Quality Assessment Contract: The November Estimate inadvertently doubled the savings associated with this contract as a part of the \$334 million in General Fund savings. This increase of \$2.0 million corrects the error.
- Office of Administrative Hearing Contract: The increase of \$0.9 million reflects a higher number of fair hearing requests

Budget Year 2010-11 (Continued)

anticipated in 2010-11 due to the implementation of 2009-10 Trailer Bill Language.

- Extension of Denti-Cal Infrastructure: The November Estimate included \$12 million in purchase of services funding that allows regional centers to provide the Medi-Cal optional benefits eliminated on July 1, 2009. This estimate assumed that regional centers would pay the same rates as those paid by Denti-Cal for those services. This would allow regional centers to utilize the infrastructure and expertise of the Department of Health Care Services' Denti-Cal program to review treatment plans and approve claims for dental services. This increase of \$0.8 million avoids higher purchase of services expenditures by enabling regional centers to pay for services at rates consistent with the Denti-Cal program.
- Savings Target: Increased savings of \$0.2 million to correctly display Operations for 2010-11.
- 3 Percent Operations Reduction: Decreased savings of \$0.4 million due to other decreases in Operations funding that reduces the total available for savings.
- Additional 1.25 Percent Reduction: The May Revision includes \$6.6 million in additional savings to achieve a \$25 million General Fund reduction. The savings target is in addition to the existing 3 percent Operations reduction target.

2. Purchase of Services (POS): \$44.9 Million Decrease

The decrease of \$44.9 million is composed of:

- Impacts from Other Departments: \$28.0 million Decrease

The November Estimate included \$58.4 million (\$56.7 million GF) to cover increased costs associated with reductions to other departments. The May Revision reflects the impact of the elimination of Adult Day Health Care (ADHC) services and the reduction of the State Supplementary Payment (SSP) Grant for individuals to the maintenance of effort (MOE) floor, for total expenditures of \$30.4 million (\$17.8 million GF) a decrease of \$28.0 million (\$38.9 million GF).

Budget Year 2010-11 (Continued)

- Additional 1.25 Percent Reduction: \$16.5 million Increase

The November Estimate reflected \$25 million in General Fund savings to be achieved in 2010-11. The May Revision updates Regional Center costs to correctly reflect the distribution of the savings associated with an additional 1.25 percent reduction to Operations and POS.

- Self Directed Services: \$0.7 Million Decrease

This decrease is due to the new implementation date of April 1, 2011.

- Medical Facilities: \$0.3 Million Increase

The May Revision corrects an error contained in the November Estimate related to the rate used to calculate costs in the Medical Facilities category.

C. Fund Sources1. General Fund: \$134.2 Million Increase

The 2010-11 General Fund increase of \$134.2 million is composed of:

- An increase of \$205 million due to the unavailability of funds from the California Children and Families First Trust Funds Accounts. These Proposition 10 funds did not receive legislative approval during the Eighth Extraordinary Session to be placed on the June 2010 ballot.
- A decrease of \$29.5 million due to reductions in caseload.
- A decrease of \$40.2 million due impacts from other departments. The November Estimate included \$50 million in General Fund as a placeholder to cover increased costs associated with reductions to other departments. The May Revision includes the impact of the elimination of ADHC services, the reduction of the SSP Grant for individuals to the MOE.
- A decrease of \$1.1 million due to the new implementation date of SDS.

Budget Year 2010-11 (Continued)

2. Reimbursements: \$5.6 Million Increase

2010-11 Reimbursements			
<i>(in millions)</i>			
Reimbursements	November Estimate	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$1,038.1	\$1,038.4	\$0.3
b. HCBS Waiver Administration	4.5	4.4	-0.1
c. Medicaid Administration	12.8	12.6	-0.2
d. Targeted Case Management (TCM)	154.6	151.7	-2.9
e. TCM Administration	4.0	3.3	-0.7
f. Title XX Block Grant	\$246.7	\$246.7	\$0.0
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	98.8	98.8	0.0
g. Self-Directed HCBS Waiver	4.0	0.1	-3.9
h. Self-Directed HCBS Waiver Admin	1.7	0.6	-1.1
i. Medicaid (ICF-DD/State Plan Amendment)	44.0	47.0	3.0
j. Vocational Rehabilitation	0.1	0.1	0.0
k. CA Children & Families Trust Fund	5.0	0.0	-5.0
l. 1915(i) State Plan Amendment	112.5	112.5	0.0
m. Money Follows the Person Grant	0.0	3.6	3.6
n. Impacts from Other Departments FFP	0.0	12.6	12.6
TOTAL	\$1,628.0	\$1,633.6	\$5.6

Changes reflect the following:

- HCBS Waiver: The increase of \$0.3 million in HCBS Waiver reimbursements is based updated billing data.
- HCBS Waiver Administration: The decrease of \$50,000 reflects the most current available data.
- Medicaid Administration: The decrease of \$0.2 million reflects the most current available data.
- Targeted Case Management (TCM): The decrease of \$2.9 million reflects a decrease in billable units.
- TCM Administration: This decrease of \$0.7 million reflects the most current available data.

Budget Year 2010-11 (Continued)

- Self-Directed HCBS Waiver: The decrease of \$3.9 million reflects the new implementation date of April 2011.
 - Self-Directed HCBS Waiver Administration: The decrease of \$1.1 million reflects the new implementation date of April 2011.
 - Medicaid (ICF-DD/State Plan Amendment): The increase of \$3 million reflects the inclusion of additional reimbursable services identified as part of the 2009-10 trailer bill language to generate \$334 million in General Fund savings. This adjustment was inadvertently left out of the November Estimate.
 - California Children & Families First Trust Fund: The decrease of \$5.0 million reflects the unavailability of funds for 2010-11.
 - Money Follows the Person Grant: The increase of \$3.6 million is due to the addition of the Federal Money Follows the Person (MFP) grant as a new fund source. Known in California as the California Community Transitions Project, the MFP grant provides enhanced FFP to support State efforts to move individuals currently residing in institutions back into their communities.
 - Impacts from Other Departments FFP: The increase of \$12.6 million increase in FFP is due to the calculation of costs related to the elimination of ADHC services.
3. Counties Children and Families Account: The decrease of \$194 million reflects that the voter initiative that would have authorized the use of these funds was not approved by the Legislature during the Eighth Extraordinary Session to be placed on the June 2010 ballot.
 4. Mass Media Communications Account: The decrease of \$6 million reflects that the voter initiative that would have authorized the use of these funds did not receive legislative approval during the Eighth Extraordinary Session to be placed on the June 2010 ballot.

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SECTION C: FUTURE FISCAL ISSUES/MAJOR ASSUMPTIONSC-1 to C-4

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

Overview

- **Proposed Closure of Lanterman Developmental Center**

On January 29, 2010, the Department announced its intention to close the Lanterman Developmental Center in Pomona, California. On April 1, 2010, pursuant to existing statute, the Department delivered to the Legislature the proposed Plan for Closure of Lanterman Developmental Center. Given the declining population and aging infrastructure, it is no longer economical to operate this facility. Additional information about the proposed closure is available at: <http://www.dds.ca.gov/LantermanNews/Index.cfm>.

The Department anticipates the transition of approximately 100 residents to community living arrangements in Budget Year 2010-11, of which the transfer of 37 residents was already assumed in the Governor's proposed budget. Generally, the cost of transitioning residents into community settings is covered by Community Placement Plan (CPP) funding and future savings in developmental center costs. This estimate reflects an increase of \$3.5 million to fund resource development, transition coordinators, health care specialists, and oral health care consultants necessary for the successful transition of Lanterman residents to the community. This increase is 100% funded by the Federal Money Follows the Person Grant.

FUTURE FISCAL ISSUES

- **Bay Area Housing Plan Financing**

As stated in the Department's November Estimate, The Bay Area Housing Development 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 adversely affected CalHFA's ability to secure bond financing. This will result in increased regional center Purchase of Service costs for debt repayment. The actual interest rate, and costs for debt repayment, will not be known until the bonds are purchased by investors in the current market. CalHFA has board approval to sell the bonds at an interest rate up to 25 percent.

NEW MAJOR ASSUMPTIONS

No new major assumptions are included in the 2010-11 May Revision.

REVISED MAJOR ASSUMPTIONS

- **2010-11 \$25 million General Fund Savings Target: Additional 1.25 percent payment and service reduction**

The November Estimate reflected \$25 million in General Fund savings to be achieved in 2010-11. The Department proposes to achieve these savings by increasing the 3 percent payment and service reduction to 4.25 percent. The department is also proposing relief for providers, so long as the relief does not jeopardize consumer health and safety.

Change from Prior Estimate: This estimate updates the savings target amount to reflect the proposal to reduce payments by an additional 1.25 percent.

- **American Recovery and Reinvestment Act (ARRA): Operations and Purchase of Services**

- *End of Temporary Increase in Federal Medical Assistance Percentage (FMAP).* The Department receives federal funds associated with the purchase of services and operations of Regional Centers. The matching percentage for federal funds was temporarily increased by ARRA through December 31, 2010. Due to the return to regular FMAP in 2010-11, the Department will need an additional \$137 million General Fund.
- *End of Supplemental Individuals with Disabilities Education Act Part C Grant.* The Department received a supplemental Part C grant of \$53.2 million. This supplemental grant will not be available in 2010-11. Due to the return to the regular grant amount, the Department will need an additional \$32.9 million General Fund.

Change from Prior Estimate: Impact of the return to regular FMAP is updated to reflect additional reimbursements due to updated reimbursement data and additional FFP due to the elimination of Adult Day Health Care Services on October 1, 2010.

- **Impact from other Departments: Purchase of Services**

- *Medi-Cal Reduction for Adult Day Health Care Program:* Effective October 1, 2010, the Department of Health Care Services (DHCS) will eliminate Adult Day Health Care (ADHC) services. With the elimination of ADHC as a generic service, the regional center would re-assess each consumer's day service needs, and determine on an individual basis what services to purchase to best support each consumer's goals. Day services and supports that meet the assessed needs of these consumers will be provided.

- Reduce Supplemental Security Income (SSI) and State Supplementary Payment (SSP): The FY 2009-10 Budget Act included funds for regional centers to restore SSI/SSP benefits to prior fiscal years' levels for eligible consumers in independent or semi-independent living settings. Effective October 1, 2010 the SSP payment for individuals will be reduced to the Federal maintenance of effort minimum. This estimate includes \$3.0 million in 2009-10 and \$5.7 million in 2010-11 to fund the decreased SSP payments to DDS consumers.
- The November Estimate included \$58.4 million (\$56.7 million GF) to cover increased costs associated with reductions to other departments. The May Revision reflects the impact of the elimination of Adult Day Health Care (ADHC) services and the reduction of the State Supplementary Payment (SSP) Grant for individuals to the maintenance of effort (MOE) floor, for total expenditures of \$30.4 million, a decrease of \$28 million (\$38.9 million GF).

Change from Prior Estimate: This estimate updates DDS costs and reimbursements related to the elimination of ADHC services.

- **Elimination of Medi-Cal Optional Benefits for Adults 21 Years of Age and Older: Purchase of Services**

Effective July 1, 2009, the Department of Health Care Services eliminated Medi-Cal Optional Benefits, which include creams and washes, audiology, optometry and related services, podiatry, psychology, speech therapy, and dental services for adults 21 years of age and older. This reduction impacts costs for Regional Centers consumers who are eligible for Medi-Cal, as the Regional Center will now provide these services.

The November Estimate included \$12 million in purchase of services funding that allows regional centers to provide the Medi-Cal optional benefits eliminated on July 1, 2009. The May Revision includes an additional \$0.8 million in Operations costs to avoid higher purchase of services expenditures by enabling regional centers to pay for services at rates consistent with the Denti-Cal program. The POS funding provided assumed that regional centers would pay the same rates as those paid by Denti-Cal for those services. The resources requested will allow regional centers to utilize the infrastructure and expertise of the Department of Health Care Services' Denti-Cal program to review treatment plans and approve claims for dental services.

Change from Prior Estimate: Increased Operations costs of \$0.8 million to develop infrastructure to provide necessary dental services.

COST SAVINGS ITEMS

The Department continues to work closely with regional centers and stakeholders to monitor the implementation of the operations and purchase of services savings proposals included in the 2009-10 budget (e.g. 3 percent payment reduction, savings target proposals, etc.). Detailed descriptions of the cost saving proposals can be viewed online at: <http://www.dds.ca.gov/Director/BudgetReductionSummary.cfm>.

The expenditure data used in the estimate's trend analysis does not reflect the effect of the Cost Saving Items. Therefore, the expenditures by category in this estimate reflect trends exclusive of anticipated reductions due to the implementation of the savings target proposals. Until the expenditure data reflects this, the estimate will carry Cost Saving Items as a separate line item that reduces overall expenditures without regard to budget category.

Change from Prior Estimate: No change from the November Estimate.

PREVENTION PROGRAM

Budget trailer bill language (2009-10 Statutes, Assembly Bill Fourth Extraordinary Session, Chapter 9) directs the Department of Developmental Services to establish "...a prevention program for at-risk babies" and to "establish policies and procedures for implementation of the prevention program by regional centers." The Prevention Program focuses primarily on providing intake, assessment, case management, and referral to generic agencies for eligible children birth through 35 months. These are children who are at substantially greater high-risk for a developmental disability but who would otherwise be ineligible for services through the California Early Intervention Programs Services Act pursuant to Title 14. Children eligible for the program will receive these services through the regional centers. The 2010-11 Budget Act will reflect a new budget program within item 4300-101-0001.

Change from Prior Estimate: No change from the November Estimate.

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CASELOAD
Current Year 2009-10 vs. Budget Year 2010-11

	2010-11 May Revision CY 2009-10	2010-11 May Revision BY 2010-11		
	<i>Caseload as of 1/31/10</i>	<i>Estimated Caseload as of 1/31/11</i>	<i>Annual Change</i>	<i>Percent Annual Change</i>
A. Active Caseload (Age 3 & Older)	206,576	213,140 b/	6,564	3.2%
B. Early Start and Prevention (Birth through 2 Years)	30,282 a/	30,564 c/	282	0.9%
C. Total Community Caseload	236,858	243,704	6,846	2.9%
D. Total Developmental Center (DC) Population	2,151 d/	1,979 e/	-172	-8.0%
E. Total Regional Center Caseload (C + D)	239,009	245,683	6,674	2.8%

a/ Actual caseload as of January 31, 2010 adjusted for caseload not yet entered into Client Master File

b/ Retained November Estimate of the Regional Center caseload number

c/ Actual data through January 2010 used to project the BY 2010-11 Caseload

d/ The CY 2009-10 caseload estimate is consistent with the 2010-11 May Revision for the DC population, which reflects the following:

	<u>CY 2009-10</u>
Average Total Population	2,172
On Leave	<u>-21</u>
Total In-Center Population	2,151

e/ The BY 2010-11 caseload estimate is consistent with the 2010-11 May Revision for the DC population, which reflects the following:

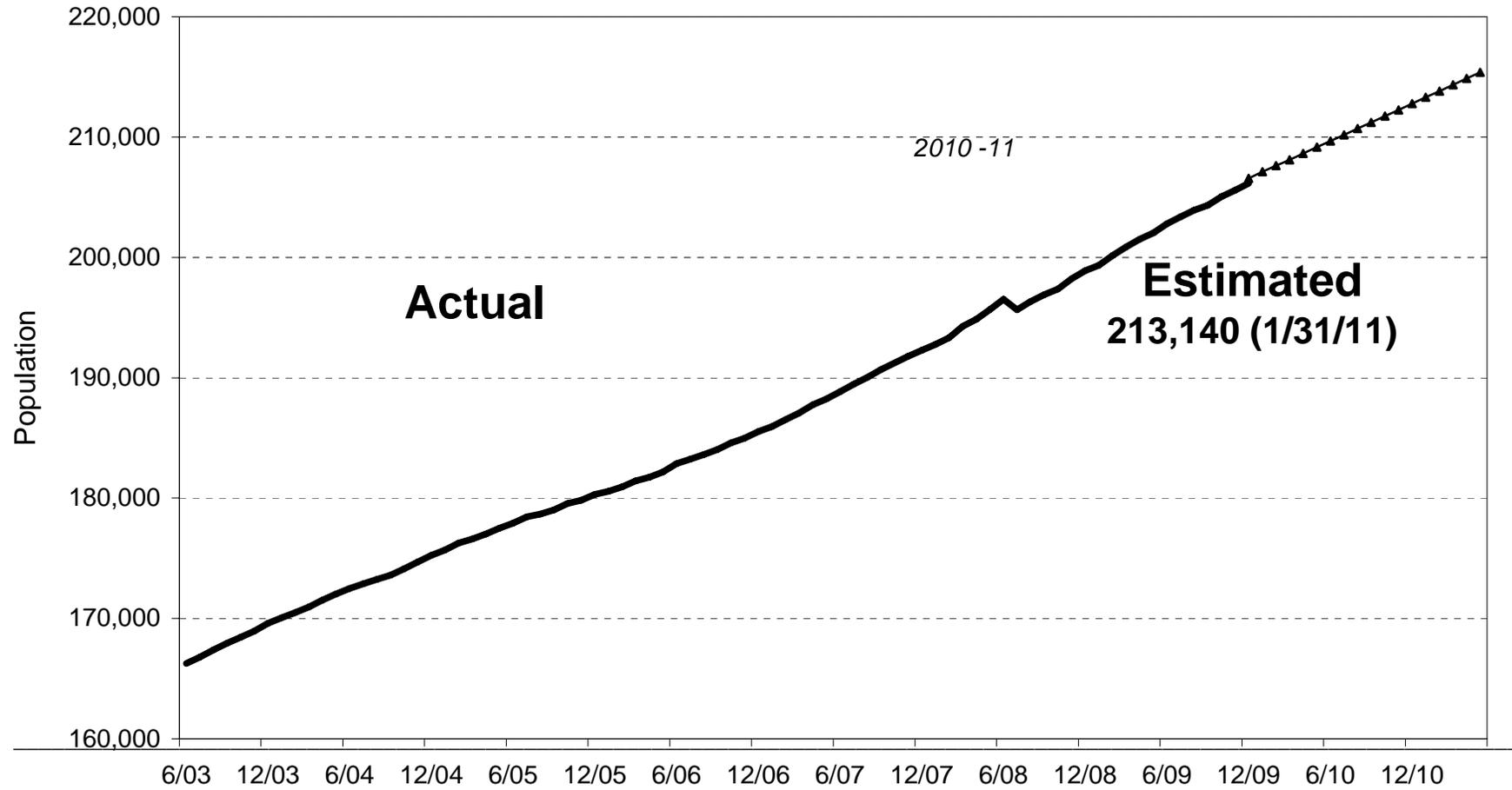
	<u>BY 2010-11</u>
Average Total Population	2,000
On Leave	<u>-21</u>
Total In-Center Population	1,979

Active Status Caseload

(Age 3 & Older)

Client Master File Trend Analysis

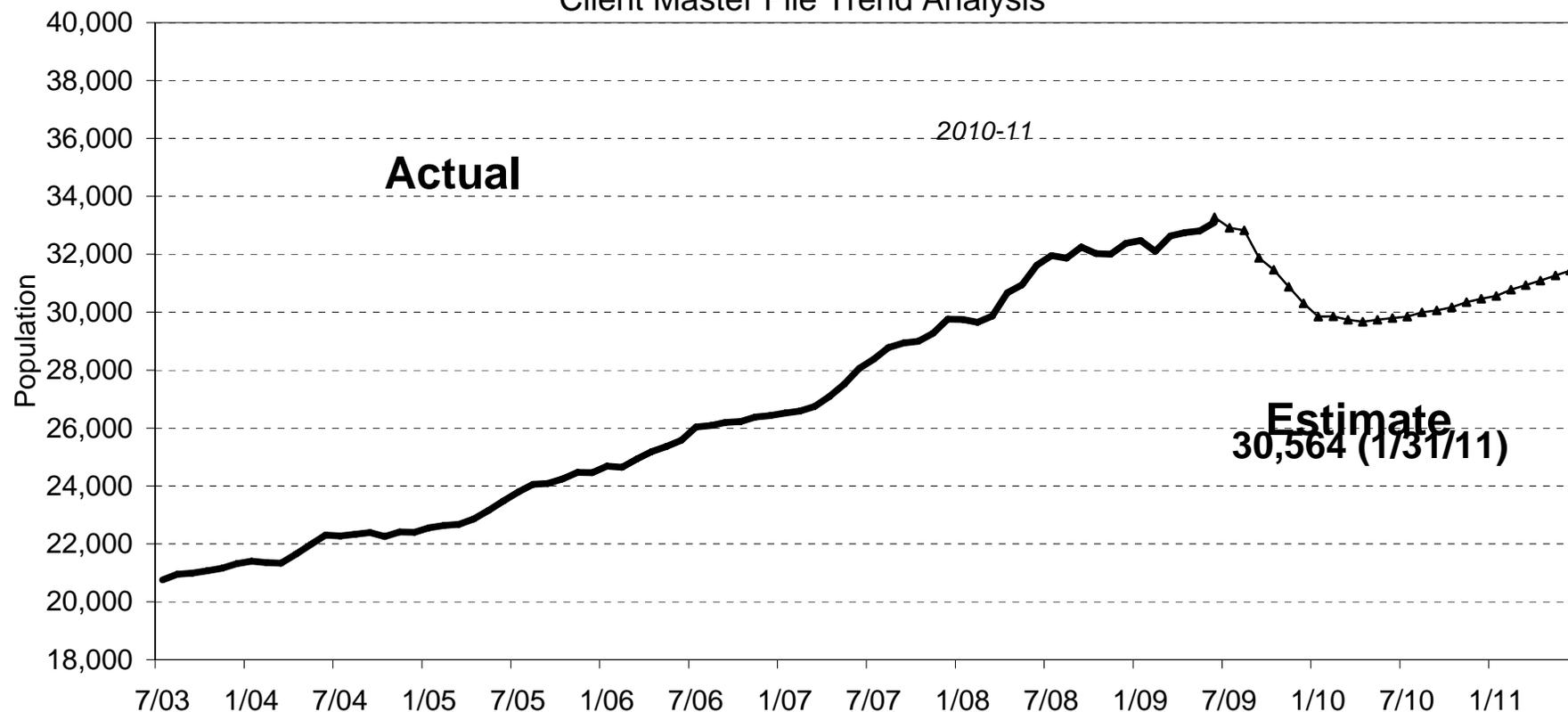
Regional Centers



Data Set: 6/03 through 1/10

Early Start and Prevention Caseload

Birth through 2 Years
Client Master File Trend Analysis *Regional Centers*



Data Set: 6/03 - 1/10

Community Caseload

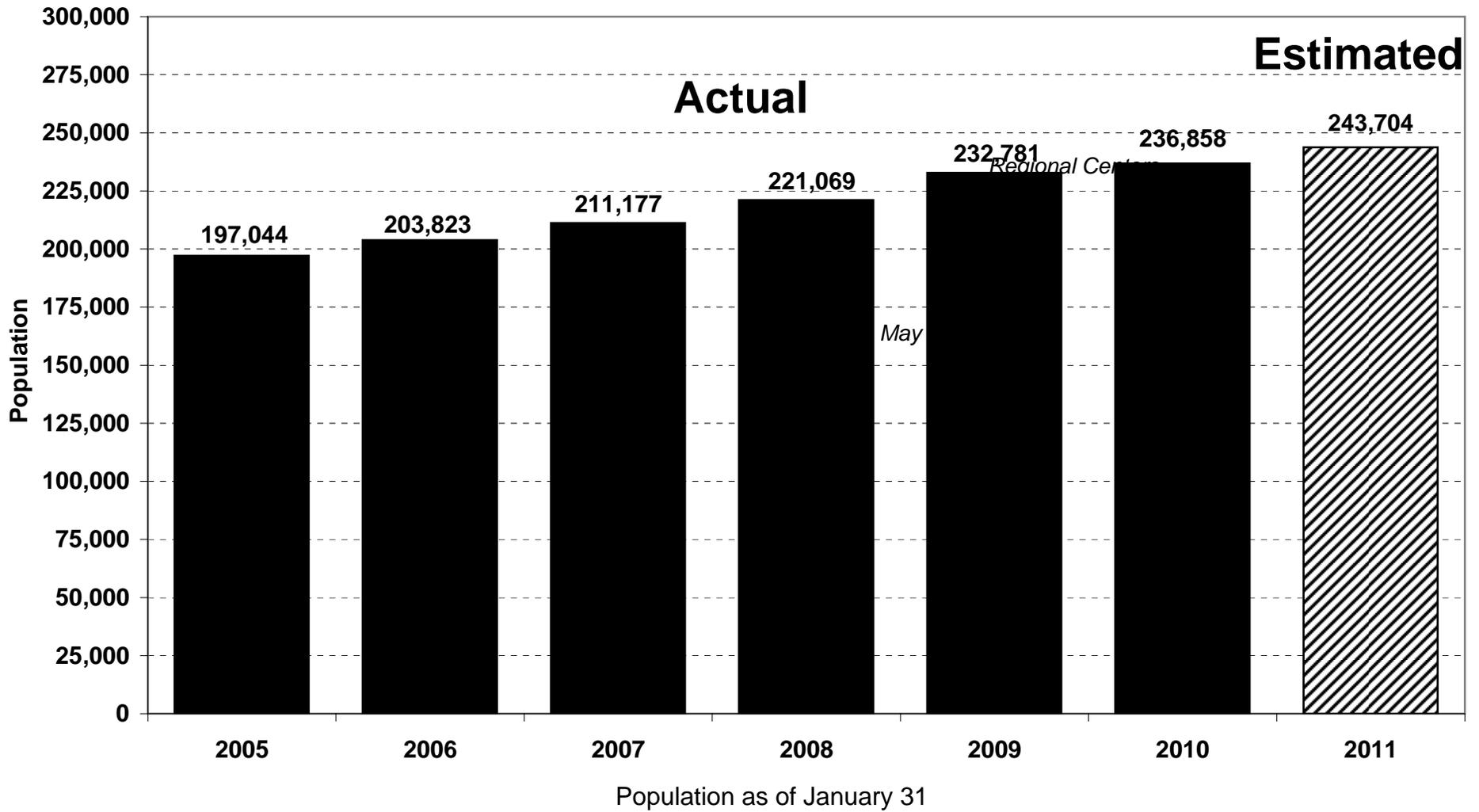


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Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2009-10

	2010-11 November Estimate 2009-10	2010-11 May Revision CY 2009-10	Difference
POPULATION			
Active (Age 3 & Older)	206,550	206,576	26
Early Start and Prevention (Birth through 2 Years)	35,945	30,282	-5,663
Total Community Populator	242,495	236,858	-5,637
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$491,227,000	\$491,227,000	\$0
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,631,000	12,631,000	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	2,219,000	2,219,000	0
G. Staffing for Self-Directed Services	\$1,258,000	\$1,258,000	0
H. Total Staffing	\$486,343,000	\$486,343,000	\$0
II. A. Agnews Developmental Center Closure			
	7,682,000	7,682,000	0
B. Total Agnews Developmental Center Closure	\$7,682,000	\$7,682,000	\$0
III. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollment:	1,621,000	1,621,000	0
C. Compliance with HCBS Waiver Requirement:	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirement:	4,978,000	4,978,000	0
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	473,000	473,000	0
G. Total Federal Compliance	\$41,536,000	\$41,536,000	\$0
IV. 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 Contract	5,137,000	5,137,000	0
C. Quality Assessment Contract	5,900,000	5,900,000	0
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Program	1,719,000	1,719,000	0
H. Special Incident Reporting/Risk Assessment Contract	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. Enhancing FFP, Phase II, Proposal C, Consultant	500,000	500,000	0
L. University Enterprises, Inc	113,000	113,000	0
M. Affordable Housing	94,000	94,000	0
N. Cost Containment	-490,000	-490,000	0
O. Self-Directed Services: Training and Development	200,000	200,000	0
P. Evaluation of SB 962 Pilots	92,000	92,000	0
Q. Review of SB 1175 Housing Proposals	150,000	150,000	0
R. Total Projects	\$27,429,000	\$27,429,000	\$0
V. COST SAVING ITEMS			
A. Savings Target	-\$17,445,000	-\$17,445,000	\$0
B. Transfer to Prevention Program	-5,400,000	-5,400,000	0
C. 3% Reduction in Regional Center Operations Funding	-17,400,000	-17,400,000	0
D. Total Cost Saving Items	-\$40,245,000	-\$40,245,000	\$0
VI. GRAND TOTAL	\$522,745,000	\$522,745,000	\$0

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2010-11

	2010-11 November Estimate BY 2010-11	2010-11 May Revision BY 2010-11	Difference
POPULATION			
Active (Age 3 & Older)	213,140	213,140	0
Early Start and Prevention (Birth through 2 Years)	36,835	30,564	-6,271
Total Community Populator	249,975	243,704	-6,271
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$497,310,000	\$481,184,000	-\$16,126,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,631,000	12,787,000	156,000
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	2,228,000	2,228,000	0
G. Staffing for Self-Directed Services	\$3,325,000	\$1,263,000	-2,062,000
H. Total Staffing	\$494,502,000	\$476,470,000	-\$18,032,000
II.			
A. Agnews Developmental Center Closure	5,114,000	5,114,000	0
B. Lanterman Development Center Closure	0	3,537,000	3,537,000
C. Total Developmental Centers Closure	5,114,000	\$8,651,000	3,537,000
III. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollment:	1,728,000	1,728,000	0
C. Compliance with HCBS Waiver Requirement:	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirement	5,057,000	6,930,000	1,873,000
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	\$41,722,000	\$43,595,000	\$1,873,000
IV. 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	5,295,000	5,295,000	0
C. Quality Assessment Contrac	3,700,000	5,700,000	2,000,000
D. Direct Support Professional Trainin	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contrac	3,000,000	3,900,000	900,000
F. Wellness Projects	200,000	200,000	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:	704,000	703,000	-1,000
J. Sherry S. Court Case / Los Angeles County Hop:	534,000	534,000	0
K. Enhancing FFP, Phase II, Proposal C, Consultant	500,000	500,000	0
L. University Enterprises, Inc	113,000	113,000	0
M. Affordable Housing	94,000	94,000	0
N. Cost Containment	-490,000	-490,000	0
O. Self-Directed Services: Training and Development	200,000	200,000	0
P. Review of SB 1175 Housing Proposals	150,000	150,000	0
Q. Denti-Cal Infrastructure for RC Dental Services	0	750,000	750,000
R. Total Projects	\$24,758,000	\$28,407,000	\$3,649,000
V. COST SAVING ITEMS			
A. Savings Target	-\$17,445,000	-\$17,645,000	-\$200,000
B. Transfer to Prevention Program	-7,200,000	-7,200,000	0
C. 3% Reduction in Regional Center Operations Fundin	-16,167,000	-15,743,000	424,000
D. 2010-11 Savings Target	0	-6,595,000	-6,595,000
E. Total Cost Saving Items	-\$40,812,000	-\$47,183,000	-\$6,371,000
VI. GRAND TOTAL	\$525,284,000	\$509,940,000	-\$15,344,000

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 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Caseload data is from the Client Master File. ● Caseload Projections: (See Section D, Population, for detail) <ul style="list-style-type: none"> ● Active Caseload (Age 3 and Over) 206,576 213,140 ● Early Start and Prevention (Birth through 2 Years) 30,282 30,564 		
Total Community Caseload	236,858	243,704
<ul style="list-style-type: none"> ● Developmental Center (DC) Population 2,151 1,979 	239,009	245,683
Informational:		
<ul style="list-style-type: none"> ● Community Care Facility (CCF) Consumers (including Placement Continuation) 24,269 25,023 ● Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers 82,524 85,707 ● Self-Directed HCBS Waiver-Enrolled Consumers 0 0 ● Early Start (Assessment, High-Risk and Active) 40,805 35,089 ● Placement Continuation Consumers 198 198 ● Intake cases per month 4,518 4,743 ● Vendors 48,747 48,747 ● Mediations per year 400 400 		

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
CORE STAFFING		
PERSONAL SERVICES:		
<ul style="list-style-type: none"> ● Direct Services and Administration: \$326,310,000 \$324,039,000 		
Total Estimated Number of Positions:		
CY 2009-10 9,414.54		
BY 2010-11 9,296.72		
See Attachment A for Core Staffing Expenditure Detail.		
See Attachment B for Core Staffing Formulas.		
<ul style="list-style-type: none"> ● Fringe Benefits: \$77,336,000 \$76,797,000 		
Based on 23.7% per position.		
<ul style="list-style-type: none"> ● Salary Savings: -\$13,593,000 -\$13,464,000 		
<i>Client Program Coordinators: 1.0% Per Position -1,913,000 -1,906,000</i>		
<i>All Other Staff: 5.5% Per Position -11,680,000 -11,558,000</i>		
<ul style="list-style-type: none"> ● Early Start /Part C Administrative and Clinical Support: \$694,000 \$694,000 		
Includes salaries, fringe benefits and salary savings.		
TOTAL PERSONAL SERVICES	\$390,747,000	\$388,066,000

Staffing

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY:		
OPERATING EXPENSES :		
• Operating Expenses:	\$37,329,000	\$36,998,000
Base amount plus the following adjustments:		
Professional Positions: \$3,400 Per New Position		
Clerical Positions: \$2,400 Per New Position		
• Rent:	\$61,390,000	\$54,218,000
Base amount plus the following adjustments:		
CY 2009-10 \$7,757 Per New Position		
BY 2010-11 \$8,086 Per New Position		
TOTAL OPERATING EXPENSES	<u>\$98,719,000</u>	<u>\$91,216,000</u>
CORE STAFFING SUB TOTAL	<u>\$489,466,000</u>	<u>\$479,282,000</u>
• 2007-08 BUDGET-BALANCING REDUCTION (BBR) REDUCE RC HIPAA OPERATIONS	-\$141,000	\$0
• Adjustments for BBR deduction for CPP	\$1,902,000	\$1,902,000
TOTAL CORE STAFFING	<u><u>\$491,227,000</u></u>	<u><u>\$481,184,000</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:	\$12,631,000	\$12,787,000
• See Community Placement Plan 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	\$2,219,000	\$2,228,000
• 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.		
STAFFING FOR SELF-DIRECTED SERVICES	\$1,258,000	\$1,263,000
• TOTAL EXPENDITURES	<u><u>\$486,343,000</u></u>	<u><u>\$476,470,000</u></u>

Staffing

FUNDING:

The funding for Staffing expenditures is comprised of reimbursements from: Medicaid Administration (75% Federal Financial Participation (FFP) 25% General Fund (GF) Match), Home and Community Based Services (HCBS) Waiver Administration (50% FFP/50% GF Match), Self Directed Services (SDS) HCBS Waiver Administration (50% FFP/50% GF Match), Targeted Case Management (TCM) (CY 61.59% FFP and BY 55.8% FFP) and TCM Administration (50% FFP/50% GF Match). The State GF 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 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$486,343,000	\$476,470,000
General Fund	\$302,943,000	\$309,663,000
<i>Match</i>	113,761,000	129,029,000
<i>Other</i>	189,182,000	180,634,000
Reimbursements	\$183,400,000	\$166,807,000
<i>Medicaid Administration</i>	8,402,000	9,047,000
<i>HCBS Waiver Administration</i>	3,195,000	3,198,000
<i>TCM</i>	168,053,000	150,609,000
<i>TCM Administration</i>	3,321,000	3,321,000
<i>SDS HCBS Waiver Administration</i>	429,000	\$632,000

Attachment A
CORE STAFFING
Detailed Comparison of the 2010-11 November Estimate
to the 2010-11 May Revision
CY 2009-10

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	2010-11	2010-11 May Revision			
	November Estimate CY 2009-10	Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,696,429	122.32	\$79,271	\$9,696,429	\$0
(b) Psychologist	10,215,116	244.65	41,754	10,215,116	0
(c) Nurse	4,546,757	122.32	37,171	4,546,757	0
(d) Nutritionist	3,440,862	122.32	28,130	3,440,862	0
(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	2,037,633	22.14	92,034	2,037,633	0
(b) Nurse	5,215,387	103.32	50,478	5,215,387	0
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,913,177	76.59	38,036	2,913,177	0
(2) Intake Worker	24,149,098	765.86	31,532	24,149,098	0
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (6) and (7) below)	20,103,334	383.71	52,392	20,103,334	0
(4) Supervising Counselor (Capitol People First)					
(DC Case Management 1:10 CPCs in Item (4))	260,064	3.87	67,200	260,064	0
(5) Client Program Coordinator (CPC), 1:66 DC Consumers					
Capitol People First	1,820,576	38.72	47,019	1,820,576	0
(6) CPC, 1:66 Consumers(Total Pop w/o DCs, CPP,ES)	62,866,293	1,847.27	34,032	62,866,293	0
(7) CPC (Waiver, Early Start only), 1:62 Consumers	66,127,579	1,943.10	34,032	66,127,579	0
(8) CPC, Quality Assurance for ARM	1,589,635	46.71	34,032	1,589,635	0
(9) Supervising Counselor, DSS Incidental Medical					
Care Regulations (1:10 CPCs in Item (8) below)	65,490	1.25	52,392	65,490	0
(10) CPC, DSS Incidental Medical Care Regs	472,422	12.49	37,824	472,422	0
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,954,222	37.30	52,392	1,954,222	0
(2) CPC	12,693,596	372.99	34,032	12,693,596	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	1,302,465	24.86	52,392	1,302,465	0
(b) CPC	8,461,376	248.63	34,032	8,461,376	0
(c) Administrative and Clinical Support					
e. Community Services					
(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,322,961	26.02	50,844	1,322,961	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	204,634	5.38	38,036	204,634	0
(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)					
(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	\$270,359,210	7,117.33		\$270,359,210	\$0

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

	2010-11 November Estimate CY 2009-10	2010-11 May Revision CY 2009-10			
		Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	3,371,648	84.53	39,887	3,371,648	0
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	782,603	21.46	36,468	782,603	0
(5) Revenue Clerk	1,330,827	64.55	20,617	1,330,827	0
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,501,193	407.74	18,397	7,501,193	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	258,905	11.07	23,388	258,905	0
(5) MD/Psychologist Secretary I	4,014,027	183.49	21,876	4,014,027	0
(6) Secretary II	3,676,594	157.20	23,388	3,676,594	0
(7) Secretary I	17,829,841	950.57	18,757	17,829,841	0
(8) Secretary I (DC Case Management - Capitol People First)	226,121	7.10	31,848	226,121	0
e. SUBTOTAL ADMINISTRATION	<u>\$55,951,086</u>	<u>2,297.21</u>		<u>\$55,951,086</u>	<u>\$0</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.i. + Item A.2.e.)	<u>\$326,310,296</u>	<u>9,414.54</u>		<u>\$326,310,296</u>	<u>\$0</u>
a. CPCs	154,629,895			154,629,895	0
b. All Other Staff	171,680,401			171,680,401	0
4. Fringe Benefits					
a. CPCs 23.7%	\$36,647,285			\$36,647,285	\$0
b. All Other Staff 23.7%	40,688,255			40,688,255	0
c. Total Fringe Benefits	<u>\$77,335,540</u>			<u>\$77,335,540</u>	<u>\$0</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,912,772			-\$1,912,772	\$0
b. All Other Staff 5.5%	-11,680,276			-11,680,276	0
c. Total Salary Savings	<u>-\$13,593,048</u>			<u>-\$13,593,048</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>\$390,746,788</u>			<u>\$390,746,788</u>	<u>\$0</u>
ROUNDED	<u>\$390,747,000</u>	<u>9,415.00</u>		<u>\$390,747,000</u>	<u>\$0</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$37,329,000			\$37,329,000	\$0
2. Rent	61,390,000			61,390,000	0
3. Subtotal Operating Expenses and Rent	<u>\$98,719,000</u>			<u>\$98,719,000</u>	<u>\$0</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$489,466,000</u>			<u>\$489,466,000</u>	<u>\$0</u>
D. 2007-08 Budget-Balancing Reduction (BBR):					
Reduce RC HIPAA Operations	-\$141,000			-\$141,000	\$0
E. Adjustments for BBR deduction for CPP	<u>\$1,902,000</u>			<u>\$1,902,000</u>	<u>\$0</u>
F. TOTAL CORE STAFFING (Items C + D + E)	<u>\$491,227,000</u>			<u>\$491,227,000</u>	<u>\$0</u>

Attachment A
CORE STAFFING
Detailed Comparison of the 2010-11 November Estimate
to the 2010-11 May Revision
BY 2010-11

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	2010-11	2010-11 May Revision			
	November	BY 2010-11			
	Estimate	Positions	Budgeted Salary	Cost	Difference
a. Clinical	BY 2010-11				
(1) Intake and Assessment					
(a) Physician	\$9,987,353	122.84	\$79,271	\$9,737,650	-\$249,703
(b) Psychologist	10,521,590	245.68	41,754	10,258,123	-263,467
(c) Nurse	4,683,174	122.84	37,171	4,566,086	-117,088
(d) Nutritionist	3,544,099	122.84	28,130	3,455,489	-88,610
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	5,430,006	64.00	92,034	5,890,176	460,170
(b) Consulting Pharmacist	3,566,550	64.00	60,450	3,868,800	302,250
(c) Behavioral Psychologist	3,243,348	64.00	54,972	3,518,208	274,860
(d) Nurse	2,978,202	64.00	50,478	3,230,592	252,390
(3) SB 1038 Health Reviews					
(a) Physician	2,098,375	20.67	92,034	1,902,343	-196,032
(b) Nurse	5,370,354	96.47	50,478	4,869,613	-500,741
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	3,145,958	67.76	38,036	2,577,319	-568,639
(2) Intake Worker	26,081,378	677.63	31,532	21,367,029	-4,714,349
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (6) and (7) below)	20,714,749	385.19	52,392	20,180,874	-533,875
(4) Supervising Counselor (Capitol People First)					
(DC Case Management 1:10 CPCs in Item (4))	204,960	4.00	67,200	268,800	63,840
(5) Client Program Coordinator (CPC), 1:66 DC Consumers					
Capitol People First	1,431,729	41.00	47,019	1,927,779	496,050
(6) CPC, 1:66 Consumers (Total Pop w/o DCs, CPP, ES)	65,329,529	1,929.05	34,032	65,649,430	319,901
(7) CPC (Waiver, Early Start only), 1:62 Consumers	67,611,034	1,875.34	34,032	63,821,571	-3,789,463
(8) CPC, Quality Assurance for ARM	1,615,839	47.48	34,032	1,615,839	0
(9) Supervising Counselor, DSS Incidental Medical					
Care Regulations (1:10 CPCs in Item (8) below)	73,873	1.36	52,392	71,253	-2,620
(10) CPC, DSS Incidental Medical Care Regs	531,427	13.62	37,824	515,163	-16,264
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,957,889	37.75	52,392	1,977,798	19,909
(2) CPC	12,717,078	377.46	34,032	12,845,719	128,641
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	1,342,283	21.38	52,392	1,120,141	-222,142
(b) CPC	8,718,318	213.81	34,032	7,276,382	-1,441,936
(c) Administrative and Clinical Support					
e. Community Services					
(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,367,704	26.02	50,844	1,322,961	-44,743
(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	191,321	4.95	38,036	188,278	-3,043
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	5,763	0.12	52,392	6,287	524
(b) CPC (Supplement at 1:45 Consumers)	36,414	1.21	34,032	41,179	4,765
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	371,983	6.97	52,392	365,172	-6,811
(2) QA/CPC	2,416,272	69.74	34,032	2,373,392	-42,880
(3) Nurses	1,791,969	34.87	50,478	1,760,168	-31,801
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	<u>\$278,752,751</u>	<u>7,029.18</u>	<u>\$268,241,844</u>	<u>-\$10,510,907</u>	

Attachment A
CORE STAFFING, BY 2010-11 (continued)

	2010-11	2010-11 May Revision			
	November Estimate BY 2010-11	Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	3,416,720	85.71	39,887	3,418,715	1,995
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	828,918	22.73	36,468	828,918	0
(5) Revenue Clerk	1,328,353	63.82	20,617	1,315,777	-12,576
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,726,372	409.47	18,397	7,533,020	-193,352
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	266,623	10.34	23,388	241,832	-24,791
(5) MD/Psychologist Secretary I	4,134,345	184.26	21,876	4,030,872	-103,473
(6) Secretary II	3,715,418	157.45	23,388	3,682,441	-32,977
(7) Secretary I	18,489,713	930.76	18,757	17,458,265	-1,031,448
(8) Secretary I (DC Case Management - Capitol People First)	177,712	7.57	31,848	241,089	63,377
e. SUBTOTAL ADMINISTRATION	<u>\$57,043,501</u>	<u>2,281.61</u>		<u>\$55,710,256</u>	<u>-\$1,396,622</u>
3. TOTAL POSITIONS AND SALARIES (Item A.1.i. + Item A.2.e.)	<u>\$335,796,252</u>	<u>9,310.79</u>		<u>\$323,952,100</u>	<u>-\$11,844,152</u>
a. CPCs	158,993,267			156,083,810	-2,909,457
b. All Other Staff	176,802,985			167,868,290	-8,934,695
4. Fringe Benefits					
a. CPCs 23.7%	\$37,681,404			\$36,991,863	-\$689,541
b. All Other Staff 23.7%	41,902,307			39,784,785	-2,117,522
c. Total Fringe Benefits	<u>\$79,583,711</u>			<u>\$76,776,648</u>	<u>-\$2,807,063</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,966,747			-\$1,930,757	\$35,990
b. All Other Staff 5.5%	-12,028,791			-11,420,919	607,872
c. Total Salary Savings	<u>-\$13,995,538</u>			<u>-\$13,351,676</u>	<u>\$643,862</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>\$402,078,425</u>			<u>\$388,071,072</u>	<u>-\$14,007,353</u>
ROUNDED	<u>\$402,078,000</u>	<u>9,311.00</u>		<u>\$388,071,000</u>	<u>-\$14,007,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$38,245,000			\$36,993,000	-\$1,252,000
2. Rent	56,987,000			54,218,000	-2,769,000
3. Subtotal Operating Expenses and Rent	<u>\$95,232,000</u>			<u>\$91,211,000</u>	<u>-\$4,021,000</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$497,310,000</u>			<u>\$479,282,000</u>	<u>-\$18,028,000</u>
D. Adjustments for BBR deduction for CPP		N/A		<u>\$1,902,000</u>	<u>\$1,902,000</u>
E. TOTAL CORE STAFFING (Items C + D + E)	<u>\$497,310,000</u>			<u>\$481,184,000</u>	<u>-\$16,126,000</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 2009-10</u>	<u>BY 2010-11</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 2009-10 7,757	Per Position		325,794	
BY 2010-11 7,968	Per Position			334,656
Total Operating Expenses			<u>\$447,594</u>	<u>\$456,456</u>
TOTAL STAFFING			<u>\$2,219,193</u>	<u>\$2,228,055</u>
(Rounded)			\$2,219,000	\$2,228,000

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 2010-11 is higher than the rent factor for CY 2009-10.

		<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:			
	TOTAL	\$2,219,000	\$2,228,000
	General Fund	\$1,842,000	\$1,849,000
	<i>General Fund Match</i>	377,000	379,000
	<i>General Fund Other</i>	1,465,000	1,470,000
	Reimbursements	\$377,000	\$379,000
	<i>HCBS Waiver Administration</i>	377,000	379,000

Staffing for Self-Directed Services (Operations)

DESCRIPTION:

Implementation of Self-Directed Services (SDS) is contingent on the Department 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 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. As a result, the anticipated date of implementation and enrollment is April 2011.

IMPLEMENTATION DATE:

Implementation will be phased in beginning April 2011 as follows:

BY 2010-11

April 2011:	1 regional center
May 2011:	1 regional center
June 2011:	1 regional center

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 one 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 one 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 five regional centers during BY 2010-11.
 - One additional FCC will be added for every 1,000 new SDS HCBS Waiver enrollees at each regional center.
 - There will be approximately 75 SDS enrollees in BY 2010-11.

Staffing for Self-Directed Services (Operations)

METHODOLOGY:

CY 2009-10 BY 2010-11

PERSONAL SERVICES:

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

OPERATING EXPENSES:

CY 2009-10 BY 2010-11

• Operating Expenses:				
Professional Positions:	\$3,400	Per Position	\$3,400	\$3,400
Clerical Positions:	\$2,400	Per Position	408	408
• Rent:				
CY 2009-10	\$7,757	Per Position	9,076	
BY 2010-11	\$8,086	Per Position		9,461
Total Operating Expenses			\$12,884	\$13,269
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDDS/FCC + SECRETARY			\$85,736	\$86,121

Staffing for Self-Directed Services (Operations)

METHODOLOGY:

Below is a chart that displays the CY 2009-10 continued funding for the SDSD and FCC positions at the first 5 regional centers.

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

CY 2009-10 \$85,736 ÷ 12 mos. = \$7,145

CY 2009-10 Cost per Month	# of Positions		Expenditures	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 09	5.0	5.0	35,725	35,725
Aug 09	5.0	5.0	35,725	35,725
Sep 09	5.0	5.0	35,725	35,725
Oct 09	5.0	5.0	35,725	35,725
Nov 09	5.0	5.0	35,725	35,725
Dec 09	5.0	5.0	35,725	35,725
Jan 10	5.0	5.0	35,725	35,725
Feb 10	9.0	5.0	64,305	35,725
Mar 10	13.0	5.0	92,885	35,725
Apr 10	17.0	5.0	121,465	35,725
May 10	21.0	5.0	150,045	35,725
Jun 10	21.0	5.0	150,045	35,725
Totals			\$828,820	\$428,700
TOTAL EXPENDITURES, 2009-10 (SDSD + FCC Phased In)				\$1,257,520
Rounded				\$1,258,000

Below is a chart that displays the BY 2010-11 rollout.

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

BY 2010-11 \$86,121 ÷ 12 mos. = \$7,177

BY 2010-11 Cost per Month	# of Positions		Expenditures	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 10	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Aug 10	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Sep 10	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Oct 10	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Nov 10	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Dec 10	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Jan 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Feb 11	<u>9.0</u>	<u>5.0</u>	64,593	35,885
Mar 11	<u>13.0</u>	<u>5.0</u>	93,301	35,885
Apr 11	<u>17.0</u>	<u>5.0</u>	122,009	35,885
May 11	<u>21.0</u>	<u>5.0</u>	150,717	35,885
Jun 11	<u>21.0</u>	<u>5.0</u>	150,717	35,885
Totals			\$832,532	\$430,620
TOTAL EXPENDITURES, 2010-11 (SDSD + FCC Phased In)				\$1,263,152
Rounded				\$1,263,000

**Staffing for Self-Directed Services
(Operations)**

FUNDING:

Funding for SDS HCBS Waiver Administration is 50% Federal Financial Participation and 50% General Fund.

REASON FOR YEAR-TO-YEAR CHANGE:

The implementation date has been delayed until April 2011.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$1,258,000	\$1,263,000
General Fund	\$829,000	\$631,000
<i>General Fund Match</i>	428,000	631,000
<i>General Fund Other</i>	401,000	0
Reimbursements	\$429,000	\$632,000
<i>SDS HCBS Waiver Administration</i>	429,000	632,000

Agnews Developmental Center Closure (Operations)

	CY 2009-10		BY 2010-11	
	Positions	Cost	Positions	Cost
A. Community Placement Plan Staffing				
1. Unified Operations Costs				
a. Personal Services				
(1) Resource Development		\$775,000		\$175,000
(2) Quality Assurance/ Management	22.00	2,523,500	12.40	960,500
(3) Assessment	0.00	0	0.00	0
(4) Placement	0.00	0	0.00	0
(5) Crisis Services Teams	0.00	0	0.00	0
(6) Nurse Consultants for SB 962 Homes				
(7) Health Care Community Specialists	3.00	503,000	4.00	503,000
(8) Total Personal Services		\$3,801,500		\$1,638,500
b. Operating Expenses				
(1) Operating Expenses		\$72,800		\$43,293
(2) Rent		169,400		80,907
(3) Training, Travel, Consultants		198,000		
(4) Total Operating Expenses		\$440,200		\$124,200
c. Subtotal Unified Operational Costs (Rounded)		\$4,241,700 \$4,242,000		\$1,762,700 \$1,763,000
2. State Employees in the Community				
a. Personal Services	22.50	\$2,327,500	30.00	\$2,275,000
b. Operating Expenses		245,700		209,387
c. Total State Employees in the Community		\$2,573,200		\$2,484,387
3. Subtotal CPP Staffing (Rounded)		\$6,814,900 \$6,815,000		\$4,247,087 \$4,247,000
B. Placement Continuation Staffing				
1. Client Program Coordinators	5.79	\$275,000	7.00	\$275,000
2. Nurse Consultants	5.29	356,000	3.00	356,000
3. Oral Health Care	3.50	236,000	3.00	236,000
4. Subtotal Placement Continuation Staffing		\$867,000		\$867,000
C. Total (A + B) (Rounded)		\$7,681,900 \$7,682,000		\$5,114,087 \$5,114,000

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:		
TOTAL	\$7,682,000	\$5,114,000
General Fund	\$4,726,000	\$2,806,000
General Fund Match	874,000	543,000
General Fund Other	3,852,000	2,263,000
Reimbursements	\$2,956,000	\$2,308,000
TCM	131,000	131,000
Medicaid Administration	2,825,000	2,177,000

Lanterman Developmental Center Closure (Operations)

	CY 2009-10		BY 2010-11	
			Positions	Cost
A. Community Placement Plan Staffing				
1. Personal Services				
(1) Resource Developer	0.00	\$0	5.00	\$425,000
(2) Quality Assurance/ Management	0.00	0	3.00	255,000
(3) Placement	0.00	0	5.50	467,500
(4) Oral Health Care Consultant	0.00	0	8.00	624,000
(5) Nurse Consultants	0.00	0	4.50	382,500
(6) Health Care Community Specialists	0.00	0	8.00	1,006,000
(7) Total Personal Services		\$0	34.00	\$3,160,000
2. b. Operating Expenses				
(1) Operating Expenses		\$0		\$115,600
(2) Rent		0		261,630
(3) Total Operating Expenses		\$0		\$377,230
3. Subtotal Unified Operational Costs (Rounded)		\$0		\$3,537,230
		\$0		\$3,537,000
 EXPENDITURES:				
	<u>CY 2009-10</u>		<u>BY 2010-11</u>	
TOTAL		\$0		\$3,537,000
General Fund				\$0
<i>General Fund Match</i>				0
<i>General Fund Other</i>				0
Reimbursements				\$3,537,000
Money Follows the Person Grant				3,537,000

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 2009-10 BY 2010-11

<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 2010-11 expenditures reflect more HCBS Waiver enrollments than in CY 2009-10</p>	\$1,621,000	\$1,728,000

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</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 : \$3,185,000 GF Match, \$4,065,000 Targeted Case Management, \$1,950,000 Medicaid Administration BY : \$3,567,000 GF Match, \$3,683,000 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: \$2,489,000 GF Match, \$2,489,000 Targeted Case Management BY: \$3,465,000 GF Match, \$3,465,000 Targeted Case Management</p> <p>Change from Prior Estimate and Reason for Year-to-Year Change:</p> <p>Regional centers reported a higher vacancy rate for case manager positions in the 2010-11 May Revision Regional Center Survey than in the 2009-10 May Revision Regional Center Survey; For CY 2009-10 retained the 2010-11 November Estimate, the higher vacancy rate is reflected in the BY 2010-11 estimate.</p> 	\$4,978,000	\$6,930,000
<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 2009-10 BY 2010-11

- **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** \$41,536,000 \$43,595,000

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 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$41,536,000	\$43,595,000
General Fund	\$33,032,000	\$34,497,000
<i>General Fund Match</i>	<i>5,674,000</i>	<i>7,032,000</i>
<i>General Fund Other</i>	<i>27,358,000</i>	<i>27,465,000</i>
Reimbursements	\$8,504,000	\$9,098,000
<i>Medicaid Administration</i>	<i>1,950,000</i>	<i>1,950,000</i>
<i>Targeted Case Management</i>	<i>6,554,000</i>	<i>7,148,000</i>

Attachment

**Compliance with Home and Community-Based Services Waiver Requirements
(Operations)
CY 2009-10 and BY 2010-11**

	<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) (CY 61.59% Federal Financial Participation (FFP) and BY 55.8% 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

		<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:	TOTAL	\$9,200,000	\$9,200,000
	General Fund	\$3,185,000	\$3,567,000
	<i>General Fund Match</i>	3,185,000	3,567,000
	<i>General Fund Other</i>	0	0
	Reimbursements	\$6,015,000	\$5,633,000
	<i>Medicaid Administration</i>	1,950,000	1,950,000
	<i>TCM</i>	4,065,000	3,683,000

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

	CY 2009-10	BY 2010-11
A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions	1,720.60	1,747.32
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x <u>3.8%</u> x	<u>5.2%</u>
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	65.38	90.86
D. CPC Salary	x <u>\$39,606</u> x	<u>\$39,606</u>
E. Total CPC Salary Expenditures (Item C x Item D)	\$2,589,440	\$3,598,601
F. Supervising Counselors (at 1:10 CPCs)		
CY 65.38 x 1/10 = 6.54	6.54	
BY 90.86 x 1/10 = 9.09		9.09
G. Supervising Counselor Salary	x <u>\$62,784</u> x	<u>\$62,784</u>
Total Supervising Counselor Salary Expenditures (Item F x Item G)	\$410,607	\$570,707
H. Secretary II (at 1:6 CPCs and Supervising Counselors)		
CY 65.38 + 6.54 = 71.92		
71.92 x 1/6 = 11.99	12.00	
BY 90.86 + 9.09 = 99.95		
99.95 x 1/6 = 16.66		17.00
I. Secretary II Salary	x <u>\$28,736</u> x	<u>\$28,736</u>
Total Secretary II Salary Expenditures (Item H x Item I)	\$344,832	\$488,512
J. Fringe Benefits		
CPCs 23.7%	\$613,697	\$852,868
All Other Staff 23.7%	+ <u>179,039</u> +	<u>251,035</u>
	\$792,736	\$1,103,903
K. Salary Savings		
CPCs 1.0%	-\$32,031	-\$44,515
All Other Staff 5.5%	+ <u>-51,396</u> +	<u>-72,064</u>
	-\$83,427	-\$116,579
L. Total Personal Services (Item E + Item G + Item J + Item I + Item K)	\$4,054,188	\$5,645,144
M. Operating Expenses		
Professional Positions \$3,400	\$244,528	\$339,830
Clerical Positions \$2,400	28,776	39,984
Rent		
CY 2009-10 \$7,757	650,890	
BY 2010-11 \$8,086	+ <u>904,544</u> +	<u>904,544</u>
Total Operating Expenses	\$924,194	\$1,284,358
N. Total Costs (Item L + Item M)	\$4,978,382	\$6,929,502
Rounded	<u>\$4,978,000</u>	<u>\$6,930,000</u>
	General Fund	\$2,489,000
	General Fund Match	2,489,000
	General Fund Other	0
	Reimbursements	\$2,489,000
	Targeted Case Management	2,489,000
		\$3,465,000
		3,465,000

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 2009-10 BY 2010-11

- **Information Technology Costs** \$4,517,000 \$4,517,000
 - Regional Center Application Support 3,167,000 3,167,000
 - Data Processing 1,350,000 1,350,000
(100% General Fund)

- **Clients' Rights Advocacy** \$5,137,000 \$5,295,000

The Department contracts with Disability Rights California for clients' rights advocacy services for regional center consumers. (100% General Fund)

Reason for Year-to-Year Change:

In BY 2010-11, the community caseload is estimated to increase by 1,209 consumers.

- **Quality Assessment Contract** \$5,900,000 \$5,700,000

ABX4 9, WIC 4571 consolidates the Life Quality Assessment and the Movers Study which sunset on June 30, 2009 into one improved quality assurance survey to measure consumer and family satisfaction, provision of services and personal outcomes. (100% General Fund)

- **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.

Projects

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY (continued):

- **Office of Administrative Hearings** \$2,211,000 \$3,900,000

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)

Reason for Year- to-Year Change : The number of requests for fair hearing has increased due to changes implemented through the 2009 trailer bill language and due to population increases.

- **Wellness Projects** \$1,490,000 \$200,000

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. This represents budget savings and funding to update the Autism Spectrum Disorder Guidelines. (100% General Fund)

- **Foster Grandparent/Senior Companion** \$1,719,000 \$1,719,000

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.

CY and BY: \$1,159,000 General Fund, \$560,000 Federal Funds

Projects

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY (continued):

- **Special Incident Reporting/Risk Assessment** \$940,000 \$940,000

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)

- **Increased Access to Mental Health Services** \$740,000 \$703,000

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.

- Regional Best Practice Training 270,000 256,500
 - Statewide Training for Families, Service Providers, Service Coordinators, and Consumers 270,000 256,500
 - Regional Center Technical Assistance and Liaison Support 65,000 61,750
 - Regional Planning Projects 135,000 128,250
- (100% Mental Health Services Fund)

- **Sherry S. Court Case** \$534,000 \$534,000

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)

Projects

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY (continued):

<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II <p>These costs are associated with legal support for federal program activities. (100% General Fund)</p>	\$500,000	\$500,000
<ul style="list-style-type: none"> ● University Enterprises, Inc. <p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. (100% General Fund)</p>	\$113,000	\$113,000
<ul style="list-style-type: none"> ● Affordable Housing <p>In 1994, pursuant to the court decision commonly referred to as the Coffelt Settlement Agreement, funds were allocated to create affordable housing for persons with developmental disabilities. Funding was allocated on a per capita basis to four geographic regions throughout California to provide affordable housing to very low-income individuals receiving services from the regional centers. Annual loan forgiveness for the term of twenty years was stipulated to occur based on each project's compliance with the Standard and Regulatory Agreement. Fiscal review and site monitoring activities are required annually. Technical assistance on additional housing-related issues is obtained through an interagency agreement (IA) with the Department of Housing and Community Development (HCD) as needed. (100% General Fund)</p>	\$94,000	\$94,000
<ul style="list-style-type: none"> ● Cost Containment <p>2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% General Fund)</p>	-\$490,000	-\$490,000
<ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development <p>In anticipation of the SDS program implementation expected to occur in April 2011, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers and for maintenance of the methodology and calculation of the individual budget. (100% General Fund)</p>	\$200,000	\$200,000

Projects

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY (continued):

- **Evaluation of SB 962 Pilots** \$92,000 \$0

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

Reason for Year-to-Year Change:

Contract terminates on December 31, 2009 and the report will be completed in 2009-10.

- **Review of SB 1175 Housing Proposals** \$150,000 \$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. \$150,000 is being appropriated for this purpose for CY 2009-10 and for BY 2010-11 (Developmental Disabilities Services Account)

- **Extension of Denti-Cal Infrastructure for Regional Center Funded Dental Services** \$0 \$750,000

This project will result in the ability of regional centers to use the expertise and Department of Health Care Services (DHCS) system for reviewing treatment plans and approving claims for dental services consistent with the DHCS Denti-Cal program. (100% General Fund).

- **TOTAL EXPENDITURES** **\$27,429,000** **\$28,407,000**

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 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$27,429,000	\$28,407,000
General Fund	\$24,546,000	\$25,561,000
<i>General Fund Match</i>	1,433,000	1,433,000
<i>General Fund Other</i>	23,113,000	24,128,000
Reimbursements	\$2,173,000	\$2,136,000
<i>HCBS Waiver Administration</i>	1,433,000	1,433,000
<i>Mental Health Services Fund</i>	740,000	703,000
Developmental Disabilities Services Account	\$150,000	\$150,000
<i>SB 1175 Housing Proposals</i>	150,000	150,000
Federal Funds	\$560,000	\$560,000
<i>Foster Grandparent Program</i>	560,000	560,000

3 Percent Reduction in Regional Center Operations Funding

DESCRIPTION:

The Department of Developmental Services proposes to decrease regional centers' operations funding by 3 percent, \$17.4 million (\$11.3 million General Fund) for CY 2009-10 and \$15.7 million (\$10.9 million General Fund) for BY 2010-11. The Department proposes to provide flexibility and relief to regional centers' operational requirements by temporarily suspending specified reporting requirements and the 1:66 caseload ratio requirement for consumers residing in the community with specified exemptions, and the requirement that regional centers have, or contract for, specialized expertise in specified areas.

KEY DATA/ASSUMPTIONS:

The 3 percent reduction in Operations is estimated to save \$17,400,000 in CY 2009-10 and \$15,743,000 in BY 2010-11.

IMPLEMENTATION DATE:

February 1, 2009

FUNDING:

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

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	-\$17,400,000	-\$15,743,000
General Fund	-\$11,270,000	-\$10,837,000
<i>General Fund Match</i>	-3,668,000	-3,687,000
<i>General Fund Other</i>	-7,602,000	-7,150,000
Reimbursements	-\$6,130,000	-\$4,906,000
<i>Medicaid Administration</i>	-689,000	-368,000
<i>HCBS Waiver Administration</i>	-121,000	-132,000
TCM	-5,320,000	-4,406,000

Additional 1.25 Percent Reduction Regional Center Operations Funding

DESCRIPTION:

The Department of Developmental Services proposes to decrease regional centers' operations funding by an additional 1.25 percent, \$4.6 million General Fund (GF), to achieve additional systemwide GF savings of \$25,000,000 for BY 2010-11.

KEY DATA/ASSUMPTIONS:

The additional 1.25 percent reduction in Operations is estimated to save \$6.6 million in BY 2010-11.

IMPLEMENTATION DATE:

July 1, 2010

FUNDING:

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

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$0	-\$6,595,000
General Fund	\$0	-\$4,574,000
<i>General Fund Match</i>	0	-1,492,000
<i>General Fund Other</i>	0	-3,082,000
Reimbursements	\$0	-\$2,021,000
<i>Medicaid Administration</i>	0	-152,000
<i>HCBS Waiver Administration</i>	0	-53,000
<i>TCM</i>	0	-1,816,000

Revised Major Assumption American Recovery and Reinvestment Act (ARRA) (Operations)

DESCRIPTION:

End of Temporary Increase in Federal Medical Assistance Percentage (FMAP). The Department receives federal funds (Target Case Management) associated with the Operations of regional centers. The matching percentage for federal funds was temporarily increased by ARRA through December 31, 2010. To account for the return to regular FMAP in 2010-11, the Department's estimate of additional General Fund need related to Operations is \$15,737,000 for the regional centers.

IMPLEMENTATION DATE:

Effective date: October 1, 2008 - December 31, 2010

CHANGE FROM PRIOR ESTIMATE:

The CY budget assumes full year increased FMAP. BY reflects six months of increased FMAP based on the expiration of ARRA funding on December 31, 2010.

REASON FOR YEAR-TO-YEAR CHANGE:

The ARRA funding expires in BY 2010-11, December 31, 2010.

EXPENDITURES:

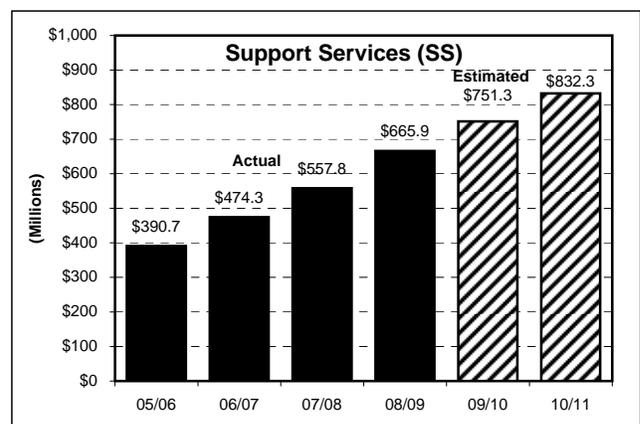
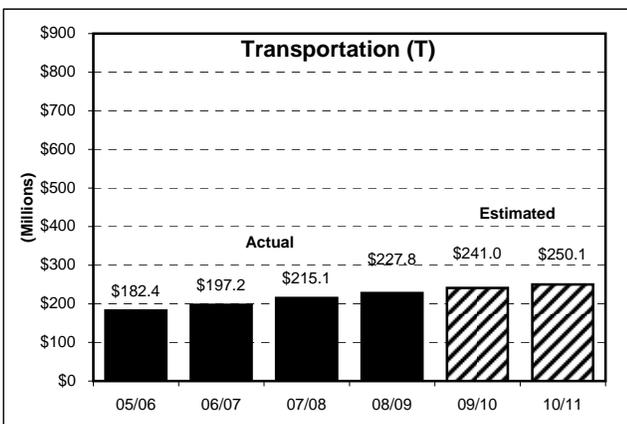
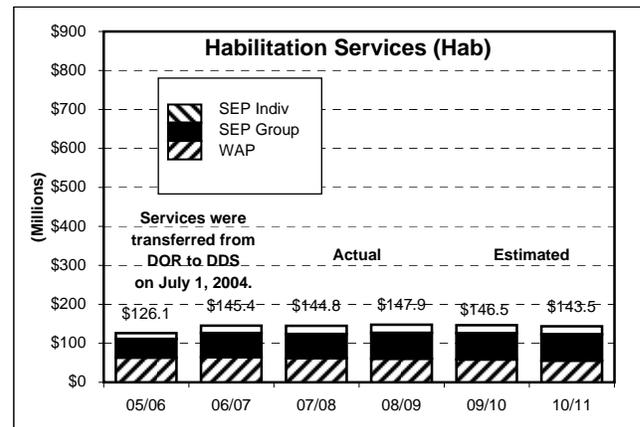
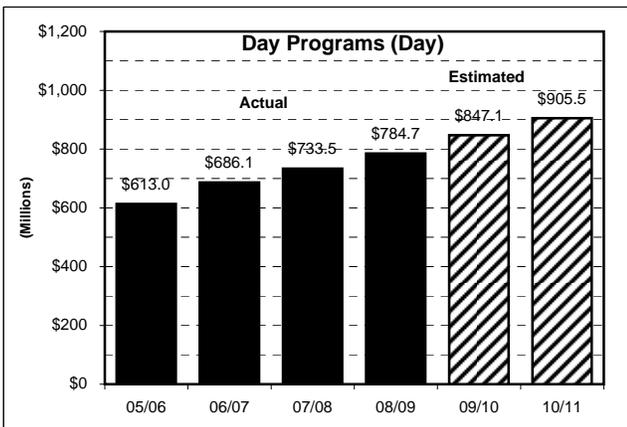
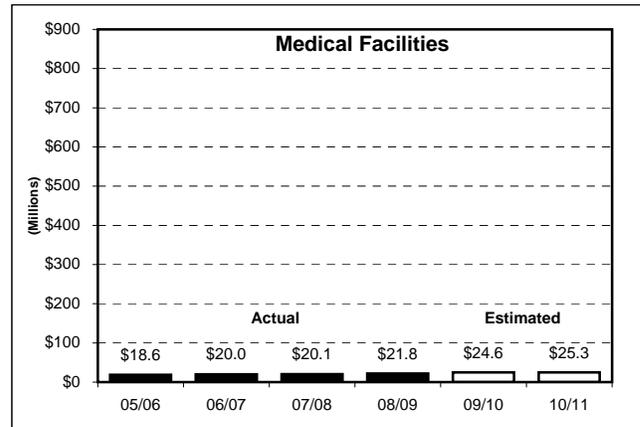
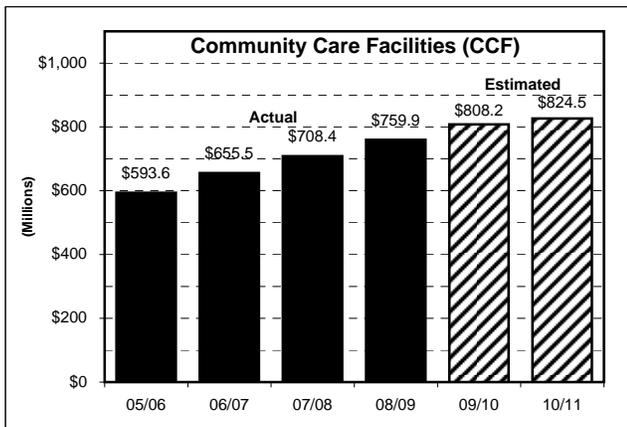
	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$0	\$0
<i>Targeted Case Management</i>	<i>0</i>	<i>-15,737,000</i>
<i>General Fund</i>	<i>0</i>	<i>15,737,000</i>

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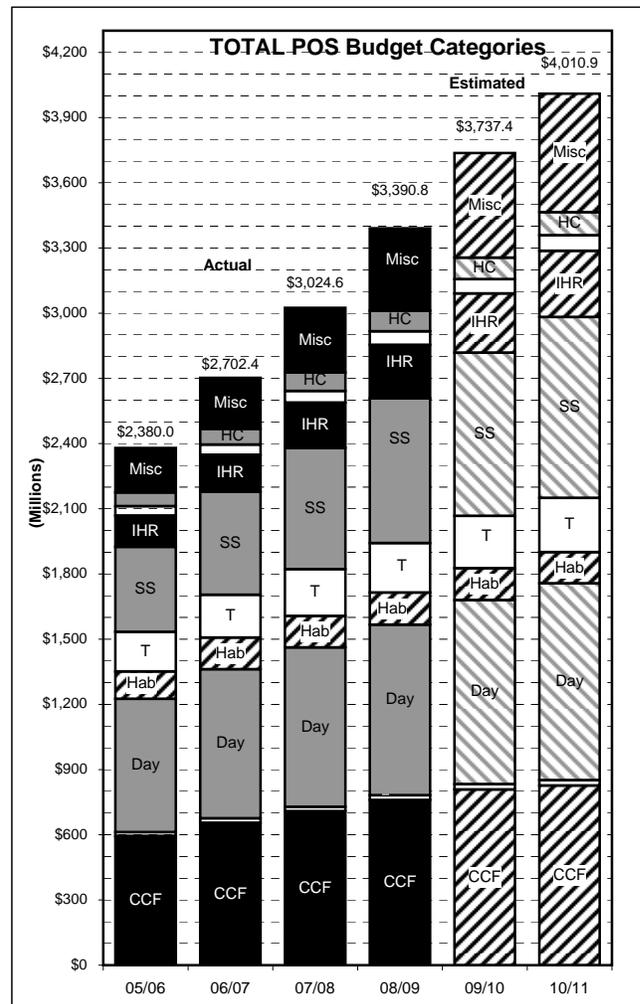
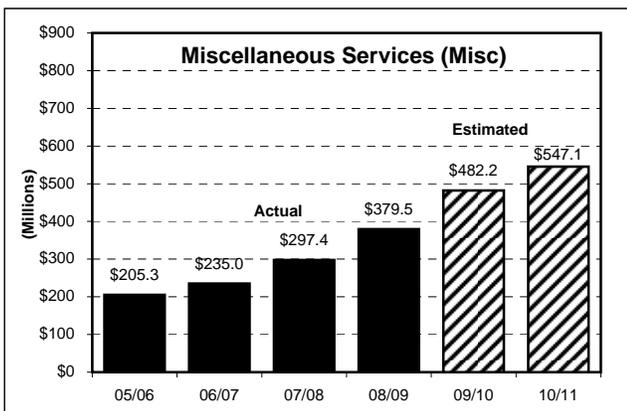
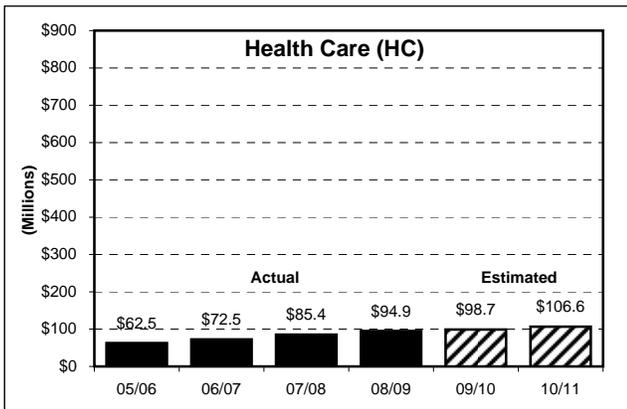
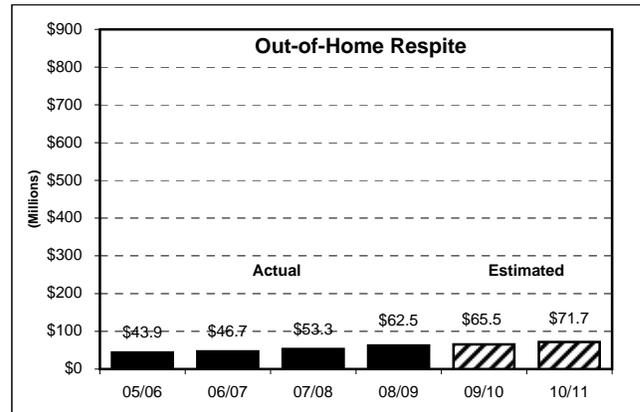
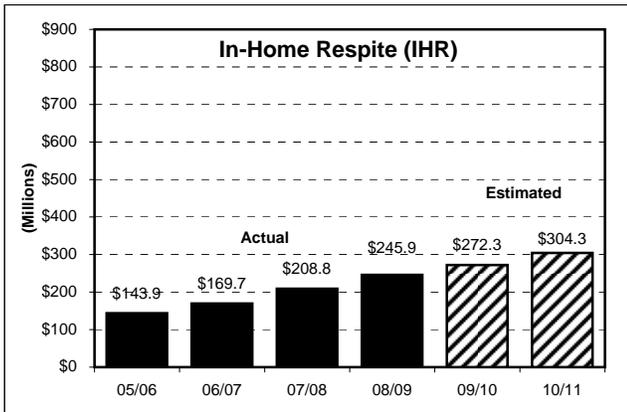
Purchase of Services **TOTAL EXPENDITURES** by Budget Category

(Excludes Self-Directed Services; All Savings Targets; and other Major Assumptions)



Purchase of Services TOTAL EXPENDITURES by Budget Category

(Excludes Self-Directed Services; All Savings Targets; and other Major Assumptions)



Community Care Facilities

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

- CCF Population and Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated October 1, 2009. Data were adjusted for lag based on historical data.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 95.1 percent of persons in CCFs), the regional centers fund only the portion of the facility costs that is above the SSI/SSP level of payment (i.e., the "net" costs). Funds for the SSI/SSP grants are in the DSS budget. This factor is incorporated in the CCF estimate.

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11 the prior-year estimate, with the following adjustments, was used as the base:	\$762,561,000	\$780,306,000
● Prior Year Costs	762,561,000	N/A
● Prior Year Estimate		808,198,000
● Less Community Placement Plan One-Time Costs		-27,892,000
● SSI/SSP Increases Effective 1/1/09 and 1/1/11:	-\$1,675,000	-\$1,715,000

Effective 1/1/09, the SSI/SSP rate was \$961. The June 2009 and Jan 2010 rate increases did not occur. Additionally, rates will not increase in June 2010, reducing the CCF savings. The SSI/SSP rate is estimated to increase to \$973 in January 2011.

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$34,346,000	\$35,570,000
<ul style="list-style-type: none"> ● Caseload Growth <p style="margin-left: 20px;">These estimates were based on forecasting models specific to the September 2003 through August 2009 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:</p> <div style="margin-left: 40px;"> <p>CY 2009-10: 6,540 Person Months</p> <p>BY 2010-11: 6,202 Person Months</p> </div>	16,909,000	16,843,000
<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 2009-10 base net costs of \$726,535,000 (which exclude Community Placement Plan costs, rate adjustments and program changes) were multiplied by 2.4 percent to project the average cost increase of \$17,437,000. The 2.4 percent increase is based on the estimated increase in the average cost per person month from 2007-08 to 2008-09. BY 2010-11 base net costs of \$780,306,000 were also multiplied by 2.4 percent to project an average cost increase of \$18,727,000.</p>	17,437,000	18,727,000
<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 for the methodology detail. 	\$27,892,000	\$25,557,000

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> <p>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 the prior year. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends.</p> 	In Trends	In Trends
<ul style="list-style-type: none"> <p>Minimum Wage Increase: 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"> <p>RC Internal Review Process: Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, and expanded the 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p> 	-\$1,413,000	In Base
<ul style="list-style-type: none"> <p>Negotiated Rate Reduction: 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 \$46.5 million and \$53.6 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.]</p> 	-\$13,513,000	-\$15,226,000

Community Care Facilities

METHODOLOGY (continued):

- **TOTAL EXPENDITURES** **\$808,198,000** **\$824,492,000**

FUNDING:

CCF expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, 1915 (i) State Plan Amendment and the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF). Based on actual FY 2008-09 billing data, approximately 78 percent of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount and 1915 (i) State Plan Amendment amount, 61.59 percent in CY 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the effects of all cost saving items.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the forecasts based on 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 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$808,198,000	\$824,492,000
General Fund	\$395,180,000	\$427,248,000
<i>General Fund Match</i>	244,038,000	306,728,000
<i>General Fund Other</i>	151,142,000	120,520,000
Reimbursements	\$413,018,000	\$397,244,000
<i>HCBS Waiver FFP</i>	392,816,000	359,999,000
<i>1915 (i) State Plan Amendment</i>	14,520,000	27,225,000
<i>Title XX TANF</i>	5,682,000	10,020,000

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 for CY 2009-10 are based on the 2009-10 May Revision Regional Center Survey. For BY 2010-11 assumptions are based on 2010-11 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed and 7 to 15 bed ICFs for CY 2009-10 and BY 2010-11 are provided by the Department of Health Care Services and are effective August 1, 2008, as follows:
\$185.50 for DD-Hs, \$211.63 for DD-Ns, \$424.58 for DD-CN.
- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	52	52
DD-N	94	104
DD-CN	8	8
- For CY 1.9 percent and for BY 1.7 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 2009-10</u>	<u>BY 2010-11</u>
• Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, the prior year estimate, with the following adjustments, was used as the base.	\$22,241,000	\$22,418,000
Prior-Year Costs		24,645,000
Less Gap Resource Development in Base		-2,062,000
Less Community Placement Plan One-Time Costs		-165,000
• Utilization Change/Growth:	\$223,000	\$215,000
It is assumed that in CY 1.9 percent and in BY 1.7 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 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Gap Resource Development: 	\$2,062,000	\$2,533,000
<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 2009-10 and BY 2010-11 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>	1,109,000	1,129,000
<ul style="list-style-type: none"> ● Change of Ownership Facilities <p>It is estimated that 11 ICF/DD-H and 18 ICF/DD-N providers will sell their facilities during CY 2009-10 and BY 2010-11. 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	1,404,000
<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 for the methodology detail.</p>	\$165,000	\$181,000
<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. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends</p>	In Trends	In Trends

Medical Facilities

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> • Regional Center Internal Review Process: 	-\$46,000	In Trends
<p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, and expanded regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p>		
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$24,645,000	\$25,347,000

FUNDING:

Medical Facility expenditures are funded by the General Fund.

General Fund is estimated and does not include the effect of all cost saving items.

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:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$24,645,000	\$25,347,000
General Fund	\$24,645,000	\$25,347,000
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	24,645,000	25,347,000
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 October 1, 2009. Data was adjusted for lag based on historical data.

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
● Base: Actual Fiscal Year (FY) 2008-09 expenditures were used to develop the Current Year (CY) 2009-10 base. For Budget Year (BY) 2010-11, the prior-year estimate, with the following adjustment, was used for the base:	\$787,822,000	\$842,823,000
● Prior Year Costs	\$787,821,755	N/A
● Prior Year Estimate	N/A	\$846,757,000
● Less Community Placement Plan (CPP) One-Time	N/A	-\$3,934,000
● Utilization Change/Growth:	\$57,806,000	\$59,157,000
<i>Caseload Growth</i>	\$43,685,000	\$44,014,000

The caseload growth is estimated to be 40,157 person months in CY 2009-10 and 39,735 person months in BY 2010-11. The CY and BY estimate is based on a simple Auto Regressive Integrated Moving Average model of Day Program consumer data from September 2003 through August 2009.

Day Programs

METHODOLOGY (continued):

CY 2009-10

BY 2010-11

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

\$14,121,000

\$15,143,000

CY 2009-10 base net costs of \$787,822,000 (Less PY Minimum Wage Increase and Health and Safety) were multiplied by 1.8 percent to project an average cost increase of \$14,121,000. The 1.8 percent is based on the estimated increase in the average cost per person per month from FY 2007-08 to FY 2008-09. The BY 2010-11 base net costs of \$841,287,000 were also multiplied by 1.8 percent to project an average cost increase of \$15,143,000.

- **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 for the methodology detail.

\$3,934,000

\$4,364,000

Day Programs

METHODOLOGY (continued):

CY 2009-10

BY 2010-11

- **Placement/Deflection Continuation:**

In Trends

In Trends

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. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends.

- **Minimum Wage Increases:**

In Trends

In Trends

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.

- **Regional Center Internal Review Process:**

-\$1,637,000

In Base

Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, and expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.

Day Programs

METHODOLOGY (continued):

CY 2009-10

BY 2010-11

- **Negotiated Rate Reduction:**

-\$839,000

-\$883,000

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 \$46.5 million and \$53.6 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.]

- **TOTAL EXPENDITURES**

\$847,086,000

\$905,461,000

FUNDING:

Day Program expenditures are funded by the General Fund, Medicaid, Home and Community-Based Services (HCBS) Waiver, 1915(i) State Plan Amendment, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), and the Early Start Grant. Based on actual FY 2008-09 billing data, approximately 49 percent of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount and 1915(i) State Plan Amendment amount, 61.59 percent in CY 2009-10 and 55.8 percent BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the effect of all cost saving items.

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 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$847,086,000	\$905,461,000
General Fund	\$436,177,000	\$512,788,000
<i>General Fund Match</i>	198,799,000	248,097,000
<i>General Fund Other</i>	237,378,000	264,691,000
Reimbursements	\$376,203,000	\$375,171,000
<i>HCBS Waiver FFP</i>	247,319,000	226,658,000
<i>1915 (i) State Plan Amendment</i>	20,550,000	38,531,000
<i>Title XX Social Services</i>	68,140,000	68,140,000
<i>Title XX TANF</i>	2,159,000	3,807,000
<i>Medicaid</i>	38,035,000	38,035,000
Federal Funds	\$34,706,000	\$17,502,000
<i>Early Start Grant</i>	34,706,000	17,502,000

Habilitation Services Program

DESCRIPTION:

This estimate reflects the resources necessary for the Department of Developmental Services (DDS) to administer the Habilitation Services Program (HSP), as required in Section 2, Chapter 13 (commencing with Section 4850) of Division 4.5 of the Welfare and Institutions Code. These services currently are provided chiefly by the 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):

WAP is provided, for the most part, in a sheltered setting. Services can 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 is paid on a per-consumer-day basis.

Supported Employment Program (SEP):

SEP provides opportunities for persons with developmental disabilities to work, through integrated settings and with support services provided by community rehabilitation programs. These services enable consumers to learn necessary job skills and maintain employment. SEP provides 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 WAP, 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 SEP, the Department of Rehabilitation 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 SEP throughout the term of employment. Consumers who are unsuccessful in the VR program have their cases closed and usually returned to regional center-funded WAP services.

Group Placement:

Group placements occur in the community (integrated setting) and they consist of small groups of three to eight individuals with disabilities. These groups will work at an employer's work site or rotate work assignments such as janitorial services or landscaping crews. The SEP services that are provided, include job skills training, supervision of work performed, and other on-the-job support services. These services 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 funds the intake fee for new consumers and the first three to six months of a group placement. 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. Individual placement includes job skills 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 at a 20 percent intervention for 60 days).

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated November, 2009. Data was adjusted for lag based on FY 2006-07 expenditures.

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
Work Activity Program:	\$58,478,000	\$55,576,000
• Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, the prior-year estimate, with the following adjustment, was used as the base.	\$61,488,000	\$58,478,000
• Prior Year Costs	61,488,000	58,478,000
• Prior Year Estimate	61,488,000	58,478,000
• Less Community Placement Plan (CPP) One-Time Costs	0	0
• Utilization Change/Growth:	-\$2,929,000	-\$2,902,000

WAP expenditure data for the period April 2003 through March 2009 were used to update CY 2009-10 and BY 2010-11. 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):

CY 2009-10

BY 2010-11

Work Activity Program (continued):

- | | | |
|---|-----------|---------|
| <ul style="list-style-type: none"> • CPP: See Community Placement Plan for the methodology detail. • Regional Center Internal Review Process: | \$0 | \$0 |
| | -\$81,000 | In Base |

Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanded the 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.

Supported Employment Program:	\$87,987,000	\$87,959,000
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HSP Group Placement:	\$67,213,000	\$67,225,000
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- | | | |
|--|--------------|--------------|
| <ul style="list-style-type: none"> • Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> • Prior Year Costs • Prior Year Estimate • Less CPP One-Time Costs • Utilization Change/Growth: | \$67,388,000 | \$67,035,000 |
| | 67,388,000 | 67,213,000 |
| | 0 | -178,000 |
| | 0 | 0 |
| | -\$256,000 | -\$5,000 |

HSP Group Placement expenditure data for the period April 2003 through March 2009 were used to update CY 2009-10 and BY 2010-11. 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.

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
Supported Employment Program (continued):		
HSP Group Placement (continued):		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan for the methodology detail. 	\$178,000	\$195,000
<ul style="list-style-type: none"> ● Reduce Supported Employment Program Provider Rate by 10 Percent: 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. Estimated savings are now reflected in CY 2009-10 base. 	In Trends	In Trends
<ul style="list-style-type: none"> ● 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, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11. 	-\$97,000	In Base
HSP Individual Placement:	\$20,774,000	\$20,734,000
<ul style="list-style-type: none"> ● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, the prior-year estimate, with the following adjustment, was used as the base. 	\$20,889,000	\$20,774,000
<ul style="list-style-type: none"> ● Prior Year Costs 	20,889,000	20,774,000
<ul style="list-style-type: none"> ● Prior Year Estimate 	N/A	0
<ul style="list-style-type: none"> ● Less CPP One-Time Costs 	N/A	0

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<i>HSP Individual Placement (continued):</i>		
<ul style="list-style-type: none"> <p>● Utilization Change/Growth:</p> <p>Monthly SEP Individual Placement expenditure data from April 2003 through March 2009 were used to update CY 2009-10 and BY 2010-11. 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> 	-\$82,000	-\$40,000
<ul style="list-style-type: none"> <p>● CPP: See Community Placement Plan for the methodology detail.</p> 	\$0	\$0
<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. Estimated savings are now reflected in the CY 2009-10 base.</p> 	In Trends	In Trends
<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, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p> 	-\$33,000	In Base
<ul style="list-style-type: none"> <p>● TOTAL EXPENDITURES</p> 	\$146,465,000	\$143,535,000

Habilitation Services Program

FUNDING:

Habilitation Services expenditures are funded by the General Fund, HCBS Waiver, Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF) and the 1915(i) State Plan Amendment. Based on actual FY 2008-09 billing data, approximately 60 percent, 39 percent, and 24 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 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General fund is estimated and does not include the effect of all cost savings items.

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 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$146,465,000	\$143,535,000
General Fund	\$96,236,000	\$91,681,000
<i>General Fund Match</i>	30,201,000	41,072,000
<i>General Fund Other</i>	66,035,000	50,609,000
Reimbursements	\$50,229,000	\$51,854,000
<i>HCBS Waiver FFP</i>	44,156,000	40,467,000
<i>Title XX TANF</i>	1,000	2,000
<i>1915(i) State Plan Amendment</i>	6,072,000	11,385,000

Transportation

DESCRIPTION:

Pursuant to Welfare & Institutions Code, Sections 4501, 4502, 4512, and 4646, (Lanterman Act), regional centers contract with vendors to provide services and supports to all qualifying regional center consumers.

Transportation services are provided so persons with a developmental disability may participate in programs and/or other activities identified in their Individual Program Plan. A variety of sources may be used to provide transportation including: public transit and other providers; specialized transportation companies; day programs and/or residential vendors; and family members, friends, and others. Transportation services may include help in boarding and exiting a vehicle as well as assistance and monitoring while being transported.

KEY DATA/ASSUMPTIONS:

Transportation Expenditure Data Sources:

Purchase of Service (POS) Claims Data file dated June 1, 2009.
Data were adjusted for lag based on Fiscal Year (FY) 2006-07 expenditures.

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Base: Actual expenditures through FY 2008-09 were used to project the CY 2009-10 base. For BY 2010-11, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan (CPP) One-Time Costs 	<p>\$232,702,000</p> <p>232,702,000</p> <p>N/A</p> <p>N/A</p>	<p>\$240,224,000</p> <p>N/A</p> <p>\$240,967,000</p> <p>-743,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	<p>\$8,187,000</p>	<p>\$9,290,000</p>

CY 2009-10 and BY 2010-11 were estimated based on forecasting models specific to the April 2003 through March 2009 Transportation expenditure data (excluding CPP placement).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA (Auto Regressive Integrated Moving Average) model, the transfer function model accounts for the recent program changes so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. A one-time intervention was identified as being significant in April 2008. Additional one-time interventions were also identified in June, July and September 2008 due to the increase in gasoline prices.

Transportation

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan for the methodology detail. 	\$743,000	\$822,000
<ul style="list-style-type: none"> ● Placement Continuation: These are the continuing costs for consumers utilizing Transportation services who were moved from a developmental center into the community under the CPP in the prior year. For CY 2009-10 and BY 2010-11, the impact of this increase is reflected in the trends. 	In Trends	In Trends
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: 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 were not frozen at the time of enactment, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$46.6 million and \$100.2 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11. 	-\$277,000	-\$284,000
<ul style="list-style-type: none"> ● 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, expanded the 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11. 	-\$388,000	In Base
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$240,967,000	\$250,052,000

Transportation

FUNDING:

Transportation expenditures are funded by the Home and Community-Based Services (HCBS) Waiver, Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), Vocational Rehabilitation (DOR), Medicaid and General Fund. Based on actual FY 2008-09 HCBS Waiver billing data, approximately 54 percent of Transportation expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 percent in CY 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The General Fund portion is that which is neither FFP, Medicaid, nor DOR.

General Fund is estimated and does not include the effect of all cost saving items.

CHANGE FROM PRIOR ESTIMATE:

The BY 2010-11 reflects the most current Community Placement Plan expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$240,967,000	\$250,052,000
General Fund	\$138,612,000	\$153,845,000
<i>General Fund Match</i>	<i>56,164,000</i>	<i>66,242,000</i>
<i>General Fund Other</i>	<i>82,448,000</i>	<i>87,603,000</i>
Reimbursements	\$102,355,000	\$96,207,000
<i>HCBS Waiver FFP</i>	<i>78,901,000</i>	<i>72,310,000</i>
<i>Title XX Social Services</i>	<i>13,370,000</i>	<i>13,370,000</i>
<i>Title XX Temporary Assistance for Needy Families</i>	<i>819,000</i>	<i>1,444,000</i>
<i>Vocational Rehabilitation</i>	<i>300,000</i>	<i>118,000</i>
<i>Medicaid</i>	<i>8,965,000</i>	<i>8,965,000</i>

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 supplement the reduction in the SSP portion of the SSI/SSP grant to assure that consumers will be able to remain in these settings instead of having to move into community care facilities.

KEY DATA/ASSUMPTIONS:

Support Services Expenditure Data Source:
Purchase of Service (POS) Claims Data file, dated June 1, 2009.
Data were adjusted for lag based on historical expenditures.

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs 663,320,000 ● Prior Year Estimate N/A ● Less Community Placement Plan (CPP) One-Time Costs N/A ● Utilization Change/Growth: \$94,000,000 	<p>\$663,320,000</p> <p>663,320,000</p> <p>N/A</p> <p>N/A</p> <p>\$94,000,000</p>	<p>\$746,085,000</p> <p>N/A</p> <p>751,307,000</p> <p>-5,222,000</p> <p>\$91,355,000</p>

CY 2009-10 and BY 2010-11 were estimated based on forecasting models specific to the April 2003 through March 2009 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 2009-10</u>	<u>BY 2010-11</u>												
METHODOLOGY (continued):														
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan section for the methodology detail. 	\$5,222,000	\$5,296,000												
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Support Services who were moved from a developmental center into the community under the CPP in prior year. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends.</p>	In Trends	In Trends												
<ul style="list-style-type: none"> ● Independent Living Supplement: <p style="margin-left: 20px;">Based on Client Master File (CMF) data as of August 19, 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.</p> <table border="0" style="margin-left: 40px; width: 60%;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; width: 15%;"><u>CY 2009-10</u></th> <th style="text-align: center; width: 15%;"><u>BY 2010-11</u></th> </tr> </thead> <tbody> <tr> <td>Total SL/IL Consumers</td> <td style="text-align: center;">21,800</td> <td style="text-align: center;">22,890</td> </tr> <tr> <td>Part of a Couple</td> <td style="text-align: center;">- 1,449</td> <td style="text-align: center;">- 1,511</td> </tr> <tr> <td>Individuals</td> <td style="text-align: center;">20,351</td> <td style="text-align: center;">21,379</td> </tr> </tbody> </table>		<u>CY 2009-10</u>	<u>BY 2010-11</u>	Total SL/IL Consumers	21,800	22,890	Part of a Couple	- 1,449	- 1,511	Individuals	20,351	21,379	\$229,000	\$553,000
	<u>CY 2009-10</u>	<u>BY 2010-11</u>												
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Part of a Couple	- 1,449	- 1,511												
Individuals	20,351	21,379												
<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, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p>	-\$1,425,000	In Base												

Support Services

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: <p style="margin-left: 20px;">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 were not frozen at the time of enactment, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$46.6 million and \$100.2 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.</p> 	-\$10,039,000	-\$11,007,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$751,307,000	\$832,282,000

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), 1915(i) State Plan Amendment, and the Early Start Grant. Based on actual FY 2008-09 billing data, approximately 67 percent of Support Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 percent in CY 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the effect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

The BY 2010-11 reflects the most current CPP expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

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

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:		
TOTAL	\$751,307,000	\$832,282,000
General Fund	\$397,510,000	\$482,504,000
<i>General Fund Match</i>	179,150,000	228,057,000
<i>General Fund Other</i>	218,360,000	254,447,000
Reimbursements	\$352,403,000	\$349,075,000
<i>HCBS Waiver FFP</i>	284,236,000	260,491,000
<i>Title XX Social Services</i>	43,557,000	43,557,000
<i>Title XX TANF</i>	9,988,000	17,611,000
<i>1915(i) State Plan Amendment</i>	14,622,000	27,416,000
Federal Funds	\$1,394,000	\$703,000
<i>Early Start Grant</i>	1,394,000	703,000

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 June 1, 2009.
Data were adjusted for lag based on historical expenditures.

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, 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 (CPP) One-Time Costs ● Utilization Change/Growth: 	<p>\$240,939,000</p> <p>240,939,000</p> <p style="padding-left: 100px;">N/A</p> <p style="padding-left: 100px;">N/A</p> <p>\$32,473,000</p>	<p>\$272,230,000</p> <p>N/A</p> <p>272,256,000</p> <p style="padding-left: 100px;">-26,000</p> <p>\$32,053,000</p>
<p>CY 2009-10 and BY 2010-11 were estimated based on forecasting models specific to the April 2003 through March 2009 In-Home Respite 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. Four interventions/events were found to be statistically significant. Two interventions were identified beginning October 2004 and December 2004, assumed to be related to the 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.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan section for the methodology detail. 	<p>\$26,000</p>	<p>\$27,000</p>

In-Home Respite

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: 	In Trends	In Trends
<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. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends.</p>		
<ul style="list-style-type: none"> ● Regional Center Internal Review Process: 	-\$689,000	In Base
<p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p>		
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: 	-\$9,000	-\$9,000
<p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by regional centers for providers whose negotiated rates were not frozen at the time of enactment, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$46.6 million and \$100.2 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for</p>		

In-Home Respite

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> Redesign Family Cost Participation Program: 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 from the redesign of the program is \$.7 million and \$.8 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010- 	-\$484,000	-\$48,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$272,256,000	\$304,253,000

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), 1915(i) State Plan Amendment, and the Early Start Grant. Based on actual FY 2008-09 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 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the affect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

The BY 2010-11 reflects the most current CPP expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

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

In-Home Respite

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$272,256,000	\$304,253,000
General Fund	\$149,330,000	\$176,737,000
<i>General Fund Match</i>	54,339,000	68,298,000
<i>General Fund Other</i>	94,991,000	108,439,000
Reimbursements	\$120,472,000	\$126,278,000
<i>HCBS Waiver FFP</i>	87,467,000	80,160,000
<i>Title XX Social Services</i>	16,299,000	16,299,000
<i>Title XX TANF</i>	13,472,000	23,755,000
1915(i) State Plan Amendment	3,234,000	6,064,000
Federal Funds	\$2,454,000	\$1,238,000
<i>Early Start Grant</i>	2,454,000	1,238,000

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.

KEY DATA/ASSUMPTIONS:

Out-of-Home Respite Expenditure Data Source:
Purchase of Service (POS) Claims Data file, dated June 1, 2009.
Data were adjusted for lag based on historical expenditures.

METHODOLOGY:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, 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 (CPP) One-Time Costs ● Utilization Change/Growth: 	<p>\$59,607,000</p> <p><i>59,607,000</i></p> <p><i>N/A</i></p> <p><i>N/A</i></p> <p>\$8,123,000</p>	<p>\$65,438,000</p> <p><i>N/A</i></p> <p><i>65,516,000</i></p> <p><i>-78,000</i></p> <p>\$8,131,000</p>
<p>CY 2009-10 and BY 2010-11 were estimated based on forecasting models specific to the April 2003 through January 2009 Out-of-Home Respite expenditure data (excluding CPP placement).</p> <p>A simple ARIMA model was used to forecast utilization change/growth.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan section for the methodology detail. ● Placement/Deflection Continuation 	<p>\$78,000</p> <p>In Trends</p>	<p>\$84,000</p> <p>In Trends</p>
<p>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. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends.</p>		

Out-of-Home RespiteCY 2009-10 BY 2010-11**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, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p>	-\$189,000	In Base
<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 were not frozen at the time of enactment, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$46.6 million and \$100.2 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.</p>	-\$1,891,000	-\$1,988,000
<ul style="list-style-type: none"> ● Redesign Family Cost Participation Program: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), and Chapter 758, Statutes of 2008, (AB 1183), amended Welfare and Institutions Code Section 4783 to: (1) increase the participation of families earning 400 to 500 percent of the Federal Poverty Level (FPL) to 10 percent share of cost; (2) increase the share of cost to 100 percent at 1,000 percent of the FPL; and (3) add children under age 36 months for the three existing services. The total estimated savings from the redesign of the program is \$.7 million and \$.8 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.</p>	-\$212,000	-\$15,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$65,516,000	\$71,650,000

Out-of-Home Respite

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), 1915(i) State Plan Amendment, and the Early Start Grant. Based on actual FY 2008-09 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 2009-10 and 55.8 percent in

General Fund is estimated and does not include the effect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

The BY 2010-11 reflects the most current CPP expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

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

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:		
TOTAL	\$65,516,000	\$71,650,000
General Fund	\$53,505,000	\$58,233,000
<i>General Fund Match</i>	2,744,000	3,500,000
<i>General Fund Other</i>	50,761,000	54,733,000
Reimbursements	\$11,347,000	\$13,082,000
<i>HCBS Waiver FFP</i>	4,343,000	3,980,000
<i>Title XX Social Services</i>	4,289,000	4,289,000
<i>Title XX TANF</i>	2,481,000	4,374,000
<i>1915(i) State Plan Amendment</i>	234,000	439,000
Federal Funds	\$664,000	\$335,000
<i>Early Start Grant</i>	664,000	335,000

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 June 1, 2009.
Data were adjusted for lag based on historical expenditures.

METHODOLOGY:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, 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 (CPP) One-Time Costs ● Utilization Change/Growth: 	<p>\$90,233,000</p> <p>90,233,000</p> <p>N/A</p> <p>N/A</p> <p>\$8,642,000</p>	<p>\$98,000,000</p> <p>N/A</p> <p>98,669,000</p> <p>-669,000</p> <p>\$8,683,000</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 January 2006.</p>		
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan section for the methodology detail. ● Placement/Deflection Continuation: 	<p>\$669,000</p> <p>In Trends</p>	<p>\$740,000</p> <p>In Trends</p>
<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. For CY 2009-10 and BY 2010-11, the impact is reflected in the trends.</p>		

Health Care

CY 2009-10 BY 2010-11

METHODOLOGY (continued):

- **Negotiated Rate Reduction:**

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 were not frozen at the time of enactment, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$46.6 million and \$100.2 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.

-\$598,000

-\$857,000
- **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, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.

-\$277,000

In Base
- **TOTAL EXPENDITURES**

\$98,669,000

\$106,566,000

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), 1915(i) State Plan Amendment, and the Early Start Grant. Based on actual FY 2008-09 billing data, approximately 7 percent of Health Care expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 percent in CY 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the effect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

The BY 2010-11 reflects the most current CPP expenditures.

Health Care

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$98,669,000	\$106,566,000
General Fund	\$85,328,000	\$96,411,000
<i>General Fund Match</i>	2,535,000	3,256,000
<i>General Fund Other</i>	82,793,000	93,155,000
Reimbursements	\$5,378,000	\$6,139,000
<i>HCBS Waiver FFP</i>	3,981,000	3,649,000
<i>Title XX TANF</i>	1,151,000	2,029,000
<i>1915(i) State Plan Amendment</i>	246,000	461,000
Federal Funds	\$7,963,000	\$4,016,000
<i>Early Start Grant</i>	7,963,000	4,016,000

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 (POS) 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:
POS Claims Data file, dated June 1, 2009.
Data were adjusted for lag based on historical expenditures.

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY:		
<ul style="list-style-type: none"> ● Base: Actual FY 2008-09 expenditures were used to develop the CY 2009-10 base. For BY 2010-11, 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 (CPP) One-Time Costs 	<p>\$397,478,000</p> <p>397,478,000</p> <p>N/A</p> <p>N/A</p>	<p>\$456,366,000</p> <p>N/A</p> <p>482,237,000</p> <p>-25,871,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: CY 2009-10 and BY 2010-11 were estimated based on forecasting models specific to the April 2003 through March 2009 Miscellaneous expenditure data (excluding CPP placement). <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 the three percent rate increase was found to be statistically significant beginning in July 2006.</p>	<p>\$79,377,000</p>	<p>\$86,722,000</p>
<ul style="list-style-type: none"> ● CPP: See Community Placement Plan section for the methodology detail. 	<p>\$25,871,000</p>	<p>\$27,356,000</p>

Miscellaneous Services

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Placement/Deflection Continuation <p>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. For CY 2009-10 and BY 2010-11, the impact 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, expanded the regional centers' authority and responsibility 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 \$7.3 million in CY 2009-10 for all budget categories. Estimated savings reflected in CY 2009-10 remain in the base for BY 2010-11.</p> 	-\$1,070,000	In Base
<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 were not frozen at the time of enactment, and (2) set median rates for new providers with whom the regional centers may negotiate. The total estimated savings is \$46.6 million and \$100.2 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.</p> 	-\$19,419,000	-\$23,370,000

Miscellaneous Services

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> • Redesign Family Cost Participation Program: 	\$0	\$0
<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:</p> <p>(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 from the redesign of the program is \$.7 million and \$.8 million in CY 2009-10 and BY 2010-11, 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 2009-10 remain in the base for BY 2010-11.</p>		
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$482,237,000	\$547,074,000

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), 1915(i) State Plan Amendment, the Early Start Grant, Program Development Funds, and California Children and Families First Trust Fund. Based on actual FY 2008-09 billing data, approximately 28 percent of Miscellaneous Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 61.59 percent in CY 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the effect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

The BY 2010-11 reflects the most current Community Placement Plan expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Miscellaneous Services

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$482,237,000	\$547,074,000
General Fund	\$324,733,000	\$387,247,000
<i>General Fund Match</i>	38,142,000	46,667,000
<i>General Fund Other</i>	286,591,000	340,580,000
Reimbursements	\$86,234,000	\$96,864,000
<i>HCBS Waiver FFP</i>	63,217,000	57,936,000
<i>Title XX Social Services</i>	2,248,000	2,248,000
<i>Title XX TANF</i>	20,247,000	35,701,000
<i>1915(i) State Plan Amendment</i>	522,000	979,000
Federal Funds	\$19,178,000	\$9,671,000
<i>Early Start Grant</i>	19,178,000	9,671,000
Program Development Funds	\$2,092,000	\$3,292,000
California Children and Families First Trust Fund	\$50,000,000	\$0
Counties Children and Families Account, California Children and Families Trust Fund	\$0	\$50,000,000

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 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. The regulations will conform to the approved waiver and are subject to a required 45-day public comment. As a result, the enrollment has been extended to April 1, 2011. Regional center implementation will be phased in over an eight-month period beginning in April 2011 through November 2011.

There will be approximately 75 new SDS enrollees in BY 2010-11 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 SDS HCBS 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.

Cost Containment: Self-Directed Services

ASSUMPTIONS/METHODOLOGY:

- BY 2010-11
 - For the BY 2010-11 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 Welfare and Institution Code 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 2010-11
 - Total annual BY 2010-11 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 2010-11
 - Total BY 2010-11 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 SDS HCBS Waiver; therefore, 68 percent of the total SDS costs will be 100 percent billable to the SDS HCBS Waiver.
 - 24 percent of the consumers on the Department's existing HCBS Waiver will transfer to the SDS HCBS Waiver in BY. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate). However, transfer from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDS HCBS Waiver are eligible for federal financial participation.

	<u>BY 2010-11</u>
● Estimated SDS cost of services	\$259,000
● Estimated pre-SDS cost for consumers	<u>188,000</u>
● Difference	\$71,000
● Criminal Background Checks	0
● SDS Risk Pool Fund	9,000
● One-time Transition Costs	<u>38,000</u>
● Total Net Expenditures	\$118,000

Cost Containment: Self-Directed Services**FUNDING:**

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

REASON FOR CHANGE:

Implementation date delayed until April 1, 2011.

IMPLEMENTATION DATE:

Implementation will be phased-in beginning April 1, 2011.

EXPENDITURES:

	<u>BY 2010-11</u>
TOTAL	\$118,000
General Fund	\$38,000
<i>General Fund Match</i>	<i>80,000</i>
<i>General Fund Other</i>	<i>-51,000</i>
<i>SDS Risk Pool Fund</i>	<i>9,000</i>
Reimbursements	\$80,000
<i>SDS HCBS Waiver</i>	<i>93,000</i>
<i>HCBS Waiver</i>	<i>-13,000</i>

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 was 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 was 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 resulted in extending the closure date until all the community supports were in place to ensure the health and safety of the consumer.

KEY DATA/ASSUMPTIONS and METHODOLOGY:

In the 2010-11 May Revision, the Agnews Unified Community Placement Plan for Placement and Deflection Continuation (PDC) BY 2010-11 costs are assumed to be in the trends for projected expenditures in the budget year.

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
• PLACEMENT AND DEFLECTION CONTINUATION	\$41,833,000	In Trends
• TOTAL EXPENDITURES	\$41,833,000	In Trends

IMPLEMENTATION DATE:

The last resident left Agnews Development Center on March 27, 2009.

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 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

This estimate assumes the final Agnews consumers were placed in 2008-09. Placement Continuation for these consumers is reflected in the CY. The on-going costs in BY are reflected in the trends.

Agnews Developmental Center Closure (Purchase of Services)

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$41,833,000	In Trends
General Fund	\$20,992,000	\$0
<i>General Fund Match</i>	12,997,000	0
<i>General Fund Other</i>	7,995,000	0
Reimbursements	\$20,841,000	\$0
<i>HCBS Waiver FFP</i>	20,841,000	0

3 Percent Payment Reduction for Regional Center Purchase of Services Providers

DESCRIPTION:

This proposal reduces regional center expenditures for consumer services by 3 percent, \$100.7 million (\$50.8 million General Fund) for CY 2009-10 and \$99.5 million (\$49.7 million General Fund) for BY 2010-11, 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.

KEY DATA/ASSUMPTIONS:

The 3 percent payment reduction in Purchase of Services is estimated to save \$100,772,000 in CY 2009-10 and \$99,550,000 in BY 2010-11.

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. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

No Change to CY 2009-10 and for BY 2010-11 updated expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

BY reflects the most current expenditure data.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	-\$100,772,000	-\$99,550,000
General Fund	-\$50,795,000	-\$49,708,000
<i>General Fund Match</i>	-31,167,000	-39,481,000
<i>General Fund Other</i>	-19,628,000	-10,227,000
Reimbursements	-\$49,977,000	-\$49,842,000
<i>HCBS Waiver FFP</i>	-49,977,000	-49,842,000

Additional 1.25 Percent Reduction Regional Center Purchase of Services Providers

DESCRIPTION:

The Department of Developmental Services proposes to decrease regional center expenditures for consumer services by an additional systemwide 1.25 percent, \$20.7 million General Fund (GF) for BY 2010 11, 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.

KEY DATA/ASSUMPTIONS:

The additional 1.25 percent payment reduction in Purchase of Services is estimated to save \$16,479,000 in BY 2010-11.

IMPLEMENTATION DATE:

This reduction is effective July 1, 2010.

FUNDING:

Expenditures are funded by the General Fund and Home and Community-Based Services (HCBS) Waiver. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The November Estimate reflected a target savings amount of \$25,000,000. For the May Revision this amount is increased by 1.25 percent or \$16,479,000.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$0	-\$41,479,000
General Fund	\$0	-\$20,711,000
<i>General Fund Match</i>	0	-16,451,000
<i>General Fund Other</i>	0	-4,260,000
Reimbursements	\$0	-\$20,768,000
<i>HCBS Waiver FFP</i>	0	-20,768,000

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

DESCRIPTION:

End of Temporary Increase in Federal Medical Assistance Percentage (FMAP). The Department receives federal funds (Home and Community Based Services Waiver and 1915(i) State Plan Amendment) associated with the Purchase of Services (POS) of regional centers. The matching percentage for federal funds was temporarily increased by ARRA through December 31, 2010. To account for the return to regular FMAP in 2010-11, the Department estimates POS General Fund backfill at \$121,578,000.

IMPLEMENTATION DATE:

Effective date: October 1, 2008 - December 31, 2010

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the updated Home and Community Based Services waiver estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The ARRA funding expires in BY 2010-11, December 31, 2010.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$0	\$0
<i>Home and Community Based Services Waiver</i>	<i>0</i>	<i>-107,750,000</i>
<i>1915(i) State Plan Amendment</i>	<i>0</i>	<i>-11,673,000</i>
<i>Impacts from Other Departments</i>	<i>0</i>	<i>-1,805,000</i>
<i>General Fund</i>	<i>0</i>	<i>121,228,000</i>

Revised Major Assumption
American Recovery and Reinvestment Act (ARRA)
Individuals With Disabilities Education Act
Early Start Part C Grant

DESCRIPTION:

End of Supplemental Individuals with Disabilities Education Act Part C Grant. The Department received a supplemental Part C grant of \$59.5 million. This funding source will not be available in 2010-11.

KEY DATA/ASSUMPTIONS:

Expenditure of the Early Start Part C Grant is reflected in the POS estimates.

IMPLEMENTATION DATE:

Effective date: February 17, 2009 to September 30, 2010

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:

Supplemental grant will not be available in 2010 resulting in increased General Fund expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The ARRA funding expires in BY 2010-11.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$0	\$0
Federal Funds	\$32,894,000	-\$32,894,000
General Fund	-\$32,894,000	\$32,894,000

Revised Major Assumption 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 (DDS). These reductions include; Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grants, Medi-Cal Program, In-Home Supportive Services (IHSS). The elimination of these generic resources will increase regional centers' Purchase of Service (POS) expenditures as the needs of impacted individuals are reassessed.

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 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> • Reduce Supplemental Security Income (SSI) and State Supplementary Payment (SSP): 	\$3,032,000	\$5,692,000
<ul style="list-style-type: none"> A. This proposal, effective November 1, 2009, reduced the maximum monthly SSP grant to aged/disabled individuals and couples. The proposal reduced the SSP grant by \$5.00 per month for individuals, and to the maintenance of effort (MOE) floor for couples. 	\$3,032,000	\$3,032,000
<ul style="list-style-type: none"> B. This proposal, effective October 1, 2010, reduces the maximum monthly SSP grant to aged/disabled individuals to the MOE floor. The budget year estimate includes an additional \$2.7 million to fund the nine month impact that would be paid for by regional centers. 	\$0	\$2,660,000
<ul style="list-style-type: none"> • Medi-Cal Reduce Adult Day Health Care (ADHC) 	\$5,335,000	\$24,690,000
<ul style="list-style-type: none"> A. The current year estimate maintains funding of \$5.3 million provided in the enacted 2009-10 budget to fund reductions in ADHC services that would be paid for by regional centers. The budget year estimate includes a three month impact. 	\$5,335,000	\$1,334,000
<ul style="list-style-type: none"> B. This proposal, effective October 1, 2010, would eliminate ADHC services. The budget year estimate includes an additional \$23.4 million to fund the nine month impact that would be paid for by regional centers. 	\$0	\$23,356,000

Revised Major Assumption Impact from Other Departments

KEY DATA/ASSUMPTIONS: (continued)	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Reduction Proposals in Other Departments The May Revision includes service reduction proposals in Medi-Cal and IHSS that will increase regional centers purchase of services costs in 2010-11. This estimate does not reflect costs associated with these proposals. 		TBD
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$8,367,000	\$30,382,000

FUNDING:

Expenditures are funded by the General Fund, the Home and Community Based Services Waiver, and Impact from Other Departments FFP.

CHANGE FROM PRIOR ESTIMATE:

This estimate calculates impact from other departments based on data matches showing consumers served in both programs.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in budget year reflects updated impacts from other departments.

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$8,367,000	\$30,382,000
General Fund	\$8,038,000	\$17,802,000
<i>General Fund Match</i>	<i>205,000</i>	<i>10,827,000</i>
<i>General Fund Other</i>	<i>7,833,000</i>	<i>6,975,000</i>
Reimbursements	\$329,000	\$12,580,000
<i>HCBS Waiver FFP</i>	<i>\$329,000</i>	<i>\$0</i>
<i>Impact from Other Departments FFP</i>	<i>\$0</i>	<i>\$12,580,000</i>

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

DESCRIPTION:

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 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 incur additional expenses in order to maintain the health and safety of Californians with developmental disabilities in need of these services.

IMPLEMENTATION DATE:

The elimination of Medi-Cal Optional benefits for adults, 21 years of age and older, occurred on July 1, 2009.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

The Department of Developmental Services (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 (SMA)" or, as otherwise specified.
- Pursuant to Title 17, Section 57210 (14), the 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 (FFP). The total **General Fund** costs for these benefits is \$8,226,000 and the total **FFP** 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 have 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.

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

FUNDING:

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

General Fund is estimated and does not include the effect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

No change.

YEAR OVER YEAR CHANGE:

No change.

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$11,972,000	\$11,972,000
General Fund	\$8,227,000	\$8,579,000
<i>General Fund Match</i>	<i>2,336,000</i>	<i>2,688,000</i>
<i>General Fund Other</i>	<i>5,891,000</i>	<i>5,891,000</i>
Reimbursements	\$3,745,000	\$3,393,000
<i>HCBS Waiver FFP</i>	<i>3,745,000</i>	<i>3,393,000</i>

Prevention Program

DESCRIPTION:

Budget trailer bill language (2009-10 Statutes, Assembly Bill Fourth Extraordinary Session, Chapter 9) directs the Department of Developmental Services to establish "... a prevention program for at-risk babies" and to "establish policies and procedures for implementation of the prevention program by regional centers." The prevention program will focus primarily on providing intake, assessment, case management, and referral to generic agencies for eligible children birth through 35 months. These are children who are at substantially greater high-risk for a developmental disability but who would otherwise be ineligible for services through the California Early Intervention Programs Services Act pursuant to Title 14 (commencing with Government Code, Section 95000) or services provided under the Lanterman Developmental Disabilities Services Act (Lanterman Act - commencing with Welfare and Institution Code, Section 4500). Children eligible for the program will receive these services through the regional centers.

ASSUMPTIONS:

Current Year 2009-10 Prevention Program expenditures are \$27,200,000.
Budget Year 2010-11 Prevention Program expenditures are \$36,300,000.

FUNDING:

Prevention Program services are funded by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

Current Year 2009-10 costs (9 months) were annualized in Budget Year 2010-11 (12 months).

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
General Fund	\$27,200,000	\$36,300,000

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:

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

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 safe and succesful 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 needed for stabilized community living.
- **Placement:** Funds cost of Consumers' move into community settings based on consumer-specific
- **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 2008, used for:
 - Intermediate Care Facilities/Developmentally Disabled – Nursing Facilities
 - Intermediate Care Facilities/Developmentally Disabled – Habilitation Facilities

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
• OPERATIONS TOTAL	\$12,631,000	\$12,787,000
• PURCHASE OF SERVICES TOTAL	\$64,778,000	\$64,622,000
• TOTAL EXPENDITURES	\$77,409,000	\$77,409,000

See pages E-16.4 to E-16.10 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 2009-10 and 55.8 percent in BY 2010-11 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

General Fund is estimated and does not include the effect of all cost savings items.

CHANGE FROM PRIOR ESTIMATE:

BY 2010-11 the existing CPP resources have ben refocused to achieve the proposed Lanterman Developmental Center closure. No change to total expenditures.

Community Placement Plan

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$77,409,000	\$77,409,000
RC Operations	\$12,631,000	\$12,787,000
RC Purchase of Services	\$64,778,000	\$64,622,000
<i>Community Care Facilities</i>	27,892,000	25,557,000
<i>Medical Facilities</i>	165,000	181,000
<i>Day Programs</i>	3,934,000	4,364,000
<i>Work Activity Program</i>	0	0
<i>Supported Employment Program: Group Placement</i>	178,000	195,000
<i>Supported Employment Program: Individual Placement</i>	0	0
<i>Transportation</i>	743,000	822,000
<i>Support Services</i>	5,222,000	5,296,000
<i>In-Home Respite</i>	26,000	27,000
<i>Out-of-Home Respite</i>	78,000	84,000
<i>Health Care</i>	669,000	740,000
<i>Miscellaneous Services</i>	25,871,000	27,356,000
FUND SOURCES:		
TOTAL	\$77,409,000	\$77,409,000
General Fund	\$64,845,000	\$64,852,000
<i>General Fund Match</i>	7,836,000	9,946,000
<i>General Fund Other</i>	57,009,000	54,906,000
Reimbursements	\$12,564,000	\$12,557,000
<i>HCBS Waiver FFP</i>	12,564,000	12,557,000

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
CY 2009-10 & BY 2010-11**

Regular CPP costs have been updated in the 2010-11 May Revision based on the CPPs received from the regional centers for Regular CPP in December 2009.

	CY 2009-10			BY 2010-11		
	November Estimate	May Revision	Difference	November Estimate	May Revision	Difference
I. OPERATIONS	\$12,631,000	\$12,631,000	\$0	\$12,631,000	\$12,787,000	\$156,000
II. PURCHASE OF SERVICES						
A. Start-Up	\$24,404,000	\$24,404,000	\$0	\$24,404,000	\$25,975,000	\$1,571,000
B. Assessment	672,000 225 consumers	672,000 225 consumers	\$0 0 consumers	672,000 225 consumers	501,000 241 consumers	(\$171,000) 16 consumers
C. Placement	24,069,000 176 consumers	24,069,000 176 consumers	\$0 0 consumers	24,069,000 176 consumers	26,690,000 239 consumers	\$2,621,000 63 consumers
D. Deflection	15,633,000 181 consumers	15,633,000 181 consumers	\$0 0 consumers	15,633,000 181 consumers	11,456,000 125 consumers	(\$4,177,000) (56) consumers
E. SUBTOTAL POS (A + B + C + D)	\$64,778,000	\$64,778,000	\$0	\$64,778,000	\$64,622,000	-\$156,000
III. TOTAL CPP (I. + II.E.)	\$77,409,000	\$77,409,000	\$0	\$77,409,000	\$77,409,000	\$0

COMMUNITY PLACEMENT PLAN

Operations

CY 2009-10

Current 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, Page E-1.17 For the Agnews Developmental Center Closure CPP Estimates.		
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. 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>				\$1,710,700

3. Subtotal Staffing (Rounded)

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

B. Budget Balancing Reduction

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

		<u>\$12,631,000</u>				\$12,631,000
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COMMUNITY PLACEMENT PLAN
Operations
BY 2010-11

Budget Year 2010-11					
Regular CPP		Unified CPP		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing

1. Personal Services

			See Section E,		
a. Resource Development	52.20	\$4,488,000	Estimate Methodologies,	52.20	\$4,488,000
b. Quality Assurance/ Management	12.85	1,239,200	Operations,	12.85	1,239,200
c. Assessment	14.25	1,526,600	Page E-1.17 & E-1.18	14.25	1,526,600
d. Placement	56.95	4,539,500	For the Agnews	56.95	4,539,500
e. Crisis Services Teams	6.30	1,162,578	Developmental Center	6.30	1,162,578
			Closure CPP Estimate and		
			Lanterman Developmental		
			Center Closure CPP		
			Estimate.		
f. Total Personal Services	<u>142.55</u>	<u>\$12,955,878</u>		142.55	\$12,955,878

2. Operating Expenses

a. Operating Expenses		\$476,800			\$476,800
b. Rent		1,097,290			1,097,290
c. Training, Travel, Consultants		<u>158,800</u>			158,800
d. Total Operating Expenses		\$1,732,890			\$1,732,890

**3. Subtotal Staffing
(Rounded)**

\$14,688,768	\$14,688,768
\$14,689,000	\$14,689,000

B. Budget Balancing Reduction

Reduce CPP Operations	<u>-\$1,902,000</u>	<u>-\$1,902,000</u>
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C. Total (A+B)

<u>\$12,787,000</u>	<u>\$12,787,000</u>
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Community Placement Plan

Purchase of Services

Summary of Costs by POS Category

Current Year 2009-10

For the 2010-11 May Revision, Regular CPP costs are assumed to be the same as in the 2010-11 November Estimate.

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 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. 2010-11 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. 2010-11 NOV EST 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
G. DIFFERENCE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

a/ Start-Up Cost: This is related to start-up funds needed for new facilities/programs, program expansion, and 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 2010-11

For the 2010-11 May Revision, Regular CPP costs are assumed to be the following:

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 2010-11 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	\$25,975,000	\$25,975,000
B. Assessment	241	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$501,000	\$501,000
C. Placement	239	\$15,118,000	\$0	\$181,000	\$2,812,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$880,000	\$26,690,000
D. Deflection b/	125	\$10,439,000	\$0	\$0	\$1,017,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,456,000
E. 2010-11 MAY REV 2010-11 TOTAL		\$25,557,000	\$0	\$181,000	\$3,829,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$27,356,000	\$64,622,000
F. 2010-11 NOV EST 2010-11 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
G. DIFFERENCE		-\$2,335,000	\$0	\$16,000	-\$69,000	\$430,000	\$0	\$17,000	\$0	\$79,000	\$143,000	\$1,000	\$6,000	\$71,000	\$1,485,000	-\$156,000

a/ Start-Up Cost: This is related to start-up funds needed for new facilities/programs, program expansion, and 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 2009-10

For the 2010-11 May Revision, Regular CPP costs are assumed to be the same as in the 2010-11 November Estimate.

Living Arrangement	# 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.	Total
		CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																
● Community Care Facilities (CCF) ● Residential Facilities	25	\$1,864,000				\$697,000				\$94,000	\$315,000		\$7,000	\$24,000	\$159,000	\$3,160,000
● Specialized Residential Facilities (SRF)	116	\$11,420,000				\$2,654,000		\$178,000		\$519,000	\$891,000		\$35,000	\$578,000	\$394,000	\$16,669,000
● Intermediate Care Facilities (ICF)	11			\$165,000		\$157,000				\$20,000	\$73,000		\$9,000	\$15,000	\$87,000	\$526,000
● Supported Living Avg Cost/Consumer Mo	19				\$2,535,000 \$16,461	\$377,000 \$2,448				\$94,000 \$610	\$44,000 \$286		\$4,000 \$26	\$51,000 \$331	\$155,000 \$1,006	\$3,260,000 \$21,168
● Other (Own Home, etc.)	5	\$338,000				\$49,000				\$16,000	\$1,000	\$26,000	\$23,000	\$1,000	\$0	\$454,000
TOTAL	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

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Budget Year 2010-11

For the 2010-11 May Revision, Regular CPP costs are assumed to be the following.

Living Arrangement	# 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.	Total
		CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																
● Community Care Facilities (CCF) ● Residential Facilities	33	\$2,069,000				\$773,000				\$104,000	\$349,000		\$8,000	\$27,000	\$176,000	\$3,506,000
● Specialized Residential Facilities (SRF)	158	\$12,674,000				\$2,944,000		\$195,000		\$574,000	\$987,000		\$38,000	\$640,000	\$436,000	\$18,488,000
● Intermediate Care Facilities (ICF)	14			\$181,000		\$174,000				\$22,000	\$81,000		\$10,000	\$17,000	\$96,000	\$581,000
● Supported Living	26				\$2,812,000	\$418,000				\$104,000	\$49,000		\$4,000	\$56,000	\$172,000	\$3,615,000
● Other (Own Home, etc.)	8	\$375,000				\$54,000				\$18,000	\$1,000	\$27,000	\$25,000	\$1,000	\$0	\$501,000
TOTAL	239	\$15,118,000	\$0	\$181,000	\$2,812,000	\$4,363,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$85,000	\$741,000	\$880,000	\$26,691,000

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General Fund

DESCRIPTION:

The General Fund is the main operating fund of the State.

ASSUMPTIONS/METHODOLOGY:

CY 2009-10 BY 2010-11

General Fund:

- General Fund Match: **\$908,557,000** **\$1,102,256,000**

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 DHCS (the federally-recognized single state agency for Medicaid). The federal financial participation (FFP) costs are established by utilizing the Federal Medical Assistance Program (FMAP) percentages. They are as follows:

FMAP % of General Fund Match	<u>CY</u>	<u>BY</u>		
<i>Home and Community-Based Services (HCBS) Waiver</i>	38.41%	44.20%	706,065,000	822,547,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	4,507,000	4,448,000
<i>Medicaid Administration</i>	25.00%	25.00%	4,162,000	4,200,000
<i>Targeted Case Management (TCM)</i>	38.41%	44.20%	105,656,000	120,137,000
<i>TCM Administration</i>	50.00%	50.00%	3,321,000	3,321,000
<i>Self-Directed Services HCBS Waiver</i>	50.00%	50.00%	0	83,000
<i>Self-Directed Services HCBS Waiver</i>	50.00%	50.00%	428,000	631,000
<i>Medicaid (ICF/DD State Plan Amendment)</i>	50.00%	50.00%	47,000,000	47,000,000
<i>1915(i) State Plan Amendment</i>	38.41%	44.20%	37,418,000	89,113,000
<i>Impacts from Other Departments FFP</i>	38.41%	44.20%	0	10,776,000

- General Fund Other: **\$1,285,038,000** **\$1,104,240,000**

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

- Self-Directed Services (SDS) Risk Pool **\$0** **\$9,000**

These costs are set aside for unanticipated needs associated with the SDS Program.

General Fund

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
• General Fund - 2010-11 Backfill American Reinvestment Recovery Act (ARRA)	\$0	\$169,859,000
<i>Of the amount identified above, \$169,859,000 is needed due to the sunset of enhanced FMAP provided to States under the ARRA.</i>		
Home and Community Based Services Waiver Eligible Expenditures		\$1,860,967,000
<i>FFP at 61.59%</i>		\$1,146,170,000
<i>FFP at 55.8%</i>		<u>\$1,038,420,000</u>
<i>Difference</i>		\$107,750,000
Targeted Case Management Eligible Expenditures		\$271,803,000
<i>FFP at 61.59%</i>		\$167,403,000
<i>FFP at 55.8%</i>		<u>\$151,666,000</u>
<i>Difference</i>		\$15,737,000
1915(i) State Plan Amendment Eligible Expenditures		\$201,613,000
<i>FFP at 61.59%</i>		\$124,173,000
<i>FFP at 55.8%</i>		<u>\$112,500,000</u>
<i>Difference</i>		\$11,673,000
Impacts for Other Departments FFP		\$23,356,000
<i>FFP at 61.59%</i>		\$14,385,000
<i>FFP at 55.8%</i>		<u>\$12,580,000</u>
<i>Difference</i>		\$1,805,000
Early Start Part C Grant		\$53,560,000
<i>CY 2009-10 Award</i>		\$86,454,000
<i>BY 2010-11 Award</i>		<u>\$53,560,000</u>
<i>Difference</i>		\$32,894,000
• TOTAL EXPENDITURES	\$2,193,595,000	\$2,376,364,000

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.

EXPENDITURES:

Total General Fund	\$2,193,595,000	\$2,376,364,000
<i>General Fund Match</i>	908,557,000	1,102,256,000
<i>General Fund Other</i>	1,285,038,000	1,104,240,000
<i>SDS Risk Pool</i>	-	9,000
<i>ARRA</i>	-	\$169,859,000

Reimbursements
Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS <i>a/</i>	2010-11 May Revision CY 2009-10	2010-11 May Revision BY 2010-11
A. Home and Community-Based Services (HCBS) Waiver	\$1,887,439,000	\$1,860,967,000
1. Reimbursement (from DHCS) = 50%; 61.59% effective 10/1/08 - 12/31/10	1,181,374,000	1,038,420,000
2. DDS GF Match (Purchase of Services)	706,065,000	822,547,000
B. HCBS Waiver Administration	\$9,014,000	\$8,897,000
1. Reimbursement (from DHCS) = 50%	4,507,000	4,449,000
2. DDS GF Match = 50% (Operations)	4,507,000	4,448,000
C. Medicaid Administration	\$16,650,000	\$16,803,000
1. Reimbursement (from DHCS) = 75%	12,488,000	12,603,000
2. DDS GF Match = 25% (Operations)	4,162,000	4,200,000
D. Targeted Case Management (TCM)	\$275,074,000	\$271,803,000
1. Reimbursement (from DHCS) = 50%; 61.59% effective 10/1/08 - 12/31/10	169,418,000	151,666,000
2. DDS GF Match (Operations)	105,656,000	120,137,000
E. Targeted Case Management Administration	\$6,642,000	\$6,642,000
1. Reimbursement (from DHCS) = 50%	3,321,000	3,321,000
2. DDS GF Match = 50% (Operations)	3,321,000	3,321,000
F. Title XX Block Grant	\$203,903,000	\$246,646,000
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	98,743,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Services Home and Community Based Services Waiver	\$0	\$176,000
1. Reimbursement (from DHCS) = 50%	0	93,000
2. DDS GF Match = 50% (Purchase of Services)	0	83,000
H. Self-Directed Services Home and Community Based Services Waiver Administration	\$857,000	\$1,263,000
1. Reimbursement (from DHCS) = 50%	429,000	632,000
2. DDS GF Match = 50% (Operations)	428,000	631,000
I. Medicaid (ICF/DD State Plan Amendment)	\$94,000,000	\$94,000,000
1. Reimbursement (from DHCS) = 50%	47,000,000	47,000,000
2. DDS GF Match = 50% (Purchase of Services)	47,000,000	47,000,000
J. Vocational Rehabilitation (VR)	\$300,000	\$118,000
1. VR Reimbursement (from DOR) 100%	300,000	118,000
2. DDS GF Match (Purchase of Services)	0	0
K. California Children and Families First Trust Fund	\$50,000,000	\$0
1. Reimbursement (from CA First Five Commission) = 100%	50,000,000	0
2. DDS GF Match (Purchase of Services)	0	0
L. 1915 (i) State Plan Amendment	97,418,000	201,613,000
1. Reimbursement (from DHCS) = 50%; 61.59% effective 10/1/08 - 12/31/10	60,000,000	112,500,000
2. DDS GF Match (Purchase of Services)	37,418,000	89,113,000
M. Money Follows the Person Grant	0	3,537,000
1. Reimbursement (from DHCS) = 100%	0	3,537,000
2. DDS GF Match (Operations)	0	0
N. Impacts from Other Departments FFP	0	23,356,000
1. Reimbursement (from DHCS) = 50%; 61.59% effective 10/1/08 - 12/31/10	0	12,580,000
2. DDS GF Match (Purchase of Services)	0	10,776,000
O. TOTAL	\$2,641,297,000	\$2,735,821,000
1. Reimbursements	\$1,732,740,000	\$1,633,565,000
2. Total GF Match	\$908,557,000	\$1,102,256,000

a/ Reimbursements are funds received via other state agencies.

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 February 1, 2010.
(July 2009 - December 2009 data used).

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
● Base:	\$1,854,374,000	\$1,929,283,000
● CY 2009-10 Total estimated expenditures based on FY 2009-10 billing data (July 2009 - Dec 2009 times 2)	1,854,374,000	
● BY 2010-11 Total Estimated prior-year HCBS Waiver Expenditures Less One-Time Costs		1,887,439,000 41,844,000
● Annual Growth (New RC Consumers)	In base	\$26,150,000
● BY 2010-11		
● 2010-11 Annual Growth Add 6 months of annual growth costs in BY for 2,849 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2010-11 (2,849 x \$17,000 (annual cost/consumer) x .54 (phase-in factor) = \$26,150,000).		26,150,000
● 2009-10 Annual Growth Continuation		<i>In base</i>
● Community Placement Plan (CPP)	In base	\$22,503,000
The annual cost for the total number of HCBS Waiver-eligible CPP placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.		
● BY 2010-11		
● Total HCBS Waiver-billable costs for 197 Waiver-eligible consumers:		22,503,000
● Placement/Deflection Continuation:	In base	\$33,299,000
The annual estimated Placement/Deflection Continuation costs for the total number of HCBS Waiver-eligible placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.		
● BY 2010-11		
● Total HCBS Waiver-billable costs for 140 Waiver-eligible consumers:		33,299,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2009-10</u>	<u>BY 2010-11</u>
• SSI/SSP Increase/RC Savings	-\$1,307,000	-\$1,338,000
• HCBS Waiver Decrease due to Self-Directed HCBS Waiver	\$0	-\$82,000
• Savings Items (e.g. Negotiated Rate Reduction, RC Internal Review, 3% Payment Reduction, 2010-11 Target General Fund)	In base	-\$148,848,000
• Agnews Closure Plan	\$33,838,000	In base
• Revised Major Assumptions:	\$534,000	\$0
• Elimination of Medi-Cal Optional Benefits	<i>In base</i>	<i>0</i>
• Impact from Other Departments	\$534,000	\$0
• TOTAL EXPENDITURES	\$1,887,439,000	\$1,860,967,000
• Federal Medical Assistance Percentage (FMAP) (61.59% effective 10/1/08 to 12/31/10)	61.59%	55.80%
• Subtotal Federal Financial Participation (FFP)	\$1,162,474,000	\$1,038,420,000
• Target Savings 100% FFP	\$18,900,000	N/A
• Total FFP	\$1,181,374,000	\$1,038,420,000
• General Fund Match	\$706,065,000	\$822,547,000

FUNDING:

HCBS Waiver reimbursements fund a broad array of POS costs for eligible individuals, as reflected in most of the POS methodologies. The expenditure of HCBS Waiver reimbursements are in all of the POS budget categories, except Medical Facilities and Self-Directed Services.

CHANGE FROM PRIOR ESTIMATE:

The current year and budget year estimates reflect the most current data available. Budget year reflects the 2010-11 General Fund Savings Target.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects the additional growth in HCBS Waiver billables, offset by a decrease in FFP due to the sunset of American Recovery and Reimbursement Act (ARRA) in December 2010.

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

	FYI Only Estimated % of Costs Billable to HCBS Waiver	% of Actual 2008-09 Waiver Expenditures by Budget Category	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,887,439,000	\$1,860,967,000
<i>GF Match</i>			706,065,000	822,547,000
<i>FFP (from DHCS)</i>			1,181,374,000	1,038,420,000
<i>FMAP</i>			61.59%	55.8%
Purchase of Services				
Community Care Facilities	78%	32.56%	627,799,000	645,162,000
<i>GF Match</i>			234,983,000	285,163,000
<i>FFP</i>			392,816,000	359,999,000
Day Programs	49%	20.50%	395,267,000	406,198,000
<i>GF Match</i>			147,948,000	179,540,000
<i>FFP</i>			247,319,000	226,658,000
Work Activity Program	60%	1.95%	37,599,000	38,638,000
<i>GF Match</i>			14,073,000	17,078,000
<i>FFP</i>			23,526,000	21,560,000
Supported Employment Placement/Group	41%	1.45%	27,958,000	28,731,000
<i>GF Match</i>			10,465,000	12,699,000
<i>FFP</i>			17,493,000	16,032,000
Supported Employment Placement/Individual	24%	0.26%	5,013,000	5,152,000
<i>GF Match</i>			1,876,000	2,277,000
<i>FFP</i>			3,137,000	2,875,000
Transportation	54%	6.54%	126,100,000	129,587,000
<i>GF Match</i>			47,199,000	57,277,000
<i>FFP</i>			78,901,000	72,310,000
Support Services	66%	23.56%	454,267,000	466,831,000
<i>GF Match</i>			170,031,000	206,340,000
<i>FFP</i>			284,236,000	260,491,000
In-Home Respite	57%	7.25%	139,789,000	143,655,000
<i>GF Match</i>			52,322,000	63,495,000
<i>FFP</i>			87,467,000	80,160,000
Out-of-Home Respite	11%	0.36%	6,941,000	7,133,000
<i>GF Match</i>			2,598,000	3,153,000
<i>FFP</i>			4,343,000	3,980,000
Health Care	7%	0.33%	6,363,000	6,539,000
<i>GF Match</i>			2,382,000	2,890,000
<i>FFP</i>			3,981,000	3,649,000
Miscellaneous	25%	5.24%	101,034,000	103,828,000
<i>GF Match</i>			37,817,000	45,892,000
<i>FFP</i>			63,217,000	57,936,000
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 2009-10</u>	<u>BY 2010-11</u>
4.25% Payment Reduction for RCs	-\$81,144,000	-\$126,542,000
<i>GF Match</i>	-31,167,000	-55,932,000
<i>FFP</i>	-49,977,000	-70,610,000
Agnews DC Closure Plan	\$33,838,000	\$0
<i>GF Match</i>	12,997,000	0
<i>FFP</i>	20,841,000	0
Revised Major Assumptions		
Elimination of Medi-Cal Optional Benefits	\$6,081,000	\$6,081,000
<i>GF Match</i>	2,336,000	2,688,000
<i>FFP</i>	3,745,000	3,393,000
Impact from Other Departments	\$534,000	\$0
<i>GF Match</i>	205,000	0
<i>FFP</i>	329,000	0

Home and Community-Based Services Waiver Administration

DESCRIPTION:

The Home and Community-Based Services (HCBS) Waiver 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. 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 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 Federal Financial Participation (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 Budget Change Proposal):

The Centers for Medicare & Medicaid Services (CMS) approved rate-setting methodology for the Targeted Case Management program distributes administrative costs previously included in targeted case management to other programs.

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY:

- | | | |
|--|-------------|-------------|
| ● Training for DSP Staff | \$2,794,000 | \$2,794,000 |
| ● CY and BY: Total cost of DSP Training is \$3,582,000 | | |
| ● 78% of the consumers residing in CCFs are HCBS Waiver eligible; therefore, it is assumed that 78% of the DSP Training costs are eligible for HCBS Waiver Administration reimbursement. | | |
| ● $\$3,582,000 \times 78\% = \$2,794,000$ | | |
| ● The FFP portion of the HCBS Waiver Administration-eligible costs is 50%.
($\$2,794,000 \times .50 = \$1,397,000$) | | |
| ● These costs are reflected in the DSP Training estimate, under Operations, Projects. | | |

Home and Community-Based Services Waiver Administration

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY:

• Staffing for Collection of FFP for Contracted Services	\$754,000	\$758,000
<ul style="list-style-type: none"> • CY 2009-10 <ul style="list-style-type: none"> • Total cost of Staffing for Collection of FFP for Contracted Services is \$2,219,000. • 34% of the total community population is HCBS Waiver eligible. • Therefore 34% of the total costs would be FFP + General Fund (GF) Match. ($\\$2,219,000 \times 34\% = \\$754,000$) • $\\$754,000 \times 50\% = \\$377,000$ FFP • BY 2010-11 <ul style="list-style-type: none"> • Total cost of Staffing for Collection of FFP for Contracted Services is \$2,233,000. • 34% of the total community population is HCBS Waiver eligible. • Therefore 34% of the total costs would be FFP + GF Match. ($\\$2,233,000 \times 34\% = \\$758,000$) • $\\$758,000 \times 50\% = \\$379,000$ FFP • These costs are reflected under Operations, Staffing. 		
• FFP Enhancement (related to 2003-04 Enhancing FFP BCP):	\$5,708,000	\$5,708,000
<ul style="list-style-type: none"> • CY and BY Total RC Administrative Costs are \$5,708,000 • The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. ($\\$5,708,000 \times .50 = \\$2,854,000$) 		
• Revised Major Assumption: 3% Reduction for Regional Center Operations	-\$242,000	-\$262,000
<ul style="list-style-type: none"> • CY Reduction is \$242,000 • BY Reduction is \$262,000 • The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. 		
• 2010-11 Savings Target		-\$101,000
<ul style="list-style-type: none"> • BY Reduction is \$100,000 • The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. 		

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Budget Year was updated to reflect the 2010-11 General Fund Savings Target.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

	TOTAL	\$9,014,000	\$8,897,000
	<i>FFP</i>	4,507,000	4,449,000
	<i>GF Match</i>	4,507,000	4,448,000

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 Care 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 the Department by the regional centers each year.
- CY and BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2008-09 data collected from the regional centers (\$17,211,000).
 - 71% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 71% of costs are eligible for MA reimbursement ($\$17,211,000 \times .71 = \$12,220,000$).
 - The Federal Financial Participation (FFP) portion of total MA-eligible costs is 75% ($\$12,220,000 \times .75 = \$9,165,000$).

Medicaid Administration

METHODOLOGY (continued)

- Staffing for Compliance with HCBS Waiver Requirements
 - CY 2009-10 and BY 2010-11
 - 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 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$1,933,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$1,933,000 \times .98 = \$1,894,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,894,000 \times .75 = \$1,420,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$1,933,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$1,933,000 \times .98 = \$1,894,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,894,000 \times .75 = \$1,420,000$).
 - Nurse Consultants
 - CY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$83,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$83,000 \times .98 = \$81,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$81,000 \times .75 = \$61,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$79,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$79,000 \times .98 = \$77,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$77,000 \times .75 = \$56,000$).
 - Dental Coordinators
 - CY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$334,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$334,000 \times .98 = \$327,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$327,000 \times .75 = \$245,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$334,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$334,000 \times .98 = \$327,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$327,000 \times .75 = \$245,000$).

Medicaid Administration

METHODOLOGY (continued)

- Health Care Community Specialists
 - CY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$456,000.
 - It is assumed that 98% of these costs are eligible for MA ($\$456,000 \times .98 = \$447,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$447,000 \times .75 = \$335,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$456,000.
 - It is assumed that 98% of these costs are eligible for MA ($\$456,000 \times .98 = \$447,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$447,000 \times .75 = \$335,000$).
- 3% Payment Reduction for Regional Centers
 - CY 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% ($\$-918,000 \times .75 = \$-689,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$-491,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$-495,000 \times .75 = \$-368,000$).
- 2010-11 Target Savings
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$-270,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$-270,000 \times .75 = \$-203,000$).

FUNDING:

The Medicaid Administration reimbursement is 75% federal funds and 25% General Fund. These MA funds are reflected in Operations Core Staffing, Compliance with HCBS Waiver Requirements estimate, and Agnews Closure Developmental Center.

CHANGE FROM PRIOR ESTIMATE:

Budget Year reflects the 2010-11 General Fund Target Savings.

REASON FOR YEAR TO YEAR CHANGE:

The 3 percent payment reduction was updated for BY 2010-11.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$16,650,000	\$16,803,000
<i>Federal Financial Participation</i>	<i>12,488,000</i>	<i>12,603,000</i>
<i>General Fund Match</i>	<i>4,162,000</i>	<i>4,200,000</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 146,000 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 2009-10 and BY 2010-11: Source data is from the TCM Regional Center Billed Units report dated 3/4/10: January 2009 - December 2009.

METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
<ul style="list-style-type: none"> ● Base: TCM expenditures are based on actual TCM billable units for 12 months (Jan 2009 - Dec 2009) multiplied by the regional center TCM rates effective July 2009 and adjusted for CPI for CY 2009-10 and BY 2010-11. 	\$280,470,000	\$280,470,093
<ul style="list-style-type: none"> ● Agnews Developmental Center Closure <ul style="list-style-type: none"> ● CY 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). ● BY 2010-11 <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). 	\$262,000	\$262,000
<ul style="list-style-type: none"> ● Regional Center Service Coordination Enhancement 	\$2,980,000	\$2,221,000
<ul style="list-style-type: none"> ● 3% Reduction for Regional Centers Operations 	-\$8,638,000	-\$7,896,000
<ul style="list-style-type: none"> ● 2010-11 Savings Target 	\$0	-\$3,254,000
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$275,074,000	\$271,803,000

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), (3) the Compliance with HCBS Waiver Requirements estimate, (4) Agnews DC Closure, and (5) the Case Managers to Meet HCBS Waiver Requirements.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amounts reflect the most current available data and rates information. Budget year reflects the 2010-11 General Fund Savings Target.

REASON FOR YEAR-TO-YEAR CHANGE:

The reimbursement amounts reflect the most current available data, rates and information as well as a decrease in FFP due to the end of the enhanced FMAP provided by the American Recovery and Reinvestment Act.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$275,074,000	\$271,803,000
<i>Federal Financial Participation</i>	<i>169,418,000</i>	<i>151,666,000</i>
<i>General Fund Match</i>	<i>105,656,000</i>	<i>120,137,000</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 146,000 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 \$3,321,000.
- Source of Data: DDS Fiscal Systems - CALSTARS reports

METHODOLOGY:

- | | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|-------------------|-------------------|
| <ul style="list-style-type: none"> • 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. | \$6,642,000 | \$6,642,000 |

FUNDING:

Funding for Targeted Case Management Administration reimbursement is 50% FFP and 50% General Fund. TCM Administration funds are reflected in the Core Staffing estimate, under Operations.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current available payroll data, which includes furloughs in addition to the Department holding positions vacant.

REASON FOR YEAR-TO-YEAR CHANGE:

No change

EXPENDITURES:

TOTAL	\$6,642,000	\$6,642,000
<i>Federal Financial Participation</i>	<i>3,321,000</i>	<i>3,321,000</i>
<i>General Fund Match</i>	<i>3,321,000</i>	<i>3,321,000</i>

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 (DSS). 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 Department of Developmental Services portion of the Title XX Block Grant is determined by the DSS.

FUNDING:

The Title XX Block Grant is determined by the DSS.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

Additional TANF funds are available from DSS in BY 2010-11.

Title XX Block Grant

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL TITLE XX BLOCK GRANT	\$203,903,000	\$246,646,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	68,140,000	68,140,000
<i>Habilitation Services</i>	0	0
<i>Transportation</i>	13,370,000	13,370,000
<i>Support Services</i>	43,557,000	43,557,000
<i>In-Home Respite</i>	16,299,000	16,299,000
<i>Out-of-Home Respite</i>	4,289,000	4,289,000
<i>Miscellaneous Services</i>	2,248,000	2,248,000
TANF	\$56,000,000	\$98,743,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	5,682,000	10,020,000
<i>Day Programs</i>	2,159,000	3,807,000
<i>Habilitation Services</i>	1,000	2,000
<i>Transportation</i>	819,000	1,444,000
<i>Support Services</i>	9,988,000	17,611,000
<i>In-Home Respite</i>	13,472,000	23,755,000
<i>Out-of-Home Respite</i>	2,481,000	4,374,000
<i>Health Care</i>	1,151,000	2,029,000
<i>Miscellaneous Services</i>	20,247,000	35,701,000

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 (SDS HCBS) 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 2010-11 May Revision assumes implementation of the SDS program will begin April 1, 2011.

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 SDS HCBS Waiver; therefore, 68% of their ongoing costs will be 100% billable to the SDS HCBS Waiver.
- 24% of the consumers on the Department's existing Home and Community-Based Services (HCBS) Waiver will transfer to the SDS HCBS Waiver in BY 2010-11. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate). However, transfers from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDS HCBS Waiver are eligible for federal financial participation.

Self-Directed Home and Community Based Services Waiver

METHODOLOGY:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
● Self-Directed Services Expenditures	\$0	\$259,000
● % of SDS HCBS Waiver-Eligible Consumers	0	68%
● % of Self-Directed Services billable to the SDS HCBS Waiver	0	100%
● Subtotal Self-Directed Services Expenditures	0	176,000
● Criminal background checks	0	0
● Risk Pool Fund	<u>0</u>	<u>9,000</u>
● Total Costs Eligible for SDS HCBS Waiver	\$0	\$185,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Implementation date was delayed until April 1, 2011.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL	\$0	\$185,000
General Fund		\$92,000
<i>General Fund Match</i>		83,000
<i>SDS Risk Pool Fund</i>		9,000
Reimbursements		\$93,000
<i>SDS HCBS Waiver</i>		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 (SDS HCBS) 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.

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

- Providing comprehensive pre-service and ongoing training to regional center consumers and service providers.
- Ensuring 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 2010-11 May Revision assumes an April 1, 2011 implementation of the SDS program.

Medicaid (ICF-DD/State Plan Amendment)

DESCRIPTION:

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

DDS expends approximately \$94.0 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 \$94,000,000 in 2009-10 and 2010-11.

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 for more information.

CHANGE FROM PRIOR ESTIMATE:

CY and BY increased by \$6.0 million to include additional reimbursable services identified as part of the 2009-10 trailer bill language.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$94,000,000	\$94,000,000
Federal Financial Participation	47,000,000	47,000,000
General Fund Match	47,000,000	47,000,000

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 2009-10 and BY 2010-11 is estimated to be 606 and 359 respectively.

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.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

Updated reimbursement data from DOR.

EXPENDITURES:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$300,000	\$118,000

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 (ages 0 - 5), 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 2009-10</u>	<u>BY 2010-11</u>
The California Children and Families First Trust Fund will fund \$50,000,000 for regional center services in CY 2009-10.	\$50,000,000	\$0

FUNDING:

The costs associated with this funding are reflected in the Miscellaneous Services estimate, under Purchase of Services.

CHANGE FROM PRIOR ESTIMATE:

This fund source will not be available in BY 2010-11.

REASON FOR YEAR-TO-YEAR CHANGE:

For BY, \$50 million shifts to the Counties Children and Families Account, California Children and Families Trust Fund.

EXPENDITURES:

TOTAL	\$50,000,000	\$0
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Counties Children and Families Account, California Children and Families 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 (ages 0-5), 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 2009-10</u>	<u>BY 2010-11</u>
The Counties Children and Families Account, California Children and Families Trust Fund will fund \$50,000,000 for regional center services in BY 2010-11.	\$0	\$50,000,000

FUNDING:

For the purpose of this estimate, the costs associated with this funding are reflected in the Miscellaneous Services estimate, under Purchase of Services.

CHANGE FROM PRIOR ESTIMATE:

Proposition 10 funds did not receive legislative approval during the Eighth Extraordinary Session to be placed on the June 2010 ballot.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL	\$0	\$50,000,000
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Mass Media Communications Account, California Children and Families 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 (ages 0-5), 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 2009-10</u>	<u>BY 2010-11</u>
The Mass Media Communications Account, California Children and Families Trust Fund will not be available to fund regional center services in BY 2010-11.	\$0	\$0

FUNDING:

This fund source will not be available in BY 2010-11.

CHANGE FROM PRIOR ESTIMATE:

Proposition 10 funds did not receive legislative approval during the Eighth Extraordinary Session to be placed on the June 2010 ballot.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL	\$0	\$0
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1915(i) State Plan Amendment

DESCRIPTION:

Section 6086 of the Deficit Reduction Act of 2005, (DRA, P.L. 109-171) established an optional Medicaid benefit giving states a new method for covering Home and Community-Based (HCBS) services for Medicaid beneficiaries beginning in January 2007. To date, only a few other states have exercised this option for mental health benefits delivery. As part of the \$334 million savings proposals, the Department, in a joint effort with the Department of Health Care Services, submitted a 1915(i) State Plan Amendment (SPA) to cover habilitation, respite, and other services allowable under a 1915 (i) SPA.

ASSUMPTIONS:

DDS expects \$97.4 million in expenditures for the CY 2009-10 claimed at the FMAP of 61.59%. For BY 2010-11, DDS expects \$201.6 million in expenditures claimed for 6 months at 61.59% and 6 months at 50% (averaging 55.8%).

FUNDING:

1915(i) SPA funds a broad array of purchase of service (POS) costs for eligible individuals as reflected in most of the POS methodologies. The 1915(i) SPA expenditures are in all of the POS budget categories except Medical Facilities, Supported Employment and Self-Directed Services.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

Annualized CY 2009-10 expenditures in BY 2010-11; additional services added based on updated information from the Centers for Medicare and Medicaid Services.

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
Total SPA Eligible Expenditures	\$97,418,000	\$201,613,000
<i>Federal Financial Participation</i>	<i>60,000,000</i>	<i>112,500,000</i>
<i>General Fund Match</i>	<i>37,418,000</i>	<i>89,113,000</i>

1915 (i) State Plan Amendment**Estimated Distribution in Purchase of Services****EXPENDITURES:**

	% of Actual Expenditures by Budget Category	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL ESTIMATED 1915(i) SPA ELIGIBLE EXPENDITURES		\$97,418,000	\$201,613,000
<i>GF Match</i>		\$37,418,000	\$89,113,000
<i>FFP</i>		\$60,000,000	\$112,500,000
Community Care Facilities	24.20%	23,575,000	48,790,000
<i>GF Match</i>		9,055,000	21,565,000
<i>FFP</i>		14,520,000	27,225,000
Day Programs	34.25%	33,366,000	69,053,000
<i>GF Match</i>		12,816,000	30,522,000
<i>FFP</i>		20,550,000	38,531,000
Work Activity Program	10.12%	9,859,000	20,403,000
<i>GF Match</i>		3,787,000	9,018,000
<i>FFP</i>		6,072,000	11,385,000
Support Services	24.37%	23,741,000	49,133,000
<i>GF Match</i>		9,119,000	21,717,000
<i>FFP</i>		14,622,000	27,416,000
In-Home Respite	5.39%	5,251,000	10,867,000
<i>GF Match</i>		2,017,000	4,803,000
<i>FFP</i>		3,234,000	6,064,000
Out-of-Home Respite	0.39%	380,000	786,000
<i>GF Match</i>		146,000	347,000
<i>FFP</i>		234,000	439,000
Health Care	0.41%	399,000	827,000
<i>GF Match</i>		153,000	366,000
<i>FFP</i>		246,000	461,000
Miscellaneous	0.87%	847,000	1,754,000
<i>GF Match</i>		325,000	775,000
<i>FFP</i>	100.0%	522,000	979,000

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:

The current year and budget year estimates reflect current actual revenues collected.

REASON FOR YEAR-TO-YEAR CHANGE:

Increased revenue due to ongoing implementation of Parental Fee changes generated as part of the Department's Target Savings.

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:		
TOTAL	\$2,092,000	\$3,292,000

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:

DDS expects to receive housing proposals totaling \$150,000 in application fees in the current year and the budget year.

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:	<u>CY 2009-10</u>	<u>BY 2010-11</u>
TOTAL	\$150,000	\$150,000

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 2009-10</u>	<u>BY 2010-11</u>
• Regional Best Practice Training	\$270,000	\$256,500
• Statewide Training for Families, Service Providers, Service Coordinators, and Consumers	270,000	256,500
• Regional Center Technical Assistance and Liaison Support	65,000	61,750
• Regional Planning Projects	<u>135,000</u>	<u>128,250</u>
• TOTAL EXPENDITURES	\$740,000	\$703,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

Reduction in Mental Health Service Act funding by 5% for state administrative functions.

EXPENDITURES:

TOTAL	\$740,000	\$703,000
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Money Follows the Person Grant

DESCRIPTION:

The Department of Health Care Services administers California's Money Follows the Person (MFP) Grant. The federal MFP grant (also known as California Community Transitions or CCT) provides federal funding for eligible services needed to assist consumers in transitioning to the community from institutions. Eligible services include both administrative and consumer services.

ASSUMPTIONS:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
The MFP Grant will fund \$3,537,000 for regional center services in BY 2010-11.	\$0	\$3,537,000

FUNDING:

The MFP Grant reimbursement is 100% for specified, Centers for Medicare and Medicaid Services approved administrative positions, for the first twelve months of eligible consumer services following relocation into the community from an institution. This funding is reflected in Operations, Lanterman Closure.

CHANGE FROM PRIOR ESTIMATE:

This is a new funding source for the Department of Developmental Services.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

<i>TOTAL</i>	\$0	\$3,537,000
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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 2009-10: Federal Office of Special Education Programs (OSEP) Grant letter, dated July 1, 2009.

BY 2010-11: Federal OSEP Grant not awarded until July 2010.

CY 2009-10 BY 2010-11

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 2009-10</u>	<u>BY 2010-11</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
<ul style="list-style-type: none"> ● RC Purchase of Services 	\$66,359,000	\$33,465,000
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 2008-09 by budget category, which reflects mid-year increases not necessarily applicable to the forecast period.		
Day Programs	34,706,000	17,502,000
Transportation	0	0
Support Services	1,394,000	703,000
In-Home Respite	2,454,000	1,238,000
Out-of-Home Respite	664,000	335,000
Health Care	7,963,000	4,016,000
Miscellaneous Services	19,178,000	9,671,000
<ul style="list-style-type: none"> ● TOTAL DISBURSEMENTS 	\$86,454,000	\$53,560,000

FUNDING:

The annual Part C Grant is independently determined by OSEP. It is 100% federal funds and does not require a state General Fund match.

CHANGE FROM THE PRIOR ESTIMATE:

No change.

REASON FOR YEAR TO YEAR CHANGE

Decrease due to end of ARRA supplemental grant.

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:		
TOTAL	\$86,454,000	\$53,560,000
Grant	86,454,000	53,560,000

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, for more detail on the total regional center costs for this program.)

ASSUMPTIONS/METHODOLOGY:

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
• 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.

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

No change.

	<u>CY 2009-10</u>	<u>BY 2010-11</u>
EXPENDITURES:		
TOTAL	\$560,000	\$560,000