

FOR LEGISLATIVE REVIEW

NOVEMBER ESTIMATE

**LOCAL ASSISTANCE FOR
REGIONAL CENTERS**

2010-11 GOVERNOR'S BUDGET



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

January 8, 2010

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| PY 2008-09 | A-4 |

**Comparison of the 2009-10 Adjusted Budget to 2010-11 November Estimate
Current Year 2009-10**

| | A | B | C |
|---|---|---|---|
| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate CY 2009-10 | 2010-11 November Estimate Request CY 2009-10 (B - A) |
| I. BUDGET ITEMS: | | | |
| A. Operations | | | |
| 1. Staffing | \$485,734,000 | \$486,343,000 | \$609,000 |
| 2. Federal Compliance | 41,267,000 | 41,536,000 | 269,000 |
| 3. Projects | 27,258,000 | 27,429,000 | 171,000 |
| 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 | \$521,696,000 | \$522,745,000 | \$1,049,000 |
| B. Purchase of Services (POS) | | | |
| 1. Community Care Facilities ^{al} | \$802,458,000 | \$808,198,000 | \$5,740,000 |
| 2. Medical Facilities | 23,215,000 | 24,645,000 | 1,430,000 |
| 3. Day Programs | 851,142,000 | 847,086,000 | -4,056,000 |
| 4. Habilitation Services | 143,052,000 | 146,465,000 | 3,413,000 |
| 5. Transportation | 244,150,000 | 240,967,000 | -3,183,000 |
| 6. Support Services | 749,392,000 | 751,307,000 | 1,915,000 |
| 7. In-Home Respite | 269,172,000 | 272,256,000 | 3,084,000 |
| 8. Out-of-Home Respite | 69,319,000 | 65,516,000 | -3,803,000 |
| 9. Health Care | 109,203,000 | 98,669,000 | -10,534,000 |
| 10. Miscellaneous | 460,077,000 | 482,237,000 | 22,160,000 |
| 11. Self Directed Services | 118,000 | 118,000 | 0 |
| 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) | \$3,409,904,000 | \$3,426,070,000 | \$16,166,000 |
| 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) | \$3,430,243,000 | \$3,446,409,000 | \$16,166,000 |
| 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. DEPARTMENT OPERATIONAL NEED | \$3,999,234,000 | \$4,016,449,000 | \$17,215,000 |
| F. 2009-10 Veto (DDS seeking Prop. 10 funding) | -\$50,000,000 | \$0 | \$50,000,000 |
| G. GRAND TOTAL | \$3,949,234,000 | \$4,016,449,000 | \$67,215,000 |
| II. FUND SOURCES: | | | |
| A. General Fund Total | | | |
| 1. General Fund Match | \$2,065,458,000 | \$2,196,595,000 | \$131,137,000 |
| 2. General Fund - Other | 776,736,000 | 902,630,000 | 125,894,000 |
| 3. SDS Risk Pool | 1,288,713,000 | 1,293,956,000 | 5,243,000 |
| | 9,000 | 9,000 | 0 |
| B. Reimbursements | | | |
| 1. Home and Community-Based Services (HCBS) Waiver | \$1,664,001,000 | \$1,729,458,000 | \$65,457,000 |
| 2. HCBS Waiver Administration | 1,135,801,000 | 1,174,252,000 | 38,451,000 |
| 3. Medicaid Administration | 4,408,000 | 4,507,000 | 99,000 |
| 4. Medicaid Administration | 15,940,000 | 12,488,000 | -3,452,000 |
| 5. Targeted Case Management (TCM) | 189,710,000 | 170,286,000 | -19,424,000 |
| 6. TCM Administration | 4,217,000 | 4,000,000 | -217,000 |
| 7. 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 |
| 8. Self-Directed HCBS Waiver | 93,000 | 93,000 | 0 |
| 9. Self-Directed HCBS Waiver Administration | 629,000 | 629,000 | 0 |
| 10. Medicaid | 44,000,000 | 44,000,000 | 0 |
| 11. Vocational Rehabilitation | 300,000 | 300,000 | 0 |
| 12. CA Children & Families First Trust Fund | 5,000,000 | 55,000,000 | 50,000,000 |
| a. Existing Budget Authority | 5,000,000 | 5,000,000 | 0 |
| b. 2009-10 Request | 0 | 50,000,000 | 50,000,000 |
| 13. 1915(i) State Plan Amendment | 60,000,000 | 60,000,000 | 0 |
| C. Program Development Fund / Parental Fees | | | |
| | \$2,492,000 | \$2,492,000 | \$0 |
| D. Developmental Disabilities Services Account | | | |
| | \$150,000 | \$150,000 | \$0 |
| E. Mental Health Services Fund | | | |
| | \$740,000 | \$740,000 | \$0 |
| F. Public Transportation Account | | | |
| | \$138,275,000 | \$0 | -\$138,275,000 |
| G. Federal Funds | | | |
| 1. Early Start/Part C Grant | \$78,118,000 | \$87,014,000 | \$8,896,000 |
| 2. Foster Grandparent Program | 77,558,000 | 86,454,000 | 8,896,000 |
| | 560,000 | 560,000 | 0 |
| H. GRAND TOTAL | \$3,949,234,000 | \$4,016,449,000 | \$67,215,000 |

^{al}Includes \$11,879,000 impact from anticipated June 2009 SSI/SSP rate increase that did not occur.

Comparison of the 2009-10 Adjusted Budget to 2010-11 November Estimate
Budget Year 2010-11

| | A | B | C |
|---|---|---|---|
| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | 2010-11 November Estimate Request BY 2010-11 (B - A) |
| I. BUDGET ITEMS: | | | |
| A. Operations | | | |
| 1. Staffing | \$485,734,000 | \$494,502,000 | \$8,768,000 |
| 2. Federal Compliance | 41,267,000 | 41,722,000 | 455,000 |
| 3. Projects | 27,258,000 | 24,758,000 | -2,500,000 |
| 4. Agnews Developmental Center Closure | 7,682,000 | 5,114,000 | -2,568,000 |
| 5. Cost Saving Items: | -40,245,000 | -40,812,000 | -567,000 |
| a. Savings Target | -17,445,000 | -17,445,000 | 0 |
| b. Transfer to Prevention Program | -5,400,000 | -7,200,000 | -1,800,000 |
| c. 3 Percent Reduction | -17,400,000 | -16,167,000 | 1,233,000 |
| 6. Operations Total | \$521,696,000 | \$525,284,000 | \$3,588,000 |
| B. Purchase of Services (POS) | | | |
| 1. Community Care Facilities | \$802,458,000 | \$826,832,000 | \$24,374,000 |
| 2. Medical Facilities | 23,215,000 | 24,868,000 | 1,653,000 |
| 3. Day Programs | 851,142,000 | 905,031,000 | 53,889,000 |
| 4. Habilitation Services | 143,052,000 | 143,518,000 | 466,000 |
| 5. Transportation | 244,150,000 | 249,973,000 | 5,823,000 |
| 6. Support Services | 749,392,000 | 832,208,000 | 82,816,000 |
| 7. In-Home Respite | 269,172,000 | 304,252,000 | 35,080,000 |
| 8. Out-of-Home Respite | 69,319,000 | 71,644,000 | 2,325,000 |
| 9. Health Care | 109,203,000 | 106,495,000 | -2,708,000 |
| 10. Miscellaneous | 460,077,000 | 545,589,000 | 85,512,000 |
| 11. Self Directed Services | 118,000 | 858,000 | 740,000 |
| 12. Agnews Developmental Center Closure | 41,833,000 | 0 | -41,833,000 |
| 13. Cost Saving Items: | -353,227,000 | -484,846,000 | -131,619,000 |
| a. Savings Target | -230,655,000 | -331,196,000 | -100,541,000 |
| b. Transfer to Prevention Program | -21,800,000 | -29,100,000 | -7,300,000 |
| c. 3 Percent Reduction | -100,772,000 | -99,550,000 | 1,222,000 |
| d. 2010-11 Savings Target General Fund | 0 | -25,000,000 | -25,000,000 |
| 14. Subtotal (Items 1 thru 13) | \$3,409,904,000 | \$3,526,422,000 | \$116,518,000 |
| 15. Revised Major Assumptions: | \$20,339,000 | \$70,339,000 | \$50,000,000 |
| a. Impact from Other Departments | 8,367,000 | 58,367,000 | 50,000,000 |
| b. Elimination of Medi-Cal Optional Benefits | 11,972,000 | 11,972,000 | 0 |
| 16. POS Total (Items 14 and 15) | \$3,430,243,000 | \$3,596,761,000 | \$166,518,000 |
| 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. DEPARTMENT OPERATIONAL NEED | \$3,999,234,000 | \$4,178,440,000 | \$179,206,000 |
| F. 2009-10 Veto (DDS seeking Prop. 10 funding) | -\$50,000,000 | \$0 | \$50,000,000 |
| G. GRAND TOTAL | \$3,949,234,000 | \$4,178,440,000 | \$229,206,000 |
| II. FUND SOURCES: | | | |
| A. General Fund Total^{af} | | | |
| 1. General Fund Match | \$2,065,458,000 | \$2,242,158,000 | \$176,700,000 ^{af} |
| 2. General Fund - Other | 776,736,000 | 1,075,245,000 | 298,509,000 |
| 3. SDS Risk Pool | 1,288,713,000 | 1,166,904,000 | -121,809,000 |
| | 9,000 | 9,000 | 0 |
| B. Reimbursements | \$1,664,001,000 | \$1,628,017,000 | -\$35,984,000 |
| 1. Home and Community-Based Services (HCBS) Waiver | 1,135,801,000 | 1,038,142,000 | -97,659,000 |
| 2. HCBS Waiver Administration | 4,408,000 | 4,499,000 | 91,000 |
| 3. Medicaid Administration | 15,940,000 | 12,806,000 | -3,134,000 |
| 4. Targeted Case Management (TCM) | 189,710,000 | 154,613,000 | -35,097,000 |
| 5. TCM Administration | 4,217,000 | 4,000,000 | -217,000 |
| 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 HCBS Waiver | 93,000 | 4,030,000 | 3,937,000 |
| 8. Self-Directed HCBS Waiver Administration | 629,000 | 1,663,000 | 1,034,000 |
| 9. Medicaid | 44,000,000 | 44,000,000 | 0 |
| 10. Vocational Rehabilitation | 300,000 | 118,000 | -182,000 |
| 11. CA Children & Families First Trust Fund | 5,000,000 | 5,000,000 | 0 |
| 12. 1915(i) State Plan Amendment | 60,000,000 | 112,500,000 | 52,500,000 |
| C. Program Development Fund / Parental Fees | \$2,492,000 | \$3,292,000 | \$800,000 |
| D. Developmental Disabilities Services Account | \$150,000 | \$150,000 | \$0 |
| E. Mental Health Services Fund | \$740,000 | \$703,000 | -\$37,000 |
| F. Public Transportation Account | \$138,275,000 | \$0 | -\$138,275,000 |
| G. Counties Children & Families Account | \$0 | \$244,000,000 | \$244,000,000 |
| H. Mass Media Communications Account | \$0 | \$6,000,000 | \$6,000,000 |
| I. Federal Funds | \$78,118,000 | \$54,120,000 | -\$23,998,000 |
| 1. Early Start/Part C Grant | 77,558,000 | 53,560,000 | -23,998,000 |
| 2. Foster Grandparent Program | 560,000 | 560,000 | 0 |
| J. GRAND TOTAL | \$3,949,234,000 | \$4,178,440,000 | \$229,206,000 |

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

**2010-11 November Estimate
Current Year 2009-10 to Budget Year 2010-11**

| | A | B | C |
|---|---|---|-------------------------------|
| | 2010-11 November Estimate CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference (B - A) |
| I. BUDGET ITEMS: | | | |
| A. Operations | | | |
| 1. Staffing | \$486,343,000 | \$494,502,000 | \$8,159,000 |
| 2. Federal Compliance | 41,536,000 | 41,722,000 | 186,000 |
| 3. Projects | 27,429,000 | 24,758,000 | -2,671,000 |
| 4. Agnews Developmental Center Closure | 7,682,000 | 5,114,000 | -2,568,000 |
| 5. Cost Saving Items: | -40,245,000 | -40,812,000 | -567,000 |
| a. Savings Target | -17,445,000 | -17,445,000 | 0 |
| b. Transfer to Prevention Program | -5,400,000 | -7,200,000 | -1,800,000 |
| c. 3 Percent Reduction | -17,400,000 | -16,167,000 | 1,233,000 |
| 6. Operations Total | \$522,745,000 | \$525,284,000 | \$2,539,000 |
| B. Purchase of Services (POS) | | | |
| 1. Community Care Facilities | \$808,198,000 | \$826,832,000 | \$18,634,000 |
| 2. Medical Facilities | 24,645,000 | 24,868,000 | 223,000 |
| 3. Day Programs | 847,086,000 | 905,031,000 | 57,945,000 |
| 4. Habilitation Services | 146,465,000 | 143,518,000 | -2,947,000 |
| 5. Transportation | 240,967,000 | 249,973,000 | 9,006,000 |
| 6. Support Services | 751,307,000 | 832,208,000 | 80,901,000 |
| 7. In-Home Respite | 272,256,000 | 304,252,000 | 31,996,000 |
| 8. Out-of-Home Respite | 65,516,000 | 71,644,000 | 6,128,000 |
| 9. Health Care | 98,669,000 | 106,495,000 | 7,826,000 |
| 10. Miscellaneous | 482,237,000 | 545,589,000 | 63,352,000 |
| 11. Self Directed Services | 118,000 | 858,000 | 740,000 |
| 12. Agnews Developmental Center Closure | 41,833,000 | 0 | -41,833,000 |
| 13. Cost Saving Items: | -353,227,000 | -484,846,000 | -131,619,000 |
| a. Savings Target | -230,655,000 | -331,196,000 | -100,541,000 |
| b. Transfer to Prevention Program | -21,800,000 | -29,100,000 | -7,300,000 |
| c. 3 Percent Reduction | -100,772,000 | -99,550,000 | 1,222,000 |
| d. 2010-11 Savings Target General Fund | 0 | -25,000,000 | -25,000,000 |
| 14. Subtotal (Items 1 thru 13) | \$3,426,070,000 | \$3,526,422,000 | \$100,352,000 |
| 15. Revised Major Assumptions: | \$20,339,000 | \$70,339,000 | \$50,000,000 |
| a. Impact from Other Departments | 8,367,000 | 58,367,000 | 50,000,000 |
| 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 | \$3,596,761,000 | \$150,352,000 |
| 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. DEPARTMENT OPERATIONAL NEED | \$4,016,449,000 | \$4,178,440,000 | \$161,991,000 |
| F. 2009-10 Veto (DDS seeking Prop. 10 funding) | \$0 | \$0 | \$0 |
| G. GRAND TOTAL | \$4,016,449,000 | \$4,178,440,000 | \$161,991,000 |
| II. FUND SOURCES: | | | |
| A. General Fund Total ^{a/} | \$2,196,595,000 | \$2,242,158,000 ^{a/} | \$45,563,000 |
| 1. General Fund Match | 902,630,000 | 1,075,245,000 | 172,615,000 |
| 2. General Fund - Other | 1,293,956,000 | 1,166,904,000 | -127,052,000 |
| 3. SDS Risk Pool | 9,000 | 9,000 | 0 |
| B. Reimbursements | \$1,729,458,000 | \$1,628,017,000 | -\$101,441,000 |
| 1. Home & Community-Based Services (HCBS) Waiver | 1,174,252,000 | 1,038,142,000 | -136,110,000 |
| 2. HCBS Waiver Administration | 4,507,000 | 4,499,000 | -8,000 |
| 3. Medicaid Administration | 12,488,000 | 12,806,000 | 318,000 |
| 4. Targeted Case Management (TCM) | 170,286,000 | 154,613,000 | -15,673,000 |
| 5. TCM Administration | 4,000,000 | 4,000,000 | 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 HCBS Waiver | 93,000 | 4,030,000 | 3,937,000 |
| 8. Self-Directed HCBS Waiver Administration | 629,000 | 1,663,000 | 1,034,000 |
| 9. Medicaid | 44,000,000 | 44,000,000 | 0 |
| 10. Vocational Rehabilitation | 300,000 | 118,000 | -182,000 |
| 11. CA Children & Families First Trust Fund | 55,000,000 | 5,000,000 | -50,000,000 |
| a. Existing Budget Authority | 5,000,000 | 5,000,000 | 0 |
| b. 2009-10 Request | 50,000,000 | 0 | -50,000,000 |
| 12. 1915(i) State Plan Amendment | 60,000,000 | 112,500,000 | 52,500,000 |
| C. Program Development Fund / Parental Fees | \$2,492,000 | \$3,292,000 | \$800,000 |
| D. Developmental Disabilities Services Account | \$150,000 | \$150,000 | \$0 |
| E. Mental Health Services Fund | \$740,000 | \$703,000 | -\$37,000 |
| F. Public Transportation Account | \$0 | \$0 | \$0 |
| G. Counties Children & Families Account | \$0 | \$244,000,000 | \$244,000,000 |
| H. Mass Media Communications Account | \$0 | \$6,000,000 | \$6,000,000 |
| I. 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 |
| J. GRAND TOTAL | \$4,016,449,000 | \$4,178,440,000 | \$161,991,000 |

^{a/}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 |
| a. Social Services | 147,903,000 | 147,903,000 | 147,903,000 | 0 | 0 |
| b. Temporary Assistance For Needy Families | 56,000,000 | 56,000,000 | 56,000,000 | 0 | 0 |
| 7. Self-Directed HCBS Waiver | 4,617,000 | 4,617,000 | 0 | -4,617,000 | -4,617,000 |
| 8. Self-Directed HCBS Waiver Administration | 1,453,000 | 1,453,000 | 423,000 | -1,030,000 | -1,030,000 |
| 9. Medicaid | 44,000,000 | 44,000,000 | 44,000,000 | 0 | 0 |
| 10. Vocational Rehabilitation | 588,000 | 588,000 | 300,000 | -288,000 | -288,000 |
| 11. CA Children & Families Trust Fund | 5,000,000 | 5,000,000 | 5,000,000 | 0 | 0 |
| C. Program Development Fund/Parental Fees | | | | | |
| Developmental Disabilities Service Account | \$1,147,000 | \$1,147,000 | \$1,147,000 | \$0 | \$0 |
| Mental Health Services Fund | \$0 | \$75,000 | \$75,000 | \$0 | \$75,000 |
| D. Public Transportation Account | \$740,000 | \$740,000 | \$740,000 | \$0 | \$0 |
| E. Federal Funds | | | | | |
| 1. Early Start/Part C Grant | \$138,275,000 | \$138,275,000 | \$138,275,000 | \$0 | \$0 |
| 2. Foster Grandparent Program | \$88,957,000 | \$115,573,000 | \$114,558,000 | -\$1,015,000 | \$25,601,000 |
| | 88,397,000 | 115,013,000 | 113,998,000 | -1,015,000 | 25,601,000 |
| | 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-23

Executive Highlights

I. CURRENT YEAR 2009-10 COSTS AND FUND SOURCES

A. Overview

The Department continues to work closely with regional centers and stakeholders to implement the savings proposals included in the 2009-10 budget (e.g. 3 percent payment and operations reductions, savings target proposals, etc.) for an estimated current year regional center operations and purchase of services savings of \$366.2 million. The total savings are composed of \$40.2 million in operations savings, \$353.2 million in purchase of services savings, and \$27.2 million to establish the Prevention Program. 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.

| 2009-10 Costs <i>(in millions)</i> | | | |
|--|----------------------------|------------------------------|-------------------|
| | Adjusted Budget | November Estimate | Difference |
| Total Costs | \$3,949.2 | \$4,016.4 | \$67.2 |
| Operations | 521.7 | 522.7 | 1.0 |
| Purchase of Services | 3,430.2 | 3,446.4 | 16.2 |
| Early Start - Other Agency Costs | 20.1 | 20.1 | 0.0 |
| Prevention Program | 27.2 | 27.2 | 0.0 |
| 2009-10 Veto (seeking Prop 10 Funding) | -50.0 | 0.0 | 50.0 |
| Fund Sources | \$3,949.2 | \$4,016.4 | \$67.2 |
| General Fund (GF) | \$2,065.4 | \$2,196.6 | \$131.2 |
| <i>GF Match</i> | 776.7 | 902.6 | 125.9 |
| <i>GF Other</i> | 1,288.7 | 1,294.0 | 5.3 |
| <i>SDS Risk Pool</i> | 0.0 | 0.0 | 0.0 |
| Reimbursements | 1,664.0 | 1,729.4 | 65.4 |
| Program Development Fund | 2.5 | 2.5 | 0.0 |
| Developmental Disabilities Svcs Acct | 0.2 | 0.2 | 0.0 |
| Mental Health Services Fund | 0.7 | 0.7 | 0.0 |
| Public Transportation Account | 138.3 | 0.0 | -138.3 |
| Federal Funds | 78.1 | 87.0 | 8.9 |

Current Year 2009-10 (Continued)

The total requested increase in 2009-10 compared to the adjusted 2009-10 budget is \$67.2 million total funds, with an increase of \$131.1 million General Fund. The General Fund increase of \$131.1 million is primarily due to a decrease of \$138.3 million in Public Transportation Account funds resulting from the Shaw vs. Chiang decision, offset by increases in reimbursements and Federal funds. The \$67.2 million increase is composed of:

- \$50 million in increased reimbursement authority to receive additional Proposition 10 funding for regional center services for children up to age five. The Department is working closely with the First 5 California Children and Families Commission to secure the additional \$50 million in Proposition 10 funding consistent with Section 18.30 of the enacted 2009 Budget.
- \$1.0 million reflects increased regional center operations costs primarily due to increased Home and Community Based Services waiver enrollments.
- \$4.3 million reflects changes in Purchase of Services (POS) categories due to updated expenditure and utilization data used for this estimate. A description of factors contributing to changes in each POS category is provided in the POS section of the Executive Highlights. Community Placement Plan funding will be updated in the May Revision.
- \$11.9 million reflects the loss of the June 2009 SSI/SSP rate increase assumed in the May Revision. The projected SSI/SSP rate increase will not occur. The loss of these previously assumed offsetting SSI/SSP payments to residential services providers increases costs in the Community Care Facilities category.

B. Crosscutting Issues

1. The current year estimate does not reflect any costs associated with funding reductions in the In Home Supportive Services Program (IHSS) effective November 1, 2009 that would impact DDS consumers. The IHSS service reduction has been challenged in court. Pending the outcome of the court action, DDS would need to determine fiscal impact to regional centers as payor of last resort.

2. The current year estimate maintains funding of \$5.3 million provided in the enacted 2009-10 budget to fund reductions in Adult Day Health Care (ADHC) that would be paid for by regional centers. The ADHC reductions have also been challenged in court. The outcome of the case is unknown at this time.

3. The current year estimate maintains funding of \$15.0 million provided in the enacted 2009-10 budget to fund grant reductions in Supplemental Security Income (SSI) and State Supplementary Payment (SSP) that would be paid for by regional centers (\$3.0 million), and increases in services due to the elimination of Medi-Cal optional benefits on July 1, 2009 (\$12.0 million).

Current Year 2009-10 (Continued)

4. The Governor's Budget includes service reduction proposals in Medi-Cal, IHSS, SSI/SSP and other programs that will increase regional centers purchase of services costs in 2009-10. The impact of these proposals is not included in this estimate.

C. Caseload Changes

The November Estimate retains the total caseload estimate of 242,495 included in the enacted budget.

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate CY 2009-10 | Difference |
|-------------------------------------|---|---|-------------------|
| <u>CASELOAD</u> | | | |
| Active (Age 3 & Older) | 206,550 | 206,550 | 0 |
| Early Start (Birth through 2 Years) | 35,945 | 35,945 | 0 |
| Total Community Population | 242,495 | 242,495 | 0 |

D. Total Regional Center Costs: \$17.2 Million Increase over the Adjusted Budget**1. Operations: \$1.0 Million Increase**

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate CY 2009-10 | Difference |
|------------------------------------|---|---|-------------------|
| <u>OPERATIONS: STAFFING</u> | (in millions) | | |
| A. Core Staffing | \$485.7 | \$486.3 | \$0.6 |
| B. Agnews D. C. Closure | 7.7 | 7.7 | 0.0 |
| C. Total Staffing | \$493.4 | \$494.0 | \$0.6 |

- a. The \$0.6 million increase in Core Staffing reflects costs for the additional staff required due to increased consumers eligible for the Home and Community Based Services Waiver.

Current Year 2009-10 (Continued)

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate CY 2009-10 | Difference |
|--|---|---|-------------------|
| <u>OPERATIONS: FEDERAL COMPLIANCE</u> | (in millions) | | |
| A. HCBS Waiver | \$21.1 | \$21.1 | \$0.0 |
| B. Accelerated HCBS Waiver Enrollments | 1.6 | 1.6 | 0.0 |
| C. HCBS Waiver Compliance | 9.2 | 9.2 | 0.0 |
| D. HCBS Waiver Case Managers | 4.7 | 5.0 | 0.3 |
| 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 | \$41.2 | \$41.5 | \$0.3 |

- b. The \$0.3 million increase in Federal Compliance reflects costs for the additional case managers required due to increased consumers eligible for the Home and Community Based Services Waiver.

Current Year 2009-10 (Continued)

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate CY 2009-10 | Difference |
|---|---|---|-------------------|
| <u>OPERATIONS: PROJECTS</u> | (in millions) | | |
| 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 | 5.2 | 5.2 | 0.0 |
| C. Quality Assessment Contract * | 5.6 | 5.9 | 0.3 |
| D. Direct Support Professional Training | 3.6 | 3.6 | 0.0 |
| E. Office of Administrative Hearings Contract | 2.2 | 2.2 | 0.0 |
| F. Wellness Projects * | 1.5 | 1.5 | 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. Movers Evaluation Contract * | 0.0 | 0.0 | 0.0 |
| L. Enhancing FFP, Ph II, Proposal C, Consultant | 0.5 | 0.5 | 0.0 |
| M. University Enterprises, Inc. | 0.2 | 0.1 | -0.1 |
| N. Affordable Housing | 0.1 | 0.1 | 0.0 |
| O. Cost Containment | -0.5 | -0.5 | 0.0 |
| P. Self-Directed Services: Training and Dev. | 0.2 | 0.2 | 0.0 |
| Q. Evaluation of SB962 Pilots | 0.1 | 0.1 | 0.0 |
| R. Review of SB 1175 Housing Proposals | 0.2 | 0.2 | 0.0 |
| Total Projects | \$27.3 | \$27.5 | \$0.2 |
| Reductions due to Cost Saving Items * (info only) | | -\$3.3 | -\$3.3 |
| • Reduce Wellness Projects | | -1.3 | -1.3 |
| • Consolidate the Quality Assessment Contract and the Movers Evaluation Contract and reduce costs by \$2 million. | | -2.0 | -2.0 |

c. The \$0.2 million increase in Projects reflects the updated number of assessments to the Quality Assessment Contract, and a 10% payment reduction to the University Enterprises, Inc. Contract.

Current Year 2009-10 (Continued)2. Purchase of Services (POS): \$16.2 Million Increase

| 2009-10 Purchase of Services Changes by Issue <i>(in millions)</i> | | | |
|--|----------------------------------|---|------------|
| | Adjusted Budget CY 2009-10 | 2010-11 November Estimate CY 2009-10 | Difference |
| A. Adjusted Base | \$3,359.8 | \$3,395.4 | \$35.6 |
| B. Updated Population, Utilization and Expenditure Data | 338.5 | 319.1 | -19.4 |
| C. Community Placement Plan (CPP) | 64.8 | 64.8 | 0.0 |
| D. Subtotal (Items A thru D) | 3,763.1 | 3,779.3 | \$16.2 |
| E. Cost Saving Items: | -353.2 | -353.2 | 0.0 |
| 1. Savings Target | -230.6 | -230.6 | 0.0 |
| 2. Prevention Program | -21.8 | -21.8 | 0.0 |
| 3. 3 Percent Reduction | -100.8 | -100.8 | 0.0 |
| F. Revised Major Assumptions: | 20.3 | 20.3 | 0.0 |
| 1. Impact from Other Departments | 8.3 | 8.3 | 0.0 |
| 2. Elimination of Medi-Cal Optional Benefits | 12.0 | 12.0 | 0.0 |
| G. Prevention Program | 27.2 | 27.2 | 0.0 |
| H. Total (Items A thru G) | \$3,457.4 | \$3,473.6 | \$16.2 |

- Base: November Estimate base expenditures of \$3,395.4 million were estimated using 2008-09 POS actual expenditure data. This results in an increase of \$35.6 million in base costs.
- Utilization and Expenditure Data: Updated expenditure data results in a decrease of \$19.4 million.
- Cost Saving Items: No change from enacted budget. 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 various approval savings target proposals. Until the expenditure data reflects the implementation of the savings target proposals the estimate will carry Cost Saving Items as a separate line item that reduces overall expenditures without regard to budget category. Details of the cost savings items proposals can be viewed at:
<http://www.dds.ca.gov/Director/BudgetReductionSummary.cfm>.

Current Year 2009-10 (Continued)

| CY 2009-10 POS by CATEGORY | | | | | | |
|-----------------------------------|------------------|------|--------------------|-----------------|-----------------|-------|
| <i>(in millions)</i> | | | | | | |
| | Estimate Request | Base | Utilization Change | Negotiated Rate | Internal Review | Other |
| Community Care Facilities | 5.7 | 10.5 | -22.4 | 5.7 | | 11.9 |
| Medical Facilities | 1.4 | 1.4 | | | | |
| Day Programs | -4.0 | -0.5 | -5.1 | | | 1.6 |
| Habilitation Services | 3.4 | 6.2 | -2.2 | | | -0.6 |
| Transportation | -3.2 | 2.6 | -5.9 | 0.1 | | |
| Support Services | 1.9 | -1.7 | 3.7 | 0.2 | | -0.3 |
| In-Home Respite | 3.1 | 1.3 | 1.8 | | | |
| Out-of-Home Respite | -3.8 | -1.8 | -1.1 | -0.9 | | |
| Health Care | -10.5 | -6.7 | -3.4 | -0.4 | | |
| Miscellaneous | 22.2 | 15.8 | 3.5 | 2.9 | | |
| TOTAL | 16.2 | | | | | |

- Base, Utilization and Expenditures Changes by POS Category
 - Community Care Facilities (CCF): \$5.7 Million Increase
CCF base costs increased by \$10.5 million. The November Estimate used updated expenditure data that resulted in a utilization change decrease of \$22.4 million. Negotiated rate savings decreased by \$5.7 million, increasing costs. CCF costs increased by \$11.9 million due to the loss of offsetting SSI/SSP payments. The prior estimate assumed an SSI/SSP rate increase in June 2009 that did not occur.
 - Medical Facilities: \$1.4 Million Increase
Base costs increased by \$1.4 million. This estimate reflects the addition of one facility, which increased costs by \$16,000.
 - Day Programs: \$4.0 Million Decrease
Base costs decreased by \$0.5 million. The May Revision assumed more caseload growth than the November Estimate, resulting in a \$5.1 million decrease in utilization costs. Average cost increased slightly to 1.8% over the 1.6% average cost increase used in the May Revision. This increased expenditures by \$1.6 million.
 - Habilitation Services: \$3.4 Million Increase
Base costs increased expenditures by \$6.2 million. Utilization change decreased by \$2.2 million. Supported Employment Program 10% provider rate reduction increased savings by \$0.6 million.

Current Year 2009-10 (Continued)

- Transportation: \$3.2 Million Decrease
Base costs increased by \$2.6 million. Utilization change decreased by \$5.9 million. Negotiated rate savings decreased by \$0.1 million.
- Support Services: \$1.9 Million Increase
Base costs decreased by \$1.7 million. Utilization change increased by \$3.7 million. Negotiated rate savings decreased by \$0.2 million, and other adjustments decreased costs by \$0.3 million.
- In Home Respite: \$3.1 Million Increase
Base costs increased by \$1.3 million. Utilization change increased by \$1.8 million.
- Out of Home Respite: \$3.8 Million Decrease
Base costs decreased by \$1.8 million. Utilization change decreased by \$1.1 million. Negotiated rate savings increased by \$0.9 million.
- Health Care: \$10.5 Million Decrease
Base costs decreased by \$6.7 million. Utilization change decreased by \$3.4 million. Negotiated rate savings increased by \$0.4 million.
- Miscellaneous: \$22.2 Million Increase
Base costs increased by \$15.8 million. Utilization change increased by \$3.5 million. Negotiated rate savings decreased by \$2.9 million.

Current Year 2009-10 (Continued)**C. Fund Sources****1. General Fund: \$131.1 Million Increase**

The 2009-10 General Fund increased by \$138.3 million due to outcome of Shaw vs. Chiang litigation related to the Public Transportation Account, offset by a net decrease in General Fund need of \$7.2 million in the regional center estimate due to increased funding in the Early Start Part C grant.

2. Reimbursements: \$65.4 Million Increase

Please note that reimbursements from the 1915 (i) State Plan Amendment are reflected in the total reimbursements but are not reflected in the budget category methodologies.

| 2009-10 Reimbursements | | | |
|--|------------------------|--------------------------|-------------------|
| <i>(in millions)</i> | | | |
| Reimbursements | Adjusted Budget | November Estimate | Difference |
| a. Home and Community-Based Services (HCBS) Waiver | \$1,135.8 | \$1,174.2 | \$38.4 |
| b. HCBS Waiver Administration | 4.4 | 4.5 | 0.1 |
| c. Medicaid Administration | 15.9 | 12.4 | -3.5 |
| d. Targeted Case Management (TCM) | 189.7 | 170.3 | -19.4 |
| e. TCM Administration | 4.2 | 4.0 | -0.2 |
| 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 | 0.1 | 0.0 |
| h. Self-Directed HCBS Waiver Admin | 0.7 | 0.7 | 0.0 |
| i. Medicaid | 44.0 | 44.0 | 0.0 |
| j. Vocational Rehabilitation | 0.3 | 0.3 | 0.0 |
| k. CA Children & Families Trust Fund | 5.0 | 55.0 | 50.0 |
| l. 1915(i) State Plan Amendment | 60.0 | 60.0 | 0.0 |
| TOTAL | \$1,664.0 | \$1,729.4 | \$65.4 |

Changes reflect the following:

- **HCBS Waiver:** The \$38.4 million increase in HCBS Waiver federal financial participation (FFP) is based on updated HCBS Waiver claims data for the period July 2008 through June 2009; and increased costs due to decreased SSI/SSP offset in CCFs, and decreased negotiated rates savings.

Current Year 2009-10 (Continued)

- HCBS Waiver Administration: The \$0.1 million increase in FFP reflects updated data adjusting the May Revision estimate.
 - Medicaid Administration: The \$3.5 million decrease in FFP reflects a reduction in Clinical Support Teams and adjusted regional center data.
 - TCM: The \$19.4 million decrease in FFP reflects a decrease in the rate used to calculate reimbursements.
 - TCM Administration: The \$0.2 million decrease reflects the most current available data.
 - California Children & Families First Trust Fund: The \$50.0 million increase is the additional Proposition 10 funds being requested consistent with direction provided in the 2009 enacted Budget.
3. Public Transportation Account: \$138.3 Million Decrease
- This decrease is due to the outcome of Shaw vs. Chiang litigation.
4. Federal Funds: \$8.9 Million Increase in Early Start Part C Grant
- An increase in the annual grant award amount of \$2.6 million; and an increase of \$6.3 million in the supplemental award related to ARRA. A control section 28.00 notification will be sent to the Legislature about these unanticipated federal funds.

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

The Budget Year total expenditure growth has lessened due to the many cost saving measures the Department has implemented in the last several years. Overall growth has slowed to approximately 5 percent, compared to growth in past years of approximately 10 percent. The growth in the program is primarily due to increased caseload growth of 3.1 percent, with the remaining growth due to change in caseload demographics (e.g. increased percentage of person with autism) and utilization of services.

As part of the Governor's General Fund budget solutions, the Department will achieve additional General Fund savings by continuing the 3 percent reduction in regional center operations and provider payments implemented in February 2009 (\$60.9 million General Fund savings), additional savings resulting from the full year implementation of the cost savings proposals enacted in the 2009-10 Budget (\$61.6 million General Fund savings), full year implementation and expansion of consumer services associated with a 1915(i) amendment to California's Medicaid State Plan submitted to the Centers for Medicare and Medicaid Services in December 2009. (\$52.5 million General Fund savings), and additional program reforms to be developed through the existing stakeholder process while maintaining the entitlement and ensuring program and service integrity (\$25.0 million General Fund).

The enhanced FMAP and supplemental Early Start Part C grants to States provided by ARRA will sunset on December 31, 2010. The 2010-11 General Fund request reflects a \$167.1 million* impact from the loss of enhanced FMAP for Medi-Cal expenditures (\$134.2 million) and the loss of the supplemental Early Start Part C grant (\$32.9 million).

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 various Cost Saving Items. Until the expenditure data reflects the implementation of the savings target proposals the estimate will carry Cost Saving Items as a separate line item that reduces overall expenditures without regard to budget category.

** Due to updated information, the figure reflected in this estimate as impact due to the sunset of enhanced FMAP under ARRA is \$6,029,000 higher than the \$161,081,000 reported in the development of the Governor's Budget. The increase of \$6,029,000 is included as part of the General Fund budget solutions.*

Budget Year 2010-11 (Continued)

| 2010-11 Costs (in millions) | | | |
|--|----------------------------|------------------------------|--------------------|
| | Adjusted Budget | November Estimate | Difference* |
| Total Costs | \$3,949.2 | \$4,178.4 | \$229.2 |
| Operations | 521.7 | 525.3 | 3.6 |
| Purchase of Services | 3,430.2 | 3,596.7 | 166.5 |
| Early Start - Other Agency Costs | 20.1 | 20.1 | 0.0 |
| Prevention Program | 27.2 | 36.3 | 9.1 |
| 2009-10 Veto (seeking Prop 10 Funding) | -50.0 | 0.0 | 50.0 |
| Fund Sources | \$3,949.2 | \$4,178.4 | \$229.2 |
| General Fund (GF) | \$2,065.4 | \$2,242.2 | \$176.8 |
| <i>GF Match</i> | 776.7 | 1,075.2 | 298.5 |
| <i>GF Other</i> | 1,288.7 | 1,166.9 | -121.8 |
| <i>SDS Risk Pool</i> | 0.0 | 0.0 | 0.0 |
| Reimbursements | 1,664.0 | 1,628.0 | -36.0 |
| Program Development Fund | 2.5 | 3.3 | 0.8 |
| Developmental Disabilities Svcs Acct | 0.2 | 0.2 | 0.0 |
| Mental Health Services Fund | 0.7 | 0.7 | 0.0 |
| Public Transportation Account | 138.3 | 0.0 | -138.3 |
| California Children and Families Fund, Counties Children and Families Account | 0.0 | 244.0 | 244.0 |
| California Children and Families Fund, Mass Media Communications Account | 0.0 | 6.0 | 6.0 |
| Federal Funds | 78.1 | 54.1 | -24.0 |

*The **Difference** column above represents CY and BY change from the Adjusted Budget

The \$229.2 million increase in 2010-11 over the adjusted budget is composed of:

- \$3.6 million related to increased Operations costs due to caseload increases.
- \$166.5 million reflects changes by Purchase of Services (POS) category due to updated expenditure and utilization data used for this estimate. A description of factors contributing to changes in each POS category is provided in the budget year POS section of this Executive Highlights.
- \$9.1 million to annualize the newly created Prevention Program.
- \$50 million increase in Proposition 10 funding for regional center services for children up to age five.

Budget Year 2010-11 (Continued)**B. Crosscutting Issues**

The Governor's Budget includes service reduction proposals in Medi-Cal, IHSS, SSI/SSP and other programs that will increase regional centers purchase of services costs in 2010-11. This estimate includes \$50 million to fund increased services for DDS regional center consumers resulting from reductions in other programs.

C. Caseload

The 2010-11 total community caseload is projected at 249,975 on January 31, 2011. This caseload is assumed to be the average for 2010-11 and is used to estimate regional center Operations costs.

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference |
|-------------------------------------|---|---|-------------------|
| <u>CASELOAD</u> | | | |
| Active (Age 3 & Older) | 206,550 | 213,140 | 6,590 |
| Early Start (Birth through 2 Years) | 35,945 | 36,835 | 890 |
| Total Community Population | 242,495 | 249,975 | 7,480 |

D. Total Costs: \$229.2 Million Increase over the Adjusted Budget**1. Operations: \$3.6 Million Increase**

- **Staffing: \$6.2 Million Increase**

The \$6.2 million increase in Staffing reflects the costs associated with increased caseload of approximately 3% resulting in an increase in core staffing costs, offset by decreased staffing costs for former Agnews residents.

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference |
|------------------------------------|---|---|-------------------|
| <u>OPERATIONS: STAFFING</u> | (in millions) | | |
| A. Core Staffing | \$485.7 | \$494.5 | \$8.8 |
| B. Agnews D. C. Closure | 7.7 | 5.1 | -2.6 |
| C. Total Staffing | \$493.4 | \$499.6 | \$6.2 |

Budget Year 2010-11 (Continued)

- Federal Compliance: \$0.5 Million Increase

Estimated 2010-11 costs for Federal Compliance are shown in the table below:

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference |
|--|---|---|-------------------|
| <u>OPERATIONS: FEDERAL COMPLIANCE</u> | (in millions) | | |
| A. HCBS Waiver | \$21.1 | 21.1 | \$0.0 |
| B. Accelerated HCBS Waiver Enrollments | 1.6 | 1.7 | 0.1 |
| C. HCBS Waiver Compliance | 9.2 | 9.2 | 0.0 |
| D. HCBS Waiver Case Managers | 4.7 | 5.1 | 0.4 |
| 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 | \$41.2 | \$41.7 | \$0.5 |

- Accelerated HCBS Waiver Enrollments: Increase of \$0.1 million is due to expected new waiver enrollments of 4,000.
- Case Managers to Meet HCBS Waiver Requirements: Increase of \$0.4 million reflects updated population estimates for HCBS Waiver consumers.

Budget Year 2010-11 (Continued)

- Projects: \$2.5 Million Decrease

Estimated 2010-11 costs for Projects were revised as shown in the table below:

| | 2009-10 Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference |
|---|---|---|-------------------|
| <u>OPERATIONS</u> | (in millions) | | |
| PROJECTS | | | |
| 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 | 5.2 | 5.3 | 0.1 |
| C. Quality Assessment Contract * | 5.6 | 3.7 | -1.9 |
| D. Direct Support Professional Training | 3.6 | 3.6 | 0.0 |
| E. Office of Administrative Hearings Contract | 2.2 | 3.0 | 0.8 |
| F. Wellness Projects * | 1.5 | .2 | -1.3 |
| 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. | 0.2 | 0.1 | -0.1 |
| 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. Evaluation of SB962 Pilots | 0.1 | 0.0 | -0.1 |
| Q. Review of SB 1175 Housing Proposals | 0.2 | 0.2 | 0.0 |
| R. Total Projects | \$27.3 | \$24.8 | -\$2.5 |

Changes reflect the following:

- Clients' Rights Advocacy Contract: The increase of \$0.1 million reflects updated caseload.
- Quality Assessment Contract: The decrease of \$1.9 million reflects the consolidation of the Life Quality Assessment and the Movers Study into one improved quality assurance survey to measure consumer and family satisfaction, provision of services and personal outcomes.

Budget Year 2010-11 (Continued)

- Office of Administrative Hearing Contract: The increase of \$0.8 million reflects increased workload due to implementation of cost saving items.
- Wellness Projects: The decrease of \$1.3 million is due to the implementation of cost saving items.
- University Enterprises, Inc.: The decrease of \$0.1 million reflects a 10% payment reduction.
- Evaluation of SB 962 Pilots: This decrease of \$0.1 million is due to the anticipated completion of the evaluation in 2009-10.
- Prevention Program: This decrease of \$1.8 million is the result of a transfer of funding to establish the Prevention Program.
- 3 Percent Operations Reduction: Decreased savings of \$1.2 million due to other decreases in Operations funding that reduces the total available for savings through a reduction in Operations funding.

Budget Year 2010-11 (Continued)2. Purchase of Services (POS): \$166.5 Million Increase

| 2010-11 Purchase of Services By Issue | | | |
|---|----------------------------------|---|-------------|
| <i>(in millions)</i> | | | |
| | Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference* |
| A. Adjusted Base | \$3,359.8 | \$3,633.4 | \$273.6 |
| B. Updated Population, Utilization and Expenditure Data | 338.5 | 313.1 | -25.4 |
| C. Community Placement Plan (CPP) | 64.8 | 64.8 | 0.0 |
| D. Subtotal (Items A thru C) | 3,763.1 | 4,011.3 | 248.2 |
| E. Cost Saving Items: | -353.2 | -484.9 | -131.7 |
| 1. Savings Target | -230.6 | -331.2 | -100.6 |
| 2. Prevention Program | -21.8 | -29.1 | -7.3 |
| 3. 3 Percent Reduction | -100.8 | -99.6 | 1.2 |
| 4. 2010-11: Savings Target General Fund | 0.0 | -25.0 | -25.0 |
| F. Revised Major Assumptions: | 20.3 | 70.3 | 50.0 |
| 1. Impact from Other Departments | 8.3 | 58.3 | 50.0 |
| 2. Elimination of Medi-Cal Optional Benefits | 12.0 | 12.0 | 0.0 |
| G. Total (Items A thru F) | 3,430.2 | 3,596.7 | 166.5 |

*The **Difference** column above represents CY and BY change from the Adjusted Budget

- Base: The 2010-11 base costs of \$3,617.9 million increased by \$258.1 million from 2009-10 base costs. The 2010-11 base reflects total estimated 2009-10 POS expenditures, minus one-time 2009-10 costs.
- Updated Caseload, Utilization, and Expenditure Data: Updated caseload and expenditure data results in a decrease of \$25.4 million.
- Cost Saving Items: Cost Savings Items were updated to reflect increased savings resulting from a full year of costs, continuation of the 3 percent payment reduction and savings from additional program reforms. 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 various

Budget Year 2010-11 (Continued)

approved savings target proposals. Until the expenditure data reflects the implementation of the savings target proposals the estimate will carry Cost Saving Items as a separate line item that reduces overall expenditures without regard to budget category. Details of the cost savings items proposals can be viewed at <http://www.dds.ca.gov/Director/BudgetReductionSummary.cfm>.

- Impacts from Other Departments: The Governor's Budget includes service reduction proposals in Medi-Cal, IHSS, SSI/SSP and other programs that will increase regional centers purchase of services costs in 2010-11. This estimate includes \$50 million to fund increased services for DDS regional center consumers resulting from reductions in other programs.

| BY 2010-11 POS by CATEGORY | | | | | | |
|-----------------------------------|-------------------|------|--------------------|-----------------|-----------------|-------|
| <i>(in millions)</i> | | | | | | |
| | Estimate Request* | Base | Utilization Change | Negotiated Rate | Internal Review | Other |
| Community Care Facilities | 24.4 | 28.3 | -21.2 | 4.0 | 1.4 | 11.9 |
| Medical Facilities | 1.7 | 1.6 | | | | 0.1 |
| Day Programs | 53.9 | 54.5 | -4.7 | | 1.6 | 2.5 |
| Habilitation Services | 0.5 | 2.8 | -1.9 | | 0.2 | -0.6 |
| Transportation | 5.8 | 10.1 | -4.8 | 0.1 | 0.4 | |
| Support Services | 82.8 | 81.1 | 1.0 | -0.8 | 1.4 | 0.1 |
| In-Home Respite | 35.1 | 32.6 | 1.4 | | 0.7 | 0.4 |
| Out-of-Home Respite | 2.3 | 4.0 | -1.1 | -1.0 | 0.2 | 0.2 |
| Health Care | -2.7 | 1.1 | -3.4 | -0.7 | 0.3 | |
| Miscellaneous | 85.5 | 74.6 | 10.8 | -1.0 | 1.1 | |
| Self Directed Services | 0.7 | | | | | |
| Agnews Dev Center Closure | -41.8 | | | | | |
| TOTAL | 248.2 | | | | | |

*The **Estimate Request** column above represents CY and BY change from the Adjusted Budget

- Base, Utilization and Expenditures Changes by POS Category
In addition to the 2009-10 changes described in the Current Year portion of the Executive Highlights, the POS categories for Budget Year changed as follows:
 - Community Care Facilities (CCF): \$24.4 Million Increase
CCF Base costs increased by \$28.3 million. The May Revision reflected a higher rate of growth (5.3%) than the November Estimate (3.0%), resulting in a utilization change cost decrease of \$21.2 million. Negotiated Rate savings decreased by \$4.0 million. Internal Review process savings decreased by \$1.4 million, as it was held to the May revision.

Budget Year 2010-11 (Continued)

- Medical Facilities: \$1.7 Million Increase
Medical Facilities base costs increased by \$1.6 million.
- Day Programs: \$53.9 Million Increase
Base costs increased by \$54.5 million. Utilization change decreased by 4.7 million. Internal Review process savings decreased by \$1.6 million, and average cost increased by \$1 million.
- Habilitation Services: \$500,000 Increase
Base costs increased by \$2.8 million. Utilization change decreased by \$1.9 million. Internal Review savings decreased by \$0.2 million
- Transportation: \$5.8 Million Increase
Base costs increased by \$10.1 million. Utilization change decreased by \$4.8 million. Internal Review savings decreased by \$0.4 million
- Support Services: \$82.8 Million Increase
Base costs increased by \$81.1 million. Utilization change increased by \$1.0 million. Negotiated rate savings increased by \$0.8 million, and savings from FCPP and Internal Review decreased by \$1.5 million combined.
- In Home Respite: \$35.1 Million Increase
Base costs increased by \$32.6 million. Utilization change increased by \$1.4 million. A decrease in savings of \$1.1 million from FCPP and Internal Review combined.
- Out of Home Respite: \$2.3 Million Increase
Base costs increased by \$4.0 million. Utilization change decreased by \$1.1 million. Negotiated rate savings increased by \$1.0 million. A decrease in savings of \$0.4 million from FCPP and Internal Review combined.
- Health Care: \$2.7 Million Decrease
Base costs increased by \$1.1 million. Utilization change decreased by \$3.4 million. Negotiated rate savings increased by \$0.7 million, while the Internal Review savings decreased by \$0.3 million.

Budget Year 2010-11 (Continued)

- Miscellaneous: \$85.5 Million Increase
Base costs increased by \$74.6 million. Utilization change increased by \$10.8 million. Negotiated rate savings increased by \$1.0 million, while the Internal Review savings decreased by \$1.1 million.
- Self Directed Services: \$0.7 Million Increase
This increase is due to additional program enrollments anticipated in 2010-11.
- Agnews Developmental Center Closure: \$41.8 Million Decrease
These costs are now assumed in the 2010-11 base in various budget categories.

3. Prevention Program: \$9.1 Million Increase

| 2010-11 Prevention Program | | | |
|-----------------------------------|----------------------------------|---|--------------|
| <i>(in millions)</i> | | | |
| | Adjusted Budget CY 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference |
| A. Prevention Program | \$27.2 | \$36.3 | \$9.1 |
| TOTAL | \$27.2 | \$36.3 | \$9.1 |

- Prevention Program: Budget trailer bill language (2009-10 Statutes, Assembly Bill Fourth Extraordinary Session, Chapter 9) directs the Department 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 2010-11 Budget Act will reflect the Prevention Program as a new budget program within item 4300-101-0001. The Prevention Program focus is 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 (commencing with Welfare and Institution Code, Section 4500). Children eligible for the program will receive these services through the regional centers. The increase reflects full year costs for 2010-11.

Budget Year 2010-11 (Continued)**C. Fund Sources****1. General Fund: \$176.7 Million Increase**

The 2010-11 General Fund increased by \$176.7 million due to significant funding shifts due to the end of enhanced FMAP, loss of Public Transportation Account funds, increased TANF block grant, increased funds from the California Children and Families First Trust Funds accounts, increased Federal Financial Participation from the 1915(i) State Plan Amendment, and program growth.

2. Reimbursements: \$36.0 Million Decrease

2010-11 reimbursements have been revised based on updated caseload and expenditure data and reflect the loss of the higher FMAP for Medi-Cal expenditures in December 2010. Please note that reimbursements from the 1915 (i) State Plan Amendment are reflected in the total reimbursements but are not reflected in the budget category methodologies.

| 2010-11 Reimbursements <i>(in millions)</i> | | | |
|---|------------------------|--------------------------|-------------------|
| Reimbursements | Adjusted Budget | November Estimate | Difference |
| a. Home and Community-Based Services (HCBS) Waiver | \$1,135.8 | \$1,038.1 | -\$97.7 |
| b. HCBS Waiver Administration | 4.4 | 4.5 | 0.1 |
| c. Medicaid Administration | 15.9 | 12.8 | -3.1 |
| d. Targeted Case Management (TCM) | 189.7 | 154.6 | -35.1 |
| e. TCM Administration | 4.2 | 4.0 | -0.2 |
| f. Title XX Block Grant | \$203.9 | \$246.6 | \$42.7 |
| (1) Social Services | 147.9 | 147.9 | 0.0 |
| (2) Temporary Assistance for Needy Families | 56.0 | 98.7 | 42.7 |
| g. Self-Directed HCBS Waiver | 0.1 | 4.0 | 3.9 |
| h. Self-Directed HCBS Waiver Admin | 0.7 | 1.7 | 1.0 |
| i. Medicaid | 44.0 | 44.0 | 0.0 |
| j. Vocational Rehabilitation | 0.3 | 0.1 | -0.2 |
| k. CA Children & Families Trust Fund | 5.0 | 5.0 | 5.0 |
| l. 1915(i) State Plan Amendment | 60.0 | 112.5 | 52.5 |
| TOTAL | \$1,664.0 | \$1,627.9 | -\$36.0 |

- **HCBS Waiver:** The decrease of \$97.7 million in HCBS Waiver reimbursements is based on additional growth in HCBS Waiver claims data for the period July 2008 through June 2009, offset by the decrease in FMAP due to the sunset of ARRA in December 2010.

Budget Year 2010-11 (Continued)

- HCBS Waiver Administration: This increase of \$0.1 million reflects the most current available data.
 - Medicaid Administration: This decrease of \$3.1 million reflects the most current available data.
 - Targeted Case Management (TCM): The decrease of \$35.1 million reflects the most current available data, rates information, and decreased FMAP due to the sunset of ARRA in December 2010.
 - TCM Administration: This decrease of \$0.2 million decrease reflects the most current available data.
 - Self-Directed HCBS Waiver: The increase of \$3.9 million reflects an additional 1725 consumers participating in 2010-11.
 - Self-Directed HCBS Waiver Administration: The increase of \$1.0 million in reimbursements for regional center Self Directed Services Operations costs due to the additional 1725 consumers participating in 2010-11.
 - Vocational Rehabilitation: The \$0.2 million reduction is based on actual reimbursement from the Department of Rehabilitation, and caseload decreases.
 - 1915(i) State Plan Amendment: The increase of \$52.5 reflects annualized expenditures and new services that will be eligible for reimbursement.
3. Program Development Fund: \$0.8 Million Increase
The increase of \$0.8 million was updated to reflect a savings target proposal submitted to the Legislature associated with the Parental Fee Program.
4. Mental Health Services Fund: \$37,000 Decrease
The decrease of \$37,000 reflects decreased revenues in the Mental Health Services Fund.
5. Public Transportation Account: \$138.3 Million Decrease
The decrease of \$138.3 million reflects loss of available funding.

Budget Year 2010-11 (Continued)

6. Counties Children and Families First Trust Fund: \$244 Million Increase

This is a new appropriation. Of this total increase, \$194 million is subject to voter approval.

7. Mass Media Communications Account, Children and Families First Trust Fund: \$6 Million Increase

This is a new appropriation subject to voter approval.

8. Federal Funds: \$24 Million Decrease

The decrease of \$24 million is due to sunset of ARRA and the loss of supplemental payments to States in the federal Early Start grant funds.

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SECTION C: FUTURE FISCAL ISSUES/MAJOR ASSUMPTIONSC-1 to C-3

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

- **Bay Area Housing Plan Financing:** As stated in the Department's May Revision, 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 has adversely affected CalHFA's ability to secure bond financing. This will result in increased regional center Purchase of Service costs for debt repayment. CalHFA recently provided updated interest rate information to the Department and Department of Finance. 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 November Estimate.

REVISED MAJOR ASSUMPTIONS

- **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 \$134.2 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.

** Due to updated information, the figure reflected in this estimate as impact due to the sunset of enhanced FMAP under ARRA is \$6 million higher than the \$128.2 million reported in the development of the Governor's Budget. The increase of \$6 million is included as part of the General Fund budget solutions.*

Change from Prior Estimate: CY reflects full year ARRA funding. BY reflects increased General Fund need due to end of enhanced FMAP on December 31, 2010.

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

- Medi-Cal Reduction for Adult Day Health Care Program: Effective October 1, 2009, the Department of Health Care Services (DHCS) eliminated Adult Day Health Care (ADHC) services. Regional centers will now pay for these services for DDS consumers, if the service is included in the individual program plan. This estimate includes \$5.3 million in 2009-10 and 2010-11 to fund these new expenditures for DDS consumers. This reduction is pending the outcome of current litigation.
- 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. This estimate includes \$3.0 million in 2009-10 and 2010-11 to fund the decreased SSP payments to DDS consumers.
- In-Home Supportive Services (IHSS) Cost Containment: Effective November 1, 2009, the Department of Social Services (CDSS) eliminated domestic and related services to individuals with a functional index ranking of less than 4. This service reduction has been challenged in court. Pending the outcome of the court action, DDS would need to determine fiscal impact to regional centers as payor of last resort.
- The Governor's Budget includes service reduction proposals in Medi-Cal, IHSS, SSI/SSP and other programs that will increase regional centers purchase of services costs in 2009-10 and 2010-11. This estimate includes \$50 million in 2010-11 to fund increased services for DDS regional center consumers resulting from reductions in other programs.

Change from Prior Estimate: Additional reductions proposed for 2009-10 and 2010-11.

- **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. This estimate includes \$12.0 million in 2009-10 and 2010-11 to fund these new expenditures for DDS consumers.

Change from Prior Estimate: No change from the enacted 2009 budget.

COST SAVINGS ITEMS

The Department continues to work closely with regional centers and stakeholders to implement the savings proposals included in the 2009-10 budget (e.g. 3 percent payment reduction, savings target proposals, etc.). The savings are in both regional center operations and purchase of services. 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.

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 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. 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.

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

| | 2010-11 November Estimate CY 2009-10 | 2010-11 November Estimate BY 2010-11 | | |
|--|---|---|--------------------------|--------------------------------------|
| | <i>Estimated Caseload as of 1/31/10 a/</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) | 206,550 | 213,140 | 6,590 | 3.2% |
| B. Early Start (Birth through 2 Years) | 35,945 | 36,835 | 890 | 2.5% |
| C. Total Community Caseload | 242,495 | 249,975 | 7,480 | 3.1% |
| D. Total Developmental Center (DC) Population | 2,150 b/ | 2,010 c/ | -140 | -6.5% |
| E. Total Regional Center Caseload (C + D) | 244,645 | 251,985 | 7,340 | 3.0% |

a/ Retained the BY 2009-10 May Revision Regional Center caseload numbers for 2010-11 November Estimate CY 2009-10. Actual data through May 2009 were used to project the BY 2010-11 caseload.

b/ The CY 2009-10 caseload estimate is consistent with the 2010-11 November Estimate 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 | rounded to 2,150 |

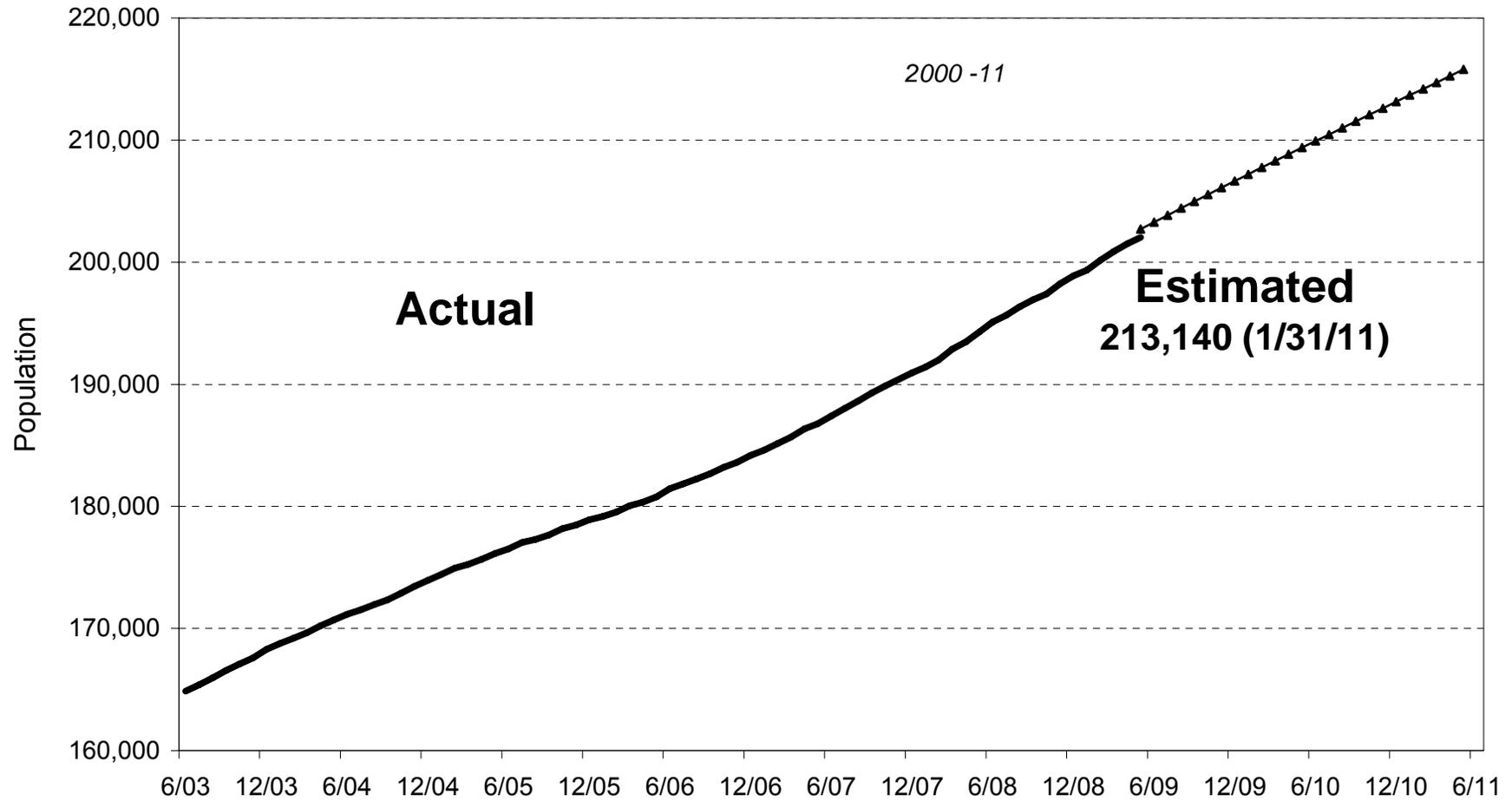
c/ The BY 2010-11 caseload estimate is consistent with the 2010-11 November Estimate for the DC population, which reflects the following:

| | | |
|---------------------------------|-------------------|-------------------------|
| | <u>BY 2010-11</u> | |
| Average Total Population | 2,029 | |
| On Leave | <u>-21</u> | |
| Total In-Center Population | 2,008 | rounded to 2,010 |

Active Status Caseload

(Age 3 & Older)
Trend Analysis

Regional Centers



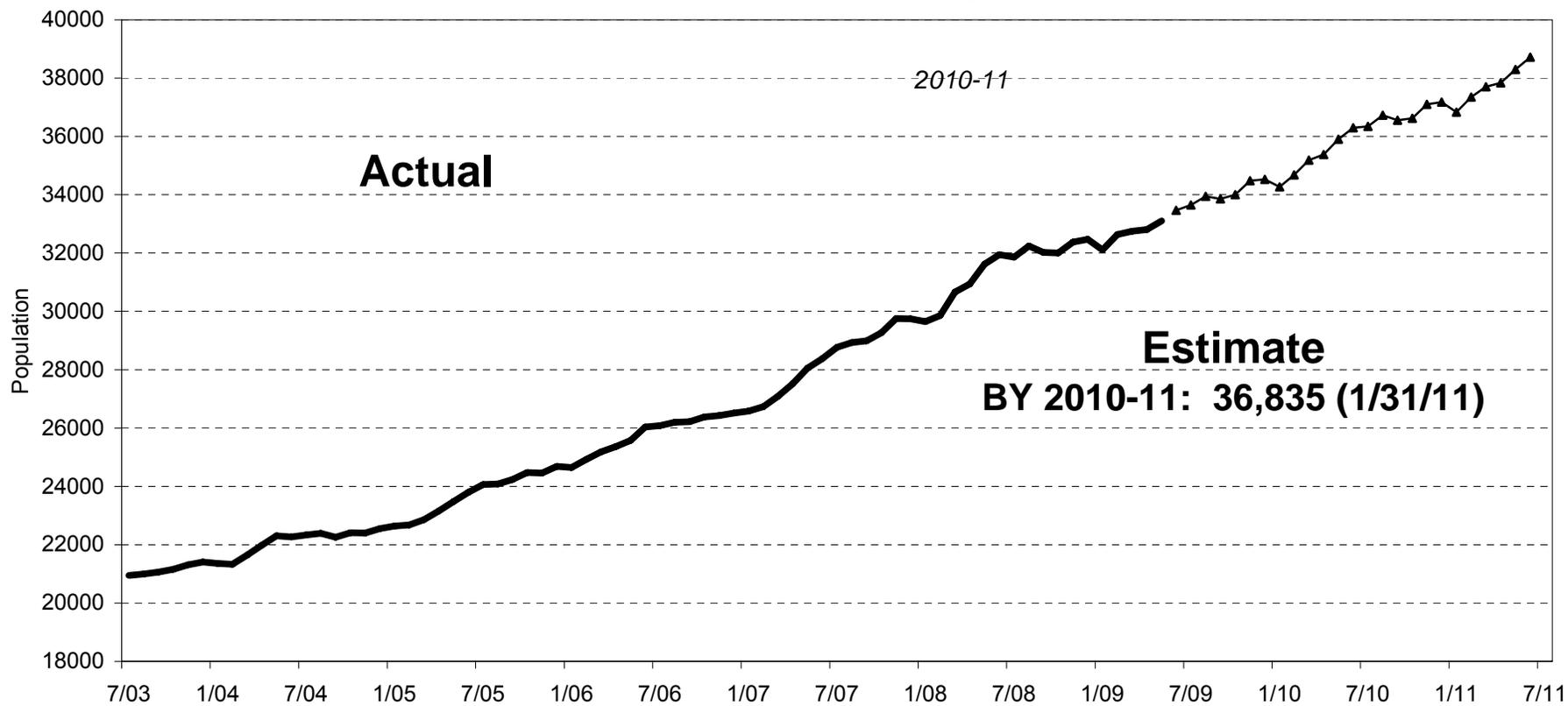
Data Set: 6/03 through 5/09

Early Start Caseload

Birth through 2 Years

Client Master File Trend Analysis

Regional Centers



Data Set: 6/03 - 5/09

Community Caseload

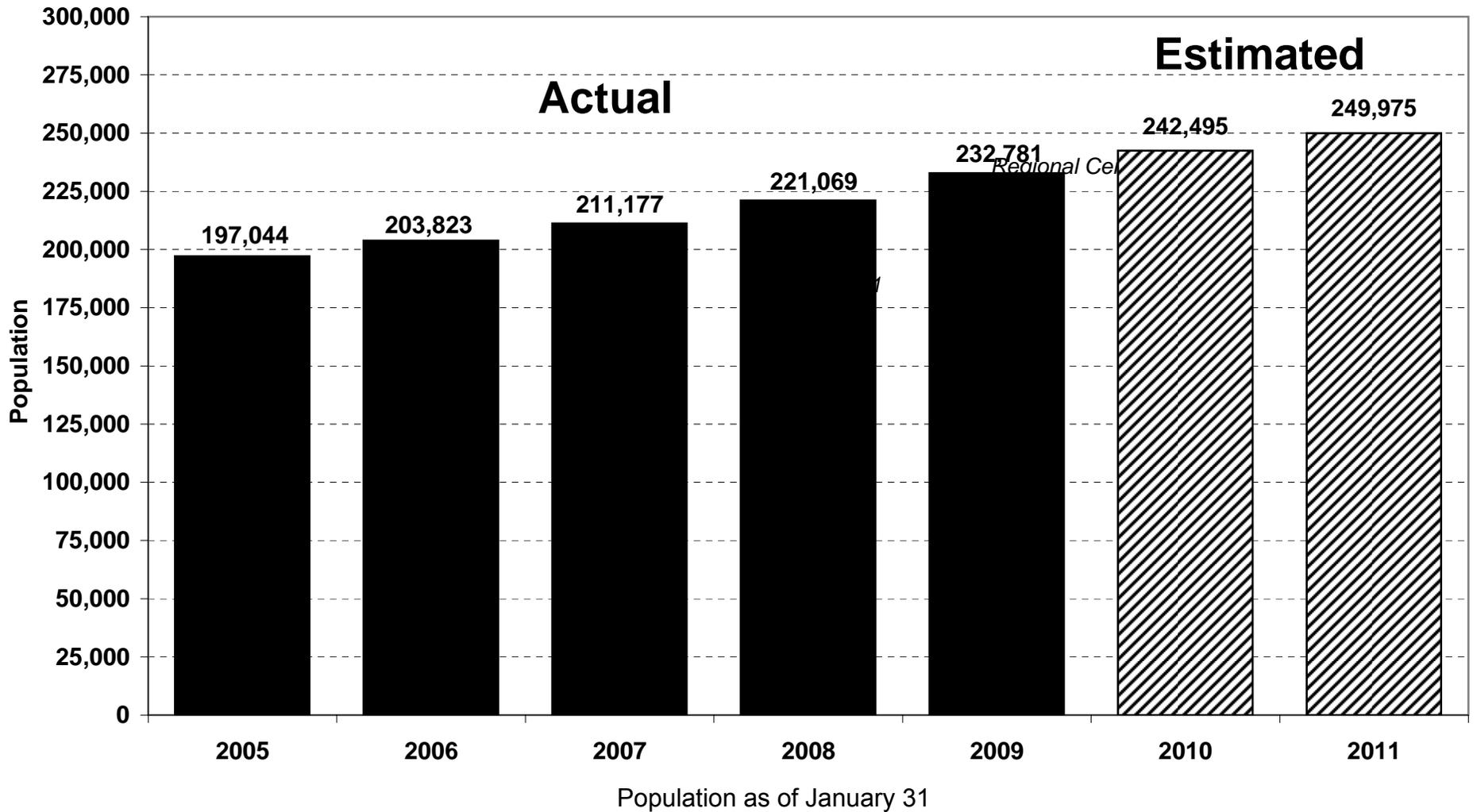


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Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2009-10

| | Adjusted Budget of 2009 2009-10 | 2010-11 November Estimate CY 2009-10 | Difference |
|---|--|---|--------------------|
| POPULATION | | | |
| Active (Age 3 & Older) | 206,550 | 206,550 | 0 |
| Early Start (Birth through 2 Years) | 35,945 | 35,945 | 0 |
| Total Community Populator | 242,495 | 242,495 | 0 |
| OPERATIONS | | | |
| I. STAFFING | | | |
| A. Core Staffing | \$490,620,000 | \$491,227,000 | \$607,000 |
| 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 | \$1,256,000 | \$1,258,000 | 2,000 |
| H. Total Staffing | \$485,734,000 | \$486,343,000 | \$609,000 |
| 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 Enrollments | 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 | 4,709,000 | 4,978,000 | 269,000 |
| 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 | \$41,267,000 | \$41,536,000 | \$269,000 |
| 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 | 5,137,000 | 5,137,000 | 0 |
| C. Quality Assessment Contrac | 5,037,000 | 5,900,000 | 863,000 |
| D. Direct Support Professional Training | 3,582,000 | 3,582,000 | 0 |
| E. Office of Administrative Hearings Contrac | 2,211,000 | 2,211,000 | 0 |
| F. Wellness Projects | 1,490,000 | 1,490,000 | 0 |
| G. Foster Grandparent / Senior Companion Program | 1,719,000 | 1,719,000 | 0 |
| H. Special Incident Reporting/Risk Assessment Contrac | 940,000 | 940,000 | 0 |
| I. Increased Access to Mental Health Service | 740,000 | 740,000 | 0 |
| J. Sherry S. Court Case / Los Angeles County Hop | 534,000 | 534,000 | 0 |
| K. Enhancing FFP, Phase II, Proposal C, Consultant | 530,000 | 500,000 | -30,000 |
| L. University Enterprises, Inc | 175,000 | 113,000 | -62,000 |
| 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 SB962 Pilots | 92,000 | 92,000 | 0 |
| Q. Review of SB 1175 Housing Proposals | 150,000 | 150,000 | 0 |
| R. Movers Evaluation Contract | 600,000 | 0 | -600,000 |
| S. Total Projects | \$27,258,000 | \$27,429,000 | \$171,000 |
| V. COST SAVING ITEMS | | | |
| A. Saving Target General Fund | -\$16,945,000 | -\$16,945,000 | \$0 |
| B. Saving Target Federal Fund Reimbursement | -500,000 | -500,000 | 0 |
| C. Prevention Program | -5,400,000 | -5,400,000 | 0 |
| D. 3% Reduction in Regional Center Operations Fundin | -17,400,000 | -17,400,000 | 0 |
| E. Total Cost Saving Items | -\$40,245,000 | -\$40,245,000 | \$0 |
| VI. REVISED MAJOR ASSUMPTIONS | | | |
| A. American Recovery and Reinvestment Act | \$0 | \$0 | \$0 |
| B. Total New Major Assumptions | \$0 | \$0 | \$0 |
| VII. GRAND TOTAL | \$521,696,000 | \$522,745,000 | \$1,049,000 |

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2010-11

| | Adjusted Budget of 2009 2009-10 | 2010-11 November Estimate BY 2010-11 | Difference |
|---|--|---|---------------------|
| POPULATION | | | |
| Active (Age 3 & Older) | 206,550 | 213,140 | 6,590 |
| Early Start (Birth through 2 Years) | 35,945 | 36,835 | 890 |
| Total Community Populator | 242,495 | 249,975 | 7,480 |
| OPERATIONS | | | |
| I. STAFFING | | | |
| A. Core Staffing | \$490,620,000 | \$497,310,000 | \$6,690,000 |
| 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 | 2,228,000 | 9,000 |
| G. Staffing for Self-Directed Services | \$1,256,000 | \$3,325,000 | 2,069,000 |
| H. Total Staffing | \$485,734,000 | \$494,502,000 | \$8,768,000 |
| II. A. Agnews Developmental Center Closure | 7,682,000 | 5,114,000 | -2,568,000 |
| B. Total Agnews Developmental Center Closure | \$7,682,000 | \$5,114,000 | -\$2,568,000 |
| III. FEDERAL COMPLIANCE | | | |
| A. HCBS Waiver | \$21,135,000 | \$21,135,000 | \$0 |
| B. Accelerated HCBS Waiver Enrollments | 1,621,000 | 1,728,000 | 107,000 |
| C. Compliance with HCBS Waiver Requirement | 9,200,000 | 9,200,000 | 0 |
| D. Case Managers to Meet HCBS Waiver Requirement | 4,709,000 | 5,057,000 | 348,000 |
| 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 | \$41,267,000 | \$41,722,000 | \$455,000 |
| 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 | 5,137,000 | 5,295,000 | 158,000 |
| C. Quality Assessment Contrac | 5,037,000 | 3,700,000 | -1,337,000 |
| D. Direct Support Professional Training | 3,582,000 | 3,582,000 | 0 |
| E. Office of Administrative Hearings Contrac | 2,211,000 | 3,000,000 | 789,000 |
| F. Wellness Projects | 1,490,000 | 200,000 | -1,290,000 |
| G. Foster Grandparent / Senior Companion Program | 1,719,000 | 1,719,000 | 0 |
| H. Special Incident Reporting/Risk Assessment Contrac | 940,000 | 940,000 | 0 |
| I. Increased Access to Mental Health Service | 740,000 | 704,000 | -36,000 |
| J. Sherry S. Court Case / Los Angeles County Hop | 534,000 | 534,000 | 0 |
| K. Enhancing FFP, Phase II, Proposal C, Consultant | 530,000 | 500,000 | -30,000 |
| L. University Enterprises, Inc | 175,000 | 113,000 | -62,000 |
| 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 SB962 Pilots | 92,000 | 0 | -92,000 |
| Q. Review of SB 1175 Housing Proposals | 150,000 | 150,000 | 0 |
| R. Movers Evaluation Contract | 600,000 | 0 | -600,000 |
| S. Total Projects | \$27,258,000 | \$24,758,000 | -\$2,500,000 |
| V. COST SAVING ITEMS | | | |
| A. Saving Target General Fund | -\$16,945,000 | -\$16,945,000 | \$0 |
| B. Saving Target Federal Fund Reimbursement | -500,000 | -500,000 | 0 |
| C. Prevention Program | -5,400,000 | -7,200,000 | -1,800,000 |
| D. 3% Reduction in Regional Center Operations Fundin | -17,400,000 | -16,167,000 | 1,233,000 |
| E. Total Cost Saving Items | -\$40,245,000 | -\$40,812,000 | -\$567,000 |
| VI. REVISED MAJOR ASSUMPTIONS | | | |
| A. American Recovery and Reinvestment Act | \$0 | \$0 | \$0 |
| B. Total New Major Assumptions | \$0 | \$0 | \$0 |
| VII. GRAND TOTAL | \$521,696,000 | \$525,284,000 | \$3,588,000 |

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) 206,550 213,140 ● Early Start (Birth through 2 Years, High-Risk and Active) 35,945 36,835 | | |
| Total Community Caseload | 242,495 | 249,975 |
| <ul style="list-style-type: none"> ● Developmental Center (DC) Population 2,150 2,010 | | |
| Total Regional Center Caseload | 244,645 | 251,985 |
| Informational: | | |
| <ul style="list-style-type: none"> ● Community Care Facility (CCF) Consumers (including Placement Continuation) 24,615 25,023 ● Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers 84,527 85,660 ● Self-Directed HCBS Waiver-Enrolled Consumers 0 680 ● Early Start (Assessment, High-Risk and Active) 40,805 42,044 ● Placement Continuation Consumers 176 176 ● Intake cases per month 5,361 5,790 ● Vendors 48,747 51,497 ● 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 \$335,796,000 | | |
| Total Estimated Number of Positions: | | |
| CY 2009-10 9,414.54 | | |
| BY 2010-11 9,700.73 | | |
| 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 \$79,584,000 | | |
| Based on 23.7% per position. | | |
| <ul style="list-style-type: none"> ● Salary Savings: -\$13,593,000 -\$13,996,000 | | |
| <i>Client Program Coordinators: 1.0% Per Position -1,913,000 -1,967,000</i> | | |
| <i>All Other Staff: 5.5% Per Position -11,680,000 -12,029,000</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 | \$402,078,000 |

Staffing

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|-----------------------------|-----------------------------|
| METHODOLOGY: | | |
| OPERATING EXPENSES : | | |
| • Operating Expenses: | \$37,329,000 | \$38,245,000 |
| Base amount plus the following adjustments: | | |
| Professional Positions: | \$3,400 | Per New Position |
| Clerical Positions: | \$2,400 | Per New Position |
| • Rent: | \$61,390,000 | \$56,987,000 |
| Base amount plus the following adjustments: | | |
| CY 2009-10 | \$7,757 | Per New Position |
| BY 2010-11 | \$7,968 | Per New Position |
| TOTAL OPERATING EXPENSES | <u>\$98,719,000</u> | <u>\$95,232,000</u> |
| CORE STAFFING SUB TOTAL | <u>\$489,466,000</u> | <u>\$497,310,000</u> |
| • 2007-08 BUDGET-BALANCING REDUCTION (BBR) REDUCE RC HIPAA OPERATIONS | -\$141,000 | |
| • Adjustments for BBR deduction for CPP | \$1,902,000 | |
| TOTAL CORE STAFFING | <u><u>\$491,227,000</u></u> | <u><u>\$497,310,000</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 | \$12,631,000 |
| • 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 | \$3,325,000 |
| • TOTAL EXPENDITURES | <u><u>\$486,343,000</u></u> | <u><u>\$494,502,000</u></u> |

Staffing

FUNDING:

The funding for Staffing expenditures is comprised of reimbursements from: Medicaid Administration (75% FFP/25% GF Match), HCBS Waiver Administration (50% FFP/50% GF Match), SD HCBS Waiver Administration (50% FFP/50% GF Match), Targeted Case Management (TCM) (61.59% FFP) and TCM Administration (50% Federal Financial Participation (FFP)/50% GF Match). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|-----------------------------------|-------------------|-------------------|
| TOTAL EXPENDITURES: | | |
| TOTAL | \$486,343,000 | \$494,502,000 |
| General Fund | \$306,561,000 | \$323,454,000 |
| <i>General Fund Match</i> | 110,749,000 | 132,252,000 |
| <i>General Fund Other</i> | 195,812,000 | 191,202,000 |
| Reimbursements | \$179,782,000 | \$171,048,000 |
| <i>Medicaid Administration</i> | 7,713,000 | 9,050,000 |
| <i>HCBS Waiver Administration</i> | 3,074,000 | 3,197,000 |
| <i>Targeted Case Management</i> | 164,366,000 | 153,138,000 |
| <i>TCM Administration</i> | 4,000,000 | 4,000,000 |
| <i>SD HCBS Wvr Adm</i> | 629,000 | \$1,663,000 |

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

| I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES | Adjusted Budget of 2009 CY 2009-10 | 2010-11 November Estimate CY 2009-10 | | | |
|---|---|---|--------------------|----------------------|-----------------|
| | | Positions | Budgeted Salary | Cost | Difference |
| a. Clinical | | | | | |
| (1) Intake and Assessment | | | | | |
| (a) Physician | \$9,700,392 | 122.32 | \$79,271 | \$9,696,429 | -\$3,963 |
| (b) Psychologist | 10,218,874 | 244.65 | 41,754 | 10,215,116 | -3,758 |
| (c) Nurse | 4,548,615 | 122.32 | 37,171 | 4,546,757 | -1,858 |
| (d) Nutritionist | 3,442,268 | 122.32 | 28,130 | 3,440,862 | -1,406 |
| (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 | 2,138,870 | 22.14 | 92,034 | 2,037,633 | -101,237 |
| (b) Nurse | 5,475,853 | 103.32 | 50,478 | 5,215,387 | -260,466 |
| 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) | 20,072,947 | 383.71 | 52,392 | 20,103,334 | 30,387 |
| (4) Supervising Counselor (Capitol People First) | | | | | |
| (DC Case Management 1:10 CPCs in Item (4)) | 227,808 | 3.87 | 67,200 | 260,064 | 32,256 |
| (5) Client Program Coordinator (CPC), 1:66 DC Consumers Capitol People First | 1,595,825 | 38.72 | 47,019 | 1,820,576 | 224,751 |
| (6) CPC, 1:66 Consumers (Total Pop w/o DCs, CPP,ES) | 65,917,261 | 1,847.27 | 34,032 | 62,866,293 | -3,050,968 |
| (7) CPC (Waiver, Early Start only), 1:62 Consumers | 62,879,565 | 1,943.10 | 34,032 | 66,127,579 | 3,248,014 |
| (8) CPC, Quality Assurance for ARM | 1,588,954 | 46.71 | 34,032 | 1,589,635 | 681 |
| (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 | 1,957,889 | 37.30 | 52,392 | 1,954,222 | -3,667 |
| (2) CPC | 12,717,078 | 372.99 | 34,032 | 12,693,596 | -23,482 |
| 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 (See Page 2) | | | | | |
| e. Community Services | | | | | |
| (1) Special Incident Coordinator | 1,100,232 | 21.00 | 52,392 | 1,100,232 | 0 |
| (2) Vendor Fiscal Monitor | 1,322,961 | 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 | 213,002 | 5.38 | 38,036 | 204,634 | -8,368 |
| (8) Diversion | 126,584 | 4.00 | 31,646 | 126,584 | 0 |
| (9) Placement Continuation: | | | | | |
| (a) Supervising Counselor | 5,763 | 0.11 | 52,392 | 5,763 | 0 |
| (b) CPC (Supplement at 1:45 Consumers) | 36,414 | 1.07 | 34,032 | 36,414 | 0 |
| f. Special Incident Reporting (SIR) | | | | | |
| (1) Supervising Counselor | 364,124 | 6.95 | 52,392 | 364,124 | 0 |
| (2) QA/CPC | 2,365,224 | 69.50 | 34,032 | 2,365,224 | 0 |
| (3) Nurses | 1,754,111 | 34.75 | 50,478 | 1,754,111 | 0 |
| g. Mediation | | | | | |
| (1) Clinical Staff | 7,093 | 0.11 | 64,484 | 7,093 | 0 |
| (2) Supervising Counselor | 52,916 | 1.01 | 52,392 | 52,916 | 0 |
| (3) CPC | 17,356 | 0.51 | 34,032 | 17,356 | 0 |
| h. Expansion of Autism Spectrum Disorders (ASD) Initiative | | | | | |
| (1) ASD Clinical Specialist | 1,371,888 | 21.00 | 65,328 | 1,371,888 | 0 |
| (2) ASD Program Coordinator | 1,318,464 | 21.00 | 62,784 | 1,318,464 | 0 |
| i. SUBTOTAL DIRECT SERVICES | \$270,282,294 | 7,117.33 | | \$270,359,210 | \$76,916 |

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

| | Adjusted Budget of 2009 CY 2009-10 | Positions | 2010-11 November Estimate CY 2009-10 | | |
|---|---|-----------------|---|----------------------|------------------|
| | | | Budgeted Salary | Cost | Difference |
| 2. ADMINISTRATION | | | | | |
| a. Executive Staff | | | | | |
| (1) Director | \$1,279,698 | 21.00 | \$60,938 | \$1,279,698 | \$0 |
| (2) Administrator | 1,009,449 | 21.00 | 48,069 | 1,009,449 | 0 |
| (3) Chief Counselor | 986,643 | 21.00 | 46,983 | 986,643 | 0 |
| b. Fiscal | | | | | |
| (1) Federal Program Coordinator (Enh. FFP, Phase I) | 1,206,177 | 21.00 | 57,437 | 1,206,177 | 0 |
| (2) Federal Compliance Specialist (Enh. FFP, Phase II) | 3,135,517 | 84.53 | 39,887 | 3,371,648 | 236,131 |
| (3) Fiscal Manager | 963,480 | 21.00 | 45,880 | 963,480 | 0 |
| (4) Program Tech II (FCPP) | 702,738 | 21.46 | 36,468 | 782,603 | 79,865 |
| (5) Revenue Clerk | 1,328,353 | 64.55 | 20,617 | 1,330,827 | 2,474 |
| (6) Account Clerk (Enh. FFP, Phase II) | 584,640 | 21.00 | 27,840 | 584,640 | 0 |
| (7) Account Clerk | 7,503,952 | 407.74 | 18,397 | 7,501,193 | -2,759 |
| 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 | 271,769 | 11.07 | 23,388 | 258,905 | -12,864 |
| (5) MD/Psychologist Secretary I | 4,015,559 | 183.49 | 21,876 | 4,014,027 | -1,532 |
| (6) Secretary II | 3,676,594 | 157.20 | 23,388 | 3,676,594 | 0 |
| (7) Secretary I | 17,810,897 | 950.57 | 18,757 | 17,829,841 | 18,944 |
| (8) Secretary I (DC Case Management - Capitol People First) | 198,095 | 7.10 | 31,848 | 226,121 | 28,026 |
| e. SUBTOTAL ADMINISTRATION | <u>\$55,602,801</u> | <u>2,297.21</u> | | <u>\$55,951,086</u> | <u>\$320,259</u> |
| 3. TOTAL POSITIONS AND SALARIES (Item A.1.i. + Item A.2.e.) | <u>\$325,885,095</u> | <u>9,414.54</u> | | <u>\$326,310,296</u> | <u>\$425,201</u> |
| a. CPCs | 154,455,650 | | | 154,629,895 | 174,245 |
| b. All Other Staff | 171,429,445 | | | 171,680,401 | 250,956 |
| 4. Fringe Benefits | | | | | |
| a. CPCs 23.7% | \$36,605,989 | | | \$36,647,285 | \$41,296 |
| b. All Other Staff 23.7% | 40,628,778 | | | 40,688,255 | 59,477 |
| c. Total Fringe Benefits | <u>\$77,234,767</u> | | | <u>\$77,335,540</u> | <u>\$100,773</u> |
| 5. Salary Savings | | | | | |
| a. CPCs 1.0% | -\$1,910,616 | | | -\$1,912,772 | -\$2,156 |
| b. All Other Staff 5.5% | -11,663,202 | | | -11,680,276 | -17,074 |
| c. Total Salary Savings | <u>-\$13,573,818</u> | | | <u>-\$13,593,048</u> | <u>-\$19,230</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>\$390,240,044</u> | | | <u>\$390,746,788</u> | <u>\$506,744</u> |
| ROUNDED | <u>\$390,240,000</u> | <u>9,415.00</u> | | <u>\$390,747,000</u> | <u>\$507,000</u> |
| B. OPERATING EXPENSES AND RENT | | | | | |
| 1. Operating Expenses | \$37,285,000 | | | \$37,329,000 | \$44,000 |
| 2. Rent | 61,334,000 | | | 61,390,000 | 56,000 |
| 3. Subtotal Operating Expenses and Rent | <u>\$98,619,000</u> | | | <u>\$98,719,000</u> | <u>\$100,000</u> |
| C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.) | <u>\$488,859,000</u> | | | <u>\$489,466,000</u> | <u>\$607,000</u> |
| D. 2007-08 Budget-Balancing Reduction (BBR): Reduce RC HIPAA Operations | <u>-\$141,000</u> | | | <u>-\$141,000</u> | <u>\$0</u> |
| 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>\$490,620,000</u> | | | <u>\$491,227,000</u> | <u>\$607,000</u> |

Attachment A
CORE STAFFING
Detailed Comparison of the Budget Act of 2009
to the 2010-11 November Estimate
BY 2010-11

| I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES | Adjusted Budget of 2009 2009-10 | 2010-11 November Estimate BY 2010-11 | | | |
|--|--|---|----------------------|----------------------|--------------------|
| | | Positions | Budgeted Salary | Cost | Difference |
| a. Clinical | | | | | |
| (1) Intake and Assessment | | | | | |
| (a) Physician | \$9,700,392 | 125.99 | \$79,271 | \$9,987,353 | \$286,961 |
| (b) Psychologist | 10,218,874 | 251.99 | 41,754 | 10,521,590 | 302,716 |
| (c) Nurse | 4,548,615 | 125.99 | 37,171 | 4,683,174 | 134,559 |
| (d) Nutritionist | 3,442,268 | 125.99 | 28,130 | 3,544,099 | 101,831 |
| (2) Clinical Support Teams | | | | | |
| (a) Physician/Psychiatrist | 5,245,938 | 59.00 | 92,034 | 5,430,006 | 184,068 |
| (b) Consulting Pharmacist | 3,445,650 | 59.00 | 60,450 | 3,566,550 | 120,900 |
| (c) Behavioral Psychologist | 3,133,404 | 59.00 | 54,972 | 3,243,348 | 109,944 |
| (d) Nurse | 2,877,246 | 59.00 | 50,478 | 2,978,202 | 100,956 |
| (3) SB 1038 Health Reviews | | | | | |
| (a) Physician | 2,138,870 | 22.80 | 92,034 | 2,098,375 | -40,495 |
| (b) Nurse | 5,475,853 | 106.39 | 50,478 | 5,370,354 | -105,499 |
| b. Intake / Case Management | | | | | |
| (1) Supervising Counselor (Intake) | | | | | |
| (1:10 Intake Workers in Item (2) below) | 2,913,177 | 82.71 | 38,036 | 3,145,958 | 232,781 |
| (2) Intake Worker | 24,149,098 | 827.14 | 31,532 | 26,081,378 | 1,932,280 |
| (3) Supervising Counselor (Case Management) | | | | | |
| (1:10 CPCs in Items (6) and (7) below) | 20,072,947 | 395.38 | 52,392 | 20,714,749 | 641,802 |
| (4) Supervising Counselor (Capitol People First) | | | | | |
| (DC Case Management 1:10 CPCs in Item (4)) | 227,808 | 3.05 | 67,200 | 204,960 | -22,848 |
| (5) Client Program Coordinator (CPC), 1:66 DC Consumers | | | | | |
| Capitol People First | 1,595,825 | 30.45 | 47,019 | 1,431,729 | -164,096 |
| (6) CPC, 1:66 Consumers (Total Pop w/o DCs, CPP, ES) | 65,917,261 | 1,919.65 | 34,032 | 65,329,529 | -587,732 |
| (7) CPC (Waiver, Early Start only), 1:62 Consumers | 62,879,565 | 1,986.69 | 34,032 | 67,611,034 | 4,731,469 |
| (8) CPC, Quality Assurance for ARM | 1,588,954 | 47.48 | 34,032 | 1,615,839 | 26,885 |
| (9) Supervising Counselor, DSS Incidental Medical | | | | | |
| Care Regulations (1:10 CPCs in Item (8) below) | 65,490 | 1.41 | 52,392 | 73,873 | 8,383 |
| (10) CPC, DSS Incidental Medical Care Regs | 472,422 | 14.05 | 37,824 | 531,427 | 59,005 |
| c. Quality Assurance / Quarterly Monitoring | | | | | |
| (1) Supervising Counselor | 1,957,889 | 37.37 | 52,392 | 1,957,889 | 0 |
| (2) CPC | 12,717,078 | 373.68 | 34,032 | 12,717,078 | 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 | 25.62 | 52,392 | 1,342,283 | 39,818 |
| (b) CPC | 8,461,376 | 256.18 | 34,032 | 8,718,318 | 256,942 |
| (c) Administrative and Clinical Support (See Page 2) | | | | | |
| e. Community Services | | | | | |
| (1) Special Incident Coordinator | 1,100,232 | 21.00 | 52,392 | 1,100,232 | 0 |
| (2) Vendor Fiscal Monitor | 1,322,961 | 26.90 | 50,844 | 1,367,704 | 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 | 213,002 | 5.03 | 38,036 | 191,321 | -21,681 |
| (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 | 7.10 | 52,392 | 371,983 | 7,859 |
| (2) QA/CPC | 2,365,224 | 71.00 | 34,032 | 2,416,272 | 51,048 |
| (3) Nurses | 1,754,111 | 35.50 | 50,478 | 1,791,969 | 37,858 |
| 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 | \$270,282,294 | 7,347.85 | \$278,752,751 | \$278,752,751 | \$8,470,457 |

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

| | Adjusted Budget of 2009 2009-10 | 2010-11 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) | 3,135,517 | 85.66 | 39,887 | 3,416,720 | 281,203 |
| (3) Fiscal Manager | 963,480 | 21.00 | 45,880 | 963,480 | 0 |
| (4) Program Tech II (FCPP) | 702,738 | 22.73 | 36,468 | 828,918 | 126,180 |
| (5) Revenue Clerk | 1,328,353 | 64.43 | 20,617 | 1,328,353 | 0 |
| (6) Account Clerk (Enh. FFP, Phase II) | 584,640 | 21.00 | 27,840 | 584,640 | 0 |
| (7) Account Clerk | 7,503,952 | 419.98 | 18,397 | 7,726,372 | 222,420 |
| 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 | 271,769 | 11.40 | 23,388 | 266,623 | -5,146 |
| (5) MD/Psychologist Secretary I | 4,015,559 | 188.99 | 21,876 | 4,134,345 | 118,786 |
| (6) Secretary II | 3,676,594 | 158.86 | 23,388 | 3,715,418 | 38,824 |
| (7) Secretary I | 17,810,897 | 985.75 | 18,757 | 18,489,713 | 678,816 |
| (8) Secretary I (DC Case Management - Capitol People Fir | 198,095 | 5.58 | 31,848 | 177,712 | -20,383 |
| e. SUBTOTAL ADMINISTRATION | <u>\$55,602,801</u> | <u>2,352.88</u> | | <u>\$57,043,501</u> | <u>\$1,461,083</u> |
| 3. TOTAL POSITIONS AND SALARIES (Item A.1.i. + Item A.2.e.) | <u>\$325,885,095</u> | <u>9,700.73</u> | | <u>\$335,796,252</u> | <u>\$9,911,157</u> |
| a. CPCs | 154,455,650 | | | 158,993,267 | 4,537,617 |
| b. All Other Staff | 171,429,445 | | | 176,802,985 | 5,373,540 |
| 4. Fringe Benefits | | | | | |
| a. CPCs 23.7% | \$36,605,989 | | | \$37,681,404 | \$1,075,415 |
| b. All Other Staff 23.7% | 40,628,778 | | | 41,902,307 | 1,273,529 |
| c. Total Fringe Benefits | <u>\$77,234,767</u> | | | <u>\$79,583,711</u> | <u>\$2,348,944</u> |
| 5. Salary Savings | | | | | |
| a. CPCs 1.0% | -\$1,910,616 | | | -\$1,966,747 | -\$56,131 |
| b. All Other Staff 5.5% | -11,663,202 | | | -12,028,791 | -365,589 |
| c. Total Salary Savings | <u>-\$13,573,818</u> | | | <u>-\$13,995,538</u> | <u>-\$421,720</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>\$390,240,044</u> | | | <u>\$402,078,425</u> | <u>\$11,838,381</u> |
| ROUNDED | <u>\$390,240,000</u> | <u>9,701.00</u> | | <u>\$402,078,000</u> | <u>\$11,838,000</u> |
| B. OPERATING EXPENSES AND RENT | | | | | |
| 1. Operating Expenses | \$37,285,000 | | | \$38,245,000 | \$960,000 |
| 2. Rent | 61,334,000 | | | 56,987,000 | -4,347,000 |
| 3. Subtotal Operating Expenses and Rent | <u>\$98,619,000</u> | | | <u>\$95,232,000</u> | <u>-\$3,387,000</u> |
| C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.) | <u>\$488,859,000</u> | | | <u>\$497,310,000</u> | <u>\$8,451,000</u> |
| D. 2007-08 Budget-Balancing Reduction (BBR): Reduce RC HIPAA Operations | <u>-\$141,000</u> | | | N/A | \$141,000 |
| E. Adjustments for BBR deduction for CPP | <u>\$1,902,000</u> | | | N/A | -\$1,902,000 |
| F. TOTAL CORE STAFFING (Items C + D + E) | <u>\$490,620,000</u> | | | <u>\$497,310,000</u> | <u>\$6,690,000</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. <u>PERSONAL SERVICES (continued)</u> | |
| 2. <u>ADMINISTRATION (continued)</u> | |
| d. <u>Clerical Support</u> | |
| (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 |

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 Community Specialists | 3.00 | 503,000 | 4.00 | 503,000 |
| (8) Total Personal Services | | <u>\$3,801,500</u> | | <u>\$1,638,500</u> |
| 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 | | <u>\$440,200</u> | | <u>\$124,200</u> |
| c. Subtotal Unified Operational Costs (Rounded) | | | | |
| | | \$4,241,700 | | \$1,762,700 |
| | | <u>\$4,242,000</u> | | <u>\$1,763,000</u> |
| 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 | | | | |
| | | <u>\$2,573,200</u> | | <u>\$2,484,387</u> |
| 3. Subtotal CPP Staffing (Rounded) | | | | |
| | | <u>\$6,814,900</u> | | <u>\$4,247,087</u> |
| | | <u>\$6,815,000</u> | | <u>\$4,247,000</u> |
| 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 | | <u>\$867,000</u> | | <u>\$867,000</u> |
| C. Total (A + B) (Rounded) | | | | |
| | | <u>\$7,681,900</u> | | <u>\$5,114,087</u> |
| | | <u>\$7,682,000</u> | | <u>\$5,114,000</u> |
| EXPENDITURES: | | | | |
| | | <u>CY 2009-10</u> | | <u>BY 2010-11</u> |
| | 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 |

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 Self-Directed Services Home and Community-Based Services (SDS HCBS) Waiver Application to CMS on April 2, 2008. Approval of the SDS HCBS Waiver is pending further discussion with the new federal administration. Upon finalization of the SDS HCBS Waiver, DDS will proceed with promulgation of SDS regulations. The regulations are subject to a required 45-day public comment period. As a result, the anticipated date of implementation and enrollment is April 2010.

IMPLEMENTATION DATE:

Implementation will be phased in beginning April 2010 as follows:

CY 2009-10

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

BY 2010-11

| | |
|-----------------|--------------------|
| July 2010: | 2 regional centers |
| August 2010: | 4 regional centers |
| September 2010: | 4 regional centers |
| October 2010: | 4 regional centers |
| November 2010: | 4 regional centers |

Staffing for Self-Directed Services (Operations)

ASSUMPTIONS/METHODOLOGY:

- Regional center staff will be phased in as indicated in the assumptions below.
- This major assumption reflects the need for regional center positions as follows:
 - Add 1 Self-Directed Services Director (SDSD) position at each regional center, to be phased in six months prior to implementation of SDS at each regional center, and 1 Federal Compliance Coordinator (FCC) position to be phased in at the time of implementation at each regional center in accordance with the schedule above.
 - The schedule assumes continued funding for the SDSD and FCC positions at the first 5 regional centers during the CY 2009-10.
 - 1 additional FCC will be added for every 1,000 new SD-HCBS Waiver enrollees at each regional center.
 - There will be approximately 75 new SDS enrollees in CY 2009-10 and 1,725 additional new SDS enrollees in BY 2010-11.

METHODOLOGY:

| | | | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------------|------------------|---------------|-------------------|-------------------|
| PERSONAL SERVICES: | | | | |
| • Administration | <u>Positions</u> | <u>Salary</u> | | |
| • SDSD/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 |

Staffing for Self-Directed Services (Operations)

METHODOLOGY:

| | | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|---------|-------------------|-------------------|
| OPERATING EXPENSES: | | | |
| ● Operating Expenses: | | | |
| Professional Positions: | \$3,400 | Per Position | \$3,400 |
| Clerical Positions: | \$2,400 | Per Position | 408 |
| ● Rent: | | | |
| CY 2009-10 | \$7,757 | Per Position | 9,076 |
| BY 2010-11 | \$7,968 | Per Position | 9,323 |
| Total Operating Expenses | | \$12,884 | \$13,131 |
| TOTAL ANNUAL EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY | | \$85,736 | \$85,983 |

CY 2009-10 will reflect continued funding for the SDSD and FCC positions at the first 5 regional centers.

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

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

$$\text{CY 2009-10} \quad \$85,736 \quad \div \quad 12 \text{ mos.} \quad = \quad \$7,145$$

| <u>CY 2009-10 Cost per Month</u> | <u># of Positions</u> | | <u>Expenditures</u> | |
|---|-----------------------|------------|---------------------|--------------------|
| | <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 | |

Staffing for Self-Directed Services (Operations)

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

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

$$\text{BY 2010-11} \quad \$85,983 \quad \div \quad 12 \text{ mos.} \quad = \quad \$7,165$$

| <u>BY 2010-11 Cost per Month</u> | <u># of Positions</u> | | <u>Expenditures</u> | |
|---|-----------------------|-------------|---------------------|--------------------|
| | <u>SDSD</u> | <u>FCC</u> | <u>SDSD + Secty</u> | <u>FCC + Secty</u> |
| July 10 | <u>21.0</u> | <u>5.0</u> | 150,465 | 35,825 |
| Aug 10 | <u>21.0</u> | <u>9.0</u> | 150,465 | 64,485 |
| Sep 10 | <u>21.0</u> | <u>13.0</u> | 150,465 | 93,145 |
| Oct 10 | <u>21.0</u> | <u>17.0</u> | 150,465 | 121,805 |
| Nov 10 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Dec 10 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Jan 11 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Feb 11 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Mar 11 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Apr 11 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| May 11 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Jun 11 | <u>21.0</u> | <u>21.0</u> | 150,465 | 150,465 |
| Totals | | | \$1,805,580 | \$1,518,980 |
| TOTAL EXPENDITURES, 2010-11 (SDSD + FCC Phased In) | | | | \$3,324,560 |
| Rounded | | | | \$3,325,000 |

FUNDING:

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

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2009-10 and BY 2010-11 costs reflect phased-in regional center implementation schedule.

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

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--------------------------------------|--------------------|--------------------|
| TOTAL | \$1,258,000 | \$3,325,000 |
| General Fund | \$629,000 | \$1,662,000 |
| <i>General Fund Match</i> | 629,000 | 1,662,000 |
| <i>General Fund Other</i> | 0 | 0 |
| Reimbursements | \$629,000 | \$1,663,000 |
| <i>SD-HCBS Waiver Administration</i> | 629,000 | 1,663,000 |

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) Reason for Year-to-Year Change: 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 and BY: \$3,950,000 GF Match, \$3,300,000 Targeted Case Management, \$1,950,000 Medicaid Administration</p> | \$9,200,000 | \$9,200,000 |
| <ul style="list-style-type: none"> ● Case Managers to Meet HCBS Waiver Requirements <p>An April 21, 2006 letter from the Centers for Medicare and Medicaid Services (CMS) indicated that the State must "review and revise, as needed, its policies to assure that the waiver participant to case manager ratio of 62:1 is consistently met." This augmentation by the California Legislature is intended to ensure further compliance. See the attachment on page E-2.5 for fiscal detail.</p> <p>CY: \$2,489,000 GF Match, \$2,489,000 Targeted Case Management</p> <p>BY: \$2,528,000 GF Match, \$2,529,000 Targeted Case Management</p> <p>Change from Prior Estimate and Reason for Year-to-Year Change:</p> <p>Regional centers reported lower vacancy rate of case manager positions in the 2009-10 May Revision Regional Center Survey than in 2008-09 May Revision Regional Center Survey ; the lower vacancy rate is reflected in the CY 2009-10 and BY 2010-11 estimates.</p> | \$4,978,000 | \$5,057,000 |
| <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): | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|-------------------|-------------------|
| <ul style="list-style-type: none"> ● Nursing Home Reform/Pre-Admission Screening and Resident Review (PASRR) <p>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)</p> | \$473,000 | \$473,000 |
| <ul style="list-style-type: none"> ● TOTAL EXPENDITURES | \$41,536,000 | \$41,722,000 |

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 | \$41,722,000 |
| General Fund | \$33,797,000 | \$33,943,000 |
| <i>General Fund Match</i> | 6,439,000 | 6,478,000 |
| <i>General Fund Other</i> | 27,358,000 | 27,465,000 |
| Reimbursements | \$7,739,000 | \$7,779,000 |
| <i>Medicaid Administration</i> | 1,950,000 | 1,950,000 |
| <i>Targeted Case Management</i> | 5,789,000 | 5,829,000 |

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) (50% Federal Financial Participation (FFP)) and Medicaid Administration (75% FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

| | TOTAL | CY 2009-10 and BY 2010-11 |
|--------------------------------|-------|---------------------------|
| | | \$9,200,000 |
| General Fund | | \$3,950,000 |
| <i>General Fund Match</i> | | 3,950,000 |
| <i>General Fund Other</i> | | 0 |
| Reimbursements | | \$5,250,000 |
| <i>Medicaid Administration</i> | | 1,950,000 |
| <i>TCM</i> | | 3,300,000 |

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|---------------------------|---------------------------|
| A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions | 1,720.60 | 1,741.67 |
| B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/} | x <u>3.8%</u> x | <u>3.8%</u> |
| C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/} | 65.38 | 66.18 |
| 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 | \$2,621,125 |
| F. Supervising Counselors (at 1:10 CPCs) | | |
| CY 65.38 x 1/10 = 6.54 | 6.54 | |
| BY 66.18 x 1/10 = 6.62 | | 6.62 |
| 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 | \$415,630 |
| 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 66.18 + 6.62 = 72.80 | | |
| 72.80 x 1/6 = 12.13 | | 12.13 |
| 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 | \$348,568 |
| J. Fringe Benefits | | |
| CPCs 23.7% | \$613,697 | \$621,207 |
| All Other Staff 23.7% | + <u>179,039</u> + | <u>181,115</u> |
| | \$792,736 | \$802,322 |
| K. Salary Savings | | |
| CPCs 1.0% | -\$32,031 | -\$32,423 |
| All Other Staff 5.5% | + <u>-51,396</u> + | <u>-51,992</u> |
| | -\$83,427 | -\$84,415 |
| L. Total Personal Services (Item E + Item G + Item J + Item I + Item K) | \$4,054,188 | \$4,103,230 |
| M. Operating Expenses | | |
| Professional Positions \$3,400 | \$244,528 | \$247,520 |
| Clerical Positions \$2,400 | 28,776 | 29,112 |
| Rent | | |
| CY 2009-10 \$7,757 | 650,890 | |
| BY 2010-11 \$7,968 | + <u>676,722</u> + | <u>676,722</u> |
| Total Operating Expenses | \$924,194 | \$953,354 |
| N. Total Costs (Item L + Item M) | \$4,978,382 | \$5,056,584 |
| Rounded | <u>\$4,978,000</u> | <u>\$5,057,000</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 |

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

| | | |
|--|--|--|
| <ul style="list-style-type: none"> ● Information Technology Costs <li style="padding-left: 20px;">● Regional Center Application Support <li style="padding-left: 20px;">● Data Processing (100% General Fund) | <p>\$4,517,000</p> <p style="padding-left: 20px;">3,167,000</p> <p style="padding-left: 20px;">1,350,000</p> | <p>\$4,517,000</p> <p style="padding-left: 20px;">3,167,000</p> <p style="padding-left: 20px;">1,350,000</p> |
| <ul style="list-style-type: none"> ● Clients' Rights Advocacy <p style="padding-left: 20px;">The Department contracts with Disability Rights California for clients' rights advocacy services for regional center consumers. (100% General Fund)</p> <p>Change from Prior Estimate:</p> <p style="padding-left: 20px;">This contract is based on a per capita average cost.</p> <p>Reason for Year-to-Year Change:</p> <p style="padding-left: 20px;">In BY 2010-11, the community caseload is estimated to increase by 7,481 consumers.</p> | <p>\$5,137,000</p> | <p>\$5,295,000</p> |
| <ul style="list-style-type: none"> ● Quality Assessment Contract <p style="padding-left: 20px;">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)</p> | <p>\$5,900,000</p> | <p>\$3,700,000</p> |

Projects

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY (continued):

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

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

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

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

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 :

Increased workload related to the implementation of cost saving items.

- **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)

Projects

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|-------------------|-------------------|
| ASSUMPTIONS/METHODOLOGY (continued): | | |
| <ul style="list-style-type: none"> ● Foster Grandparent/Senior Companion | \$1,719,000 | \$1,719,000 |
| <p>Through these programs, men and women, 60 years of age and older, devote up to 20 hours a week to help people with developmental disabilities lead more independent and productive lives.</p> <p>CY and BY: \$1,159,000 General Fund, \$560,000 Federal Funds</p> | | |
| <ul style="list-style-type: none"> ● Special Incident Reporting/Risk Assessment | \$940,000 | \$940,000 |
| <p>The Department contracts for the services of an independent specialized risk-assessment and mitigation contractor, possessing a multidisciplinary capacity, to conduct key activities such as data analysis, training, mortality reviews, site reviews, and to provide services related to protecting the health, safety and well-being of consumers. (100% General Fund)</p> | | |
| <ul style="list-style-type: none"> ● Increased Access to Mental Health Services | \$740,000 | \$704,000 |
| <p>The Department, in collaboration with the Department of Mental Health, coordinates the following services to provide consumers with developmental disabilities and mental health issues (dually diagnosed), who are not served and underserved, access to community mental health resources.</p> | | |
| <ul style="list-style-type: none"> ● Regional Best Practice Training | 270,000 | 256,500 |
| <ul style="list-style-type: none"> ● Statewide Training for Families, Service Providers, Service Coordinators, and Consumers | 270,000 | 256,500 |
| <ul style="list-style-type: none"> ● Regional Center Technical Assistance and Liaison Support | 65,000 | 62,750 |
| <ul style="list-style-type: none"> ● Regional Planning Projects <p>(100% Mental Health Services Fund)</p> | 135,000 | 128,250 |
| <ul style="list-style-type: none"> ● Sherry S. Court Case | \$534,000 | \$534,000 |
| <p>In 1981 the Supreme Court ruled In Re Hop that before an adult is admitted to a developmental center, he/she must be afforded due process through a court hearing to determine if such a placement is warranted. Subsequently, in the Sherry S. case, the court ruled that a conservator or parent of an adult has authority to admit that adult through the Hop process. This estimate reflects the regional center costs of processing Hop actions for regional center consumers. (100% General Fund)</p> | | |

Projects

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 2010, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers and for maintenance of the methodology and calculation of the individual budget. (100% General Fund)</p> | \$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 12/31/09 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)

- **TOTAL EXPENDITURES** **\$27,429,000** **\$24,758,000**

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 | \$24,758,000 |
| General Fund | \$24,546,000 | \$21,912,000 |
| <i>General Fund Match</i> | <i>1,433,000</i> | <i>1,433,000</i> |
| <i>General Fund Other</i> | <i>23,113,000</i> | <i>20,479,000</i> |
| Reimbursements | \$2,173,000 | \$2,136,000 |
| <i>HCBS Waiver Administration</i> | <i>1,433,000</i> | <i>1,433,000</i> |
| <i>Mental Health Services Fund</i> | <i>740,000</i> | <i>703,000</i> |
| Developmental Disabilities Services Account | \$150,000 | \$150,000 |
| <i>SB 1175 Housing Proposals</i> | <i>150,000</i> | <i>150,000</i> |
| Federal Funds | \$560,000 | \$560,000 |
| <i>Foster Grandparent Program</i> | <i>560,000</i> | <i>560,000</i> |

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 \$16.2 million (\$11.2 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 \$16,167,000 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 | -\$16,167,000 |
| General Fund | -\$11,270,000 | -\$11,181,000 |
| <i>General Fund Match</i> | -3,668,000 | -3,807,000 |
| <i>General Fund Other</i> | -7,602,000 | -7,374,000 |
| Reimbursements | -\$6,130,000 | -\$4,986,000 |
| <i>Medicaid Administration</i> | -689,000 | -371,000 |
| <i>HCBS Waiver Administration</i> | -121,000 | -131,000 |
| TCM | -5,320,000 | -4,484,000 |

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 \$16,044,000 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:

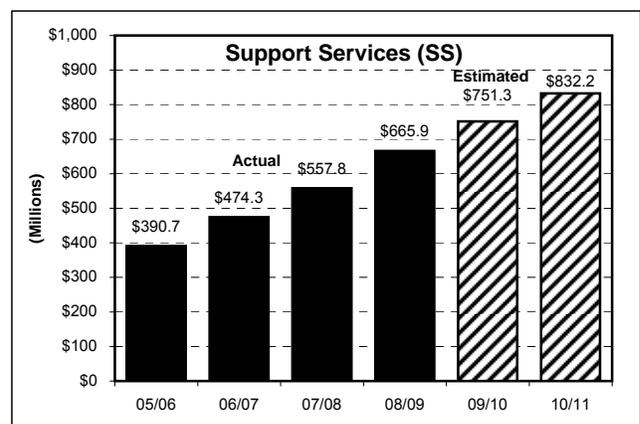
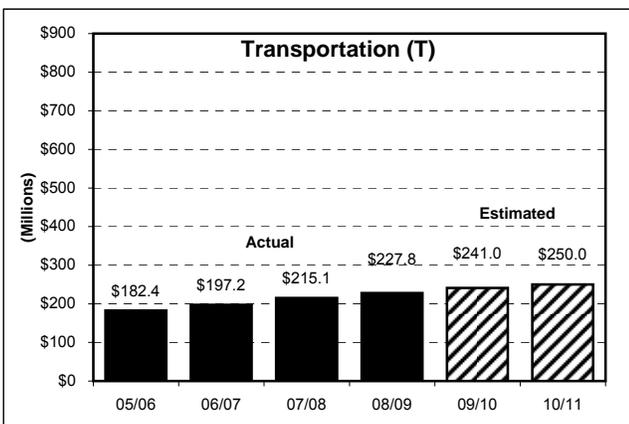
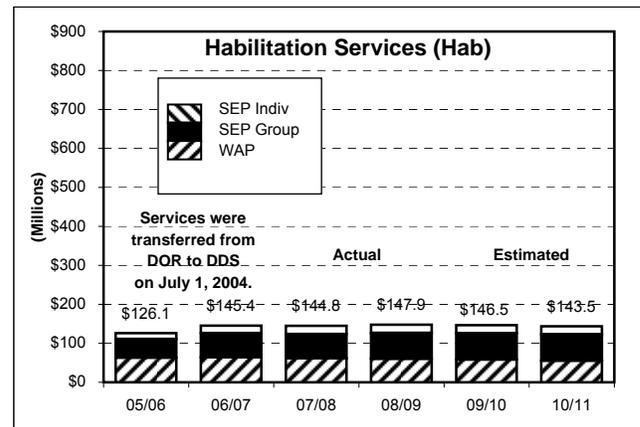
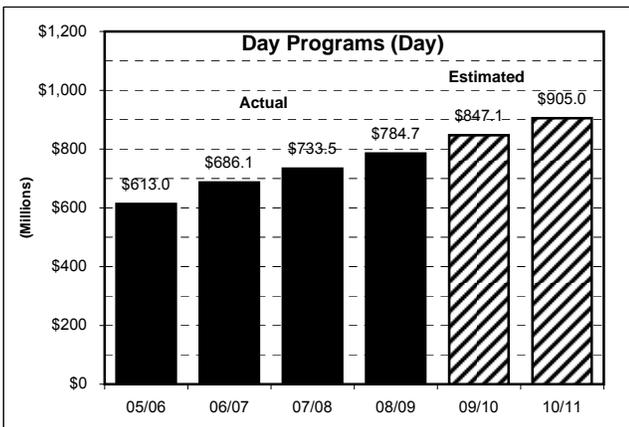
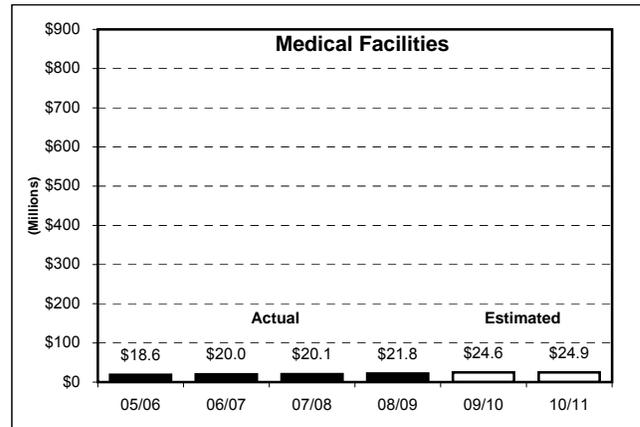
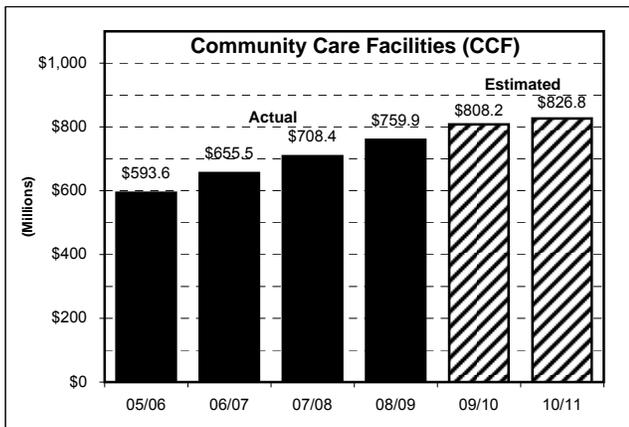
| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------|-------------------|-------------------|
| TOTAL | \$0 | \$0 |
| <i>Targeted Case Management</i> | 0 | -16,044,000 |
| <i>General Fund</i> | 0 | 16,044,000 |

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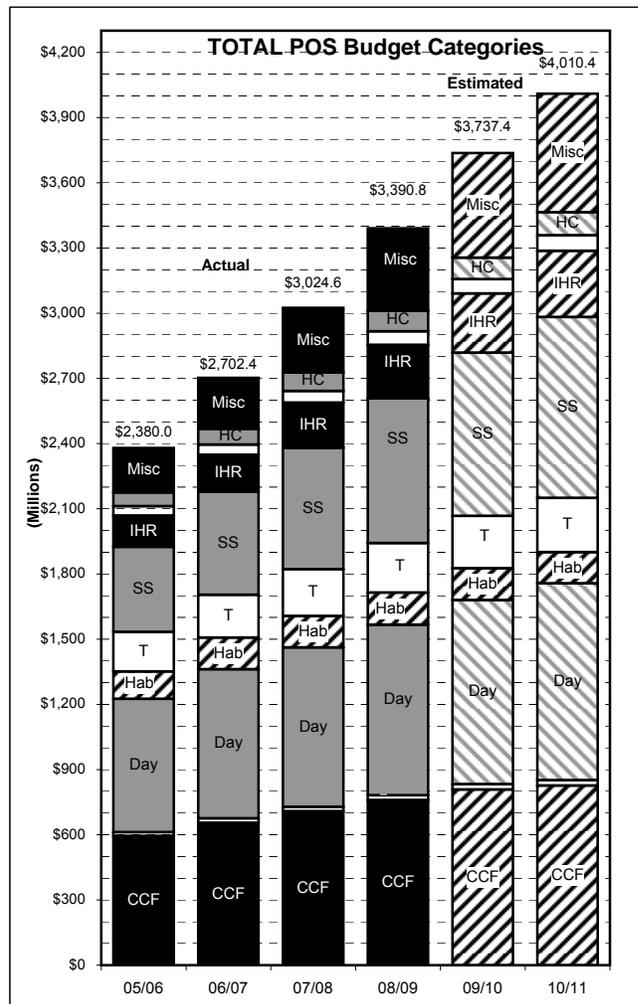
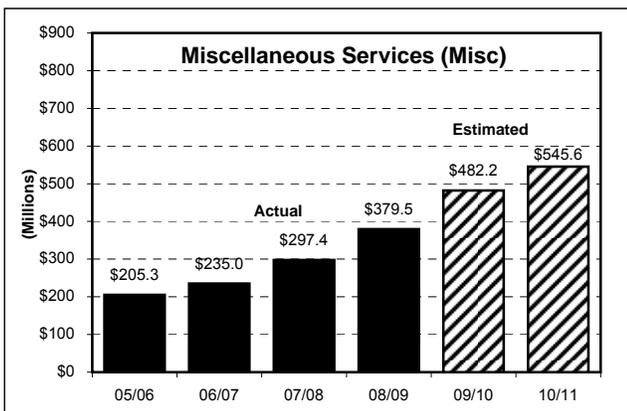
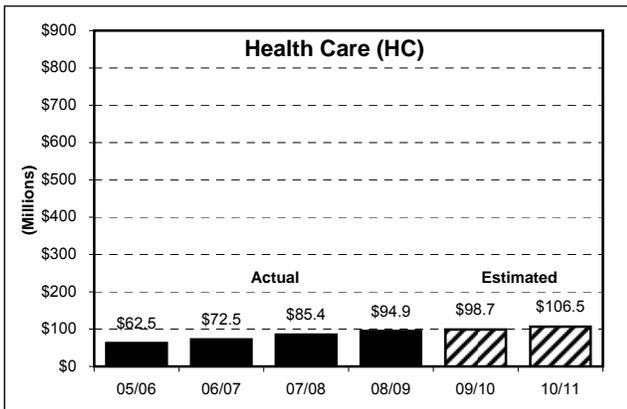
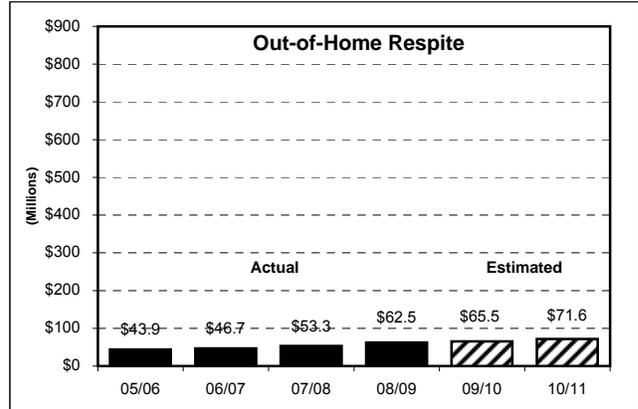
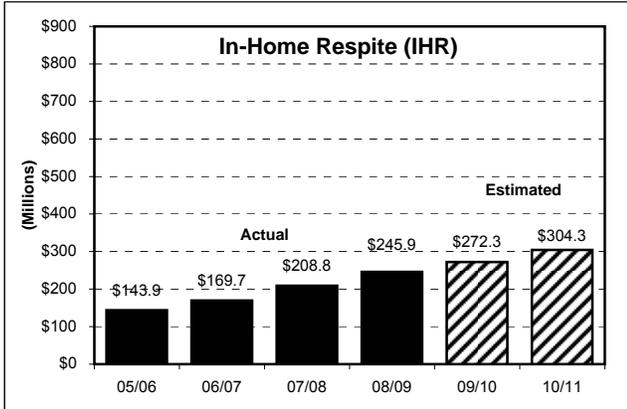
Purchase of Services **TOTAL EXPENDITURES** by Budget Category

(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 Fiscal Year (FY) 2006-07 expenditures.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 94.8 percent of persons in CCFs), the regional centers fund only the portion of the facility costs that is above the SSI/SSP level of payment (i.e., the "net" costs). Funds for the SSI/SSP grants are in the DSS budget. This factor is incorporated in the CCF estimate.

METHODOLOGY:

| | <u>CY 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 | -\$1,710,000 |

Effective 1/1/09, the SSI/SSP rate was \$961. The June 2009 rate increase did not occur as expected in prior estimate. Additionally, rates will not increase in January 2010 and in June 2010 reducing the CCF savings. The SSI/SSP rate is estimated to increase to \$973 in 1/1/11.

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>These estimates were based on forecasting models specific to the September 2003 through August 2009 CCF caseload data.</p> <p>An ARIMA (Auto Regressive Integrated Moving Average) model was used to forecast CCF caseload growth. The ARIMA procedure models a discrete time series as a function of constant, autoregressive terms, and moving-average terms.</p> <p>Estimated Caseload Growth:</p> <p style="margin-left: 40px;">CY 2009-10: 6,540 Person Months</p> <p style="margin-left: 40px;">BY 2010-11: 6,202 Person Months</p> | 16,909,000 | 16,843,000 |
| <ul style="list-style-type: none"> ● Average Cost Increase: <p>Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p>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>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 | \$27,892,000 |

Community Care Facilities

METHODOLOGY (continued):

- **Negotiated Rate Reduction:** -\$13,513,000 -\$15,226,000

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** **\$808,198,000 \$826,832,000**

FUNDING:

CCF 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. 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, 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 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 | \$826,832,000 |
| General Fund | \$415,187,000 | \$467,224,000 |
| <i>General Fund Match</i> | 233,265,000 | 273,709,000 |
| <i>General Fund Other</i> | 181,922,000 | 193,515,000 |
| Reimbursements | \$393,011,000 | \$359,608,000 |
| <i>HCBS Waiver FFP</i> | 389,957,000 | 354,223,000 |
| <i>Title XX TANF</i> | 3,054,000 | 5,385,000 |

Medical Facilities

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

- Assumptions regarding caseload and facility growth are based on the 2009-10 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed and 7 to 15 bed ICFs for CY 2009-10 and BY 2010-11 are provided by the Department of Health Care Services, effective August 1, 2008, as follows:
\$185.50 for DD-Hs, \$211.63 for DD-Ns, \$219.79 for DD-CN.
- Estimated New Consumers:

| | <u>CY</u> | <u>BY</u> |
|-------|-----------|-----------|
| DD-H | 52 | 52 |
| DD-N | 94 | 94 |
| DD-CN | 8 | 8 |
- 1.9 percent of the consumers in Medical Facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

METHODOLOGY:

| | <u>CY 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. | \$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 |
| <ul style="list-style-type: none"> Utilization Change/Growth: | \$223,000 | \$223,000 |
| It is assumed that 1.9 percent of the persons in medical facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs. | | |

Medical Facilities

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|-------------------|-------------------|
| METHODOLOGY (continued): | | |
| <ul style="list-style-type: none"> • Gap Resource Development: | \$2,062,000 | \$2,062,000 |
| <ul style="list-style-type: none"> • New Facilities: <p style="margin-left: 20px;">Gap is the time period between licensure and certification of small health facilities when Medi-Cal does not cover any person's facility costs.</p> <p style="margin-left: 20px;">In CY 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 | 1,109,000 |
| <ul style="list-style-type: none"> • Change of Ownership Facilities <p style="margin-left: 20px;">It is estimated that ten ICF/DD-H and ten 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 | 953,000 |
| <ul style="list-style-type: none"> • Community Placement Plan: <p style="margin-left: 20px;">These are costs for individuals moving from a developmental center into a Medical Facility. See Community Placement Plan for the methodology detail.</p> | \$165,000 | \$165,000 |
| <ul style="list-style-type: none"> • Placement/Deflection Continuation: <p style="margin-left: 20px;">These are the continuing costs for consumers utilizing Day Programs who were moved from a developmental center into the community under the CPP in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. For CY 2009-10 and BY 2010-11, the impact of this increase is reflected in the trends</p> | In Trends | In Trends |
| (a) Placement | In Trends | In Trends |
| (b) Deflection | 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, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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 | \$24,868,000 |

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:

| TOTAL | \$24,645,000 | \$24,868,000 |
|---------------------------|---------------------|---------------------|
| General Fund | \$24,645,000 | \$24,868,000 |
| <i>General Fund Match</i> | <i>0</i> | <i>0</i> |
| <i>General Fund Other</i> | <i>24,645,000</i> | <i>24,868,000</i> |
| 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 FY 2006-07 expenditures.

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: | \$43,685,000 | \$44,014,000 |

Caseload Growth

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

\$3,934,000

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. It is assumed these consumers will receive 12 months of services in the year after placement. For CY 2009-10 and BY 2010-11, the impact of this increase is reflected in the trends.

(a) Placement

In Trends

In Trends

(b) Deflection

In Trends

In 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

\$0

Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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

\$905,031,000

FUNDING:

Day Program expenditures are funded by the General Fund, Medicaid, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families, 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, 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 | \$905,031,000 |
| General Fund | \$471,277,000 | \$567,095,000 |
| <i>General Fund Match</i> | 182,948,000 | 208,522,000 |
| <i>General Fund Other</i> | 288,329,000 | 358,573,000 |
| Reimbursements | \$341,103,000 | \$320,434,000 |
| <i>HCBS Waiver FFP</i> | 246,382,000 | 223,783,000 |
| <i>Title XX Social Services</i> | 56,588,000 | 56,588,000 |
| <i>Title XX TANF</i> | 2,528,000 | 4,458,000 |
| <i>Medicaid</i> | 35,605,000 | 35,605,000 |
| 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 (Work) Services Program (HSP), as required in Section 2, Chapter 13 (commencing with Section 4850) of Division 4.5 of the Welfare and Institutions Code. These services currently are provided chiefly by the regional center under the authorization of the Lanterman Act (Welfare and Institutions Code 19350[b]), and are authorized under Section 4850.1 of Chapter 13 of Division 4.5 of the Welfare and Institutions Code.

Work Activity Program (WAP):

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

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

Supported Employment Program (SEP):

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

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

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

Group Placement:

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

Habilitation Services Program

DESCRIPTION (continued):

Individual Placement:

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

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source:
Purchase of Services (POS) Claims Data file, dated June 1, 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 | N/A | 58,478,000 |
| • Less Community Placement Plan One-Time Costs | N/A | 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):

- **CPP:** See Community Placement Plan for the methodology detail. \$0 \$0
- **Regional Center Internal Review Process:** -\$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, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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** **\$87,942,000**

HSP Group Placement: \$67,213,000 \$67,208,000

- **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. \$67,388,000 \$67,035,000
 - Prior Year Costs 67,388,000 67,213,000
 - Prior Year Estimate N/A -178,000
 - Less Community Placement Plan One-Time Costs N/A 0
- **Utilization Change/Growth:** -\$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 | \$178,000 |
| <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, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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 Community Placement Plan One-Time Costs | N/A | 0 |

Habilitation Services Program

| METHODOLOGY (continued): | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|----------------------|----------------------|
| HSP Individual Placement (continued): | | |
| <ul style="list-style-type: none"> ● Utilization Change/Growth: <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"> ● CPP: See Community Placement Plan for the methodology detail. | \$0 | \$0 |
| <ul style="list-style-type: none"> ● Reduce Supported Employment Program Provider Rate by 10 Percent: <p>Chapter 758, Statutes of 2008, (AB 1183), amended the Welfare and Institutions Code Section 4860 to reduce the hourly rate for both group and individual supported employment services from \$34.24 to \$30.82. Estimated savings are now reflected in the CY 2009-10 base.</p> | In Trends | In Trends |
| <ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers’ authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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"> ● TOTAL EXPENDITURES | \$146,465,000 | \$143,518,000 |

Habilitation Services Program

FUNDING:

Habilitation Services expenditures are funded by the General Fund, HCBS Waiver, and the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families. Based on actual FY 2008-09 billing data, approximately 60 percent, 41 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 expenditures reflect the most current available data, including five months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------|-------------------|-------------------|
| TOTAL | \$146,465,000 | \$143,518,000 |
| General Fund | \$90,748,000 | \$91,831,000 |
| <i>General Fund Match</i> | 26,288,000 | 30,852,000 |
| <i>General Fund Other</i> | 64,460,000 | 60,979,000 |
| Reimbursements | \$55,717,000 | \$51,687,000 |
| <i>HCBS Waiver FFP</i> | 43,958,000 | 39,926,000 |
| <i>Title XX Social Services</i> | 11,758,000 | 11,758,000 |
| <i>Title XX TANF</i> | 1,000 | 3,000 |

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

KEY DATA/ASSUMPTIONS:

Transportation Expenditure Data Sources:

Purchase of Service (POS) Claims Data file dated 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 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. 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 | \$743,000 |
| <ul style="list-style-type: none"> ● Placement Continuation: <p>These are the continuing costs for consumers utilizing Transportation services who were moved from a developmental center into the community under the CPP in the prior year. It is assumed these consumers will receive 12 months of services in the year after placement. For BY 2009-10, the impact of this increase is reflected in the trends.</p> <p>(a) Placement</p> <p>(b) Deflection</p> | In Trends | In Trends |
| <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> | -\$277,000 | -\$284,000 |
| <ul style="list-style-type: none"> ● Regional Center Internal Review Process: <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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> | -\$388,000 | In Base |
| <ul style="list-style-type: none"> ● TOTAL EXPENDITURES | \$240,967,000 | \$249,973,000 |

Transportation

FUNDING:

Transportation expenditures are funded by the Home and Community-Based Services (HCBS) Waiver, 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:

CY 2009-10 and BY 2010-11 expenditures reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|----------------------------------|----------------------|----------------------|
| TOTAL | \$240,967,000 | \$249,973,000 |
| General Fund | \$152,817,000 | \$169,332,000 |
| <i>General Fund Match</i> | <i>55,845,000</i> | <i>64,130,000</i> |
| <i>General Fund Other</i> | <i>96,972,000</i> | <i>105,202,000</i> |
| Reimbursements | \$88,150,000 | \$80,641,000 |
| <i>HCBS Waiver FFP</i> | <i>79,455,000</i> | <i>72,128,000</i> |
| <i>Vocational Rehabilitation</i> | <i>300,000</i> | <i>118,000</i> |
| <i>Medicaid</i> | <i>8,395,000</i> | <i>8,395,000</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 have been supplementing these persons in the amount of the SSI/SSP grant reductions to assure that they will be able to remain in these settings instead of having to go into community care facilities.

KEY DATA/ASSUMPTIONS:

Support Services Expenditure Data Source:
Purchase of Service (POS) Claims Data file, dated June 1, 2009.
Data were adjusted for lag based on FY 2006-07 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 One-Time Costs N/A ● Utilization Change/Growth: \$94,000,000 | <div style="margin-bottom: 10px;">\$663,320,000</div> <div style="margin-bottom: 10px;">663,320,000</div> <div style="margin-bottom: 10px;">N/A</div> <div style="margin-bottom: 10px;">N/A</div> <div style="margin-bottom: 10px;">N/A</div> <div>\$94,000,000</div> | <div style="margin-bottom: 10px;">\$746,085,000</div> <div style="margin-bottom: 10px;">N/A</div> <div style="margin-bottom: 10px;">751,307,000</div> <div style="margin-bottom: 10px;">-5,222,000</div> <div>\$91,355,000</div> |

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 | \$5,222,000 | | | | | | | | | | | | |
| <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. It is assumed these consumers will receive 12 months of services in the year after placement. The impact is reflected in the trends.</p> | In Trends | In Trends | | | | | | | | | | | | |
| (a) Placement | <i>In Trends</i> | <i>In Trends</i> | | | | | | | | | | | | |
| (b) Deflection | <i>In Trends</i> | <i>In Trends</i> | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ● Independent Living Supplement: 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. <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;">- <u>1,449</u></td> <td style="text-align: center;">- <u>1,511</u></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 | - <u>1,449</u> | - <u>1,511</u> | Individuals | 20,351 | 21,379 | \$229,000 | \$553,000 |
| | <u>CY 2009-10</u> | <u>BY 2010-11</u> | | | | | | | | | | | | |
| Total SL/IL Consumers | 21,800 | 22,890 | | | | | | | | | | | | |
| Part of a Couple | - <u>1,449</u> | - <u>1,511</u> | | | | | | | | | | | | |
| 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, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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 | \$832,208,000 |

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), 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 expenditures reflect the most current available data, including five months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------|-------------------|-------------------|
| EXPENDITURES: | | |
| TOTAL | \$751,307,000 | \$832,208,000 |
| General Fund | \$427,664,000 | \$529,380,000 |
| <i>General Fund Match</i> | 168,762,000 | 198,053,000 |
| <i>General Fund Other</i> | 258,902,000 | 331,327,000 |
| Reimbursements | \$322,249,000 | \$302,125,000 |
| <i>HCBS Waiver FFP</i> | 282,194,000 | 256,311,000 |
| <i>Title XX Social Services</i> | 32,509,000 | 32,509,000 |
| <i>Title XX TANF</i> | 7,546,000 | 13,305,000 |
| 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 FY 2006-07 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 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>\$26,000</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. It is assumed these consumers will receive 12 months of services in the year after placement. The impact is reflected in the trends.</p> | | |
| (a) Placement | <i>In Trends</i> | <i>In Trends</i> |
| (b) Deflection | <i>In Trends</i> | <i>In Trends</i> |
| <ul style="list-style-type: none"> ● Regional Center Internal Review Process: | -\$689,000 | In-Trends |
| <p>Chapter 758, Statutes of 2008, (AB 1183), added Section 4646.4 to the Welfare and Institutions Code effective October 1, 2008, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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 BY 2010-11.</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 2010-11. | -\$484,000 | -\$48,000 |
| <ul style="list-style-type: none"> TOTAL EXPENDITURES | \$272,256,000 | \$304,252,000 |

FUNDING:

In-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 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 expenditures reflect the most current available data, including five months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

In-Home Respite

| EXPENDITURES: | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------|-------------------|-------------------|
| TOTAL | \$272,256,000 | \$304,252,000 |
| General Fund | \$157,520,000 | \$189,826,000 |
| <i>General Fund Match</i> | 51,288,000 | 60,189,000 |
| <i>General Fund Other</i> | 106,232,000 | 129,637,000 |
| Reimbursements | \$112,281,000 | \$113,188,000 |
| <i>HCBS Waiver FFP</i> | 85,760,000 | 77,894,000 |
| <i>Title XX Social Services</i> | 15,027,000 | 15,027,000 |
| <i>Title XX TANF</i> | 11,494,000 | 20,267,000 |
| Federal Funds | \$2,455,000 | \$1,238,000 |
| <i>Early Start Grant</i> | 2,455,000 | 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 FY 2006-07 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 One-Time Costs | <p>\$59,607,000</p> <p>59,607,000</p> <p>N/A</p> <p>N/A</p> | <p>\$65,438,000</p> <p>N/A</p> <p>65,516,000</p> <p>-78,000</p> |
| <ul style="list-style-type: none"> ● Utilization Change/Growth: <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> | <p>\$8,123,000</p> | <p>\$8,131,000</p> |
| <ul style="list-style-type: none"> ● CPP: See Community Placement Plan section for the methodology detail. | <p>\$78,000</p> | <p>\$78,000</p> |
| <ul style="list-style-type: none"> ● Placement/Deflection Continuation <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. It is assumed these consumers will receive 12 months of services in the year after placement. The impact is reflected in the trends.</p> | <p>In Trends</p> | <p>In Trends</p> |
| <ul style="list-style-type: none"> (a) Placement (b) Deflection | <p><i>In Trends</i></p> <p><i>In Trends</i></p> | <p><i>In Trends</i></p> <p><i>In Trends</i></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, expanding regional centers' authority and responsibility to require them to conduct utilization reviews of each regional center-funded service requested, or to be continued, to ensure: (1) the service is appropriate; (2) the services requested are documented; (3) that alternative resources are not available before expending regional center funds; and (4) the service is consistent with all applicable state and federal laws. The total estimated savings is \$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 | \$71,644,000 |

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), and the Early Start Grant. Based on actual FY 2008-09 billing data, approximately 11 percent 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 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 expenditures reflect the most current available data, including three months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------|-------------------|-------------------|
| EXPENDITURES: | | |
| TOTAL | \$65,516,000 | \$71,644,000 |
| General Fund | \$40,449,000 | \$37,768,000 |
| <i>General Fund Match</i> | <i>2,507,000</i> | <i>2,942,000</i> |
| <i>General Fund Other</i> | <i>37,942,000</i> | <i>34,826,000</i> |
| Reimbursements | \$24,403,000 | \$33,541,000 |
| <i>HCBS Waiver FFP</i> | <i>4,192,000</i> | <i>3,808,000</i> |
| <i>Title XX Social Services</i> | <i>7,735,000</i> | <i>7,735,000</i> |
| <i>Title XX TANF</i> | <i>12,476,000</i> | <i>21,998,000</i> |
| Federal Funds | \$664,000 | \$335,000 |
| <i>Early Start Grant</i> | <i>664,000</i> | <i>335,000</i> |

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 FY 2006-07 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 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>\$669,000</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. It is assumed these consumers will receive 12 months of services in the year after placement. The impact is reflected in the trends.</p> | | |
| <ul style="list-style-type: none"> (a) Placement (b) Deflection | <p>In Trends</p> <p>In Trends</p> | <p>In Trends</p> <p>In Trends</p> |

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 | \$106,495,000 |
| General Fund | \$85,018,000 | \$95,830,000 |
| <i>General Fund Match</i> | <i>2,363,000</i> | <i>2,774,000</i> |
| <i>General Fund Other</i> | <i>82,655,000</i> | <i>93,056,000</i> |
| Reimbursements | \$5,688,000 | \$6,649,000 |
| <i>HCBS Waiver FFP</i> | <i>3,953,000</i> | <i>3,590,000</i> |
| <i>Title XX TANF</i> | <i>1,735,000</i> | <i>3,059,000</i> |
| Federal Funds | \$7,963,000 | \$4,016,000 |
| <i>Early Start Grant</i> | <i>7,963,000</i> | <i>4,016,000</i> |

Miscellaneous Services

DESCRIPTION:

Pursuant to Section 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Miscellaneous Services comprise those services which cannot be otherwise classified in the other Purchase of Services budget categories. They include, among others: tutors, special education teachers aides, recreational therapists, speech pathologists, mobility training specialists, and counseling.

KEY DATA/ASSUMPTIONS:

Miscellaneous Services Expenditure Data Source:
Purchase of Service (POS) Claims Data file, dated June 1, 2009.
Data were adjusted for lag based on FY 2006-07 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 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>\$25,871,000</p> |

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: <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> | \$0 | \$0 |
| <ul style="list-style-type: none"> • TOTAL EXPENDITURES | \$482,237,000 | \$545,589,000 |

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), the Early Start Grant, Program Development Funds, California Children and Families First Trust Fund, Counties Children and Families Account, and Mass Media Communications Account. 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 expenditures reflect the most current available data, including five months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Miscellaneous Services

| EXPENDITURES: | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|-------------------|-------------------|
| TOTAL | \$482,237,000 | \$545,589,000 |
| General Fund | \$302,190,000 | \$166,827,000 |
| <i>General Fund Match</i> | 37,033,000 | 43,460,000 |
| <i>General Fund Other</i> | 265,157,000 | 123,367,000 |
| Reimbursements | \$103,377,000 | \$110,799,000 |
| <i>HCBS Waiver FFP</i> | 61,925,000 | 56,245,000 |
| <i>Title XX Social Services</i> | 24,286,000 | 24,286,000 |
| <i>Title XX TANF</i> | 17,166,000 | 30,268,000 |
| Federal Funds | \$19,178,000 | \$9,671,000 |
| <i>Early Start Grant</i> | 19,178,000 | 9,671,000 |
| Program Development Funds | \$2,492,000 | \$3,292,000 |
| California Children and Families First Trust Fund | \$55,000,000 | \$5,000,000 |
| Counties Children and Families Account, California Children and Families Trust Fund | \$0 | \$244,000,000 |
| Mass Media Communications Account, California Children and Families Trust Fund | \$0 | \$6,000,000 |

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 Home and Community-Based Services (SDHCBS) Waiver Application to CMS on April 2, 2008. Approval of the SDS HCBS Waiver is pending further discussion with the new federal administration. 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, 2010. Regional center implementation will be phased in over an eight-month period beginning in April 2010 through November 2010.

There will be approximately 75 new SDS enrollees in CY 2009-10 from 3 regional centers and 1,725 additional SDS enrollees in BY 2010-11. Maximum waiver enrollment of approximately 9,300 consumers across all 21 regional centers is anticipated to occur over a five-year period. The aggregate of all individual budget allocations to consumers will result in a cost savings to the General Fund. Additionally, SDS proposes to achieve federal reimbursement (50/50 match) for both consumer services and for administrative effort. All services in SDS will be waiver "billable," with the result that 100 percent of the services will be allowed to receive federal reimbursement.

Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDHCBS Waiver requirements. This cost containment opportunity will require regional center staff to ensure that regional centers appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative efforts.

Cost Containment: Self-Directed Services

ASSUMPTIONS/METHODOLOGY:

- CY 2009-10
 - For the CY 2009-10 cost/savings estimate, it is assumed that 75 participants will be enrolled.
 - The average cost per consumer per month for regional center POS is estimated to be \$1,250.
- BY 2010-11
 - For the BY 2010-11 cost/savings estimate, it is assumed that 1,725 participants will be enrolled.
 - The average cost per consumer per month for regional center POS is estimated to be \$1,058.
- Consistent with WIC 4685.7(r) an SDS participant may request a criminal history records clearance on prospective service providers. It is assumed ten percent of the consumers enrolled in SDS will request at least one criminal background check at \$60 each.
- The average one-time transition cost per consumer is estimated to be \$500.
- Upon approval of his/her individual budget, each consumer will receive an advance of one month of that individual budget allocation to ensure that sufficient funding is available to the consumer to begin implementation of his/her SDS program plan.

Without Self-Directed Services

- CY 2009-10
 - Total annual CY 2009-10 pre-SDS POS costs for 75 consumers (phased in over 3 months) are estimated to be \$188,000.
- BY 2010-11
 - Total annual BY 2010-11 pre-SDS POS costs for 1,725 consumers (phased in over 12 months) are estimated to be \$11,849,000.

With Self-Directed Services

- With SDS, finite and individual budgets are assumed to be 95 percent of historical aggregate expenditures.
- CY 2009-10
 - Total CY 2009-10 costs for 75 consumers (phased-in over 3 months) are estimated to be \$306,000 including criminal history records clearance and one-time transition costs.
 - \$9,000 of the SDS consumers' historical expenditures will be set aside in a risk pool fund for their unanticipated needs.
 - 68 percent of the consumers participating in SDS will be eligible to be included in the SDHCBS Waiver; therefore, 68 percent of the total SDS costs will be 100 percent billable to the SDHCBS Waiver.
 - 24 percent of the consumers on the Department's existing HCBS Waiver will transfer to the SDHCBS Waiver in BY. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate). However, transfer from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for federal financial participation.

Cost Containment: Self-Directed Services**ASSUMPTIONS/METHODOLOGY: (continued)**

- BY 2010-11
 - Total BY 2010-11 costs for 1,725 consumers (phased-in over 12 months) are estimated to be \$13,290,000 including criminal history records clearance and one-time transition costs.
 - \$9,000 of the SDS consumers' historical expenditures will be set aside in a risk pool fund for their unanticipated needs.
 - 68 percent of the consumers participating in SDS will be eligible to be included in the SDHCBS Waiver; therefore, 68 percent of the total SDS costs will be 100 percent billable to the SDHCBS Waiver.
 - 24 percent of the consumers on the Department's existing HCBS Waiver will transfer to the SDHCBS Waiver in BY. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.4). However, transfer from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for federal financial participation.

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|-------------------|-------------------|
| ● Estimated SDS cost of services | \$259,000 | \$11,825,000 |
| ● Estimated pre-SDS cost for consumers | <u>188,000</u> | <u>11,849,000</u> |
| ● Difference | \$71,000 | -\$24,000 |
| ● Criminal Background Checks | 0 | 10,000 |
| ● SDS Risk Pool Fund | 9,000 | 9,000 |
| ● One-time Transition Costs | <u>38,000</u> | <u>863,000</u> |
| ● Total Net Expenditures | \$118,000 | \$858,000 |

FUNDING:

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

REASON FOR CHANGE:

An additional 1,725 consumers will be enrolled in SDS in BY 2010-11.

IMPLEMENTATION DATE:

Implementation will be phased-in beginning April 1, 2010.

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------|-------------------|-------------------|
| TOTAL | \$118,000 | \$858,000 |
| General Fund | \$38,000 | \$145,000 |
| <i>General Fund Match</i> | 80,000 | 1,394,000 |
| <i>General Fund Other</i> | -51,000 | -1,258,000 |
| <i>SDS Risk Pool Fund</i> | 9,000 | 9,000 |
| Reimbursements | \$80,000 | \$713,000 |
| <i>SDHCBS Waiver</i> | 93,000 | 4,030,000 |
| <i>HCBS Waiver</i> | -13,000 | -3,317,000 |

Agnews Developmental Center Closure (Purchase of Services)

DESCRIPTION:

The Plan for the Closure of Agnews Developmental Center (Plan) was formally submitted to the Legislature in January 2005, concurrent with the Governor's Budget for 2005-2006. The foundation of the Plan 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 November Estimate, 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 consumer 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 |

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 \$118,172,000.

IMPLEMENTATION DATE:

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

CHANGE FROM PRIOR ESTIMATE:

The budget assumes full year ARRA funding and is now being adjusted to reflect six months 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>Home and Community Based Services Waiver</i> | <i>0</i> | <i>-106,499,000</i> |
| <i>1915(i) State Plan Amendment</i> | <i>0</i> | <i>-11,673,000</i> |
| <i>General Fund</i> | <i>0</i> | <i>118,172,000</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 November Estimate proposal includes various reductions to the Department of Social Services (DSS) and Department of Health Care Services (DHCS) that will directly impact the Department of Developmental Services. These reductions include; Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grants, Medi-Cal Adult Day Health Care Program, In-Home Supportive Services (IHSS) Cost Containment, and loss of SSI/SSP eligibility to some consumers in Community Care Facilities (CCF's). With the funding reductions of these services from the DSS and DHCS, regional centers will become the payer of these services for DDS consumers, and will see an increase to their Purchase of Services (POS) expenditures commensurate with the elimination of these services previously provided by DSS and DHCS.

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

KEY DATA/ASSUMPTIONS:

| | <u>CY 2009-10</u> | <u>BY 2009-10</u> |
|--|--------------------|---------------------|
| <ul style="list-style-type: none"> Limit IHSS Domestic and Related Services to the Most Functionally Impaired: <p>The current year estimate does not reflect any costs associated with funding reductions in the In Home Supportive Services Program (IHSS) effective November 1, 2009 that would impact DDS consumers. The IHSS service reduction has been challenged in court. Pending the outcome of the court action, DDS would need to determine fiscal impact to regional centers as payor of last resort.</p> | \$0 | \$0 |
| <ul style="list-style-type: none"> Reduce Supplemental Security Income (SSI) and State Supplementary Payment (SSP): <p>This proposal would reduce maximum monthly grants to the minimum federally allowed levels for individuals and couples. This proposal, which would become effective September 1, 2009, would reduce the maximum SSI/SSP grant for an aged/disabled individual to \$830 per month and the maximum grant for aged/disabled couples to \$1,407 per month.</p> | \$3,032,000 | \$3,032,000 |
| <ul style="list-style-type: none"> Medi-Cal Reduce Adult Day Health Care Program: <p>The current year estimate maintains funding of \$5.3 million provided in the enacted 2009-10 budget to fund reductions in Adult Day Health Care (ADHC) that would be paid for by regional centers. The ADHC reductions have also been challenged in court. The outcome of the case is unknown at this time.</p> | \$5,335,000 | \$5,335,000 |
| <ul style="list-style-type: none"> Impacts from Other Departments <p>The Governor's Budget includes service reduction proposals in Medi-Cal, IHSS, SSI/SSP and other programs that will increase regional centers purchase of services costs in 2009-10 and 2010-11. This estimate includes \$50 million in 2010-11 to fund increased services for DDS regional center consumers resulting from reductions in other programs.</p> | \$0 | \$50,000,000 |
| <ul style="list-style-type: none"> TOTAL EXPENDITURES | \$8,367,000 | \$58,367,000 |

Revised Major Assumption Impact from Other Departments

FUNDING:

Expenditures are funded by the General Fund, and the Home and Community Based Services Waiver.

CHANGE FROM PRIOR ESTIMATE:

Additional program reductions included as part of the Governor's budget solutions.

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 2009-10</u> |
|---------------------------|-------------------|-------------------|
| TOTAL | \$8,367,000 | \$58,367,000 |
| General Fund | \$6,487,000 | \$56,664,000 |
| <i>General Fund Match</i> | 1,172,000 | 1,349,000 |
| <i>General Fund Other</i> | 5,315,000 | 55,315,000 |
| Reimbursements | | |
| <i>HCBS Waiver FFP</i> | \$1,880,000 | \$1,703,000 |

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

The Medi-Cal Optional Benefit eliminations include, but are not limited to, creams and washes, audiology, optometry and related services, podiatry, psychology, speech therapy, and dental services. Regional centers 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:

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

- Pursuant to Title 17, Section 57332 (b), regional centers will reimburse non-residential providers at the maximum rate of reimbursement in accordance with the "Schedule of Maximum Allowances" or, as otherwise specified.
- Pursuant to Title 17, Section 57210 (14), the "Schedule of Maximum Allowances (SMA)" means the schedule of the maximum allowable rate for the service provided as established by the DHCS for services reimbursable under the Medi-Cal program. If the vendor's usual and customary rate is less than the maximum rate allowed pursuant to the SMA, the regional center shall pay the vendor's usual and customary rate.
- Regional centers will continue to reimburse providers at the DHCS' Medi-Cal provider rate where specified by Title 17.
- Seven of the 10 Medi-Cal Optional Benefits are eligible for Federal Financial Participation. The total **General Fund** costs for these benefits is \$8,226,000 and the total **Federal Financial Participation** is \$3,746,000.
- As a result of the loss of Medi-Cal optional benefits for adults 21 years of age and older, regional centers 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> | 2,336,000 | 2,688,000 |
| <i>General Fund Other</i> | 5,891,000 | 5,891,000 |
| Reimbursements | \$3,745,000 | \$3,393,000 |
| <i>HCBS Waiver FFP</i> | 3,745,000 | 3,393,000 |

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 Operations and POS expenditures are \$27,200,000.
Budget Year 2010-11 Operations and POS 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:

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

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

Regular CPP funding covers these Operations and POS categories:

OPERATIONS:

Personal Services:

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

Operating Expenses:

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

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES:

- **Start-Up:** These costs are related to development of new facilities/programs and program expansion.
- **Assessment:** Individualized and comprehensive identification of consumer supports and services needs for stabilized community living.
- **Placement:** Consumers move into community settings based on consumer-specific information.
- **Deflection:** Placement POS for residential costs of facilities developed with CY CPP start-up to deflect admission from a DC. These facilities are developed based on a comprehensive analysis of DC admission data, current trends in needed services specific to the RC, and other local issues.

KEY DATA/ASSUMPTIONS:

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

METHODOLOGY:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|------------------------------|-------------------|-------------------|
| • OPERATIONS TOTAL | \$12,631,000 | \$12,631,000 |
| • PURCHASE OF SERVICES TOTAL | \$64,778,000 | \$64,778,000 |
| • 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:

Operations Regular CPP costs for CY 2009-10 and Purchase of Services Regular CPP costs for CY 2009-10 and BY 2010-11 are assumed to be the same as BY 2009-10 costs in the 2009-10 May Revision.

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 | \$12,631,000 |
| RC Purchase of Services | \$64,778,000 | \$64,778,000 |
| <i>Community Care Facilities</i> | 27,892,000 | 27,892,000 |
| <i>Medical Facilities</i> | 165,000 | 165,000 |
| <i>Day Programs</i> | 3,934,000 | 3,934,000 |
| <i>Work Activity Program</i> | 0 | 0 |
| <i>Supported Employment Program: Group Placement</i> | 178,000 | 178,000 |
| <i>Supported Employment Program: Individual Placement</i> | 0 | 0 |
| <i>Transportation</i> | 743,000 | 743,000 |
| <i>Support Services</i> | 5,222,000 | 5,222,000 |
| <i>In-Home Respite</i> | 26,000 | 26,000 |
| <i>Out-of-Home Respite</i> | 78,000 | 78,000 |
| <i>Health Care</i> | 669,000 | 669,000 |
| <i>Miscellaneous Services</i> | 25,871,000 | 25,871,000 |
| | | |
| FUND SOURCES: | | |
| TOTAL | \$77,409,000 | \$77,409,000 |
| General Fund | \$64,845,000 | \$66,026,000 |
| <i>General Fund Match</i> | 7,836,000 | 9,017,000 |
| <i>General Fund Other</i> | 57,009,000 | 57,009,000 |
| Reimbursements | \$12,564,000 | \$11,383,000 |
| <i>HCBS Waiver FFP</i> | 12,564,000 | 11,383,000 |

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

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

| CPP Activity | 2010-11 November Estimate | | | | | |
|--|-----------------------------|------------------------------------|--------------------|-----------------------------|------------------------------------|--------------------|
| | 2009-10 May Revision | CY 2009-10 November Estimate | Difference | 2009-10 May Revision | BY 2010-11 November Estimate | Difference |
| I. OPERATIONS | \$12,631,000 | \$12,631,000 | \$0 | \$12,631,000 | \$12,631,000 | \$0 |
| II. PURCHASE OF SERVICES | | | | | | |
| A. Start-Up | \$24,404,000 | \$24,404,000 | \$0 | \$24,404,000 | \$24,404,000 | \$0 |
| B. Assessment | 672,000 225 consumers | 672,000 225 consumers | \$0 0 consumers | 672,000 225 consumers | 672,000 225 consumers | \$0 0 consumers |
| C. Placement | 24,069,000 176 consumers | 24,069,000 176 consumers | \$0 0 consumers | 24,069,000 176 consumers | 24,069,000 176 consumers | \$0 0 consumers |
| D. Deflection | 15,633,000 181 consumers | 15,633,000 181 consumers | \$0 0 consumers | 15,633,000 181 consumers | 15,633,000 181 consumers | \$0 0 consumers |
| E. SUBTOTAL POS (A + B + C + D) | \$64,778,000 | \$64,778,000 | \$0 | \$64,778,000 | \$64,778,000 | \$0 |
| 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, | | |
| a. Resource Development | 50.20 | \$4,354,500 | | Estimate Methodologies, | 50.20 | \$4,354,500 |
| b. Quality Assurance/ Management | 12.85 | 1,239,200 | | Operations, Page E-1.13 | 12.85 | 1,239,200 |
| c. Assessment | 14.25 | 1,526,600 | | For the Agnews | 14.25 | 1,526,600 |
| d. Placement | 56.95 | 4,539,500 | | Developmental Center | 56.95 | 4,539,500 |
| e. Crisis Services Teams | 6.30 | 1,162,578 | | Closure Estimate. | 6.30 | 1,162,578 |
| f. Nurse Consultants for SB 962 Homes | 0.00 | 0 | | | 0.00 | 0 |
| g. 2007 - 08 Legislative Augmentation: Resource for Health Care Community Specialists | 0.00 | 0 | | | | |
| h. Total Personal Services | <u>140.55</u> | <u>\$12,822,378</u> | | | 140.55 | \$12,822,378 |

| | | | | | | |
|----------------------------------|--|--------------------|--|--|--|--------------------|
| 2. Operating Expenses | | | | | | |
| a. Operating Expenses | | \$470,000 | | | | \$470,000 |
| b. Rent | | 1,081,900 | | | | 1,081,900 |
| c. Training, Travel, Consultants | | <u>158,800</u> | | | | 158,800 |
| d. Total Operating Expenses | | <u>\$1,710,700</u> | | | | \$1,710,700 |

| | | | | | | |
|--|--|----------|--|--|--|------------|
| 3. State Employees in the Community | | | | | | |
| a. Personal Services | | \$0 | | | | \$0 |
| b. Operating Expenses | | <u>0</u> | | | | 0 |
| c. Total Clinical Staff | | \$0 | | | | \$0 |

| | | | | | | |
|---|--|------------------------------|--|--|--|--------------------------------------|
| 4. Subtotal Staffing (Rounded) | | \$14,533,078 \$14,533,000 | | | | \$14,533,078 \$14,533,000 |
|---|--|------------------------------|--|--|--|--------------------------------------|

B. Projects

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

| | | | | | | |
|--|--|------------------------------|--|--|--|--------------------------------------|
| C. Subtotal (A + B) (Rounded) | | \$14,533,078 \$14,533,000 | | | | \$14,533,078 \$14,533,000 |
|--|--|------------------------------|--|--|--|--------------------------------------|

| | | | | | | |
|--|--|---------------------|--|--|--|---------------------|
| D. Budget Balancing Reduction Reduce CPP Operations | | <u>-\$1,902,000</u> | | | | -\$1,902,000 |
|--|--|---------------------|--|--|--|---------------------|

| | | | | | | |
|-----------------------|--|---------------------|--|--|--|---------------------|
| E. Total (C+D) | | <u>\$12,631,000</u> | | | | \$12,631,000 |
|-----------------------|--|---------------------|--|--|--|---------------------|

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 | 50.20 | \$4,354,500 | Estimate Methodologies, | 50.20 | \$4,354,500 |
| b. Quality Assurance/ Management | 12.85 | 1,239,200 | Operations, Page E-1.13 | 12.85 | 1,239,200 |
| c. Assessment | 14.25 | 1,526,600 | For the Agnews | 14.25 | 1,526,600 |
| d. Placement | 56.95 | 4,539,500 | Developmental Center | 56.95 | 4,539,500 |
| e. Crisis Services Teams | 6.30 | 1,162,578 | Closure Estimate. | 6.30 | 1,162,578 |
| f. Nurse Consultants for SB 962 Homes | 0.00 | 0 | | 0.00 | 0 |
| g. 2007 - 08 Legislative Augmentation: Resource for Health Care Community Specialists | 0.00 | 0 | | | |
| h. Total Personal Services | <u>140.55</u> | <u>\$12,822,378</u> | | 140.55 | \$12,822,378 |
| 2. Operating Expenses | | | | | |
| a. Operating Expenses | | \$470,000 | | | \$470,000 |
| b. Rent | | 1,081,900 | | | 1,081,900 |
| c. Training, Travel, Consultants | | <u>158,800</u> | | | 158,800 |
| d. Total Operating Expenses | | <u>\$1,710,700</u> | | | \$1,710,700 |
| 3. State Employees in the Community | | | | | |
| a. Personal Services | | \$0 | | | \$0 |
| b. Operating Expenses | | <u>0</u> | | | 0 |
| c. Total Clinical Staff | | \$0 | | | \$0 |
| 4. Subtotal Staffing (Rounded) | | \$14,533,078 | | | \$14,533,078 |
| | | \$14,533,000 | | | \$14,533,000 |

B. Projects

| | | | | | |
|--|--|----------------------------|--|--|---------------------|
| 1. Evaluation of SB 962 Pilots | | \$0 | | | \$0 |
| 2. Foster Grandparent/Senior Companion Programs | | <u>\$0</u> | | | \$0 |
| 3. Subtotal Projects | | \$0 | | | \$0 |
| C. Subtotal (A + B) (Rounded) | | \$14,533,078 | | | \$14,533,078 |
| | | \$14,533,000 | | | \$14,533,000 |
| D. Budget Balancing Reduction Reduce CPP Operations | | <u>-\$1,902,000</u> | | | -\$1,902,000 |
| E. Total (C+D) | | <u>\$12,631,000</u> | | | \$12,631,000 |

Community Placement Plan

Purchase of Services

Summary of Costs by POS Category

Current Year 2009-10

For the 2010-11 November Estimate, Regular CPP costs are assumed to be the same as in the 2009-10 May Revision.

| CPP Activity | # of Consumers | Living Arrangement | | | | Day Programs | Work Activity Program | Supported Employment Program | | Transportation | Support Services | In-Home Respite | Out-of-Home Respite | Health Care | Misc. | CY 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 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 |
| F. 2009-10 MAY REV 2009-10 TOTAL | | \$27,892,000 | \$0 | \$165,000 | \$3,898,000 | \$3,934,000 | \$0 | \$178,000 | \$0 | \$743,000 | \$1,324,000 | \$26,000 | \$78,000 | \$669,000 | \$25,871,000 | \$64,778,000 |
| 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 130 new facilities/programs, 6 program expansion, and 8 program continuations.

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

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Budget Year 2010-11

For the 2010-11 November Estimate, Regular CPP costs are assumed to be the same as in the 2009-10 May Revision.

| CPP Activity | # of Consumers | Living Arrangement | | | | Day Programs | Work Activity Program | Supported Employment Program | | Transportation | Support Services | In-Home Respite | Out-of-Home Respite | Health Care | Misc. | 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 | \$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 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 |
| F. 2009-10 MAY REV 2009-10 TOTAL | | \$27,892,000 | \$0 | \$165,000 | \$3,898,000 | \$3,934,000 | \$0 | \$178,000 | \$0 | \$743,000 | \$1,324,000 | \$26,000 | \$78,000 | \$669,000 | \$25,871,000 | \$64,778,000 |
| 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 130 new facilities/programs, 6 program expansion, and 8 program continuations.

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

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

For the 2010-11 November Estimate, Regular CPP costs are assumed to be the same as in the 2009-10 May Revision.

| Living Arrangement | # of Consumers | % of Total | Consumer Months | Living Arrangement | | | | Day Programs | Work Activity Program | Supported Employment Program | | Transportation | Support Services | In-Home Respite | Out-of-Home Respite | Health Care | Misc. | Total |
|--|----------------|-------------|-----------------|---------------------|----------------------------|------------------------------|--------------------|--------------------|-----------------------|------------------------------|------------|------------------|--------------------|-----------------|---------------------|------------------|------------------|---------------------|
| | | | | CCF | Adult Family Home Agencies | Intermediate Care Facilities | Supported Living | | | Group | Individual | | | | | | | |
| Regular CPP | | | | | | | | | | | | | | | | | | |
| ● Community Care Facilities (CCF) | | | | | | | | | | | | | | | | | | |
| ● Residential Facilities | 25 | 14% | 231 | \$1,864,000 | | | | \$697,000 | | | | \$94,000 | \$315,000 | | \$7,000 | \$24,000 | \$159,000 | \$3,160,000 |
| Avg Cost/Consumer Mo | | | | \$8,069 | | | | \$3,017 | | | | \$407 | \$1,364 | | \$30 | \$104 | \$688 | \$13,679 |
| ● Specialized Residential Facilities (SRF) | 116 | 66% | 1,021 | \$11,420,000 | | | | \$2,654,000 | | \$178,000 | | \$519,000 | \$891,000 | | \$35,000 | \$578,000 | \$394,000 | \$16,669,000 |
| Avg Cost/Consumer Mo | | | | \$11,185 | | | | \$2,599 | | \$174 | | \$508 | \$873 | | \$34 | \$566 | \$386 | \$16,325 |
| ● Intermediate Care Facilities (ICF) | 11 | 6% | 60 | | | \$165,000 | | \$157,000 | | | | \$20,000 | \$73,000 | | \$9,000 | \$15,000 | \$87,000 | \$526,000 |
| Avg Cost/Consumer Mo | | | | | | N/A | | \$2,617 | | | | \$333 | \$1,217 | | \$150 | \$250 | \$1,450 | \$6,017 |
| ● Supported Living | 19 | 11% | 154 | | | | \$2,535,000 | \$377,000 | | | | \$94,000 | \$44,000 | | \$4,000 | \$51,000 | \$155,000 | \$3,260,000 |
| Avg Cost/Consumer Mo | | | | | | | \$16,461 | \$2,448 | | | | \$610 | \$286 | | \$26 | \$331 | \$1,006 | \$21,168 |
| ● Other (Own Home, etc.) | 5 | 3% | 24 | \$338,000 | | | | \$49,000 | | | | \$16,000 | \$1,000 | \$26,000 | \$23,000 | \$1,000 | \$0 | \$454,000 |
| Avg Cost/Consumer Mo | | | | \$14,083 | | | | \$2,042 | | | | \$667 | \$42 | \$1,083 | \$958 | \$42 | \$0 | \$18,917 |
| TOTAL | 176 | 100% | 1,490 | \$13,622,000 | \$0 | \$165,000 | \$2,535,000 | \$3,934,000 | \$0 | \$178,000 | \$0 | \$743,000 | \$1,324,000 | \$26,000 | \$78,000 | \$669,000 | \$795,000 | \$24,069,000 |

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

For the 2010-11 November Estimate, Regular CPP costs are assumed to be the same as in the 2009-10 May Revision.

| Living Arrangement | # of Consumers | % of Total | Consumer Months | Living Arrangement | | | | Day Programs | Work Activity Program | Supported Employment Program | | Transportation | Support Services | In-Home Respite | Out-of-Home Respite | Health Care | Misc. | Total |
|--|----------------|-------------|-----------------|---------------------|----------------------------|------------------------------|--------------------|--------------------|-----------------------|------------------------------|------------|------------------|--------------------|-----------------|---------------------|------------------|------------------|---------------------|
| | | | | CCF | Adult Family Home Agencies | Intermediate Care Facilities | Supported Living | | | Group | Individual | | | | | | | |
| Regular CPP | | | | | | | | | | | | | | | | | | |
| ● Community Care Facilities (CCF) | | | | | | | | | | | | | | | | | | |
| ● Residential Facilities | 25 | 14% | 231 | \$1,864,000 | | | | \$697,000 | | | | \$94,000 | \$315,000 | | \$7,000 | \$24,000 | \$159,000 | \$3,160,000 |
| Avg Cost/Consumer Mo | | | | \$8,069 | | | | \$3,017 | | | | \$407 | \$1,364 | | \$30 | \$104 | \$688 | \$13,679 |
| ● Specialized Residential Facilities (SRF) | 116 | 66% | 1,021 | \$11,420,000 | | | | \$2,654,000 | | \$178,000 | | \$519,000 | \$891,000 | | \$35,000 | \$578,000 | \$394,000 | \$16,669,000 |
| Avg Cost/Consumer Mo | | | | \$11,185 | | | | \$2,599 | | \$174 | | \$508 | \$873 | | \$34 | \$566 | \$386 | \$16,325 |
| ● Intermediate Care Facilities (ICF) | 11 | 6% | 60 | | | \$165,000 | | \$157,000 | | | | \$20,000 | \$73,000 | | \$9,000 | \$15,000 | \$87,000 | \$526,000 |
| Avg Cost/Consumer Mo | | | | | | N/A | | \$2,617 | | | | \$333 | \$1,217 | | \$150 | \$250 | \$1,450 | \$6,017 |
| ● Supported Living | 19 | 11% | 154 | | | | \$2,535,000 | \$377,000 | | | | \$94,000 | \$44,000 | | \$4,000 | \$51,000 | \$155,000 | \$3,260,000 |
| Avg Cost/Consumer Mo | | | | | | | \$16,461 | \$2,448 | | | | \$610 | \$286 | | \$26 | \$331 | \$1,006 | \$21,168 |
| ● Other (Own Home, etc.) | 5 | 3% | 24 | \$338,000 | | | | \$49,000 | | | | \$16,000 | \$1,000 | \$26,000 | \$23,000 | \$1,000 | \$0 | \$454,000 |
| Avg Cost/Consumer Mo | | | | \$14,083 | | | | \$2,042 | | | | \$667 | \$42 | \$1,083 | \$958 | \$42 | \$0 | \$18,917 |
| TOTAL | 176 | 100% | 1,490 | \$13,622,000 | \$0 | \$165,000 | \$2,535,000 | \$3,934,000 | \$0 | \$178,000 | \$0 | \$743,000 | \$1,324,000 | \$26,000 | \$78,000 | \$669,000 | \$795,000 | \$24,069,000 |

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General Fund

DESCRIPTION:

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

ASSUMPTIONS/METHODOLOGY:

General Fund:

- General Fund Match: CY 2009-10 BY 2010-11
\$902,630,000 \$1,075,245,000

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% | 701,624,000 | 801,211,000 |
| <i>HCBS Waiver Administration</i> | 50.00% | 50.00% | 4,507,000 | 4,499,000 |
| <i>Medicaid Administration</i> | 25.00% | 25.00% | 4,162,000 | 4,267,000 |
| <i>Targeted Case Management (TCM)</i> | 38.41% | 44.20% | 106,197,000 | 122,472,000 |
| <i>TCM Administration</i> | 50.00% | 50.00% | 4,000,000 | 4,000,000 |
| <i>Self-Directed HCBS Waiver</i> | 50.00% | 50.00% | 93,000 | 4,021,000 |
| <i>Self-Directed HCBS Waiver Administration</i> | 50.00% | 50.00% | 629,000 | 1,662,000 |
| <i>Medicaid</i> | 50.00% | 50.00% | 44,000,000 | 44,000,000 |
| <i>1915(i) State Plan Amendment</i> | 38.41% | 44.20% | 37,418,000 | 89,113,000 |

- General Fund Other: **\$1,293,956,000 \$1,166,904,000**

These costs consist of the remainder of total regional center expenditures not included in the General Fund Match, SDS Risk Pool, Reimbursements, Program Development Fund, DDSA, Mental Health Services Fund, or Federal Funds.

- SDS Risk Pool **\$9,000 \$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 ARRA | \$0 | \$167,110,000 |
| <i>Of the amount identified above, \$167,110,000 is needed due to the sunset of enhanced FMAP provided to States under the ARRA. Due to updated information, the figure reflected in this estimate is \$6,029,000 higher than the \$161,081,000 reported in the development of the Governor's Budget. The increase of \$6,029,000 is included as part of the General Fund budget solutions.</i> | | |
| Home and Community Based Services Waiver Eligible Expenditures | | \$1,839,353,000 |
| <i>FFP at 61.59%</i> | | \$1,144,641,000 |
| <i>FFP at 55.8%</i> | | <u>\$1,038,142,000</u> |
| <i>Difference</i> | | \$106,499,000 |
| Targeted Case Management Eligible Expenditures | | \$277,085,000 |
| <i>FFP at 61.59%</i> | | \$170,657,000 |
| <i>FFP at 55.8%</i> | | <u>\$154,613,000</u> |
| <i>Difference</i> | | \$16,044,000 |
| 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 |
| 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 | \$2,196,595,000 | \$2,242,158,000 |

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: | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------|-------------------|-------------------|
| Total General Fund | \$2,196,595,000 | \$2,242,158,000 |
| <i>General Fund Match</i> | 902,630,000 | 1,075,245,000 |
| <i>General Fund Other</i> | 1,293,956,000 | 1,166,904,000 |
| <i>SDS Risk Pool</i> | 9,000 | 9,000 |

Reimbursements
Summary of Reimbursements and General Fund (GF) Match

| REIMBURSEMENTS a/ | 2010-11 November Estimate CY 2009-10 | 2010-11 November Estimate BY 2010-11 |
|---|---|---|
| A. Home and Community-Based Services (HCBS) Waiver | \$1,875,876,000 | \$1,839,353,000 |
| 1. Reimbursement (from DHCS) = 50%; 61.59% effective 10/1/08 - 12/31/10 | 1,174,252,000 | 1,038,142,000 |
| 2. DDS GF Match (Purchase of Services) | 701,624,000 | 801,211,000 |
| B. HCBS Waiver Administration | \$9,014,000 | \$8,998,000 |
| 1. Reimbursement (from DHCS) = 50% | 4,507,000 | 4,499,000 |
| 2. DDS GF Match = 50% (Operations) | 4,507,000 | 4,499,000 |
| C. Medicaid Administration | \$16,650,000 | \$17,073,000 |
| 1. Reimbursement (from DHCS) = 75% | 12,488,000 | 12,806,000 |
| 2. DDS GF Match = 25% (Operations) | 4,162,000 | 4,267,000 |
| D. Targeted Case Management (TCM) | \$276,483,000 | \$277,085,000 |
| 1. Reimbursement (from DHCS) = 50%; 61.59% effective 10/1/08 - 12/31/10 | 170,286,000 | 154,613,000 |
| 2. DDS GF Match (Operations) | 106,197,000 | 122,472,000 |
| E. Targeted Case Management Administration | \$8,000,000 | \$8,000,000 |
| 1. Reimbursement (from DHCS) = 50% | 4,000,000 | 4,000,000 |
| 2. DDS GF Match = 50% (Operations) | 4,000,000 | 4,000,000 |
| 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 Home and Community Based Services (SD-HCBS) Waiver | \$186,000 | \$8,051,000 |
| 1. Reimbursement (from DHCS) = 50% | 93,000 | 4,030,000 |
| 2. DDS GF Match = 50% (Purchase of Services) | 93,000 | 4,021,000 |
| H. Self-Directed Home and Community Based Services Waiver Administration | \$1,258,000 | \$3,325,000 |
| 1. Reimbursement (from DHCS) = 50% | 629,000 | 1,663,000 |
| 2. DDS GF Match = 50% (Operations) | 629,000 | 1,662,000 |
| I. Medicaid | \$88,000,000 | \$88,000,000 |
| 1. Reimbursement (from DHCS) = 50% | 44,000,000 | 44,000,000 |
| 2. DDS GF Match = 50% (Purchase of Services) | 44,000,000 | 44,000,000 |
| J. Vocational Rehabilitation (VR) | \$300,000 | \$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 | \$55,000,000 | \$5,000,000 |
| 1. Reimbursement (from CA First Five Commission) = 100% | 55,000,000 | 5,000,000 |
| 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. TOTAL | \$2,632,088,000 | \$2,703,262,000 |
| 1. Reimbursements | \$1,729,458,000 | \$1,628,017,000 |
| 2. Total GF Match | \$902,630,000 | \$1,075,245,000 |

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 September 8, 2009.
(July 2008 - June 2009 data used).

METHODOLOGY:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|------------------------|------------------------|
| • Base: | \$1,824,310,000 | \$1,855,476,000 |
| • CY 2009-10 | | |
| Total estimated expenditures based on FY 2008-09 billing data (July 2008 - June 2009) | 1,841,176,000 | |
| Less Community Placement Plan One-Time Costs | -16,866,000 | |
| • BY 2010-11 | | |
| Total Estimated prior-year HCBS Waiver Expenditures | | 1,875,876,000 |
| Less Community Placement Plan One-Time Costs | | -20,400,000 |
| • Annual Growth (New RC Consumers) | \$47,215,000 | \$47,751,000 |
| • CY Annual Growth | | |
| • 2009-10 Annual Growth | 32,164,000 | |
| Add 6 months of annual growth costs in CY for 3,697 consumers who will be new to the RC system and added to the HCBS Waiver in CY 2009-10 (3,697 x \$15,000 (annual cost/consumer) x .58 (phase-in factor) = \$32,164,000). | | |
| • 2008-09 Annual Growth Continuation | 15,051,000 | |
| Annualize growth costs in CY for 2,389 consumers who were added to the HCBS Waiver and phased-in during FY 2008-09 (2,389 x \$15,000 (annual cost/consumer) x .42 (phase-in factor) = \$15,051,000). | | |
| • BY Annual Growth | | |
| • 2010-11 Annual Growth | | 24,460,000 |
| Add 6 months of annual growth costs in BY for 2,616 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2010-11 (2,616 x \$17,000 (annual cost/consumer) x .55 (phase-in factor) = \$24,460,000). | | |
| • 2009-10 Annual Growth Continuation | | 23,291,000 |
| Annualize growth costs in BY for 2,389 consumers who will be added to the HCBS Waiver and phased-in during CY 2010-10 (3,697 x \$15,000 (annual cost/consumer) x .42 (phase-in factor) = \$23,291,000). | | |
| • Community Placement Plan (CPP) | \$20,400,000 | \$20,400,000 |
| The annual cost for the total number of HCBS Waiver-eligible CPP placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category. | | |

Home and Community-Based Services Waiver

| METHODOLOGY (continued): | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|-------------------|-------------------|
| <ul style="list-style-type: none"> ● CY 2009-10 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 146 Waiver-eligible consumers: 20,400,000 ● BY 2010-11 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 146 Waiver-eligible consumers: 20,400,000 | | |
| <ul style="list-style-type: none"> ● Placement/Deflection Continuation: \$33,299,000 \$33,299,000 <p>The annual estimated Placement/Deflection Continuation costs for the total number of HCBS Waiver-eligible placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.</p> | | |
| <ul style="list-style-type: none"> ● CY 2009-10 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 140 Waiver-eligible consumers: 33,299,000 ● BY 2010-11 <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 140 Waiver-eligible consumers: 33,299,000 | | |
| <ul style="list-style-type: none"> ● SSI/SSP Increase/RC Savings -\$1,307,000 In base | | |
| <ul style="list-style-type: none"> ● HCBS Waiver Decrease due to Self-Directed HCBS Waiver -\$74,000 -\$5,944,000 | | |
| <ul style="list-style-type: none"> ● Savings Items (e.g. Negotiated Rate Reduction, RC Internal Review, 3% Payment Reduction) -\$106,158,000 -\$111,629,000 | | |
| <ul style="list-style-type: none"> ● Agnews Closure Plan \$33,838,000 In base | | |
| <ul style="list-style-type: none"> ● Legislative Actions (Org. Health Care Delivery, Add Services to Waiver, Other Departments Impact) \$15,220,000 In base | | |
| <ul style="list-style-type: none"> ● Revised Major Assumptions: \$9,133,000 In base <ul style="list-style-type: none"> ● Elimination of Medi-Cal Optional Benefits 6,081,000 <i>In base</i> ● Impact from Other Departments \$3,052,000 <i>In base</i> | | |
| <ul style="list-style-type: none"> ● TOTAL EXPENDITURES \$1,875,876,000 \$1,839,353,000 | | |
| <ul style="list-style-type: none"> ● Federal Medical Assistance Percentage (61.59% effective 10/1/08 to 12/31/10) 61.59% 55.80% | | |
| <ul style="list-style-type: none"> ● Subtotal FFP \$1,155,352,000 \$1,026,359,000 | | |
| <ul style="list-style-type: none"> ● Target Savings 100% FFP \$18,900,000 \$11,783,000 | | |
| <ul style="list-style-type: none"> ● Total FFP \$1,174,252,000 \$1,038,142,000 | | |
| <ul style="list-style-type: none"> ● General Fund Match \$701,624,000 \$801,211,000 | | |

Home and Community-Based Services Waiver

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

The current year estimate reflects the most current data available.

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 ARRA in December 2010.

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

| | 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 | | | \$1,875,876,000 | \$1,839,353,000 |
| <i>GF Match</i> | | | 701,624,000 | 801,211,000 |
| <i>FFP (from DHCS)</i> | | | 1,174,252,000 | 1,038,142,000 |
| Purchase of Services | | | | |
| Community Care Facilities | 78% | 32.56% | 623,222,000 | 627,932,000 |
| <i>GF Match</i> | | | 233,265,000 | 273,709,000 |
| <i>FFP</i> | | | 389,957,000 | 354,223,000 |
| Day Programs | 49% | 20.57% | 393,725,000 | 396,700,000 |
| <i>GF Match</i> | | | 147,343,000 | 172,917,000 |
| <i>FFP</i> | | | 246,382,000 | 223,783,000 |
| Work Activity Program | 60% | 1.95% | 37,324,000 | 37,607,000 |
| <i>GF Match</i> | | | 13,968,000 | 16,393,000 |
| <i>FFP</i> | | | 23,356,000 | 21,214,000 |
| Supported Employment Placement/Group | 41% | 1.45% | 27,754,000 | 27,964,000 |
| <i>GF Match</i> | | | 10,386,000 | 12,189,000 |
| <i>FFP</i> | | | 17,368,000 | 15,775,000 |
| Supported Employment Placement/Individual | 24% | 0.27% | 5,168,000 | 5,207,000 |
| <i>GF Match</i> | | | 1,934,000 | 2,270,000 |
| <i>FFP</i> | | | 3,234,000 | 2,937,000 |
| Transportation | 54% | 6.63% | 126,905,000 | 127,863,000 |
| <i>GF Match</i> | | | 47,450,000 | 55,735,000 |
| <i>FFP</i> | | | 79,455,000 | 72,128,000 |
| Support Services | 67% | 23.56% | 450,956,000 | 454,364,000 |
| <i>GF Match</i> | | | 168,762,000 | 198,053,000 |
| <i>FFP</i> | | | 282,194,000 | 256,311,000 |
| In-Home Respite | 57% | 7.16% | 137,048,000 | 138,083,000 |
| <i>GF Match</i> | | | 51,288,000 | 60,189,000 |
| <i>FFP</i> | | | 85,760,000 | 77,894,000 |
| Out-of-Home Respite | 11% | 0.35% | 6,699,000 | 6,750,000 |
| <i>GF Match</i> | | | 2,507,000 | 2,942,000 |
| <i>FFP</i> | | | 4,192,000 | 3,808,000 |
| Health Care | 7% | 0.33% | 6,316,000 | 6,364,000 |
| <i>GF Match</i> | | | 2,363,000 | 2,774,000 |
| <i>FFP</i> | | | 3,953,000 | 3,590,000 |
| Miscellaneous | 25% | 5.17% | 98,958,000 | 99,705,000 |
| <i>GF Match</i> | | | 37,033,000 | 43,460,000 |
| <i>FFP</i> | | | 61,925,000 | 56,245,000 |
| Self-Directed Services | | | -\$26,000 | -\$5,944,000 |
| <i>GF Match</i> | | | -13,000 | -2,627,000 |
| <i>FFP</i> | | | -13,000 | -3,317,000 |

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---|-------------------|-------------------|
| 3% Payment Reduction for RCs | -\$81,144,000 | -\$89,323,000 |
| <i>GF Match</i> | -31,167,000 | -39,481,000 |
| <i>FFP</i> | -49,977,000 | -49,842,000 |
| 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 | \$3,052,000 | \$0 |
| <i>GF Match</i> | 1,172,000 | 0 |
| <i>FFP</i> | 1,880,000 | 0 |

Home and Community-Based Services Waiver Administration

DESCRIPTION:

The Home and Community-Based Services (HCBS) Waiver enables the Department of Developmental Services to provide a broad array of home and community-based services to eligible individuals who, without these services, would require the level of care provided in an intermediate care facility for the 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 direct support professionals (DSPs) working in licensed community care facilities (CCFs) to either pass competency tests or satisfactorily complete each of 2 consecutive 35-hour training segments within 2 years of the date of hire. The testing and training program is being conducted through an interagency agreement with the Department of Education (DOE). This estimate of Operations costs covers the costs of challenge tests, training and the interagency agreement with DOE.

Collection of FFP for Contracted Services

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

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

The CMS-approved rate-setting methodology for the Targeted Case Management program distributes administrative costs previously included in targeted case management to other programs.

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY:

| | | |
|---|-------------|-------------|
| ● Training for DSP Staff | \$2,794,000 | \$2,794,000 |
| <ul style="list-style-type: none"> ● CY: Total cost of DSP Training is \$3,582,000 ● BY: Total cost of DSP Training is \$3,582,000 ● 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. ● CY cost: \$3,582,000 x 78% = \$2,794,000 ● BY cost: \$3,582,000 x 78% = \$2,794,000 ● The federal financial participation (FFP) portion of the total HCBS Waiver Administration-eligible costs is 50%. ● These costs are reflected in the DSP Training estimate, under Operations, Projects. | | |

Home and Community-Based Services Waiver Administration

CY 2009-10 BY 2010-11

ASSUMPTIONS/METHODOLOGY:

| | | |
|---|-------------|-------------|
| <ul style="list-style-type: none"> ● Staffing for Collection of FFP for Contracted Services ● 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 \$2,228,000. ● 34% of the total community population is HCBS Waiver eligible. ● Therefore 34% of the total costs would be FFP + GF Match. ($\\$2,228,000 \times 34\% = \\$758,000$) ● $\\$758,000 \times 50\% = \\$379,000$ FFP ● These costs are reflected under Operations, Staffing. | \$754,000 | \$758,000 |
| <ul style="list-style-type: none"> ● FFP Enhancement (related to 2003-04 Enhancing FFP BCP): ● CY Total RC Administrative Costs are \$5,708,000 ● BY Total RC Administrative Costs are \$5,708,000 ● The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. | \$5,708,000 | \$5,708,000 |
| <ul style="list-style-type: none"> ● Revised Major Assumption: 3% Reduction for Regional Center Operations ● CY Reduction is \$242,000 ● BY Reduction is \$262,000 ● The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. | -\$242,000 | -\$262,000 |

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

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

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

| | | | |
|--|-------|-------------|-------------|
| | TOTAL | \$9,014,000 | \$8,998,000 |
| <i>Federal Financial Participation</i> | | 4,507,000 | 4,499,000 |
| <i>General Fund Match</i> | | 4,507,000 | 4,499,000 |

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 DDS by the regional centers each year.
- CY and BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2007-08 data collected from the regional centers (\$18,016,000).
 - 71% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 71% of costs are eligible for MA reimbursement ($\$18,016,000 \times .71 = \$12,791,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$12,791,000 \times .75 = \$9,593,000$).

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 \$1,017,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$1,017,000 \times .98 = \$997,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$997,000 \times .75 = \$748,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$1,017,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$1,017,000 \times .98 = \$997,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$997,000 \times .75 = \$748,000$).
 - Nurse Consultants
 - CY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$475,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$475,000 \times .98 = \$466,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$466,000 \times .75 = \$350,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$475,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$475,000 \times .98 = \$466,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$466,000 \times .75 = \$350,000$).
 - Dental Coordinators
 - CY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$230,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$230,000 \times .98 = \$225,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$225,000 \times .75 = \$169,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$230,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA. ($\$230,000 \times .98 = \$225,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$225,000 \times .75 = \$169,000$).

Medicaid Administration

METHODOLOGY (continued)

- Health Care Community Specialists
 - CY 2009-10
 - Total personal services and operating costs related to MA are estimated to be \$499,000.
 - It is assumed that 98% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$489,000 \times .75 = \$367,000$).
 - BY 2010-11
 - Total personal services and operating costs related to MA are estimated to be \$499,000.
 - It is assumed that 98% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$489,000 \times .75 = \$367,000$).
- 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 \$-495,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($\$-495,000 \times .75 = \$-371,000$).

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:

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

REASON FOR YEAR TO YEAR CHANGE:

The personal services and operating expenses for State Employees in the Community were updated using the latest available data.

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|-------------------|-------------------|
| TOTAL | \$16,650,000 | \$17,073,000 |
| <i>Federal Financial Participation</i> | 12,488,000 | 12,806,000 |
| <i>General Fund Match</i> | 4,162,000 | 4,267,000 |

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 143,000 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: Source data is from the TCM Regional Center Billed Units report dated 10/6/09: July 2008 - June 2009.

BY 2010-11: Source data is from the TCM Regional Center Billed Units report dated 10/6/09: July 2008 - June 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 (July 2008 - June 2009) multiplied by the regional center TCM rates effective July 2009 and adjusted for CPI for CY 2009-10 and BY 2010-11. | \$281,879,000 | \$281,879,000 |
| <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 \times .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 \times .95 = \\$262,000$). | \$262,000 | \$262,000 |
| <ul style="list-style-type: none"> ● Regional Center Service Coordination Enhancement | \$2,980,000 | \$2,980,000 |
| <ul style="list-style-type: none"> ● 3% Reduction for Regional Centers Operations | -\$8,638,000 | -\$8,036,000 |
| <ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: | \$276,483,000 | \$277,085,000 |

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.

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 impact of the American Recovery and Reinvestment Act.

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|--|--------------------|--------------------|
| TOTAL | \$276,483,000 | \$277,085,000 |
| <i>Federal Financial Participation</i> | <i>170,286,000</i> | <i>154,613,000</i> |
| <i>General Fund Match</i> | <i>106,197,000</i> | <i>122,472,000</i> |

Targeted Case Management Administration

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

- TCM Administration reimbursements in the current year and budget year will be \$4,000,000.
- 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. | \$8,000,000 | \$8,000,000 |

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 mandated furloughs.

REASON FOR YEAR-TO-YEAR CHANGE:

No change

EXPENDITURES:

| | TOTAL | |
|--|------------------|------------------|
| | \$8,000,000 | \$8,000,000 |
| <i>Federal Financial Participation</i> | <i>4,000,000</i> | <i>4,000,000</i> |
| <i>General Fund Match</i> | <i>4,000,000</i> | <i>4,000,000</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. Federal statute establishes five service goals:

1. Achieving or maintaining economic self-support to prevent, reduce or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including the reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Temporary Assistance for Needy Families (TANF): These Title XX Block Grant funds are available for regional center expenditures for children under age 18 whose family income is less than 200 percent of the income official poverty line (as defined by the federal Office of Management and Budget) applicable to a family of the size involved.

KEY DATA/ASSUMPTIONS:

The DDS portion of the Title XX Block Grant is determined by the Department of Social Services.

FUNDING:

The Title XX Block Grant is determined by the Department of Social Services.

CHANGE FROM PRIOR ESTIMATE:

\$42,743,000 was added in TANF funding to BY 2010-11.

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> | 56,588,000 | 56,588,000 |
| <i>Habilitation Services</i> | 11,758,000 | 11,758,000 |
| <i>Support Services</i> | 32,509,000 | 32,509,000 |
| <i>In-Home Respite</i> | 15,027,000 | 15,027,000 |
| <i>Out-of-Home Respite</i> | 7,735,000 | 7,735,000 |
| <i>Miscellaneous Services</i> | 24,286,000 | 24,286,000 |
| TANF | \$56,000,000 | \$98,743,000 |
| ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES | | |
| <i>Community Care Facilities</i> | 3,054,000 | 5,385,000 |
| <i>Day Programs</i> | 2,528,000 | 4,458,000 |
| <i>Habilitation Services</i> | 1,000 | 3,000 |
| <i>Support Services</i> | 7,546,000 | 13,305,000 |
| <i>In-Home Respite</i> | 11,494,000 | 20,267,000 |
| <i>Out-of-Home Respite</i> | 12,476,000 | 21,998,000 |
| <i>Health Care</i> | 1,735,000 | 3,059,000 |
| <i>Miscellaneous Services</i> | 17,166,000 | 30,268,000 |

Self-Directed Home and Community Based Services Waiver

DESCRIPTION:

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

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

IMPLEMENTATION DATE:

The 2010-11 November Estimate assumes implementation of the SDS program will begin April 1, 2010.

KEY DATA/ASSUMPTIONS:

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

- Implementation and enrollment of approximately 9,300 consumers will be phased in over five years.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,250 in CY and \$1,058 in BY.
- With SDS, finite and individual budgets are assumed to be 95% of historical aggregate expenditures.
- 5% of the SDS consumers' historical expenditures will be set aside for their unanticipated needs.
- 68% of the consumers participating in self-directed services will be eligible to be included in the SDHCBS Waiver; therefore, 68% of their ongoing costs will be 100% billable to the SDHCBS Waiver.
- 24% of the consumers on the Department's existing Home and Community-Based Services Waiver will transfer to the SDHCBS Waiver in CY 2009-10 and 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 SDHCBS 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 | \$259,000 | \$11,825,000 |
| ● % of SDHCBS Waiver-Eligible Consumers | 68% | 68% |
| ● % of Self-Directed Services billable to the SDHCBS Waiver | 100% | 100% |
| ● Subtotal Self-Directed Services Expenditures | 176,000 | 8,041,000 |
| ● Criminal background checks | 0 | 10,000 |
| ● Risk Pool Fund | <u>9,000</u> | <u>9,000</u> |
| ● Total Costs Eligible for SDHCBS Waiver | \$185,000 | \$8,060,000 |

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Per capita costs were updated and consumers added to program in BY 2010-11.

REASON FOR YEAR-TO-YEAR CHANGE:

1,725 consumers added in BY.

EXPENDITURES:

| | | |
|---|-----------|-------------|
| TOTAL | \$185,000 | \$8,060,000 |
| General Fund | \$92,000 | \$4,030,000 |
| <i>General Fund Match</i> | 83,000 | 4,021,000 |
| <i>SDS Risk Pool Fund</i> | 9,000 | 9,000 |
| Reimbursements | \$93,000 | \$4,030,000 |
| <i>Self-Directed Home and Community Based Services Waiver</i> | 93,000 | 4,030,000 |

Self-Directed Home and Community Based Services Waiver Administration

DESCRIPTION:

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

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

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

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

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

IMPLEMENTATION DATE:

The 2010-11 November Estimate assumes an April 1, 2010 implementation of the SDS program.

Self-Directed Home and Community Based Services Waiver Administration

| ASSUMPTIONS/METHODOLOGY: | <u>CY 2008-09</u> | <u>BY 2009-10</u> |
|--|-------------------|-------------------|
| <ul style="list-style-type: none"> ● Regional Center Operations Costs for SDHCBS Waiver Administration <ul style="list-style-type: none"> ● For CY 2009-10 personal services and operating costs are estimated to be \$1,258,000. \$1,258,000 ● BY 2010-11 personal services and operating costs are estimated to be \$3,325,000. \$3,325,000 ● TOTAL SDHCBS WAIVER ADMINISTRATION-ELIGIBLE COSTS \$1,258,000 \$3,325,000 | | |

FUNDING:

Funding for SDHCBS Waiver Administration is 50% FFP and 50% General Fund. SDHCBS Waiver Administration expenditures are reflected in the Staffing for Self-Directed Home and Community Based Services Waiver estimate. See Operations Section for more information.

CHANGE FROM PRIOR ESTIMATE:

No change to current year. Current statute requires the Department to obtain an approved waiver prior to the rollout of SDS and the promulgation of regulations. Regional centers will be required to coordinate implementation of SDS and to provide program monitoring in accordance with SDS HCBS Waiver requirements.

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2009-10 and BY 2010-11 costs reflect a phased-in regional center implementation schedule.

EXPENDITURES:

| | | |
|--|-------------|-------------|
| TOTAL | \$1,258,000 | \$3,325,000 |
| <i>Federal Financial Participation</i> | 629,000 | 1,663,000 |
| <i>General Fund Match</i> | 629,000 | 1,662,000 |

Medicaid

DESCRIPTION:

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

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

IMPLEMENTATION DATE:

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

ASSUMPTIONS/METHODOLOGY:

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

No change

REASON FOR YEAR-TO-YEAR CHANGE:

No change

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|---------------------------------|-------------------|-------------------|
| TOTAL | \$88,000,000 | \$88,000,000 |
| Federal Financial Participation | 44,000,000 | 44,000,000 |
| General Fund Match | 44,000,000 | 44,000,000 |

Vocational Rehabilitation/Work Activity Program (VR/WAP)

DESCRIPTION:

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

ASSUMPTIONS:

This program is only open to HSP consumers enrolled in a work activity program. The projected VR/WAP caseload for both CY 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 \$55,000,000 for regional center services in CY 2009-10 and \$5,000,000 in BY 2010-11. \$50,000,000 of CY funds is requested consistent with direction provided in the 2009 Budget. | \$55,000,000 | \$5,000,000 |

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

The Department is seeking an additional \$50 million in Proposition 10 funds per Section 18.30 of the 2009 Enacted Budget, Chapter 1, Item 4300-101-0001.

REASON FOR YEAR-TO-YEAR CHANGE:

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|----------------------|-------------------|-------------------|
| EXPENDITURES: | | |
| TOTAL | \$55,000,000 | \$5,000,000 |

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:

CY 2009-10 BY 2010-11

The Counties Children and Families Account, California Children and Families Trust Fund will fund \$244,000,000 for regional center services in BY 2010-11. Of this amount, \$194,000,000 is subject to passage of a voter initiative.

\$0

\$244,000,000

FUNDING:

For the purpose of this estimate, the costs associated with this funding are reflected in the Miscellaneous Services estimate, under Purchase of Services. There may be expenditures for children 0-5 in other budget categories (such as Support Services, Transportation and Respite) that will be funded by this appropriation

CHANGE FROM PRIOR ESTIMATE:

This is a new fund source.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

CY 2009-10 BY 2010-11

TOTAL

\$0

\$244,000,000

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 fund \$6,000,000 for regional center services in BY 2010-11. This appropriation is subject to passage of a voter initiative. | \$0 | \$6,000,000 |

FUNDING:

For the purpose of this estimate, the costs associated with this funding are reflected in the Miscellaneous Services estimate, under Purchase of Services. There may be expenditures for children 0-5 in other budget categories (such as Support Services, Transportation and Respite) that will be funded by this appropriation.

CHANGE FROM PRIOR ESTIMATE:

This is a new fund source.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|-------|-------------------|-------------------|
| TOTAL | \$0 | \$6,000,000 |

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 outlined a plan to submit 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:

Federal State Plan Amendment 1915(i).

CHANGE FROM PRIOR ESTIMATE:

This is a new fund source for DDS. In the estimate, these additional funds are reflected in total but are not reflected in the budget category methodologies.

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> |

Program Development Fund/Parental Fees

DESCRIPTION:

Parents of children under the age of 18 years who receive 24-hour out-of-home services provided by the State or purchased with State funds through a regional center are required to pay a fee depending on their ability to pay. All parental fees collected are remitted to the State Treasury for deposit into the Program Development Fund (PDF). The purpose of the PDF is to provide resources needed to initiate new programs which are consistent with the State Plan (Welfare and Institutions Code Sections 4677, 4782, and 4785).

ASSUMPTIONS:

PDF amounts are based on the most recent information regarding available funds.

FUNDING:

The purpose of the Program Development Fund shall be to provide resources needed to initiate new programs, consistent with approved priorities for program development in the State Plan. Expenditure of PDF funds is reflected in the POS Miscellaneous Services estimate.

CHANGE FROM PRIOR ESTIMATE:

No change in CY 2009-10. Increase of \$800,000 in BY 2010-11.

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.

EXPENDITURES:

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|-------|-------------------|-------------------|
| TOTAL | \$2,492,000 | \$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:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

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

| | <u>CY 2009-10</u> | <u>BY 2010-11</u> |
|----------------------|-------------------|-------------------|
| EXPENDITURES: | | |
| TOTAL | \$740,000 | \$703,000 |

Public Transportation Account

DESCRIPTION:

The Public Transportation Account (PTA) supports the State's transportation planning, mass transportation, Intercity Rail programs, and State Transportation Improvement Program transit projects. PTA resources are derived primarily from sales taxes on gasoline and diesel fuels. Government Code Section 14506 defines mass transportation as movement of groups of people within urban areas, between rural communities, and between cities.

ASSUMPTIONS:

The CY 2009-10 and BY 2010-11 PTA funds will be unavailable due to the outcome of Shaw vs. Chiang litigation

FUNDING:

This change is reflected in the Transportation estimate, under Purchase of Services.

CHANGE FROM PRIOR ESTIMATE:

Outcome of Shaw vs. Chiang litigation.

REASON FOR YEAR-TO-YEAR CHANGE:

Outcome of Shaw vs. Chiang litigation.

EXPENDITURES:

CY 2009-10 BY 2010-11

| | | |
|-------|-----|-----|
| TOTAL | \$0 | \$0 |
|-------|-----|-----|

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 |
| • 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 | 2,455,000 | 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 |
| • 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:

The increased grant amount and disbursements reflect the most current available data and information. CY 2009-10 and BY 2010-11 appropriations were revised.

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 |

The Agnews Closure Plan will be released under separate cover.