

FOR LEGISLATIVE REVIEW

NOVEMBER ESTIMATE

**LOCAL ASSISTANCE FOR
REGIONAL CENTERS**

2011-12 GOVERNOR'S BUDGET



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

January 10, 2011

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**Comparison of Enacted Budget to 2011-12 November Estimate
Current Year 2010-11**

	A	B	C
	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	2011-12 November Estimate Request CY 2010-11 (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$435,434,000	\$437,555,000	\$2,121,000
2. Federal Compliance	41,933,000	42,083,000	150,000
3. Projects	23,959,000	24,112,000	153,000
4. Agnews Ongoing Workload	5,114,000	5,114,000	0
5. Lanterman Developmental Center Closure	3,537,000	3,537,000	0
6. Operations Total (Items 1 thru 5)	<u>\$509,977,000</u>	<u>\$512,401,000</u>	<u>\$2,424,000</u>
7. Quality Assurance Fees (Transfer from DHCS)	\$6,188,000	\$6,188,000	\$0
8. Total (Items 6 and 7)	<u>\$516,165,000</u>	<u>\$518,589,000</u>	<u>\$2,424,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$782,796,000	\$833,588,000	\$50,792,000
2. Medical Facilities	22,699,000	23,051,000	352,000
3. Day Programs	785,602,000	762,637,000	-22,965,000
4. Habilitation Services	138,693,000	144,617,000	5,924,000
5. Transportation	195,856,000	222,518,000	26,662,000
6. Support Services	770,686,000	715,370,000	-55,316,000
7. In-Home Respite	271,502,000	231,875,000	-39,627,000
8. Out-of-Home Respite	64,277,000	54,540,000	-9,737,000
9. Health Care	74,137,000	90,654,000	16,517,000
10. Miscellaneous	417,130,000	457,063,000	39,933,000
11. Self Directed Services	118,000	0	-118,000
12. POS Total (Items 1 thru 11)	<u>\$3,523,496,000</u>	<u>\$3,535,913,000</u>	<u>\$12,417,000</u>
13. Quality Assurance Fees (Transfer from DHCS)	\$30,552,000	\$31,009,000	\$457,000
14. Impacts from Other Departments	\$0	\$3,001,000	\$3,001,000
15. Total (Items 12, 13 and 14)	<u>\$3,554,048,000</u>	<u>\$3,569,923,000</u>	<u>\$15,875,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Prevention Program	\$36,300,000	\$18,150,000	-\$18,150,000
1. Prevention Program	36,300,000	36,300,000	0
2. Transfer to Early Start	0	-18,150,000	-18,150,000
E. GRAND TOTAL	<u>\$4,126,608,000</u>	<u>\$4,126,757,000</u>	<u>\$149,000</u> 1/

1/ Prior estimates for the Department combined separate line items for the 2009-10 GF savings target and a 4.25% reduction in regional center operations and vendor payments. They are now appropriately identified in their respective budget categories.

**Comparison of Enacted Budget to 2011-12 November Estimate
Current Year 2010-11**

	A	B	C
	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	2011-12 November Estimate Request CY 2010-11 (B - A)
II. FUND SOURCES:			
A. General Fund Total	\$2,369,125,000	\$2,200,022,000	-\$169,103,000
1. General Fund Match	1,096,870,000	1,052,019,000	-44,851,000
a. General Fund Match	1,096,870,000	1,152,926,000	56,056,000
b. FMAP from 55.8% to 59.71%	0	-100,907,000	-100,907,000
2. General Fund - Other	1,272,246,000	1,148,003,000	-124,243,000
a. General Fund	1,235,946,000	1,111,703,000	-124,243,000
b. Prevention Program	36,300,000	18,150,000	-18,150,000
c. Prevention Program transfer to Early Start	0	18,150,000	18,150,000
3. SDS Risk Pool	9,000	0	-9,000
B. Reimbursements	\$1,649,181,000	\$1,870,655,000	\$221,474,000
1. Home & Community-Based Services (HCBS) Waiver	1,036,944,000	1,180,472,000	143,528,000
2. HCBS Waiver Administration	4,449,000	5,740,000	1,291,000
3. Medicaid Administration	12,603,000	13,347,000	744,000
4. Targeted Case Management (TCM)	151,666,000	163,397,000	11,731,000
5. TCM Administration	3,321,000	3,339,000	18,000
6. TCM State Plan Amendment for ICF/DD Residents	6,000,000	6,421,000	421,000
7. Title XX Block Grant	225,060,000	225,060,000	0
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	77,157,000	77,157,000	0
8. Self-Directed Services HCBS Waiver	93,000	0	-93,000
9. Self-Directed Services HCBS Waiver Administration	632,000	431,000	-201,000
10. ICF-DD/State Plan Amendment	58,211,000	62,295,000	4,084,000
11. Quality Assurance Fees (Transfer from DHCS)	34,047,000	34,565,000	518,000
12. Vocational Rehabilitation	118,000	118,000	0
13. 1915(i) State Plan Amendment	112,500,000	120,383,000	7,883,000
14. Money Follows the Person Grant	3,537,000	3,537,000	0
15. Homeland Security Grant	0	0	0
16. Counties Children & Families Account	0	50,000,000	50,000,000
17. Impacts from Other Departments FFP	0	1,550,000	1,550,000
C. Program Development Fund / Parental Fees	\$3,292,000	\$3,292,000	\$0
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$0
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Counties Children & Families Account	\$50,000,000	\$0	-\$50,000,000
G. Federal Funds	\$54,120,000	\$51,898,000	-\$2,222,000
1. Early Start/Part C Grant	53,560,000	51,338,000	-2,222,000
2. Foster Grandparent Program	560,000	560,000	0
H. GRAND TOTAL	\$4,126,608,000	\$4,126,757,000	\$149,000 1/

1/ Prior estimates for the Department combined separate line items for the 2009-10 GF savings target and a 4.25% reduction in regional center operations and vendor payments. They are now appropriately identified in their respective budget categories.

**Comparison of Enacted Budget to 2011-12 November Estimate
Budget Year 2011-12**

	A	B	C
	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	2011-12 November Estimate Request BY 2011-12 (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$435,434,000	\$447,249,000	\$11,815,000
2. Federal Compliance	41,933,000	42,234,000	301,000
3. Projects	23,959,000	24,110,000	151,000
4. Agnews Ongoing Workload	5,114,000	5,114,000	0
5. Lanterman Development Center Closure	3,537,000	3,537,000	0
6. Operations Total (Items 1 thru 5)	<u>\$509,977,000</u>	<u>\$522,244,000</u>	<u>\$12,267,000</u>
7. Quality Assurance Fees (Transfer from DHCS)	\$6,188,000	\$1,583,000	-\$4,605,000
8. Total (Items 6 and 7)	<u>\$516,165,000</u>	<u>\$523,827,000</u>	<u>\$7,662,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$782,796,000	\$852,691,000	\$69,895,000
2. Medical Facilities	22,699,000	23,251,000	552,000
3. Day Programs	785,602,000	786,182,000	580,000
4. Habilitation Services	138,693,000	143,396,000	4,703,000
5. Transportation	195,856,000	228,921,000	33,065,000
6. Support Services	770,686,000	756,788,000	-13,898,000
7. In-Home Respite	271,502,000	256,773,000	-14,729,000
8. Out-of-Home Respite	64,277,000	59,430,000	-4,847,000
9. Health Care	74,137,000	92,859,000	18,722,000
10. Miscellaneous	417,130,000	486,798,000	69,668,000
11. Self Directed Services	118,000	0	-118,000
12. Subtotal (Items 1 thru 11)	<u>\$3,523,496,000</u>	<u>\$3,687,089,000</u>	<u>\$163,593,000</u>
13. New Major Assumptions:	\$0	\$1,763,000	\$1,763,000
a. FMS for Participant-Directed Services	0	1,763,000	1,763,000
14. POS Total (Items 12 and 13)	<u>\$3,523,496,000</u>	<u>\$3,688,852,000</u>	<u>\$165,356,000</u>
15. Quality Assurance Fees (Transfer from DHCS)	\$30,552,000	\$7,936,000	-\$22,616,000
16. Impacts from Other Departments	\$0	\$70,082,000	\$70,082,000
17. Total (Items 14, 15 and 16)	<u>\$3,554,048,000</u>	<u>\$3,766,870,000</u>	<u>\$212,822,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Prevention Program	\$36,300,000	\$20,003,000	-\$16,297,000
1. Prevention Program	36,300,000	36,300,000	0
2. Transfer to Early Start	0	-16,297,000	-16,297,000
E. Regional Center Subtotal	<u>\$4,126,608,000</u>	<u>\$4,330,795,000</u>	<u>\$204,187,000</u>
F. Systemwide Cost Containment Measures	\$0	-\$533,501,000	-\$533,501,000
G. GRAND TOTAL	<u>\$4,126,608,000</u>	<u>\$3,797,294,000</u>	<u>-\$329,314,000</u> 1/

1/ Reflects expenditure growth and reductions as follows: (a) growth of \$162.7 million due to caseload and utilization; (b) full year implementation of the 2009-10 GF reductions; (c) continuation of 4.25% reduction in regional center operations and vendor payments of \$165.5 million; (d) \$70.1 million due to impacts from other departments; and (e) \$533.5 million reduction in GF savings to be achieved systemwide. Also reflects additional GF adjustments of \$163.1 million due to the end of Federal stimulus funding, GF savings of \$65 million of additional FFP from various state plan amendments, and continuation of \$50 million in reimbursements from First 5 which does not reduce the amount budgeted for Community Services.

**Comparison of Enacted Budget to 2011-12 November Estimate
Budget Year 2011-12**

	A	B	C
	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	2011-12 November Estimate Request BY 2011-12 (B - A)
II. FUND SOURCES:			
A. General Fund Total	\$2,369,125,000	\$2,046,895,000	-\$322,230,000
1. General Fund Match	1,096,870,000	1,393,386,000	296,516,000
a. General Fund Match	1,096,870,000	1,556,491,000	459,621,000
b. FMAP from 55.8% to 50%	0	163,105,000	163,105,000
2. General Fund - Other	1,272,246,000	653,509,000	-618,737,000
a. General Fund	1,235,946,000	617,209,000	-618,737,000
b. Prevention Program	36,300,000	20,003,000	-16,297,000
c. Prevention Program transfer to Early Start	0	16,297,000	16,297,000
3. SDS Risk Pool	9,000	0	-9,000
B. Reimbursements	\$1,649,181,000	\$1,694,315,000	\$45,134,000
1. Home and Community-Based Services (HCBS) Waiver	1,036,944,000	1,012,350,000	-24,594,000
2. HCBS Waiver Administration	4,449,000	5,734,000	1,285,000
3. Medicaid Administration	12,603,000	13,604,000	1,001,000
4. Targeted Case Management (TCM)	151,666,000	131,204,000	-20,462,000
5. TCM Administration	3,321,000	3,339,000	18,000
6. TCM State Plan Amendment for ICF/DD Residents	6,000,000	5,377,000	-623,000
7. Title XX Block Grant	225,060,000	225,060,000	0
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	77,157,000	77,157,000	0
8. Self-Directed Services HCBS Waiver	93,000	0	-93,000
9. Self-Directed Services HCBS Waiver Administration	632,000	431,000	-201,000
10. ICF-DD/State Plan Amendment	58,211,000	52,780,000	-5,431,000
11. Quality Assurance Fees (Transfer from DHCS)	34,047,000	8,727,000	-25,320,000
12. Vocational Rehabilitation	118,000	118,000	0
13. 1915(i) State Plan Amendment	112,500,000	160,807,000	48,307,000
14. Money Follows the Person	3,537,000	8,537,000	5,000,000
15. Homeland Security Grant	0	210,000	210,000
16. Counties Children & Families Account	0	50,000,000	50,000,000
17. Impacts from Other Departments FFP	0	16,037,000	16,037,000
C. Program Development Fund / Parental Fees	\$3,292,000	\$3,296,000	\$4,000
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$0
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Counties Children & Families Account	\$50,000,000	\$0	-\$50,000,000
G. Federal Funds	\$54,120,000	\$51,898,000	-\$2,222,000
1. Early Start/Part C Grant	53,560,000	51,338,000	-2,222,000
2. Foster Grandparent Program	560,000	560,000	0
H. GRAND TOTAL	\$4,126,608,000	\$3,797,294,000	-\$329,314,000

1/ Reflects expenditure growth and reductions as follows: (a) growth of \$162.7 million due to caseload and utilization; (b) full year implementation of the 2009-10 GF reductions; (c) continuation of 4.25% reduction in regional center operations and vendor payments of \$165.5 million; (d) \$70.1 million due to impacts from other departments; and (e) \$533.5 million reduction in GF savings to be achieved systemwide. Also reflects additional GF adjustments of \$163.1 million due to the end of Federal stimulus funding, GF savings of \$65 million of additional FFP from various state plan amendments, and continuation of \$50 million in reimbursements from First 5 which does not reduce the amount budgeted for Community Services.

**2011-12 November Estimate
Current Year 2010-11 to Budget Year 2011-12**

	A	B	C
	2011-12 November Estimate CY 2010-11	2011-12 November Estimate BY 2011-12	Difference (B - A)
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$437,555,000	\$447,249,000	\$9,694,000
2. Federal Compliance	42,083,000	42,234,000	151,000
3. Projects	24,112,000	24,110,000	-2,000
4. Agnews Ongoing Workload	5,114,000	5,114,000	0
5. Lanterman Developmental Center Closure	3,537,000	3,537,000	0
6. Operations Total (Items 1 thru 5)	<u>\$512,401,000</u>	<u>\$522,244,000</u>	<u>\$9,843,000</u>
7. Quality Assurance Fees (Transfer from DHCS)	\$6,188,000	\$1,583,000	-\$4,605,000
8. Total (Items 7 and 8)	<u>\$518,589,000</u>	<u>\$523,827,000</u>	<u>\$5,238,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$833,588,000	\$852,691,000	\$19,103,000
2. Medical Facilities	23,051,000	23,251,000	200,000
3. Day Programs	762,637,000	786,182,000	23,545,000
4. Habilitation Services	144,617,000	143,396,000	-1,221,000
5. Transportation	222,518,000	228,921,000	6,403,000
6. Support Services	715,370,000	756,788,000	41,418,000
7. In-Home Respite	231,875,000	256,773,000	24,898,000
8. Out-of-Home Respite	54,540,000	59,430,000	4,890,000
9. Health Care	90,654,000	92,859,000	2,205,000
10. Miscellaneous	457,063,000	486,798,000	29,735,000
11. Self Directed Services	0	0	0
12. Subtotal (Items 1 thru 11)	<u>\$3,535,913,000</u>	<u>\$3,687,089,000</u>	<u>\$151,176,000</u>
13. Revised Major Assumptions:	\$0	\$1,763,000	\$1,763,000
a. FMS for Participant-Directed Services	0	1,763,000	1,763,000
14. POS Total (Items 12 and 13)	<u>\$3,535,913,000</u>	<u>\$3,688,852,000</u>	<u>\$152,939,000</u>
15. Quality Assurance Fees (Transfer from DHCS)	\$31,009,000	\$7,936,000	-\$23,073,000
16. Impacts from Other Departments	\$3,001,000	\$70,082,000	\$67,081,000
17. Total (Items 14, 15 and 16)	<u>\$3,569,923,000</u>	<u>\$3,766,870,000</u>	<u>\$196,947,000</u>
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. Prevention Program	\$18,150,000	\$20,003,000	\$1,853,000
1. Prevention Program	36,300,000	36,300,000	0
2. Transfer to Early Start	-18,150,000	-16,297,000	1,853,000
E. Regional Center Subtotal	<u>\$4,126,757,000</u>	<u>\$4,330,795,000</u>	<u>\$204,038,000</u>
F. Systemwide Cost Containment Measures	\$0	-\$533,501,000	-\$533,501,000
G. GRAND TOTAL	<u>\$4,126,757,000</u>	<u>\$3,797,294,000</u>	<u>-\$329,463,000</u> 1/

1/ Reflects expenditure growth and reductions as follows: (a) growth of \$162.7 million due to caseload and utilization; (b) full year implementation of the 2009-10 GF reductions; (c) continuation of 4.25% reduction in regional center operations and vendor payments of \$165.5 million; (d) \$70.1 million due to impacts from other departments; and (e) \$533.5 million reduction in GF savings to be achieved systemwide. Also reflects additional GF adjustments of \$163.1 million due to the end of Federal stimulus funding, GF savings of \$65 million of additional FFP from various state plan amendments, and continuation of \$50 million in reimbursements from First 5 which does not reduce the amount budgeted for Community Services.

**2011-12 November Estimate
Current Year 2010-11 to Budget Year 2011-12**

	A 2011-12 November Estimate CY 2010-11	B 2011-12 November Estimate BY 2011-12	C Difference (B - A)
II. FUND SOURCES:			
A. General Fund Total	\$2,200,022,000	\$2,046,895,000	-\$153,127,000
1. General Fund Match	1,052,019,000	1,393,386,000	341,367,000
a. General Fund Match	1,152,926,000	1,556,491,000	403,565,000
b. Impact of FMAP Change	-100,907,000	163,105,000	264,012,000
2. General Fund - Other	1,148,003,000	653,509,000	-494,494,000
a. General Fund	1,111,703,000	617,209,000	-494,494,000
b. Prevention Program	18,150,000	20,003,000	1,853,000
c. Prevention Program transfer to Early Start	18,150,000	16,297,000	-1,853,000
3. SDS Risk Pool	0	0	0
B. Reimbursements	\$1,870,655,000	\$1,694,315,000	-\$190,827,000
1. Home & Community-Based Services (HCBS) Waiver	1,180,472,000	1,012,350,000	-168,122,000
2. HCBS Waiver Administration	5,740,000	5,734,000	-6,000
3. Medicaid Administration	13,347,000	13,604,000	257,000
4. Targeted Case Management (TCM)	163,397,000	131,204,000	-32,193,000
5. TCM Administration	3,339,000	3,339,000	0
6. TCM State Plan Amendment for ICF/DD Residents	6,421,000	5,377,000	-1,044,000
7. Title XX Block Grant	225,060,000	225,060,000	0
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	77,157,000	77,157,000	0
8. Self-Directed Services HCBS Waiver	0	0	0
9. Self-Directed Services HCBS Waiver Administration	431,000	431,000	0
10. ICF-DD/State Plan Amendment	62,295,000	52,780,000	-9,515,000
11. Quality Assurance Fees (Transfer from DHCS)	34,565,000	8,727,000	-25,838,000
12. Vocational Rehabilitation	118,000	118,000	0
13. 1915(i) State Plan Amendment	120,383,000	160,807,000	40,424,000
14. Money Follows the Person	3,537,000	8,537,000	5,000,000
15. Homeland Security Grant	0	\$210,000	210,000
16. Counties Children & Families Account	50,000,000	\$50,000,000	0
17. Impacts from Other Departments FFP	1,550,000	\$16,037,000	14,487,000
C. Program Development Fund / Parental Fees	\$3,292,000	\$3,296,000	\$4,000
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$0
E. Mental Health Services Fund	\$740,000	\$740,000	\$0
F. Counties Children & Families Account	\$0	\$0	\$0
G. Federal Funds	\$51,898,000	\$51,898,000	\$0
1. Early Start/Part C Grant	\$51,338,000	\$51,338,000	0
2. Foster Grandparent Program	\$560,000	\$560,000	0
H. GRAND TOTAL	\$4,126,757,000	\$3,797,294,000	-\$329,463,000 ^{1/}

1/ Reflects expenditure growth and reductions as follows: (a) growth of \$162.7 million due to caseload and utilization; (b) full year implementation of the 2009-10 GF reductions; (c) continuation of 4.25% reduction in regional center operations and vendor payments of \$165.5 million; (d) \$70.1 million due to impacts from other departments; and (e) \$533.5 million reduction in GF savings to be achieved systemwide. Also reflects additional GF adjustments of \$163.1 million due to the end of Federal stimulus funding, GF savings of \$65 million of additional FFP from various state plan amendments, and continuation of \$50 million in reimbursements from First 5 which does not reduce the amount budgeted for Community Services.

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Prior Year 2009-10

	2009-10 Enacted Budget	Proposed Governor's Budget with Legislative Actions PY 2009-10	2010-11 May Revise Supplemental Budget Solutions PY 2009-10	Legislative Actions PY 2009-10	Proposed Final Budget PY 2009-10	Change from Proposed Governor's Budget with Leg. Actions PY 2009-10	Change from Budget Act Appropriation PY 2009-10
I. BUDGET ITEMS:							
A. Operations							
1. Staffing	\$485,734,000	\$486,343,000	\$486,343,000	\$0	\$486,343,000	\$0	\$609,000
2. Federal Compliance	41,267,000	41,536,000	41,536,000	0	41,536,000	0	269,000
3. Projects	27,258,000	27,429,000	27,429,000	-170,000	27,259,000	-170,000	1,000
4. Agnews Ongoing Workload	7,682,000	7,682,000	7,682,000	0	7,682,000	0	0
5. Cost Saving Items:	-40,245,000	-40,245,000	-40,245,000	0	-40,245,000	0	0
a. Savings Target	-17,445,000	-17,445,000	-17,445,000	0	-17,445,000	0	0
b. Transfer to Prevention Program	-5,400,000	-5,400,000	-5,400,000	0	-5,400,000	0	0
c. 3 Percent Reduction	-17,400,000	-17,400,000	-17,400,000	0	-17,400,000	0	0
6. Operations Total	\$521,696,000	\$522,745,000	\$522,745,000	-\$170,000	\$522,575,000	-\$170,000	\$879,000
B. Purchase of Services (POS)							
1. Community Care Facilities	\$802,458,000	\$808,198,000	\$808,198,000	\$0	\$808,198,000	\$0	\$5,740,000
2. Medical Facilities	23,215,000	24,645,000	24,645,000	0	24,645,000	0	1,430,000
3. Day Programs	851,142,000	847,086,000	847,086,000	0	847,086,000	0	-4,056,000
4. Habilitation Services	143,052,000	146,465,000	146,465,000	0	146,465,000	0	3,413,000
5. Transportation	244,150,000	240,967,000	240,967,000	0	240,967,000	0	-3,183,000
6. Support Services	749,392,000	751,307,000	751,307,000	0	751,307,000	0	1,915,000
7. In-Home Respite	269,172,000	272,256,000	272,256,000	0	272,256,000	0	3,084,000
8. Out-of-Home Respite	69,319,000	65,516,000	65,516,000	0	65,516,000	0	-3,803,000
9. Health Care	109,203,000	98,669,000	98,669,000	0	98,669,000	0	-10,534,000
10. Miscellaneous	460,077,000	482,237,000	482,237,000	0	482,237,000	0	22,160,000
11. Self Directed Services	118,000	118,000	0	0	0	-118,000	-118,000
12. Agnews Developmental Center Closure	41,833,000	41,833,000	41,833,000	0	41,833,000	0	0
13. Cost Saving Items:	-353,227,000	-353,227,000	-353,227,000	0	-353,227,000	0	0
a. Savings Target	-230,655,000	-230,655,000	-230,655,000	0	-230,655,000	0	0
b. Transfer to Prevention Program	-21,800,000	-21,800,000	-21,800,000	0	-21,800,000	0	0
c. 3 Percent Reduction	-100,772,000	-100,772,000	-100,772,000	0	-100,772,000	0	0
14. Subtotal (Items 1 thru 13)	\$3,409,904,000	\$3,426,070,000	\$3,425,952,000	\$0	\$3,425,952,000	-\$118,000	\$16,048,000
15. Revised Major Assumptions:	\$20,339,000	\$20,339,000	\$20,339,000	\$0	\$20,339,000	\$0	\$0
a. Impact from Other Departments	8,367,000	8,367,000	8,367,000	0	8,367,000	0	0
b. Elimination of Medi-Cal Optional Benefits	11,972,000	11,972,000	11,972,000	0	11,972,000	0	0
16. POS Total (Items 14 and 15)	\$3,430,243,000	\$3,446,409,000	\$3,446,291,000	\$0	\$3,446,291,000	-\$118,000	\$16,048,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$20,095,000	\$0	\$0
D. Prevention Program	\$27,200,000	\$27,200,000	\$27,200,000	\$0	\$27,200,000	\$0	\$0
E. DEPARTMENT OPERATIONAL NEED	\$3,999,234,000	\$4,016,449,000	\$4,016,331,000	-\$170,000	\$4,016,161,000	-\$288,000	\$16,927,000
F. 2009-10 Veto (DDS seeking Prop. 10 funding)	-\$50,000,000	\$0	\$0	\$0	\$0	\$0	\$50,000,000
G. GRAND TOTAL	\$3,949,234,000	\$4,016,449,000	\$4,016,331,000	-\$170,000	\$4,016,161,000	-\$288,000	\$66,927,000

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Prior Year 2009-10

	2009-10 Enacted Budget	Proposed Governor's Budget with Legislative Actions PY 2009-10	2010-11 May Revise Supplemental Budget Solutions PY 2009-10	Legislative Actions PY 2009-10	Proposed Final Budget PY 2009-10	Change from Proposed Governor's Budget with Leg. Actions PY 2009-10	Change from Budget Act Appropriation PY 2009-10
II. FUND SOURCES:							
A. General Fund Total	\$2,065,458,000	\$2,196,595,000	\$2,178,076,000	-\$170,000	\$2,177,906,000	-\$18,689,000	\$112,448,000
1. General Fund Match	776,736,000	902,630,000	908,557,000	0	908,557,000	5,927,000	131,821,000
2. General Fund - Other	1,288,713,000	1,293,956,000	1,269,519,000	-170,000	1,269,349,000	-24,607,000	-19,364,000
3. SDS Risk Pool	9,000	9,000	0	0	0	-9,000	-9,000
B. Reimbursements	\$1,664,001,000	\$1,729,458,000	\$1,748,259,000	\$0	\$1,748,259,000	\$18,801,000	\$84,258,000
1. Home and Comm-Based Serv (HCBS) Waiver	1,135,801,000	1,174,252,000	1,181,374,000	0	1,181,374,000	7,122,000	45,573,000
2. HCBS Waiver Administration	4,408,000	4,507,000	4,507,000	0	4,507,000	0	99,000
3. Medicaid Administration	15,940,000	12,488,000	12,488,000	0	12,488,000	0	-3,452,000
4. Targeted Case Management (TCM)	189,710,000	170,286,000	169,418,000	0	169,418,000	-868,000	-20,292,000
5. TCM Administration	4,217,000	4,000,000	3,321,000	0	3,321,000	-679,000	-896,000
6. Title XX Block Grant	203,903,000	203,903,000	203,903,000	0	203,903,000	0	0
a. Social Services	147,903,000	147,903,000	147,903,000	0	147,903,000	0	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	56,000,000	0	56,000,000	0	0
7. Self-Directed HCBS Waiver	93,000	93,000	0	0	0	-93,000	-93,000
8. Self-Directed HCBS Waiver Administration	629,000	629,000	429,000	0	429,000	-200,000	-200,000
9. Medicaid (ICF-DD/State Plan Amendment)	44,000,000	44,000,000	62,519,000	0	62,519,000	18,519,000	18,519,000
10. Vocational Rehabilitation	300,000	300,000	300,000	0	300,000	0	0
11. CA Children & Families First Trust Fund	5,000,000	55,000,000	50,000,000	0	50,000,000	-5,000,000	45,000,000
a. Existing Budget Authority	5,000,000	55,000,000	50,000,000	0	50,000,000	-5,000,000	45,000,000
b. 2009-10 Deficiency Request	0	0	0	0	0	0	0
12. 1915(i) State Plan Amendment	60,000,000	60,000,000	60,000,000	0	60,000,000	0	0
C. Program Development Fund / Parental Fees	\$2,492,000	\$2,492,000	\$2,092,000	\$0	\$2,092,000	-\$400,000	-\$400,000
D. Developmental Disabilities Services Account	\$150,000	\$150,000	\$150,000	\$0	\$150,000	\$0	\$0
E. Mental Health Services Fund	\$740,000	\$740,000	\$740,000	\$0	\$740,000	\$0	\$0
F. Public Transportation Account	\$138,275,000	\$0	\$0	\$0	\$0	\$0	-\$138,275,000
G. Federal Funds	\$78,118,000	\$87,014,000	\$87,014,000	\$0	\$87,014,000	\$0	\$8,896,000
1. Early Start/Part C Grant	77,558,000	86,454,000	86,454,000	0	86,454,000	0	8,896,000
2. Foster Grandparent Program	560,000	560,000	560,000	0	560,000	0	0
H. GRAND TOTAL	\$3,949,234,000	\$4,016,449,000	\$4,016,331,000	-\$170,000	\$4,016,161,000	-\$288,000	\$66,927,000

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SECTION B: EXECUTIVE HIGHLIGHTS B-1 to B-19

Executive Highlights

The Community Services budget in 2010-11 is \$4.1 billion, as revised in this estimate, which is a \$110.6 million increase from the prior budget. The growth in prior year and the current year were reduced through proposals implemented in 2009-10, as developed by the Department with input from stakeholders including regional centers, service provider representatives, advocacy groups, consumers and family members, and legislative staff. These cost savings measures, coupled with the 4.25 percent payment reduction, lowered 2010-11 funding by \$511.6 million (\$384 million GF) and saved an additional \$208.1 million in GF through various Federal Financial participation and other initiatives.

Compared to the 2010-11 estimated budget the Regional Center budget was expected to grow in 2011-12 by \$301.8 million due to increased caseload and utilization, and the expiration of the 4.25 percent payment reduction. The GF need was increasing by over \$531.8 million due to caseload and utilization, expiration of the 4.25 percent payment reduction, \$163.1 million from the end of the Federal stimulus funding and the end of \$50 million in one-time funding. For 2011-12, the Governor's Budget proposes a system wide reduction of \$750 million GF to be achieved as follows:

- \$91.5 million GF savings from the one year continuation of the temporary 4.25 percent Regional Center and service provider payment reductions;
- \$50 million GF savings by seeking Proposition 10 Funding;
- \$65 million GF savings by including additional consumers and related expenditures to the 1915 (i) State Plan Amendment (SPA) currently under review by the Centers for Medicare and Medicaid Services (CMS) consistent with recent federal healthcare reforms; and from maximizing the use of federal "Money Follows the Person" funding for individuals placed out of institutions; and
- \$10 million in additional FFP for the certification of the secure treatment program at Porterville Developmental Center.
- \$533.5 million GF systemwide savings to be achieved through a variety of mechanisms including additional developmental center expenditure reductions, increased accountability and transparency, and implementation of statewide service standards.

These savings proposals will decrease the 2011-12 spending by \$329.5 million (\$153.1 million GF) below the current year level, as adjusted for additional federal stimulus funds received in 2010-11.

The Administration remains committed to the individualized planning process and maintaining the Lanterman Act entitlement to community-based services to avoid more costly institutionalization as the State bridges this fiscal crisis.

I. CURRENT YEAR 2010-11 COSTS AND FUND SOURCES**A. Overview**

The expenditure data used in this estimate reflects the effect of the cost saving items implemented in 2009-10. As compared to the revised budget, 2010-11 increases by \$0.1 million total funds and decreases by \$169.1 million in GF. The decrease in GF is due to the change in the Federal Medical Assistance Percentage (FMAP) from the budgeted 55.8 percent to the 59.71 percent due to the extension of enhanced FMAP contained in the American Reinvestment and Recovery Act (ARRA) and increased waiver eligible reimbursements. As enacted by Congress, the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase in enhanced FMAP would expire on December 31, 2010.

2010-11 <i>(in thousands)</i>			
	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	Difference
Total Costs	\$4,126,608	\$4,126,757	\$149
Operations 1/	516,165	518,589	2,424
Purchase of Services 1/	3,554,048	3,569,923	15,875
Early Start - Other Agency Costs	20,095	20,095	0
Prevention Program	36,300	18,150	-18,150
Fund Sources	\$4,126,608	\$4,126,757	\$149
General Fund (GF)	2,369,125	2,200,022	-169,103
GF Match	1,096,870	1,052,019	-44,851
GF Match	(1,096,870)	(1,152,926)	(56,056)
FMAP from 55.8% to 59.71%	(0)	(-100,907)	(-100,907)
GF Other	1,272,246	1,148,003	-124,243
GF	(1,235,946)	(1,111,703)	(-124,243)
Prevention Program	(36,300)	(18,150)	(-18,150)
Prevention Program transfer to Early Start	(0)	(18,150)	(18,150)
SDS Risk Pool	9	0	-9
Reimbursements	1,649,181	1,870,655	221,474
Program Development Fund	3,292	3,292	0
Developmental Disabilities Services Account	150	150	0
Mental Health Services Fund	740	740	0
Counties Children & Families Account 2/	50,000	0	-50,000
Federal Funds	54,120	51,898	-2,222

1/ Expenditures include Quality Assurance Fees (transfer from the Department of Health Care Services) of \$6.1 million in Operations and \$31.0 million in Purchase of Services.

2/ This decrease reflects the conversion of the fund source to a reimbursement.

B. Caseload

The 2010-11 total community caseload is estimated at 244,108 on January 31, 2011, an increase of 404 consumers over the revised budget caseload estimate of 243,704.

	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	Difference
AGE 3 & OLDER			
Active	213,140	213,140	
BIRTH THROUGH 2 YEARS			
Early Start and Prevention Program	30,564		
Early Start		27,443	
Prevention Program		3,525	
TOTAL COMMUNITY CASELOAD	243,704	244,108	404

C. Total Regional Center Costs: \$0.1 Million Increase**1. Operations: \$2.4 Million Increase**

Costs for Operations include core staffing, federal compliance and projects.

- **Core Staffing: \$2.1 Million Increase**

Increase in Core Staffing is due to increases in Home and Community-Based Services (HCBS) Waiver enrollments that result in more of the community caseload at the 1:62 case manager ratio.

	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	Difference
<u>OPERATIONS</u>	(in thousands)		
CORE STAFFING			
A. Core Staffing	\$435,434	\$437,555	\$2,121
B. Agnews D. C. Closure	5,114	5,114	0
C. Lanterman D. C. Closure	3,537	3,537	0
D. Total Staffing	\$444,085	\$446,206	\$2,121

- Federal Compliance: \$0.2 Million Increase

The change reflects the additional number of Case Managers that will be needed due to increased HCBS waiver enrollments. This increase ensures compliance with CMS requirements that Regional Centers maintain a participant-to-case manager ratio of 1:62.

	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	Difference
<u>OPERATIONS</u>	(in thousands)		
FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135	\$21,135	\$0
B. HCBS Waiver Enrollments	1,728	1,728	0
C. HCBS Waiver Compliance	9,200	9,200	0
D. HCBS Waiver Case Managers	6,930	7,080	150
E. Targeted Case Management	4,129	4,129	0
F. Nursing Home Reform/PASRR	473	473	0
G. Less: 4.25% Reduction	-1,662	-1,662	0
H. Total Federal Compliance	\$41,933	\$42,083	\$150

- Projects: \$0.1 Million Increase

The increase in projects is composed of:

- \$0.2 million increase to reflect the implementation of a State Homeland Security Grant award that will fund projects at specific regional centers to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events; and
- \$0.1 million decrease to the Quality Assessment Contract to reflect Control Section 3.91 reductions to employee compensation adjustments for contracts involving Interagency Agreements.

2. Purchase of Services (POS): \$12.4 Million Increase

The \$12.4 million increase reflects updated caseload and expenditure data.

3. (POS) Quality Assurance Fees (QAF) Intermediate Care Facility-
Developmentally Disabled Costs: \$0.4 Million Increase

This reflects an increase due to a technical correction. Intermediate Care Facilities – Developmentally Disabled (ICF-DD) pay QAF to the Department of Health Care Services (DHCS) for supplemental payments received from the Department for day treatment and transportation costs for ICF-DD residents.

4. (POS) Impacts from Other Departments: \$3.0 Million Increase

The increase reflects the impact of the following service reductions proposals in the DHCS' Medi-Cal program and the Department of Social Services' (DSS) SSI/SSP program that will increase regional centers POS costs in 2010-11. These programs are considered generic resources, with regional centers being the payor of last resort when services are not available from a generic resource.

- \$0.4 million increase to reflect the reduction of the maximum monthly DSS SSP grant to aged/disabled individuals to the Maintenance of Effort (MOE) floor effective June 1, 2011. Existing policy requires DDS to supplement any reductions to the SSP payment rate so consumers may remain in an independent/supported living setting. The estimate for 2010-11 reflects the one-month impact of this reduction.
- \$2.6 million increase to reflect the elimination of Adult Day Health Care (ADHC) services in the DHCS Medi-Cal program, effective June 1, 2011. The estimate for 2010-11 reflects the one-month impact of this reduction.

5. Prevention Program: \$18.1 Million Decrease

The decrease reflects the transfer of funds from Prevention to Early Start in POS to provide support and services to infants and toddlers that based upon current assessments were found to have manifest delays that were significant enough to make them eligible for Early Start and not the Prevention Program as initially projected in developing the 2010-11 Governor's Budget.

D. Fund Sources

1. GF: \$169.1 Million Decrease

The 2010-11 GF decrease is composed of:

- \$100.9 million decrease due to the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress, the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010.
- \$0.2 million decrease due to the delayed implementation of Self Directed Services (SDS).
- \$69.5 million decrease due to updated expenditure data and an additional 3,729 consumers added to the HCBS Waiver in 2009-10.
- \$1.5 million increase to reflect the impact of the service reductions in the DHCS Medi-Cal program and the DSS SSI/SSP program described above.

2. Reimbursements: \$221.4 Million Increase

2010-11 Reimbursements			
<i>(in thousands)</i>			
Reimbursements	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	Difference
a. Home and Community-Based Svcs (HCBS) Waiver	\$1,036,944	\$1,180,472	\$143,528
b. HCBS Waiver Administration	4,449	5,740	1,291
c. Medicaid Administration	12,603	13,347	744
d. Targeted Case Management (TCM)	151,666	163,397	11,731
e. TCM Administration	3,321	3,339	18
f. TCM SPA for ICF-DD Residents	6,000	6,421	421
g. Title XX Block Grant	225,060	225,060	0
(1) Social Services	147,903	147,903	0
(2) Temporary Assistance for Needy Families	77,157	77,157	0
h. Self-Directed HCBS Waiver	93	0	-93
i. Self-Directed HCBS Waiver Administration	632	431	-201
j. ICF-DD/SPA	58,211	62,295	4,084
j. Quality Assurance Fees (Transfer from DHCS)	34,047	34,565	518
k. Vocational Rehabilitation	118	118	0
l. 1915(i) SPA	112,500	120,383	7,883
m. Money Follows the Person Grant	3,537	3,537	0
n. Counties Children & Families Account 1/	0	50,000	50,000
o. Impact from Other Departments FFP	0	1,550	1,550
TOTAL	\$1,649,181	\$1,870,655	\$221,474

1/ This increase reflects the conversion of the fund source to a reimbursement.

- HCBS Waiver: The \$143.5 million increase in HCBS Waiver FFP includes:
 - \$74 million increase due to the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010; and
 - \$69.5 million increase based upon 3,729 additional consumers added to the waiver.
- HCBS Waiver Administration: The \$1.3 million increase reflects the most current available data.
- Medicaid Administration: The \$0.8 million increase reflects the most current available data.
- Targeted Case Management (TCM): The \$11.7 million increase reflects the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010.
- TCM State Plan Amendment (SPA) for ICF-DD Residents: The \$0.4 million increase reflects the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010.
- SDS HCBS Waiver: The \$0.1 million decrease reflects the delayed implementation.
- SDS HCBS Waiver Administration: The \$0.2 million decrease reflects the delayed implementation.

- ICF-DD SPA: The \$4.1 million increase reflects the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010.
 - QAF Regional Center Costs and Intermediate Care Facility-Developmentally Disabled Costs (Transfer from DHCS): The \$0.5 million increase includes:
 - \$0.1 million increase reflects the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010; and
 - \$0.4 million increase due to a technical correction.
 - 1915(i) SPA: The \$7.9 million increase reflects the change in FMAP from the budgeted 55.8 percent to 59.71 percent due to the extension of ARRA through June 30, 2011. As enacted by Congress the extension of ARRA enhanced FMAP provides for quarterly decreases in FMAP on January 1st, April 1st, and July 1st of 2011. The 2010-11 Governor's Budget assumed the temporary increase of 55.8 percent in enhanced FMAP would expire on December 31, 2010.
 - Counties Children & Families Account: The \$50.0 million increase reflects the conversion of this fund source from a direct appropriation to a reimbursement.
 - Impact from Other Departments, FFP: The \$1.6 million increase reflects elimination of all ADHC services in the DHCS Medi-Cal program, effective June 1, 2011. The estimate for 2010-11 reflects the one-month impact of this reduction.
3. Counties Children & Families Account: The \$50.0 million decrease reflects the conversion of this fund source to a reimbursement.
 4. Federal Funds: The \$2.2 million decrease reflects the most current grant award information for Early Start Part C.

II. BUDGET YEAR 2011-12 COSTS AND FUND SOURCES**A. Overview**

Funding for the regional centers in the budget year is projected to decrease by \$329.3 million compared to the revised budget.

2011-12 <i>(in thousands)</i>			
	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	Difference
Total Costs	4,126,608	3,797,294	-329,314
Operations 1/	516,165	523,827	7,662
Purchase of Services 1/	3,554,048	3,766,870	212,822
Early Start - Other Agency Costs	20,095	20,095	0
Prevention Program	36,300	20,003	-16,297
Systemwide Cost Containment Measures	0	-533,501	-533,501
Fund Sources	4,126,608	3,797,294	-329,314
General Fund (GF)	2,369,125	2,046,895	-322,230
GF Match	1,096,870	1,393,386	296,516
GF Match @ 55.8%	(1,096,870)	(1,556,491)	(459,621)
FMAP from 55.8% to 50%	(0)	(163,105)	(163,105)
GF Other	1,272,246	653,509	-618,737
GF	(1,235,946)	(617,209)	(-618,737)
Prevention Program	(36,300)	(20,003)	(-16,297)
Prevention Program transfer to Early Start	(0)	(16,297)	(16,297)
SDS Risk Pool	9	0	-9
Reimbursements	1,649,181	1,694,315	45,134
Program Development Fund	3,292	3,296	4
Developmental Disabilities Services Account	150	150	0
Mental Health Services Fund	740	740	0
Counties Children & Families Account 2/	50,000	0	-50,000
Federal Funds	54,120	51,898	-2,222

1/ Expenditures include Quality Assurance Fees (transfer from the Department of Health Care Services) of \$1.6 million in Operations and \$7.9 million in Purchase of Services.

2/ This decrease reflects the conversion of the fund source to a reimbursement.

The decrease of \$329.3 million is composed of:

- \$1.7 million (POS) increase to implement the new major assumptions, Financial Management Services (FMS) for Participant-Directed Services.
- \$27.2 million decrease in QAF for day treatment and transportation services for ICF-DD resident's ongoing costs. The estimate for 2010-11 reflects expenditures for 2007-08 through 2010-11.
- \$0.2 million increase to reflect the implementation of a State Homeland Security Grant award that will fund projects at specific regional centers to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events.
- \$0.5 million decrease to reflect the delayed implementation of SDS (\$0.4 million in Operations and \$0.1 million in POS).
- \$2.8 million in increased savings to reflect the continuation of the 4.25 percent payment reduction. The payment reduction is based upon the updated 2011-12 estimated Regional Center expenditures (\$0.5 million in Operations and \$2.3 million in POS).
- \$162.7 million increase due to updated caseload and expenditure data.
- \$70.1 million increase (POS) to reflect the impact of service reduction proposals in the DHCS Medi-Cal program and the DSS SSI/SSP program that drive additional Regional Center POS costs.
- \$533.5 million decrease to reflect systemwide savings to be achieved through a variety of mechanisms. This figure will be adjusted in the May Revision to reflect savings systemwide consistent with the Department's proposals.

B. Caseload

The 2011-12 total community caseload is projected at 251,702 on January 31, 2012 which is 7,998 more than the previous enacted budget caseload estimate of 243,704.

	2010-11 Enacted Budget	2011-12 November Estimate BY 2011-12	Difference
AGE 3 & OLDER			
Active	213,140	219,608	
BIRTH THROUGH 2 YEARS			
Early Start and Prevention	30,564		
Early Start		28,209	
Prevention Program		3,885	
TOTAL COMMUNITY CASELOAD	243,704	251,702	7,998

C. Total Regional Center Costs: \$329.3 Million Decrease**1. Operations: \$12.3 Million Increase**

Costs for Operations include core staffing, federal compliance and projects.

- **Core Staffing: \$11.8 Million Increase**

The changes in Core Staffing include:

- \$12.3 million increase in Core Staffing due to updated caseload projections;
- \$0.1 million decrease to reflect the continuation of the 4.25 percent payment reduction based upon the updated 2011-12 estimated expenditures; and
- \$0.4 million decrease to reflect the delayed implementation of SDS.

	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	Difference
OPERATIONS	(in thousands)		
CORE STAFFING			
A. Core Staffing	\$435,434	\$447,249	\$11,815
B. Agnews Ongoing Workload	5,114	5,114	0
C. Lanterman D. C. Closure	3,537	3,537	0
D. Total Staffing	\$444,085	\$455,900	\$11,815

- Federal Compliance: \$0.3 Million Increase

The changes in Federal Compliance include:

- \$0.2 million decrease to reflect the continuation of the 4.25 percent payment reduction based upon the updated 2011-12 estimated expenditures; and
- \$0.5 million increase for the additional number of Case Managers that will be needed due to increased HCBS waiver enrollments. This increase ensures compliance with the CMS requirement that Regional Centers maintain a participant-to-case manager ratio of 1:62.

	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	Difference
OPERATIONS	(in thousands)		
FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135	\$21,135	\$0
B. HCBS Waiver Enrollments	1,728	1,771	43
C. HCBS Waiver Compliance	9,200	9,200	0
D. HCBS Waiver Case Managers	6,930	7,383	453
E. Targeted Case Management	4,129	4,129	0
F. Nursing Home Reform/PASRR	473	473	0
G. Less: 4.25% Reduction	-1,662	-1,857	-195
H. Total Federal Compliance	\$41,933	\$42,234	\$301

- Projects: \$0.2 Million Increase

\$0.2 million increase reflects the implementation of a State Homeland Security Grant award that will fund projects at specific regional centers to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events.

2. QAF Regional Center Costs (Transfer from DHCS): \$4.6 Million Decrease

\$4.6 million decrease to reflect only 2011-12 costs related to increasing FFP for day treatment and transportation costs for residents of ICF-DDs. 2010-11 reflects costs for 2007-08 to 2010-11.

3. POS: \$165.3 Million Increase

The changes in POS reflect the following:

- \$2.3 million increased savings to reflect the continuation of the 4.25 percent payment reduction. The payment reduction is based upon the updated 2011-12 estimated Regional Center expenditures.
- \$165.9 million increase due to updated caseload and expenditure data.
- \$0.1 million decrease to reflect the delayed implementation of SDS.
- \$1.8 million increase to implement the new major assumptions, FMS for Participant-Directed Services. CMS requires that FMS be established as an option in the Department's HCBS Waiver renewal application. The current HCBS Waiver expires on September 30, 2011.

4. QAF Intermediate Care Facility-Developmentally Disabled Costs (Transfer from DHCS): \$22.6 Million Decrease

\$22.6 million decrease to reflect only 2011-12 costs related to increasing FFP for day treatment and transportation costs for residents of ICF-DDs. 2010-11 reflects costs for 2007-08 to 2010-11.

5. Impacts from Other Departments: \$70.1 Million Increase

The increase reflects the impact of service reduction proposals in the DHCS' Medi-Cal program and the DSS' SSI/SSP program that will increase regional centers POS costs in 2011-12. These programs are

considered generic resources, with regional centers being the payor of last resort when services are not available from a generic resource.

- \$5.0 million increase to reflect the reduction of the maximum monthly DSS SSP grant to aged/disabled individuals to the MOE floor effective June 1, 2011. Existing policy requires DDS to supplement any reductions to the SSP payment rate so consumers may remain in an independent/supported living setting. The budget for 2011-12 reflects the full-year impact of this reduction.
- \$32.1 million increase to reflect the elimination of ADHC services in the DHCS' Medi-Cal program, effective June 1, 2011. The budget for 2011-12 reflects the full-year impact of this reduction.
- \$33.0 million increase to reflect costs associated with DHCS' Medi-Cal reductions to co-payments and service limits which are effective October 1, 2011.

6. Prevention Program: \$16.3 Million Decrease

The decrease reflects the transfer of funds from Prevention to Early Start in POS to provide support and services to infants and toddlers that based upon current assessments were found to have manifest delays that were significant enough to make them eligible for Early Start and not the Prevention Program as initially projected in developing the 2010-11 Governor's Budget.

7. Systemwide Cost Containment Measures: \$533.5 Decrease

The Department will achieve these savings through a variety of mechanisms including, but not limited to, additional developmental center expenditure reductions, increased accountability and transparency, and the implementation of statewide service standards. Once proposals are determined the Department will budget for these savings during the 2011-12 May Revision, as appropriate, in Department Headquarters, Developmental Centers, Regional Center Operations or Purchase of Services.

D. Fund Sources

1. GF (ARRA): \$163.1 million increase due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011.
2. GF (Non-ARRA): \$485.3 million decrease due to the following:

- \$1.2 million in increased savings to reflect the continuation of the 4.25 percent payment reduction. The payment reduction is based upon the updated 2011-12 estimated Regional Center expenditures.
- \$60.4 million increase due to updated caseload and expenditure data.
- \$60.0 million decrease (POS) to reflect additional FFP for the 1915(i) SPA.
- \$5.0 million decrease (POS) to reflect additional FFP for Money Follows the Person Grant.
- \$54.0 million increase to reflect the impact of the service reduction proposals in the DHCS' Medi-Cal program and the DSS' SSI/SSP program described above.
- \$533.5 million decrease from systemwide cost containment measures through a variety of mechanisms including, but not limited to, additional developmental center expenditure reductions, increased accountability and transparency, and the implementation of statewide service standards. Once proposals are determined the Department will budget for these savings during the 2011-12 May Revision, as appropriate, in Department Headquarters, Developmental Centers, Regional Center Operations or Purchase of Services.

3. Reimbursements: \$45.1 Million Increase

Changes reflect the following:

Reimbursements			
2011-12			
<i>(in thousands)</i>			
Reimbursements	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	Difference
a. HCBS Waiver	\$1,036,944	\$1,012,350	-\$24,594
b. HCBS Waiver Administration	4,449	5,734	1,285
c. Medicaid Administration	12,603	13,604	1,001
d. Targeted Case Management (TCM)	151,666	131,204	-20,462
e. TCM Administration	3,321	3,339	18
f. TCM SPA for ICF-DD Residents	6,000	5,377	-623
g. Title XX Block Grant	225,060	225,060	0
(1) Social Services	<i>147,903</i>	<i>147,903</i>	<i>0</i>
(2) Temporary Assistance for Needy Families	<i>77,157</i>	<i>77,157</i>	<i>0</i>
h. Self-Directed HCBS Waiver	93	0	-93
i. Self-Directed HCBS Waiver Administration	632	431	-201
j. ICF-DD/SPA	58,211	52,780	-5,431
k. Quality Assurance Fees (Transfer from DHCS)	34,047	8,727	-25,320
l. Vocational Rehabilitation	118	118	0
m. 1915(i) SPA	112,500	160,807	48,307
n. Money Follows the Person Grant	3,537	8,537	5,000
o. Homeland Security Grant	0	210	210
p. Counties Children & Families Account 1/	0	50,000	50,000
q. Impacts from Other Departments, FFP	0	16,037	16,037
TOTAL	\$1,649,181	\$1,694,315	\$45,134

1/ This increase reflects the conversion of the fund source to a reimbursement.

- HCBS Waiver: \$24.6 million decrease in HCBS Waiver reimbursements includes:
 - \$2.3 million in increased savings to reflect the continuation of the 4.25 percent payment reduction. The payment reduction is based upon the updated 2011-12 estimated Regional Center expenditures;
 - \$124.4 million decrease due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011; and
 - \$102.1 million increase due to additional waiver enrollment of 2,616 consumers; and

- HCBS Waiver Administration: \$1.3 million increase due to updated data on billable data for clinical teams and state employees in the community and an increase in the percentage of the population eligible for Medi-Cal, from 71 percent to 72 percent.
- Medicaid Administration: \$1.0 million increase includes:
 - \$0.4 million in increased savings to reflect the continuation of the 4.25 percent payment reduction. The payment reduction is based upon the updated 2011-12 estimated Regional Center expenditures.
 - \$0.6 million increase due to the most current available data.
- TCM: \$20.5 million decrease includes:
 - \$0.3 million in increased savings to reflect the continuation of the 4.25 percent payment reduction. The payment reduction is based upon the updated 2011-12 estimated Regional Center expenditures;
 - \$16.5 million decrease due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011; and
 - \$4.3 million decrease due to updated data on billable units.
- TCM SPA for ICF-DD Residents: \$0.6 million decrease due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011.
- SDS HCBS Waiver: \$0.1 million decrease to reflect the delayed implementation of SDS.
- SDS HCBS Waiver Administration: \$0.2 million decrease to reflect the delayed implementation of SDS.
- ICF-DD SPA: \$5.4 million decrease includes:
 - \$5.9 million decrease due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011; and
 - \$0.5 million increase due to updated data.

- QAF Regional Center Costs and Intermediate Care Facility-Developmentally Disabled (Transfer from DHCS): \$25.3 million decrease includes:
 - \$0.4 million decrease due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011; and
 - \$21.4 million decrease to reflect only 2011-12 costs related to increasing FFP for day treatment and transportation costs for residents of ICF-DDs. 2010-11 reflects costs related to 2007-08 to 2010-11.

 - 1915(i) SPA: \$48.3 million increase includes:
 - \$11.7 million decrease due to the expiration of the temporary enhanced FMAP and return to 50 percent FMAP on July 1, 2011; and
 - \$60 million increase in FFP due to inclusion of additional consumers and related expenditures under the 1915(i) SPA currently under review by CMS consistent with recent federal healthcare reforms.

 - Money Follows the Person Grant: The \$5.0 million increase reflects additional FFP for Community Placement Plan in POS.

 - Homeland Security Grant: The \$0.2 million increase reflects the implementation of a State Homeland Security Grant award that will fund projects at specific regional centers to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events.

 - Counties Children & Families Account: The \$50.0 million increase reflects the conversion of this fund source from a direct appropriation to a reimbursement.

 - Impacts from Other Departments, FFP: The \$16 million increase reflects elimination of ADHC services in the DHCS' Medi-Cal program, effective June 1, 2011. The estimate for 2011-12 reflects the full-year impact of this reduction.
4. Program Development Fund/Parental Fees: \$0.4 million increase reflects updated data.
5. Counties Children & Families Account: The \$50.0 million decrease reflects the conversion of this fund source to a reimbursement.

6. Federal Funds: The \$2.2 million decrease reflects the most current grant award information for Early Start Part C.

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

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

- **Assembly Bill (AB) 2212, Chapter 671, Statutes of 2010, Chaptered September 30, 2010**

This bill authorizes a juvenile court to suspend any juvenile proceedings if the court or the minor's counsel expresses a doubt as to the minor's competency. This bill would authorize juvenile courts to order minors for evaluation to determine whether the minors have mental disorders or developmental disabilities that would impair the minors' competency. This bill also specifies that if the minor is found incompetent by a preponderance of the evidence, all proceedings shall remain suspended for a period of time during which the court may make orders that it deems appropriate for services that may assist the minor in attaining competency, in a community setting. While other current laws pertaining to competency proceedings include the regional centers in the process of assessing individuals suspected of having developmental disabilities, AB 2212 does not recognize the regional centers' exclusive statutory role in making such assessments. This bill may result in courts determining eligibility for regional center services based upon the recommendation of an expert unfamiliar with developmental disabilities and the Lanterman Act. Thus, the bill creates more opportunities for courts to find minors developmentally disabled, even though regional centers find that they do not meet the Lanterman Act definition of having a developmental disability. The new caseload will be monitored and updated in the May Revision.

- **Federal Medicaid Requirements for RC Vended Providers of Home and Community-Based Services (HCBS)**

To comply with the federal rules, address the audit findings in Centers for Medicare and Medicaid Services' (CMS) 2010 draft, "*Medicaid Integrity Program, California Comprehensive Program Integrity Review*" and avoid a potential loss of approximately \$1.6 billion in federal financial participation (FFP) the Department of Developmental Services (DDS) must develop and promulgate significant changes to its Title 17 regulations governing RC vendorization of service providers. The necessary regulatory changes would be completed by July 1, 2011, requiring RCs to gather and review business ownership, control and relationship information from prospective and current vendors (an estimated 17,000 current vendors will need to undergo this type of review). Additionally, pursuant to regulatory changes the RCs will be required to determine that all prospective and current vendors (about 67,000) are eligible and remain eligible to participate as Medicaid service providers by verifying that they have not been convicted of a crime related to the Medicare, Medicaid or Title XX programs. Furthermore, on a periodic basis, RCs will be required to verify that vendors (about 3,700) continue to meet all applicable vendorization requirements (e.g. professional licensure), including those identified

above, in order for the State to comply with the federal law and meet the CMS mandated HCBS Waiver assurance that only qualified providers deliver Medicaid funded services. The current HCBS Waiver expires on September 30, 2011, and renewal of the Waiver will be contingent upon demonstrated compliance with the requirement to verify the eligibility of vendors to participate as Medicaid service providers. This requirement also applies to the Intermediate Care Facility-Developmentally Disabled and 1915(i) State Plan Amendments currently pending CMS' approval. Failure to comply with the requirement would jeopardize DDS' ability to collect over \$300 million in FFP already budgeted for these services.

- **1115 Waiver RC Health Care Liaisons**

The Department of Health Care Services (DHCS) received approval from CMS for the 1115 Waiver to commence the mandatory enrollment of seniors and persons with disabilities (including RC consumers) in Medi-Cal into managed care plans in sixteen specified counties. Seniors and persons with disabilities who rely on Medi-Cal have greater, more complicated and costly health care needs than the general population. Basic consumer protections are needed to ensure the continuity of the intense medical services received by persons with disabilities. If the transition to managed care is not properly handled it could lead to the disruption of the usual source of care for an already fragile population resulting in higher costs through crisis intervention, increased emergency room visits or hospitalizations. Past DDS and RC experience with the Agnews Developmental Center closure and counties where a Medi-Cal beneficiary must be enrolled in managed care demonstrate the need for dedicated RC personnel to liaison with the managed care plans. RCs play a unique role in the lives of eligible consumers. They have responsibility for the development and implementation of individualized program planning for each consumer, which includes accessing and working with generic services, such as health plans and Medi-Cal.

NEW MAJOR ASSUMPTIONS

- **Financial Management Services (FMS) for Participant-Directed Services**

When the consumer functions as the managing employer of workers who provide waiver services (participant-directed services), CMS requires that the option of a FMS be offered to assist the participant in functions such as processing payroll, withholding federal, State, and local taxes, performing fiscal accounting and producing expenditure reports for the participant or family and State authorities. DDS' current HCBS Waiver includes three vouchered services that fall within the CMS definition of participant-directed services: respite, transportation and day care. DDS must submit the HCBS Waiver renewal application to the CMS in 2010-11 as the current Waiver expires September 30, 2011. To establish FMS as an option for vouchered respite, transportation and day care, DDS will need to revise Title 17 regulations to include FMS for these services and establish a rate methodology for procuring the FMS.

The total estimated funding for new FMS services assumes 18,560 vouchers will be utilized annually by consumers of day care, respite and transportation services at a flat fixed rate of \$95 per month for total expenditures of \$1,763,200 (\$1,763,000 rounded) in 2011-12 of which 50 percent (\$882,000) will be eligible for FFP in 2011-12.

REQUEST FOR ADDED BUDGET LANGUAGE

- **Item 4300-101-0001, 10.10.080, Prevention Program**

DDS requests the following provisional budget language be added to item 4300-101-0001 to allow the transfer of funds from 10.10.080 (Prevention Program) to 10.10.020 (Purchase of Services):

“Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority from Schedule (4) to Schedule (2) to more accurately reflect expenditures in the Prevention and Early Start Programs.”

This language is needed to effectively administer the Prevention and Early Start Programs and ensure the funds are correctly budgeted based on actual caseload during the fiscal year.

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CASELOAD

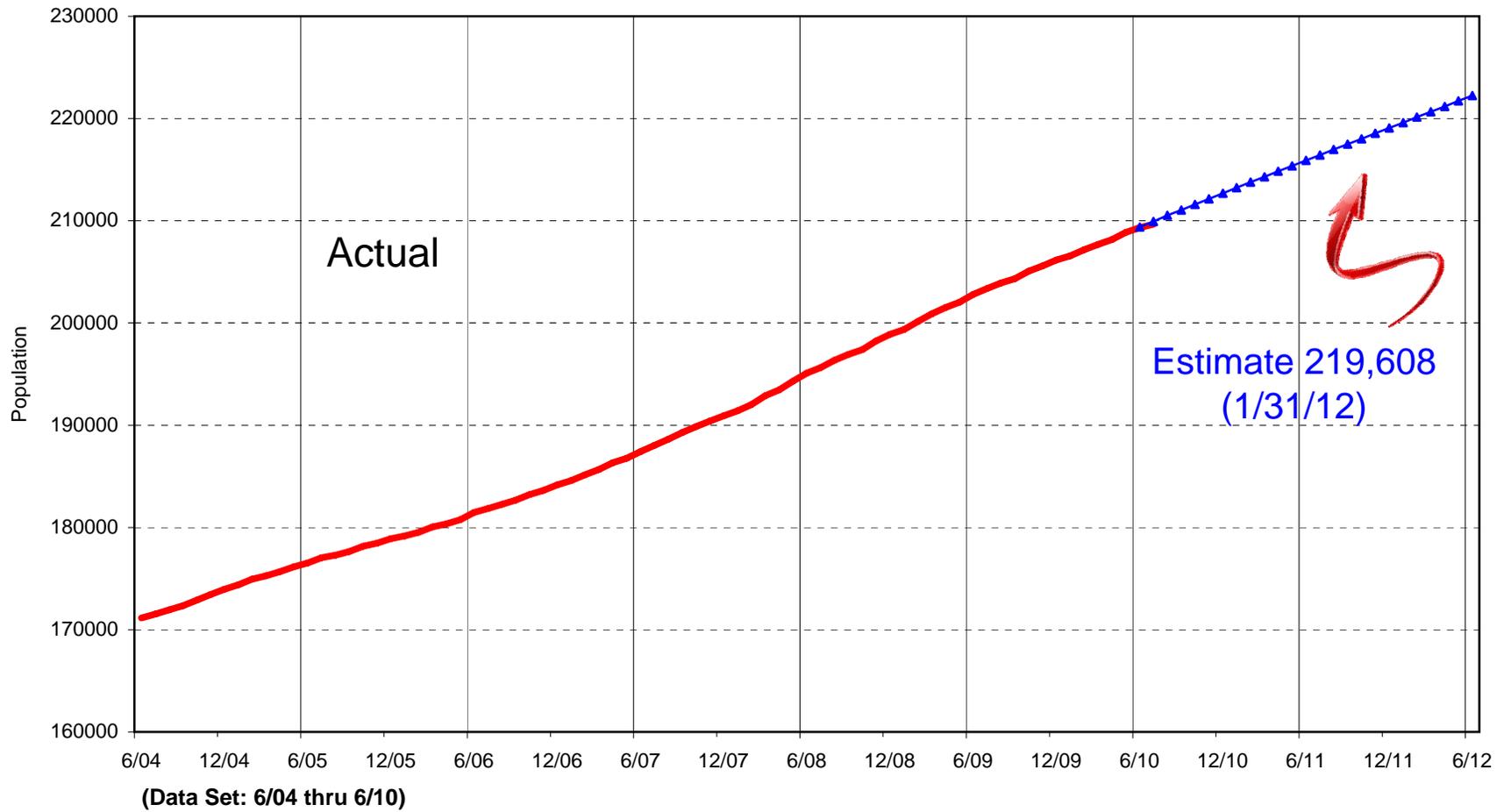
Current Year vs. Budget Year

	2011-12 November Estimate CY	2011-12 November Estimate BY		
	<i>Estimated Caseload as of 1/31/11</i>	<i>Estimated Caseload as of 1/31/12</i>	<i>Annual Change</i>	<i>Percent Annual Change</i>
A. Active Caseload (Age 3 & Older)	213,140	219,608	6,468	3.0%
B. Early Start (Birth through 2 Years)	27,443	28,209	766	2.8%
C. Prevention (Birth through 2 Years)	3,525	3,885	360	10.2%
D. Total Community Caseload	244,108	251,702	7,594	3.1%
E. Average Developmental Center (DC) Total Population	2,000	1,798		
F. On Leave	-21	-15		
G. Total DC Population	1,979	1,783	-196	-9.9%
H. Total Regional Center (RC) Caseload (D + G)	246,087	253,485	7,398	3.0%

Active Status Caseload

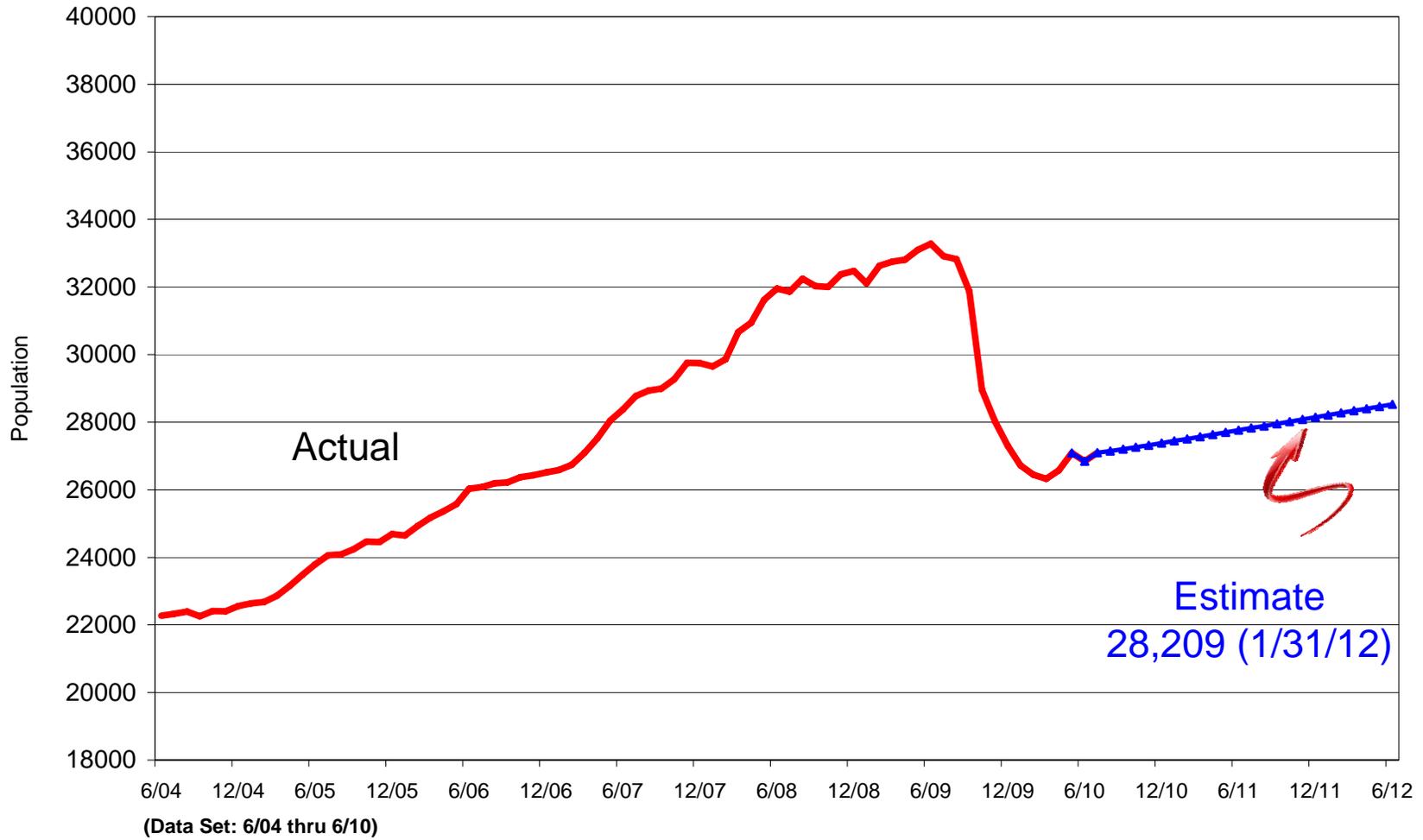
(Age 3 & Older)

Client Master File Trend Analysis



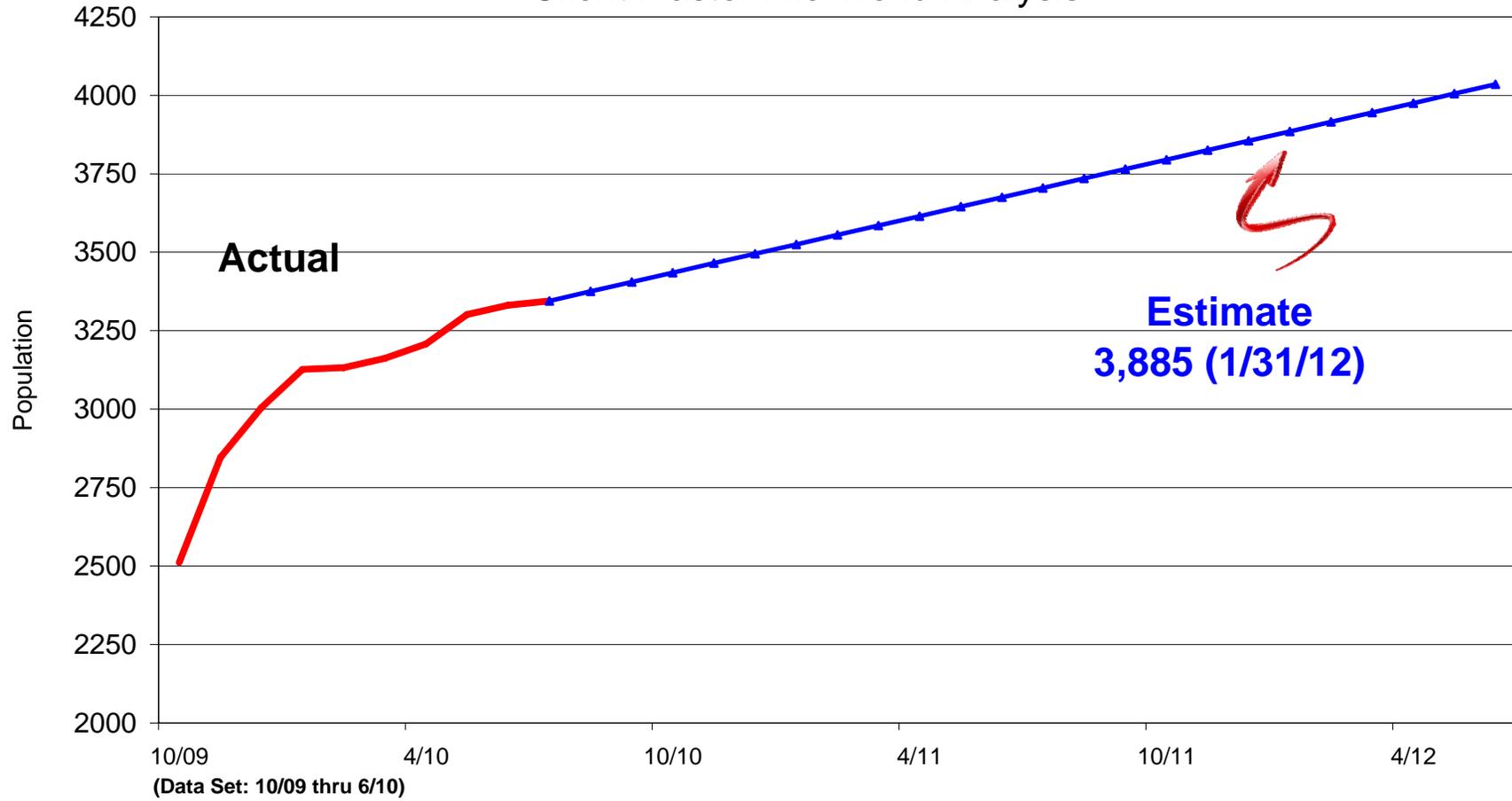
Early Start Caseload

Birth through 2 Years
Client Master File Trend Analysis



Prevention Caseload

Birth through 2 Years
Client Master File Trend Analysis



Community Caseload

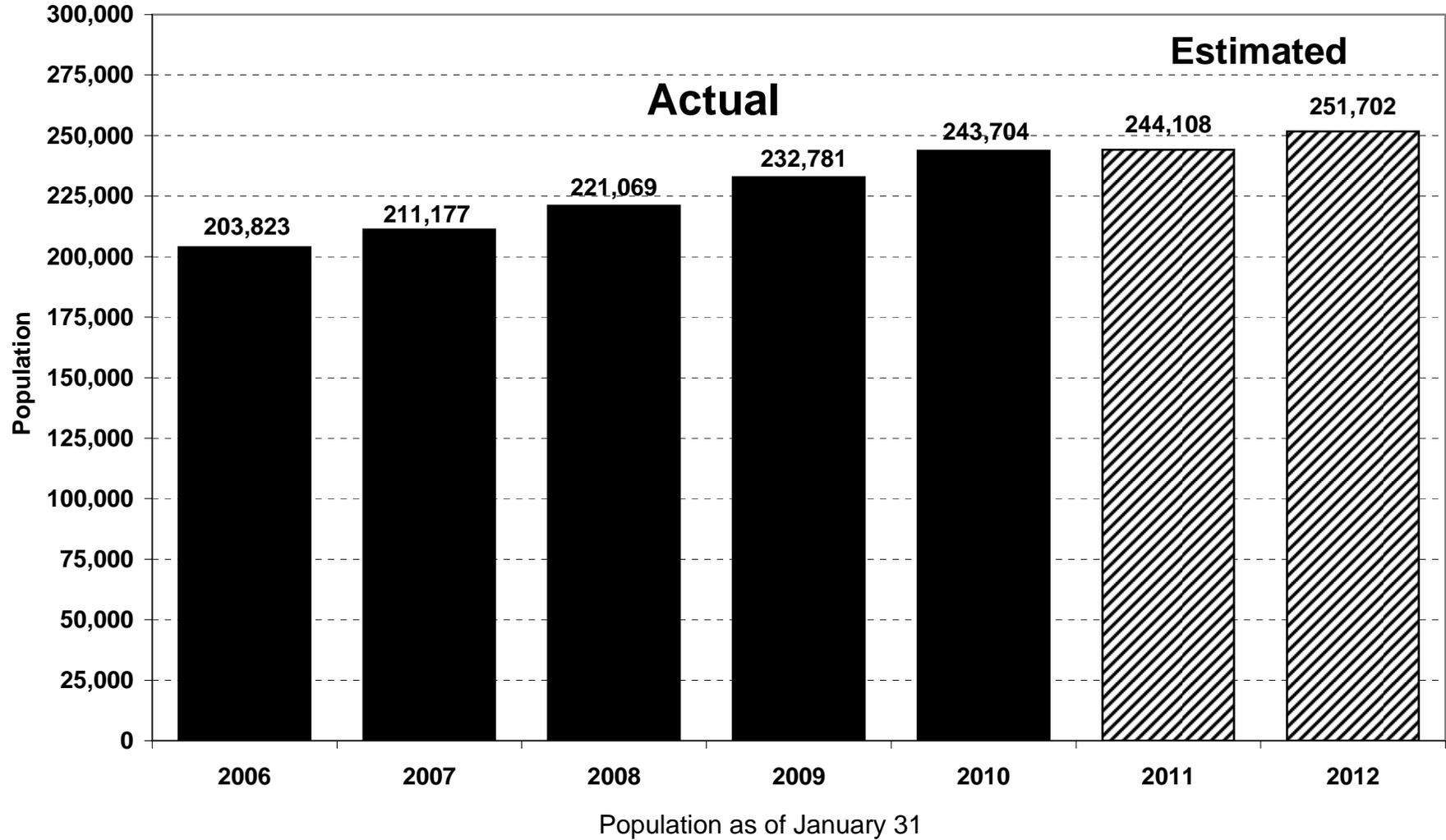


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Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR (CY) 2010-11

	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11	Difference
POPULATION			
Active (Age 3 & Older)	213,140	213,140	0
Early Start (Birth through 2 Years)	27,443	27,443	0
Total Population	240,583	240,583	0
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$473,984,000	\$476,507,000	\$2,523,000
B. Less: Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,787,000	12,787,000	0
D. Less: Unallocated Reduction	-10,559,000	-10,559,000	0
E. Cost Containment	-5,968,000	-5,968,000	0
F. Staffing for Collection of FFP for Contracted Services	2,228,000	2,228,000	0
G. Staffing for Self-Directed Services	1,263,000	861,000	-402,000
H. Less: Savings Target	-14,145,000	-14,145,000	0
I. Less: 4.25% Payment Reduction	-19,691,000	-19,691,000	0
J. Total Staffing	\$435,434,000	\$437,555,000	\$2,121,000
II.			
A. Agnews Ongoing Workload	5,114,000	5,114,000	0
B. Lanterman Development Center Closure	3,537,000	3,537,000	0
C. Total Developmental Centers Closure	\$8,651,000	\$8,651,000	0
III. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	1,728,000	1,728,000	0
C. Compliance with HCBS Waiver Requirements	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirements	6,930,000	7,080,000	150,000
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	473,000	473,000	0
G. Less: 4.25% Payment Reduction	-1,662,000	-1,662,000	0
H. Total Federal Compliance	\$41,933,000	\$42,083,000	\$150,000
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 Contract	5,295,000	5,295,000	0
C. Quality Assessment Contract	5,700,000	5,643,000	-57,000
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	3,900,000	3,900,000	0
F. Wellness Projects	200,000	200,000	0
G. Foster Grandparent / Senior Companion Programs	1,719,000	1,719,000	0
H. Special Incident Reporting/Risk Assessment Contract	940,000	940,000	0
I. Increased Access to Mental Health Services	740,000	740,000	0
J. Sherry S. Court Case / Los Angeles County Hops	534,000	534,000	0
K. Enhancing FFP, Phase II, Proposal C, Consultant	500,000	500,000	0
L. University Enterprises, Inc.	113,000	113,000	0
M. Affordable Housing	94,000	94,000	0
N. Less: Cost Containment	-490,000	-490,000	0
O. Self-Directed Services: Training and Development	200,000	200,000	0
P. Review of SB 1175 Housing Proposals	150,000	150,000	0
Q. Denti-Cal Infrastructure for RC Dental Services	750,000	750,000	0
R. Homeland Security Grant Program	0	210,000	210,000
S. Less: Savings Target	-3,500,000	-3,500,000	0
T. Less: 4.25% Payment Reduction	-985,000	-985,000	0
U. Total Projects	\$23,959,000	\$24,112,000	\$153,000
V. GRAND TOTAL	\$509,977,000	\$512,401,000	\$2,424,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR (BY) 2011-12

	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12	Difference
POPULATION			
Active (Age 3 & Older)	213,140	219,608	6,468
Early Start (Birth through 2 Years)	27,443	28,209	766
Total Community Populator	240,583	247,817	7,234
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$473,984,000	\$486,267,000	\$12,283,000
B. Less: Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	12,787,000	12,787,000	0
D. Less: Unallocated Reduction	-10,559,000	-10,559,000	0
E. Less: Cost Containment	-5,968,000	-5,968,000	0
F. Staffing for Collection of FFP for Contracted Services	2,228,000	2,228,000	0
G. Staffing for Self-Directed Services	1,263,000	861,000	-402,000
H. Less: Savings Target	-14,145,000	-14,145,000	0
I. Less: 4.25% Payment Reduction	-19,691,000	-19,757,000	-66,000
J. Total Staffing	\$435,434,000	\$447,249,000	\$11,815,000
II. A. Agnews Ongoing Workload			
	5,114,000	5,114,000	0
B. Lanterman Development Center Closure			
	3,537,000	3,537,000	0
C. Total Developmental Centers Closure	\$8,651,000	\$8,651,000	0
III. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	1,728,000	1,771,000	43,000
C. Compliance with HCBS Waiver Requirement	9,200,000	9,200,000	0
D. Case Managers to Meet HCBS Waiver Requirement	6,930,000	7,383,000	453,000
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	473,000	473,000	0
G. Less: 4.25% Payment Reduction	-1,662,000	-1,857,000	-195,000
H. Total Federal Compliance	\$41,933,000	\$42,234,000	\$301,000
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 Contract	5,295,000	5,545,000	250,000
C. Quality Assessment Contract	5,700,000	5,965,000	265,000
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	3,900,000	3,400,000	-500,000
F. Wellness Projects	200,000	200,000	0
G. Foster Grandparent / Senior Companion Program	1,719,000	1,719,000	0
H. Special Incident Reporting/Risk Assessment Contract	940,000	940,000	0
I. Increased Access to Mental Health Service	740,000	740,000	0
J. Sherry S. Court Case / Los Angeles County Hop	534,000	534,000	0
K. Enhancing FFP, Phase II, Proposal C, Consultant	500,000	500,000	0
L. University Enterprises, Inc	113,000	113,000	0
M. Affordable Housing	94,000	94,000	0
N. Less: Cost Containment	-490,000	-490,000	0
O. Self-Directed Services: Training and Development	200,000	200,000	0
P. Review of SB 1175 Housing Proposals	150,000	150,000	0
Q. Denti-Cal Infrastructure for RC Dental Services	750,000	750,000	0
R. Homeland Security Grant Program	0	210,000	210,000
S. Less: Savings Target	-3,500,000	-3,500,000	0
T. Less: 4.25% Payment Reduction	-985,000	-1,059,000	-74,000
U. Total Projects	\$23,959,000	\$24,110,000	\$151,000
V. GRAND TOTAL	\$509,977,000	\$522,244,000	\$12,267,000

Staffing

DESCRIPTION:

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

ASSUMPTIONS:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
• Caseload data is from the Client Master File.		
• Caseload Projections: (See Section D, Population, for detail)		
• Active Caseload (Age 3 and Over)	213,140	219,608
• Early Start (Birth through 2 Years and Active)	27,443	28,209
Total Community Caseload	240,583	247,817
• Developmental Center Population	1,979	1,783
Total Regional Center (RC) Caseload	242,562	249,600
Informational:		
• Community Care Facility Consumers (including PC)	24,612	24,920
• Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers	87,858	91,933
• Self-Directed Services (SDS) HCBS Waiver-Enrolled	0	0
• Early Start (Assessment and Active)	31,515	32,334
• PC Consumers	239	197
• Intake cases per month	4,743	4,981
• Vendors	50,398	52,918
• Mediations per year	400	400

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
CORE STAFFING		
PERSONAL SERVICES:		
• Direct Services and Administration:	\$320,073,000	\$328,229,000
Total Estimated Number of Positions:		
CY: 9,197.18		
BY: 9,444.09		
See Attachment A for Core Staffing Expenditure Detail.		
See Attachment B for Core Staffing Formulas.		
• Fringe Benefits:	\$75,857,000	\$77,790,000
Based on 23.7% per position.		
• Salary Savings:	-\$13,230,000	-\$13,559,000
Client Program Coordinators: 1.0% Per Position	-1,899,000	-1,949,000
All Other Staff: 5.5% Per Position	-11,331,000	-11,610,000
• Early Start /Part C Administrative and Clinical Support:	\$694,000	\$694,000
Includes salaries, fringe benefits and salary savings.		
TOTAL PERSONAL SERVICES	\$383,394,000	\$393,154,000

Staffing

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
METHODOLOGY:		
OPERATING EXPENSES :		
<ul style="list-style-type: none"> ● Operating Expenses: \$36,993,000 \$36,993,000 Base amount plus the following adjustments: Professional Positions: \$3,400 Per New Position Clerical Positions: \$2,400 Per New Position 		
<ul style="list-style-type: none"> ● Rent: \$54,218,000 \$54,218,000 Base amount plus the following adjustments: CY: \$8,086 Per New Position BY: \$8,086 Per New Position 		
TOTAL OPERATING EXPENSES	<u>\$91,211,000</u>	<u>\$91,211,000</u>
CORE STAFFING SUB TOTAL	<u>\$474,605,000</u>	<u>\$484,365,000</u>
<ul style="list-style-type: none"> ● Adjustment for Budget Balancing Reduction deduction for CPP \$1,902,000 \$1,902,000 		
TOTAL CORE STAFFING	<u>\$476,507,000</u>	<u>\$486,267,000</u>
INTAKE AND ASSESSMENT	-\$4,465,000	-\$4,465,000
<ul style="list-style-type: none"> ● Expenditures reflect savings as a result of extending the amount of time allowable for RC to perform intakes and assessments from 60 to 120 days. 		
CPP:	\$12,787,000	\$12,787,000
<ul style="list-style-type: none"> ● See CPP for the methodology detail. 		
LESS UNALLOCATED REDUCTION	-\$10,559,000	-\$10,559,000
LESS COST CONTAINMENT	-\$5,968,000	-\$5,968,000
STAFFING FOR COLLECTION OF FEDERAL FINANCIAL PARTICIPATION (FFP) FOR CONTRACTED SERVICES	\$2,228,000	\$2,228,000
<ul style="list-style-type: none"> ● Funding provides one Community Program Specialist I and one Account Clerk II for each RC. This funding will be required until the RC have a billing system that allows the processing of vendor invoices that do not include the individual consumer data required to support HCBS Waiver billing. 		
STAFFING FOR SDS	\$861,000	\$861,000
LESS SAVINGS TARGET	-\$14,145,000	-\$14,145,000
LESS 4.25% REDUCTION TO RC OPERATIONS	-\$19,691,000	-\$19,757,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	<u>\$437,555,000</u>	<u>\$447,249,000</u>

Staffing

FUNDING:

The funding for Staffing expenditures is comprised of reimbursements from: Medicaid Administration (MA) (75% FFP 25% General Fund (GF) Match), HCBS Waiver Administration (50% FFP/50% GF Match), SDS HCBS Waiver Administration (50% FFP/50% GF Match), Targeted Case Management (TCM) (59.71% FFP/40.29% GF Match for CY and 50% FFP/50% GF Match for BY), TCM Administration (50% FFP/50% GF Match), and TCM State Plan Amendment (SPA) (59.71% FFP/40.29% GF Match for CY and 50% FFP/50% GF Match for BY). The State GF portion is that which is non-FFP.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$437,555,000	\$447,249,000
GF	\$258,046,000	\$300,107,000
<i>GF Match</i>	119,626,000	140,726,000
<i>GF Other</i>	138,420,000	159,381,000
Reimbursements	\$179,509,000	\$147,142,000
MA	9,777,000	10,034,000
<i>HCBS Waiver Administration</i>	4,040,000	4,002,000
TCM	155,501,000	123,959,000
<i>TCM Administration</i>	3,339,000	3,339,000
TCM SPA	6,421,000	5,377,000
<i>SDS HCBS Waiver Administration</i>	431,000	431,000

Attachment A
CORE STAFFING-CY

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	2010-11 Revised Budget	2011-12 November Estimate CY 2010-11			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,737,650	121.28	\$79,271	\$9,613,987	-\$123,663
(b) Psychologist	10,258,123	242.56	41,754	10,127,850	-130,273
(c) Nurse	4,566,086	121.28	37,171	4,508,099	-57,987
(d) Nutritionist	3,455,489	121.28	28,130	3,411,606	-43,883
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	5,890,176	63.00	92,034	5,798,142	-92,034
(b) Consulting Pharmacist	3,868,800	63.00	60,450	3,808,350	-60,450
(c) Behavioral Psychologist	3,518,208	63.00	54,972	3,463,236	-54,972
(d) Nurse	3,230,592	63.00	50,478	3,180,114	-50,478
(3) SB 1038 Health Reviews					
(a) Physician	1,902,343	20.65	92,034	1,900,502	-1,841
(b) Nurse	4,869,613	96.38	50,478	4,865,070	-4,543
b. Intake / Case Management					
(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,577,319	67.76	38,036	2,577,319	0
(2) Intake Worker	21,367,029	677.57	31,532	21,365,137	-1,892
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (6) and (7) below)	20,180,874	380.22	52,392	19,920,486	-260,388
(4) Supervising Counselor (Capitol People First)					
(DC Case Management 1:10 CPCs in Item (4))	268,800	4.00	67,200	268,800	0
(5) Client Program Coordinator (CPC), 1:66 DC Consum					
Capitol People First	1,927,779	41.00	47,019	1,927,779	0
(6) CPC, 1:66 Consumers(Total Pop w/o DCs, CPP,ES)	65,649,430	1,895.82	34,032	64,518,546	-1,130,884
(7) CPC (Waiver, Early Start only), 1:62 Consumers	56,621,571	1,859.69	34,032	63,288,970	6,667,399
(8) CPC, Quality Assurance for ARM	1,615,839	46.70	34,032	1,589,294	-26,545
(9) Supervising Counselor, DSS Incidental Medical					
Care Regulations (1:10 CPCs in Item (8) below)	71,253	1.36	52,392	71,253	0
(10) CPC, DSS Incidental Medical Care Regs	515,163	13.62	37,824	515,163	0
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,977,798	37.43	52,392	1,961,033	-16,765
(2) CPC	12,845,719	374.30	34,032	12,738,178	-107,541
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	1,120,141	19.20	52,392	1,005,926	-114,215
(b) CPC	7,276,382	192.02	34,032	6,534,825	-741,557
(c) Administrative and Clinical Support					
e. Community Services					
(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,322,961	26.55	50,844	1,349,908	26,947
(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	188,278	4.95	38,036	188,278	0
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	6,287	0.15	52,392	7,859	1,572
(b) CPC (Supplement at 1:45 Consumers)	41,179	1.46	34,032	49,687	8,508
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	365,172	6.91	52,392	362,029	-3,143
(2) QA/CPC	2,373,392	69.12	34,032	2,352,292	-21,100
(3) Nurses	1,760,168	34.56	50,478	1,744,520	-15,648
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	\$261,041,844	6,934.95	\$264,686,468	\$264,686,468	\$3,644,624

Attachment A
CORE STAFFING, CY (continued)

	2010-11 Revised Budget	2011-12 November Estimate CY 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	0				
(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)	3,418,715	87.86	39,887	3,504,472	85,757
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	828,918	22.73	36,468	828,918	0
(5) Revenue Clerk	1,315,777	63.69	20,617	1,313,097	-2,680
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,533,020	404.27	18,397	7,437,355	-95,665
c. Information Systems and Human Resources	0				
(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	0				
(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	241,832	10.33	23,388	241,598	-234
(5) MD/Psychologist Secretary I	4,030,872	181.92	21,876	3,979,682	-51,190
(6) Secretary II	3,682,441	157.34	23,388	3,679,868	-2,573
(7) Secretary I	17,458,265	917.02	18,757	17,200,544	-257,721
(8) Secretary I (DC Case Management - Capitol People F	241,089	7.57	31,848	241,089	0
e. SUBTOTAL ADMINISTRATION	<u>\$55,710,256</u>	<u>2,262.23</u>		<u>\$55,385,950</u>	<u>-\$324,306</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.i. + Item A.2.e.)	<u>\$316,752,100</u>	<u>9,197.18</u>		<u>\$320,072,418</u>	<u>\$3,320,318</u>
a. CPCs	148,883,810			153,532,090	4,648,280
b. All Other Staff	167,868,290			166,540,328	-1,327,962
4. Fringe Benefits					
a. CPCs 23.7%	\$36,991,863			\$36,387,105	-\$604,758
b. All Other Staff 23.7%	39,784,785			39,470,058	-314,727
c. Total Fringe Benefits	<u>\$76,776,648</u>			<u>\$75,857,163</u>	<u>-\$919,485</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,930,757			-\$1,899,192	\$31,565
b. All Other Staff 5.5%	-11,420,919			-11,330,571	90,348
c. Total Salary Savings	<u>-\$13,351,676</u>			<u>-\$13,229,763</u>	<u>\$121,913</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	\$694,000			\$694,000	\$0
7. TOTAL PERSONAL SERVICES					
(Items A.3. + A.4. + A.5. + A.6.)	<u>\$380,871,072</u>			<u>\$383,393,818</u>	<u>\$2,522,746</u>
ROUNDED	<u>\$380,871,000</u>	<u>9,197.00</u>		<u>\$383,394,000</u>	<u>\$2,523,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$36,993,000			\$36,993,000	\$0
2. Rent	54,218,000			54,218,000	0
3. Subtotal Operating Expenses and Rent	<u>\$91,211,000</u>			<u>\$91,211,000</u>	<u>\$0</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$472,082,000</u>			<u>\$474,605,000</u>	<u>\$2,523,000</u>
D. Adjustments for BBR deduction for CPP	\$1,902,000			\$1,902,000	\$0
E. TOTAL CORE STAFFING (Items C + D)	<u>\$473,984,000</u>			<u>\$476,507,000</u>	<u>\$2,523,000</u>

Attachment A
CORE STAFFING-BY

I. CORE STAFFING FORMULA A. PERSONAL SERVICES 1. DIRECT SERVICES	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12			
		Positions	Budgeted Salary	Cost	Difference
a. Clinical					
(1) Intake and Assessment					
(a) Physician	\$9,737,650	124.80	\$79,271	\$9,893,021	\$155,371
(b) Psychologist	10,258,123	249.60	41,754	10,421,798	163,675
(c) Nurse	4,566,086	124.80	37,171	4,638,941	72,855
(d) Nutritionist	3,455,489	124.80	28,130	3,510,624	55,135
(2) Clinical Support Teams					
(a) Physician/Psychiatrist	5,890,176	63.00	92,034	5,798,142	-92,034
(b) Consulting Pharmacist	3,868,800	63.00	60,450	3,808,350	-60,450
(c) Behavioral Psychologist	3,518,208	63.00	54,972	3,463,236	-54,972
(d) Nurse	3,230,592	63.00	50,478	3,180,114	-50,478
(3) SB 1038 Health Reviews					
(a) Physician	1,902,343	21.55	92,034	1,983,333	80,990
(b) Nurse	4,869,613	100.56	50,478	5,076,068	206,455
b. Intake / Case Management					
(1) Supervising Counselor (Intake) (1:10 Intake Workers in Item (2) below)	2,577,319	71.15	38,036	2,706,261	128,942
(2) Intake Worker	21,367,029	711.51	31,532	22,435,333	1,068,304
(3) Supervising Counselor (Case Management) (1:10 CPCs in Items (6) and (7) below)	20,180,874	391.78	52,392	20,526,138	345,264
(4) Supervising Counselor (Capitol People First) (DC Case Management 1:10 CPCs in Item (4))	268,800	3.70	67,200	248,640	-20,160
(5) Client Program Coordinator (CPC), 1:66 DC Consum Capitol People First	1,927,779	38.02	47,019	1,787,662	-140,117
(6) CPC, 1:66 Consumers(Total Pop w/o DCs, CPP, ES)	65,649,430	1,932.50	34,032	65,766,840	117,410
(7) CPC (Waiver, Early Start only), 1:62 Consumers	56,621,571	1,937.77	34,032	65,946,189	9,324,618
(8) CPC, Quality Assurance for ARM	1,615,839	47.48	34,032	1,615,839	0
(9) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	71,253	1.26	52,392	66,014	-5,239
(10) CPC, DSS Incidental Medical Care Regs	515,163	12.58	37,824	475,826	-39,337
c. Quality Assurance / Quarterly Monitoring					
(1) Supervising Counselor	1,977,798	37.67	52,392	1,973,607	-4,191
(2) CPC	12,845,719	376.69	34,032	12,819,514	-26,205
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	1,120,141	19.70	52,392	1,032,122	-88,019
(b) CPC	7,276,382	197.01	34,032	6,704,644	-571,738
(c) Administrative and Clinical Support					
e. Community Services					
(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,322,961	27.35	50,844	1,390,583	67,622
(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	188,278	4.46	38,036	169,641	-18,637
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	6,287	0.12	52,392	6,287	0
(b) CPC (Supplement at 1:45 Consumers)	41,179	1.20	34,032	40,838	-341
f. Special Incident Reporting (SIR)					
(1) Supervising Counselor	365,172	7.06	52,392	369,888	4,716
(2) QA/CPC	2,373,392	70.56	34,032	2,401,298	27,906
(3) Nurses	1,760,168	35.28	50,478	1,780,864	20,696
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	\$261,041,844	7,128.09	\$271,709,885	\$10,668,041	

Attachment A
CORE STAFFING, BY (continued)

	2010-11 Revised Budget	2011-12 November Estimate BY 2011-12			
		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)	3,418,715	91.93	39,887	3,666,812	248,097
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	828,918	24.00	36,468	875,232	46,314
(5) Revenue Clerk	1,315,777	63.75	20,617	1,314,334	-1,443
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	7,533,020	416.00	18,397	7,653,152	120,132
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	241,832	10.78	23,388	252,123	10,291
(5) MD/Psychologist Secretary I	4,030,872	187.20	21,876	4,095,187	64,315
(6) Secretary II	3,682,441	159.27	23,388	3,725,007	42,566
(7) Secretary I	17,458,265	946.55	18,757	17,754,438	296,173
(8) Secretary I (DC Case Management - Capitol People F	241,089	7.02	31,848	223,573	-17,516
e. SUBTOTAL ADMINISTRATION	<u>\$55,710,256</u>	<u>2,316.00</u>		<u>\$56,519,185</u>	<u>\$826,445</u>
3. TOTAL POSITIONS AND SALARIES					
(Item A.1.i. + Item A.2.e.)	<u>\$316,752,100</u>	<u>9,444.09</u>		<u>\$328,229,070</u>	<u>\$11,476,970</u>
a. CPCs	148,883,810			157,576,006	8,692,196
b. All Other Staff	167,868,290			170,653,064	2,784,774
4. Fringe Benefits					
a. CPCs 23.7%	\$36,991,863			\$37,345,513	\$353,650
b. All Other Staff 23.7%	39,784,785			40,444,776	659,991
c. Total Fringe Benefits	<u>\$76,776,648</u>			<u>\$77,790,289</u>	<u>\$1,013,641</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,930,757			-\$1,949,215	-\$18,458
b. All Other Staff 5.5%	-11,420,919			-11,610,381	-189,462
c. Total Salary Savings	<u>-\$13,351,676</u>			<u>-\$13,559,596</u>	<u>-\$207,920</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	\$694,000			\$694,000	\$0
7. TOTAL PERSONAL SERVICES					
(Items A.3. + A.4. + A.5. + A.6.)	<u>\$380,871,072</u>			<u>\$393,153,763</u>	<u>\$12,282,691</u>
ROUNDED	<u>\$380,871,000</u>	<u>9,444.00</u>		<u>\$393,154,000</u>	<u>\$12,283,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$36,993,000			\$36,993,000	\$0
2. Rent	54,218,000			54,218,000	0
3. Subtotal Operating Expenses and Rent	<u>\$91,211,000</u>			<u>\$91,211,000</u>	<u>\$0</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$472,082,000</u>			<u>\$484,365,000</u>	<u>\$12,283,000</u>
D. Adjustments for BBR deduction for CPP	\$1,902,000			\$1,902,000	\$0
E. TOTAL CORE STAFFING (Items C + D + E)	<u>\$473,984,000</u>			<u>\$486,267,000</u>	<u>\$12,283,000</u>

Attachment B
CORE STAFFING FORMULAS

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. <u>PERSONAL SERVICES</u>	
1. DIRECT SERVICES	
a. <u>Clinical</u>	
(1) <u>Intake and Assessment</u>	
(a) Physician (minimum of 1)	1.0 position : 2,000 total consumers
(b) Psychologist	1.0 position : 1,000 total consumers
(c) Nurse (minimum of 1)	1.0 position : 2,000 total consumers
(d) Nutritionist (minimum of 1)	1.0 position : 2,000 total consumers
(2) <u>Clinical Support Teams</u>	
(a) Physician/Psychiatrist	1.0 position : 1,700 consumers in community care facilities (CCF) and supported living and those with severe behavior and/or medical problems
(b) Consulting Pharmacist	1.0 position : 1,700 " "
(c) Behavioral Psychologist	1.0 position : 1,700 " "
(d) Nurse	1.0 position : 1,700 " "
(3) <u>SB 1038 Health Reviews</u>	
(a) Physician	1.5 hours : Referral/1,778 hrs./ full-time equivalent (FTE) position
(b) Nurse	1.75 hours : Individual program plan (IPP) review/1,778 hrs./FTE position
b. <u>Intake/Case Management</u>	
(1) Supervising Counselor: Intake	1.0 position : 10 Intake Workers
(2) Intake Worker	1.0 position : 14 monthly intake cases (assume average intake case lasts 2 mos.)
(3) Supervising Counselor: Case Management	1.0 position : 10 CPCs in Items b.(4 and 5) below
(4) Client Program Coordinator (CPC)	1.0 position : 62 Waiver and Early Start consumers (excluding CPP placements)
(5) CPC	1.0 position : 66 consumers (all other consumers, excluding CPP placements)
(6) Supervising Counselor: Capitol People First	1.0 position : 10 CPCs in Items b.(7) below
(7) CPC Capitol People First	1.0 position : 66 consumers (Developmental Center residents)
(8) CPC, Quality Assurance for Alternative Residential Model	1.0 position : 527 CCF consumers
(9) Supervising Counselor: DSS Incidental Medical Care Regulations	1.0 position : 10 CPCs in item b.(8) below
(10) CPC, DSS Incidental Medical Care Regulations	1.0 position : 2.5 hrs x 8 visits per year to CCF consumers who rely on others to perform activities of daily living

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

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

d. Early Intervention

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

e. Community Services

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

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

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

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. PERSONAL SERVICES (continued)	
2. ADMINISTRATION (continued)	
d. Clerical Support	
(1) Office Supervisor	1.0 position : RC
(2) PBX/Mail/File Clerk	3.0 positions : RC
(3) Executive Secretary	2.5 positions : RC
(4) MD/Psychologist Secretary II	1.0 position : 2 Physicians in Item 1.a.(3)(a), SB 1038 Health Reviews
(5) MD/Psychologist Secretary I	1.0 position : 2 Physicians/Psychologists in Items 1.a.(1)(a) and (b), Clinical Intake and Assessment
(6) Secretary II	1.0 position : 6 professionals in Items: 1.a.(3)(b), SB 1038 Health Reviews 1.b.(9) and (10), DDS Incidental Medical Care Regulations 1.c., Quality Assurance/ Quarterly Monitoring 1.e.(1), (2) and (9)(a) and (b) Community Services 1.e.(9)2., Community Services (see Secty I, line 1.e.(9)1., below) 1.f.(1) thru (3), Special Incident Reporting 2.b.(1), Federal Program Coordinators (FFP Phase I) 2.b.(2), Federal Compliance Coordinators (FFP Phase II) 2.c., Information Systems and Human Resources
(7) Secretary I	1.0 position : 6 professionals in Items: 1.a.(1)(c) and (d), Clinical Intake and Assessment 1.b.(1) to (5) and (8), Intake/Case Mgt. 1.b.(6) and(7) Capitol People First 1.d., Early Intervention 1.e.(3), (4), (6) to (8), Community Services 1.e.(9)1., Community Services (see Secty II, line 1.e.(9)2., above)

Staffing for Collection of FFP for Contracted Services (Operations)

STAFFING:			<u>CY 2010-11</u>	<u>BY 2011-12</u>
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	21.00	29,220	613,620	613,620
Total, Positions and Salaries	<u>42.00</u>		<u>\$1,515,528</u>	<u>\$1,515,528</u>
• Fringe Benefits (@ 23.7%):			359,180	359,180
• Salary Savings (@ -5.5%):			-103,109	-103,109
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:				
Current Year (CY)	7,968	Per Position	334,656	
Budget Year (BY)	7,968	Per Position		334,656
Total Operating Expenses			<u>\$456,456</u>	<u>\$456,456</u>
TOTAL STAFFING			\$2,228,055	\$2,228,055
(Rounded)			\$2,228,000	\$2,228,000

FUNDING:

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

EXPENDITURES:		<u>CY 2010-11</u>	<u>BY 2011-12</u>
	TOTAL	\$2,228,000	\$2,228,000
	GF	\$1,849,000	\$1,849,000
	<i>GF Match</i>	379,000	379,000
	<i>GF Other</i>	1,470,000	1,470,000
	Reimbursements	\$379,000	\$379,000
	<i>HCBS Waiver Administration</i>	379,000	379,000

Staffing for Self-Directed Services (Operations)

DESCRIPTION:

Implementation of Self-Directed Services (SDS) is contingent on the Department of Developmental Services (DDS) receiving approval of a Centers for Medicare & Medicaid Services (CMS) SDS 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 DDS' SDS HCBS Waiver application to CMS on April 2, 2008. Approval of the SDS HCBS Waiver is pending further discussion with the federal administration. Upon finalization of the SDS HCBS Waiver, DDS will proceed with promulgation of SDS regulations. The regulations are subject to a required 45-day public comment period.

IMPLEMENTATION DATE:

Implementation is pending approval of the SDS HCBS Waiver by CMS.

ASSUMPTIONS/METHODOLOGY:

- Regional center (RC) staff will be phased in as indicated in the assumptions below.
- The need for RC positions is as follows:
- Add one Self-Directed Services Director (SDSD) position at each RC and one Federal Compliance Coordinator (FCC) position, to be phased in six months prior to implementation of SDS at each RC.
- The schedule assumes continued funding for the SDSD and FCC positions at the first five RCs during Current Year (CY) and Budget Year (BY).

METHODOLOGY:

PERSONAL SERVICES:

		<u>CY 2010-11</u>	<u>BY 2011-12</u>
• Administration	<u>Positions</u>		
• SDSD/FCC	1.00	57,437	57,437
• Secretary II (1:6 professional)	0.17	28,736	4,885
• Total Positions and Salaries	1.17	\$62,322	\$62,322
• Fringe Benefits:	23.7% Per Position	\$14,770	\$14,770
• Salary Savings:	5.5% Per Position	-4,240	-4,240
Total Personal Services		\$72,852	\$72,852

OPERATING EXPENSES:

• Operating Expenses:				
Professional Positions:	\$3,400	Per Position	\$3,400	\$3,400
Clerical Positions:	\$2,400	Per Position	408	408
• Rent:				
CY	\$8,086	Per Position	9,461	
BY	\$8,086	Per Position		9,461
Total Operating Expenses			\$13,269	\$13,269
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDS/FCC + SECRETARY			\$86,121	\$86,121

Staffing for Self-Directed Services (Operations)

METHODOLOGY:

Below is a chart that displays the CY and BY continued funding for the SDSD and FCC positions at the first 5 RC.

MONTHLY EXPENDITURES FOR 1.0 SDSD and 1.0 FCC + SECRETARY

$$\text{CY} \quad \$86,121 \quad \div \quad 12 \text{ mos.} \quad = \quad \$7,177$$

CY Cost per Month	# of Positions		Expenditures	
	SDSD	FCC	SDSD + Secty	FCC + Secty
July 10	5.0	5.0	35,885	35,885
Aug 10	5.0	5.0	35,885	35,885
Sep 10	5.0	5.0	35,885	35,885
Oct 10	5.0	5.0	35,885	35,885
Nov 10	5.0	5.0	35,885	35,885
Dec 10	5.0	5.0	35,885	35,885
Jan 11	5.0	5.0	35,885	35,885
Feb 11	5.0	5.0	35,885	35,885
Mar 11	5.0	5.0	35,885	35,885
Apr 11	5.0	5.0	35,885	35,885
May 11	5.0	5.0	35,885	35,885
Jun 11	5.0	5.0	35,885	35,885
Totals			\$430,620	\$430,620
TOTAL EXPENDITURES, CY (SDSD + FCC)				\$861,240
Rounded				\$861,000

MONTHLY EXPENDITURES FOR 1.0 SDSD and 1.0 FCC + SECRETARY

$$\text{BY} \quad \$86,121 \quad \div \quad 12 \text{ mos.} \quad = \quad \$7,177$$

BY Cost per Month	# of Positions		Expenditures	
	SDSD	FCC	SDSD + Secty	FCC + Secty
July 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Aug 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Sep 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Oct 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Nov 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Dec 11	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Jan 12	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Feb 12	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Mar 12	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Apr 12	<u>5.0</u>	<u>5.0</u>	35,885	35,885
May 12	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Jun 12	<u>5.0</u>	<u>5.0</u>	35,885	35,885
Totals			\$430,620	\$430,620
TOTAL EXPENDITURES, BY (SDSD + FCC)				\$861,240
Rounded				\$861,000

Staffing for Self-Directed Services (Operations)

FUNDING:

Funding for SDS HCBS Waiver is 50% federal financial participation and 50% General Fund (GF).

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$861,000	\$861,000
GF	\$430,000	\$430,000
<i>GF Match</i>	<i>430,000</i>	<i>430,000</i>
<i>GF Other</i>	<i>0</i>	<i>0</i>
Reimbursements	\$431,000	\$431,000
<i>SDS HCBS Waiver Administration</i>	<i>431,000</i>	<i>431,000</i>

Agnews Ongoing Workload (Operations)

	CY 2010-11		BY 2011-12	
	Positions	Cost	Positions	Cost
A. Community Placement Plan (CPP) Staffing				
1. Unified Operations Costs				
a. Personal Services				
(1) Resource Development		\$175,000		\$175,000
(2) Quality Assurance/ Management	12.40	960,500	12.40	960,500
(3) Assessment	0.00	0	0.00	0
(4) Placement	0.00	0	0.00	0
(5) Crisis Services Teams	0.00	0	0.00	0
(6) Nurse Consultants for SB 962 Homes				
(7) Health Care Community Specialists	4.00	503,000	4.00	503,000
(8) Total Personal Services		\$1,638,500		\$1,638,500
b. Operating Expenses				
(1) Operating Expenses		\$43,293		\$43,293
(2) Rent		80,907		80,907
(3) Training, Travel, Consultants				
(4) Total Operating Expenses		\$124,200		\$124,200
c. Subtotal Unified Operational Costs (Rounded)		\$1,762,700 \$1,763,000		\$1,762,700 \$1,763,000
2. State Employees in the Community				
a. Personal Services	30.00	\$2,275,000	30.00	\$2,275,000
b. Operating Expenses		209,387		209,387
c. Total State Employees in the Community		\$2,484,387		\$2,484,387
3. Subtotal CPP Staffing (Rounded)		\$4,247,087 \$4,247,000		\$4,247,087 \$4,247,000
B. Placement Continuation Staffing				
1. Client Program Coordinators	7	\$275,000	7.00	\$275,000
2. Nurse Consultants	3	356,000	3.00	356,000
3. Oral Health Care	3.00	236,000	3.00	236,000
4. Subtotal Placement Continuation Staffing		\$867,000		\$867,000
C. Total (A + B) (Rounded)		\$5,114,087 \$5,114,000		\$5,114,087 \$5,114,000
EXPENDITURES:		<u>CY 2010-11</u>		<u>BY 2011-12</u>
TOTAL		\$5,114,000		\$5,114,000
General Fund		\$2,921,000		\$2,921,000
General Fund Match		850,000		850,000
General Fund Other		2,071,000		2,071,000
Reimbursements		\$2,193,000		\$2,193,000
TCM		262,000		262,000
HCBS Waiver Administration		311,000		311,000
Medicaid Administration		1,620,000		1,620,000

Lanterman Developmental Center Closure (Operations)

	CY 2010-11		BY 2011-12	
	Positions	Cost	Positions	Cost
A. Community Placement Plan Staffing				
1. Personal Services				
(1) Resource Developer	5.00	\$425,000	5.00	\$425,000
(2) Quality Assurance/ Management	3.00	255,000	3.00	255,000
(3) Placement	5.50	467,500	5.50	467,500
(4) Oral Health Care	8.00	624,000	8.00	624,000
(5) Nurse Consultants	4.50	382,500	4.50	382,500
(6) Health Care Community Specialists	8.00	1,006,000	8.00	1,006,000
(7) Total Personal Services	34.00	\$3,160,000	34.00	\$3,160,000
2. Operating Expenses				
(1) Operating Expenses		\$115,600		\$115,600
(2) Rent		261,630		261,630
(3) Total Operating Expenses		\$377,230		\$377,230
3. Subtotal Unified Operational Costs (Rounded)				
		\$3,537,230		\$3,537,230
		\$3,537,000		\$3,537,000

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$3,537,000	\$3,537,000
General Fund	\$0	\$0
<i>General Fund Match</i>	0	0
<i>General Fund Other</i>	0	0
Reimbursements	\$3,537,000	\$3,537,000
<i>Money Follows the Person Grant</i>	3,537,000	3,537,000

Federal Compliance

DESCRIPTION:

With the support of the Department of Health Care Services (the federally-recognized single state agency for Medicaid), the Department of Developmental Services utilizes federal funding combined with state General Fund (GF) 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 (RC). Federal financial participation (FFP) 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 RC 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 RC receive HCBS Waiver funding through the State Medicaid Plan for case management services and service coordination provided under the TCM and NHR programs. Both of these programs require documentation of services provided.

ASSUMPTIONS/METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> HCBS Waiver Operations costs for HCBS Waiver activities in Current Year (CY) and Budget Year (YR) are based upon 6.5% of 1995-96 HCBS Waiver reimbursements of \$325,148,000. (100% GF) 	\$21,135,000	\$21,135,000
<ul style="list-style-type: none"> Accelerated HCBS Waiver Enrollments Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% GF) Reason for Year-to-Year Change: BY expenditures reflect more HCBS Waiver enrollments than CY. 	\$1,728,000	\$1,771,000
<ul style="list-style-type: none"> Compliance with HCBS Waiver Requirements Provides funding to ensure the RC 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-2.3 for fiscal detail. CY: \$3,309,000 GF Match, \$3,941,000 TCM, \$1,950,000 Medicaid Administration (MA). BY: \$3,950,000 GF Match, \$3,300,000 TCM, \$1,950,000 MA. 	\$9,200,000	\$9,200,000

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<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-2.4 for fiscal detail.</p> <p>CY: \$2,853,000 GF Match, \$4,227,000 TCM. BY: \$3,682,000 GF Match, \$3,683,000 TCM.</p> <p>Change from Prior Estimate and Reason for Year-to-Year Change: CY and BY reflect the updated vacancy rate related to HCBS Waiver consumers.</p>	\$7,080,000	\$7,383,000
<ul style="list-style-type: none"> ● TCM <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% GF)</p>	\$4,129,000	\$4,129,000
<ul style="list-style-type: none"> ● NHR/Pre-Admission Screening and Resident Review (PASRR) <p>Operations costs for RC 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 RC case management and other specialized services. RC, through clinical assessments, will identify individuals who meet the expanded federal definition of developmental disability. (100% GF)</p>	\$473,000	\$473,000
<ul style="list-style-type: none"> ● 4.25% Reduction to RC Operations 	-\$1,662,000	-\$1,857,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$42,083,000	\$42,234,000
EXPENDITURES:		
TOTAL	\$42,083,000	\$42,234,000
GF	\$32,499,000	\$33,301,000
GF Match	6,696,000	7,622,000
GF Other	25,803,000	25,679,000
Reimbursements	\$9,584,000	\$8,933,000
MA	1,950,000	1,950,000
TCM	7,634,000	6,983,000

Attachment

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

	<u>Positions</u>	<u>Monthly Salary</u>	<u>Annual Salary</u>	<u>Annual Salary Cost</u>	<u>Benefit %</u>	<u>Annual Benefit Cost</u>	<u>Operating Expenses (OE) Annually PP</u>	<u>Rent Annually PP</u>	<u>Annual OE Total</u>	<u>Total Annual Salaries & OE (rounded)</u>
Service										
Coordinators	103.1	\$3,512	\$42,144	\$4,345,046	32.2%	\$1,399,105	\$4,248	\$4,200	\$870,989	\$6,600,000
Physicians	9.0	9,443	113,316	1,019,844	29.5%	300,854	7,632	5,388	117,180	1,400,000
Psychologists	13.7	4,824	57,888	793,066	28.4%	225,231	5,688	4,416	138,425	1,200,000
Totals	125.8			\$6,157,956		\$1,925,190			\$1,126,594	\$9,200,000

TOTAL EXPENDITURES:

\$9,200,000

FUNDING:

These positions are eligible for the following reimbursements: Targeted Case Management (TCM) CY: 59.71% federal financial participation (FFP) and BY: 50.0% FFP. Medicaid Administration is 75% FFP. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

BY reflects a decrease in the FFP due to the end of the enhanced Federal Medical Assistance Percentages provided under the American Recovery and Reinvestment Act.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$9,200,000	\$9,200,000
General Fund	\$4,591,000	\$3,950,000
<i>General Fund Match</i>	3,309,000	3,950,000
<i>General Fund Other</i>	1,282,000	0
Reimbursements	\$4,609,000	\$5,250,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>TCM</i>	2,659,000	3,300,000

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

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
A. Total Number of Budgeted HCBS Waiver-related Client Program Coordinator (CPC) Positions	1,778.06	1,846.10
B. Case Management Coverage Factor (e.g., immediate coverage for CPC vacancies) ^{a/}	x 0.05 x	0.05
C. Number of CPC Vacancies Related to HCBS Waiver Consumers (Item A x Item B) ^{b/}	92.46	96.00
D. CPC Salary	x \$39,606 x	\$39,606
E. Total CPC Salary Expenditures (Item C x Item D)	<u>\$3,661,971</u>	<u>\$3,802,176</u>
F. Supervising Counselors (at 1:10 CPCs)		
CY 92.46 x 1/10 = 9.25	9.25	
BY 96.00 x 1/10 = 9.60		9.60
G. Supervising Counselor Salary	x \$62,784 x	\$62,784
Total Supervising Counselor Salary Expenditures (Item F x Item G)	<u>\$580,752</u>	<u>\$602,726</u>
H. Secretary II (at 1:6 CPCs and Supervising Counselors)		
CY 92.46 + 9.25 = 101.71		
101.71 x 1/6 = 16.95	17.00	
BY 96.00 + 9.60 = 105.60		
105.60 x 1/6 = 17.60		17.60
I. Secretary II Salary	x \$28,736 x	\$28,736
Total Secretary II Salary Expenditures (Item H x Item I)	<u>\$488,512</u>	<u>\$505,754</u>
J. Fringe Benefits		
CPCs 23.7%	\$867,887	\$901,116
All Other Staff 23.7%	+ 253,416 +	262,710
	<u>\$1,121,303</u>	<u>\$1,163,825</u>
K. Salary Savings		
CPCs 1.0%	-\$45,299	-\$47,033
All Other Staff 5.5%	+ -72,747 +	-75,415
	<u>-\$118,046</u>	<u>-\$122,448</u>
L. Total Personal Services (Item E + Item G + Item J + Item I + Item K)	\$5,734,492	\$5,952,033
M. Operating Expenses		
Professional Positions \$3,400	\$345,814	\$359,040
Clerical Positions \$2,400	40,680	42,240
Rent		
CY \$8,086	959,485	
BY \$8,358	+ 1,029,706	
Total Operating Expenses	<u>\$1,345,979</u>	<u>\$1,430,986</u>
N. Total Costs (Item L + Item M)	\$7,080,471	\$7,383,019
Rounded	<u>\$7,080,000</u>	<u>\$7,383,000</u>
	General Fund	\$2,853,000
	General Fund Match	2,853,000
	General Fund Other	0
	Reimbursements	\$4,227,000
	Targeted Case Management	4,227,000
		\$3,691,000
		3,691,000
		0
		\$3,692,000
		3,692,000

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 (RC) operating expenses includes various contracts, programs, and projects as described below:

ASSUMPTIONS/METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Information Technology Costs 	\$4,517,000	\$4,517,000
<ul style="list-style-type: none"> ● RC Application Support ● Data Processing 	3,167,000	3,167,000
100% General Fund (GF)	1,350,000	1,350,000
<ul style="list-style-type: none"> ● Clients' Rights Advocacy 	\$5,295,000	\$5,545,000
<p>The Department of Developmental Services (DDS) contracts with Disability Rights California for clients' rights advocacy services for RC consumers. (100% GF)</p>		
<ul style="list-style-type: none"> ● Quality Assessment Contract 	\$5,643,000	\$5,965,000
<p>Assembly Bill (AB) X4 9, Welfare and Institutions Code (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% GF)</p>		
<ul style="list-style-type: none"> ● Direct Support Professional Training 	\$3,582,000	\$3,582,000
<p>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. DDS contracts with the Department of Education which in turn administers the training through the Regional Occupational Centers and Programs. (79% costs are eligible for Home and Community-Based Services (HCBS) Waiver Administration in Current (CY) and Budget Year (BY) : 50% GF Match/50% federal financial participation (FFP).</p> <p>CY and BY: \$752,000 GF Other, \$1,415,000 GF Match, \$1,415,000 HCBS Waiver Administration.</p>		
<ul style="list-style-type: none"> ● Office of Administrative Hearings 	\$3,900,000	\$3,400,000
<p>Federal law requires DDS to have a process to adjudicate disputes involving Medicaid beneficiaries; both the fair hearing and mediation processes satisfy this requirement. DDS contracts with the Office of Administrative Hearings to: (1) conduct fair hearings to resolve conflicts between RC and their consumers. Section 4700 et seq. of the Lanterman Act requires RC to offer mediation to consumers whose services are proposed to be terminated, reduced, or suspended, and (2) provide mediation services. (100% GF)</p>		

Projects

METHODOLOGY (continued):

CY 2010-11 BY 2011-12

- **Wellness Projects**

\$200,000

\$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, RC 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% GF)

- **Foster Grandparent/Senior Companion**

\$1,719,000

\$1,719,000

Through these programs, men and women, 60 years of age and older, devote up to 20 hours a week to help people with developmental disabilities lead more independent and productive lives.

2010-11 and 2011-12: \$1,159,000 GF, \$560,000 Federal Funds

- **Special Incident Reporting/Risk Assessment**

\$940,000

\$940,000

DDS 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% GF)

- **Increased Access to Mental Health Services**

\$740,000

\$740,000

DDS, in collaboration with the Department of Mental Health, coordinates the following services to provide consumers with developmental disabilities and mental health issues (dually diagnosed), who are not served and underserved, access to community mental health resources.

- Regional Best Practice Training

270,000

270,000

- Statewide Training for Families, Service Providers, Service Coordinators, and Consumers

270,000

270,000

- RC Technical Assistance and Liaison Support

65,000

65,000

- Regional Planning Projects

135,000

135,000

100% Mental Health Services Fund (MHSF)

Projects

METHODOLOGY (continued):

CY 2010-11 BY 2011-12

<ul style="list-style-type: none"> ● Sherry S. Court Case <p style="margin-left: 20px;">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 RC costs of processing Hop actions for RC consumers. (100% GF)</p>	\$534,000	\$534,000
<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II <p style="margin-left: 20px;">These costs are associated with legal support for federal program activities. (100% GF)</p>	\$500,000	\$500,000
<ul style="list-style-type: none"> ● University Enterprises, Inc. <p style="margin-left: 20px;">DDS contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating RC costs. (100% GF)</p>	\$113,000	\$113,000
<ul style="list-style-type: none"> ● Affordable Housing <p style="margin-left: 20px;">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 RC. 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 with the Department of Housing and Community Development as needed. (100% GF)</p>	\$94,000	\$94,000
<ul style="list-style-type: none"> ● Cost Containment <p style="margin-left: 20px;">2004-05 May Revision: This reflects savings that will be achieved through cost containment of RC Operations expenditures. (100% GF)</p>	-\$490,000	-\$490,000
<ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development <p style="margin-left: 20px;">In anticipation of the SDS HCBS program implementation, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 RC and for maintenance of the methodology and calculation of the individual budget. (100% GF)</p>	\$200,000	\$200,000

Projects

METHODOLOGY (continued):

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Review of Senate Bill (SB) 1175 Housing Proposals <p>Chapter 617, Statutes of 2008, (SB 1175) permits DDS to approve RC housing proposals for consumers with special health care needs. This legislation requires a nonrefundable fee to be paid by housing developers to reimburse DDS' costs for review and approval of the proposals. \$150,000 is being appropriated for this purpose for CY and BY. Developmental Disabilities Services Account (DDSA).</p>	\$150,000	\$150,000
<ul style="list-style-type: none"> ● Extension of Denti-Cal Infrastructure for RC Funded Dental Services <p>This project will result in the ability of RC to use the expertise and Department of Health Care Services (DHCS) system for reviewing treatment plans and approving claims for dental services consistent with the DHCS Denti-Cal program. (100% GF).</p>	\$750,000	\$750,000
<ul style="list-style-type: none"> ● Homeland Security Grant Program (HSGP) <p>DDS' portion of the HSGP award will fund projects at specific RC that will include such things as equipment, training, and exercise needs to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.</p>	\$210,000	\$210,000
<ul style="list-style-type: none"> ● Savings Target 	-\$3,500,000	-\$3,500,000
<ul style="list-style-type: none"> ● 4.25% Payment Reduction to RC Operations 	-\$985,000	-\$1,059,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$24,112,000	\$24,110,000

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$24,112,000	\$24,110,000
GF	\$21,273,000	\$21,029,000
<i>GF Match</i>	1,389,000	1,421,000
<i>GF Other</i>	19,884,000	19,608,000
Reimbursements	\$2,129,000	\$2,161,000
<i>HCBS Waiver Administration</i>	1,389,000	1,421,000
<i>MHSF</i>	740,000	740,000
DDSA	\$150,000	\$150,000
<i>SB 1175 Housing Proposals</i>	150,000	150,000
Federal Funds	\$560,000	\$770,000
<i>Foster Grandparent Program</i>	560,000	560,000
<i>HSGP</i>	0	210,000

Quality Assurance Fees (Regional Center Costs)

DESCRIPTION:

To realize the federal financial participation (FFP) associated with the Intermediate Care Facility-Developmentally Disabled (ICF-DD) State Plan Amendment (SPA), there are administrative costs for Regional Centers (RCs) billing on behalf of the ICF-DD.

ASSUMPTIONS/METHODOLOGY:

Billing costs are 1.5% of the cost of day treatment and transportation.

Current Year (CY): Total billing costs are \$6.2 million RC administration .

- Purchase of Services (POS) costs for day treatment and transportation from 2007-08 through 2009-10 totals \$308.1 million. RC administration costs are 1.5% of the total or \$4.6 million.
- POS costs for day treatment and transportation for 2010-11 totals \$104.3 million. RC administration costs are 1.5% of the total or \$1.6 million.

Budget Year (BY): Total billing costs are \$1.6 million RC administration .

- POS costs for day treatment and transportation for 2011-12 totals \$105.6 million. RC administration costs are 1.5% of the total or \$1.6 million.

FUNDING:

The Federal Medical Assistance Percentages establishes the FFP for expenditures associated with Operations, which is 59.71 percent for CY and 50 percent for BY.

CHANGE FROM PRIOR ESTIMATE:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

CY expenditures include costs associated with RC billing for services from 2007-08 to 2010-11. BY reflects only the ongoing annual costs.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$6,188,000	\$1,583,000
<i>FFP</i>	<i>3,556,000</i>	<i>791,000</i>
<i>General Fund Match</i>	<i>2,632,000</i>	<i>792,000</i>

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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 (RC) 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.

ASSUMPTIONS:

- CCF Population and Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated October 1, 2010. Data were adjusted for lag based on historical data.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 95.1 percent of persons in CCFs), the RCs 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 2010-11</u>	<u>BY 2011-12</u>
• Base: Actual FY 2009-10 expenditures were used to develop the Current Year (CY) base. For Budget Year (BY) the prior-year estimate, with the following adjustments, was used as the base:	\$793,732,000	\$807,497,000
• Prior Year Costs	801,453,000	N/A
• Bay Area Housing Project Adjustment To Base	2,444,000	
• Less 1.25 % Payment Reduction	-10,165,000	
• Prior Year Estimate		833,588,000
• Less Community Placement Plan (CPP) One-Time Costs		-25,557,000
• Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures		-534,000
• SSI/SSP Increases Effective 1/1/12 :	\$0	-\$711,000
<p>Effective 1/1/10, the SSI/SSP rate was \$961. The June 2010 and January 2011 rate increases did not occur. Additionally, rates will not increase in June 2011, reducing the CCF savings. The SSI/SSP rate is estimated to increase to \$966 in January 2012.</p>		

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$24,450,000	\$25,424,000
<ul style="list-style-type: none"> ● Caseload Growth <p style="margin-left: 20px;">These estimates were based on forecasting models specific to the April 2004 through March 2010 CCF caseload data.</p> <p style="margin-left: 20px;">An Auto Regressive Integrated Moving Average (ARIMA) model was used to forecast CCF caseload growth. The ARIMA procedure models a discrete time series as a function of constant, autoregressive terms, and moving-average terms.</p> <p style="margin-left: 20px;">Estimated Caseload Growth:</p> <p style="margin-left: 40px;">CY : 3,606 Person Months</p> <p style="margin-left: 40px;">BY : 3,812 Person Months</p>	10,207,000	10,880,000
<ul style="list-style-type: none"> ● Average Cost Increase: <p style="margin-left: 20px;">Reflects the costs of consumers needing higher levels of CCF care than in the past.</p> <p style="margin-left: 20px;">CY base net costs of \$791,288,000 (which exclude CPP costs, less 1.25 % payment reduction, rate adjustments and program changes) were multiplied by 1.8 % to project the average cost increase of \$14,243,000. The 1.8 % increase is based on the estimated increase in the average cost per person month from 2008-09 to 2009-10 excluding Agnews continuation costs and consumers.</p> <p style="margin-left: 20px;">BY base net costs of \$808,031,000 were also multiplied by 1.8 % to project an average cost increase of \$14,544,000.</p>	14,243,000	14,544,000
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	\$25,557,000	\$25,557,000

Community Care Facilities

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to: (1) freeze rates negotiated by RCs for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the RCs may negotiate. The change from CY to BY reflects more of our savings are in the base. 	-\$10,151,000	-\$5,076,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$833,588,000	\$852,691,000

FUNDING:

CCF expenditures are funded by the General Fund (GF), Home and Community-Based Services (HCBS) Waiver, 1915 (i) State Plan Amendment (SPA) and the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF). Based on actual 2009-10 billing data, approximately 79 percent of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount and 1915 (i) State Plan Amendment amount, 59.71 percent in CY and 50.0 percent in BY are federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$833,588,000	\$852,691,000
GF	\$412,626,000	\$474,965,000
<i>GF Match</i>	278,656,000	364,772,000
<i>GF Other</i>	133,970,000	110,193,000
Reimbursements	\$420,962,000	\$377,726,000
<i>HCBS Waiver FFP</i>	390,265,000	334,391,000
<i>1915 (i) SPA</i>	22,739,000	30,377,000
<i>Title XX TANF</i>	7,958,000	7,958,000
<i>Money Follows the Person</i>	0	5,000,000

Medical Facilities

DESCRIPTION:

Pursuant to the Health and Safety Code, Sections 1250, 1255.6, and 1255.7, among others, the regional centers (RCs) vendor Intermediate Care Facilities (ICFs) and Developmentally Disabled Continuous Nursing Care (DD/CNC) formerly known as ICF/DD-CN for consumers not eligible for Medi-Cal. ICFs are health facilities licensed by the Licensing and Certification Division of the State Department of Public Health (CDPH) to provide 24-hour-per-day services and certified for Medi-Cal reimbursement for services by State Department of Health Care Services (DHCS). 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 DD/CNC.

ASSUMPTIONS:

- Assumptions regarding caseload and facility growth for Current Year (CY) and Budget Year (BY) assumptions are based on 2010-11 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed and 7 to 15 bed ICFs for CY and BY are provided by the DHCS and are effective August 1, 2009, as follows:

\$185.68 for DD-Hs, \$211.87 for DD-Ns, \$424.92 for vent. Dep. DD/CNC and \$385.42 for Non-vent dep.

- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	52	52
DD-N	104	104
DD/CNC	8	8

- For CY and BY 1.7 percent of the consumers in Medical Facilities will not be funded by Medi-Cal; therefore, Department of Developmental Services (DDS) will pay their Medical Facility costs.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> Base: Actual 2009-10 expenditures were used to develop the CY base. For BY the prior year estimate, with the following adjustments, was used as the base. 	\$22,203,000	\$22,403,000
Prior-Year Costs	22,488,000	23,051,000
Less 1.25% Payment Reduction	-285,000	
Less Gap Resource Development in Base		-452,000
Less CPP One-Time Costs		-181,000
Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures.		-15,000
<ul style="list-style-type: none"> Utilization Change/Growth: 	\$215,000	\$215,000

It is assumed that in CY 1.9 percent and in BY 1.7 percent of the persons in medical facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

Medical Facilities

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> • Gap Resource Development: 	\$452,000	\$452,000
<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 and BY it is assumed 4 DD-H facilities will need gap funding for 2 consumers each for not more than 60 days, and 3 DD-N facilities will need gap funding for 2 consumers each for not more than 60 days.</p>	452,000	452,000
<ul style="list-style-type: none"> • CPP: <p style="margin-left: 20px;">These are costs for individuals moving from a developmental center into a Medical Facility. See CPP for the methodology detail.</p>	\$181,000	\$181,000
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$23,051,000	\$23,251,000

FUNDING:

Medical Facility expenditures are funded by the General Fund (GF).

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$23,051,000	\$23,251,000
GF	\$23,051,000	\$23,251,000
<i>GF Match</i>	0	0
<i>GF Other</i>	23,051,000	23,251,000
Reimbursements	\$0	\$0

Day Programs

DESCRIPTION:

Pursuant to Welfare and Institutions Code (WIC) Section 4648, among others, of the Lanterman Act, Day Programs are community-based programs for individuals served by a regional center (RC). 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.

ASSUMPTIONS:

- Day Program Consumer and Expenditure Data Source: Purchase of Services (POS) Claims Data file, dated October 1, 2010. Data was adjusted for lag based on historical data.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> • Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For Budget Year (BY), the prior-year estimate, with the following adjustments, was used for the base: <ul style="list-style-type: none"> • Prior Year Costs 756,858,000 • Prior Year Estimate N/A • Less Community Placement Plan (CPP) One-Time Costs 762,637,000 • Less 1.25% Payment Reduction -4,364,000 • Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. -9,598,000 • N/A • -491,000 	\$747,260,000	\$757,782,000
<ul style="list-style-type: none"> • Utilization Change/Growth: 	\$11,602,000	\$24,331,000
Caseload Growth:	7,118,000	19,839,000
Estimated Caseload Growth:		
CY: 5,312 Person Months		
BY: 18,047 Person Months		

Day Programs

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<p><i>Average Cost Increase:</i> Reflects the cost of new community-based day programs.</p> <p>CY base net costs of \$756,858,000 (Less prior Minimum Wage Increases and Health and Safety) were multiplied by 0.6 percent to project an average cost increase of \$4,484,000. The 0.6 percent is based on the estimated increase in the average cost per person per month from 2008-09 to 2009-10. BY base net costs of \$762,637,000 were also multiplied by 0.6 percent to project an average cost increase of \$4,492,000.</p>	4,484,000	4,492,000
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	\$4,364,000	\$4,364,000
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the WIC to: (1) freeze rates negotiated by RC's for providers whose negotiated rates are not currently frozen, and (2) set median rates for new providers with whom the RC's may negotiate. The change from CY to BY reflects more of the savings are in the base.</p>	-\$589,000	-\$295,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$762,637,000	\$786,182,000

Day Programs

FUNDING:

Day Program expenditures are funded by the General Fund (GF), ICF-DD State Plan Amendment (SPA), Home and Community-Based Services (HCBS) Waiver, 1915(i) SPA, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), and the Early Start Grant. Based on actual 2008-09 billing data, approximately 49 percent of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount and 1915(i) SPA amount, 59.71 percent in CY and 50 percent BY is federal financial participation (FFP). The State GF portion is that which is non-FFP.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$762,637,000	\$786,182,000
GF	\$362,095,000	\$410,424,000
<i>GF Match</i>	224,572,000	308,031,000
<i>GF Other</i>	137,523,000	102,393,000
Reimbursements	\$383,671,000	\$358,887,000
<i>HCBS Waiver FFP</i>	233,615,000	200,170,000
<i>1915 (i) State Plan Amendment</i>	48,742,000	65,110,000
<i>Title XX Social Services</i>	47,567,000	47,567,000
<i>Title XX TANF</i>	3,288,000	3,288,000
<i>ICF-DD SPA</i>	50,459,000	42,752,000
Federal Funds	\$16,871,000	\$16,871,000
<i>Early Start Grant</i>	16,871,000	16,871,000

Habilitation Services Program

DESCRIPTION:

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

Work Activity Program (WAP):

WAP is provided, for the most part, in a sheltered setting. Services can include work experiences in integrated group settings within the community.

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

Supported Employment Program (SEP):

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

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

For SEP, the Department of Rehabilitation Vocational Rehabilitation (VR) program provides (1) services leading to job development and placement and (2) the initial support services necessary for a person to become stable on the job. Once the person has learned the job tasks, is performing the job at a consistent level and needs minimal support services, the funding is transitioned to the RC 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 RC continues to provide SEP throughout the term of employment. Consumers who are unsuccessful in the VR program have their cases closed and usually returned to regional center-funded WAP services.

Habilitation Services Program

DESCRIPTION (continued):

Group Placement:

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

Individual Placement:

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

ASSUMPTIONS:

- Habilitation Services Expenditure Data Source:
Purchase of Services (POS) Claims Data file, dated October, 2010.
Data was adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
Work Activity Program:	\$55,760,000	\$54,183,000
• Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For Budget Year (BY), the prior-year estimate, with the following adjustments, was used as the base.	\$57,903,000	\$55,670,000
• Prior Year Costs	58,643,000	N/A
• Prior Year Estimate	N/A	55,760,000
• Less 1.25% payment Reduction	-740,000	N/A
• Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures.	N/A	-90,000

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
Work Activity Program (continued):		
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>WAP expenditure data for the period April 2004 through May 2010 were used to update CY and BY. 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.</p>	-\$2,143,000	-\$1,487,000
Supported Employment Program:		
	\$88,857,000	\$89,213,000
HSP Group Placement:		
	\$68,679,000	\$69,088,000
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the CY base. For BY, the prior-year estimate, with the following adjustments, was used as the base. 	\$67,795,000	\$68,484,000
<ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less CPP One-Time Costs 	67,795,000 0 0	N/A 68,679,000 -195,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>HSP Group Placement expenditure data for the period April 2004 through May 2010 were used to update CY and BY. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. One intervention variable was statistically significant. Starting July 2006, this intervention was assumed to be related to the 3 percent rate increase for providers combined with the budgetary augmentation to increase the SEP job coach rate, increasing the hourly rate from \$27.62 to \$34.24.</p>	\$689,000	\$409,000
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	\$195,000	\$195,000

Habilitation Services Program

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
HSP Individual Placement:	\$20,178,000	\$20,125,000
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the CY base. For BY, 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 	\$20,424,000	\$20,178,000
	\$20,424,000	N/A
	N/A	20,178,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	-\$246,000	-\$53,000
<p>Monthly SEP Individual Placement expenditure data from April 2004 through May 2010 were used to update CY and BY. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. One intervention variable was statistically significant: Starting July 2006, this intervention was assumed to be related to the 3 percent rate increase for providers combined with the budgetary augmentation to increase the SEP job coach rate, increasing the hourly rate from \$27.62 to \$34.24.</p>		
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$144,617,000	\$143,396,000

FUNDING:

Habilitation Services expenditures are funded by the General Fund (GF), HCBS Waiver, Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF) and the 1915(i) State Plan Amendment (SPA). Based on actual 2009-10 billing data, approximately 60 percent, 39 percent, and 24 percent of WAP, SEP Group, and SEP Individual Placement expenditures, respectively, are eligible for the HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50.0 percent in BY is federal financial participation (FFP). The State GF portion is that which is non-FFP.

Habilitation Services Program

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$144,617,000	\$143,396,000
GF	\$94,369,000	\$95,153,000
<i>GF Match</i>	33,905,000	48,240,000
<i>GF Other</i>	60,464,000	46,913,000
Reimbursements	\$50,248,000	\$48,243,000
<i>HCBS Waiver FFP</i>	39,427,000	33,783,000
<i>Title XX TANF</i>	3,000	3,000
<i>1915(i) SPA</i>	10,818,000	14,457,000

Transportation

DESCRIPTION:

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

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

ASSUMPTIONS:

Transportation Expenditure Data Sources:

Purchase of Service (POS) Claims Data file dated October 1, 2010.
Data were adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For the Budget Year (BY), the prior year estimate, with the following adjustments, was used as the base: 	\$216,316,000	\$221,553,000
<ul style="list-style-type: none"> ● Prior Year Costs 	\$219,085,000	N/A
<ul style="list-style-type: none"> ● Prior Year Estimate 	N/A	222,518,000
<ul style="list-style-type: none"> ● Less Community Placement Plan (CPP) One-Time Costs 	N/A	-822,000
<ul style="list-style-type: none"> ● Less 1.25% Payment Reduction 	-2,769,000	N/A
<ul style="list-style-type: none"> ● Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. 	N/A	-143,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$5,569,000	\$6,641,000

CY and BY were estimated based on forecasting models specific to the April 2004 through June 2010 Transportation expenditure data (excluding CPP placement).

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 so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. A one-time intervention was identified as being significant in April 2008. An additional intervention was identified June through September 2008 due to an increase in gasoline prices.

<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	\$822,000	\$822,000
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Transportation

METHODOLOGY (continued):

CY 2010-11 BY 2011-12

- **Negotiated Rate Reduction:** -\$189,000 -\$95,000

Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the WIC to (1) freeze rates negotiated by RC's for providers whose negotiated rates were not frozen at the time of enactment, and (2) set median rates for new providers with whom the RC's may negotiate. The change from CY to BY reflects more of the savings are in the base.

- **TOTAL EXPENDITURES** **\$222,518,000 \$228,921,000**

FUNDING:

Transportation expenditures are funded by the Home and Community-Based Services (HCBS) Waiver, Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), Vocational Rehabilitation (DOR), Intermediate Care Facility - Developmentally Disabled State Plan Amendment (ICF-DD SPA), and General Fund (GF). Based on actual 2008-09 HCBS Waiver billing data, approximately 54 percent of Transportation expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY is federal financial participation (FFP). The GF portion is that which is neither FFP, ICF-DD SPA, nor DOR.

EXPENDITURES:

CY 2010-11 BY 2011-12

TOTAL	\$222,518,000	\$228,921,000
GF	\$124,951,000	\$143,776,000
<i>GF Match</i>	<i>58,009,000</i>	<i>73,548,000</i>
<i>GF Other</i>	<i>66,942,000</i>	<i>70,228,000</i>
Reimbursements	\$97,567,000	\$85,145,000
<i>HCBS Waiver FFP</i>	<i>74,134,000</i>	<i>63,520,000</i>
<i>Title XX Social Services</i>	<i>10,353,000</i>	<i>10,353,000</i>
<i>Title XX TANF</i>	<i>1,126,000</i>	<i>1,126,000</i>
<i>Vocational Rehabilitation</i>	<i>118,000</i>	<i>118,000</i>
<i>ICF-DD SPA</i>	<i>11,836,000</i>	<i>10,028,000</i>

Support Services

DESCRIPTION:

Pursuant to Welfare and Institution Code (WIC) Sections 4501, 4502, 4512, 4646, 4648 and 4689, among others, of the Lanterman Act, regional centers (RC) contract with vendors to provide services and supports to all qualifying RC 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 (ILS) payments to adults who are in supported/independent living (SL/IL) settings and receiving Supplementary Security Income/State Supplementary Portion (SSI/SSP) grant payments. RC's supplement the reduction in the SSP portion of the SSI/SSP grant to assure that consumers will be able to remain in these settings instead of having to move into community care facilities.

ASSUMPTIONS:

Support Services Expenditure Data Source:
Purchase of Service (POS) Claims Data file dated October 1, 2010.
Data were adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For the Budget Year (BY), the prior year estimate, with the following adjustments, was used as the base: 	\$668,440,000	\$709,601,000
<ul style="list-style-type: none"> ● Prior Year Costs 	676,971,000	N/A
<ul style="list-style-type: none"> ● Prior Year Estimate 	N/A	715,370,000
<ul style="list-style-type: none"> ● Less Community Placement Plan (CPP) One-Time Costs 	N/A	-5,296,000
<ul style="list-style-type: none"> ● Less 1.25% Payment Reduction 	-8,531,000	N/A
<ul style="list-style-type: none"> ● Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. 	N/A	-473,000
<ul style="list-style-type: none"> ● Utilization Change/Growth: 	\$48,642,000	\$45,204,000

CY and BY were estimated based on forecasting models specific to the April 2004 through June 2010 Support Services expenditure data (excluding CPP placement).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple Auto Regressive Integrated Moving Average (ARIMA) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Four interventions/events were found to be statistically significant. An intervention related to the three percent rate increase was found to be statistically significant beginning in July 2006. An intervention related to the three percent payment reduction began February 2009. Additional interventions were related to the Trailer Bill in July 2009 and implementation of the Prevention Program in October of 2009.

Support Services

METHODOLOGY (continued):

- **CPP:** See CPP methodology for detail.
- **Independent Living Supplement:**

<u>CY 2010-11</u>	<u>BY 2011-12</u>
\$5,296,000	\$5,296,000
\$330,000	\$356,000

Based on Client Master File (CMF) data as of August 4, 2010, it is estimated the following consumers will live in SL/IL arrangements. Of these totals, based on the 2010-11 May Revision RC Survey (February 2010), 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.

	<u>CY</u>	<u>BY</u>
Total SL/IL Consumers	22,000	22,700
Part of a Couple	- 1,360	- 1,407
Individuals	<u>20,640</u>	<u>21,293</u>

- **Negotiated Rate Reduction:**

-\$7,338,000	-\$3,669,000
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Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the WIC to: (1) freeze rates negotiated by RC's for providers whose negotiated rates were not frozen at the time of enactment, and (2) set median rates for new providers with whom the RC's may negotiate. The change from CY to BY reflects more of the savings are in the base.

- **TOTAL EXPENDITURES**

\$715,370,000	\$756,788,000
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FUNDING:

Support Services expenditures are funded by the General Fund (GF), Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), 1915(i) State Plan Amendment (SPA), and the Early Start Grant. Based on actual 2008-09 billing data, approximately 68 percent of Support Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY, is federal financial participation (FFP). The State GF portion is that which is non-FFP.

Support Services

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$715,370,000	\$756,788,000
GF	\$342,312,000	\$414,378,000
<i>GF Match</i>	205,852,000	274,425,000
<i>GF Other</i>	136,460,000	139,953,000
Reimbursements	\$372,527,000	\$341,879,000
<i>HCBS Waiver FFP</i>	277,883,000	238,100,000
<i>Title XX Social Services</i>	53,866,000	53,866,000
<i>Title XX TANF</i>	13,587,000	13,587,000
<i>1915(i) SPA</i>	27,191,000	36,326,000
Federal Funds	\$531,000	\$531,000
<i>Early Start Grant</i>	531,000	531,000

In-Home Respite

DESCRIPTION:

Pursuant to Welfare and Institutions Code (WIC) Section 4648, among others, of the Lanterman Act, regional centers (RC) contract with vendors to provide services and supports to all qualifying RC 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, except for the provision of incidental medical services as expressly allowed in statute.

ASSUMPTIONS:

In-Home Respite Expenditure Data Source:
Purchase of Service (POS) Claims Data file dated October 1, 2010.
Data were adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For the Budget Year (BY), the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan (CPP) One-Time Costs ● Less 1.25% Payment Reduction ● Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. 	<p>\$206,791,000</p> <p>209,428,000</p> <p>N/A</p> <p>N/A</p> <p>-2,637,000</p> <p>N/A</p>	<p>\$231,688,000</p> <p>N/A</p> <p>231,875,000</p> <p>-27,000</p> <p>N/A</p> <p>-160,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>CY and BY were estimated based on forecasting models specific to the April 2004 through June 2010 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 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. Six 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. Additional interventions were related to the Trailer Bill in July 2009 and implementation of the Prevention Program in October of 2009.</p>	<p>\$25,063,000</p>	<p>\$25,063,000</p>
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	<p>\$27,000</p>	<p>\$27,000</p>

In-Home Respite

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<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 WIC 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 RC's may negotiate. The change from CY to BY reflects more of the savings are in the base.</p>	-\$6,000	-\$5,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$231,875,000	\$256,773,000

FUNDING:

In-Home Respite expenditures are funded by the General Fund (GF), Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), 1915(i) State Plan Amendment (SPA), and the Early Start Grant. Based on actual 2008-09 billing data, approximately 61 percent of In-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY, is federal financial participation (FFP). The State GF portion is that which is non-FFP.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$231,875,000	\$256,773,000
GF	\$107,621,000	\$141,393,000
<i>GF Match</i>	56,371,000	74,668,000
<i>GF Other</i>	51,250,000	66,725,000
Reimbursements	\$123,817,000	\$114,943,000
<i>HCBS Waiver FFP</i>	77,085,000	66,049,000
<i>Title XX Social Services</i>	23,176,000	23,176,000
<i>Title XX TANF</i>	17,099,000	17,099,000
<i>1915(i) SPA</i>	6,457,000	8,619,000
Federal Funds	\$437,000	\$437,000
<i>Early Start Grant</i>	437,000	437,000

Out-of-Home Respite

DESCRIPTION:

Pursuant to Welfare and Institution Code (WIC) Section 4648, among others, of the Lanterman Act, regional centers (RC) contract with vendors to provide services and supports to all qualifying RC consumers. Out-of-Home Respite includes supervision services that are provided in licensed residential and day care facilities.

ASSUMPTIONS:

Out-of-Home Respite Expenditure Data Source:
Purchase of Service (POS) Claims Data file dated October 1, 2010.
Data were adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For the Budget Year (BY), the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan (CPP) One-Time Costs ● Less 1.25% Payment Reduction ● Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. ● Utilization Change/Growth: 	<p>\$50,236,000</p> <p>50,881,000</p> <p>N/A</p> <p>N/A</p> <p>-645,000</p> <p>N/A</p> <p>\$5,545,000</p>	<p>\$54,419,000</p> <p>N/A</p> <p>54,540,000</p> <p>-84,000</p> <p>N/A</p> <p>-37,000</p> <p>\$5,590,000</p>
<p>CY and BY were estimated based on forecasting models specific to the April 2004 through June 2010 Out-of-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 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. Two interventions/events were found to be statistically significant. An intervention related to the three percent payment reduction began February 2009. Another intervention related to the implementation of the Trailer Bill began July 2009.</p>		
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	<p>\$84,000</p>	<p>\$84,000</p>

Out-of-Home Respite

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<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 WIC to: (1) freeze rates negotiated by RC's for providers whose negotiated rates were not frozen at the time of enactment, and (2) set median rates for new providers with whom the RC's may negotiate. The change from CY to BY reflects more of the savings are in the base.</p>	-\$1,325,000	-\$663,000
<ul style="list-style-type: none"> • TOTAL EXPENDITURES 	\$54,540,000	\$59,430,000

FUNDING:

Out-of-Home Respite expenditures are funded by the General Fund (GF), Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), 1915(i) State Plan Amendment (SPA), and the Early Start Grant. Based on actual 2008-09 billing data, approximately 52 percent Out-of-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY, is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$54,540,000	\$59,430,000
GF	\$28,656,000	\$35,704,000
<i>GF Match</i>	11,119,000	14,319,000
<i>GF Other</i>	17,537,000	21,385,000
Reimbursements	\$25,728,000	\$23,570,000
<i>HCBS Waiver FFP</i>	16,054,000	13,756,000
<i>Title XX Social Services</i>	5,842,000	5,842,000
<i>Title XX TANF</i>	3,409,000	3,409,000
<i>1915(i) SPA</i>	423,000	563,000
Federal Funds	\$156,000	\$156,000
<i>Early Start Grant</i>	156,000	156,000

Health Care

DESCRIPTION:

Pursuant to Welfare and Institutions Code (WIC) Sections 4646 and 4648, among others, of the Lanterman Act, regional centers (RC) contract with vendors to provide services and supports to all qualifying RC consumers. Health Care services include those that are medical/health care-related.

ASSUMPTIONS:

Health Care Expenditure Data Source:
Purchase of Service (POS) Claims Data file dated October 1, 2010.
Data were adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For the Budget Year (BY), the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan (CPP) One-Time Costs ● Less 1.25% Payment Reduction ● Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. 	<p>\$88,923,000</p> <p>89,907,000</p> <p>N/A</p> <p>N/A</p> <p>-984,000</p> <p>N/A</p>	<p>\$89,856,000</p> <p>N/A</p> <p>90,654,000</p> <p>-740,000</p> <p>N/A</p> <p>-58,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: <p>CY and BY were estimated based on forecasting models specific to the April 2004 through June 2010 Health Care expenditure data (excluding CPP placement).</p> <p>A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple Auto Regressive Integrated Moving Average (ARIMA) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention related to Medicare Part D and Medi-Cal Dental Cap was found to be statistically significant beginning in January 2006. Additional interventions were related to the Trailer Bill in July 2009 and implementation of the Prevention Program in October of 2009.</p>	<p>\$1,562,000</p>	<p>\$2,549,000</p>
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	<p>\$740,000</p>	<p>\$740,000</p>

Health Care

METHODOLOGY (continued):

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
• Negotiated Rate Reduction:	-\$571,000	-\$286,000

Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the WIC to: (1) freeze rates negotiated by RC's for providers whose negotiated rates were not frozen at the time of enactment, and (2) set median rates for new providers with whom the RC may negotiate. The change from CY to BY reflects more of the savings are in the base.

• TOTAL EXPENDITURES	\$90,654,000	\$92,859,000
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FUNDING:

Health Care expenditures are funded by the General Fund (GF), Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Temporary Assistance for Needy Families (TANF), 1915(i) State Plan Amendment (SPA), and the Early Start Grant. Based on actual 2008-09 billing data, approximately 10 percent of Health Care expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY is federal financial participation (FFP). The State GF portion is that which is non-FFP.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$90,654,000	\$92,859,000
GF	\$80,032,000	\$82,801,000
<i>GF Match</i>	<i>3,537,000</i>	<i>4,677,000</i>
<i>GF Other</i>	<i>76,495,000</i>	<i>78,124,000</i>
Reimbursements	\$7,091,000	\$6,527,000
<i>HCBS Waiver FFP</i>	<i>4,840,000</i>	<i>4,147,000</i>
<i>Title XX TANF</i>	<i>1,849,000</i>	<i>1,849,000</i>
<i>1915(i) SPA</i>	<i>402,000</i>	<i>531,000</i>
Federal Funds	\$3,531,000	\$3,531,000
<i>Early Start Grant</i>	<i>3,531,000</i>	<i>3,531,000</i>

Miscellaneous Services

DESCRIPTION:

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

ASSUMPTIONS:

Miscellaneous Services Expenditure Data Source:
Purchase of Service (POS) Claims Data file dated October 1, 2010.
Data were adjusted for lag based on 2007-08 expenditures.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: Actual 2009-10 expenditures were used to develop the Current Year (CY) base. For the Budget Year (BY), the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> ● Prior Year Costs ● Prior Year Estimate ● Less Community Placement Plan (CPP) One-Time Costs ● Less 1.25% Payment Reduction ● Less net adjustment for the 4.25% Payment Reduction, the net adjustment is based upon the updated 2011-12 estimated expenditures. 	<p>\$405,799,000</p> <p>410,780,000</p> <p>N/A</p> <p>N/A</p> <p>-4,981,000</p> <p>N/A</p>	<p>\$429,403,000</p> <p>N/A</p> <p>457,063,000</p> <p>-27,356,000</p> <p>N/A</p> <p>-304,000</p>
<ul style="list-style-type: none"> ● Utilization Change/Growth: CY and BY were estimated based on forecasting models specific to the April 2004 through June 2010 Miscellaneous expenditure data (excluding CPP placement). <p>A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple Auto Regressive Integrated Moving Average (ARIMA) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention related to the three percent rate increase was found to be statistically significant beginning in July 2006. Another intervention related to the minimum wage increase began January 2008. Additional interventions were related to the Trailer Bill in July 2009 and implementation of the Prevention Program in October of 2009.</p>	<p>\$39,488,000</p>	<p>\$37,829,000</p>
<ul style="list-style-type: none"> ● CPP: See CPP methodology for detail. 	<p>\$27,356,000</p>	<p>\$27,356,000</p>

Miscellaneous Services

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Negotiated Rate Reduction: <p>Chapter 3, Statutes of 2008, Third Extraordinary Session, (ABX 3 5), amended the Welfare and Institutions Code to (1) freeze rates negotiated by RC for providers whose negotiated rates were not frozen at the time of enactment, and (2) set median rates for new providers with whom the RC may negotiate. The change from CY to BY reflects more of the savings are in the base.</p>	-\$15,580,000	-\$7,790,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$457,063,000	\$486,798,000

FUNDING:

Miscellaneous Services expenditures are funded by the General Fund (GF), Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), 1915(i) State Plan Amendment (SPA), the Early Start Grant, Program Development Funds, and California Children and Families First Trust Fund. Based on actual 2008-09 billing data, approximately 28 percent of Miscellaneous Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY is federal financial participation (FFP). The GF portion is that which is non-FFP.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$457,063,000	\$486,798,000
GF	\$287,337,000	\$325,471,000
<i>GF Match</i>	47,759,000	62,376,000
<i>GF Other</i>	239,578,000	263,095,000
Reimbursements	\$156,717,000	\$148,314,000
<i>HCBS Waiver FFP</i>	67,169,000	57,553,000
<i>Title XX Social Services</i>	7,099,000	7,099,000
<i>Title XX TANF</i>	28,838,000	28,838,000
<i>1915(i) SPA</i>	3,611,000	4,824,000
<i>Counties Children and Families Account, California Children and Families Trust Fund</i>	50,000,000	50,000,000
Federal Funds	\$9,717,000	\$9,717,000
<i>Early Start Grant</i>	9,717,000	9,717,000
Program Development Funds	\$3,292,000	\$3,296,000

Self-Directed Services

DESCRIPTION:

Welfare and Institutions Code 4685.7 established Self-Directed Services (SDS), authorizing the Department of Developmental Services (DDS) 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 RC 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 RC 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 DDS' SDS HCBS Waiver Application to CMS on April 2, 2008. Approval of the SDS HCBS Waiver is pending further discussion with the federal administration. The regulations will conform to the approved waiver and are subject to a required 45-day public comment. As a result, enrollment has been postponed until CMS approves the SDS HCBS Waiver.

The aggregate of all individual budget allocations to consumers will result in a cost savings to the General Fund (GF). 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% of the services will be allowed to receive federal reimbursement.

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

Self-Directed Services

IMPLEMENTATION DATE:

Implementation is pending approval of the SDS HCBS Waiver by CMS.

FUNDING:

SDS will be funded by the SDS HCBS Waiver, HCBS Waiver, and GF.

CHANGE FROM PRIOR ESTIMATE:

Implementation delayed from April 1, 2011 until CMS approves the SDS HCBS Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$0	\$0
GF	\$0	\$0
<i>GF Match</i>	<i>0</i>	<i>0</i>
<i>GF Other</i>	<i>0</i>	<i>0</i>
<i>SDS Risk Pool Fund</i>	<i>0</i>	<i>0</i>
Reimbursements	\$0	\$0
<i>SDS HCBS Waiver</i>	<i>0</i>	<i>0</i>
<i>HCBS Waiver</i>	<i>0</i>	<i>0</i>

Quality Assurance Fees (Intermediate Care Facility-Developmentally Disabled Costs)

DESCRIPTION:

To realize the federal financial participation (FFP) associated with the Intermediate Care Facility-Developmentally Disabled (ICF-DD) State Plan Amendment (SPA), there are administrative costs for the ICF-DD, and Quality Assurance Fees (QAF) the ICF-DD must remit to the Department of Health Care Services (DHCS) for these supplemental payments.

ASSUMPTIONS/METHODOLOGY:

Billing costs are 1.5% of the cost of day treatment, transportation, and regional center administration fees for ICF-DD. QAF are set by DHCS.

Current Year (CY): Total billing costs are \$6.3 million ICF-DD administration and \$24.7 million QAF.

- Purchase of Services (POS) costs for day treatment and transportation from 2007-08 through 2009-10 totals \$308.1 million. ICF-DD administration costs are 1.5% of the total or \$4.7 million. QAF set by DHCS are \$18.4 million.
- POS costs for day treatment and transportation for 2010-11 totals \$104.3 million. ICF-DD administration costs are 1.5% of the total or \$1.6 million. QAF set by DHCS are \$6.3 million.

Budget Year (BY): Total billing costs are \$1.6 million ICF-DD administration and \$6.3 million QAF.

- POS costs for day treatment and transportation for 2011-12 totals \$105.6 million. ICF-DD administration costs are 1.5% of the total or \$1.6 million. QAF set by DHCS are \$6.3 million.

FUNDING:

100 percent reimbursement to the Department of Developmental Services transferred from DHCS.

CHANGE FROM PRIOR ESTIMATE:

Reflects the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

CY expenditures include costs associated with ICF-DD billing for services from 2007-08 to 2010-11. BY reflects only the ongoing annual costs.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$31,009,000	\$7,936,000
<i>QAF Admin Fees (Transfer from DHCS)</i>	<i>31,009,000</i>	<i>7,936,000</i>

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PREVENTION PROGRAME-15

Prevention Program

DESCRIPTION:

The Prevention Program provides safety net services (intake, assessment, case management, and referral to generic agencies) for eligible children from birth through 35 months. These are children who are at substantially greater risk for a developmental disability than the general population but who would otherwise be ineligible for services through the California Early Intervention 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) due to prior cost saving measures.

ASSUMPTIONS:

This estimate assumes an unduplicated number of children served of 8,900 children for 2010-11 and an unduplicated number of children served of 10,860 children for 2011-12.

CHANGE FROM PRIOR ESTIMATE:

The Department requests the following provisional budget language be added to item 4300-101-0001 to allow the transfer of funds from 10.10.080 (Prevention Program) to 10.10.020 (Purchase of Services):

“Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority from Schedule (4) to Schedule (2) to more accurately reflect expenditures in the Prevention and Early Start Programs.”

This language is needed to effectively administer the Prevention and Early Start Programs and ensure the funds are correctly budgeted based on actual caseload during the fiscal year.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
GF	\$18,150,000	\$20,003,000
Prevention Program	36,300,000	36,300,000
Transfer to Early Start	-18,150,000	-16,297,000

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COMMUNITY PLACEMENT PLAN..... E-16.1 to E-16.11

Community Placement Plan

DESCRIPTION:

CPP efforts have been refocused in 2010-11 and 2011-12 to achieve a safe and successful transition of individuals with developmental disabilities from Lanterman Developmental Center (DC) to other appropriate living arrangements as determined through the individualized planning process. A summary of the CPP funds associated with Lanterman DC closure is available on page E - 16.11. 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 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. It should be noted that due to the late budget in Current Year, RC's were delayed in the implementation of their CPP plans. It is possible this delay in implementation could affect CPP placement activities. CPP will be updated in the May Revision.

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

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

Regular CPP funding covers these Operations and POS categories:

OPERATIONS:

Personal Services:

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

Operating Expenses:

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

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES:

- **Start-Up:** These costs are related to development of new facilities/programs and program expansion.
- **Assessment:** Individualized and comprehensive identification of consumer supports and services needed for stabilized community living.
- **Placement:** Funds cost of Consumers' move into community settings based on consumer-specific information.
- **Deflection:** Placement POS for residential costs of facilities developed with Current Year 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.

ASSUMPTIONS:

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

METHODOLOGY:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
• OPERATIONS TOTAL	\$12,787,000	\$12,787,000
• PURCHASE OF SERVICES TOTAL	\$64,622,000	\$64,622,000
• TOTAL EXPENDITURES	\$77,409,000	\$77,409,000

See pages E-16.4 to E-16.10 for detail.

FUNDING:

CPP expenditures are funded by the General Fund (GF) and Home and Community-Based Services (HCBS) Waiver. Of the HCBS Waiver eligible amount, 59.71 percent in CY and 50 percent in BY is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

Community Placement Plan

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$77,409,000	\$77,409,000
RC Operations	\$12,787,000	\$12,787,000
RC Purchase of Services	\$64,622,000	\$64,622,000
<i>Community Care Facilities</i>	25,557,000	25,557,000
<i>Medical Facilities</i>	181,000	181,000
<i>Day Programs</i>	4,364,000	4,364,000
<i>Work Activity Program</i>	0	0
<i>Supported Employment Program: Group Placement</i>	195,000	195,000
<i>Supported Employment Program: Individual Placement</i>	0	0
<i>Transportation</i>	822,000	822,000
<i>Support Services</i>	5,296,000	5,296,000
<i>In-Home Respite</i>	27,000	27,000
<i>Out-of-Home Respite</i>	84,000	84,000
<i>Health Care</i>	740,000	740,000
<i>Miscellaneous Services</i>	27,356,000	27,356,000
FUND SOURCES:		
TOTAL	\$77,409,000	\$77,409,000
General Fund	\$64,852,000	\$59,852,000
<i>General Fund Match</i>	9,946,000	9,946,000
<i>General Fund Other</i>	54,906,000	49,906,000
Reimbursements	\$12,557,000	\$17,557,000
<i>HCBS Waiver FFP</i>	12,557,000	12,557,000
<i>Money Follows the Person Grant</i>	0	5,000,000

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
CY & BY**

Regular CPP costs have been updated in the 2011-12 November Estimate based on the CPPs received from the RC's for Regular CPP in December 2009.

	CY 2010-11			BY 2011-12		
	May Revision	November Estimate	Difference	May Revision	November Estimate	Difference
I. OPERATIONS	\$12,631,000	\$12,787,000	\$156,000	\$12,631,000	\$12,787,000	\$156,000
II. PURCHASE OF SERVICES						
A. Start-Up	\$25,975,000	\$25,975,000	\$0	\$25,975,000	\$25,975,000	\$0
B. Assessment	501,000 241 consumers	501,000 241 consumers	\$0 0 consumers	501,000 241 consumers	501,000 241 consumers	\$0 0 consumers
C. Placement	26,690,000 239 consumers	26,690,000 239 consumers	\$0 0 consumers	26,690,000 239 consumers	26,690,000 197 consumers	\$0 (42) consumers
D. Deflection	11,456,000 125 consumers	11,456,000 125 consumers	\$0 0 consumers	11,456,000 125 consumers	11,456,000 125 consumers	\$0 0 consumers
E. SUBTOTAL POS (A + B + C + D)	\$64,622,000	\$64,622,000	\$0	\$64,622,000	\$64,622,000	\$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 Current Year

Current Year					
Regular CPP		Unified CPP		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing

1. Personal Services

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

2. Operating Expenses

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

3. Subtotal Staffing

		\$14,688,768				\$14,688,768
(Rounded)		\$14,689,000				\$14,689,000

B. Budget Balancing Reduction

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

		\$12,787,000				\$12,787,000
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COMMUNITY PLACEMENT PLAN

Operations

Budget Year

Budget Year					
Regular CPP		Unified CPP		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Staffing

1. Personal Services

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

2. Operating Expenses

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

3. Subtotal Staffing (Rounded)

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

B. Budget Balancing Reduction

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

		\$12,787,000				\$12,787,000
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Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Current Year

For the 2011-12 November Estimate, Regular CPP costs are assumed to be the same as in the 2010-11 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 2010-11 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,975,000	\$25,975,000
B. Assessment	241	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$501,000	\$501,000
C. Placement	239	\$15,118,000	\$0	\$181,000	\$2,812,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$880,000	\$26,690,000
D. Deflection b/	125	\$10,439,000	\$0	\$0	\$1,017,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,456,000
E. 2011-12 NOV EST 2010-11 TOTAL		\$25,557,000	\$0	\$181,000	\$3,829,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$27,356,000	\$64,622,000
F. 2010-11 MAY REV 2010-11 TOTAL		\$25,557,000	\$0	\$181,000	\$3,829,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$27,356,000	\$64,622,000
G. DIFFERENCE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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

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

For the 2011-12 November Estimate, Regular CPP costs are assumed to be the same as in the 2010-11 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 2010-11 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,975,000	\$25,975,000
B. Assessment	241	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$501,000	\$501,000
C. Placement	197	\$15,118,000	\$0	\$181,000	\$2,812,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$880,000	\$26,690,000
D. Deflection b/	125	\$10,439,000	\$0	\$0	\$1,017,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,456,000
E. 2011-12 NOV EST 2010-11 TOTAL		\$25,557,000	\$0	\$181,000	\$3,829,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$27,356,000	\$64,622,000
F. 2010-11 MAY REV 2010-11 TOTAL		\$25,557,000	\$0	\$181,000	\$3,829,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$27,356,000	\$64,622,000
G. DIFFERENCE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

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

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

For the 2011-12 November Estimate, Regular CPP costs are assumed to be the same as in the 2010-11 May Revision.

Living Arrangement	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
		CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																
● Community Care Facilities (CCF) ● Residential Facilities	33	\$2,069,000				\$774,000			\$104,000	\$349,000		\$7,000	\$26,000	\$176,000	\$3,505,000	
● Specialized Residential Facilities (SRF)	158	\$12,674,000				\$2,944,000	\$195,000		\$574,000	\$987,000		\$38,000	\$640,000	\$436,000	\$18,488,000	
● Intermediate Care Facilities (ICF)	14			\$181,000		\$174,000			\$22,000	\$81,000		\$10,000	\$17,000	\$96,000	\$581,000	
● Supported Living Avg Cost/Consumer Mo	26				\$2,812,000 \$18,260	\$418,000 \$2,714			\$104,000 \$675	\$49,000 \$318		\$4,000 \$26	\$56,000 \$364	\$172,000 \$1,117	\$3,615,000 \$23,473	
● Other (Own Home, etc.)	8	\$375,000				\$54,000			\$18,000	\$1,000	\$27,000	\$25,000	\$1,000	\$0	\$501,000	
TOTAL	239	\$15,118,000	\$0	\$181,000	\$2,812,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$880,000	\$26,690,000

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

For the 2011-12 November Estimate, Regular CPP costs are assumed to be the following.

Living Arrangement	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
		CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																
● Community Care Facilities (CCF)																
● Residential Facilities	27	\$2,069,000				\$774,000			\$104,000	\$349,000		\$7,000	\$26,000	\$176,000	\$3,505,000	
● Specialized Residential Facilities (SRF)	130	\$12,674,000				\$2,944,000	\$195,000		\$574,000	\$987,000		\$38,000	\$640,000	\$436,000	\$18,488,000	
● Intermediate Care Facilities (ICF)	12			\$181,000		\$174,000			\$22,000	\$81,000		\$10,000	\$17,000	\$96,000	\$581,000	
● Supported Living	21				\$2,812,000	\$418,000			\$104,000	\$49,000		\$4,000	\$56,000	\$172,000	\$3,615,000	
● Other (Own Home, etc.)	7	\$375,000				\$54,000			\$18,000	\$1,000	\$27,000	\$25,000	\$1,000	\$0	\$501,000	
TOTAL	197	\$15,118,000	\$0	\$181,000	\$2,812,000	\$4,364,000	\$0	\$195,000	\$0	\$822,000	\$1,467,000	\$27,000	\$84,000	\$740,000	\$880,000	\$26,690,000

COMMUNITY PLACEMENT PLAN
Lanterman Developmental Center Closure Share of Funds
CY & BY

CPP efforts have been refocused in 2010-11 and 2011-12 to achieve a safe and successful transition of individuals with developmental disabilities from Lanterman Developmental Center (LDC) to the community. This chart reflects the CPP costs dedicated to the LDC closure.

	CY 2010-11	BY 2011-12
I. OPERATIONS	\$8,738,000	\$8,738,000
II. PURCHASE OF SERVICES		
A. Start-Up	18,870,000	18,870,000
B. Assessment	332,000	332,000
C. Placement	17,604,000	17,604,000
D. Deflection	5,133,000	5,133,000
E. SUBTOTAL POS (A + B + C + D)	\$41,939,000	\$41,939,000
III. TOTAL CPP (I. + II.E.)	\$50,677,000	\$50,677,000

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General Fund

DESCRIPTION:

The General Fund (GF) is the main operating fund of the State.

ASSUMPTIONS/METHODOLOGY:

		<u>CY 2010-11</u>	<u>BY 2011-12</u>
● GF Match:		\$1,052,019,000	\$1,393,386,000
This portion of GF 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 GF Match	<u>CY</u>	<u>BY</u>	
<i>Home and Community-Based Services (HCBS) Waiver</i>	40.29%	50.00%	
<i>HCBS Waiver Administration</i>	50.00%	50.00%	
<i>Medicaid Administration</i>	25.00%	25.00%	
<i>Targeted Case Management (TCM) Administration</i>	40.29%	50.00%	
<i>SDS HCBS Waiver Administration</i>	50.00%	50.00%	
<i>Intermediate Care Facility/Developmentally Disabled (ICF/DD) State Plan Amendment (SPA) 1915(i) SPA</i>	40.29%	50.00%	
<i>TCM SPA</i>	40.29%	50.00%	
<i>Quality Assurance Administration Fees</i>			
<i>Impacts from Other Departments FFP</i>			
● GF Other:		\$1,148,003,000	\$653,509,000
These costs consist of the remainder of total regional center expenditures not included in the GF Match, Reimbursements, Program Development Fund, Developmental Disabilities Services Account, Mental Health Services Fund, Counties Children and Family Account or Federal Funds.			

FUNDING:

These GF are reflected in the Operations and Purchase of Services sections of the estimate.

CHANGE FROM PRIOR ESTIMATE:

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

● TOTAL EXPENDITURES		\$2,200,022,000	\$2,046,895,000
Total General Fund		\$2,200,022,000	\$2,046,895,000
GF Match		\$1,052,019,000	\$1,393,386,000
GF Other		\$1,148,003,000	\$653,509,000

Reimbursements
Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS <i>a/</i>	2011-12 November Estimate CY 2010-11	2011-12 November Estimate BY 2011-12
A. Home and Community-Based Services (HCBS) Waiver	\$1,977,009,000	\$2,024,700,000
1. Reimbursement (from DHCS) = CY 59.71 % and BY 50%	1,180,472,000	1,012,350,000
2. DDS GF Match =CY 40.29% and BY 50% (Purchase of Services)	796,537,000	1,012,350,000
B. HCBS Waiver Administration	\$11,475,000	\$11,471,000
1. Reimbursement (from DHCS) = 50% + Control Section 3.91 FFP	5,740,000	5,734,000
2. DDS GF Match = 50% + Control Section 3.91 GF Match (Operations)	5,735,000	5,737,000
C. Medicaid Administration	\$17,797,000	\$18,140,000
1. Reimbursement (from DHCS) = 75%	13,347,000	13,604,000
2. DDS GF Match = 25% (Operations)	4,450,000	4,536,000
D. Targeted Case Management (TCM)	\$273,651,000	\$262,408,000
1. Reimbursement (from DHCS) = CY 59.71 % and BY 50%	163,397,000	131,204,000
2. DDS GF Match =CY 40.29% and BY 50% (Operations)	110,254,000	131,204,000
E. Targeted Case Management Administration	\$6,678,000	\$6,678,000
1. Reimbursement (from DHCS) = 50%	3,339,000	3,339,000
2. DDS GF Match = 50% (Operations)	3,339,000	3,339,000
F. Title XX Block Grant	\$225,060,000	\$225,060,000
1a. Social Services (from DSS) = 100%	147,903,000	147,903,000
1b. Temporary Assistance for Needy Families (TANF) (from DSS) = 100%	77,157,000	77,157,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Services Home and Community Based Services Waiver Administration	\$861,000	\$861,000
1. Reimbursement (from DHCS) = 50%	431,000	431,000
2. DDS GF Match = 50% (Operations)	430,000	430,000
H. ICF/DD State Plan Amendment	\$104,329,000	\$105,560,000
1. Reimbursement (from DHCS) = CY 59.71 % and BY 50%	62,295,000	52,780,000
2. DDS GF Match =CY 40.29% and BY 50% (Purchase of Services)	42,034,000	52,780,000
I. Quality Assurance Admin Fees(Transfer from DHCS)	\$37,197,000	\$9,519,000
1. Reimbursement (from DHCS)	\$34,565,000	\$8,727,000
2. DDS GF Match (Purchase of Services & Operations)	\$2,632,000	\$792,000
J. Vocational Rehabilitation (VR)	\$118,000	\$118,000
1. VR Reimbursement (from DOR) 100%	118,000	118,000
2. DDS GF Match (Purchase of Services)	0	0
K. TCM State Plan Amendment	\$10,753,000	\$10,753,000
1. Reimbursement = CY 59.71 % and BY 50%	6,421,000	5,377,000
2. DDS GF Match =CY 40.29% and BY 50% (Operations)	4,332,000	5,376,000
L. 1915 (i) State Plan Amendment	201,613,000	321,613,000
1. Reimbursement (from DHCS) = CY 59.71 % and BY 50%	120,383,000	160,807,000
2. DDS GF Match =CY 40.29% and BY 50% (Purchase of Services)	81,230,000	160,806,000
M. Money Follows the Person Grant	3,537,000	8,537,000
1. Reimbursement (from DHCS) = 100%	3,537,000	8,537,000
2. DDS GF Match (Operations / POS)	0	0
N. California Children and Families First Trust Fund	50,000,000	50,000,000
1. Reimbursement (from California First Five Commission) = 100%;	50,000,000	50,000,000
2. DDS GF Match (Purchase of Services)	0	0
O. Homeland Security Grant	\$0	\$210,000
1. Reimbursement (from DHCS) = 100%	0	210,000
2. DDS GF Match (Operations)	0	0
P. Impacts from Other Departments FFP	\$2,596,000	32,073,000
1. Reimbursement (from DHCS)	1,550,000	16,037,000
2. DDS GF Match (Purchase of Services)	1,046,000	16,036,000
Q. TOTAL	\$2,922,674,000	\$3,087,701,000
1. Reimbursements	\$1,870,655,000	\$1,694,315,000
2. Total GF Match	\$1,052,019,000	\$1,393,386,000

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 HCBS to eligible individuals who, without these services, would require the level of care provided in an intermediate care facility for the developmentally disabled.

KEY DATA/ASSUMPTIONS:

Data Source: Medicaid Waiver Total Billed Dollar Amounts and Client Counts report, dated August 1, 2010 for the period of July 2009 - June 2010.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
● Base:	\$1,892,615,000	\$1,945,242,000
● Current Year (CY)		
Total estimated expenditures based on 2009-10 billing data for the period of July 2009 - June 2010	1,913,015,000	
Less 2009-10 Community Placement Plan (CPP) Placements	-20,400,000	
● Budget Year (BY)		
Total Estimated prior-year HCBS Waiver Expenditures		1,977,009,000
Sunset of 4.25 % on June 30, 2011		
Less CY CPP Placements		-22,503,000
● Annual Growth (New RC Consumers)	\$51,413,000	\$44,472,000
● CY		
● 2010-11 Annual Growth	25,349,000	
Add 6 months of annual growth costs in CY for 2,616 consumers who will be new to the Regional Center (RC) system and added to the HCBS Waiver in CY (2,616 x \$17,000 (annual cost/consumer) x .57 (phase-in factor) = \$25,349,000).		
● 2009-10 Annual Growth Continuation	26,064,000	
● BY		
2011-12 Annual Growth		25,349,000
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 (2,616 x \$17,000 (annual cost/consumer) x .41 (phase-in factor) = \$18,234,000).		
● 2010-11 Annual Growth Continuation		19,123,000
● Increase of Waiver Cap/Growth	\$8,993,000	\$16,427,000
● CY Increase of Waiver Cap/Growth	8,993,000	
● BY Increase of Waiver Cap/Growth Continuation		6,784,000
● BY Increase of Waiver Cap/Growth		9,643,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● CPP 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 Purchase of Services (POS) budget category. 	\$22,503,000	\$23,365,000
<ul style="list-style-type: none"> ● CY Total HCBS Waiver-billable costs for 197 Waiver-eligible consumers: 	22,503,000	
<ul style="list-style-type: none"> ● BY Total HCBS Waiver-billable costs for 162 new Waiver-eligible consumers: 		23,365,000
<ul style="list-style-type: none"> ● Placement/Deflection Continuation: 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. 	\$33,299,000	\$33,299,000
<ul style="list-style-type: none"> ● CY and BY <ul style="list-style-type: none"> ● Total HCBS Waiver-billable costs for 140 Waiver-eligible consumers 	33,299,000	33,299,000
<ul style="list-style-type: none"> ● Social Security Income/State Supplementary Payment Increase/RC Savings 	\$0	-\$562,000
<ul style="list-style-type: none"> ● HCBS Waiver Decrease due to Self-Directed HCBS Waiver 	\$0	
<ul style="list-style-type: none"> ● 1.25% Payment Reduction 	-\$31,814,000	
<ul style="list-style-type: none"> ● BY 4.25 Payment Reduction 		-\$39,306,000
<ul style="list-style-type: none"> ● New Major Assumptions: <ul style="list-style-type: none"> ● Fiscal Management Services for Participant-Directed Services 	\$0	\$1,763,000
<ul style="list-style-type: none"> ● TOTAL EXPENDITURES 	\$1,977,009,000	\$2,024,700,000
<ul style="list-style-type: none"> ● Federal Medical Assistance Percentage (FMAP) (59.71% effective CY and 50% effective BY) year to year FMAP change due to the sunset of ARRA 	59.71%	50.00%
<ul style="list-style-type: none"> ● Total Federal Financial Participation (FFP) 	\$1,180,472,000	\$1,012,350,000
<ul style="list-style-type: none"> ● General Fund (GF) Match 	\$796,537,000	\$1,012,350,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

The CY and BY estimates reflect the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY estimate reflects the additional growth in HCBS Waiver billables, offset by a decrease in FFP due to the sunset of American Recovery and Reimbursement Act in June 2011.

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

	FYI Only Estimated % of Costs Billable to HCBS Waiver	% of Actual 2009-10 Waiver Expenditures by Budget Category	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,977,009,000	\$2,024,700,000
<i>GF Match</i>			796,537,000	1,012,350,000
<i>FFP (from DHCS)</i>			1,180,472,000	1,012,350,000
<i>FMAP</i>			59.71%	50.0%
Purchase of Services				
Community Care Facilities	79%	33.06%	653,599,000	668,784,000
<i>GF Match</i>			263,334,000	334,393,000
<i>FFP</i>			390,265,000	334,391,000
Day Programs	51%	19.79%	391,250,000	400,339,000
<i>GF Match</i>			157,635,000	200,169,000
<i>FFP</i>			233,615,000	200,170,000
Work Activity Program	60%	1.80%	35,586,000	36,413,000
<i>GF Match</i>			14,338,000	18,207,000
<i>FFP</i>			21,248,000	18,206,000
Supported Employment Placement (SEP) / Group	38%	1.30%	25,701,000	26,298,000
<i>GF Match</i>			10,355,000	13,149,000
<i>FFP</i>			15,346,000	13,149,000
SEP / Individual	23%	0.24%	4,745,000	4,855,000
<i>GF Match</i>			1,912,000	2,427,000
<i>FFP</i>			2,833,000	2,428,000
Transportation	54%	6.28%	124,156,000	127,040,000
<i>GF Match</i>			50,022,000	63,520,000
<i>FFP</i>			74,134,000	63,520,000
Support Services	68%	23.54%	465,388,000	476,199,000
<i>GF Match</i>			187,505,000	238,099,000
<i>FFP</i>			277,883,000	238,100,000
In-Home Respite	61%	6.53%	129,099,000	132,098,000
<i>GF Match</i>			52,014,000	66,049,000
<i>FFP</i>			77,085,000	66,049,000
Out-of-Home Respite	52%	1.36%	26,887,000	27,512,000
<i>GF Match</i>			10,833,000	13,756,000
<i>FFP</i>			16,054,000	13,756,000
Health Care	10%	0.41%	8,106,000	8,294,000
<i>GF Match</i>			3,266,000	4,147,000
<i>FFP</i>			4,840,000	4,147,000
Miscellaneous	28%	5.69%	112,492,000	115,105,000
<i>GF Match</i>			45,323,000	57,552,000
<i>FFP</i>			67,169,000	57,553,000
New Major Assumptions:				
Fiscal Management Services for Participant-Directed Services				1,763,000
<i>GF Match</i>				881,000
<i>FFP</i>				882,000

Home and Community-Based Services Waiver Administration

DESCRIPTION:

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

ASSUMPTIONS/METHODOLOGY:

Training for Direct Support Professional (DSP) Staff:

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

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Training for DSP Staff 	\$2,830,000	\$2,830,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● Current Year(CY) and Budget Year(BY): Total cost of DSP Training is \$3,582,000 ● 79% of the consumers residing in CCFs are HCBS Waiver eligible; therefore, it is assumed that 79% of the DSP Training costs are eligible for HCBS Waiver Administration reimbursement. $\\$3,582,000 \times .79 = \\$2,830,000$ ● The FFP portion of the HCBS Waiver Administration-eligible costs is 50%. $\\$2,830,000 \times .50 = \\$1,415,000$ ● These costs are reflected in the DSP Training estimate, under Operations, Projects. 		

Collection of Federal Financial Participation (FFP) for Contracted Services

Regional center staff will renegotiate contracts with vendors, liaison with the Department of Developmental Services experts on changes required to expand and enhance existing billing options, train vendors and regional center personnel involved in the billing process to key enter necessary attendance and other required billing data from paper invoices submitted by vendors, and review, adjust and/or correct attendance data after it 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.

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Staffing for Collection of FFP for Contracted Services 	\$802,000	\$802,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● CY 2010-11 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,228,000. ● 36% of the total community population is HCBS Waiver eligible. ● Therefore 36% of the total costs would be FFP + General Fund (GF) Match. $\\$2,228,000 \times .36 = \\$802,000$ ● $\\$802,000 \times .5 = \\$401,000$ FFP 		

Home and Community-Based Services Waiver Administration

ASSUMPTIONS/METHODOLOGY (continued):

- **BY 2011-12**
 - Total cost of Staffing for Collection of FFP for Contracted Services is \$2,228,000.
 - 36% of the total community population is HCBS Waiver eligible.
 - Therefore 36% of the total costs would be FFP + GF Match.
\$2,228,000 x .36 = \$802,000
 - \$802,000 x .5 = \$401,000 FFP
- These costs are reflected under Operations, Staffing.

FFP Enhancement (Related to 2003-04 Enhancing FFP Budget Change Proposal):

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

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
● FFP Enhancement (related to 2003-04 Enhancing FFP BCP):	\$7,775,000	\$7,775,000
● CY and BY Total RC Administrative Costs are \$7,775,000		
● The FFP portion of total HCBS Waiver Administration-eligible costs is 50%. \$7,775,000 x .50 = \$3,888,000		

2007-08 Legislative Augmentation: Resources for Health Care Community Specialists

Reimbursement related to Closure of Agnews Developmental Center Health Care Community Specialists positions were moved from Medicaid Administration (MA) to HCBS Waiver Administration. 98% of the total personal services and operating expenses for the above positions were eligible for waiver.

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
● 2007-08 Legislative Augmentation: Resources for Health Care Community Specialists	\$621,000	\$621,000
● CY and BY Total personal services and operating expenses Costs are \$621,000		
● The FFP portion of total costs is 50%. \$621,000 x .50 = \$311,000		

Less 4.25% Payment Reduction

● The FFP portion of total HCBS Waiver Administration-eligible costs is 50%.	-\$496,000	
● BY 4.25% Payment Reduction		-\$572,000
<u>Control Section 3.91</u>	-\$57,000	\$15,000

Home and Community-Based Services Waiver Administration

ASSUMPTIONS/METHODOLOGY (continued):

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

Reimbursement related to Health Care Community Specialists positions were moved from MA to HCBS Waiver Administration.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

TOTAL	\$11,475,000	\$11,471,000
FFP	5,740,000	5,734,000
GF Match	5,735,000	5,737,000

Medicaid Administration

DESCRIPTION:

Clinical Support Teams and Senate Bill (SB) 1038 Health Reviews

Clinical support teams ensure the regional centers' (RC) 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 in 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), RC 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

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

Agnews Ongoing Workload (AOW)

Consistent with passage of Assembly Bill 1378 (Chapter 538, Statutes of 2005) AOW 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 of Developmental Services' (DDS) Interagency Agreement for MA 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 RC (RC of the East Bay, San Andreas RC and Golden Gate RC) will promote and coordinate dental resources for Agnews residents that have moved into the community.

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

ASSUMPTIONS:

- The cost of providing health reviews is provided to DDS by the RC's each year.

Medicaid Administration

METHODOLOGY:

- Current Year (CY) and Budget Year (BY) total costs for Clinical Support Teams and SB 1038 Health Reviews are based on 2008-09 data collected from the RC's (\$19,571,000).
 - Of the consumers receiving health reviews, 72% are Medicaid eligible; therefore, it is assumed that 72% of costs are eligible for MA reimbursement ($\$19,571,000 \times .72 = \$14,091,000$).
 - The Federal Financial Participation (FFP) portion of total MA-eligible costs is 75% ($\$14,091,000 \times .75 = \$10,568,000$).
- Staffing for Compliance with HCBS Waiver Requirements-CY and BY
 - 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% ($\$2,600,000 \times .75 = \$1,950,000$).
- Agnews Ongoing Workload-CY and BY
 - Nurse Consultants
 - Total personal services and operating costs related to MA are estimated to be \$80,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA ($\$80,000 \times .98 = \$79,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$79,000 \times .75 = \$59,000$).
 - State Employees in the Community
 - Total personal services and operating costs related to MA are estimated to be \$1,846,000.
 - Consistent with the Community Placement Plan (CPP) assumptions, 98% of these costs are eligible for MA ($\$1,846,000 \times .98 = \$1,809,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$1,809,000 \times .75 = \$1,357,000$).
 - Dental Coordinators
 - Total personal services and operating costs related to MA are estimated to be \$278,000.
 - Consistent with the CPP assumptions, 98% of these costs are eligible for MA ($\$278,000 \times .98 = \$272,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$272,000 \times .75 = \$204,000$).
 - Health Care Community Specialists (HCCS)
 - Total personal services and operating costs for HCCS are reflected under the HCBS Waiver Administration.
- 4.25% Payment Reduction
 - CY Total personal services and operating costs related to this reduction for MA are estimated to be -\$784,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of this reduction for MA-eligible costs is 75% ($-\$784,000 \times .75 = -\$588,000$).
 - BY Total personal services and operating costs related to this reduction for MA are estimated to be -\$441,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of this reduction for MA-eligible costs is 75% ($-\$441,000 \times .75 = -\$331,000$).

Medicaid Administration

METHODOLOGY: (continued)

- CY and BY Target Savings
 - Total personal services and operating costs related to MA are estimated to be -\$270,000.
 - It is assumed that 100% of these costs are eligible for MA.
 - The FFP portion of total MA-eligible costs is 75% ($-\$270,000 \times .75 = -\$203,000$).

FUNDING:

The MA reimbursement is 75% FFP and 25% General Fund (GF). These MA funds are reflected in Operations Core Staffing, Compliance with HCBS Waiver Requirements estimate, and AOW.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amounts reflect the most current personal services data. Total personal services and operating costs for HCCS are reflected under the HCBS Waiver Administration.

REASON FOR YEAR TO YEAR CHANGE:

BY reflects the incremental difference in the 4.25 Payment Reduction from CY.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$17,797,000	\$18,140,000
FFP	13,347,000	13,604,000
GF Match	4,450,000	4,536,000

Targeted Case Management

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services provided by regional centers (RC) for specific client groups. There are approximately 149,000 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).

ASSUMPTIONS:

Source data is from the TCM RC Billed Units report dated August 4, 2010 for the period July 2009 - June 2010.

METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none"> ● Base: TCM expenditures are based on actual TCM billable units for a 12-month period (July 2009 - June 2010) multiplied by the RC TCM rates effective July 2010 and adjusted for California Price Index for Current Year (CY) and Budget Year (BY). 	\$272,488,000	\$272,488,000
<ul style="list-style-type: none"> ● Agnews Ongoing Workload (AOW) <ul style="list-style-type: none"> ● CY and BY: Placement Continuation: Client Program Coordinators (CPC). <ul style="list-style-type: none"> ● The total personal services and operating expenses for CPC is \$275,000. ● Approximately 95% of the total cost is eligible for TCM reimbursement (\$275,000 x .95 = \$262,000). 	\$262,000	\$262,000
<ul style="list-style-type: none"> ● RC Service Coordination Enhancement 	\$2,957,000	\$2,742,000
<ul style="list-style-type: none"> ● Less 1.25% Payment Reduction 	-\$2,056,000	\$0
<ul style="list-style-type: none"> ● 4.25% Payment Reduction 	\$0	-\$13,084,000
<ul style="list-style-type: none"> ● TOTAL TCM-ELIGIBLE COSTS: 	\$273,651,000	\$262,408,000

Targeted Case Management

FUNDING:

TCM reimbursements fund RC Operations costs for: (1) the case management services provided by CPC, Secretaries for CPCs, Supervising Counselors for CPCs, (2) Health Insurance Portability and Accountability Act Privacy Officers (reflected under Operations, Staffing), (3) the Compliance with Home and Community-Based (HCBS) Waiver Requirements estimate, (4) AOW, and (5) the Case Managers to Meet HCBS Waiver Requirements.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amounts reflect the most current billable units, TCM rates, and RC personnel costs.

REASON FOR YEAR-TO-YEAR CHANGE:

CY program costs include the 3% reduction. BY reflects the same assumption and the incremental difference of the 4.25% payment reduction. FFP will decrease in BY due to the end of the enhanced Federal Medical Assistance Percentages provided under the American Recovery and Reinvestment Act.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$273,651,000	\$262,408,000
FFP	163,397,000	131,204,000
General Fund Match	110,254,000	131,204,000

Targeted Case Management Administration

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services for specific client groups. There are approximately 149,000 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.

ASSUMPTIONS:

- TCM Administration reimbursements in the Current (CY) and Budget Year (BY) will be \$3,339,000.
- Source of Data: Department of Developmental Services' (DDS) Fiscal Systems - California State Accounting and Reporting System.

METHODOLOGY:

Utilizing a time survey, DDS gathers records of time spent by DDS headquarters personnel providing administrative case management assistance to the RC. These surveys are used to allocate headquarters salaries, wages and benefits and a portion of DDS' statewide cost allocation related to administrative case management support.

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
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	\$6,678,000	\$6,678,000
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FUNDING:

Funding for TCM Administration reimbursement is 50% FFP and 50% General Fund (GF). 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, furloughs and DDS holding positions vacant, which includes increased Medi-Cal eligible persons in the RC system.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$6,678,000	\$6,678,000
<i>FFP</i>	3,339,000	3,339,000
<i>GF Match</i>	3,339,000	3,339,000

Targeted Case Management State Plan Amendment

DESCRIPTION:

The Department of Developmental Services (DDS), in conjunction with the Department of Health Care Services (DHCS), submitted a State Plan Amendment (SPA) seeking federal financial participation (FFP) for the cost of Targeted Case Management (TCM) services for Intermediate Care Facility-Developmentally Disabled residents. The SPA was approved December 20, 2010 with an effective date of July 1, 2010 by the Centers for Medicare and Medicaid Services.

IMPLEMENTATION DATE:

The effective date will be retroactive to July 1, 2010.

ASSUMPTIONS/METHODOLOGY:

This proposal will generate \$6.4 million in federal financial participation (FFP) in Current Year (CY) and \$5.4 million in Budget Year (BY).

FUNDING:

The Federal Medical Assistance Percentages establishes the FFP, which is 59.71 percent in CY and 50 percent in BY. These funds are reflected under Operations, Staffing.

CHANGE FROM PRIOR ESTIMATE:

Reflects the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

No change in estimated total expenditures. The FFP is 59.71 percent in CY and 50 percent in BY.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$10,753,000	\$10,753,000
FFP	6,421,000	5,377,000
General Fund Match	4,332,000	5,376,000

Title XX Block Grant

DESCRIPTION:

Social Services: The State has received federal Title XX Block Grant funds for social services since 1981. Each state has wide discretion in determining the range of services to be provided and how the funds are to be distributed. There is no state match requirement for these funds. In California, the program is administered by the California Department of Social Services (DSS). Federal statute establishes five service goals:

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

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

KEY DATA/ASSUMPTIONS:

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

FUNDING:

The Title XX Block Grant is determined by the DSS.

CHANGE FROM PRIOR ESTIMATE:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

Title XX Block Grant

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL TITLE XX BLOCK GRANT	\$225,060,000	\$225,060,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	47,567,000	47,567,000
<i>Habilitation Services</i>	0	0
<i>Transportation</i>	10,353,000	10,353,000
<i>Support Services</i>	53,866,000	53,866,000
<i>In-Home Respite</i>	23,176,000	23,176,000
<i>Out-of-Home Respite</i>	5,842,000	5,842,000
<i>Miscellaneous Services</i>	7,099,000	7,099,000
TANF	\$77,157,000	\$77,157,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	7,958,000	7,958,000
<i>Day Programs</i>	3,288,000	3,288,000
<i>Habilitation Services</i>	3,000	3,000
<i>Transportation</i>	1,126,000	1,126,000
<i>Support Services</i>	13,587,000	13,587,000
<i>In-Home Respite</i>	17,099,000	17,099,000
<i>Out-of-Home Respite</i>	3,409,000	3,409,000
<i>Health Care</i>	1,849,000	1,849,000
<i>Miscellaneous Services</i>	28,838,000	28,838,000

Self-Directed Services 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 SDS Home and Community-Based Services (SDS HCBS) Waiver, will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund (GF).

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:

Implementation is pending approval of the SDS HCBS Waiver by CMS.

FUNDING:

The SDS HCBS Waiver reimbursement is 50% federal financial participation and 50% GF.

CHANGE FROM PRIOR ESTIMATE:

Implementation delayed from April 1, 2011 until CMS approves the SDS HCBS Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$0	\$0
GF	\$0	\$0
<i>GF Match</i>	0	0
<i>SDS Risk Pool Fund</i>	0	0
Reimbursements	\$0	\$0
<i>SDS HCBS Waiver</i>	0	0

Self-Directed Services Home and Community Based-Services Waiver Administration

DESCRIPTION:

Implementation of the Self-Directed Services (SDS) program is contingent on the Department of Developmental Services applying for and receiving approval of a Centers for Medicare & Medicaid Services (CMS) SDS Home and Community-Based Services (SDS HCBS) Waiver. This waiver will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund (GF). SDS HCBS Waiver Administration funds are for the proper and efficient administration of the SDS HCBS Waiver. The SDS HCBS Waiver will significantly impact the regional centers' (RC) administrative workload through increased efforts in the following areas:

- Providing comprehensive pre-service and ongoing training to RC 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, fiscal services monitoring and program monitoring will be required of the RC. Therefore, the cost containment opportunity will require staff to ensure that RC appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative effort.

IMPLEMENTATION DATE:

Implementation is pending approval of the SDS HCBS Waiver by CMS.

ASSUMPTIONS/METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
• RC Operations Costs for SDS HCBS Waiver Administration Estimated Current Year (CY) and Budget Year (BY) personal services and operating costs.	\$861,000	\$861,000
• TOTAL SDS HCBS WAIVER ADMINISTRATION-ELIGIBLE COSTS	\$861,000	\$861,000

Self-Directed Home and Community Based-Services Waiver Administration

FUNDING:

Funding for SDS HCBS Waiver Administration is 50 percent federal financial participation (FFP) and 50 percent GF. SDS HCBS Waiver Administration expenditures are reflected in the Operations estimate, Staffing for SDS HCBS Waiver.

CHANGE FROM PRIOR ESTIMATE:

Implementation delayed from April 1, 2011 until CMS approves the SDS HCBS Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$861,000	\$861,000
<i>FFP</i>	431,000	431,000
<i>GF Match</i>	430,000	430,000

Intermediate Care Facility-Developmentally Disabled State Plan Amendment

DESCRIPTION:

In 2007, the Department of Developmental Services (DDS), in conjunction with the Department of Health Care Services (DHCS), submitted a State Plan Amendment (SPA) seeking federal financial participation (FFP) in the day program and transportation services of Intermediate Care Facility-Developmentally Disabled (ICF-DD) residents. The SPA has been under negotiations with the Centers for Medicare and Medicaid Services (CMS). DDS reached agreement with CMS on the mechanism to achieve the already budgeted FFP for 2007-08 through 2010-11, which was reflected in the 2010-11 Budget Bill Trailer Language.

IMPLEMENTATION DATE:

Upon CMS approval the effective date will be retroactive to July 1, 2007.

ASSUMPTIONS/METHODOLOGY:

The total expenditures for adult day treatment and non-medical transportation services received by regional center consumers residing in an ICF are based on actual expenditures for 2007-08 through 2009-10, and estimated expenditures for 2010-11 and 2011-12. This estimate assumes retroactive billing in 2010-11 for costs incurred in 2007-08 through 2009-10, and will allow DDS to draw down FFP retroactive to 2007-08, and annually thereafter.

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
• Estimated day and transportation costs.	\$104,329,000	\$105,560,000
Total Expenditures	\$104,329,000	\$105,560,000

FUNDING:

The Federal Medical Assistance Percentages establishes the FFP, which is 59.71% in CY and 50% in BY. Expenditures related to this reimbursement are reflected under Purchase of Services-Day Programs and Transportation.

Intermediate Care Facility-Developmentally Disabled State Plan Amendment

CHANGE FROM PRIOR ESTIMATE:

The estimate reflects the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

BY expenditures are estimated slightly higher than CY. FFP decreases from 59.71% in CY to 50% in BY.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
	\$104,329,000	\$105,560,000
<i>FFP</i>	<i>62,295,000</i>	<i>52,780,000</i>
<i>General Fund Match</i>	<i>42,034,000</i>	<i>52,780,000</i>

Quality Assurance Fees (Regional Center Costs and Intermediate Care Facility- Developmentally Disabled Costs)

DESCRIPTION:

To realize the federal financial participation (FFP) associated with the Intermediate Care Facility-Developmentally Disabled (ICF-DD) State Plan Amendment (SPA), there are administrative costs for regional centers (RC) billing on behalf of the ICF-DD, administrative costs for the ICF-DD, and Quality Assurance Fees (QAF) the ICF-DD must remit to the Department of Health Care Services (DHCS) for these supplemental payments.

ASSUMPTIONS/METHODOLOGY:

Billing costs are 1.5% of the cost of day treatment and transportation for both RC and ICF-DD. QAF are set by DHCS.

Current Year (CY): Total billing costs: \$6.2 million RC administration, \$6.3 million ICF-DD administration, and \$24.7 million QAF.

- Purchase of Services (POS) costs for day treatment and transportation from 2007-08 through 2009-10 totals \$308.1 million. RC and ICF-DD administration costs are each 1.5% of the total or \$9.4 million. QAF set by DHCS are \$18.4 million.

POS costs for day treatment and transportation for 2010-11 totals \$104.3 million. RC and ICF-DD administration costs are each 1.5% of the total or \$3.1 million. QAF set by DHCS are \$6.3 million.

Budget Year (BY): Total billing costs: \$1.6 million RC administration, \$1.6 million ICF-DD administration, and \$6.3 million QAF.

- POS costs for day treatment and transportation for 2011-12 totals \$105.6 million. RC and ICF-DD administration costs are each 1.5% of the total or \$3.2 million. QAF set by DHCS are \$6.3 million.

FUNDING:

These reimbursements are reflected in the Quality Assurance Fees estimates.

CHANGE FROM PRIOR ESTIMATE:

Reflects the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

CY expenditures include costs associated with RC billing for services from 2007-08 to 2010-11. BY reflects only the ongoing annual costs.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$37,197,000	\$9,519,000
<i>FFP</i>	34,565,000	8,727,000
<i>General Fund Match</i>	2,632,000	792,000

Vocational Rehabilitation/Work Activity Program

DESCRIPTION:

The Vocational Rehabilitation/Work Activity Program (VR/WAP) was started in 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 (RC) consumers and is funded by the Home and Community-Based Services Waiver and General Fund (GF). Administration of HSP was transferred from the Department of Rehabilitation (DOR) to the Department of Developmental Services (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 WAP. The projected VR/WAP caseload for Current Year (CY) and Budget Year (BY) is estimated to be 359 consumers.

FUNDING:

VR/WAP is cost neutral to DDS.

RC transportation dollars are reimbursed from DOR which uses GF 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 RC's. RC's 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:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$118,000	\$118,000

1915(i) State Plan Amendment

DESCRIPTION:

Section 6086 of the Deficit Reduction Act of 2005, (Public Law 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. The Department of Developmental Services (DDS) in a joint effort with the Department of Health Care Services, submitted a 1915(i) State Plan Amendment (SPA) to cover habilitation, respite, and other services allowable under a 1915 (i) SPA.

ASSUMPTIONS:

DDS expects \$201.6 million in expenditures in Current Year (CY) and \$321.6 million in Budget Year (BY).

FUNDING:

1915(i) SPA funds a broad array of purchase of service (POS) costs for eligible individuals. The 1915(i) SPA expenditures are in all of the POS budget categories except Medical Facilities, Transportation, Supported Employment and Self-Directed Services. 1915(i) expenditures are funded by federal financial participation (FFP) determined by the Federal Medical Assistance Percentage (FMAP) and General Fund (GF). In CY, the FMAP is 59.71% and 50% in BY.

CHANGE FROM PRIOR ESTIMATE:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

BY expenditures will increase by \$120 million (\$60 in FFP) due to inclusion of additional consumers and related expenditures to the 1915(i) SPA currently under review by the Centers for Medicare and Medicaid consistent with recent federal healthcare reforms. The increased FFP in BY will be offset by a decrease in the FMAP from 59.71% to 50%.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
Total SPA Eligible Expenditures	\$201,613,000	\$321,613,000
<i>FFP</i>	120,383,000	160,807,000
<i>GF Match</i>	81,230,000	160,806,000

1915 (i) State Plan Amendment

Estimated Distribution in Purchase of Services

EXPENDITURES:

	% of Actual Expenditures by Budget Category	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL ESTIMATED 1915(i) SPA ELIGIBLE EXPENDITURES		\$201,613,000	\$321,613,000
<i>GF Match</i>		\$81,230,000	\$160,806,000
<i>FFP</i>		\$120,383,000	\$160,807,000
Community Care Facilities	18.89%	38,082,000	60,754,000
<i>GF Match</i>		15,343,000	30,377,000
<i>FFP</i>		22,739,000	30,377,000
Day Programs	40.49%	81,632,000	130,220,000
<i>GF Match</i>		32,890,000	65,110,000
<i>FFP</i>		48,742,000	65,110,000
Habilitation-Work Activity Program	8.99%	18,118,000	28,914,000
<i>GF Match</i>		7,300,000	14,457,000
<i>FFP</i>		10,818,000	14,457,000
Support Services	22.59%	45,538,000	72,652,000
<i>GF Match</i>		18,347,000	36,326,000
<i>FFP</i>		27,191,000	36,326,000
In-Home Respite	5.36%	10,814,000	17,238,000
<i>GF Match</i>		4,357,000	8,619,000
<i>FFP</i>		6,457,000	8,619,000
Out-of-Home Respite	0.35%	709,000	1,126,000
<i>GF Match</i>		286,000	563,000
<i>FFP</i>		423,000	563,000
Health Care	0.33%	673,000	1,061,000
<i>GF Match</i>		271,000	530,000
<i>FFP</i>		402,000	531,000
Miscellaneous	3.00%	6,047,000	9,648,000
<i>GF Match</i>		2,436,000	4,824,000
<i>FFP</i>		3,611,000	4,824,000
	100.0%		

Money Follows the Person Grant

DESCRIPTION:

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

ASSUMPTIONS:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
The MFP Grant will fund for regional center services.	\$3,537,000	\$8,537,000

FUNDING:

The MFP Grant reimbursement is 100% for specified, Centers for Medicare and Medical Services approved administrative positions, for the first twelve months of eligible consumer services following relocation into the community from an institution. This funding is reflected in Operations, Lanterman Developmental Center Closure, and Community Placement Plan (CPP), Purchase of Services (POS).

CHANGE FROM PRIOR ESTIMATE:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

Budget Year (BY) includes an additional \$5 million for CPP, POS.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$3,537,000	\$8,537,000

Homeland Security Grant Program

DESCRIPTION:

The Homeland Security Grant Program (HSGP), administered by the California Emergency Management Agency, is comprised of five interconnected grants that support the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.

ASSUMPTIONS/METHODOLOGY:

The Department of Development Services' (DDS) portion of the HSGP award is determined by the U.S. Department of Homeland Security Federal Emergency Management Agency and will fund equipment, training, and exercise needs to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events at specific regional centers.

CY 2010-11

BY 2011-12

\$0

\$210,000

FUNDING:

The HSGP award is 100% federal funds and is reflected under Operations, Projects.

EXPENDITURES:

CY 2010-11

BY 2011-12

TOTAL

\$0

\$210,000

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/METHODOLOGY:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
The Counties Children and Families Account, California Children and Families Trust Fund will fund regional center services.	\$50,000,000	\$50,000,000

FUNDING:

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

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$50,000,000	\$50,000,000

Program Development Fund/Parental Fees

DESCRIPTION:

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

ASSUMPTIONS:

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

FUNDING:

The purpose of the PDF 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 Purchase of Services, Miscellaneous Services estimate.

CHANGE FROM PRIOR ESTIMATE:

The Current Year (CY) and Budget Year (BY) amounts are based on estimated revenue collection.

REASON FOR YEAR-TO-YEAR CHANGE:

BY reflects a slightly higher revenue collection estimate.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$3,292,000	\$3,296,000

Developmental Disabilities Services Account

DESCRIPTION:

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

ASSUMPTIONS:

DDS expects to receive housing proposals totaling \$150,000 in application fees in the Current Year (CY) and the Budget Year (BY).

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:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</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 2010-11</u>	<u>BY 2011-12</u>
• Regional Best Practice Training	\$270,000	\$270,000
• Statewide Training for Families, Service Providers, Service Coordinators, and Consumers	270,000	270,000
• Regional Center Technical Assistance and Liaison Support	65,000	65,000
• Regional Planning Projects	<u>135,000</u>	<u>135,000</u>
• TOTAL EXPENDITURES	\$740,000	\$740,000

FUNDING:

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

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the restoration of \$37,000 in funding for Current Year (CY).

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$740,000	\$740,000

Early Start Part C Grant, Federal Funds

DESCRIPTION:

Part C of the federal Individuals with Disabilities Education Act (IDEA) provides federal grant funding for states to develop and operate early intervention programs for families and their children with developmental delays, disabilities, or conditions, which place them at high risk of disabilities from birth to under age 3 years. The program, known as Early Start in California, is administered according to federal Department of Education (DOE) 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 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 DOE 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 (GC), Sections 95000 through 95029.

KEY DATA/ASSUMPTIONS:

Current Year (CY): Federal Office of Special Education Programs (OSEP) grant award letter, dated July 14, 2010.

Budget Year (BY): Federal OSEP grant not awarded until July 2011.

METHODOLOGY:

CY 2010-11 BY 2011-12

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 identified below. Costs for POS expenditures are already included in the forecasts for each of the POS budget categories, in the POS section of the estimate.

<ul style="list-style-type: none"> ● Other Agencies 	\$20,095,000	\$20,095,000
<ul style="list-style-type: none"> DOE: Additional federal requirements include shorter time lines for conducting evaluation, assessment and program plan development, provision of year-round services, service coordination and administrative services, and provision of services to children with solely low incidence disabilities in regions where such services to this age group were not provided prior to Part C implementation. 	14,435,000	14,435,000
<ul style="list-style-type: none"> 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

METHODOLOGY (continued):	<u>CY 2010-11</u>	<u>BY 2011-12</u>
Family Resource Centers (FRC): Funds pay for services that are provided by 33 contractors. Services, which are specified in GC 95024(d)(2), include parent-to-parent support, information dissemination, public awareness and family professional collaboration activities.	2,750,000	2,750,000
• RC POS	\$31,243,000	\$31,243,000
The remaining Part C Grant funds, after funding DOE and FRC system requirements, are used for POS. The following estimates are based on the proportion of total POS expenditures in 2009-10 by budget category.		
Day Programs	16,871,000	16,871,000
Support Services	531,000	531,000
In-Home Respite	437,000	437,000
Out-of-Home Respite	156,000	156,000
Health Care	3,531,000	3,531,000
Miscellaneous Services	9,717,000	9,717,000
• TOTAL DISBURSEMENTS	\$51,338,000	\$51,338,000

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.

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$51,338,000	\$51,338,000
Grant	51,338,000	51,338,000

Foster Grandparent Program Federal Funds

DESCRIPTION:

The Foster Grandparent Program (FGP) 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 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 2010-11</u>	<u>BY 2011-12</u>
● FGP Grant	\$560,000	\$560,000
The FGP 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:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$560,000	\$560,000

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SECTION F: IMPACT FROM OTHER DEPARTMENTS

Impact from Other DepartmentsF-1 to F-2

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 (DDS). These reductions include; State Supplementary Payment (SSP) Grants, Medi-Cal Adult Day Health Care Program (ADHC), and Medi-Cal co-payments and service. With the funding reductions of these services from the DSS and DHCS, regional centers (RC) 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.

ASSUMPTIONS:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
<ul style="list-style-type: none">• Reduce the SSP to the Maintenance of Effort Floor (MOE):	\$405,000	\$5,008,000
This increase reflects the reduction of the maximum monthly DSS SSP grant to aged/disabled individuals to the MOE floor effective June 1, 2011. Existing policy requires DDS to supplement any reductions to the SSP payment rate so consumers may remain in an independent/supported living setting. The budget for 2010-11 reflects a one-month impact to DDS, while 2011-12 reflects the full-year impact.		
<ul style="list-style-type: none">• Elimination of ADHC Services:	\$2,596,000	\$32,074,000
This increase reflects the elimination of ADHC services in the DHCS' Medi-Cal program, effective June 1, 2011. RC's would be required to provide services to its consumers impacted by this proposal. The budget for 2010-11 reflects a one-month impact to DDS, while 2011-12 reflects the full-year impact.		
<ul style="list-style-type: none">• Medi-Cal Reductions - Co-payments and Hard Caps:	\$0	\$33,000,000
This increase reflects costs associated with DHCS' Medi-Cal reductions to co-payments and service limits, effective October 1, 2011. The budget for 2011-12 reflects the a nine-month impact.		
<ul style="list-style-type: none">• TOTAL EXPENDITURES	\$3,001,000	\$70,082,000

FUNDING:

Expenditures are funded by the General Fund (GF), and Impact from Other Departments.

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 BY reflects updated impacts from other departments.

Impact from Other Departments

EXPENDITURES:	<u>CY 2010-11</u>	<u>BY 2011-12</u>
TOTAL	\$3,001,000	\$70,082,000
GF	\$1,451,000	\$54,045,000
<i>GF Match</i>	1,046,000	16,036,000
<i>GF Other</i>	405,000	38,009,000
Reimbursements	\$1,550,000	\$16,037,000
<i>Impacts from Other Departments FFP</i>	1,550,000	16,037,000

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SECTION G: SYSTEMWIDE COST CONTAINMENT MEASURES

<i>Systemwide Cost Containment Measures</i>	G-1
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Systemwide Cost Containment Measures

DESCRIPTION:

This decrease reflects savings from systemwide cost containment measures through a variety of mechanisms including, but not limited to, developmental center expenditure reductions, increased accountability and transparency, and the implementation of statewide service standards. Once proposals are determined the Department of Developmental Services (DDS) will budget for these savings during the 2011-12 May Revision, as appropriate, in Department Headquarters, Developmental Centers, Regional Center Operations, or Purchase of Services.

ASSUMPTIONS:

	<u>CY 2010-11</u>	<u>BY 2011-12</u>
DDS, with input from stakeholders, will develop proposals for this reduction.	\$0	\$533,501,000

FUNDING:

Expenditures are shown as 100% funded by the General Fund (GF), until proposals are developed.

CHANGE FROM PRIOR ESTIMATE:

This proposal increases the GF target amount by \$533.5 million.

REASON FOR YEAR-TO-YEAR CHANGE:

This proposal begins in BY.

TOTAL	\$0	\$533,501,000
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