

Department of Developmental Services

May Revision Highlights



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DEPARTMENT OF DEVELOPMENTAL SERVICES MAY REVISION HIGHLIGHTS

PROGRAM HIGHLIGHTS

The Department of Developmental Services (Department or DDS) is responsible under the Lanterman Developmental Disabilities Services Act (Lanterman Act) for ensuring that approximately 267,000 persons with developmental disabilities receive the services and support they require to lead more independent and productive lives and to make choices and decisions about their lives.

California provides services and supports to individuals with developmental disabilities in two ways: the vast majority of people live in their families' homes or other community settings and receive state-funded services that are coordinated by one of 21 non-profit corporations known as regional centers. A small number of individuals live in four state-operated developmental centers and one state-operated community facility. The number of consumers with developmental disabilities in the community served by regional centers is expected to increase from 265,216 in the current year to 274,696 in fiscal year (FY) 2014-15. The number of individuals living in state-operated residential facilities is expected to be 1,052 by the end of FY 2014-15.

The 2014 May Revise includes \$5.2 billion total funds (\$2.9 billion General Fund (GF)) for the Department in FY 2014-15; a net increase of \$241.2 million above the updated FY 2013-14 budget, a 4.8 percent increase.

Significant Adjustment for the May Revision:

Transition of the Developmental Center System—The Plan for the Future of Developmental Centers in California, issued January 13, 2014, by the Developmental Centers Task Force recommended that the future role of the State should be to operate a limited number of smaller, safety-net crisis and residential services, continue to serve individuals judicially committed to the state for competency training and provide these individuals transition services as they move back to the community. The Plan also recommended developing new and additional service components, including development of an enhanced community behavioral home and exploring the utilization of developmental center assets to provide health resource centers and community housing through public/private partnerships.

Consistent with the Plan, the May Revision focuses on further developing resources in the community for individuals transitioning from developmental centers, as follows:

- Develop new models of behavioral care in the community, including enhanced behavioral supports homes and community crisis homes.
- Develop additional services and supports in the community using existing models of care, particularly Adult Residential Facilities for Persons with Special Health Care Needs.

- Expand the Community State Staff Program to support individuals moving from developmental centers and enhance regional center staffing for resource development and to support community transition and quality assurance.
- Engage stakeholders to examine a workable model for a health resource center to address the health needs of developmental center residents as they transition to community homes.
- Work with stakeholders on potential projects for repurposing developmental center property, particularly, the feasibility of public/private partnerships to develop community housing.
- Also, the May Revision proposes to improve crisis services at Fairview Developmental Center and establish new crisis services at Sonoma Developmental Center.

The May Revision contains a reappropriation of \$13.0 million (\$12.9 million GF) in Community Placement Plan (CPP) funds for the regional centers, \$3.2 million (\$2.0 million GF) and 43.1 positions for the developmental centers, and \$0.5 million (\$0.3 million GF) and 4.0 redirected positions for DDS headquarters to continue the transition of the developmental center system in FY 2014-15.

COMMUNITY SERVICES PROGRAM

FY 2013-14

To provide services and support to 265,216 persons with developmental disabilities in the community, the May Revision updates FY 2013-14 funding to \$4.4 billion total funds (\$2.5 billion GF). The May Revision includes updated expenditures of \$18.5 million total funds (\$6.5 million GF) above the FY 2014-15 Governor's Budget, but within the FY 2013-14 Budget Act allocation, for regional center operations (OPS) and purchase of services (POS) to reflect updated caseload and utilization as follows:

- -\$1.1 million (-\$1.1 million GF) decrease in OPS to reflect updated caseload and expenditure data; and
- \$19.6 million (\$7.6 million GF) increase in POS to reflect updated caseload, utilization change and expenditure data.

FY 2014-15

The May Revision projects the total community caseload at 274,696, as of January 31, 2015, and assumes an increase of 9,480 consumers over the updated FY 2014-15 Governor's Budget caseload. The May Revision proposes FY 2014-15 funding for services and support to persons with developmental disabilities in the community at \$4.7 billion total funds (\$2.6 billion GF), an increase of \$35.2 million (\$12.0 million GF) over the FY 2014-15 Governor's Budget. The regional center budget changes include:

Transition of the Developmental Center System (DCs)

\$13.0 million (\$12.9 million GF) reappropriation for CPP in OPS and POS to reflect proposals that address recommendations in the Developmental Centers Task Force “*Plan for the Future of Developmental Centers in California*” as follows:

- \$1.3 million (\$1.2 million GF) reappropriation in OPS to reflect regional center staffing to support community development, transitions and necessary quality assurance and monitoring, and a quality management system for DC residents transitioning into the community; and
- \$11.7 million GF reappropriation in POS to develop community resources, including two new models of care for challenging behavioral needs, Adult Residential Facilities for Persons with Special Health Care Needs, and other needed services and supports.

Caseload and Utilization

- -\$0.5 million (-\$3.3 million GF) decrease in OPS to reflect updated caseload and expenditure data, including additional Home and Community-Based Services Waiver enrollment; and
- \$24.2 million (\$11.8 million GF) increase in POS to reflect updated caseload, utilization change, and expenditure data.

Other Agency Costs

\$1.8 million increase in Early Start, Part C in Other Agency Costs to reflect updated grant award amount.

Minimum Wage Increase

-\$3.6 million (-\$9.6 million GF) decrease in POS from the FY 2014-15 Governor’s Budget for Assembly Bill 10, Chapter 351, Statutes of 2013 which increases the minimum wage from \$8.00 to \$9.00 effective July 1, 2014 to reflect:

- Increase of \$0.9 million (-\$6.1 million GF decrease) due to updated expenditures, consumer information, and percentage of expenditures eligible for federal financial participation used to estimate the impact of minimum wage increase; and
- Exclusion of Supported Employment (Individual and Group) in determining impact to services which rely on employees that are paid minimum wage. The Department in the November 2013 Estimate of the FY 2014-15 Governor’s Budget included an estimate of \$4.5 million (\$3.5 million GF) for the impact of the minimum wage increase for these services.

Federal Overtime Change

\$0.3 million (\$0.2 million GF) increase in POS to reflect updated expenditures in estimating the impact of changes in the Fair Labor Standards Act (FLSA) due to provider rate increases based on the administrative costs required to comply with the federal regulation, effective January 1, 2015.

DEVELOPMENTAL CENTERS PROGRAM

FY 2013-14

To provide services and support for 1,333 residents in developmental centers (average in-center population) the May Revision updates FY 2013-14 funding to \$556.0 million (\$305.2 million GF), a decrease of -\$20,000 (-\$9,000 GF) over the FY 2014-15 Governor's Budget.

To address the Fairview, Porterville and Lanterman DC Program Improvement Plan (PIP), DDS has executed a contract for an Independent Consultative Review Expert (ICRE) to conduct a root cause analysis and establish an Action Plan that will acknowledge improvements already made, as well as the steps still needed to bring Porterville, Fairview and Lanterman DCs back into compliance with the federal certification requirements. The contract amount for FY 2013-14 is \$2.1 million (\$1.2 million GF), and will be absorbed by DDS via redirection of estimated salary savings as a result of delays in filling 42.5 positions associated with the Sonoma PIP.

FY 2014-15

For FY 2014-15, the May Revision provides services and support for 1,112 residents (average in-center population) in developmental centers, an increase of 2 residents over the FY 2014-15 Governor's Budget. Funding increased to \$528.2 million (\$276.0 million GF); an increase of \$2.2 million (\$1.5 million GF). Authorized positions decreased to 4,461.1; a decrease of -3.4 positions below the FY 2014-15 Governor's Budget. By the end of FY 2014-15, 1,052 individuals are expected to reside in state operated facilities. DC costs are also adjusted for Lanterman DC closure activities that will continue after the facility closes. Adjustments to the FY 2014-15 Governor's Budget for the developmental centers include:

Transition Plan for the Developmental Centers

\$3.2 million (\$2.0 million GF) increase and 43.1 positions to improve crisis services at Fairview DC by modifying an existing stand-alone housing unit, and development of a new acute crisis program at Sonoma DC with an implementation date of January 1, 2015.

Federal Certification for Fairview, Lanterman, and Porterville DCs

\$1.5 million (\$0.9 million GF) increase for continuing costs into FY 2014-15 related to the ICRE contract for the Porterville, Fairview and Lanterman PIP.

Population Staffing Adjustments (Excluding Lanterman)

Net decrease of -\$0.1 million (-\$0.07 million GF) and -1.0 position for population staffing adjustments at the DCs; +3.0 for Level of Care (LOC) and -4.0 for Non-Level of Care (NLOC).

Lanterman Closure Activities

Net decrease of -\$2.5 million (-\$1.4 million GF) and of -45.5 positions for Lanterman closure activities as detailed below.

LANTERMAN DEVELOPMENTAL CENTER CLOSURE UPDATE

The May Revision continues to support Developmental Center and Community Services efforts towards the statutorily required closure of the Lanterman facility on December 31, 2014. The Department, working with regional centers, anticipates the transition of approximately 120 Lanterman DC residents in FY 2013-14. The May Revision anticipates the transition of another 22 residents to community living arrangements in FY 2014-15 with the anticipated resident population being zero on December 31, 2014.

The May Revision reflects a net decrease in FY 2014-15 of -\$2.5 million (-\$1.4 million GF) and -45.5 positions to reflect the following staffing adjustments:

- -\$0.7 million (-\$0.4 million GF) decrease and -24.5 NLOC position reduction due to Lanterman DC staffing update and consolidation of an ICF unit;
- -\$0.5 million (-\$0.3 million GF) decrease and -12.0 NLOC position reduction reflecting previously requested Enhanced Staffing reductions, based upon further review of staffing needed for closure related activities;
- -\$1.0 million (-\$0.5 million GF) decrease to correct an error in the -40.0 position (25.0 LOC and 15.0 NLOC) reduction of Lanterman DC Enhanced Staff in the November 2013 Developmental Centers Estimate for FY 2014-15, page D - 2.6; and
- -\$0.3 million (-\$0.2 million GF) and -9.0 position (1.0 LOC and 8.0 NLOC) decrease reflecting reductions of previously requested positions associated with Lanterman DC Closure Plan Update, specifically in the areas of Warm Shutdown, the Primary Care Clinic, the Administrative Closure Team, and Community State Staff.

The Lanterman Closure Update Report and closure milestones will be released separately.

CAPITAL OUTLAY

The May Revision does not include any new Capital Outlay requests.

HEADQUARTERS

FY 2013-14

The May Revision contains no changes for FY 2013-14 Headquarters' operations funding of \$39.8 million (\$25.3 million GF).

FY 2014-15

The May Revision proposes Headquarters operations funding for FY 2014-15 of \$41.1 million (\$26.3 million GF), this is an increase of \$0.5 million (\$0.3 million GF) from the FY 2014-15 Governor's Budget, to fund 4.0 redirected positions to address workload associated with implementation of the recommendations in the Developmental Centers Task Force "*Plan for the Future of Developmental Centers in California*".

DEPARTMENT OF DEVELOPMENTAL SERVICES
2014-15 May Revision

FUNDING SUMMARY
(Dollars in Thousands)

	2013-14	2014-15	Difference
BUDGET SUMMARY			
COMMUNITY SERVICES	\$4,404,485	\$4,672,017	\$267,532
DEVELOPMENTAL CENTERS	555,954	528,168	-27,786
HEADQUARTERS SUPPORT	39,759	41,182	1,423
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TOTALS, ALL PROGRAMS	\$5,000,198	\$5,241,367	\$241,169
FUND SOURCES			
General Fund	\$2,809,627	\$2,948,522	\$138,895
Reimbursements: Totals All	2,131,007	2,230,330	99,323
<i>Medicaid (aka HCBS) Waiver</i>	1,228,013	1,310,687	82,674
<i>Medicaid (HCBS) Waiver Administration</i>	9,610	9,948	338
<i>Medicaid Administration (NHR)</i>	8,823	10,490	1,667
<i>Targeted Case Management</i>	142,648	147,312	4,664
<i>Targeted Case Management Admin.</i>	4,411	4,411	0
<i>Medi-Cal</i>	241,882	243,495	1,613
<i>Title XX Block Grant</i>	214,555	214,555	0
<i>ICF-DD/State Plan Amendment</i>	55,967	56,751	784
<i>Quality Assurance Fees (DHCS)</i>	9,905	10,044	139
<i>1915(i) State Plan Amendment</i>	167,164	177,154	9,990
<i>Money Follows the Person</i>	11,472	8,290	-3,182
<i>Homeland Security Grant</i>	411	411	0
<i>Race to the Top</i>	472	341	-131
<i>Early Periodic Screening Diagnostic & Treatment</i>	20,030	20,805	775
<i>Other</i>	15,644	15,636	-8
Federal Trust Fund	51,690	54,656	2,966
Lottery Education Fund	403	403	0
Program Development Fund (PDF)	6,194	6,129	-65
Mental Health Services Fund	1,128	1,177	49
Developmental Disabilities Svs Acct	150	150	0
AVERAGE CASELOAD			
Developmental Centers	1,333	1,112	-221
Regional Centers	265,216	274,696	9,480
AUTHORIZED POSITIONS			
Developmental Centers	4,910.5	4,461.1	-449.4
Headquarters	374.5	381.5	7.0

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2014-15 May Revision**

(Dollars in Thousands)

	2013-14	2014-15	Difference
Community Services Program			
Regional Centers	\$4,404,485	\$4,672,017	\$267,532
Totals, Community Services	\$4,404,485	\$4,672,017	\$267,532
General Fund	2,479,133	\$2,646,253	\$167,120
Dev Disabilities PDF	5,908	5,808	-100
Developmental Disabilities Svs Acct	150	150	0
Federal Trust Fund	48,666	51,754	3,088
Reimbursements	1,869,888	1,967,312	97,424
Mental Health Services Fund	740	740	0
Developmental Centers Program			
Personal Services	\$474,741	\$442,609	-\$32,132
Operating Expense & Equipment	47,544	59,882	12,338
Staff Benefits Paid Out of Operating Expense & Equipment	33,669	25,677	-7,992
Total, Developmental Centers	\$555,954	\$528,168	-\$27,786
General Fund	\$305,153	\$276,008	-\$29,145
Federal Trust Fund	499	384	-115
Lottery Education Fund	403	403	0
Reimbursements	249,899	251,373	1,474
Headquarters Support			
Personal Services	\$34,873	\$36,455	\$1,582
Operating Expense & Equipment	4,886	\$4,727	-159
Total, Headquarters Support	\$39,759	\$41,182	\$1,423
General Fund	\$25,340	\$26,261	\$921
Federal Trust Fund	2,525	2,518	-7
PDF	286	321	35
Reimbursements	11,220	11,645	425
Mental Health Services Fund	388	437	49
Totals, All Programs	\$5,000,198	\$5,241,367	\$241,169
Total Funding			
General Fund	\$2,809,626	\$2,948,522	\$138,896
Federal Trust Fund	51,690	54,656	2,966
Lottery Education Fund	403	403	0
Dev Disabilities PDF	6,194	6,129	-65
Developmental Disabilities Svs Acct	150	150	0
Reimbursements	2,131,007	2,230,330	99,323
Mental Health Services Fund	1,128	1,177	49
Caseloads			
Developmental Centers	1,333	1,112	-221
Regional Centers	265,216	274,696	9,480
Authorized Positions			
Developmental Centers	4,910.5	4,461.1	-449.4
Headquarters	374.5	381.5	7.0