

FOR LEGISLATIVE REVIEW

**DEVELOPMENTAL CENTERS
2014 MAY REVISION
of the
2014-15 BUDGET**



**STATE OF CALIFORNIA
DEPARTMENT OF DEVELOPMENTAL SERVICES
MAY 13, 2014**

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Executive Highlights

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EXECUTIVE HIGHLIGHTS

OVERVIEW:

The Department of Developmental Services (DDS) provides 24/7 residential services at four Developmental Centers (DC) and one State-operated Community Facility (CF). The May Revision shows an adjustment in the total population of two over the Governor's Budget specifically related to the number of acute crisis admissions to Fairview DC. Additionally the May Revision includes Developmental Center cost adjustments for a budget year net decrease of \$2.5 million (\$1.4 million General Fund [GF]) and a decrease of 45.5 positions in the enhanced staff needed for the Lanterman DC closure related activities. Some of these adjustments include positions that will continue after closure on December 31, 2014.

Additionally, this estimate reflects total contract costs of \$3.6 million (\$2.1 million GF) related to the Fairview DC, Porterville DC and Lanterman DC Program Improvement Plan (PIP), with costs beginning in 2013-14 (\$2.1 million) to 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, and continuing into 2014-15 (\$1.5 million) to address Centers for Medicaid and Medicare Services (CMS) and California Department of Public Health (CDPH) certification survey issues. These funds will be used for an Independent Consultant Review Expert (ICRE) contract to address an action plan based on a detailed analysis of root cause.

DDS is moving forward with the recommendations from the Task Force on the Future of the Developmental Centers published January 13, 2014. The recommendations address how to meet the special needs of the DC residents in the future. DDS is proposing to implement the Task Force recommendation that the State should operate acute crisis services, including at least one facility in northern California and one in southern California. Specifically in the May Revision, funding of \$3.2 million (\$2.0 million GF) and 43.1 positions are requested to develop a separate location for crisis services at Fairview DC and establish new crisis services at Sonoma DC for individuals residing in the community where no other alternative is available. The report can be downloaded at <http://www.chhs.ca.gov>

Fiscal Year 2013-14

DDS' budget reflects a net decrease of \$19,683 (\$8,617 GF), with redirection of estimated salary savings as a result of delays in filling 42.5 positions associated with the Sonoma PIP to cover ICRE contract costs for Fairview, Porterville and Lanterman DCs. The changes are composed of the following:

- Redirect Sonoma PIP estimated salary savings of \$2.2 million (\$1.3 million GF) as a result of delays in filling 42.5 positions to offset the following:
 - \$137,000 increase (\$82,000 GF increase) in the State Council on Developmental Disabilities (SCDD) contract (Clients' Rights Advocate Interagency Agreement) due to various employee compensation adjustments approved through collective bargaining; and
 - \$2.1 million increase (\$1.2 million GF increase) to support Fairview, Lanterman, and Porterville DCs, for the ICRE contract as required by the PIP;

- \$19,683 decrease (\$8,617 GF decrease) transfer to Community Services Program for the utilization of the Foster Grandparent Program.

Fiscal Year 2014-15

DDS' budget reflects a net funding increase of \$2.2 million (\$1.5 million GF) and a net staffing decrease of -3.4 positions. The changes are composed of the following:

Population Staffing Adjustments (excluding Lanterman DC)

DDS proposes a net decrease of 1.0 position and \$114,000 (\$68,000 GF) as follows:

- An increase of 3.0 Level of Care (LOC) positions and \$161,000 (\$89,000 GF) due to a net increase in population of two residents at Fairview DC; and
- A net decrease of 4.0 Non-Level of Care (NLOC)) positions and \$275,000 (\$157,000 GF) at Fairview DC and Porterville DC.

Staffing Adjustments at Lanterman DC

DDS proposes a net decrease of 45.5 positions and \$2.5 million (\$1.4 million GF) for Lanterman DC staffing updates as follows:

- A decrease of 24.5 NLOC positions and \$698,000 (\$382,000 GF) due to Lanterman DC Staffing Update;
- A decrease in funding of \$986,000 (\$540,000 GF) 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 Fiscal Year 2014-15, page D - 2.6;
- A decrease of 12.0 NLOC Enhanced Staffing positions and \$450,000 (\$246,000 GF) for Lanterman DC Staffing Update; and
- A net decrease of 9.0 positions (1.0 LOC and 8.0 NLOC) and \$354,000 (\$239,000 GF) for Lanterman DC Closure Plan Update

Additional Adjustments

- \$139,000 (\$83,000 GF) increase of SCDD contract (Clients' Rights Advocate Interagency Agreement) due to various employee compensation adjustments approved through collective bargaining;
- \$28,000 (\$18,000 GF) transfer to Community Services Program for the utilization of Foster Grandparent Program
- \$1.5 million (\$0.9 million GF) increase to support the Fairview DC, Lanterman DC, and Porterville DC for the ICRE contract in the 2014-15 budget year as required by the PIP;
- \$3.2 million (\$2.0 million GF) and 43.1 positions (both LOC and NLOC) to develop a separate location for crisis services at Fairview DC, and on a half year basis, establish new crisis services at Sonoma DC for individuals residing in the community where no other alternative is available.

NEW MAJOR ASSUMPTIONS

Future Services for DC Residents

In the Plan for the Future of the Developmental Centers in California published January 13, 2014, the Task Force on the Future of the Developmental Centers (Task Force) made various recommendations to address the future needs of the DC residents. The Task Force focused on the DC residents with significantly complex and challenging behaviors, and analyzed the continuum of services currently available to this population. The Task Force recognized the need for increased mental health services generally, short-term crisis and crisis stabilization facilities, transition facilities, and the importance of "placement of last resort." (See DC Task Force tab for all of the recommendations made by the Task Force.)

One of the recommendations of the Task Force is that the State should operate at least a Northern and Southern California crisis facility. To implement this recommendation, DDS is proposing changes to the delivery of DC acute crisis services. First, crisis services at Fairview DC will be enhanced by establishing a separate housing unit to serve up to five residents requiring crisis services. Second, a new acute crisis unit will be developed at Sonoma DC for one-half of the fiscal year, in direct response to the Task Force recommendation.

Budget funds of \$3.2 million (\$2.0 million GF), including funding for special repairs of \$300,000 and 43.1 positions, are requested to enhance the crisis services at Fairview DC and establish a crisis unit at Sonoma DC. Additionally, Trailer Bill Language is being proposed to authorize crisis admissions to Sonoma DC effective January 1, 2015.

Federal Certification for Fairview, Lanterman, and Porterville DCs

The CDPH, in partnership with CMS, conducts annual surveys at developmental centers for compliance with licensing and certification regulatory requirements.

DDS entered into a PIP with CDPH and CMS on January 16, 2014. The PIP addresses deficiencies in the Intermediate Care Facility (ICF) at Porterville (7 ICF units) and Fairview (8 ICF units) DCs. In addition, an agreement was reached between CDPH and DDS for the monitoring and oversight of the closure at Lanterman DC and transitioning of the ICF residents. These agreements constitute a "stay" of termination from the Medicaid/Medi-Cal Program for the ICF units at Porterville, Fairview and Lanterman DCs, and allow for the continuation of federal funding estimated at \$4.2 million per month during the time period allowed for implementation of the corrective actions identified in the PIP. The PIP requires an ICRE and DDS has contracted for this expert 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. Total cost of this contract is \$3.6 million (\$2.1 million GF).

- Costs of \$2.1 million (\$1.2 million GF) for 2013-14 are being absorbed by DDS via redirection of estimated salary savings as a result of delays in filling 42.5 positions associated with the Sonoma PIP; and
- Budget funds are requested for \$1.5 million (\$0.9 million GF) for the 2014-15 share of the contract.

After the Action Plan is developed by the ICRE and approved by CDPH, the DDS will be required to implement all elements of this plan which may result in additional resource needs. An approved Action Plan is expected in August 2014, at which time DDS can better approximate the resource needs based upon implementation of this action plan.

FUTURE FISCAL ISSUES

Task Force Recommendations for Future Services for DC Residents

The Task Force focused on individuals who are the most difficult to serve in three primary service categories: individuals with enduring and complex medical needs; individuals with challenging behaviors; and individuals involved in the criminal justice system. It also considered the appropriate role for the State in providing services. The Task Force recommended developing new and additional service components, including development of an enhanced community behavioral home, and exploring utilization of DC assets to provide health resource centers and community housing through public/private partnerships. The various efforts that are underway, and those that require definition and development through additional

stakeholder involvement, may have cost impacts that will need to be incorporated into future budget cycles. Cost changes and adjustments will be associated with the changing role of the DCs in providing services as some service components are continued, modified, phased out, and/or developed. While these costs will typically impact DDS programs, they may also affect other State agencies, such as the Department of General Services.

DDS is committed to providing essential information and cost impacts through each successive budget cycle, and continuing to work with all stakeholders and the Legislature in defining the path for the future of DC residents.

Federal Certification for Canyon Springs Community Facility (Canyon Springs)

Canyon Springs has been in the process of implementing plans of correction in response to prior issues noted from the CDPH for compliance with licensing and certification regulatory requirements. Since January 2014, CDPH has been completing the recertification process with DDS submitting plans of correction and having a follow-up survey. As of March 2014 CDPH cited Canyon Springs “client protections” as being out of compliance with federal certification requirements. CDPH has verbally notified DDS that if Canyon Springs continues to be out of compliance with the client protections termination of Medi-Cal certification could result. CDPH notified DDS on April 25, 2014, that the Canyon Springs termination date has been delayed. The new date is now June 30, 2014, based upon past performance and compliance history. If Medi-Cal certification is terminated, DDS will have a federal fund loss of approximately \$8 million annually.

Replacement of Boilers for Sonoma DC

In July of 2008, the Bay Area Air Quality Management District (BAAQMD) amended Regulation 9 Rule 7 which regulates emissions from industrial boilers such as those owned and operated by Sonoma DC. Under these regulations, the replacement of the boilers must have been completed by January 1, 2012. To comply with these regulations the boilers must be replaced. The projected cost to replace the boilers at Sonoma is estimated to be \$5.6 million. While DDS has not received direct correspondence from the BAAQMD, we estimate failure to comply with these requirements could result in penalties from \$1,000 to \$250,000 per day.

The boilers at Sonoma DC cannot be retrofitted and have to be completely replaced.

Replacement/Retrofit Boilers for Porterville and Fairview DCs

In October of 2008, the San Joaquin Valley Unified Air Pollution Control District adopted Rule 4320 to regulate emissions from industrial boilers such as those

owned and operated by Porterville DC. In September of 2008, the South Coast Air Quality Management District amended Rule 1146 which regulates emissions for industrial boilers including those owned and operated by Fairview. To comply with these regulations the boilers were required to be replaced by January 1, 2014. The projected cost to replace boilers at Porterville DC and to retrofit boilers at Fairview DC is \$6.4 million. While DDS has not received direct correspondence from the respective Air Quality Management Districts, we estimate failure to comply with these requirements could result in penalties from \$1,000 to \$250,000 per day. Porterville DC received an emissions fee of \$41,715 in 2012-13 for non-compliance retroactive to 2009. The boilers at Porterville DC cannot be retrofitted and have to be completely replaced.

Funds have been identified in Control Section 6.10 of the Proposed Budget, under the category of deferred maintenance.

United States Department of Justice (USDOJ) Civil Rights for Institutionalized Persons Act (CRIPA) Remedial Agreement

Over a period of more than six years, the USDOJ has conducted investigations of Sonoma and Lanterman DCs and has issued findings pursuant to CRIPA. USDOJ may pursue resolution of these findings in the future potentially resulting in GF costs. Recent licensing actions and media coverage related to the Sonoma DC may generate interest by USDOJ in their open investigation of the facility.

USDOJ Civil Investigative Demand (CID)

DDS received notification from the USDOJ in March 2014 of a CID to determine whether a violation had occurred at the Sonoma DC relative to the Medicare and Medicaid programs. DDS is reviewing the CID and based on discussions with the Governor's Office and the Attorney General's Office, will contract with outside counsel to determine an appropriate response and any necessary actions that may need to be taken. There could be a future fiscal impact based on the investigation and future actions that may be required.

PROPOSED TRAILER BILL LANGUAGE (TBL)

As recommended by the Plan for the Future of the Developmental Centers in California published January 13, 2014, DDS proposes TBL to expand benefits previously associated with an approved DC closure plan to other DC residents. The recent experience with Agnews and Lanterman DCs has led to the development and refinement of various options and improvements in services and supports. Among those services is the Community State Staff Program, where a community entity (typically a service provider or a regional center) may contract with a DC to obtain the services of a DC employee to support former DC residents during transition and/or in their new home. DDS is proposing to expand the

Community State Staff Program to support anyone transitioning out of a DC rather than limiting the use of staff to consumers who transition(ed) from Agnews DC or Lanterman DC.

The Community State Staff Program enables qualified staff, familiar with the needs of the DC residents, to continue supporting them in the community. This continuity of care benefits the consumer being cared for, the family members of the consumer who have trust in this level of support, and DC employees who are seeking new employment options. It also gives service providers and regional centers greater access to qualified staff when hiring. While working in the community, the DC employees retain their civil service status, including salary and benefits, and the State receives full reimbursement via the contract for these services. Ideally, after working in the program, the DC employees will transition to other roles in the service system supporting consumers.

Executive Summary Tables

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EXECUTIVE SUMMARY
CURRENT YEAR 2013-14 and BUDGET YEAR 2014-15

	CURRENT YEAR 2013-14				BUDGET YEAR 2014-15*			
	Enacted Budget CY 13-14	Governor's Budget Adjusted Authority for CY 2013-14	May Revision Proposed Authority for CY 2013-14	May Revision Update for CY 2013-14	Enacted Budget CY 2013-14	Governor's Budget Adjusted Authority for BY 2014-15	May Revision Proposed Authority for BY 2014-15	May Revision Update for BY 2014-15
TOTAL FUNDING	\$542,928,000	\$555,974,136	\$555,954,453	-\$19,683	\$542,928,000	\$525,985,000	\$528,168,000	\$2,183,000
Positions	4,804.0	4,910.5	4,910.5	0.0	4,804.0	4,464.5	4,461.1	-3.4
Average In-Center Population	1,242	1,242	1,242	0	1,242	1,110	1,112	2
Lanterman Population*	91	91	91	0	91	0	0	0
General Fund (0001)	\$297,635,000	\$305,162,094	\$305,153,477	-\$8,617	\$297,635,000	\$274,546,000	\$276,008,000	\$1,462,000
Item 002	7,092,000	7,092,000	7,092,000	0	7,092,000	9,903,000	9,903,000	0
Item 003	284,633,000	292,111,648	292,103,031	-8,617	284,633,000	259,213,000	260,659,000	1,446,000
Item 004	5,659,000	5,707,446	5,707,446	0	5,659,000	5,179,000	5,195,000	16,000
Item 017	251,000	251,000	251,000	0	251,000	251,000	251,000	0
Reimbursements (0995)	\$244,318,000	\$249,899,042	\$249,899,042	\$0	\$244,318,000	\$250,642,000	\$251,373,000	\$731,000
Item 002	1,000	1,000	1,000	0	1,000	1,000	1,000	0
Item 003	242,681,000	248,229,330	248,229,330	0	242,681,000	249,393,000	250,116,000	723,000
Item 004	1,473,000	1,505,712	1,505,712	0	1,473,000	1,085,000	1,093,000	8,000
Item 017	163,000	163,000	163,000	0	163,000	163,000	163,000	0
Federal Funds (0890)	\$510,000	\$510,000	\$498,934	-\$11,066	\$510,000	\$394,000	\$384,000	-\$10,000
Item 003	510,000	510,000	498,934	-11,066	510,000	394,000	384,000	-10,000
Lottery Education Fund (0817)	\$465,000	\$403,000	\$403,000	\$0	\$465,000	\$403,000	\$403,000	\$0
Item 503	465,000	403,000	403,000	0	465,000	403,000	403,000	0
Total DC Program Budget	\$542,928,000	\$555,974,136	\$555,954,453	-\$19,683	\$542,928,000	\$525,985,000	\$528,168,000	\$2,183,000
002	7,093,000	7,093,000	7,093,000	0	7,093,000	9,904,000	9,904,000	0
003	527,824,000	540,850,978	540,831,295	-19,683	527,824,000	509,000,000	511,159,000	2,159,000
004	7,132,000	7,213,158	7,213,158	0	7,132,000	6,264,000	6,288,000	24,000
017	414,000	414,000	414,000	0	414,000	414,000	414,000	0
503	465,000	403,000	403,000	0	465,000	403,000	403,000	0

*Lanterman Budget Year authority includes funding for 22 residents as of July 1, 2014, with closure in December 2014.

**EXECUTIVE SUMMARY
DEVELOPMENTAL CENTERS DETAILED FUNDING SUMMARY
CURRENT YEAR 2013-14**

	Enacted Budget CY 2013-14	Governor's Budget CY 2013-14	SCDD Client's Rights Advocate Interagency Agreement	FDC/LDC/PDC ICRE Contract	Sonoma Program Improvement Plan Savings from Vacant Positions	FGP Transfer to RC Local Assistance	May Revision Update for CY 2013-14	Proposed Authority CY 2013-14
Program 20 Total	\$542,928,000	\$555,974,136	\$137,000	\$2,052,513	-\$2,189,513	-\$19,683	-\$19,683	\$555,954,453
Positions	4,804.0	4,910.5	0.0	0.0	0.0	0.0	0.0	4,910.5
Average In-Center Population	1,242	1,242	0	0	0	0	0	1,242
Lanterman Population	91	91	0	0	0	0	0	91
Funding Sources								
General Fund Total	\$297,635,000	\$305,162,094	\$81,775	\$1,225,145	-\$1,306,920	-\$8,617	-\$8,617	\$305,153,477
General Fund Match	257,623,000	259,960,357	55,225	827,368	-882,593	0	0	259,960,357
General Fund Other	40,012,000	41,247,059	26,551	397,777	-424,328	-8,617	-8,617	41,238,442
Item 9840 Match	0	3,243,685	0	0	0	0	0	3,243,685
Item 9840 Other	0	710,993	0	0	0	0	0	710,993
Reimbursement Total	\$244,318,000	\$249,899,042	\$55,225	\$827,368	-\$882,593	\$0	\$0	\$249,899,042
Medi-Cal Reimbursements	228,998,000	234,579,042	55,225	827,368	-882,593	0	0	234,579,042
Other Reimbursements	15,320,000	15,320,000	0	0	0	0	0	15,320,000
Federal Funds	\$510,000	\$510,000	\$0	\$0	\$0	-\$11,066	-\$11,066	\$498,934
Lottery Education Fund	\$465,000	\$403,000	\$0	\$0	\$0	\$0	\$0	\$403,000
Total Funding	\$542,928,000	\$555,974,136	\$137,000	\$2,052,513	-\$2,189,513	-\$19,683	-\$19,683	\$555,954,453

SCHEDULING DETAIL

TOTAL FUNDING	\$542,928,000	\$555,974,136	\$137,000	\$2,052,513	-\$2,189,513	-\$19,683	-\$19,683	\$555,954,453
General Fund (0001)	\$297,635,000	\$305,162,094	\$81,775	\$1,225,145	-\$1,306,920	-\$8,617	-\$8,617	\$305,153,477
Item 002	7,092,000	7,092,000	0	0	0	0	0	7,092,000
Item 003	284,633,000	292,111,648	81,775	1,225,145	-1,306,920	-8,617	-8,617	292,103,031
Item 004	5,659,000	5,707,446	0	0	0	0	0	5,707,446
Item 017	251,000	251,000	0	0	0	0	0	251,000
Reimbursements (0995)	\$244,318,000	\$249,899,042	\$55,225	\$827,368	-\$882,593	\$0	\$0	\$249,899,042
Item 002	1,000	1,000	0	0	0	0	0	1,000
Item 003	242,681,000	248,229,330	55,225	827,368	-882,593	0	0	248,229,330
Item 004	1,473,000	1,505,712	0	0	0	0	0	1,505,712
Item 017	163,000	163,000	0	0	0	0	0	163,000
Federal Funds (0890)	\$510,000	\$510,000	\$0	\$0	\$0	-\$11,066	-\$11,066	\$498,934
Item 003	510,000	510,000	0	0	0	-11,066	-11,066	498,934
Lottery Education Fund (0817)	\$465,000	\$403,000	\$0	\$0	\$0	\$0	\$0	\$403,000
Item 503	465,000	403,000	0	0	0	0	0	403,000

**EXECUTIVE SUMMARY
DEVELOPMENTAL CENTERS DETAILED FUNDING SUMMARY
BUDGET YEAR 2014-15**

	Enacted Budget CY 2013-14	Governor's Budget BY 2014-15	Population Staffing Adjustments			LDC Staffing Adjustments*					Total Staffing Adjustments
			Level of Care	Non-Level of Care	Population Staffing Adjustments TOTAL	LDC Staffing Update	LDC Correction	LDC Enhance Staffing Update	LDC Closure Activites Update	LDC Staffing Adjustments TOTAL	
Program 20 Total	\$542,928,000	\$525,985,000	\$161,000	-\$275,000	-\$114,000	-\$698,000	-\$986,000	-\$450,000	-\$354,000	-\$2,488,000	-\$2,602,000
Positions	4,804.0	4,464.5	3.0	-4.0	-1.0	-24.5	0.0	-12.0	-9.0	-45.5	-46.5
Average In-Center Population	1,242	1,110	2	0	2	0	0	0	0	0	2
Lanterman Population	91	0	0	0	0	0	0	0	0	0	0
Funding Sources											
General Fund Total	\$297,635,000	\$274,546,000	\$89,000	-\$157,000	-\$68,000	-\$382,000	-\$540,000	-\$246,000	-\$239,000	-\$1,407,000	-\$1,475,000
General Fund Match	257,623,000	263,947,000	72,000	-118,000	-46,000	-316,000	-446,000	-204,000	-115,000	-1,081,000	-1,127,000
General Fund Other	40,012,000	10,599,000	17,000	-39,000	-22,000	-66,000	-94,000	-42,000	-124,000	-326,000	-348,000
Reimbursement Total	\$244,318,000	\$250,642,000	\$72,000	-\$118,000	-\$46,000	-\$316,000	-\$446,000	-\$204,000	-\$115,000	-\$1,081,000	-\$1,127,000
Medi-Cal Reimbursements	228,998,000	235,322,000	72,000	-118,000	-46,000	-316,000	-446,000	-204,000	-115,000	-1,081,000	-1,127,000
Other Reimbursements	15,320,000	15,320,000	0	0	0	0	0	0	0	0	0
Federal Funds	\$510,000	\$394,000	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Lottery Education Fund	\$465,000	\$403,000	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funding	\$542,928,000	\$525,985,000	\$161,000	-\$275,000	-\$114,000	-\$698,000	-\$986,000	-\$450,000	-\$354,000	-\$2,488,000	-\$2,602,000

SCHEDULING DETAIL

TOTAL FUNDING	\$542,928,000	\$525,985,000	\$161,000	-\$275,000	-\$114,000	-\$698,000	-\$986,000	-\$450,000	-\$354,000	-\$2,488,000	-\$2,602,000
General Fund (0001)	\$297,635,000	\$274,546,000	\$89,000	-\$157,000	-\$68,000	-\$382,000	-\$540,000	-\$246,000	-\$239,000	-\$1,407,000	-\$1,475,000
Item 002	7,092,000	9,903,000	0	0	0	0	0	0	0	0	0
Item 003	284,633,000	259,213,000	87,000	-157,000	-70,000	-382,000	-540,000	-246,000	-239,000	-1,407,000	-1,477,000
Item 004	5,659,000	5,179,000	2,000	0	2,000	0	0	0	0	0	2,000
Item 017	251,000	251,000	0	0	0	0	0	0	0	0	0
Reimbursements (0995)	\$244,318,000	\$250,642,000	\$72,000	-\$118,000	-\$46,000	-\$316,000	-\$446,000	-\$204,000	-\$115,000	-\$1,081,000	-\$1,127,000
Item 002	1,000	1,000	0	0	0	0	0	0	0	0	0
Item 003	242,681,000	249,393,000	71,000	-118,000	-47,000	-316,000	-446,000	-204,000	-115,000	-1,081,000	-1,128,000
Item 004	1,473,000	1,085,000	1,000	0	1,000	0	0	0	0	0	1,000
Item 017	163,000	163,000	0	0	0	0	0	0	0	0	0
Federal Funds (0890)	\$510,000	\$394,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Item 003	510,000	394,000	0	0	0	0	0	0	0	0	0
Lottery Education Fund (0817)	\$465,000	\$403,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Item 503	465,000	403,000	0	0	0	0	0	0	0	0	0

*Lanterman Budget Year authority includes funding for 22 residents as of July 1, 2014, with closure in December 2014.

**EXECUTIVE SUMMARY
DEVELOPMENTAL CENTERS DETAILED FUNDING SUMMARY
BUDGET YEAR 2014-15 (CONTINUED)**

	SCDD Clients' Rights Advocate Interagency Agreement	FDC/LDC/PDC ICRE Contract	Task Force Crisis Units*	FGP Transfer to RC Local Assistance	May Revision Update for BY 2014-15	Proposed Authority BY 2014-15
Program 20 Total	\$139,000	\$1,498,000	\$3,176,000	-\$28,000	\$2,183,000	\$528,168,000
Positions	0.0	0.0	43.1	0.0	-3.4	4,461.1
Average In-Center Population	0	0	0	0	2	1,112
Lanterman Population	0	0	0	0	0	0
Funding Sources						
General Fund Total	\$83,000	\$894,000	\$1,978,000	-\$18,000	\$1,462,000	\$276,008,000
General Fund Match	56,000	604,000	1,198,000	0	731,000	264,678,000
General Fund Other	27,000	290,000	780,000	-18,000	731,000	11,330,000
Reimbursement Total	\$56,000	\$604,000	\$1,198,000	\$0	\$731,000	\$251,373,000
Medi-Cal Reimbursements	56,000	604,000	1,198,000	0	731,000	236,053,000
Other Reimbursements	0	0	0	0	0	15,320,000
Federal Funds	\$0	\$0	\$0	-\$10,000	-\$10,000	\$384,000
Lottery Education Fund	\$0	\$0	\$0	\$0	\$0	\$403,000
Total Funding	\$139,000	\$1,498,000	\$3,176,000	-\$28,000	\$2,183,000	\$528,168,000

SCHEDULING DETAIL

	\$139,000	\$1,498,000	\$3,176,000	-\$28,000	\$2,183,000	\$528,168,000
TOTAL FUNDING	\$139,000	\$1,498,000	\$3,176,000	-\$28,000	\$2,183,000	\$528,168,000
General Fund (0001)	\$83,000	\$894,000	\$1,978,000	-\$18,000	\$1,462,000	\$276,008,000
Item 002	0	0	0	0	0	9,903,000
Item 003	83,000	894,000	1,964,000	-18,000	1,446,000	260,659,000
Item 004	0	0	14,000	0	16,000	5,195,000
Item 017	0	0	0	0	0	251,000
Reimbursements (0995)	\$56,000	\$604,000	\$1,198,000	\$0	\$731,000	\$251,373,000
Item 002	0	0	0	0	0	1,000
Item 003	56,000	604,000	1,191,000	0	723,000	250,116,000
Item 004	0	0	7,000	0	8,000	1,093,000
Item 017	0	0	0	0	0	163,000
Federal Funds (0890)	\$0	\$0	\$0	-\$10,000	-\$10,000	\$384,000
Item 003	0	0	0	-10,000	-10,000	384,000
Lottery Education Fund (0817)	\$0	\$0	\$0	\$0	\$0	\$403,000
Item 503	0	0	0	0	0	403,000

* Includes \$150,000 in Special Repairs in two facilities, totaling \$300,000

EXECUTIVE SUMMARY

CURRENT YEAR 2013-14 TO BUDGET YEAR 2014-15 COMPARISON

	Enacted Budget CY 2013-14	Governor's Budget CY 2013-14	May Revision Proposed Authority CY 2013-14	May Revision Update CY 2013-14	Governor's Budget BY 2014-15	May Revision Proposed Authority BY 2014-15	May Revision Update BY 2014-15	2014-15 Incremental from CY to BY
Program 20 Total	\$542,928,000	\$555,974,136	\$555,954,453	-\$19,683	\$525,985,000	\$528,168,000	\$2,183,000	-\$27,786,453
Positions	4,804.0	4,910.5	4,910.5	0.0	4,464.5	4,461.1	-3.4	-449.4
Average In-Center Population	1,242	1,242	1,242	0	1,110	1,112	2	-130
Lanterman Population*	91	91	91	0	0	0	0	-91
Funding Sources								
General Fund Total	\$297,635,000	\$305,162,094	\$305,153,477	-\$8,617	\$274,546,000	\$276,008,000	\$1,462,000	-\$29,145,477
General Fund Match	257,623,000	259,960,357	259,960,357	0	263,947,000	264,678,000	731,000	4,717,643
General Fund Other	40,012,000	41,247,059	41,238,442	-8,617	10,599,000	11,330,000	731,000	-29,908,442
Item 9840 Match	0	3,243,685	3,243,685	0	0	0	0	-3,243,685
Item 9840 Other	0	710,993	710,993	0	0	0	0	-710,993
Reimbursement Total	\$244,318,000	\$249,899,042	\$249,899,042	\$0	\$250,642,000	\$251,373,000	\$731,000	\$1,473,958
Medi-Cal Reimbursements	228,998,000	234,579,042	234,579,042	0	235,322,000	236,053,000	731,000	1,473,958
Other Reimbursements	15,320,000	15,320,000	15,320,000	0	15,320,000	15,320,000	0	0
Federal Funds	\$510,000	\$510,000	\$498,934	-\$11,066	\$394,000	\$384,000	-\$10,000	-\$114,934
Lottery Education Fund	\$465,000	\$403,000	\$403,000	\$0	\$403,000	\$403,000	\$0	\$0
Total Funding	\$542,928,000	\$555,974,136	\$555,954,453	-\$19,683	\$525,985,000	\$528,168,000	\$2,183,000	-\$27,786,453

* Lanterman DC population budgeted at 22 on July 1, 2014

Position Summary

CURRENT YEAR 2013-14					
TOTALS	LEVEL-OF-CARE			NON LOC	
	PROF	NURSING	TOTAL		
2013-14 Authorized Positions	4,804.0	242.0	1,606.0	1,848.0	2,956.0
November Estimate					
Staffing Adjustment	-12.0	3.0	0.0	3.0	-15.0
Sonoma Program Improvement Plan	118.5	0.0	76.5	76.5	42.0
November Estimate Totals	106.5	3.0	76.5	79.5	27.0
May Revision					
Staffing Adjustment	0.0	0.0	0.0	0.0	0.0
May Revision Totals	0.0	0.0	0.0	0.0	0.0
Total Positions	4,910.5	245.0	1,682.5	1,927.5	2,983.0
Total Adjustments	106.5	3.0	76.5	79.5	27.0

BUDGET YEAR 2014-15					
TOTALS	LEVEL-OF-CARE			NON LOC	
	PROF	NURSING	TOTAL		
2014-15 Authorized Positions	4,804.0	242.0	1,606.0	1,848.0	2,956.0
November Estimate					
Staffing Adjustment (Excluding LDC)	-169.0	-14.0	-100.0	-114.0	-55.0
LDC Staffing Adjustment	-317.0	-17.5	-125.0	-142.5	-174.5
Sonoma Program Improvement Plan	118.5	0.0	76.5	76.5	42.0
Lanterman Closure	28.0	1.0	-21.0	-20.0	48.0
November Estimate Totals	-339.5	-30.5	-169.5	-200.0	-139.5
May Revision					
Staffing Adjustment	-1.0	0.0	3.0	3.0	-4.0
LDC Staffing Adjustment	-24.5	0.0	0.0	0.0	-24.5
LDC Enhanced Closure Staffing Adjustment	-21.0	-1.0	0.0	-1.0	-20.0
Crisis Unit Staffing	43.1	1.9	24.3	26.2	16.9
May Revision Totals	-3.4	0.9	27.3	28.2	-31.6
Total Positions	4,461.1	212.4	1,463.8	1,676.2	2,784.9
Total Adjustments	-342.9	-29.6	-142.2	-171.8	-171.1

Population

Systemwide Population Charts:

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SYSTEMWIDE POPULATION (Excludes Lanterman)

Current Year 2013-14							
	November Estimate			May Revision		Population Change	
	2013-14 Enacted Budget	2014 Proposed Governor's Budget for CY	Change from Enacted to November Estimate	May Revision CY 2013-14	Change from November Estimate to May Revision	Population Change CY 2013-14	Percentage Annual Change
Beginning Population, July 1, 2013	1,317	1,317	0	1,317	0	0	0%
Admissions*	38	38	0	38	0	0	0%
Placements	-123	-123	0	-123	0	0	0%
Deaths	-45	-45	0	-45	0	0	0%
Ending Population, June 30, 2014	1,187	1,187	0	1,187	0	0	0%
<i>DC Average Population Detail:</i>							
Canyon Springs	58	58	0	58	0	0	0%
Fairview	324	324	0	324	0	0	0%
Porterville	421	421	0	421	0	0	0%
Sonoma	454	454	0	454	0	0	0%
Total Average Population	1,257	1,257	0	1,257	0	0	0%
Average Population	1,257	1,257	0	1,257	0	0	0%
On Leave	-15	-15	0	-15	0	0	0%
Total Average In-Center Population	1,242	1,242	0	1,242	0	0	0%
<i>DC Average In-Center Population Detail:</i>							
Canyon Springs	58	58	0	58	0	0	0%
Fairview	319	319	0	319	0	0	0%
Porterville	416	416	0	416	0	0	0%
Sonoma	449	449	0	449	0	0	0%
Total Average In-Center Population	1,242	1,242	0	1,242	0	0	0%

*Admissions include transfers to Canyon Springs

Assumptions/Methodology:

Historical data indicates that more placements occur in the second half of the fiscal year due to resource development (new providers/beds) in the community. The average in-center population estimate is weighted to account for this factor.

SYSTEMWIDE POPULATION (Excludes Lanterman)

Budget Year 2014-15

	November Estimate			May Revision		Population Change	
	2013-14 Enacted Budget*	2014 Proposed Governor's Budget for BY	Change from Enacted to November Estimate	May Revision BY 2014-15	Change from November Estimate to May Revision	Population Change BY 2014-15	Percentage Annual Change
Beginning Population, July 1, 2014	1,295	1,165	-130	1,165	0	-130	-10%
Admissions**	38	49	11	52	3	14	37%
Placements	-101	-124	-23	-124	0	-23	23%
Deaths	-45	-41	4	-41	0	4	-9%
Ending Population, June 30, 2015	1,187	1,049	-138	1,052	3	-135	-11%
<u>DC Average Population Detail:</u>							
Canyon Springs	58	58	0	58	0	0	0%
Fairview	324	281	-43	283	2	-41	-13%
Porterville	421	381	-40	381	0	-40	-10%
Sonoma	454	405	-49	405	0	-49	-11%
Total Average Population	1,257	1,125	-132	1,127	2	-130	-10%
Average Population	1,257	1,125	-132	1,127	2	-130	-10%
On Leave	-15	-15	0	-15	0	0	0%
Total Average In-Center Population	1,242	1,110	-132	1,112	2	-130	-11%
<u>DC Average In-Center Population Detail:</u>							
Canyon Springs	58	58	0	58	0	0	0%
Fairview	319	276	-43	278	2	-41	-13%
Porterville	416	376	-40	376	0	-40	-10%
Sonoma	449	400	-49	400	0	-49	-11%
Total Average In-Center Population	1,242	1,110	-132	1,112	2	-130	-11%

*The Governor's Budget erroneously contained the LDC population in the 2013-14 Enacted Budget column; the 22 starting population and placements are corrected here.

**Admissions include transfers to Canyon Springs

Assumptions/Methodology:

Historical data indicates that more placements occur in the second half of the fiscal year due to resource development (new providers/beds) in the community. The average in-center population estimate is weighted to account for this factor.

SYSTEMWIDE POPULATION (Excludes Lanterman)

Current Year 2013-14 to Budget Year 2014-15				
	May Revision CY 2013-14	May Revision BY 2014-15	Change from CY to BY	Percentage Change
Beginning Population, July 1	1,317	1,165	-152	-12%
Admissions	38	52	14	37%
Placements	-123	-124	-1	1%
Deaths	-45	-41	4	-9%
Ending Population, June 30th	1,187	1,052	-135	-11%
Average Population	1,257	1,127	-130	-10%
On Leave	-15	-15	0	0%
Total Average In-Center Population	1,242	1,112	-130	-11%
<i>DC Average In-Center Population Detail:</i>				
Canyon Springs	58	58	0	0%
Fairview	319	278	-41	-13%
Porterville	416	376	-40	-10%
Sonoma	449	400	-49	-11%
Total Average In-Center Population	1,242	1,112	-130	-11%

Lanterman Population-Detail

	Beginning Population	Placements	Deaths	Ending Population*	Average in Center (CY Only)
2013-14 Enacted Budget	149	-120	-7	22	91
2013-14 CY Estimated	149	-120	-7	22	91
2014-15 BY Proposed	22	-22	0	0	-

*Population in Lanterman is zero as of December 31, 2014 due to closure

Assumptions/Methodology:

Historical data indicates that more placements occur in the second half of the fiscal year due to resource development (new providers/beds) in the community. The average in-center population estimate is weighted to account for this factor.

**CLIENT DEVELOPMENT EVALUATION REPORT (CDER) MIX PERCENTAGE
(SYSTEMWIDE)
(Excludes Lanterman)**

Preferred Programs:	CMC 1	PD 2	AUT 3	SENS 4	CD 5	BEH 6	HAB 7	SOC 8	P&S 9
2014 May Revise (CY 2013-14)	45.5%	9.6%	10.1%	2.9%	7.0%	19.5%	3.1%	1.1%	1.3%
2014 May Revise (BY 2014-15)	46.2%	8.8%	10.5%	2.6%	7.1%	21.1%	2.2%	0.4%	1.0%

Program Type:

CMC: Continuing Medical Care
 PD: Physical Development
 AUT: Autism
 SENS: Sensory Development
 CD: Child Development

BEH: Behavior Development
 HAB: Habilitation
 SOC: Social Development
 P&S: Physical and Social Development

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Summary
Program Update
Total Staffing Adjustments (Excludes Lanterman)

BUDGET YEAR 2014-15

Net Change in Costs from Governor's Budget	Net Position Change from Governor's Budget
--	--

LEVEL OF CARE

NURSING: _____ 3.0

SUBTOTAL : LOC REQUEST

\$161,644

NON-LEVEL OF CARE

CLINICAL SERVICES

SPT SERV ASST-INTRPRET/HOSPITAL WORKER _____ -5.0

INDIVIDUAL PROGRAM COORDINATOR _____ 1.0

TOTAL REQUEST, CLINICAL SERVICES _____ -4.0

SUBTOTAL : NLOC REQUEST

-\$275,227

TOTAL, STAFFING ADJUSTMENT

-\$113,583

-1.0

ROUNDED

-\$114,000

Program Update
Staffing Population Adjustments
Level-of-Care Staffing (Excludes Lanterman)
BUDGET YEAR 2014-15

	Governor's Budget 1,110	May Revision 1,112	Net Change 2	Fiscal Impact			
					003	004	
PROFESSIONAL:							
Medical	22.0	22.0	0.0	\$0	\$0	\$0	
Psychology	45.0	45.0	0.0	0	0	0	
Social Work	38.0	38.0	0.0	0	0	0	
Rehab Therapy	41.0	41.0	0.0	0	0	0	
Phys./Occ. Therapy	0.0	0.0	0.0	0	0	0	
Education	55.0	55.0	0.0	0	0	0	
Speech	0.0	0.0	0.0	0	0	0	
Subtotal, Professional	201.0	201.0	0.0	\$0	\$0	\$0	
NURSING:							
	1,285.0	1,288.0	3.0	140,155	140,155	0	
Subtotal : LOC Permanent	1,486.0	1,489.0	3.0	\$140,155	\$140,155	\$0	
TEMPORARY HELP							
Physical Therapy (PT)/Occupational Therapy (OT)				\$109,271	\$109,271	\$0	
Speech Therapy (ST)				0	0	0	
Subtotal, Temporary Help				\$109,271	\$109,271	\$0	
Subtotal, Salaries and Wages				\$249,427	\$249,427	\$0	
STAFF BENEFITS							
OASDI/Medicare				\$18,944	\$18,944	\$0	
Health				46,450	46,450	0	
Retirement				46,800	46,800	0	
Subtotal, Staff Benefits				\$112,194	\$112,194	\$0	
TOTAL, PERSONAL SERVICES				\$361,621	\$361,621	\$0	
OPERATING EXPENSE & EQUIPMENT							
OT/PT Contract Services				-\$210,831	-\$210,831	\$0	
ST Contract Services				3,282	0	3,282	
Foodstuffs	\$1,829			3,658	3,658	0	
Drugs, Lab & Supply	\$1,371			2,742	2,742	0	
Clothing	\$586			1,172	1,172	0	
TOTAL, OPERATING EXPENSE & EQUIPMENT				-\$199,977	-\$203,259	\$3,282	
Subtotal Request				\$161,644	\$158,362	\$3,282	
*LDC costed separately due to closure process							
TOTAL REQUEST				3.0	\$161,644	\$158,362	\$3,282
ROUNDING					\$161,000	\$158,000	\$3,000
TOTAL FUNDING					\$161,000	\$158,000	\$3,000
General Fund					\$89,000	\$87,000	\$2,000
General Fund Match					72,000	71,000	1,000
General Fund Other					17,000	16,000	1,000
Reimbursements					\$72,000	\$71,000	\$1,000
Medi-Cal Reimbursements					72,000	71,000	1,000

Program Update
Staffing Population Adjustments
Non-Level of Care Staffing (Excludes Lanterman)
BUDGET YEAR 2014-15

	Net Position Change from Governor's Budget	Net Change in Costs from Governor's Budget
ADMINISTRATION		
<i>TOTAL ADMINISTRATION</i>	0.0	\$0
CLINICAL SERVICES		
SPT SERV ASST-INTRPRET/HOSPITAL WORKER	-5.0	-246,780
IPC	1.0	48,408
<i>TOTAL CLINICAL SERVICES</i>	-4.0	-\$198,372
SUPPORT SERVICES		
<i>TOTAL SUPPORT SERVICES</i>	0.0	\$0
PLANT OPERATIONS		
<i>TOTAL PLANT OPERATIONS</i>	0.0	\$0
		-\$198,372
STAFF BENEFITS		
OASDI/Medicare		-\$13,062
Health		-24,249
Retirement		-39,544
Sub-Total, Staff Benefits		-\$76,855
TOTAL, PERSONAL SERVICES	-4.0	-\$275,227
ROUNDED		-\$275,000
General Fund		-\$157,000
General Fund Match		-118,000
General Fund Other		-39,000
Medi-Cal Reimbursements		-\$118,000
*LDC costed seperately due to closure process		
CHANGES IN STAFFING		
GOVERNOR'S BUDGET STAFFING		2,396.0
MAY REVISE STAFFING		2,392.0
CHANGE		-4.0

Program Update
Staffing Population Adjustments
Non-Level of Care Staffing (Lanterman Only)

BUDGET YEAR 2014-15

	Net Position Change from Governor's Budget	Net Change in Costs from Governor's Budget
ADMINISTRATION		
PROG TECH/OT/OA/ACCT CLERK	-2.0	-62,974
LABOR RELATIONS ANALYST	1.0	48,395
OT/OA	-1.0	-31,487
TELE OPA	-1.0	-30,164
PEACE OFFICER I/SECURITY OFFICER GUARD	-2.0	-75,516
<i>TOTAL ADMINISTRATION</i>	<u>-5.0</u>	<u>-\$151,746</u>
CLINICAL SERVICES		
PROGRAM DIRECTOR DS	1.0	80,478
COORDINATOR-VOLUNTEER	-1.0	-55,778
SR. LIBRARIAN-SPEC/LIB	-1.0	-57,048
PSYCH. TECH. (Active Treatment)	-7.5	-300,953
DENTAL HYGIENIST	-1.0	-45,194
OT/OA	-1.0	-31,487
AGPA (Statewide)	-0.5	-29,106
<i>TOTAL CLINICAL SERVICES</i>	<u>-11.0</u>	<u>-\$439,088</u>
SUPPORT SERVICES		
FAC ENV AUDIT TECH	-1.0	-33,128
OT/OA/ACCT CLK	-1.0	-31,487
LAUNDRY WORKER/LABORER	-1.0	-32,969
<i>TOTAL SUPPORT SERVICES</i>	<u>-3.0</u>	<u>-\$97,584</u>
PLANT OPERATIONS		
ENERGY RES SPEC/ANYST	-0.5	-29,106
CARPENTER III/APPR	-1.0	-42,144
SHEET METAL/FUSHION WDR	-1.0	-50,062
BLDG MAINT WORKER	-1.0	-42,151
LABORER/TRACTOR OPERATER	-1.0	-44,321
CHIEF ENGR I/STAT ENG/APPR	-1.0	-57,094
<i>TOTAL PLANT OPERATIONS</i>	<u>-5.5</u>	<u>-\$264,878</u>
LDC NLOC Total, Salary and Wages	-24.5	-\$953,296

**Program Update
Staffing Population Adjustments
Non-Level of Care Staffing (Lanterman Only)**

BUDGET YEAR 2014-15

Net Position Change from Governor's Budget	Net Change in Costs from Governor's Budget
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STAFF BENEFITS

OASDI/Medicare	-\$68,256
Health	-179,764
Retirement	-194,091
Sub-Total, Staff Benefits	-442,111

Half year funding adjustment for NLOC positions in BY* **\$697,703**

TOTAL, PERSONAL SERVICES **-24.5** **-\$697,703**

ROUNDED **-\$698,000**

General Fund	-\$382,000
General Fund Match	-316,000
General Fund Other	-66,000
Medi-Cal Reimbursements	-\$316,000

CHANGES IN STAFFING

GOVERNOR'S BUDGET STAFFING	291.5
MAY REVISION STAFFING	267.0
CHANGE	-24.5

*Lanterman positions had half of their funding removed in the Governor's Budget for the Budget Year, Therefore only a half year of funding can be removed from any remaining positions.

Program Update

**Lanterman Developmental Center
Closure Plan Implementation - Revision of Enhanced Staffing - Staff Benefits Error Adjustment
Budget Year 2014-15**

Funding correction to the Enhanced Staffing changes due to formula error in the November Estimate that was identified after finalization of Governor's Budget numbers. Specifically, there was a formula error in calculating the staff benefits for the 14 NLOC positions.

NOVEMBER ESTIMATE TOTAL, ENHANCED STAFFING	-\$3,262,668
NOVEMBER ESTIMATE ADJUSTMENT TOTAL, ENHANCED STAFFING	\$2,276,386
ROLLBACK, ADJUSTMENT FOR ERROR	<u>-\$986,282</u>
TOTAL, ENHANCED STAFFING ERROR CORRECTION	-\$986,282
	Rounding: -\$986,000
	Funding:
	General Fund 003: -\$540,000
	Medi-Cal Reimbursements 003: -446,000

Program Update
Lanterman Developmental Center
Closure Plan Implementation - Revision of Enhanced Staffing
Budget Year 2014-15

The following previously requested Enhanced Staffing positions are no longer needed for closure related activities beginning July 1, 2014. This Update reflects further reductions in staffing not reflected in the 2014-15 Governor's Budget.

Non-LOC Positions

Administration Transition and Closure Activities

1139 Office Tech/Office Asst	-2.0	-36,372
1872 Health Records Tech I/II	-2.0	-41,124

Transition and Placement Support Activities

8230 Unit Supervisor	-1.0	-34,708
8232 Psychiatric Tech (Escort)	-4.0	-95,688
8328 Standards Compliance Coord	-1.0	-36,684
7982 Pharmacist I/Pharm Assist	-2.0	-59,138

	Sub-Total Enhanced Staffing	-12.0	-\$303,714
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Staff Benefits

OASDI/Medicare	7.16%	-\$21,746
Health	20.79%	-63,142
Retirement	20.36%	-61,836

	Total Benefits	-\$146,724
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	TOTAL, ENHANCED STAFFING	-12.0	-\$450,438
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	Rounding:	-\$450,000
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Funding:

	General Fund 003:	-\$246,000
	Medi-Cal Reimbursements 003:	-204,000

**Department of Developmental Services
Developmental Centers Programs**

**Program Update
Lanterman Closure Plan: WARM SHUTDOWN
Budget Year 2014-15**

DDS remains responsible for the facility and equipment after the last resident transitions from the facility to maintain the physical plant and facility structures until the property is transferred through the state surplus property process. This period is referred to as "Warm Shutdown". Positions required for this purpose include staff in Plant Operations, Security, and administrative support. DDS requested the authority to retain the positions listed in the 2014-15 November Estimate for staffing the Warm Shutdown phase of the post closure BY 2014-15. DDS has reviewed the original request and is requesting the following changes and reductions:

		ANNUAL SALARY	POS.	BY 2014-15 COST
SALARIES AND WAGES				
6533	ELECTRICIAN I	58,128	-0.50	-14,532
6549	PLUMBER I	58,128	-0.50	-14,532
6851	AUTOMOBILE MECHANIC	50,556	-1.00	-25,278
6215	BUILDING MAINTENANCE WORKER	48,228	-1.00	-24,114
1139	OFFICE TECHNICIAN (TYPING)	40,344	-1.00	-20,172
2011	CUSTODIAN	31,500	1.00	15,750
5393	AGPA/SSA	66,096	-1.00	-33,048
4177	ACCOUNTANT I (SPECIALIST)	43,116	-1.00	-21,558
4800	STAFF SERVICES MANAGER I (FISCAL)	75,732	1.00	37,866
	TOTAL SALARIES AND WAGES		<u>-4.0</u>	<u>-\$99,618</u>
STAFF BENEFITS				
	OASDI/MEDICARE	7.16%		-7,133
	HEALTH	20.79%		-20,711
	RETIREMENT	20.36%		0
	RETIREMENT - PEACE OFFICERS	31.32%		0
	STAFF BENEFITS TOTALS			<u>-27,843</u>
	TOTAL PERSONAL SERVICES (6 MONTHS)		-4.0	-\$127,461
	TOTAL ROUNDED WARM SHUTDOWN (6 MONTHS)		-4.0	-\$127,000
	General Fund 003:			-\$70,000
	Medi-Cal Reimbursements 003:			-57,000

**Department of Developmental Services
Developmental Centers Programs**

Program Update

**Lanterman Closure Plan: Administrative Closure Team
Budget Year 2014-15**

With prior experience it has been determined that 180 days is required for the Administrative Closure Team to complete the necessary functions of ensuring records are properly retained and stored, confidentiality is preserved, and essential historical documents are chronicled and maintained, surplus property and equipment is inventoried and is distributed to the DC System or proper disposition is accomplished, and to complete staff reduction activities. DDS requested the authority to retain the positions listed in the 2014-15 November Estimate for staffing the Administrative Closure Team post closure BY 2014-15. DDS has reviewed the original request and is requesting the following changes and reductions:

		ANNUAL		BY
		SALARY	POS.	COST
Administrative Closure Team (180 days post closure)				
SLARIES AND WAGES				
1872	HEALTH RECORDS TECH II	49,980	-1.0	-24,990
6215	BUILDING MAINTENANCE WORKER	48,228	-1.0	-24,114
2011	CUSTODIAN	31,500	1.0	15,750
5393	AGPA	66,096	-1.0	-33,048
SLARIES AND WAGES SUBTOTAL			-2.0	-66,402
STAFF BENEFITS				
	OASDI/MEDICARE	7.16%		-4,754
	HEALTH	20.79%		-13,805
	RETIREMENT	20.36%		-13,519
STAFF BENEFITS SUBTOTAL				-32,078
TOTAL (6 MONTHS)			-2.0	-\$98,480
Rounding:				-98,000
Funding:				
General Fund 003:				-54,000
Medi-Cal Reimbursements 003:				-44,000

Program Update
Lanterman Developmental Center
Closure Plan Implementation - Community State Staff
Budget Year 2014-15

STATE STAFF IN THE COMMUNITY

The trailer bill to the Budget Act of 2010 (SB 853, Chapter 717, Statutes of 2010, Committee on Budget), enacted October 19, 2010, authorized DDS employees working at Lanterman to work in the community with former residents while remaining state employees. This program is referred to as the Community State Staff (CSS) Program. Lanterman employees, through contract, are able to directly support former residents of Lanterman in their new homes, and thereby enhance the quality and promote continuity of services in the community. DDS requested the authority to retain the positions listed in the 2014-15 November Estimate for staffing the Community State Staff Program post closure BY 2014-15. DDS has reviewed the original request and is requesting the following reductions:

CSS ADMINISTRATION SALARIES AND WAGES	ANNUAL SALARY		BY 2014-15 COST
1139 OFFICE TECHNICIAN (TYPING)	40,344	-1.0	-\$20,172
Sub-Total, Administration for State Staff		-1.0	-\$20,172
Staff Benefits			
OASDI/Medicare	7.16%		-\$1,444
Health	20.79%		-4,194
Retirement	20.36%		-4,107
Total Benefits			-\$9,745
TOTAL , STATE STAFF IN THE COMMUNITY (6 MONTHS)		-1.0	-\$29,917
		Rounding:	-\$30,000
		General Fund 003:	-\$16,000
		Medi-Cal Reimbursements 003:	-\$14,000

New Major Assumption

Fairview, Porterville and Lanterman Developmental Centers Program Improvement Plan

DESCRIPTION:

DDS entered into a Program Improvement Plan (PIP) with the California Department of Public Health (CDPH) and the Centers for Medicare and Medicaid Services (CMS) on January 16, 2014. The PIP addresses deficiencies in the Intermediate Care Facility (ICF) at Porterville (7 ICF units) and Fairview (8 ICF units) Developmental Centers (DCs). In addition, an agreement was reached between CDPH and DDS for the monitoring and oversight of the closure at Lanterman DC and transitioning of the residents. These agreements constitute a "stay" of termination from the Medicaid/Medi-Cal Program for the ICF units at Porterville, Fairview and Lanterman DCs, and allow for the continuation of federal funding estimated at \$4.2 million per month during the time period allowed for implementation of the corrective actions identified in the PIP.

The PIP established a structure for independent analysis and monitoring of each facility intended to improve services to residents of each DC. The PIP also required DDS to contract with an Independent Consultative Review Expert (ICRE) to conduct a root cause analysis (RCA) 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 is \$2.1 million (\$1.2 million GF) for 2013-14 and \$1.5 million (\$0.9 million GF) for 2014-15.

After the Action Plan is developed by the ICRE and approved by CDPH, the DDS will be required to implement all elements of this plan which may result in additional resource needs. An approved Action Plan is expected in August 2014, at which time DDS can better approximate the resource needs to implement the action plan.

The current timeline based on the ICRE contract to fully execute the PIP is as follows (*dates noted below will be adjusted based upon weekends and holiday including if earlier submission and approval dates are provided*):

- ICRE Contract Executed: March 28, 2014
- ICRE Effective Date: April 1, 2014

Fairview and Porterville DCs

- RCA for FDC Submitted: May 15, 2014
- CDPH decision on FDC RCA: May 27, 2014
- RCA for PDC Submitted: May 30, 2014
- CDPH decision on PDC RCA: June 9, 2014
- Submit FDC Action Plan (AP): June 26, 2014
- Submit PDC AP: July 9, 2014
- CDPH accepts FDC AP: July 28, 2014
- CDPH accepts PDC AP: August 8, 2014
- Earliest date for FDC Survey: December 26, 2014
- Earliest date for PDC Survey: January 5, 2015

Lanterman DC – The ICRE will monitor implementation of the plan of correction submitted by Lanterman including compliance with the technical addendum through the final ICF resident transition to the community. The PIP includes monthly reporting to the CDPH, CMS and DDS.

New Major Assumption

Fairview, Porterville and Lanterman Developmental Centers Program Improvement Plan

Below is the request needed to fund the Independent Consultative Review Expert contract that funds the Program Improvement Plan that brings Porterville, Fairview, and Lanterman Developmental Centers back into compliance with federal certification requirements.

TOTAL EXPENDITURES:	<u>CY 2013-14</u>	<u>BY 2014-15</u>
	\$2,052,513	\$1,498,356
Rounding	\$2,052,513	\$1,498,000
TOTAL FUNDING		
General Fund	\$1,225,145	\$894,000
<i>General Fund Match</i>	827,368	604,000
<i>General Fund Other</i>	397,777	290,000
Reimbursements	\$827,368	\$604,000
<i>Medi-Cal Reimbursements</i>	827,368	604,000
<i>Reimbursements Other</i>	0	0
TOTAL POSITIONS	0.0	0.0

IMPLEMENTATION DATE:

April 1, 2014

New Major Assumption

Acute Crisis Units at Sonoma and Fairview Developmental Centers

To meet the needs of DC residents with challenging behaviors and support needs, the Task Force on the Future of the Developmental Centers specifically recommended that the role of the State should be to operate acute crisis facilities, similar to the program at Fairview DC, and be a “placement of last resort” or safety net for consumers in acute crisis. A clear need was expressed for crisis services in Northern and Southern California, at a minimum.

Crisis services at Fairview DC were established in the trailer bill to the Budget Act of 2012 (AB 1472, Chapter 25, Statutes of 2012) which modified Welfare and Institutions Code section 4418.7. That statute, among other provisions, defines the process and criteria for admission to Fairview DC for short-term acute crisis services and the appropriate length of stay. When the program at Fairview DC was designed, additional resources were not requested to support crisis services in a separate residential unit. As a result, those individuals who have been admitted for crisis services are residing in housing units with other Fairview DC residents.

As part of this May Revision, DDS is proposing changes to the delivery of DC acute crisis services. First, an existing, stand-alone housing unit will be modified and staffed at Fairview DC to serve five residents requiring crisis services. Based on experience with the program since 2012, it is important not to serve individuals in crisis in the same residential unit as other individuals with challenging behaviors. Not only is the quality of services compromised, but it also limits the individuals who can be admitted. Second, a new acute crisis program will be developed at the Sonoma DC in direct response to the Task Force recommendation. Again, an existing, stand-alone housing unit will be modified and staffed at Sonoma DC to provide crisis services for five residents.

This proposal will allow acute crisis units to be separate and distinct from all other DC services and residential settings, and support consumers for the critical purpose of short-term stabilization. The proposal includes funding for appropriate direct care staffing, as well as renovation of a free-standing kitchen in each unit to ensure consumers do not lose necessary skills that will support transition to a less restrictive environment. DDS also is proposing trailer bill language to authorize admissions to Sonoma DC for acute crisis services beginning January 1, 2015.

New Major Assumption

Acute Crisis Units at Sonoma and Fairview Developmental Centers

Listed below are the staff needed to operate the two crisis facilities recommended by the Task Force. Located at Fairview DC and Sonoma DC, they will be separate housing units providing services to consumers admitted pursuant to Welfare and Institutions Code section 4418.7.

<u>Level of Care:</u>	<u>Positions</u>	<u>Cost</u>
Psychology	0.7	\$68,065
Social Work	0.4	19,132
Rehab Therapy	0.4	22,494
Education	0.4	13,877
Nursing	24.3	1,135,259
Subtotal, Level of Care:	26.2	\$1,258,828
<u>Non-Level of Care:</u>		
Residence Managers (RNIII/Unit Sup)	1.5	\$93,759
Shift Sup (RNII/SPT)	6.0	330,462
Individual Program Coordinator	0.4	15,112
FSW I/II-Presentation	4.5	127,404
Custodian	4.5	124,907
Subtotal, Non-Level of Care:	16.9	\$691,643
Subtotal, Salaries and Wages:	43.1	\$1,950,471
<u>Benefits:</u>		
OASDI/Medicare		\$140,175
Health		363,218
Retirement		393,425
Subtotal, Benefits:		\$896,818
Total, Personal Services:		\$2,847,289
<u>Operating Expense & Equipment:</u>		
Foodstuffs		\$13,718
Drugs, Lab & Supply		10,283
Clothing		4,395
Special Repairs		300,000
Total, Operating Expense & Equipment		\$328,395

TOTAL EXPENDITURES:

BY 2014-15
\$3,175,684

Rounding **\$3,176,000**

TOTAL FUNDING

General Fund

\$1,978,000

General Fund Match

1,198,000

General Fund Other

780,000

Reimbursements

\$1,198,000

Medi-Cal Reimbursements

1,198,000

Reimbursements Other

0

TOTAL POSITIONS

43.1

IMPLEMENTATION DATE:

July 1, 2014 for FDC

January 1, 2015 for SDC

FUTURE FISCAL ISSUES

Developmental Centers (DC) Task Force: Future Services for DC Residents

Responding to the declining population in the DCs, concerns for meeting the specialized needs of the remaining residents in the future, and the associated operational and fiscal implications, the Secretary of the California Health and Human Services Agency established a “Task Force on the Future of Developmental Centers” (Task Force). The charge of the Task Force was to advise the Administration on the development of a master plan for the future of the DCs that addresses the service needs of all DC residents and ensures the delivery of cost-effective, integrated, quality services for this population. The Task Force focused on individuals who are the most difficult to serve in three primary service categories, recognizing there is significant overlap: individuals with enduring and complex medical needs; individuals with challenging behaviors; and individuals involved in the criminal justice system. It also considered the appropriate role for the State in providing services. The recommendations of the Task Force were published in the “Plan for the Future of Developmental Centers in California” on January 13, 2014.

The 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. Additionally, the State should continue serving individuals judicially committed to the State for competency training (the Porterville DC—Secure Treatment Program) and providing transition services (the Canyon Springs Community Facility). The Task Force also recommended developing new and additional service components, including development of an enhanced community behavioral home, and exploring utilization of DC assets to provide health resource centers and community housing through public/private partnerships.

The Department of Developmental Services (DDS) is moving forward with the Task Force recommendations as proposed in this May Revision (see DC Task Force Tab for more detail). However, the various efforts underway and those that require definition and development through additional stakeholder involvement may have cost impacts that will need to be incorporated into future budget cycles. Cost changes and adjustments will be associated with the changing role of the DCs in providing services as some service components are continued, modified, phased out, and/or developed. While these costs will typically impact DDS programs, they may also affect other State agencies, such as the Department of General Services.

DDS is committed to providing essential information and cost impacts through each successive budget cycle, and continuing to work with all stakeholders and the Legislature in defining the path for the future of DC residents.

Federal Certification for Canyon Springs Community Facility (Canyon Springs)

Canyon Springs has been implementing plans of correction in response to issues noted during recent certification visits from the California Department of Public Health (CDPH). In January the CDPH surveyed the facility and determined at that time non-compliance with one of the eight conditions of participation. Since that time the facility has submitted plans of corrections that have all been implemented. A follow-up survey occurred in March 2014 cited and CDPH noted continued non-compliance with one of eight conditions of participation as required for federal certification. Initially certification was set to be terminated on May 1, 2014 however on April 25, 2014, the DDS was notified that the Canyon Springs termination date has been delayed until June 30, 2014, based upon past performance and compliance history. Canyon Springs continues to implement plans of correction to address the issues noted in the survey findings, and in assuring protections to residents. If the facility does not achieve compliance with federal certification requirements, and the Medi-Cal certification is terminated, it will result in a loss of Federal Financial Participation of approximately of (\$667,000 monthly) \$8 million annually. The DDS continues to have discussion with CDPH on the options available to prevent a loss of federal funding.

Replacement of Boilers for Sonoma (DC):

In July of 2008, the Bay Area Air Quality Management District (BAAQMD) amended Regulation 9 Rule 7 which regulates emissions from industrial boilers such as those owned and operated by Sonoma DC. Under these regulations, the replacement of the boilers must have been completed by January 1, 2012. To comply with these regulations the boilers must be replaced. The projected cost to replace the boilers at Sonoma is estimated to be \$5.6 million. While DDS has not received direct correspondence from BAAQMD, we estimate failure to comply with these requirements could result in penalties from \$1,000 to \$250,000 per day.

The boilers at Sonoma DC cannot be retrofitted and have to be completely replaced.

Replacement/Retrofit Boilers for Porterville and Fairview DCs:

In October of 2008, the San Joaquin Valley Unified Air Pollution Control District adopted Rule 4320 to regulate emissions from industrial boilers such as those owned and operated by Porterville DC. In September of 2008, the South Coast Air Quality Management District amended Rule 1146 which regulates emissions for industrial boilers including those owned and operated by Fairview DC. To comply with these regulations the boilers were required to be replaced by January 1, 2014. The projected cost to replace boilers at Porterville DC and to retrofit boilers at Fairview DC is \$6.4 million. While DDS has not received direct correspondence from the respective Air Quality Management Districts, we estimate failure to comply with these requirements could result in penalties from \$1,000 to \$250,000 per day. Porterville DC received an emissions fee of \$41,715 in 2012-13 for non-compliance retroactive to 2009. The boilers at Porterville DC cannot be retrofitted and have to be completely replaced.

Funds have been identified in Control Section 6.10 of the Proposed Budget, under the category of deferred maintenance;

United States Department of Justice (USDOJ) Civil Rights for Institutionalized Persons Act (CRIPA) Remedial Agreement

Over a period of more than six years, the USDOJ has conducted investigations of Sonoma and Lanterman DCs and has issued findings pursuant to CRIPA. USDOJ may pursue resolution of these findings in the future potentially resulting in General Fund costs. Recent licensing actions and media coverage related to the Sonoma DC may generate interest by USDOJ in their open investigation of the facility.

USDOJ Civil Investigative Demand (CID)

DDS received notification from the USDOJ in March 2014 of a CID to determine whether a violation had occurred at the Sonoma DC relative to the Medicare and Medicaid programs. DDS is reviewing the CID and based on discussions with the Governor's Office and the Attorney General's Office, will contract with outside counsel to determine an appropriate response and any necessary actions that may need to be taken. There could be a future fiscal impact based on the investigation and future actions that may be required.

Fund Sources

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General Fund

DESCRIPTION:

The General Fund is used for two purposes: 1) as a match to Title XIX Reimbursement funds received for payment of resources/services for Medi-Cal eligible residents (these funds are referred to as "General Fund Match") and 2) to pay for non-Medi-Cal eligible resources/services for residents in the developmental centers and the state-operated community facility (DC/CF). These funds are referred to as "General Fund Other."

ASSUMPTIONS/METHODOLOGY:

CY 2013-14

BY 2014-15

General Fund:

The DCs/CF's General Fund appropriation consists of two components: (1) General Fund Match and (2) General Fund Other. Details of these components are as follows:

• General Fund Match:			\$259,960,357	\$264,678,000
General Fund Match to FMAP	<u>CY 2013-14</u>	<u>BY 2014-15</u>		
Non-Proposition 98	50.00%	50.00%	254,001,911	259,232,000
Proposition 98	50.00%	50.00%	5,707,446	5,195,000
HIPAA	50.00%	50.00%	251,000	251,000

This portion of General Fund is required as a match to Medi-Cal 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 costs are established by utilizing the federal medical assistance percentages (FMAP) provided by DHCS.

• Item 9840 Match:			\$3,243,685	\$0
• General Fund Other			\$41,238,442	\$11,330,000
This funding is for services provided to the DC/CF residents who are not eligible for federal or other reimbursement funding. Funding also includes \$7,092,000 (CY) and \$9,903,000 (BY) for Lease-Revenue Bonds.			41,238,442	11,330,000
• Item 9840 Other			\$710,993	\$0
• Lottery Education Fund				
See Lottery Education Fund's page for detail.				

TOTAL GENERAL FUND

\$305,153,477

\$276,008,000

Reimbursements Title XIX Medi-Cal and Other

DESCRIPTION:

Title XIX Medi-Cal Reimbursements are funds received for services provided to eligible residents in the developmental centers and the state-operated community facility (DC/CF). These funds require a General Fund match at the FMAP rate. Other Reimbursements are funds received for services provided to the DCs/CF residents who have no General Fund match requirements.

ASSUMPTIONS/METHODOLOGY:

CY 2013-14

BY 2014-15

Reimbursements:

The DCs/CF's appropriation for reimbursements consists of two components: (1) Title XIX Medi-Cal and (2) Other Reimbursements. The detail of these two components follows:

• Title XIX/Medi-Cal	\$234,579,042	\$236,053,000
<p>Title XIX Medi-Cal Reimbursements fund eligible services provided to residents in the DCs/CF system via the Department of Health Care Services (DHCS) (the federally recognized single state agency for Medicaid). The federal financial participation costs are established by utilizing the federal medical assistance percentages (FMAP) as provided by DHCS.</p>		
FMAP	<u>CY 2013-14</u>	<u>BY 2014-15</u>
Non-Proposition 98	50.00%	50.00%
Proposition 98	50.00%	50.00%
HIPAA	50.00%	50.00%
• Reimbursements - Other	\$15,320,000	\$15,320,000
<p>This funding is for services provided to the DC/CF residents who are not eligible for federal reimbursement funding. These costs consist of miscellaneous reimbursements for such services as the Community Industries Contract, Rental Income Contracts, and State Employees in the Community Program.</p>		
	<i>15,320,000</i>	<i>15,320,000</i>
TOTAL REIMBURSEMENTS	\$249,899,042	\$251,373,000

Federal Funds

DESCRIPTION:

The Federal Foster Grandparent Program Grant provides funds to establish person-to-person relationships between low income seniors, 60 years of age and older, and children with developmental disabilities and/or mental health issues.

ASSUMPTIONS/METHODOLOGY:

CY 2013-14

BY 2014-15

• **Foster Grandparent Program Grant**

\$498,934

\$384,000

The Foster Grandparent Program grant is used for specified operational costs, such as stipends and educational supplies in the developmental centers.

TOTAL FEDERAL FUNDS

\$498,934

\$384,000

Lottery Education Fund

DESCRIPTION:

Lottery Education Fund uses state General Fund revenues guaranteed for the support of school districts, community colleges districts, and state agencies that provide direct elementary and secondary level instructional services.

ASSUMPTIONS/METHODOLOGY:

CY 2013-14

BY 2014-15

Lottery Education Fund:

\$403,000

\$403,000

- The Lottery Education Fund is used for specified educational costs, such as training programs to establish curriculum as well as to support special needs and equipment costs in the developmental centers and state-operated community facilities (DC/CF). Funds received are based on the DC/CF resident average daily attendance.

TOTAL LOTTERY EDUCATION FUND

\$403,000

\$403,000

DC Task Force

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DEVELOPMENTAL CENTERS TASK FORCE: FUTURE SERVICES FOR DEVELOPMENTAL CENTER RESIDENTS

Overview

Since the passage of the Lanterman Developmental Disabilities Services Act (Lanterman Act) in the 1960s, the role of the State-operated Developmental Centers (DC) has been changing. No longer are DCs the only alternative available to families of children with intellectual and developmental disabilities who are unable to be cared for at home. A system of community alternatives has developed and now serves over 265,000 consumers. Today, providing services in the least restrictive environment appropriate for the person is strongly supported by state and federal laws, and court decisions. Additionally, the trailer bill to the Budget Act of 2012 (Assembly Bill [AB] 1472, Chapter 25, Statutes of 2012) imposed a moratorium on admissions to DCs except for individuals involved in the criminal justice system and consumers in an acute crisis needing short-term stabilization. The DC resident population has dropped from a high of 13,400 in 1968, with thousands on waiting lists for admission, to 1,271 as of April 30, 2014.

Given these dramatic changes in the system, an effort is underway to carefully and compassionately reconsider how, going forward, services should be provided to the special populations served in the DCs, and what role the State should have in providing those services. The Secretary of the California Health and Human Services Agency established the “Task Force on the Future of the Developmental Centers” (Task Force) to advise the Administration on the development of a master plan for the future of the DCs that addresses the service needs of all DC residents and ensures the delivery of cost-effective, integrated, quality services for this population. The Task Force considered three primary service categories, recognizing there is significant overlap: individuals with enduring and complex medical needs; individuals with challenging behaviors; and individuals involved in the criminal justice system. Within each category, there is a range of service needs. The Task Force focused on the individuals who require more intensive support, and how their complex needs should be met in the future.

In the “Plan for the Future of Developmental Centers in California,” issued January 13, 2014, the 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. Additionally, the State should continue serving individuals judicially committed to the State for competency training (the Porterville DC—Secure Treatment Program [STP]) and providing transition services (the Canyon Springs Community Facility). The Task Force also recommended developing new and additional service components, including development of an enhanced community behavioral home, and exploring utilization of DC assets to provide health resource centers and community housing through public/private partnerships.

While the cost of operating the DCs is high compared to the number of persons being served, the process of transforming the DCs, developing specialized community resources, and supporting the transition of each DC resident into integrated community settings, as appropriate, will take time. As the population in the DCs has declined, the average acuity level has increased considerably. Each person has his or her own unique set of significant and complex needs, often requiring specialized medical and/or behavioral services. The principles and promises of the Lanterman Act ensure those needs are properly addressed using a person-centered approach, and personal quality of life is supported. Key components of effective planning for an individual's future and successful transition to another service model, as recognized by the Task Force, include:

- A carefully crafted, comprehensive person-centered Individual Program Plan (IPP), developed through a robust Interdisciplinary Team process;
- The development of quality services and supports delivered in the least restrictive environment possible, taking into consideration the comprehensive assessment and consistent with the IPP;
- Priority for the health and safety of each person;
- Access to quality health and mental health services, including coordination of health care, access to health records, and medication management; and
- Sensitivity to the fact that, for the residents of the DCs, the DC is their home and community, where their relationships are, and where they have lived for many years. Changes in their living arrangements must be done very carefully, with thorough planning and by investing the time that is needed.

The State now has the opportunity to manage the transformation of the DCs from historically large congregate living facilities to more integrated and specialized services. DDS is moving forward with the Task Force recommendations and preparing to continue active stakeholder engagement on the more involved recommendations that will further define the future utilization of each DC. While the focus of the Task Force was on the future of the DCs and how to best serve the DC residents going forward, implementation of the various recommendations will provide long term improvements in community services that will benefit the service system generally.

Following is a summary of how DDS will address each Task Force recommendation:

Recommendation 1: Individuals with Enduring and Complex Medical Needs

DDS, working closely with regional centers, will focus on developing community resources using Community Placement Plan (CPP) funds, to support the transition of DC residents into the community each year. Activities directly related to individuals with enduring and complex medical needs include: developing community capacity utilizing existing service models; maximizing the use of CPP funds to develop additional Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHN); and enhancing regional center staffing for resource development, and to support transitions and quality assurance.

Recommendation 2: Individuals with Challenging Behaviors and Support Needs

DDS proposes to improve crisis services at Fairview DC and establish new crisis services at Sonoma DC. DDS also proposes trailer bill language to authorize: 1) the development of enhanced behavioral supports homes and community crisis homes; and 2) The expansion of the Community State Staff Program to support any individual moving from a DC. Future CPP guidelines will incorporate Task Force recommendations as a priority for resource development, including crisis teams and other supports. DDS will work with stakeholders to further evaluate the availability of, and access to behavioral services system-wide, covering crisis, transitional and long-term services.

Recommendation 3: Individuals Involved in the Criminal Justice System

As recommended, DDS plans to continue operating the STP and Canyon Springs Community Facility, as the appropriate role for the State. Additionally, DDS will engage stakeholders to explore additional and alternative services for persons with criminal justice system involvement.

Recommendation 4: Health Resource Center

DDS will engage stakeholders to explore a workable model for a health resource center to address the health needs of DC residents after they transition to community homes, including the utilization of DC resources. DDS will also work with the Department of Health Care Services to evaluate expanding managed care benefits to qualified DC residents who are transitioning to the community.

Recommendation 5: Use of DC Land and Resources

DDS will engage stakeholders in exploring innovative projects for repurposing DC land and employees, and defining future DC services consistent with the Task Force recommendations. In particular, the feasibility of using DC land to develop community housing through public/private partnerships will be evaluated.

Recommendation 6: Future of the Community System

In the short term, DDS will focus its efforts on thoroughly addressing Task Force Recommendations 1 through 5. After key components are underway, DDS will establish a task force to explore community system improvements and make recommendations. In the interim, DDS will continue to work with stakeholders and the Legislature to address significant community issues.

Specific activities and budget components related to the work of the Task Force are summarized below and further described in the narrative that follows:

Regional Center Estimate: \$13.0 million (\$12.9 million General Fund (GF))

Reappropriation for CPP

- CPP for Implementing DC Task Force Recommendations: DDS requests budget bill language to reappropriate funds for community resource development, and transition and quality assurance support.

- New Models of Care for Challenging Behavioral Needs (\$11.7 million total funds (TF)): DDS proposes trailer bill language for development of two enhanced models of care in the community, one for enhanced behavioral supports homes and one for community crisis homes.
- Regional Center Staffing to Support Resource Development, Transitions and Quality Assurance (\$1.2 million TF): DDS proposes Regional Center Operations funding for staff to perform quality assurance, resource development, support for specialized behavioral and medical care homes, and enhanced case management.
- Quality Assurance for DC Residents Transitioning to the Community (\$0.1 million TF): DDS proposes Projects funding (Regional Center Operations) for additional data collection and analysis using statewide contracts that support risk management.

DC Estimate: \$3.2 million (\$2.0 million GF) and 43.1 Positions

- Acute Crisis Units at Sonoma and Fairview Developmental Centers: DDS proposes to improve crisis services at Fairview DC and provide new services at Sonoma DC. Associated trailer bill language is proposed to authorize admissions to Sonoma DC for acute crisis services beginning January 1, 2015.
- Expand the Community State Staff Program to Supplement Community Services: DDS proposes trailer bill language for the necessary authority to expand this program to potentially support anyone transitioning from a DC.

Other DDS Commitments

- Other Efforts to Support DC Residents include:
 - Managed Care benefits for qualified DC residents as they transition into the community; and
 - Enhanced Transition Planning at each DC, including development of an Individual Health Transition Plan.
- Stakeholder Engagement on Major Initiatives, such as exploring community housing using DC land, health resource centers using DC land and staff, additional and alternative services for persons with challenging behaviors or criminal justice system involvement, and community system improvements.

REGIONAL CENTER ESTIMATE

CPP for Implementing DC Task Force Recommendations

Each fiscal year DDS budgets CPP funds for developing resources in the community as an alternative to institutional care, including the development of new and innovative service models. The primary purpose for the funding is to reduce reliance on DCs, certain mental health facilities that are ineligible for federal funding, and out-of-state placements (AB 1472, Chapter 25, Statutes of 2012). The CPP is used to fund the development and start-up of residential facilities, day programs and other ancillary services and supports, as well as costs to transition (or deflect) an individual from institutional care into the community. The funds also support the comprehensive

assessments of DC residents from which regional centers estimate future service needs.

Annually, based on the particular needs of their consumers compared to the services that already exist in their catchment areas, regional centers propose the development of new projects and resources using CPP funds. Two or more regional centers may also partner and propose regional projects for statewide use, usually addressing specialized services for individuals facing particularly complex challenges. After thoroughly considering each proposal, the unique circumstances of the regional center, and statewide priorities, DDS allocates the funds to the regional centers for the approved projects.

The Task Force recognized the CPP as the primary funding source needed to meet the future needs of DC residents, and that greater community capacity is needed. The Task Force specifically recommended the development of more Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHN, also referred to as Senate Bill [SB] 962 or SB 853 homes) in the community to serve individuals with enduring medical needs, estimating that approximately 315 DC residents would require this level of care in the future. The Task Force also recommended development of a new enhanced model of behavioral care and new short term crisis homes, as well as other supports, through the CPP process to meet the needs of individuals with challenging behaviors. DDS agrees with these recommendations and proposes trailer bill language for development of new models of behavioral care. Although ARFPSHNs were initially authorized to support the closure of Agnews and Lanterman DCs, existing statutes already provide for the statewide use of this service model. To jump start the development of new and additional capacity within the community, the Department proposes budget bill language authorizing the reappropriation of \$13.0 million (\$12.9 million GF) from 2011-12.

Based on the regional center proposals DDS has already received and the statewide priorities, the 2014-15 CPP start-up funding is fully committed. Extending the life of the 2011-12 appropriation will provide additional CPP funding that will be prioritized for development of the enhanced behavioral supports homes and the community crisis homes to meet the needs of individuals with challenging behaviors, development of additional community capacity consistent with the Task Force recommendations, and for resources to support community development, transitions and quality assurance activities.

Additionally, in a related proposal, DDS is requesting an augmentation of \$0.5 million (\$0.3 million GF) to fund 4.0 redirected positions in headquarters to address the community program workload associated with the Task Force recommendations. Specifically, the positions will support community resource development, implementation and monitoring of the two new models of behavioral care, coordination with and oversight of regional center resource development and quality assurance activities, and organizing and participating in stakeholder processes.

New Models of Care for Challenging Behavioral Needs: \$11.7 million (\$11.7 million GF)

In the “Plan for the Future of Developmental Centers in California” published January 13, 2014, the Task Force on the Future of Developmental Centers identified approximately 227 DC residents with significantly complex and challenging behaviors, and analyzed the services currently available for this population. The Task Force concluded that the community system of behavioral and psychiatric services is the one area in most need of further development. It recognized a need for increased mental health services generally, short-term crisis and acute crisis stabilization facilities, transition facilities, and the importance of a “placement of last resort.” The Task Force specifically recommended that a new enhanced model of community care be developed to provide a higher level of behavioral supports in a small setting, preferably utilizing a flexible approach to services that can quickly address changes in an individual’s needs and avoid having to move the individual to another facility. Although intended to provide a long-term residential option, the model could also serve as a transitional home.

The effort to develop this new enhanced behavioral supports home and any other model of community behavioral care requires that DDS work with regional centers, families, providers, Disability Rights California, Clients’ Rights Advocates, the Department of Social Services, and the State Fire Marshal, among other stakeholders, to conceptualize a workable structure. Issues that must be fully evaluated include, but are not limited to: the program design and requirements; the criteria or indicators for needing this level of care; the appropriate staffing structure; safety and accessibility concerns; the availability and accessibility of wrap-around services; the rate and payment structure; the anticipated need for this service geographically; whether the service requires statutory changes; and funding mechanisms, including accessing federal funds.

It is recommended that trailer bill language authorize DDS to develop enhanced behavioral supports homes as a pilot using CPP funds, including the authority to promulgate emergency regulations, to meet the immediate needs of the DC residents who could be successfully served in the community. Working closely with the regional centers, the goal would be to develop up to six pilot homes each fiscal year with a capacity for each home to serve no more than four consumers. The homes would be distributed regionally to test the service parameters and ensure that elements of the program can be generalized and adapted. Additionally, under existing authority, DDS will develop two transitional homes and an ARFPSHN that includes behavioral supports.

The Task Force also recommended that, using CPP funding, short-term crisis homes be created to serve individuals with challenging behaviors who are in crisis. To implement this recommendation, trailer bill language is also proposed that provides DDS authority to develop two community crisis homes, one in Northern and one in Southern California, each with a capacity to serve no more than eight consumers. These facilities are needed to provide immediate access to short-term crisis stabilization services. The same stakeholder process will define and oversee the progression of both the enhanced behavioral supports homes and the community crisis homes, and further evaluate the

availability of, and access to an appropriate continuum of behavioral services system-wide, covering crisis, transitional and long-term services.

DDS is proposing \$11.7 million in funds reappropriated from 2011-12 for CPP, as discussed above, be prioritized for the development of these new models of care and additional community capacity, consistent with the Task Force recommendations. As more is known about these behavioral services models, DDS will include fiscal impact information in future budget Estimates and propose statutory changes, if needed, to support statewide development.

Regional Center Staffing to Support Resource Development, Transitions and Quality Assurance: \$1.2 million (\$1.1 million GF)

To ensure the quality of transition supports and community services for DC residents moving into community homes and provide necessary quality assurance and monitoring, DDS is proposing 18.4 regional center positions and \$1.2 million funded from CPP for the following critical functions:

- Quality Assurance Staff: \$380,000 (\$380,000 GF)
DDS is proposing six regional center positions (eight months' funding in 2014-15) funded from CPP to ensure the healthy and safe transition of individuals leaving DCs to reside in the community. Individuals moving from DCs to the community are among the most vulnerable of California's citizens with developmental disabilities. Many of them have resided in a DC most of their lives. Residing in the community will be a significant life event filled with many new changes and challenges. The transition alone can be traumatic and the adjustment to community life takes time as individuals become familiar with their new living environment and the surrounding community, learn to work with new staff, make new friends, and explore activity and employment options during the day.

Regional centers have developed and continue to develop residential homes to accommodate individuals transitioning from a DC with very significant medical and/or behavioral needs. The success of DC residents transitioning to these new settings is not only contingent upon the quality of the services they receive, but the quality assurance monitoring that regional centers must provide to ensure successful transitions and continued health and safety. Quality assurance functions include, but are not limited to monitoring the new living arrangement to ensure it is meeting the consumer's unique needs, following up on and helping to resolve quality of care issues, utilizing risk management and system monitoring data toward positive outcomes, and providing technical assistance and training for regional center and service provider staff.

- Resource Developer Staff: \$190,000 (\$190,000 GF)
DDS is proposing to provide CPP funding for two new residential models to be developed by regional centers beginning in fiscal year 2014-15. The homes will meet the needs of individuals with complex behavioral needs transitioning from

DCs to the community, or at risk of admission to a DC. DDS is proposing two larger homes of no more than eight beds, one each for Northern and Southern California; and no more than six smaller homes located throughout the State that will accommodate no more than four individuals each. The larger homes will serve individuals in acute crisis at risk of admission to a DC, whereas the smaller homes will serve as a “step-down” and long-term residential option. The homes will be owned by a non-profit organization (NPO) and leased by a regional center service provider.

DDS is proposing CPP funding for two regional center resource developer staff positions to assist regional centers with the development of these homes as expeditiously as possible. The resource developers will be responsible for overall project management and communicating with involved parties. The resource developers will work with the NPOs to search for and acquire properties, assist with the design of the homes, assist with budget development and monitoring to ensure the projects stay on budget, monitor the progress of the projects to ensure timelines are met, work with all parties to resolve issues as they arise, and facilitate development through final licensure and occupancy. The success of these projects is contingent upon adequate staffing to manage their development.

- Board Certified Behavioral Analyst Staff (BCBA): \$160,000 (\$160,000 GF)
DDS is proposing to provide CPP funding for two BCBA staff to be employed by regional centers to oversee the development and ongoing operation of the enhanced models of behavioral care, which consist of six enhanced behavioral supports homes and two community crisis homes. These homes are necessary for meeting the needs of individuals with very complex behavioral challenges who currently reside in a DC or are at risk of admission to a DC or other institutional setting ineligible for Federal Financial Participation. The homes will employ highly specialized staff and serve individuals at risk of injuring themselves, injuring others, property destruction and/or elopement.

Regional centers are the placing and primary oversight agency and will need staff well-trained to work with individuals with developmental disabilities using non-aversive behavior modification techniques. The staff will help design the homes, including the physical layout and program designs, and will be responsible for ongoing oversight and monitoring of each individual’s unique treatment plan. The treatment goals and plans for each individual will need to be modified frequently to respond to changing needs, and the regional center BCBA staff will provide the necessary oversight to ensure the service provider’s staff is properly responding to each individual’s unique needs, as well as crises that arise.

- Nurses to Support Complex Medical Needs: \$153,000 (\$153,000 GF)
Approximately 415 individuals currently residing in a DC have complex and enduring medical needs. When these individuals transition to the community,

they will need highly specialized residential services such as those provided by an ARFPSHN or possibly an Intermediate Care Facility for the Developmentally Disabled - Nursing (ICF-DDN). These residential models are heavily staffed by licensed clinical staff, including Registered Nurses (RN) and Licensed Vocational Nurses to treat, monitor and respond timely to each individual's unique health needs. Likewise, regional centers, as the primary oversight agency of the ARFPSHNs, must employ highly skilled nursing staff to monitor the services provided in these homes, and provide increased clinical case management for individuals residing in both types of homes.

In 2013-14 and 2014-15, regional centers plan to develop 10 new ARFPSHNs and four new ICF-DDN facilities. DDS is proposing to employ the services of two regional center RNs statewide that will be responsible for assisting in the development of the homes and the ongoing oversight and monitoring of the care provided to the individuals who transition into the homes. DDS has learned through past experience that the success of caring for individuals with complex and enduring medical needs in these settings requires intense involvement and clinical oversight by regional center nursing staff, and coordination with DDS. Therefore, these positions are necessary for the successful transition of individuals residing in DCs with significant medical needs.

- Enhanced Caseload Ratio of 1:45 for Two Years: \$344,000 (\$254,000 GF)
DDS is proposing one regional center case manager for every 45 individuals who move from a DC for an additional year, or a total of 6.4 positions. Current statute and funding dictate that regional centers maintain an average of 1:45 case manager to consumer ratio for the first year that an individual resides in the community. After the first year, the ongoing caseload ratio becomes 1:62. However, as one of the enhancements for individuals transitioning from Agnews and Lanterman DCs to the community, regional centers provide(d) a 1:45 caseload ratio for an additional year.

The case manager is the primary regional center staff focused on the consumer and how well the consumer's needs and personal choices are being met. The case manager is responsible for coordination of services and monitoring the health, safety and quality of services for the consumer as defined by the Individual Program Plan and as required by laws, regulations and service provider agreements.

Individuals moving out of DCs today have high acuity levels and other indicators of complex needs. They also face very unique changes and challenges in their lives as they transition from a DC to the community. The smaller caseload ratio allows regional center staff to provide the more intensive case management services needed to ensure healthy, safe and successful community living. Without the increased funding and associated case management, an individual's longevity residing in the community is at risk for some of the most vulnerable individuals with developmental disabilities served by regional centers.

Quality Assurance for DC Residents Transitioning to the Community: \$0.1 million
(\$0.1 million GF)

DDS has actively administered a Quality Management System for more than a decade, based on the Centers for Medicare and Medicaid Services' Quality Framework. The central goal is "doing the right thing" for the people served by the system. Quality management starts with establishing clear expectations of performance (design), collecting and analyzing data to determine if the expectations are being met (discovery), and finally, taking steps to correct deficiencies or improve processes and services (remediation and improvement). Over time, DDS has moved steadily toward a more integrated, value-based quality management and improvement system that produces desired consumer outcomes.

One important aspect of the system has been to ensure that individuals transitioning from a DC into the community do so safely and successfully. Quality services and supports in the community remain a concern for DC residents and their families. During recent processes for Agnews and Lanterman DC closures, consumers, families and other stakeholders were very interested and involved in defining data collection and reviewing performance data from transition experiences. These data are essential for understanding performance, observing trends and identifying issues, and then addressing issues to prevent potential harm.

Based on this prior stakeholder involvement, DDS has identified several components that will enhance the Quality Management System's risk management capabilities, which are proposed as part of this May Revision. These components will enable monitoring and assessment of the services provided to DC movers year over year. DDS is proposing additional funding to revise the contract with the DDS risk management consultant to evaluate overall indicators of performance for DC movers (such as changes in residential settings, changes in the Client Development Evaluation Report, and Special Incident Report (SIR) rates); analyze SIR data with the goal of identifying subpopulations with greater risk for specific SIR types, and individuals at risk of additional SIRs; and perform statewide reviews of abuse, neglect and mortality SIRs to ensure that proper reporting, investigation, and risk prevention and mitigation occur. Additionally, DDS will expand the National Core Indicators satisfaction survey of individuals and families to increase the sample size for persons who have transitioned from a DC. These data will help identify areas for improvement in transition and community services.

DDS will work with stakeholders to review and evaluate the data, and determine appropriate steps for risk management. Regional centers' quality assurance departments regularly review SIR information and perform activities to decrease risks to consumer health and safety. They will directly benefit from the additional data collection and analysis to guide their quality assurance activities.

DDS is proposing additional Regional Center Operations, Projects funding of \$121,000 one time, and \$76,000 ongoing, funded from CPP be dedicated to a quality management system for DC residents transitioning into the community. DDS will revise statewide contracts with the DDS risk management consultant and for the National Core Indicators surveys to address quality assurance enhancements that will support improved outcomes for consumers.

DEVELOPMENTAL CENTER ESTIMATE

Acute Crisis Units at Sonoma and Fairview Developmental Centers

To meet the needs of DC residents with challenging behaviors and support needs, the Task Force on the Future of the Developmental Centers specifically recommended that the role of the State should be to operate acute crisis facilities, similar to the program at Fairview DC, and be a “placement of last resort” or safety net for consumers in acute crisis. A clear need was expressed for crisis services in Northern and Southern California, at a minimum.

Crisis services at Fairview DC were established in the trailer bill to the Budget Act of 2012 (AB 1472, Chapter 25, Statutes of 2012) which modified Welfare and Institutions Code section 4418.7. That statute, among other provisions, defines the process and criteria for admission to Fairview DC for short-term acute crisis services and the appropriate length of stay. When the program at Fairview DC was designed, additional resources were not requested to support crisis services in a separate residential unit. As a result, those individuals who have been admitted for crisis services are residing in housing units with other Fairview DC residents.

As part of this May Revision, DDS is proposing changes to the delivery of DC acute crisis services. First, an existing, stand-alone housing unit will be modified and staffed at Fairview DC to serve five residents requiring crisis services. Based on experience with the program since 2012, it is important not to serve individuals in crisis in the same residential unit as other individuals with challenging behaviors. Not only is the quality of services compromised, but it also limits the individuals who can be admitted. Second, a new acute crisis program will be developed at the Sonoma DC in direct response to the Task Force recommendation. Again, an existing, stand-alone housing unit will be modified and staffed at Sonoma DC to provide crisis services for five residents.

This proposal will allow acute crisis units to be separate and distinct from all other DC services and residential settings, and support consumers for the critical purpose of short-term stabilization. The proposal includes funding for appropriate direct care staffing, as well as renovation of a free-standing kitchen in each unit to ensure consumers do not lose necessary skills that will support transition to a less restrictive environment. DDS also is proposing trailer bill language to authorize admissions to Sonoma DC for acute crisis services beginning January 1, 2015.

As described above related to the New Models of Care for Challenging Behavioral Needs, a stakeholder process will define and oversee the progression of new behavioral

services models in the community, and further evaluate the availability of, and access to an appropriate continuum of behavioral services system wide, which includes the DC acute crisis services.

Expand the Community State Staff Program to Supplement Community Services

A recurring theme throughout the work of the Task Force on the Future of Developmental Centers was the need to extend benefits associated with an approved DC closure plan to other DC residents and, depending on the particular benefit, possibly to other consumers living in the community. The recent experiences with Agnews DC and Lanterman DC have led to the development and refinement of various options and improvements in services and supports. Among those services is the Community State Staff Program, where a community entity (typically a service provider or a regional center) may contract with the DC to obtain the services of a DC employee to support former DC residents during transition and/or in their new home. Currently, up to 200 residents are transitioning into the community each year. DDS is proposing to expand the Community State Staff Program to support anyone transitioning out of a DC. Additionally, DDS, working with stakeholders, will consider other uses of DC employees to augment community services in the future consistent with the Task Force recommendations.

The Community State Staff Program enables qualified staff, familiar with the needs of the DC residents, to continue supporting them in the community. This continuity of care benefits the consumer being cared for, the family members of the consumer who have trust in this level of support, and DC employees who are seeking new employment options. It also gives service providers and regional centers greater access to qualified staff when hiring. While working in the community, the DC employees retain their civil service status, including salary and benefits, and the State receives full reimbursement via the contract for these services. Ideally, after working in the program, the DC employees will transition to other roles in the service system supporting consumers.

Participation in the program depends on several variables. The initiating factor is the desire of the service provider or regional center to contract for DC employee services. When an entity enters into such a contract, it agrees to reimburse the DC for the full cost (salary and benefits) of the employee. This cost may be higher than the pay of other entity employees. This disparity can cause conflict within the community work place and/or create a financial burden. Additionally, geography and the interest of DC employees to work in different locations can be issues. Also, from a timing standpoint, DC employees may not be ready for other employment opportunities until layoff from the DC becomes inevitable based on population changes. DDS will work with stakeholders toward improving utilization of the program and keep this option available to service providers.

DDS is proposing trailer bill language to expand the Community State Staff Program to support anyone transitioning from a DC into the community. Because utilization during the early stages of the program is expected to be small, DDS currently has sufficient

reimbursement authority within its proposed budget to support this program during 2014-15.

OTHER DDS COMMITMENTS

Other Efforts to Support DC Residents

The members of the Task Force on the Future of Developmental Centers expressed throughout their deliberations a strong preference that various benefits and service improvements associated with the approved DC closure plans for Agnews DC and Lanterman DC should be extended to other DC residents and, depending on the particular benefit, possibly to other consumers living in the community. Specific services are identified below, along with DDS's commitment to implementing them:

- Managed Care. Specified individuals with unique medical health needs transitioning from Agnews or Lanterman DCs under a closure plan approved by the Legislature had the option to enroll in managed care pursuant to special statutory provisions. The statutes and how they were and are being administered provide particular program benefits, which include: access to a network of medical and specialty professionals; agreements between the regional center and the health plan that specify their respective roles and responsibilities for ensuring the health and welfare of each consumer; case managers at the regional center and the health plan who understand each person's health care needs and coordinate medical and specialty care; processes to expedite health plan eligibility and enrollment prior to leaving the DC; and compensation for the health plan for the specialized care of this population.

DDS is working with the Department of Health Care Services to evaluate the recent experience at Lanterman DC, consider the impact of expanding the program to include additional qualified individuals moving out of a DC to the community, determine the health plans and regional centers to be included in this process, and consider the resources that may be required. Sufficient analysis has not occurred that would support an expansion of the program at this time.

- Enhanced Transition Planning at the DC. Transition planning is the mechanism by which critical decisions are made about a person's future, and life-supporting services are identified and made available at the right time. Throughout the Agnews and Lanterman DC closure processes, particular attention was given to ensuring an intensive transition planning process at the DC that appropriately focused on the individual's assessed needs, preferences and choices, consistent with the principles of the Lanterman Act. The transition planning process enabled careful evaluation of the community living arrangements that appeared to meet the resident's needs, and identification of the services and supports necessary for a successful transition. Also, as a resident prepared to move out

of the DC, an Individual Health Transition Plan was developed to ensure all necessary health supports were identified and in place.

In the early stages of the Agnews and Lanterman DC closure processes, DDS worked with stakeholders, including family members, staff members, regional centers and other interested parties to develop transition guidelines. Such guidelines provided a framework for a comprehensive transition process. Once finalized, the guidelines were implemented through a joint training effort involving DC and regional center staff.

DDS recognizes the essential value of a thorough and robust planning process. DDS will initiate an evaluation of the transition planning processes now in use at the remaining DCs and community facility, and make improvements, as determined appropriate, that support a meaningful person-centered process, consistent with the principles of the Lanterman Act. Stakeholders will be engaged at each location to advise DDS and enhance the overall planning efforts. No budgetary impact has been identified with this activity.

Stakeholder Engagement on Major Initiatives.

DDS recognizes and appreciates the critical role of stakeholders in evaluating service delivery and suggesting improvements. The Task Force recommendations identified in the “Plan for the Future of Developmental Centers in California” provide an essential framework for services that will be needed by DC residents. DDS must now work toward implementation of those recommendations by forming workgroups of interested stakeholders to define in greater detail the various steps and initiatives for moving forward. DDS is committed to a full and collaborative process in pursuing the various strategies for achieving cost-efficient, integrated, quality services for the DC residents.

Throughout this narrative, DDS has identified a number of areas that will benefit from a stakeholder process. DDS will engage stakeholders in the following major initiatives:

- Community Housing Using DC Land. One of the recommendations that will be fully explored with stakeholders is utilization of DC land for development of community housing through public/private partnerships, similar to Harbor Village at Fairview DC.
- Health Resource Center(s). Another major initiative recommended by the Task Force is the development of one or more health resource centers. As conceptualized by the Task Force, the health resource center would focus on coordinated health and mental health services, the provision of direct services where greater resources are needed, and specialty services that the DCs provide today, such as equipment modifications, assistive technology and shoes. A health resource center would likely take the place of an outpatient clinic as a more comprehensive approach to services. Complex issues to be explored using a stakeholder process include, but are not limited to: the expected need or utilization of possible services; the appropriate mix of services; a physical

structure for the delivery of services; the availability of qualified staff; limitations presented by the DC location and other access issues; funding mechanisms; and if or how the services can be sustained over time.

- Additional and/or Alternative Transitional and Competency Restoration Services. The Task Force recommended the continuation of services in the Porterville DC STP, as a preferred program over jail or another locked facility, and as an appropriate role for the State. Similarly, the Task Force recommended the State continue providing transitional services at Canyon Springs Community Facility. DDS will continue to operate both programs. However, other related issues were raised by the Task Force, including the need for expanded transitional services, alternative services for competency restoration, and possibly greater capacity in the STP. The Task Force recognized the State's role of providing a "placement of last resort" for individuals with challenging behaviors and those with criminal justice system involvement. DDS will engage interested stakeholders in further analyzing the need for these services and the options that may be available. If any strategies are pursued, they may require statutory authority and funding for implementation.
- Future of the Community System. As the Task Force reviewed data and worked through issues to address the needs of the DC residents in the future, many current issues affecting the broader community system were discussed. These concerns were not within the scope of the Task Force on the Future of Developmental Centers, but certainly merit addressing through another effort, as recommended. A timeline has not been identified for this additional effort given the current priority to transform the role of the DCs and the concentrated effort that is needed to thoroughly address the other Task Force recommendations. After key components are underway, DDS will establish a task force to explore community system improvements and make recommendations. In the interim, DDS will continue to work with stakeholders and the Legislature on addressing significant community issues.

COST IMPACTS

The various efforts toward implementing the Task Force recommendations, including those that require definition and development through additional stakeholder involvement, may have cost impacts that will need to be incorporated into future budget cycles. These potential costs are identified as a Future Fiscal Issue in Section C of the Regional Center 2014 May Revision, and Section D-4 of the Developmental Centers 2014 May Revision.

Following are displays that summarize the 2014-15 costs associated with the Task Force recommendations.

**Department of Developmental Services
Future Services for Developmental Center Residents
Regional Center Cost Impacts**

Type of Position or Project	Estimated Annual Cost Per Position or Project	Estimated Cost Per Month	Position or Project Count	Number of Months in 2014-15	Total Estimated Cost	Total General Fund	Comments
Regional Center Operations, Staffing							
Quality Assurance (QA) Staff	\$ 95,000	\$ 7,917	6.0	8	\$ 380,000	\$ 380,000	Support enhanced QA activities to monitor homes and service delivery for individuals transitioning from a DC to the community.
Resource Developer Staff	\$ 95,000	\$ 7,917	2.0	12	\$ 190,000	\$ 190,000	Manage development of new models of enhanced behavioral care.
Board Certified Behavior Analyst (BCBA) Staff	\$ 160,000	\$ 13,333	2.0	6	\$ 160,000	\$ 160,000	Develop and provide ongoing oversight to new models of behavioral care (6 enhanced behavioral supports homes and 2 community crisis homes.)
Nurses to Support Complex Medical Needs	\$ 115,000	\$ 9,583	2.0	8	\$ 153,000	\$ 153,000	Develop and provide ongoing oversight to 10 new 853/962 homes and 4 new ICD-DDN homes.
Enhanced Caseload Ratio 1:45 for Two Years			6.4		\$ 344,000	\$ 254,000	Coordinate and monitor services for DC residents transitioning to the community for an additional year.
Subtotal, Staffing			18.4		\$ 1,227,000	\$ 1,137,000	
Regional Center Operations, Projects Funding for Quality Assurance							
Risk Management Consultant	\$ 66,000				\$ 66,000	\$ 66,000	On-going cost: \$31,000
National Core Indicators - Surveys	\$ 55,000				\$ 55,000	\$ 55,000	On-going cost: \$45,000
Subtotal, Quality Assurance					\$ 121,000	\$ 121,000	
Total, Regional Center Operations					\$ 1,348,000	\$ 1,258,000	

**Department of Developmental Services
Future Services for Developmental Center Residents
Regional Center Cost Impacts**

Type of Position or Project	Estimated Annual Cost Per Position or Project	Estimated Cost Per Month	Position or Project Count	Number of Months in 2014-15	Total Estimated Cost	Total General Fund	Comments
Regional Center Purchase of Services, Community Placement Plan							
Enhanced Behavioral Supports Home (no more than 4 beds)	\$ 900,000		6		\$ 5,400,000	\$ 5,400,000	Start up for acquisition, renovation and the service provider for newly designed residential model to support individuals with unique and challenging service needs consistent with DC Task Force recommendations.
Community Crisis Home (no more than 8 beds)	\$ 1,950,000		2		\$ 3,900,000	\$ 3,900,000	Start up for acquisition, renovation and the service provider for community crisis home (limited stay) to support individuals in active crisis requiring stabilization consistent with DC Task Force recommendations.
ARFPSHN Home for Individuals Who Have Complex Medical Needs and Challenging Behavioral Needs	\$ 900,000		1		\$ 900,000	\$ 900,000	Start up for acquisition, renovation and the service provider for an ARFPSHN home that can provide services to individuals who have complex medical and behavioral challenges.
Transition Homes (3 to 4 bed)	\$ 750,000		2		\$ 1,500,000	\$ 1,500,000	Start up for acquisition, renovation and the service provider for transition homes for individuals receiving services in a DC acute crisis facility or community crisis home, or for individuals at risk for placement in a non-federally funded facility.
Total, Purchase of Services					\$ 11,700,000	\$ 11,700,000	
Grand Total					\$ 13,048,000	\$ 12,958,000	

**Department of Developmental Services
Future Services for Developmental Center Residents
Developmental Center Cost Impacts
Acute Crisis Units at Sonoma and Fairview Developmental Centers**

Listed below are the staff needed to operate the two crisis facilities recommended by the Task Force. Located at Fairview DC and Sonoma DC, they will be separate housing units providing services to consumers admitted pursuant to Welfare and Institutions code section 4418.7.

<u>Level of Care:</u>	<u>Positions</u>	<u>Cost</u>
Psychology	0.7	\$68,065
Social Work	0.4	19,132
Rehab Therapy	0.4	22,494
Education	0.4	13,877
Nursing	24.3	1,135,259
Subtotal, Level of Care:	<u>26.2</u>	<u>\$1,258,828</u>
 <u>Non-Level of Care:</u>		
Residence Managers (RNIII/Unit Sup)	1.5	\$93,759
Shift Sup (RNII/SPT)	6.0	330,462
Individual Program Coordinator	0.4	15,112
FSW I/II-Presentation	4.5	127,404
Custodian	4.5	124,907
Subtotal, Non-Level of Care:	<u>16.9</u>	<u>\$691,643</u>
 Subtotal, Salaries and Wages:	<u>43.1</u>	<u>\$1,950,471</u>
 <u>Benefits:</u>		
OASDI/Medicare		\$140,175
Health		363,218
Retirement		393,425
Subtotal, Benefits:		<u>\$896,818</u>
 Total, Personal Services:		<u>\$2,847,289</u>
 <u>Operating Expense & Equipment:</u>		
Foodstuffs		\$13,718
Drugs, Lab & Supply		10,283
Clothing		4,395
Special Repairs		300,000
Total, Operating Expense & Equipment		<u>\$328,395</u>

TOTAL EXPENDITURES: BY 2014-15
\$3,175,684

Rounding **\$3,176,000**

TOTAL FUNDING
General Fund **\$1,978,000**
General Fund Match *1,198,000*
General Fund Other *780,000*

Reimbursements **\$1,198,000**
Medi-Cal Reimbursements *1,198,000*
Reimbursements Other *0*

TOTAL POSITIONS **43.1**

IMPLEMENTATION DATE:
July 1, 2014 for FDC
January 1, 2015 for SDC