

**FOR LEGISLATIVE REVIEW**

DEVELOPMENTAL CENTERS  
ESTIMATE

*for*

FISCAL YEAR

2016-17

Governor's Budget



STATE OF CALIFORNIA  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
JANUARY 2016

## Table of Contents

	<u>Page</u>
A. Executive Highlights.....	A-1 to A-5
B. Executive Summary Tables .....	B-1 to B-9
C. Population.....	C-1 to C-4
D. Statements of Change .....	D-1.1 to D-9.2
E. Fund Sources .....	E-1 to E-4
F. SB 82 .....	F-1 to F-3
G. Capital Outlay .....	G-1

## Executive Highlights

	<u>Page</u>
Overview .....	A-1
Fiscal Year 2015-16 .....	A-1 to A-3
Fiscal Year 2016-17 .....	A-3 to A-5
Capital Outlay.....	A-5

## EXECUTIVE HIGHLIGHTS

### OVERVIEW

The Department of Developmental Services (DDS) provides 24/7 residential services to its residents at three Developmental Centers (DC) and one State-operated Community Facility. Passage of Assembly Bill (AB) 1472 (Chapter 25, Statutes of 2012) placed a moratorium on admissions to the State-operated facilities, with limited exceptions, and mandated the closure of Lanterman DC by December 31, 2014. In the Enacted Budget for 2015/16, DDS initiated the closure planning process of the remaining developmental centers, with the stated goal of closing Sonoma DC by the end of 2018. This budget proposes costs associated with the closure plan that was submitted to the Legislature on October 1, 2015. In addition, on November 30, 2015 the Department announced its intent to submit a plan to the Legislature by April 1, 2016 for the Closure of Fairview DC and the Porterville DC – General Treatment Area (Porterville DC– GTA).

The average-in-center population for 2015-16 is 1,011 residents, which reflects a decrease of -24 residents from the Enacted Budget. For 2016-17, DDS estimates an average in-center population of 847 residents, or a net decrease of -188 compared to the Enacted Budget and -164 from the Governor's Proposed Budget; remaining consistent with the ongoing transition of individuals residing in a DC into community living arrangements.

The DC Budget is adjusted in both 2015-16 and 2016-17 for the various bargained employee compensation items, changes in the level of staffing, New Major Assumptions (NMA) and Revised Major Assumptions.

### FISCAL YEAR 2015-16

DDS proposes a net increase of \$60.2 million (\$55.2 million General Fund (GF)) for 2015-16 despite a decline in population. Significant changes are composed of the following:

#### DC Audit Findings – Revised Expenditure Authority per Provision 3

- \$42.5 million GF one-time payment to the Department of Health Care Services as a result of audit findings, to be funded by a transfer from the Local Assistance budget in Item 4300-101-0001.

#### Employee Compensation Adjustments:

- \$2.0 million (\$1.3 million GF) increase consistent with Control Section (CS) 3.60 of the Budget Act, which specifies the employers' retirement contributions for the 2015-16 fiscal year, this increase reflects the incremental changes in percentages of salaries and wages by state member category; and,
- \$11.0 million (\$7.3 million GF) increase due to 2015-16 employee compensation adjustments, which reflect incremental changes

approved through the collective bargaining process, as detailed in Budget Letter 15-19, Employee Compensation Adjustments – Item 9800.

Staffing Adjustments for Current Year 24.4 Positions Increase:

- \$1.5 million (\$0.8 million GF) increase and 7.8 positions (net increases) associated with Level of Care (LOC) and 16.6 (net increases) associated with Non-Level of Care (NLOC) staffing to reflect adjustments for specialized support and workload increases due to closures of multiple facilities within a short time period.

Lease Revenue Debt Service

- \$-18,000 (\$-17,000 GF) decrease due to CS 4.05 for an adjustment to the Lease Revenue Debt Service

Lottery Adjustment

- \$-24,000 for Lottery Adjustment (non-Budget Act Item)

Revised Budgetary Expenditure Authority for Deferred Maintenance

- \$1.6 million GF increase consistent with Control Section 6.10 of the Budget Act, which specifies the Director of Finance may allocate funds to departments for deferred maintenance projects, and shall provide a list of projects to the Chairperson of the Joint Legislative Budget Committee. DDS' list of approved projects are all located at Porterville DC; to include \$0.4 million GF for the repair of two groundwater wells, \$0.4 million GF to upgrade the security cameras within the Secured Treatment Area, and \$0.8 million GF to re-key entire facility to a master/sub-master key schedule.

Sonoma DC Preliminary Advanced Closure Costs:

- \$1.6 million (\$1.1 million GF) increase to fund preliminary closure activities such as clinical and historical records inventorying and archiving, and the execution of an independent monitoring contract as stipulated in the settlement agreement with Centers for Medicare and Medicaid Services (CMS) regarding Sonoma DC certification and the resident relocation costs.

Acute Crisis Unit at Sonoma DC – Full Year Adjustment:

- \$1.0 million (net increase) (\$1.4 million GF) to fund the full year costs associated with staffing the unit for a full fiscal year; and to backfill the lost federal funds participation (FFP) reimbursement. DDS had previously assumed that under the provisions of the prior provider

agreement that the acute Crisis Unit would be certified. However, the subsequent CMS agreement did not provide for any FFP for individuals admitted to Sonoma DC after October 2014. The initial request made during the Enacted Budget 2015/16 was limited by statute to only reflect one-half of the 2014-15 fiscal year.

Key Staff Functions to be Centralized at Headquarters:

- -\$1.0 million (-\$0.8 million GF) decrease and -9.0 position reduction in DC staffing due to DDS revising the Enacted Budget 2015/16 assumption that identified Lanterman DC Post-Closure activities, these and other positions throughout the DC system will now be transferred to Headquarters (HQ) and centralized as the department moves forward with closing multiple facilities with overlapping timelines.

**FISCAL YEAR 2016-17**

DDS proposes a net increase of \$12.1 million (\$14.0 million GF) for 2016-17. Significant changes are composed of the following:

Employee Compensation Adjustments:

- \$2.0 million (\$1.3 million GF) increase consistent with CS 3.60 of the Budget Act, which specifies the employers' retirement contributions for the 2015-16 fiscal year, this increase reflects the incremental changes in percentages of salaries and wages by state member category; and,
- \$12.2 million (\$8.1 million GF) increase due to 2015-16 employee compensation adjustments, which reflect incremental changes approved through the collective bargaining process, as detailed in Budget Letter 15-19, Employee Compensation Adjustments – Item 9800.

Staffing Adjustments for Budget Year -129.2 Position Reduction:

- -\$8.8 million (-\$4.9 million GF) decrease and -63.1 position reduction associated with Level of Care (LOC) based on estimated population decline of -188 residents from the continuing transition of DC residents into the community and staffing adjustment considerations and, a -66.1 position reduction associated with Non-Level of Care (NLOC). Reflects adjustments for specialized support staff and multiple facility closure staff.

Lease Revenue Debt Service

- \$-17,000 (\$-16,000 GF) decrease due to CS 4.05 for an adjustment to the Lease Revenue Debt Service

Lottery Adjustment

- \$-24,000 for Lottery Adjustment (non-Budget Act Item)

Sonoma DC Preliminary Advanced Closure Costs:

- \$3.0 million (\$1.9 million GF) increase to fund preliminary closure activities such as clinical and historical records inventorying and archiving, the execution of an independent monitoring contract as stipulated in the settlement agreement with CMS regarding Sonoma DC certification, and the resident relocation costs.

Office of Protective Services' Records Management System:

- \$0.4 million (\$0.3 million GF) increase to fund the acquisition of a Records Management System (RMS) that will result in an efficient and effective ability to report, manage, and track Office of Protective Services (OPS) investigations for the DC system, particularly needed for Porterville DC-Secured Treatment Program (Porterville DC-STP) and Canyon Springs State Facility, neither of which are slated for closure.

Developmental Centers' Workers' Compensation Cases:

- -\$2.3 million (\$1.0 million GF increase) net decrease in appropriation to adjust funding from \$17 million to \$15 million annually for the settlement of the remaining open permanent and stationary Workers' Compensation Claims associated with current and former employees assigned to work at the various DCs and State Operated Community Facilities. DDS requests this funding be an ongoing annual appropriation throughout the closure timeline.

DC Audit Findings – Revised Expenditure Authority per Provision 3

- \$3.8 million GF for Department of Health Care Services as a result of audit findings estimated to be due to be paid back in Budget Year.

Replace Personal Alarm Locating System at Porterville DC:

- \$1.8 million GF to replace the Personal Alarm Locating System (PALS) in Porterville DC-STP's area, which has exceeded the manufacturer's useful product life.

Acute Crisis Unit at Sonoma DC – Full Year Adjustment:

- \$1.0 million (\$1.4 million GF) increase to fund the full year costs associated with staffing the unit for a full fiscal year; and to backfill the lost FFP reimbursement. DDS had previously assumed that under the

provisions of the prior provider agreement that the acute Crisis Unit would be certified. However, the subsequent CMS agreement did not provide for any FFP for individuals admitted to Sonoma DC after October 2014. The initial request made during the 2014 May Revision was limited by statute to only reflect one-half of the 2014-15 fiscal year; this increase in 2016-17 is necessary to provide needed full year funding.

Key Staff Functions to be Centralized at Headquarters:

- -\$1.0 million (-\$0.8 million GF) decrease and -9.0 position reduction due to DDS revising the November 2014 assumption that identified Lanterman DC Post-Closure activities, and now requests that these and other positions throughout the DC system be transferred to Headquarters (HQ) and centralized as the department moves forward with closing multiple facilities with overlapping timelines. This decrease in 2016-17 is necessary to make a permanent change to the budget as positions will no longer be in the DC

Capital Outlay

\$6.5 million GF for the construction phase to upgrade the fire alarm system at Porterville DC-STP (see page G-1 for further details).



## Executive Summary Tables

	<u>Page</u>
Current Year 2015-16 and Budget Year 2016-17 Tables .....	B-1
Current Year 2015-16 Detailed Funding Summary .....	B-2
Current Year 2015-16 Summary .....	B-3 to B-4
Budget Year 2016-17 Detailed Funding Summary .....	B-5
Budget Year 2016-17 Summary .....	B-6 to B-7
Current Year to Budget Year Comparison.....	B-8
Position Summary .....	B-9

**EXECUTIVE SUMMARY**  
**CURRENT YEAR 2015-16 and BUDGET YEAR 2016-17**

	CURRENT YEAR 2015-16			BUDGET YEAR 2016-17		
	Enacted Budget CY	2016 Proposed Governor's Budget Authority for CY	2016 Proposed Governor's Budget Request for CY 2015-16	Enacted Budget BY	2016 Proposed Governor's Budget Authority for BY	2016 Proposed Governor's Budget Request for BY 2016-17
<b>TOTAL FUNDING</b>	<b>\$513,983,000</b>	<b>\$574,160,000</b>	<b>\$60,177,000</b>	<b>\$513,983,000</b>	<b>\$526,037,000</b>	<b>\$12,054,000</b>
Positions	4,249.0	4,278.8	29.8	4,249.0	4,125.2	-123.8
Average In-Center Population	1,035	1,011	-24	1,035	847	-188
<b>General Fund (0001)</b>	<b>\$293,531,000</b>	<b>\$348,778,000</b>	<b>\$55,247,000</b>	<b>\$293,531,000</b>	<b>\$307,481,000</b>	<b>\$13,950,000</b>
Item 002	10,191,000	10,174,000	-17,000	10,191,000	10,175,000	-16,000
Item 003	277,915,000	333,049,000	55,134,000	277,915,000	292,035,000	14,120,000
Item 004	5,174,000	5,304,000	130,000	5,174,000	5,020,000	-154,000
Item 017	251,000	251,000	0	251,000	251,000	0
<b>Reimbursements (0995)</b>	<b>\$219,800,000</b>	<b>\$224,754,000</b>	<b>\$4,954,000</b>	<b>\$219,800,000</b>	<b>\$217,928,000</b>	<b>-\$1,872,000</b>
Item 002	1,000	0	-1,000	1,000	0	-1,000
Item 003	218,669,000	223,549,000	4,880,000	218,669,000	216,966,000	-1,703,000
Item 004	967,000	1,042,000	75,000	967,000	799,000	-168,000
Item 017	163,000	163,000	0	163,000	163,000	0
<b>Federal Funds (0890)</b>	<b>\$285,000</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$285,000</b>	<b>\$285,000</b>	<b>\$0</b>
Item 003	285,000	285,000	0	285,000	285,000	0
<b>Lottery Education Fund (0817)</b>	<b>\$367,000</b>	<b>\$343,000</b>	<b>-\$24,000</b>	<b>\$367,000</b>	<b>\$343,000</b>	<b>-\$24,000</b>
Item 503	367,000	343,000	-24,000	367,000	343,000	-24,000
<b>Total DC Program Budget</b>	<b>\$513,983,000</b>	<b>\$574,160,000</b>	<b>\$60,177,000</b>	<b>\$513,983,000</b>	<b>\$526,037,000</b>	<b>\$12,054,000</b>
002	10,192,000	10,174,000	-18,000	10,192,000	10,175,000	-17,000
003	496,869,000	556,883,000	60,014,000	496,869,000	509,286,000	12,417,000
004	6,141,000	6,346,000	205,000	6,141,000	5,819,000	-322,000
017	414,000	414,000	0	414,000	414,000	0
503	367,000	343,000	-24,000	367,000	343,000	-24,000

**DEVELOPMENTAL CENTERS DETAILED FUNDING SUMMARY  
CURRENT YEAR 2015-16**

	Enacted Budget CY 2015-16	Employee Compensation	Lottery Adjustment	CS 4.05 Lease Revenue Debt Service	CS 6.10	Staffing Adjustments for CY	Major Assumptions				Proposed Authority CY 2015-16	2016 Proposed Governor's Budget Request for CY 2015-16
							Sonoma DC Preliminary Advanced Closure Costs	Revised Expenditure Authority per Provision 3	Acute Crisis Unit at Sonoma DC Full Year Adjustment	Key Staff Functions to be Centralized at Headquarters		
<b>Program 20 Total</b>	<b>\$513,983,000</b>	<b>\$12,983,000</b>	<b>-\$24,000</b>	<b>-\$18,000</b>	<b>\$1,600,000</b>	<b>\$1,474,000</b>	<b>\$1,659,000</b>	<b>\$42,537,000</b>	<b>\$991,000</b>	<b>-\$1,025,000</b>	<b>\$574,160,000</b>	<b>\$60,177,000</b>
Positions	4,249.0	0.0	0.0	0.0	0.0	24.4	0.0	0.0	14.4	-9.0	4,278.8	29.8
Average In-Center Population	1,035	0	0	0	0	-24	0	0	0	0	1,011	-24
<b>Funding Sources</b>												
<b>General Fund Total</b>	<b>\$293,531,000</b>	<b>\$8,649,000</b>	<b>\$0</b>	<b>-\$17,000</b>	<b>\$1,600,000</b>	<b>\$814,000</b>	<b>\$1,062,000</b>	<b>\$42,537,000</b>	<b>\$1,425,000</b>	<b>-\$823,000</b>	<b>\$348,778,000</b>	<b>\$55,247,000</b>
General Fund Match	208,409,000	4,334,000	0	0	0	660,000	597,000	0	-434,000	-202,000	213,364,000	4,955,000
General Fund Other	85,122,000	4,315,000	0	-17,000	1,600,000	154,000	465,000	42,537,000	1,859,000	-621,000	135,414,000	50,292,000
<b>Reimbursement Total</b>	<b>\$219,800,000</b>	<b>\$4,334,000</b>	<b>\$0</b>	<b>-\$1,000</b>	<b>\$0</b>	<b>\$660,000</b>	<b>\$597,000</b>	<b>\$0</b>	<b>-\$434,000</b>	<b>-\$202,000</b>	<b>\$224,754,000</b>	<b>\$4,954,000</b>
Medi-Cal Reimbursements	208,409,000	4,334,000	0	0	0	660,000	597,000	0	-434,000	-202,000	213,364,000	4,955,000
Other Reimbursements	11,391,000	0	0	-1,000	0	0	0	0	0	0	11,390,000	-1,000
<b>Federal Funds</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$285,000</b>	<b>\$0</b>
<b>Lottery Education Fund</b>	<b>\$367,000</b>	<b>\$0</b>	<b>-\$24,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$343,000</b>	<b>-\$24,000</b>
<b>Total Funding</b>	<b>\$513,983,000</b>	<b>\$12,983,000</b>	<b>-\$24,000</b>	<b>-\$18,000</b>	<b>\$1,600,000</b>	<b>\$1,474,000</b>	<b>\$1,659,000</b>	<b>\$42,537,000</b>	<b>\$991,000</b>	<b>-\$1,025,000</b>	<b>\$574,160,000</b>	<b>\$60,177,000</b>

**CURRENT YEAR 2015-16**

**SUMMARY**

<b>November 2015 Estimate CY 2015-16</b>
--

**I. BUDGET ITEMS:**

**A. Control Sections**

1. Employee Compensation	12,983,000
2. Lottery Adjustment	-24,000
3. CS 4.05 Lease Revenue Debt Service	-18,000
4. CS 6.10 Deferred Maintenance Adjustment	1,600,000

**A. Total Request  
Positions**

<b>\$14,541,000</b>
<b>0.0</b>

**B. Program Updates**

1. Staffing Adjustments:	
a. <i>Level-of-Care Staffing         Positions</i>	\$549,000 7.8
b. <i>Non-Level-of-Care Staffing         Positions</i>	925,000 16.6

**B. Total Request  
Positions**

<b>\$1,474,000</b>
<b>24.4</b>

**C. Major Assumptions**

1. NMA Sonoma DC Preliminary Advanced Closure Costs	1,659,000
2. NMA Revised Expenditure Authority per Provision 3	42,537,000
3. RMA Acute Crisis Unit at Sonoma DC Full Year Adjustment Positions	991,000 14.4
4. RMA Key Staff Functions to be Centralized at Headquarters Positions	1,025,000 -9.0

**C. Total Request  
Positions**

<b>\$46,212,000</b>
<b>5.4</b>

**CURRENT YEAR 2015-16**  
**SUMMARY (Continued)**

<b>November 2015 Estimate CY 2015-16</b>
--

**II. FUNDING:**

**A. Fund Sources**

<b>1. General Fund Total</b>	<b>\$55,247,000</b>
<i>a. General Fund Match</i>	4,955,000
<i>b. General Fund Other</i>	50,292,000
<b>2. Reimbursements Total</b>	<b>\$4,954,000</b>
<i>a. Medi-Cal Reimbursements</i>	4,955,000
<i>b. Other Reimbursements</i>	-1,000
<b>3. Federal Funds</b>	<b>\$0</b>
<b>4. Lottery Education Fund (Non-Budget Act)</b>	<b>-\$24,000</b>

**B. Total Funds**

**\$60,177,000**

**DEVELOPMENTAL CENTERS DETAILED FUNDING SUMMARY  
BUDGET YEAR 2016-17**

	Enacted Budget CY 2015-16	Employee Compensation	Lottery Adjustment	CS 4.05 Lease Revenue Debt Service	Staffing Adjustments for BY	Major Assumptions							Proposed Authority BY 2016-17	2016 Proposed Governor's Budget Request for BY 2016-17
						Sonoma DC Preliminary Advanced Closure Costs	Office of Protective Services Records Management System	Revised Expenditure Authority per Provision 3	Poirteville DC PALS Replacement	Developmental Center Workers' Compensation Cases	Acute Crisis Unit at Sonoma DC Full Year Adjustment	Key Staff Functions to be Centralized at Headquarters		
<b>Program 20 Total</b>	<b>\$513,983,000</b>	<b>\$14,150,000</b>	<b>-\$24,000</b>	<b>-\$17,000</b>	<b>-\$8,755,000</b>	<b>\$3,013,000</b>	<b>\$407,000</b>	<b>\$3,800,000</b>	<b>\$1,858,000</b>	<b>-\$2,344,000</b>	<b>\$991,000</b>	<b>-\$1,025,000</b>	<b>\$526,037,000</b>	<b>\$12,054,000</b>
Positions	4,249.0	0.0	0.0	0.0	-129.2	0.0	0.0	0.0	0.0	0.0	14.4	-9.0	4,125.2	-123.8
Average In-Center Population	1,035	0	0	0	-188	0	0	0	0	0	0	0	847	-188
<b>Funding Sources</b>														
<b>General Fund Total</b>	<b>\$293,531,000</b>	<b>\$9,449,000</b>	<b>\$0</b>	<b>-\$16,000</b>	<b>-\$4,882,000</b>	<b>\$1,928,000</b>	<b>\$249,000</b>	<b>\$3,800,000</b>	<b>\$1,858,000</b>	<b>\$962,000</b>	<b>\$1,425,000</b>	<b>-\$823,000</b>	<b>\$307,481,000</b>	<b>\$13,950,000</b>
General Fund Match	208,409,000	4,701,000	0	0	-3,873,000	1,085,000	158,000	0	0	-3,306,000	-434,000	-202,000	206,538,000	-1,871,000
General Fund Other	85,122,000	4,748,000	0	-16,000	-1,009,000	843,000	91,000	3,800,000	1,858,000	4,268,000	1,859,000	-621,000	100,943,000	15,821,000
<b>Reimbursement Total</b>	<b>\$219,800,000</b>	<b>\$4,701,000</b>	<b>\$0</b>	<b>-\$1,000</b>	<b>-\$3,873,000</b>	<b>\$1,085,000</b>	<b>\$158,000</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$3,306,000</b>	<b>-\$434,000</b>	<b>-\$202,000</b>	<b>\$217,928,000</b>	<b>-\$1,872,000</b>
Medi-Cal Reimbursements	208,409,000	4,701,000	0	0	-3,873,000	1,085,000	158,000	0	0	-3,306,000	-434,000	-202,000	206,538,000	-1,871,000
Other Reimbursements	11,391,000	0	0	-1,000	0	0	0	0	0	0	0	0	11,390,000	-1,000
<b>Federal Funds</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$285,000</b>	<b>\$0</b>
Lottery Education Fund	\$367,000	\$0	-\$24,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$343,000	-\$24,000
<b>Total Funding</b>	<b>\$513,983,000</b>	<b>\$14,150,000</b>	<b>-\$24,000</b>	<b>-\$17,000</b>	<b>-\$8,755,000</b>	<b>\$3,013,000</b>	<b>\$407,000</b>	<b>\$3,800,000</b>	<b>\$1,858,000</b>	<b>-\$2,344,000</b>	<b>\$991,000</b>	<b>-\$1,025,000</b>	<b>\$526,037,000</b>	<b>\$12,054,000</b>

## BUDGET YEAR 2016-17

### SUMMARY

**November 2015  
Estimate  
BY 2016-17**

**I. BUDGET ITEMS:**

**A. Control Sections**

1. Employee Compensation	14,150,000
2. Lottery Adjustment	-24,000
3. CS 4.05 Lease Revenue Debt Service	-17,000

**A. Total Request  
Positions**

<b>\$14,109,000</b>
<b>0.0</b>

**B. Program Updates**

1. Staffing Adjustments:	
a. <i>Level-of-Care Staffing Positions</i>	-\$4,590,000 -63.1
b. <i>Non-Level-of-Care Staffing Positions</i>	-4,165,000 -66.1

**B. Total Request  
Positions**

<b>-\$8,755,000</b>
<b>-129.2</b>

**C. Major Assumptions**

1. NMA Sonoma DC Preliminary Advanced Closure Costs	3,013,000
2. NMA Protective Services Info Systems Recd Mngmnt Sys	407,000
3. NMA Revised Expenditure Authority per Provision 3	3,800,000
4. NMA Porterville DC PALS Replacement	1,858,000
5. RMA Developmental Center' Workers' Compensation Cases	-2,344,000
6. RMA Acute Crisis Unit at Sonoma DC Full Year Adjustment Positions	991,000 14.4
7. RMA Key Staff Functions to be Centralized at Headquarters Positions	-1,025,000 -9.0

**C. Total Request  
Positions**

<b>\$6,700,000</b>
<b>5.4</b>

## BUDGET YEAR 2016-17

### SUMMARY (Continued)

<b>November 2015 Estimate BY 2016-17</b>
--

#### II. FUNDING:

##### A. Fund Sources

<b>1. General Fund Total</b>	<b>\$13,950,000</b>
<i>a. General Fund Match</i>	-1,871,000
<i>b. General Fund Other</i>	15,821,000
<b>2. Reimbursements Total</b>	<b>-\$1,872,000</b>
<i>a. Medi-Cal Reimbursements</i>	-1,871,000
<i>b. Other Reimbursements</i>	-1,000
<b>3. Federal Funds</b>	<b>\$0</b>
<b>4. Lottery Education Fund (Non-Budget Act)</b>	<b>-\$24,000</b>

##### B. Total Funds

<b>\$12,054,000</b>
---------------------

---

---



**EXECUTIVE SUMMARY**

**CURRENT YEAR 2015-16 TO BUDGET YEAR 2016-17 COMPARISON**

	<b>Enacted Budget CY 2015-16</b>	<b>2016 Proposed Governor's Budget CY 2015-16</b>	<b>2015-16 Request</b>	<b>2016 Proposed Governor's Budget BY 2016-17</b>	<b>Incremental Change from CY to BY in the 2016 Governor's Budget</b>
<b>Program 20 Total</b>	<b>\$513,983,000</b>	<b>\$574,160,000</b>	<b>\$60,177,000</b>	<b>\$526,037,000</b>	<b>-\$48,123,000</b>
Positions	4,249.0	4,278.8	29.8	4,125.2	-153.6
Average In-Center Population	1,035	1,011	-24	847	-164
<b>Funding Sources</b>					
<b>General Fund Total</b>	<b>\$293,531,000</b>	<b>\$348,778,000</b>	<b>\$55,247,000</b>	<b>\$307,481,000</b>	<b>-\$41,297,000</b>
General Fund Match	208,409,000	213,364,000	4,955,000	206,538,000	-6,826,000
General Fund Other	85,122,000	135,414,000	50,292,000	100,943,000	-34,471,000
<b>Reimbursement Total</b>	<b>\$219,800,000</b>	<b>\$224,754,000</b>	<b>\$4,954,000</b>	<b>\$217,928,000</b>	<b>-\$6,826,000</b>
Medi-Cal Reimbursements	208,409,000	213,364,000	4,955,000	206,538,000	-6,826,000
Other Reimbursements	11,391,000	11,390,000	-1,000	11,390,000	0
<b>Federal Funds</b>	<b>\$285,000</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$285,000</b>	<b>\$0</b>
<b>Lottery Education Fund</b>	<b>\$367,000</b>	<b>\$343,000</b>	<b>-\$24,000</b>	<b>\$343,000</b>	<b>\$0</b>
<b>Total Funding</b>	<b>\$513,983,000</b>	<b>\$574,160,000</b>	<b>\$60,177,000</b>	<b>\$526,037,000</b>	<b>-\$48,123,000</b>

### Position Summary

CURRENT YEAR 2015-16					
	TOTALS	LEVEL-OF-CARE			NON LOC
		PROF	NURSING	TOTAL	
<b>2015-16 Authorized Positions</b>	<b>4,249.0</b>	<b>209.9</b>	<b>1,464.3</b>	<b>1,674.2</b>	<b>2,574.8</b>
<b>November Estimate</b>					
Staffing Adjustment	24.4	3.1	4.7	7.8	16.6
RMA Acute Crisis Unit Full Year Adjustment	14.4	0.6	8.1	8.7	5.6
RMA Key Staff Functions to be Centralized at HQ	-9.0	0.0	0.0	0.0	-9.0
<b>November Estimate Totals</b>	<b>29.8</b>	<b>3.8</b>	<b>12.8</b>	<b>16.6</b>	<b>13.2</b>
<b>Total Positions</b>	<b>4,278.7</b>	<b>213.6</b>	<b>1,477.1</b>	<b>1,690.7</b>	<b>2,588.0</b>
<b>Total Adjustments</b>	<b>29.8</b>	<b>3.8</b>	<b>12.8</b>	<b>16.6</b>	<b>13.2</b>

BUDGET YEAR 2016-17					
	TOTALS	LEVEL-OF-CARE			NON LOC
		PROF	NURSING	TOTAL	
<b>2016-17 Authorized Positions</b>	<b>4,249.0</b>	<b>209.9</b>	<b>1,464.3</b>	<b>1,674.2</b>	<b>2,574.8</b>
<b>November Estimate</b>					
Staffing Adjustment (Excluding LDC)	-129.2	-11.1	-52.0	-63.1	-66.1
RMA Acute Crisis Unit Full Year Adjustment	14.4	0.6	8.1	8.7	5.6
RMA Closure and CSS Functions to HQ	-9.0	0.0	0.0	0.0	-9.0
<b>November Estimate Totals</b>	<b>-123.9</b>	<b>-10.5</b>	<b>-43.9</b>	<b>-54.4</b>	<b>-69.5</b>
<b>Total Positions</b>	<b>4,125.1</b>	<b>199.4</b>	<b>1,420.4</b>	<b>1,619.8</b>	<b>2,505.3</b>
<b>Total Adjustments</b>	<b>-123.9</b>	<b>-10.5</b>	<b>-43.9</b>	<b>-54.4</b>	<b>-69.5</b>

## Population

	<u>Page</u>
Systemwide Population Charts:	
Current Year 2015-16.....	C-1
Budget Year 2016-17 .....	C-2
Current Year to Budget Year .....	C-3
Client Evaluation Report (CDER) Mix Percentages .....	C-4

**SYSTEMWIDE POPULATION**

<b>Current Year 2015-16</b>				
	<b>November Estimate</b>		<b>Population Change</b>	
	<b>2015-16 Enacted Budget</b>	<b>Proposed Governor's Budget for CY 2015-16</b>	<b>Population Change CY 2015-16</b>	<b>Percentage Annual Change</b>
<b>Beginning Population, July 1, 2015</b>	1,088	1,076	-12	-1%
Admissions*	104	110	6	6%
Placements	-168	-202	-34	20%
Deaths	-28	-29	-1	4%
<b>Ending Population, June 30, 2016</b>	<b>996</b>	<b>955</b>	<b>-41</b>	<b>-4%</b>
<i>DC Average Population Detail:</i>				
Canyon Springs	57	56	-1	-2%
Fairview	252	243	-9	-4%
Porterville	372	378	6	2%
Sonoma	369	349	-20	-5%
<b>Total Average Population</b>	<b>1,050</b>	<b>1,026</b>	<b>-24</b>	<b>-2%</b>
<b>Average Population</b>				
On Leave	-15	-15	0	0%
<b>Total Average In-Center Population</b>	<b>1,035</b>	<b>1,011</b>	<b>-24</b>	<b>-2%</b>
<i>DC Average In-Center Population Detail:</i>				
Canyon Springs	57	56	-1	-2%
Fairview	247	238	-9	-4%
Porterville	367	373	6	2%
Sonoma	364	344	-20	-6%
<b>Total Average In-Center Population</b>	<b>1,035</b>	<b>1,011</b>	<b>-24</b>	<b>-2%</b>

\*Admissions include transfers to Canyon Springs, and the 41 Bed DDX Expansion at Porterville DC

**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**

<b>Budget Year 2016-17</b>				
	<b>November Estimate</b>		<b>Population Change</b>	
	<b>2015-16 Enacted Budget</b>	<b>Proposed Governor's Budget for BY 2016-17</b>	<b>Population Change BY 2016-17</b>	<b>Percentage Annual Change</b>
<b>Beginning Population, July 1, 2016</b>	1,088	955	-133	-12%
Admissions**	104	58	-46	-44%
Placements	-168	-240	-72	43%
Deaths	-28	-26	2	-7%
<b>Ending Population, June 30, 2017</b>	<b>996</b>	<b>747</b>	<b>-249</b>	<b>-25%</b>
<i>DC Average Population Detail:</i>				
Canyon Springs	57	63	6	11%
Fairview	252	183	-69	-27%
Porterville	372	383	11	3%
Sonoma	369	233	-136	-37%
<b>Total Average Population</b>	<b>1,050</b>	<b>862</b>	<b>-188</b>	<b>-18%</b>
<b>Average Population</b>				
On Leave	-15	-15	0	0%
<b>Total Average In-Center Population</b>	<b>1,035</b>	<b>847</b>	<b>-188</b>	<b>-18%</b>
<i>DC Average In-Center Population Detail:</i>				
Canyon Springs	57	63	6	11%
Fairview	247	178	-69	-28%
Porterville	367	378	11	3%
Sonoma	364	228	-136	-37%
<b>Total Average In-Center Population</b>	<b>1,035</b>	<b>847</b>	<b>-188</b>	<b>-18%</b>

\*\*Admissions include transfers to Canyon Springs, and the 41 Bed DDX Expansion at Porterville DC

**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**

<b>Current Year 2015-16 to Budget Year 2016-17</b>				
	<b>Proposed Governor's Budget for CY 2015-16</b>	<b>Proposed Governor's Budget for BY 2016-17</b>	<b>Change from CY to BY</b>	<b>Percentage Change</b>
<b>Beginning Population, July 1</b>	1,076	955	-121	-11%
Admissions	110	58	-52	-47%
Placements	-202	-240	-38	19%
Deaths	-29	-26	3	-10%
<b>Ending Population, June 30th</b>	<b>955</b>	<b>747</b>	<b>-208</b>	<b>-22%</b>
<b>Average Population</b>	<b>1,026</b>	<b>862</b>	<b>-164</b>	<b>-16%</b>
On Leave	-15	-15	0	0%
<b>Total Average In-Center Population</b>	<b>1,011</b>	<b>847</b>	<b>-164</b>	<b>-16%</b>
<i>DC Average In-Center Population Detail:</i>				
Canyon Springs	56	63	7	13%
Fairview	238	178	-60	-25%
Porterville	373	378	5	1%
Sonoma	344	228	-116	-34%
<b>Total Average In-Center Population</b>	<b>1,011</b>	<b>847</b>	<b>-164</b>	<b>-16%</b>

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

Preferred Programs:	CMC 1	PD 2	AUT 3	SENS 4	DDX 5	BEH 6	HAB 7	SOC 8	P&S 9
November 2015 Estimate (CY 2015-16)	47.2%	8.4%	9.1%	3.4%	6.7%	19.0%	3.1%	1.3%	1.8%
November 2015 Estimate (BY 2016-17)	42.5%	7.1%	8.5%	2.8%	10.7%	21.4%	4.0%	1.4%	1.5%

*Program Type:*

CMC: Continuing Medical Care  
 PD: Physical Development  
 AUT: Autism  
 SENS: Sensory Development  
 DDX: Dual Diagnosed

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

## Statements of Change

### Index

	<u>Page</u>
Program Updates:	
Staffing Population Adjustments Detail:	
Current Year.....	D-1.1 to D-1.3
Budget Year.....	D-1.4 to D-1.6
Methodology.....	D-1.7 to D-1.11
New Major Assumption – SDC Preliminary Advanced Closure Costs.....	D-2.1 to D-2.2
New Major Assumption – Protective Services Information Systems Record Management System .....	D-3.1 to D-3.2
New Major Assumption – DC Audit Findings – Revised Expenditure Authority per Provision 3.....	D-4.1 to D-4.2
New Major Assumption – Replace Porterville DC Personal Alarm Locating System.....	D-5.1 to D-5.2
Revised Major Assumption – DC Workers’ Compensation Cases .....	D-6.1 to D-6.2
Revised Major Assumption – Acute Crisis Unit at SDC Full Year Adjustment.....	D-7.1 to D-7.3
Revised Major Assumption – Key Staff Functions to be Centralized at Headquarters... ..	D-8.1 to D- 8.2
Future Fiscal Issues .....	D-9.1 to D-9.2



**Program Update**  
**Staffing Population Adjustments**  
**Level-of-Care Staffing**  
**CURRENT YEAR 2015-16**

	Enacted Budget 1,035	November Estimate 1,011	Net Change -24	Fiscal Impact		
					003	004
<b>PROFESSIONAL:</b>						
Medical	23.0	24.0	1.0	\$165,335	\$165,335	\$0
Psychology	46.8	47.0	0.3	\$22,688	\$22,688	\$0
Social Work	36.4	38.0	1.6	\$82,907	\$82,907	\$0
Rehab Therapy	42.4	42.0	-0.4	-\$22,494	-\$22,494	\$0
Phys./Occ. Therapy	0.0	0.0	0.0	\$0	\$0	\$0
Education	61.4	62.0	0.6	\$23,129	\$0	\$23,129
Speech	0.0	0.0	0.0	\$0	\$0	\$0
<b>Subtotal, Professional</b>	<b>209.9</b>	<b>213.0</b>	<b>3.1</b>	<b>\$271,565</b>	<b>\$248,436</b>	<b>\$23,129</b>
<b>NURSING:</b>	<b>1,464.3</b>	<b>1,469.0</b>	<b>4.7</b>	<b>\$220,494</b>	<b>\$220,494</b>	<b>\$0</b>
<b>Subtotal : LOC Permanent</b>	<b>1,674.2</b>	<b>1,682.0</b>	<b>7.8</b>	<b>\$492,058</b>	<b>\$468,930</b>	<b>\$23,129</b>
<b>TEMPORARY HELP</b>						
Physical Therapy (PT)/Occupational Therapy (OT)				-\$148,172	-\$148,172	\$0
Speech Therapy (ST)				\$0	\$0	\$0
<b>Subtotal, Temporary Help</b>				<b>-\$148,172</b>	<b>-\$148,172</b>	<b>\$0</b>
<b>Subtotal, Salaries and Wages</b>				<b>\$343,886</b>	<b>\$320,758</b>	<b>\$23,129</b>
<b>STAFF BENEFITS</b>						
OASDI/Medicare				\$26,306	\$24,537	\$1,769
Health				\$65,584	\$61,374	\$4,210
Retirement				\$89,890	\$84,073	\$5,817
<b>Subtotal, Staff Benefits</b>				<b>\$181,780</b>	<b>\$169,984</b>	<b>\$11,796</b>
<b>TOTAL, PERSONAL SERVICES</b>				<b>\$525,666</b>	<b>\$490,742</b>	<b>\$34,925</b>
<b>OPERATING EXPENSE &amp; EQUIPMENT</b>						
OT/PT Contract Services				\$0	\$0	\$0
ST Contract Services				\$0	\$0	\$0
Foodstuffs	\$1,829			\$10,974	\$10,974	\$0
Drugs, Lab & Supply	\$1,371			\$8,226	\$8,226	\$0
Clothing	\$586			\$3,516	\$3,516	\$0
<b>TOTAL, OPERATING EXPENSE &amp; EQUIPMENT</b>				<b>\$22,716</b>	<b>\$22,716</b>	<b>\$0</b>
<b>Subtotal Request</b>				<b>\$548,382</b>	<b>\$513,458</b>	<b>\$34,925</b>
<b>TOTAL REQUEST</b>			<b>7.8</b>	<b>\$548,382</b>	<b>\$513,458</b>	<b>\$34,925</b>
<b>ROUNDING</b>				<b>\$548,000</b>	<b>\$513,000</b>	<b>\$35,000</b>
<b>TOTAL FUNDING</b>				<b>\$549,000</b>	<b>\$514,000</b>	<b>\$35,000</b>
<b>General Fund</b>				<b>\$217,000</b>	<b>\$199,000</b>	<b>\$18,000</b>
General Fund Match				\$332,000	\$315,000	\$17,000
General Fund Other				-\$115,000	-\$116,000	\$1,000
<b>Reimbursements</b>				<b>\$332,000</b>	<b>\$315,000</b>	<b>\$17,000</b>
Medi-Cal Reimbursements				\$332,000	\$315,000	\$17,000

**Program Update**  
**Staffing Population Adjustments**  
**Non-Level of Care Staffing**

**CURRENT YEAR 2015-16**

	<b>Net Position Change from Enacted Budget</b>	<b>Net Change in Costs from Enacted Budget</b>
<b>ADMINISTRATION</b>		
HEALTH RECD TECH II/I-OT	2.0	\$73,942
HEALTH RECD TECH - SPEC	-1.0	-\$39,042
PROG TECH/OT/OA/ACCT CLERK	1.0	\$31,487
<i>TOTAL ADMINISTRATION</i>	2.0	\$66,387
<b>CLINICAL SERVICES</b>		
SHIFT SUP (RNII/SPT)	1.0	\$55,077
SPT SERV ASST-INTRPRET/HOSPITAL WORKER	1.5	\$74,034
PSYCHIATRIC TECH (Escorts)	1.0	\$40,127
PSYCH. TECH. (Active Treatment)	1.1	\$44,140
IPC	-1.0	-\$48,408
<i>TOTAL CLINICAL SERVICES</i>	3.6	\$164,970
<b>SUPPORT SERVICES</b>		
FSW I/II-PRESENTATION	-5.5	-\$155,716
SUPERVISING HOUSEKEEPER I	2.0	\$59,640
CUSTODIAN	8.5	\$235,935
<i>TOTAL SUPPORT SERVICES</i>	8.0	\$248,332
<b>PLANT OPERATIONS</b>		
PAINTER II//APPR	1.0	\$42,144
CARPENTER II//APPR	1.0	\$42,144
CHIEF ENGR I/STAT ENG/APPR	1.0	\$57,094
<i>TOTAL PLANT OPERATIONS</i>	3.0	\$141,382
		<b>\$621,070</b>

**Program Update**  
**Staffing Population Adjustments**  
**Non-Level of Care Staffing**  
**CURRENT YEAR 2015-16**

<b>Net Position Change from Enacted Budget</b>	<b>Net Change in Costs from Enacted Budget</b>
--	--

**STAFF BENEFITS**

OASDI/Medicare		\$47,512
Health		\$100,053
Retirement		\$156,199
<b>Sub-Total, Staff Benefits</b>		<b>\$303,764</b>
<b>TOTAL, PERSONAL SERVICES</b>	<b>16.6</b>	<b>\$924,834</b>
<b>ROUNDED</b>		<b>\$925,000</b>
<b>General Fund</b>		<b>\$597,000</b>
<i>General Fund Match</i>		\$328,000
<i>General Fund Other</i>		\$269,000
<b>Medi-Cal Reimbursements</b>		<b>\$328,000</b>

**CHANGES IN STAFFING**

<b>ENACTED BUDGET STAFFING</b>		2,530.8
<b>GOVERNOR'S BUDGET STAFFING</b>		2,547.4
<b>CHANGE</b>		16.6

**Program Update**  
**Staffing Population Adjustments**  
**Level-of-Care Staffing**  
**BUDGET YEAR 2016-17**

	Enacted Budget 1,035	November Estimate 847	Net Change -188	Fiscal Impact		
					003	004
<b>PROFESSIONAL:</b>						
Medical	23.0	23.0	0.0	\$0	\$0	\$0
Psychology	46.8	45.8	-1.0	-\$90,753	-\$90,753	\$0
Social Work	36.4	36.4	0.0	\$0	\$0	\$0
Rehab Therapy	42.4	41.4	-1.0	-\$59,985	-\$59,985	\$0
Phys./Occ. Therapy	0.0	0.0	0.0	\$0	\$0	\$0
Education	61.4	52.3	-9.1	-\$337,679	\$0	-\$337,679
Speech	0.0	0.0	0.0	\$0	\$0	\$0
<b>Subtotal, Professional</b>	<b>209.9</b>	<b>198.8</b>	<b>-11.1</b>	<b>-\$488,417</b>	<b>-\$150,738</b>	<b>-\$337,679</b>
<b>NURSING:</b>	<b>1,464.3</b>	<b>1,412.3</b>	<b>-52.0</b>	<b>-\$2,427,528</b>	<b>-\$2,427,528</b>	<b>\$0</b>
<b>Subtotal : LOC Permanent</b>	<b>1,674.2</b>	<b>1,611.1</b>	<b>-63.1</b>	<b>-\$2,915,945</b>	<b>-\$2,578,266</b>	<b>-\$337,679</b>
<b>TEMPORARY HELP</b>						
Physical Therapy (PT)/Occupational Therapy (OT)				-\$148,172	-\$148,172	\$0
Speech Therapy (ST)				\$0	\$0	\$0
<b>Subtotal, Temporary Help</b>				<b>-\$148,172</b>	<b>-\$148,172</b>	<b>\$0</b>
<b>Subtotal, Salaries and Wages</b>				<b>-\$3,064,118</b>	<b>-\$2,726,438</b>	<b>-\$337,679</b>
<b>STAFF BENEFITS</b>						
OASDI/Medicare				-\$234,405	-\$208,572	-\$25,833
Health				-\$533,907	-\$477,219	-\$56,688
Retirement				-\$757,799	-\$672,873	-\$84,926
<b>Subtotal, Staff Benefits</b>				<b>-\$1,526,111</b>	<b>-\$1,358,664</b>	<b>-\$167,447</b>
<b>TOTAL, PERSONAL SERVICES</b>				<b>-\$4,590,229</b>	<b>-\$4,085,102</b>	<b>-\$505,126</b>
<b>OPERATING EXPENSE &amp; EQUIPMENT</b>						
OT/PT Contract Services				\$0	\$0	\$0
ST Contract Services				\$0	\$0	\$0
Foodstuffs	\$1,829			\$0	\$0	\$0
Drugs, Lab & Supply	\$1,371			\$0	\$0	\$0
Clothing	\$586			\$0	\$0	\$0
<b>TOTAL, OPERATING EXPENSE &amp; EQUIPMENT</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal Request</b>				<b>-\$4,590,229</b>	<b>-\$4,085,102</b>	<b>-\$505,126</b>
<b>TOTAL REQUEST</b>				<b>-63.1</b>	<b>-\$4,590,229</b>	<b>-\$4,085,102</b>
<b>ROUNDING</b>				<b>-\$4,590,000</b>	<b>-\$4,085,000</b>	<b>-\$505,000</b>
<b>TOTAL FUNDING</b>				<b>-\$4,590,000</b>	<b>-\$4,084,000</b>	<b>-\$506,000</b>
<b>General Fund</b>				<b>-\$2,719,000</b>	<b>-\$2,444,000</b>	<b>-\$275,000</b>
General Fund Match				-\$1,871,000	-\$1,640,000	-\$231,000
General Fund Other				-\$848,000	-\$804,000	-\$44,000
<b>Reimbursements</b>				<b>-\$1,871,000</b>	<b>-\$1,640,000</b>	<b>-\$231,000</b>
Medi-Cal Reimbursements				-\$1,871,000	-\$1,640,000	-\$231,000

**Program Update**  
**Staffing Population Adjustments**  
**Non-Level of Care Staffing**

**BUDGET YEAR 2016-17**

	<b>Net Position Change from Enacted Budget</b>	<b>Net Change in Costs from Enacted Budget</b>
<b>ADMINISTRATION</b>		
OT/OA	-1.0	-\$31,487
ACCT TECH/CLERK/OT	-1.0	-\$33,406
PROG TECH/OT/OA/ACCT CLERK	1.0	\$31,487
<i>TOTAL ADMINISTRATION</i>	<i>0.0</i>	<i>\$14,989</i>
<b>CLINICAL SERVICES</b>		
RESIDENCE MANAGERS (RNIII/Unit Sup)	-3.0	-\$187,518
SHIFT SUP (RNII/SPT)	-14.0	-\$771,078
ASST CHIEF CP-EDUC/VOC/AD ED	-1.0	-\$70,767
CHAPLAIN	-1.0	-\$51,518
BARBER/BEAUTY SHOP MGR	-1.0	-\$35,179
SPT SERV ASST-INTRPRET/HOSPITAL WORKER	1.5	\$74,034
PSYCHIATRIC TECH (Escorts)	-1.0	-\$40,127
PSYCH. TECH. (Active Treatment)	-16.5	-\$662,096
PHARMACIST I/PHARM ASST	-2.0	-\$143,254
RADIOLOGIC TECH	-1.0	-\$40,682
IPC	-3.1	-\$130,641
MIN DATA SET COORD. (RN)	-1.0	-\$61,572
RN/LVN/PSYCH TECH	-2.0	-\$96,130
<i>TOTAL CLINICAL SERVICES</i>	<i>-45.1</i>	<i>-\$2,216,528</i>
<b>SUPPORT SERVICES</b>		
OT/OA	-1.0	-\$31,487
SUPVNG COOK II	-1.0	-\$43,619
FOOD SERVICE SUPER I	-2.0	-\$65,382
FSW I/II-PRODUCTION	-1.0	-\$28,312
FSW I/II-PRESENTATION	-27.0	-\$764,424
SUPERVISING HOUSEKEEPER I	1.0	\$29,820
CUSTODIAN	8.0	\$222,056
AUTOMOTIVE EQUIPMENT OPERATOR I	-1.0	-\$40,365
<i>TOTAL SUPPORT SERVICES</i>	<i>-24.0</i>	<i>-\$721,713</i>
<b>PLANT OPERATIONS</b>		
PAINTER II/APPR	1.0	\$42,144
CARPENTER II/APPR	1.0	\$42,144
CHIEF ENGR I/STAT ENG/APPR	1.0	\$57,094
<i>TOTAL PLANT OPERATIONS</i>	<i>3.0</i>	<i>\$141,382</i>
		<b>-\$2,781,870</b>

**Program Update**  
**Staffing Population Adjustments**  
**Non-Level of Care Staffing**

**BUDGET YEAR 2016-17**

<b>Net Position Change from Enacted Budget</b>	<b>Net Change in Costs from Enacted Budget</b>
--	--

**STAFF BENEFITS**

OASDI/Medicare		-\$212,813
Health		-\$471,017
Retirement		-\$699,640
<b>Sub-Total, Staff Benefits</b>		<b>-\$1,383,470</b>
<b>TOTAL, PERSONAL SERVICES</b>	<b>-66.1</b>	<b>-\$4,165,340</b>
<b>ROUNDED</b>		<b>-\$4,165,000</b>
<b>General Fund</b>		<b>-\$2,163,000</b>
<i>General Fund Match</i>		-\$2,002,000
<i>General Fund Other</i>		-\$161,000
<b>Medi-Cal Reimbursements</b>		<b>-\$2,002,000</b>

**CHANGES IN STAFFING**

<b>ENACTED BUDGET STAFFING</b>		2,530.8
<b>GOVERNOR'S BUDGET STAFFING</b>		2,464.8
<b>CHANGE</b>		<b>-66.0</b>

## **Program Update**

### **Retain Developmental Center Positions**

The Department is proposing staffing adjustments needed to operate centers with reduced populations during the closure process and to support consumer movement, for providing activities needed to meet obligations under CMS agreements/standards, to support multiple overlapping closures<sup>1</sup>, and for adjustments related to secure treatment consumer needs at Porterville Developmental Center (Porterville DC): 24.4 positions in Current Year 2015-16, the net of 7.8 Level of Care (LOC) positions and 16.6 Non-Level of Care (NLOC) positions, and -129.2 positions for Budget Year 2016-17, -63.1 LOC and -66.1 NLOC positions, instead of -245.3 LOC and -101.5 NLOC.

Historically, the Department has calculated DC staffing needs on a ratio-driven formula based on the average in-center population for large-population centers. As the DCs continue to downsize and close, the populations have become too low for the application of the older staffing standards, and the formulas are no longer appropriate. Whereas the old formula indicates a significant reduction in staffing needs due to decreased populations, key positions and activities must still be retained and continued during the closure process regardless of the average in-center population. As such, the Department requests to retain positions to ensure adequate staffing in all disciplines and areas to protect the health and safety of clients residing in the developmental centers.

#### *Specialized Support Staff*

As Developmental Centers continue to downsize and close, provisions will need to be made to adjust for small-center (population) staffing and to support closure and consumer transition activities. This is necessary to maintain consumer care and staff training in accordance with CMS requirements, implement consumer community transition activities, and to conduct facility closure activities. The November 2015 Estimate requests a divergence from dated staffing standards and ratios that were previously used to reflect staffing needs for developmental centers when the consumer populations were above 500 at all Centers, with more predictable placement activity. The current population at each Center is now too low for the application of these older staffing standards (with average in-center population adjustments), as the formulas were developed for an economy of scale that is no longer applicable. Additionally, previous standards, dependent on a year-long in-Center average population size estimate, were not designed to adjust for placement projections and usually placements occur toward the end of the fiscal year. The current standards also overlook ongoing operational requirements and

---

<sup>1</sup>A corresponding/separate Budget Change Proposal (BCP) as part of the Headquarters (HQ) budget has also been developed that will tie into retaining positions/staff as specialized support for DC closures as well.

overhead that are independent from in-center population that would need to continue during the closure process regardless of the number of consumers in residence. As a result, the traditional staffing estimate no longer correctly calculates all of the positions and functions necessary for day-to-day operations to occur at the same time as closure activity.

DDS reached a Settlement Agreement with CMS for Sonoma DC and is committed to providing adequate staffing in all disciplines and areas to protect the health and safety of the clients residing there with particular emphasis on (a) the provision of daily programs and interactions as necessary to ensure that the client does not experience any avoidable decline in his or her current skills; and (b) the development and implementation of an active program to prepare each client for his or her identified post-discharge setting. In the coming years, DCs will continue to be required to maintain daily activities and care at acceptable levels of service. During this time, with individuals transitioning to community settings within a short period of time, and the work of multiple closures occurring simultaneously, additional workload and logistical challenges are occurring. To aid in successful transition and placement of individuals, DDS is requesting specialized support staff for consumer transition and facility closure/closure support activities.

The CMS Agreement requires that efforts to transition individuals to home and community-based or other appropriate alternative settings must be met according to performance milestones. To provide day-to-day maintenance of the program activities, the current standard staffing could be adjusted to be adequate, however, to perform the additional consumer transition programs, along with other closure activities, retention of positions to provide specialized support staff will be necessary. In some cases, position adjustments may address concerns with both small center allocation issues, as well as specialized closure support functions. For example, if a population adjustment were to delete the Labor Relations position, that position would still need to be retained for ongoing regular service while the Center remained open and, in addition, would be needed to support added closure activities related to layoff.

It is also expected that with the proposed closure of Fairview Developmental Center (Fairview DC) and Porterville Developmental Center General Treatment Area (Porterville DC-GTA), similar activities will be required and supports needed.

As such, estimate adjustments were made in 3 categories to account for the issues identified above. An Estimate Adjustment made because of an irregularity in the traditional calculation, which has reduced or completely removed positions that would still need to be delivered regardless of the facility size, or because the calculation removed positions inconsistent with the population change. A Population Differential made to address that the traditional "in-center average population" estimate is too broad once additional resource development is implemented and DC population nears 300 and less. DC Closure Mode are adjustments made to meet obligations contained in the current CMS Agreement for Sonoma or to maintain services at required certification levels at the other DCs as they await appeal



responses and begin closure activities, or to support placement and closure activities.

*Porterville DC Secure Treatment Changeover Staffing*

With the expansion of Porterville DC secure treatment area for an additional 41 individuals (in three additional units), there will be an expected increase in court appearances and transportation activities that is unique to this population, and not reflected in current staffing standards. However, the secure treatment area will also need staffing standard adjustments to operate as a standalone small population facility once other DC closures have occurred. Additionally, adjustments have been made for a corrected square-footage calculation. Future standards are being developed, but there will also be a period of changeover while this occurs.

**Current Year 2015-16**

<b>Level of Care</b>	<b>Traditional Calculation</b>	<b>Adjusted Calculation</b>	<b>Net Change</b>
Medical	-1.0	2.0	1.0
Psychology	-1.8	2.0	0.3
Social work	-1.4	3.0	1.6
Rehabilitation Therapy	-0.4	0.0	-0.4
Education	-4.4	5.0	0.6
Nursing	-48.3	53.0	4.7

<b>LOC Grand Total</b>	-57.3	65.0	7.8
------------------------	-------	------	-----

<b>Non Level of Care</b>	<b>Traditional Calculation</b>	<b>Adjusted Calculation</b>	<b>Net Change</b>
Administration Total	-4.0	6.0	2.0
Support Services Total	19.0	-11.0	8.0
Clinical Services Total	0.5	3.1	3.6
Plant Operations Total	2.0	1.0	3.0

<b>NLOC Grand Total</b>	17.5	-0.9	16.6
-------------------------	------	------	------

<b>Grand Total LOC/NLOC</b>	-39.8	64.1	24.4
-----------------------------	-------	------	------

**Budget Year 2016-17**

<b>Level of Care</b>	<b>Traditional Calculation</b>	<b>Adjusted Calculation</b>	<b>Net Change</b>
Medical	-4.0	4.0	0.0
Psychology	-7.8	6.8	-1.0
Social work	-6.4	6.4	0.0
Rehabilitation Therapy	-5.4	4.4	-1.0
Education	-11.4	2.3	-9.1
Nursing	-210.3	158.3	-52.0

<b>LOC Grand Total</b>	-245.3	182.2	-63.1
------------------------	--------	-------	-------

<b>Non Level of Care</b>	<b>Traditional Calculation</b>	<b>Adjusted Calculation</b>	<b>Net Change</b>
Administration Total	-13.0	13.0	0.0
Support Services Total	-29.0	5.0	-24.0
Clinical Services Total	-61.5	16.4	-45.1
Plant Operations Total	2.0	1.0	3.0

<b>NLOC Grand Total</b>	-101.5	35.4	-66.1
-------------------------	--------	------	-------

<b>Grand Total LOC/NLOC</b>	-346.8	217.6	-129.2
-----------------------------	--------	-------	--------

## **NEW MAJOR ASSUMPTION**

### **Sonoma Developmental Center Preliminary/Advanced Closure Costs**

Pursuant to Senate Bill (SB) 82 (Chapter 23, Statutes of 2015), DDS submitted to the Legislature on October 1, 2015, a plan to close the Sonoma Developmental Center (Sonoma DC). As learned during the closure of the Lanterman Developmental Center, certain activities should be initiated immediately to ensure successful closure. As such, DDS requests a Current Year (CY) 2015-16 increase of \$1.6 million (\$1.1 million GF) and Budget Year (BY) 2016-17 increase of \$3.0 million (\$1.9 million GF) to fund the following preliminary closure activities:

- Clinical and historical records inventory and archiving - BY 2016-17 \$0.5 million (\$0.3 million GF). To prepare for closure, DDS will inventory, package, and transfer clinical records for all past and current consumers to a central location. The records inventory and archiving at Sonoma DC will be significantly more extensive and difficult than Lanterman DC because of the length of time Sonoma DC has been operating and that it was the recipient of the records when Stockton and Agnews DCs closed.
- Independent monitoring - CY 2015-16 \$0.7 million (\$0.5 million GF), and BY 2016-17 \$1.0 million (\$0.6 million GF). As stipulated in the settlement agreement with CMS regarding Sonoma DC certification DDS has entered into a monitoring contract.
- Resident relocation - CY 2015-16 \$0.9 million (\$0.6 million GF), and BY 2016-17 \$1.5 million (\$1.0 million GF). DDS estimates that it will place 82 Sonoma DC consumers in CY 2015-16, and another 135 in BY 2016-17. This large number of placements will result in moving costs associated with physically moving consumers and their personal belongings, as well as additional overtime necessary for staff to oversee resident transfers to new locations.

**New Major Assumption**

**Sonoma Developmental Center Preliminary/Advanced Closure Costs**

	<b>Current Year 2015-16</b>	<b>Budget Year 2016-17</b>
<b>Personal Services</b>		
Overtime	\$144,000	\$236,000
<b>Total, Personal Services</b>	<b>\$144,000</b>	<b>\$236,000</b>
<b>OE&amp;E</b>		
Transfer of Clinical Records	\$0	\$500,000
Independent Monitoring Contract	\$707,000	\$947,000
Resident Relocation Costs	\$808,000	\$1,330,000
<b>Total, OE&amp;E</b>	<b>\$1,515,000</b>	<b>\$2,777,000</b>
<b>Total Request</b>	<b>\$1,659,000</b>	<b>\$3,013,000</b>
<b>Funding</b>		
<b>General Fund</b>	<b>\$1,062,000</b>	<b>\$1,928,000</b>
<b>Medi-Cal Reimbursements</b>	<b>\$597,000</b>	<b>\$1,085,000</b>

## **NEW MAJOR ASSUMPTION**

### **Protective Services Information Systems Record Management System**

DDS requests \$0.4 million (\$0.3 million GF) in BY 2016-17 funding to obtain a Records Management System (RMS) that will result in an efficient and effective ability to report, manage, and track Office of Protective Services (OPS) investigations.

DDS' OPS currently uses standalone word processing and spreadsheet applications for case recording, management, tracking, and reporting. These applications are in multiple formats that do not provide consistent information, are not linked to the existing incident reporting system, and do not have data compilation/report generation capabilities. The applications require manual data entry and extraction, which results in decreased quality control and impedes timely reporting.

DDS will obtain the same RMS which the Department of State Hospitals (DSH) OPS has been using since 2007. It is an all-inclusive database and inquiry retrieval system specifically designed for law enforcement, and includes an automated report writing system. The RMS allows law enforcement reports to be entered, reviewed, revised, and approved electronically.

Legislative mandates require the California Health and Human Services (CHHS) Agency 's Office of Law Enforcement Support (OLES) to monitor, track, and report upon several key focus areas pursuant to Welfare and Institutions Code Sections 4023.6, 4023.7 and 4023.8. The RMS system will enable OLES to meet these mandates by allowing for tailored-report retrieval and supervisory tracking, as well as concurrent access and provide oversight.

The Porterville DC-Secured Treatment Program area and the Canyon Springs Community Facility are not planned for closure and will continue to benefit from the RMS.

## **New Major Assumption**

### **Protective Services Information Systems Record Management System**

	<b>Current Year 2015-16</b>	<b>Budget Year 2016-17</b>
Record Management System	\$0	\$407,000
<b>Total Request</b>	<b>\$0</b>	<b>\$407,000</b>
<b>Funding</b>		
<b>General Fund</b>	<b>\$0</b>	<b>\$249,000</b>
<b>Medi-Cal Reimbursements</b>	<b>\$0</b>	<b>\$158,000</b>

## **NEW MAJOR ASSUMPTION**

### **DC Audit Findings – Revised Expenditure Authority per Provision 3**

The Department of Developmental Services (DDS) is requesting a one-time transfer of appropriation authority (Budget Revision) of \$42.5 million General Fund (GF) from Local Assistance to State Operations to re-pay in FY 2015-16, the Medi-Cal audit findings for FYs 2008-09 through 2010-11. DDS is requesting a \$3.8 million GF augmentation in 2016-17 to repay estimated audit findings for FY 2011-12 and FY 2012-13.

DDS bills the Department of Health Care Services (DHCS) for Medi-Cal eligible services provided to Medi-Cal eligible residents in Developmental Centers (DCs). California's Medicaid State Plan allows for eligible services to be reimbursed based on facility cost. DDS staff bill monthly for DC services based on an interim rate set by DHCS. DDS files a cost report annually to set the actual, cost based rate. DHCS has three years to audit the filed cost report. The most current audited fiscal year is 2011-12.

DHCS audits of FY 2008-09 to 2010-11 resulted in audit findings identifying overpayments totaling \$55.4 million for these three years (which included higher FFP due to higher American Recovery and Reinvestment Act match.) DDS has repaid DHCS \$13.0 million from existing developmental center appropriations, leaving a balance of \$42.4 million to be repaid for FYs 2008-09 to 2010-11. Audit findings must be repaid to the Centers for Medicare and Medicaid Services within 1 year of audit issuance. Overdue payments put the state at risk of deferrals and accruing interest penalties. All \$42.4 million is overdue, and has accrued interest due of \$0.1 million.

To make payment on the prior year audit findings for FY 2008-09 to 2010-11, DDS requests a current year transfer of appropriation authority (Budget Revision) of \$42.5 million GF (includes interest) from item 4300-101-0001 to 4300-003-0001 consistent with provisional language contained in the 2015-16 Budget Act.

DDS and DHCS have worked together closely to resolve the audit findings and to improve overall accuracy of reporting and billing for DCs as well as to prevent these overpayments from occurring in the future.



**New Major Assumption**

**DC Audit Findings - Revised Expenditure Authority per Provision 3**

	<b>Current Year 2015-16</b>	<b>Budget Year 2016-17</b>
<b>Special Items of Expense</b>		
Other Special Items of Expense	\$42,537,000	\$3,800,000
<b>Total, Special Items of Expense</b>	<b>\$42,537,000</b>	<b>\$3,800,000</b>
<b>Total Request</b>	<b>\$42,537,000</b>	<b>\$3,800,000</b>
<b>Funding</b>		
General Fund	\$42,537,000	\$3,800,000
Medi-Cal Reimbursements	\$0	\$0

## **NEW MAJOR ASSUMPTION**

### **Replace Personal Alarm Locating System (PALS) - Porterville**

The Department of Developmental Services requests \$1.8 million GF in BY 2016-17 to replace the Personal Alarm Locating System (PALS) in Porterville Developmental Center's (PDC) Secure Treatment Program (STP) area. The STP is not scheduled for closure, and as reflected in the Enacted Budget for 2015-16, the program is expanding from 171 to 211 beds. The PALS has exceeded the manufacturer's suggested useful life, is now outdated when compared to other similar systems, and has poor functionality characteristics.

PDC has approximately 500 employees who work in the STP area and provide care, training, and supervision of up to 211 consumers admitted by the court system because of serious offenses that might have resulted in prison terms if the consumers had been found competent to stand trial. Most of the consumers in the STP have histories of violence and aggressive behavior. PDC employees engage with the consumers in group and one-to-one settings, often without other employees being immediately close-by. Frequently, consumers become angry or frustrated. Their violent and aggressive behavior coupled with an inability to properly handle anger and frustration often results in acting out which may cause severe bodily harm to employees and other consumers. Because of the significant behavior challenges, the necessity of a system like PALS has become standard operating equipment for the employees at the PDC-STP facility. In fact, the PALS, or a similar system like it, has been made a condition of employment by the labor unions representing the various bargaining units with employees that staff the PDC-STP.

The ACTALL Personal Alarm Locating System that is currently operating at Porterville has radio frequency components that have been discontinued and are obsolete. According to the manufacturer, these parts are no longer manufactured, and the system will not be supported with similar replacement parts. The \$1.8 million estimated cost to replace the PALS includes \$0.3 million for design and \$1.5 million for construction.

## New Major Assumption

### Replace Personal Alarm Locating System - Porterville

	Current Year 2015-16	Budget Year 2016-17
<b>OE&amp;E</b>		
Working Drawings	\$0	\$284,000
Construction	\$0	\$1,574,000
<b>Total, OE&amp;E</b>	<b>\$0</b>	<b>\$1,858,000</b>
<b>Total Request</b>	<b>\$0</b>	<b>\$1,858,000</b>
<b>Funding</b>		
General Fund	\$0	\$1,858,000
Medi-Cal Reimbursements	\$0	\$0

## **REVISED MAJOR ASSUMPTION**

### **Developmental Centers' Workers' Compensation Cases**

DDS requests a net decrease of -\$2.3 million (\$1.0 million GF increase) in BY 2016-17 to continue resolution and settlement activities on open permanent and stationary Workers' Compensation Claims associated with current and former employees assigned to work at developmental centers (DCs) and State Operated Community Facilities (CFs). The Enacted Budget included a \$17.3 million (\$9.1 million GF) increase in funds to pursue settlement of open Workers' Compensation claims for the Lanterman DC in Fiscal Year 2015-16. This current request reduces the amount of funds necessary in the budget year for continued work throughout the DC closure process to \$15.0 million (\$15.0 million GF) annually on remaining open claims statewide.

The current, total estimated settlement cost of all open DC and CF claims is \$92.1 million. Of this amount, \$17.3 million is attributed to open Lanterman DC claims. The remaining \$74.8 million is attributable to both open (\$63.5 million) and closed (\$11.3 million) DCs.

With ongoing funding, DDS will work in consultation with the State Compensation Insurance Fund (SCIF) and endeavor to settle all open claims over the next five years through the compromise and release (C&R) process. The C&R process typically increases settlement costs in the short-term, but results in lower overall costs to the State. More specifically, the C&R process allows for an agreement on a lump sum payment to the claimant as final settlement of the claim, as opposed to carrying long-term liabilities.

While settlements on outstanding claims associated with closed DCs will continue, DDS will give priority to claims associated with open DCs. The benefit of proactively settling more cases at open DCs is two-fold: reducing future liability for the State, and maximizing federal financial participation reimbursement prior to a center's closure. Waiting to settle cases after the closure of a DC will increase GF costs as the Centers for Medicaid and Medical Services (CMS) will not share in the cost of workers compensation settlements once a DC is closed.

## Revised Major Assumption

### Developmental Centers' Workers' Compensation Cases

	Current Year 2015-16	Budget Year 2016-17
Workers' Compensation	\$0	-\$2,344,000 *
<b>Total Request</b>	<b>\$0</b>	<b>-\$2,344,000</b>
<b>Funding</b>		
<b>General Fund</b>	<b>\$0</b>	<b>\$962,000</b>
<b>Medi-Cal Reimbursements</b>	<b>\$0</b>	<b>-\$3,306,000</b>

\*Ongoing request of \$15.0M in the BY and the next five fiscal years, less the \$17.3M Current Service Level for a net change of -\$2.3M.

## **REVISED MAJOR ASSUMPTION**

### **Acute Crisis Unit at Sonoma Developmental Center**

In January 2014, the California Health and Human Services Agency submitted the “Plan for the Future of the Developmental Centers in California.” The report specifically detailed recommendations regarding the future of services for developmental center residents, including the recommendation for a safety net of services for those consumers who may be in acute crisis and where no other provider of services is willing to accept the resident.

In response to this recommendation, DDS designed an acute crisis unit to be separate and distinct from all other DC services and residential settings, and supports consumers for the sole purpose of stabilization and transition back into a community setting.

An acute crisis unit serves as a “safety net” for those consumers within the community who are considered in “Acute Crisis” and meet specific criteria currently outlined in Welfare and Institution Code (WIC) 4418.7 where a consumer would meet the criteria of WIC, Section 6500 and, as a result of the consumer's behavior, all of the following are met:

- There is imminent risk for substantial harm to self or others.
- The service and support needs of the consumer cannot be met in the community, including with supplemental services as set forth in subparagraph (E) of paragraph (9) of subdivision (a) of Section 4648 and emergency and crisis intervention services as set forth in paragraph (10) of subdivision (a) of Section 4648.
- Due to serious and potentially life-threatening conditions, the consumer requires a more restrictive environment for crisis stabilization.

The design of acute crisis services allows a consumer to be admitted to the crisis unit for no longer than one year, with progress reporting requirements during specified intervals and to specified entities.

To develop, open, and operate an acute crisis unit at Sonoma Developmental Center (Sonoma DC), DDS requested and received, in the Enacted Budget, 14.4 positions (8.8 Level of Care [LOC] and 5.6 Non-Level of Care [NLOC]) and \$1.1 million (\$0.7 million GF) in funding for FY 2014-15. Trailer Bill Language was included to allow for the admission of individuals in crisis, with an effective statutory date of January 1, 2015. Given the effective date, the budget request and approval for Sonoma DC was for half the year in FY 2014-15 and not updated for the full year funding and position authority request in FY 2015-16. DDS had previously assumed that under the provisions of the prior provider agreement that the Acute Crisis Unit would be certified. However, the subsequent CMS agreement did not provide for any FFP for individuals admitted to Sonoma DC after October 2014. At this time,

DDS requests additional position authority of 14.4 (8.8 LOC positions and 5.6 NLOC positions) to reflect full year staffing for FY 2015-16 and FY 2016-17; additional funding of \$0.9 million GF for those full year equivalent positions.

**Revised Major Assumption**

**Acute Crisis Unit at Sonoma Full Year Adjustment**

<u>Level of Care:</u>	<u>Positions</u>	<u>Cost</u>
Psychology	0.3	\$22,688
Social Work	0.1	\$6,377
Rehab Therapy	0.1	\$7,498
Education	0.1	\$4,626
Nursing	8.1	\$378,420
Subtotal, Level of Care:	8.7	\$419,609
 <u>Non-Level of Care:</u>		
Residence Managers (RNIII/Unit Sup)	0.5	\$31,253
Shift Sup (RNII/SPT)	2.0	\$110,154
Individual Program Coordinator	0.1	\$4,837
FSW I/II-Presentation	1.5	\$42,468
Custodian	1.5	\$41,636
Subtotal, Non-Level of Care:	5.6	\$230,348
Subtotal, Salaries and Wages:	14.4	\$649,957
 <u>Benefits:</u>		
OASDI/Medicare		\$49,722
Health		\$118,032
Retirement		\$163,464
Subtotal, Benefits:		\$331,218
Total, Personal Services:		\$981,175
 <u>Operating Expense &amp; Equipment:</u>		
Foodstuffs		\$4,573
Drugs, Lab & Supply		\$3,428
Clothing		\$1,465
Total, Operating Expense & Equipment		\$9,466

<b>TOTAL EXPENDITURES:</b>	<u>CY 2015-16</u>	<u>BY 2016-17</u>
	<b>\$990,641</b>	<b>\$990,641</b>
<b>Rounding</b>	<b>\$991,000</b>	<b>\$991,000</b>
 <b>TOTAL FUNDING</b>		
<b>General Fund</b>	<b>\$1,425,000</b>	<b>\$1,425,000</b>
<i>General Fund Match</i>	-\$434,000	-\$434,000
<i>General Fund Other</i>	\$1,859,000	\$1,859,000
 <b>Reimbursements</b>		
	<b>-\$434,000</b>	<b>-\$434,000</b>
<i>Medi-Cal Reimbursements</i>	-\$434,000	-\$434,000
<i>Reimbursements Other</i>	\$0	\$0
<b>TOTAL POSITIONS</b>	<b>14.4</b>	<b>14.4</b>



## **REVISED MAJOR ASSUMPTION**

### **Key Staff Functions to be Centralized at Headquarters**

In the Enacted Budget, DDS received thirteen positions for Post-Closure activities of Lanterman DC, with five of the positions identified as having a HQ presence and function, two positions for coordination and oversight of the Community State Staff Program (CSSP), and six positions for Regional Resource Development Projects (RRDP). DDS is revising the assumption for these positions and redirecting 2.0 positions from the Agnews CSSP as the department moves forward with closing multiple facilities with overlapping timelines. For these 15.0 total positions currently authorized within the Developmental Center budget, DDS proposes the following:

#### **DCs to Headquarters – 9.0 Total Positions**

DDS proposes transferring the position authority and funding out of the DC budget (4300-003-0001) and into the DDS Headquarters (HQ) budget (4300-001-0001) for the five HQ function positions (originally identified for Lanterman DC post-closure activities) to continue closure activities at the remaining DCs. With the latest closure announcements and overlapping timelines, DDS believes the five positions will be needed statewide, and are therefore best suited as HQ positions.

The CSSP is authorized two positions associated with Lanterman DC (1.0 Program Director and 1.0 Personnel Specialist) closure process, and two positions associated with the Agnews DC closure process (1.0 Nursing Coordinator and 1.0 Personnel Specialist) to coordinate and support the program activities related to transitioning individuals from DCs. The CSSP was subsequently revised through trailer bill language to be able to provide standalone service throughout the state. DDS proposes to redirect the existing four positions to HQ to continue administration of the program statewide. Use of the existing positions would allow for an Area Coordinator and personnel specialist for the south, and an Area Coordinator and personnel specialist for the north. These four positions would continue to perform their current duties providing administration/accounting services for CSSP participating employees, and managing the various contracts with Regional Centers and other community providers.

#### **Transfers Within DCs – 6.0 Total Positions**

RRDP has six positions that were assigned to Lanterman DC for one year; DDS is proposing a continuation and realignment of these positions to support continuing closure activities and expanded consumer placements at the remaining DCs, as well as to support the expansion of Secure Treatment Program at PDC. These positions consist of 2.0 Community Program Specialist (CPS I), 2.0 CPS II, 1.0 CPS IV, and 1.0 Office Technician. DDS will send two positions each to SDC, FDC, and PDC

**Revised Major Assumption**

**Key Staff Functions to be Centralized at Headquarters**  
**Current Year 2015-16 and Budget Year 2016-17**

		ANNUAL	POS.	CY	BY
		SALARY		COST	COST
<b>CSS ADMINISTRATION</b>					
	<u>FDC Positions</u>	\$93,780	-1.0	-\$93,780	-\$93,780
8268	PROGRAM DIRECTOR	\$66,096	-1.0	-\$66,096	-\$66,096
1303	PERSONNEL SPECIALIST I				
	<u>SDC Positions</u>				
8156	NURSING COORDINATOR	\$63,636	-1.0	-\$63,636	-\$63,636
1303	PERSONNEL SPECIALIST I	\$66,096	-1.0	-\$66,096	-\$66,096
	<b>SUBTOTAL, CSS ADMINISTRATION</b>		<b>-4.0</b>	<b>-\$289,608</b>	<b>-\$289,608</b>
<b>CLOSURE TEAM</b>					
7500	CEA A	\$106,488	-1.0	-\$106,488	-\$106,488
5742	RESEARCH PROGRAM SPECIALIST	\$74,052	-1.0	-\$74,052	-\$74,052
1470	ASSOC. INFO. SYSTEMS ANALYST-SPEC.	\$74,340	-1.0	-\$74,340	-\$74,340
5732	RESEARCH ANALYST II	\$69,408	-1.0	-\$69,408	-\$69,408
5142	ASSOC. PERSONNEL ANALYST	\$67,416	-1.0	-\$67,416	-\$67,416
	<b>SUBTOTAL, CLOSURE TEAM</b>		<b>-5.0</b>	<b>-\$391,704</b>	<b>-\$391,704</b>
	<b>PERSONAL SERVICES SUBTOTAL</b>		<b>-9.0</b>	<b>-\$681,312</b>	<b>-\$681,312</b>
	<b>STAFF BENEFITS</b>				
	OASDI/MEDICARE	7.65%		-\$42,196	-\$42,196
	HEALTH	19.07%		-\$128,745	-\$128,745
	RETIREMENT	25.15%		-\$171,350	-\$171,350
	<b>STAFF BENEFITS SUBTOTAL</b>			<b>-\$342,292</b>	<b>-\$342,292</b>
	<b>TOTAL PERSONAL SERVICES</b>		<b>-9.0</b>	<b>-\$1,023,604</b>	<b>-\$1,023,604</b>
	<b>TOTAL</b>		<b>-9.0</b>	<b>-\$1,023,604</b>	<b>-\$1,023,604</b>
	Rounding:			-\$1,024,000	-\$1,024,000
	Funding:				
	General Fund 003:			-\$823,000	-\$823,000
	Medi-Cal Reimbursements 003:			-\$202,000	-\$202,000

## **FUTURE FISCAL ISSUES**

### **Decertification of Fairview and Porterville Developmental Centers**

The California Department of Public Health (CDPH) notified both Fairview Developmental Center (Fairview DC) and Porterville Developmental Center - General Treatment Area (Porterville DC-GTA) in early August 2015 that the facilities did not meet specified Conditions of Participation for the Intermediate Care Facility units based on surveys completed in July 2015. The letters further stated that the provider agreement for the residential Intermediate Care Facilities-Developmentally Disabled (ICF/DD) units would be terminated November 1, 2015, with payment for inpatient Medi-Cal beneficiaries ending on December 1, 2015.

For Fairview DC an appeal letter was filed on August 31, 2015, to the CDPH regarding the recertification decision and on September 11, 2015, DDS received CDPH's confirmation of the request for a full evidentiary hearing. CDPH notified DDS in a letter dated October 29, 2015, that the Medicare and Medi-Cal provider agreements were being extended through February 29, 2016.

For Porterville DC-GTA an appeal letter was filed on August 21, 2015, to the CDPH regarding the recertification decision and on September 11, 2015, DDS received CDPH's confirmation of the request for a full evidentiary hearing. CDPH notified DDS in a letter dated October 29, 2015, that the Medicare and Medi-Cal provider agreements were being extended through February 29, 2016.

DDS is currently in negotiations with the Centers for Medicare and Medicaid Service (CMS) to reach a settlement agreement to continue the federal financial participation (FFP) past February 2016. Estimated monthly FFP required at Fairview DC to support ICF/DD units is \$2.7 million and at Porterville DC-GTA is \$2.8 million.

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

Over a period of more than nine years, the USDOJ has conducted investigations of Sonoma DC and has issued findings pursuant to CRIPA. USDOJ may pursue resolution of these findings in the future, potentially resulting in GF costs.

### **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 reviewed the CID and retained outside counsel to

respond to the USDOJ CID. To date, DDS has produced over 400,000 pages of documents, including e-mails and electronic records to USDOJ. It is unclear whether USDOJ will take any action against the department after USDOJ reviews the documents.

**Developmental Centers Expiration of CMS Settlement Agreement with Sonoma DC**

CDPH terminated the ICF/DD Provider Agreement for Sonoma DC effective October 23, 2014, based on a re-certification survey completed on July 25, 2014.

A Settlement Agreement was reached between CMS, California Health and Human Services (CHHS), DDS, Department of Health Care Services (DHCS), Sonoma DC, and CDPH on June 30, 2015. The Agreement was entered into to further the objectives of Title XIX of the Social Security Act and to facilitate the delivery of quality health care and rehabilitative services to clients residing in the Medicaid-certified units of Sonoma DC. Under the Agreement CDPH exercised its authority under 42 C.F.R. 431.154 to revise the effective date of the termination of Sonoma DC's ICF/DD Provider Agreement to July 1, 2016. CDPH may initiate a second reconsideration and further extend the termination date to July 1, 2017. The estimated monthly FFP required for the Sonoma DC ICF/DD units is \$2.2 million.

## Fund Sources

### Index

	<u>Page</u>
General Fund .....	E-1
Title XIX Medi-Cal/Other Reimbursements .....	E-2
Federal Funds .....	E-3
Lottery Education Fund .....	E-4

## 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 2015-16    BY 2016-17

#### 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:

<b>• General Fund Match:</b>			<b>\$213,364,000</b>	<b>\$206,538,000</b>
General Fund Match to FMAP	<u>CY 2015-16</u>	<u>BY 2016-17</u>		
Non-Proposition 98	50.00%	50.00%	207,809,000	201,267,000
Proposition 98	50.00%	50.00%	5,304,000	5,020,000
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.

<b>• General Fund Other</b>			<b>\$135,414,000</b>	<b>\$100,943,000</b>
This funding is for services provided to the DC/CF residents who are not eligible for federal or other reimbursement funding. Funding also includes \$10,174,000 (CY) and \$10,175,000 (BY) for Lease-Revenue Bonds.			135,414,000	100,943,000

- Lottery Education Fund**  
See Lottery Education Fund's page for detail.

<b>TOTAL GENERAL FUND</b>			<b>\$348,778,000</b>	<b>\$307,481,000</b>
---------------------------	--	--	----------------------	----------------------

## 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 2015-16    BY 2016-17

**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** **\$213,364,000**    **\$206,538,000**

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.

FMAP	<u>CY 2015-16</u>	<u>BY 2016-17</u>		
Non-Proposition 98	50.00%	50.00%	212,159,000	205,576,000
Proposition 98	50.00%	50.00%	1,042,000	799,000
HIPAA	50.00%	50.00%	163,000	163,000

• **Reimbursements - Other** **\$11,390,000**    **\$11,390,000**

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 Rental Income Contracts, and State Employees in the Community Program. 11,390,000    11,390,000

**TOTAL REIMBURSEMENTS** **\$224,754,000**    **\$217,928,000**

## 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 consumers with developmental disabilities and/or mental health issues.

### ASSUMPTIONS/METHODOLOGY:

CY 2015-16      BY 2016-17

• **Foster Grandparent Program Grant**

\$285,000

\$285,000

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

### TOTAL FEDERAL FUNDS

**\$285,000**

**\$285,000**



## 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 2015-16      BY 2016-17

#### Lottery Education Fund:

\$343,000

\$343,000

- 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 the state-operated community facility (DC/CF). Funds received are based on the DC/CF resident average daily attendance.

#### TOTAL LOTTERY EDUCATION FUND

\$343,000

\$343,000

## Senate Bill 82

### Index

	<u>Page</u>
SB 82 Reporting.....	F-1
Developmental Centers – Staffing Adjustments .....	F-2
Developmental Centers – Closure Activities .....	F-2
Community Services – Closure Community Placement Plan .....	F-2
Community Services – Continuation Costs .....	F-3
Community Services – Closure Coordination and Oversight.....	F-3

**SB 82 Reporting**

Pursuant to Senate Bill 82 (SB 82), Chapter 23, Statutes of 2015, the Department of Developmental Services (Department) submitted to the Legislature on October 1, 2015, a plan for the closure of the Sonoma Developmental Center (Sonoma). In addition, on November 30, 2015, the Department announced its intent to submit a plan to the Legislature by April 1, 2016, for the closure of the Fairview Developmental Center (Fairview) and the Porterville Developmental Center – General Treatment Area (Porterville GTA). As stated in SB 82, it is the Legislature’s intent that savings derived from developmental center downsizing and closure benefit persons with developmental disabilities living in the community. The Department’s budget illustrates that the initial funds required to develop community resources and oversee closure activities will exceed the funds saved.

Table 1 below demonstrates that in Fiscal Year (FY) 2015-16, the Department does not identify any savings related to closures, but rather \$98 million (\$76.1 million GF) in funds necessary to develop community resources and implement closure-related activities. In FY 2016-17, while there is identified savings related to position reductions at the developmental centers of \$8.8 million (\$4.9 million GF), the Department’s proposed budget includes \$137.7 million (\$108.2 million GF) for community development and closure related activities.

The amounts in Table 1 are more fully explained below, and do not include other costs to the State that are not reflected in the Department’s budget, such as Medi-Cal and In-Home Supportive Services for individuals living in the community. Table 1 also does not include accelerated expenditures to resolve outstanding Workers Compensation claims for developmental center employees, as reported in Section D-6.1 of the Developmental Center Estimate.

**Table 1**  
**Developmental Center Closures – Funding Impacts**  
**Dollars in Thousands**

<b>Program/Activity</b>	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	<b>TF</b>	<b>GF</b>	<b>TF</b>	<b>GF</b>
1. Developmental Centers - Staffing Adjustments	\$ 1,500	\$ 800	\$ (8,800)	\$ (4,900)
2. Developmental Centers - Closure Activities	1,700	1,100	3,000	1,900
3. Community Services - Closure Placement	46,700	43,700	78,800	69,100
4. Community Services - Continuation Costs	48,100	30,500	62,600	40,300
5. Headquarters - Closure Coordination & Oversight	0	0	2,100	1,800
<b>Total</b>	<b>\$98,000</b>	<b>\$76,100</b>	<b>\$137,700</b>	<b>\$108,200</b>

### **1. Developmental Centers – Staffing Adjustments**

As detailed in the Developmental Center Estimate, Section D-1.7, Program Update – Retain Developmental Center Positions, the Department proposes to retain positions and funding over that which would have been typically reduced by using an older, ratio-driven formula based on the average in-center population. Whereas the old formula indicates a reduction in staffing needs due to decreased resident populations, a minimum level of both level of care and non-level of care positions must be retained during the closure process for the benefit of the clients. The positions are necessary to ensure the health and safety of clients still residing in the developmental centers, meet licensing requirements, perform additional client transition activities, and maintain essential infrastructure. The net staffing adjustments result in a \$1.5 million increase (\$0.8 million GF) in FY 2015-16. In contrast, for FY 2016-17 the Developmental Center Estimate identifies a 129.2 position reduction, and a corresponding savings of \$8.8 million (\$4.9 million GF) that reflects the population decline while maintaining essential levels of staffing at the DCs.

### **2. Developmental Centers – Closure Activities**

As detailed in the Developmental Center Estimate, Section D-2.1, New Major Assumption – Sonoma Developmental Center Preliminary/Advanced Closure Costs, the Department requests \$1.7 million (\$1.1 million GF) in FY 2015-16, and \$3.0 million (\$1.9 million GF) in FY 2016-17, to fund preliminary closure activities for Sonoma. This includes inventorying and archiving clinical records, contracting for an independent monitor as stipulated in the settlement agreement with the Centers for Medicare and Medicaid Services (CMS), and moving developmental center clients and their belongings to new residences in the community.

### **3. Community Services – Closure Community Placement Plan**

In addition to impacts to the Developmental Center budget, the closures of Sonoma, Fairview, and Porterville GTA require increased positions and resources to develop community living arrangements and place individuals from developmental centers into the community. Within the Regional Center Estimate, Section E-17, Community Placement Plan, the FY 2015-16 Enacted Budget includes \$46.7 million (\$43.7 million GF) for the Sonoma closure. In FY 2016-17, the Department requests a total of \$78.8 million (\$69.1 million General Fund) for the Sonoma, Fairview, and Porterville GTA closures as detailed below. These funds are in addition to the \$68 million (\$43 million GF) in ongoing funds identified for regular community placement activities in FY 2015-16 and FY 2016-17.

**Table 2**  
**Community Placement FY 2016-17**  
**Dollars in Thousands**

	Sonoma	Fairview	Porterville GTA	Total
Operations	\$ 3,600	\$ 1,200	\$ 600	\$ 5,400
Purchase of Services	<u>20,900</u>	<u>28,500</u>	<u>24,000</u>	<u>73,400</u>
Total	\$24,500	\$29,700	\$24,600	\$78,800

**4. Community Services – Continuation Costs**

After an individual moves from a developmental center into the community, there are increased purchase of services costs that are not yet available for inclusion in expenditure trends. To account for these costs in the second year after placement, the Department estimates expenditures for those individuals who actually moved in the prior year. As detailed on page G-4 of the Regional Center Estimate for the 2015 May Revision, the FY 2015-16 Enacted Budget included \$42.1 million (\$33.5 million GF) in continuation costs. The Governor’s Budget updates this figure to \$48.1 million (\$30.5 million GF) for FY 2015-16, and requests a total of \$62.6 million (\$40.3 million GF) for FY 2016-17. Continuation costs for each purchase of service category are detailed on the Purchase of Services Methodologies located in the Regional Center Estimate, Sections E-5 to E-14.

**5. Headquarters – Closure Coordination and Oversight**

Finally, the proposed Governor’s Budget includes a request for \$2.1 million (\$1.8 million GF) in FY 2016-17, for new and redirected vacant headquarters positions for staffing and contract resources needed to support the continued efforts for multiple developmental center closures. This includes overseeing the development and licensing of community facilities and consumer programs, supporting layoff activities, resolving workers compensation cases, reconciling payroll and benefits, ensuring accuracy of financial records and reporting, supporting information technology activities, conducting equal employment opportunity investigations, and collaborating and communicating closure plans and progress with stakeholders.

## Capital Outlay

### Index

	<u>Page</u>
Phase II Capital Outlay - Upgrade Fire Alarm System at Porterville Developmental Center .....	G-1

## **CAPITAL OUTLAY PROJECT**

### **Phase II Capital Outlay - Upgrade Fire Alarm System at Porterville Developmental Center-Secured Treatment Program (Porterville DC- STP)**

#### **DESCRIPTION:**

The Department of Developmental Services (DDS) requests \$6.5 million GF for the construction phase (Phase II) of the Upgrade Fire Alarm System at Porterville DC-STP to purchase and install a new addressable Fire Alarm System (FAS) in 10 buildings (9 consumer utilized and 1 administration building). The Preliminary Plans and Working Drawings phases were funded in CY 2015-16. This project continues to be a critical safety improvement and code compliance need for Porterville DC-STP's vulnerable consumers, staff, and visitors. This project will integrate with the existing, new 96-bed facility FAS, and will provide updated FAS to the secure treatment facility, the administration building, and transition residences. At this time, the Porterville DC-STP is not planned for closure. The estimated total costs for this project are as follows: Preliminary Plans and Working Drawings \$0.8 million and \$6.5 million construction costs for a total project cost of \$7.3 million.