

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Human Services
Division of Services for People with Disabilities

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Division of Services for People with Disabilities

The Division of Services for People with Disabilities (DSPD) is responsible for providing residential, day and support services for people with mental retardation and other developmental disabilities. To receive services, people must have substantial functional limitations in three or more of the following life activities: self care, receptive and expressive language, learning, mobility, self direction, capacity for independent living, and economic self-sufficiency. The services provided range from limited family support to a full array of 24-hour services both in the community and at the Utah State Developmental Center. Services are also available in private Intermediate Care Facilities for people with Mental Retardation (ICFs/MR) with funding through the Department of Health.

1.1 Financial Summary

The Fiscal Analyst recommends a base budget appropriation for DSPD for FY 2001 in the amount of \$129.1 million, which includes \$38 million from the State General Fund. The majority of the balance is from Medicaid transfers and other federal funds.

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
General Fund	\$38,040,400		\$38,040,400
Federal Funds	3,531,200		3,531,200
Dedicated Credits Revenue	1,479,500		1,479,500
GFR - Trust for People with Disabilities		\$200,000	200,000
Transfers - H - Medical Assistance	84,393,700		84,393,700
Transfers - Internal	1,126,600		1,126,600
Transfers - Other Agencies	310,000		310,000
Total	\$128,881,400	\$200,000	\$129,081,400
Programs			
Administration	\$2,562,400		\$2,562,400
<i>Assistive Technology/Self-determination</i>		\$150,000	150,000
Service Delivery	10,099,400		10,099,400
State Developmental Center	31,274,700		31,274,700
<i>Minor Repairs/Remodel</i>		50,000	50,000
Residential Services	57,988,300		57,988,300
Day Services	12,833,300		12,833,300
Supported Employment	5,227,400		5,227,400
Family Support	6,230,500		6,230,500
Personal Assistance	917,700		917,700
Transportation Services	1,747,700		1,747,700
Total	\$128,881,400	\$200,000	\$129,081,400
FTE	1,010.5		1,010.5

2.0 Issues: Division of Services for People with Disabilities

2.1 Division Budget Summary

DIVISION OF SERVICES FOR PEOPLE WITH DISABILITIES		
SUMMARY OF ANALYST RECOMMENDATIONS - FY 2001		
	General Fund	Total Funds
FY 2000 AUTHORIZED	\$38,136,200	\$129,750,300
Less One-time Appropriations	0	(200,000)
Non-General Fund revenue estimate revisions	0	(357,100)
FY 2001 BASE BUDGET	<u>\$38,136,200</u>	<u>\$129,193,200</u>
Adjustment for 16 less work hours	(70,400)	(208,400)
State ISF Rate Changes	1,800	10,000
State Retirement Rate Reductions	(38,700)	(124,900)
Risk Mgt Rate Redistribution (from FY 2000)	11,500	11,500
FY 2001 ADJUSTED BASE BUDGET	<u>\$38,040,400</u>	<u>\$128,881,400</u>
Trust Fund: One-time expenditures	0	200,000
FY 2001 ANALYST RECOMMENDED BUDGET	<u>\$38,040,400</u>	<u>\$129,081,400</u>
(Without Compensation Adjustment)		

2.2 One-time Appropriation from Trust Fund

Last year, for FY 2000, the Legislature approved expenditures from this fund totaling \$200,000. Included, were \$100,000 to be used for implementation of the “Self-determination Project,” \$50,000 for assistive technology equipment, and \$50,000 for remodeling projects at the Development Center. As these expenditures are not now planned until FY 2001, the Division is requesting these funds be re-appropriated for FY 2001. The Analyst is recommending this funding for FY 2001, as well as a negative supplemental in the same amount for FY 2000 to ensure authorized expenditures do not exceed statutory limits.

2.3 Adjustments to Base Budget

The Fiscal Analyst has adjusted the base budget for FY 2001 to reflect the shortened work year by 16 hours (\$70,400 General Fund reduction), change in the retirement rate (\$38,700 General Fund reduction), and changes in the rates charged by the State’s internal service funds (\$1,800 General Fund increase). In addition, the Analyst is including a re-distribution of funds appropriated for the FY 2000 for Risk Management liability premium increases (\$11,500 increase for DSPD). This was appropriated to one program in the Executive Director Operation budget, but should have been part of the budgets of all programs and divisions in the Department.

2.4 Transfers from TANF Surplus Funds

Last year the Legislature included \$1,645,200 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DSPD budget. Of this amount, \$1,000,000 was provided for services to people on the DSPD waiting list, \$300,000 for emergency services and placements, and \$345,200 was used to replace federal Medicaid funds lost due to the match rate change. The Analyst recommends the Legislature continue these TANF transfers in the same amount for FY 2001. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Intent language approved last year directed the 2000 Legislature to “consider replacing TANF funds used for the waiting list . . . with State General Funds for the FY 2001 appropriation.” Due to funding limitations, the Analyst has not included a replacement of these funds in FY 2001.

2.5 Waiting List for People with Disabilities

Currently, there are about 2,300 people on the waiting list for community-based services, including about 800 waiting for residential services. Of the people waiting for services, about 1,800 are considered in critical or immediate need of services. Due to funding restrictions, the Analyst has not included any new funding for the waiting list in the FY 2001 recommendation.

2.6 Federal Fund Reductions

The federal medical assistance percentage (FMAP) match rate for FY 2001 is changing from 71.61 percent to 71.47 percent. As a result, without an increase in state matching funds, the State will see a reduction in federal medical assistance payments. To maintain the current level of funding in DSPD, the State would need to increase its match by \$163,700.

Congress is again reducing the Social Services Block Grant (SSBG). The impact to DSPD is currently estimated to be \$149,700. These reductions affect services in residential support and supported employment.

2.7 Emergency Services Funding

The Division requested \$400,000 in new state funds for addressing the needs of crisis situations for FY 2001. These are situations where caregivers become unable to continue care or courts direct care by the Division. Due to funding limitations, the Analyst did not include this in the FY 2001 recommendations.

2.8 Legislative Intent Language

The 1999 Legislature approved the following intent language applicable to the Division of Services for People with Disabilities:

1) It is the intent of the Legislature that in renewing contracts with private providers the Division of Services for People with Disabilities shall consider prevailing labor market conditions.

This is a continued consideration by the Division during contract negotiations with service providers. The Division considers market conditions in the rate setting process. It negotiates contracts within the boundaries of the Department-approved rates for the services purchased.

2) It is the intent of the Legislature that rent collected from individuals who occupy state owned group homes be applied to the cost of maintaining these facilities. The Division of Services for People with Disabilities will provide an accounting of state owned group home rents and costs upon request from the Legislature or the Legislative Fiscal Analyst.

The Legislative Analyst has reviewed the FY 1999 statement showing total rental receipts of \$148,100. After food charges and maintenance expenses are deducted, there is a net income of \$22,150. The private providers who operate these homes hold these for future major repairs of the facilities.

3) It is the intent of the Legislature that the Departments of Health and Human Services, the Division of Employment Development in the Department of Workforce Services, and the State Office of Education work jointly through the regular budget process to present program budget overviews for services to people with disabilities and for services to the aging to be presented to the 2000 Health and Human Services Appropriations Subcommittee. These program budget overviews will include a discussion of the most appropriate and least costly funding options.

The Departments indicated have worked during the interim to prepare this report and will present it during one of the regular subcommittee hearings. The Analyst recommends the Legislature consider whether this information is of value and interest before it reauthorizes the language for FY 2001.

4) It is the intent of the Legislature that the Division of Services for People with Disabilities, through the Attorney General's Office, seek dismissal of the Lisa P. Settlement agreement at the earliest possible date as provided for in Item #44 of the agreement. The Division shall provide an update on the status of the Lisa P. agreement in the July 1999, meeting of the Health and Human Services Interim Committee and to the 2000 Health and Human Services Appropriations Subcommittee.

Last year, the Disabilities Law Center asked that a number of cases at the Developmental Center be reviewed a second time to ensure the appropriate placement decision is made. These second reviews are now all complete. There are still about 35 individuals at the Developmental Center waiting for placement in the community. The Division is working to schedule a court date to seek an end to the agreement and will report to the committee.

5) It is the intent of the Legislature that the Division of Services for People with Disabilities seeks to maximize its ability to serve individuals on the waiting list through reviewing existing policies, budgets, and service allocations and pursuing any appropriate additional federal waivers or funding or other creative mechanisms. It is further the intent that the Division report to the 2000 Health and Human Services Appropriations Subcommittee on its progress and that the subcommittee consider options to reward the Division employees based on the progress made.

The Division has set aside \$300,000 from current resources to provide a minimum amount of funding for people on the waiting list not receiving any services. The funds will be given to the clients and/or their families with which they may purchase needed services. Several other efforts are being discussed. The Division will discuss this as part of their presentation to the Appropriation Sub-committee.

6) It is the intent of the Legislature that since TANF funds are a one-time transfer, the 2000 Legislature consider replacing TANF funds used for the waiting list for people with disabilities with State General Funds for the FY 2001 appropriation.

Due to limited funds, the Fiscal Analyst could not include replacement funds in the FY 2001 budget recommendation, but has recommended that the TANF funds be transferred for another year.

3.0 Programs: Division of Services for People with Disabilities

The Division has statutory authority for providing community-based services and supports for people with disabilities through the Home and Community-Based Services Waiver (HCBS) and through state-funded programs. Independent service providers deliver these services under contractual agreement with the Division through its four regional offices.

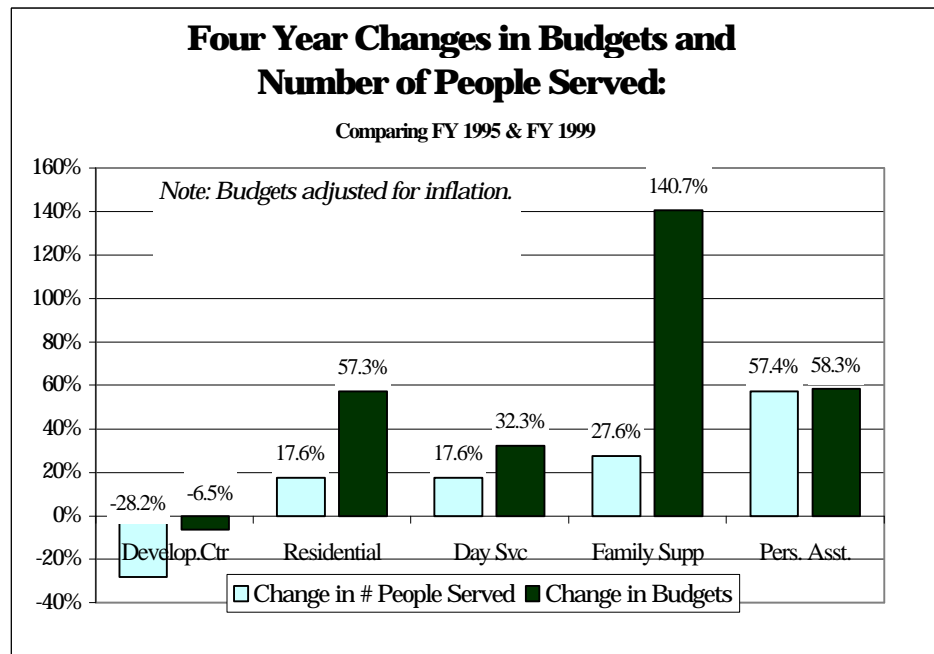
The Division serves as the “gate keeper” for services for people with mental retardation and developmental disabilities (MR/DD). The Division operates the State Developmental Center in American Fork, Utah’s only state operated ICF/MR (Intermediate Care Facility for persons with Mental Retardation). DSPD contracts with private providers to provide group and community-based services under the HCBS waiver. State funds are used for some people who are not eligible for Medicaid waiver services. It also certifies eligibility for and approves services through private ICFs/MR providers. However, the ICF/MR system is operated under authority of the Department of Health.

Performance Measures

In Fiscal Year 1999, the Division provided services for 3,951 people statewide, including 3,712 who received support in their homes or local communities and 237 at the Developmental Center. Another 560 people received services in privately operated ICFs/MR. As of December 1, 1999, the Division had a waiting list of 2,568 people desiring services through the Division. Of that total number of people waiting, 1,800 are in critical or immediate need of services and 768 are on the waiting list for services that they anticipate needing in the future. Of those with critical or immediate needs, 600 are receiving some services and waiting for others, while 1,200 are receiving no services.

Service Budgets Have Grown Faster Than the Number of People Served.

The following chart compares four-year changes in service budgets with increases in the number of people receiving services. The Analyst has adjusted budgets by a 3.5 percent annual inflation factor. In all cases, except in the area of “Personal Assistance,” budgets show a much greater percentage increase than the percentage increase in the number of people served. For example, in residential services, while the budget has increased from \$28.2 million to \$44.3 million in four years (a 57 percent increase), the number of people receiving services has increased from 1,276 to 1,500 (an increase of 17.6 percent).



Additional performance measures are pending and will be presented during appropriation sub-committee hearings.

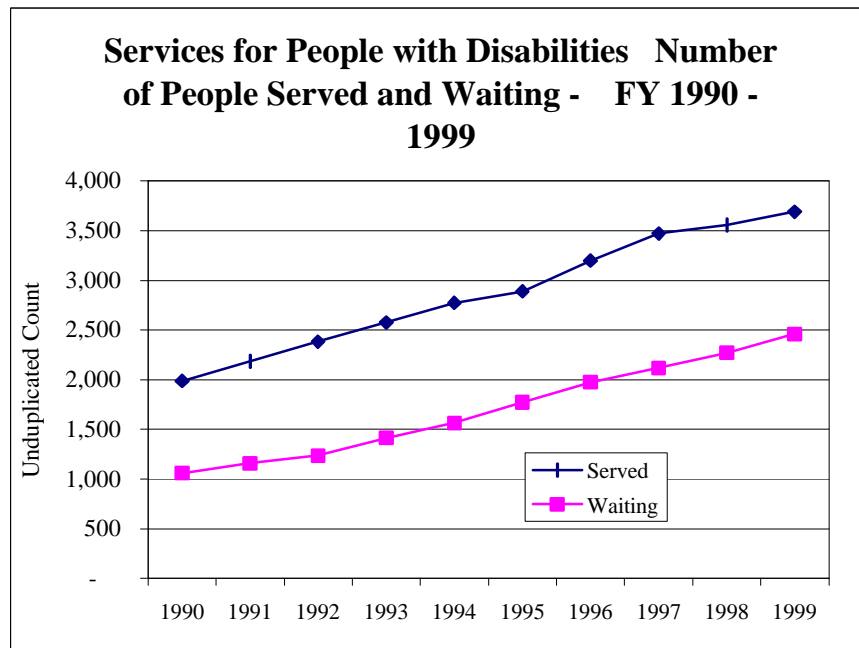
Health Care Financing

Utah’s Medicaid agency is the Division of Health Care Financing (HCF) in the Department of Health. This agency coordinates with DSPD in establishing rates and eligibility, in preparing revisions and renewals of Utah’s Home and Community-Based Services Waiver, receiving billings and processing reimbursements of Medicaid dollars, and in compliance training and monitoring. HCF also contracts with and provides administrative oversight for private ICFs/MR.

Waiting List for Community-based Services

As of December 1, 1999, there are 2,568 people on the waiting list for community-based services. These include 1,273 waiting for residential services, 1,194 for family support, 543 for supported employment, 466 for day training, and 90 for personal assistance services. Some individuals are waiting for more than one type of service. Of the people waiting for services, 1,800 are considered in “critical” or “immediate” need of services. Other individuals are on the list in anticipation of future needs.

The Legislature has attempted to reduce this list, but it still grows. In the last three years, the Legislature has appropriated over \$12.7 million in new funding (including \$3.7 million State Funds) to provide services for people on the waiting list. In addition, \$2.5 million in new funding has been appropriated for emergency community placement needs (\$300,000 State Funds). The table below shows the growth in the number of people served and the number of people on the waiting list for the last ten years.



Intermediate Care Facilities for People with Mental Retardation (ICF/MR)

The State has chosen to provide Medicaid supported services for people with mental retardation and developmental disabilities (MR/DD). There are two programs provided by the State. One is the privately owned and operated ICF/MR system. These institutions range in size from 15 beds to more than 80 beds. The ICF/MR system is funded through the Division of Health Care Finance (HCF) in the State Department of Health. The Utah State Development Center in American Fork, with its current population of about 240 residents, is a state operated ICF/MR and is funded through DSPD. The ICF/MR system is approximately 75 percent funded with Medicaid transfer payments. Although the program is optional, if a state chooses to provide the service, it becomes an entitlement to eligible individuals, meaning that there cannot be a waiting list for services. The current ICF/MR system is approximately 95 percent full. However, there is a turnover in its residents. About 166 people were referred for placement in private ICFs/MR in the last four years. There is a state-imposed moratorium on the creation of new beds.

Home and Community-based Services (HCBS)

The State has also chosen to provide a Home and Community Based Services alternative (HCBS) to the ICF/MR system. The HCBS includes privately operated group homes and apartments located in communities throughout the State. This system is also 75 percent funded by Medicaid transfers through its waiver program. This service is not an entitlement to eligible people, but can be used only as far as resources permit. Therefore, most states have waiting lists for services in the HCBS alternative program. The HCBS is funded through DSPD, which determines eligibility for services in both the ICF/MR and the HCBS systems and serves as the “gatekeeper.”

HCBS Waiting Lists Under Fire

The practice of maintaining waiting lists for HCBS services is under attack in many states by advocates for people with disabilities. Lawsuits have been filed in various states, including Florida, Georgia, New Mexico and Montana, attacking states' waiting lists for services. In Florida, the court has determined that Florida must provide services to eligible clients in a timely manner, meaning within 90 days of eligibility determination. This refers to services in the ICF/MR system.

Supreme Court Decides Community-based Services Not an Entitlement

On June 22, 1999, the U.S. Supreme Court ruled (*Olmstead vs. I.C., et al*) in an appeal of a lower court decision alleging that the state of Georgia violated the "integration rule" of the Americans with Disabilities Act (ADA). The suit charged that Georgia was in violation of the ADA because it had denied community-based services to two mentally ill residents in a psychiatric hospital. Basically, the Supreme Court said that states must place people with disabilities in community settings, if appropriate, and if desired by the affected individual, and if "the placement can be reasonably accommodated, taking into account the resources available to the state and the needs of others with mental disabilities." The Court did not say that ADA provides individuals an entitlement to community-based services. It sent the case back to the lower court with instructions that the lower court consider the resources available to the state, the range of services it provides to similar individuals, and the state's obligation to mete out services equitably. Justice Ginsberg, in the majority opinion, specifically allowed that states could maintain a well-ordered waiting list for services as long as the list moved at a "reasonable pace" and there was a "comprehensive, effective working plan for placing qualified persons with mental disabilities in less restrictive settings."

Emergency Services

Each year, there are emergencies requiring immediate assistance from the Division. Crises arise when children grow older and become too large or too behaviorally difficult for their parents, when older parents can no longer physically care for their adult child, and when caretakers become ill or die. It also includes cases where individuals are committed to Division services by the courts. The Division requested \$400,000 in new state funds for addressing the needs of these crisis situations for FY 2001. This amount, combined with about \$777,600 in Medicaid transfer funds, would serve about 28 people in residential programs, or 107 in day service programs, or 168 individuals in supported employment, or 181 in the Family Support program. Due to funding limitations, the Analyst did not include this in the FY 2001 recommendations.

Trust Fund for People with Disabilities

In 1995, the Legislature created a Trust Fund for People with Disabilities (63A-5-220, UCA) consisting of proceeds from the sale or lease of lands and facilities at the Utah State Developmental Center (USDC) at American Fork. Last year, the Legislature limited the appropriation and use of these funds to interest earned on the fund, lease and rental receipts. These funds may be used for programs described in Title 62A, Chapter 5, which is the DSPD section of the code. Expenditures may not be made unless the Board of Services for People with Disabilities first approves them.

The current balance of approximately \$1,425,000 resulted mainly from the sale of land to American Fork City in FY 1998. In November 1998, the State sold the “Adventure and Learning Park” to Highland City for \$1.4 million on a contract sale. In addition to a \$200,000 down payment, the City will make 7 annual payments of \$200,000 plus a final payment of \$89,000. Funds have also come from the sale of land to the LDS Church for a Seminary at the new American Fork High School and from the lease of facilities to Utah Valley State College.

Last year, for FY 2000, the Legislature approved expenditures from this fund totaling \$200,000. Included, was \$100,000 for implementation of the “Self-determination Project,” \$50,000 for assistive technology equipment, and \$50,000 for remodeling at the Development Center. Since these expenditures will not be made until FY 2001, the Division is requesting that these funds be re-appropriated for FY 2001. Currently, lease and interest income averages about \$100,000 per year.

3.1 DSPD Administration

Recommendation

The recommended budget of \$2.7 million for FY 2001 includes \$1,044,000 from the General Fund with most of the balance coming from federal Medicaid transfers. The recommendation includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, and an adjustment to redistribute last year’s Risk Management liability premium increases.

	FY 1999	FY 2000	FY 2001	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$1,039,600	\$1,053,200	\$1,044,100	(\$9,100)
Dedicated Credits Revenue	25,343	130,400	172,200	41,800
GFR - Trust for People with Disabilities	70,000	150,000	150,000	
Transfers - H - Medical Assistance	1,222,872	1,359,000	1,346,100	(12,900)
Transfers - Internal	73,461			
Beginning Nonlapsing	5,900	50,000		(50,000)
Lapsing Balance	(70,007)			
Total	<u>\$2,367,169</u>	<u>\$2,742,600</u>	<u>\$2,712,400</u>	<u>(\$30,200)</u>
Expenditures				
Personal Services	\$1,470,257	\$1,635,000	\$1,618,000	(\$17,000)
In-State Travel	29,056	29,100	29,100	
Out of State Travel	24,914	24,900	24,900	
Current Expense	575,708	650,800	545,500	(105,300)
DP Current Expense	153,226	196,800	138,900	(57,900)
Other Charges/Pass Through	114,008	206,000	356,000	150,000
Total	<u>\$2,367,169</u>	<u>\$2,742,600</u>	<u>\$2,712,400</u>	<u>(\$30,200)</u>
FTE	30.5	35.0	35.0	

Purpose

The State Administration Office provides development, quality assurance, general management, and budget and fiscal oversight for the state operated support coordination (case management) system, contracts for private and public service providers, and the Utah State Developmental Center at American Fork. The Office also develops policy recommendations for the Board of Services for People with Disabilities.

3.2 Service Delivery

Recommendation

The Analyst recommends \$10.1 million, including \$5.2 million from the General Fund, be appropriated for the Service Delivery program for FY 2001. This includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, and an adjustment to redistribute last year’s Risk Management liability premium increases.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$5,120,800	\$5,325,800	\$5,245,800	(\$80,000)
GFR - Trust for People with Disabilities	100,000			
Transfers - H - Medical Assistance	3,392,807	4,874,800	4,853,600	(21,200)
Transfers - Internal	7,000			
Total	\$8,558,923	\$10,200,600	\$10,099,400	(\$101,200)
Expenditures				
Personal Services	\$7,097,306	\$8,630,100	\$8,542,500	(\$87,600)
In-State Travel	125,541	146,500	146,500	
Out of State Travel	5,716	5,800	5,800	
Current Expense	843,170	1,055,200	1,066,300	11,100
DP Current Expense	444,933	363,000	338,300	(24,700)
DP Capital Outlay	13,505			
Capital Outlay	23,090			
Other Charges/Pass Thru	5,662			
Total	\$8,558,923	\$10,200,600	\$10,099,400	(\$101,200)
FTE	168.8	190.5	190.5	

Purpose

The Division has divided the state into four regions for service delivery, which is the same regional structure used by several divisions in the Department. The regional service delivery staff person provides service coordination for service recipients and is the point of entry for people seeking services from the Division. The regions contract for services with local private providers, and oversee and evaluate the quality of services delivered. The regions also maintain waiting lists of people requesting services.

3.3 Utah State Developmental Center

Recommendation The Analyst recommends a budget of approximately \$31.3 million for the Developmental Center for FY 2001, including \$7.1 million from the General Fund. The recommendation includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, and an adjustment to redistribute last year’s Risk Management liability premium increases.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$6,646,700	\$7,120,600	\$7,078,400	(\$42,200)
Dedicated Credits Revenue	1,299,901	1,312,000	1,307,300	(4,700)
GFR - Trust for People with Disabilities		50,000	50,000	
Transfers - H - Medical Assistance	21,283,181	22,869,500	22,579,000	(290,500)
Transfers - Other Agencies	302,885	310,000	310,000	
Beginning Nonlapsing	50,800			
Lapsing Balance	(92)			
Total	\$29,583,375	\$31,662,100	\$31,324,700	(\$337,400)
Expenditures				
Personal Services	\$22,813,603	\$24,500,000	\$24,229,700	(\$270,300)
In-State Travel	5,247	6,600	6,600	
Out of State Travel	7,606	4,500	4,500	
Current Expense	5,758,517	6,342,000	6,427,100	85,100
DP Current Expense	948,220	657,000	454,800	(202,200)
DP Capital Outlay	10,045	10,000	10,000	
Capital Outlay	40,137	142,000	192,000	50,000
Total	\$29,583,375	\$31,662,100	\$31,324,700	(\$337,400)
FTE	668.0	785.0	785.0	

Purpose The Utah State Developmental Center (USDC), formerly known as the Utah State Training School, is an Intermediate Care Facility (for persons who have) Mental Retardation (ICF/MR). The Center provides 24-hour residential services and active treatment services. Specialized services include medical and dental services, physical, occupational, speech, and recreation therapy; psychological services, social work, and day training.

3.4 Residential Services

Recommendation The Analyst’s recommended budget for residential services for FY 2001 totals approximately \$58 million, including \$15.7 million from the General Fund.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$14,512,100	\$15,665,600	\$15,665,600	
Federal Funds	1,197,000	2,160,100	2,085,100	(\$75,000)
GFR - Trust for People with Disabilities	520,000			
Transfers - H - Medical Assistance	35,081,171	39,463,000	39,401,500	(61,500)
Transfers - Internal	62,095	836,100	836,100	
Closing Nonlapsing	(50,000)			
Lapsing Balance	(520,004)			
Total	\$50,802,362	\$58,124,800	\$57,988,300	(\$136,500)
Expenditures				
Other Charges/Pass Thru	\$50,802,362	\$58,124,800	\$57,988,300	(\$136,500)
Total	\$50,802,362	\$58,124,800	\$57,988,300	(\$136,500)

Transfers from TANF surplus funds

Last year the Legislature included \$978,700 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund increases approved for this program. Included in this amount was \$605,300 as part of the funding package for the waiting list, \$217,900 for emergency community placements and \$155,500 to make up the loss of federal funds due to the Medicaid match rate change. The Division has shifted some TANF transfers from other programs to Residential Services so that the amount of services funded with this source is now \$1,237,700. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

There are five basic models for community-based residential programs funded by the Division that fall into two broad categories of supported living or supervised living:

A. Supported Living – Trained staff available to provide support services as needed, but less than 24 hours a day.

*1. *Supported living arrangements*: Consumers live independently in apartments and receive periodic assistance and training with money management and other skills necessary for independent living.

*2. *Supervised apartments*: Consumers live in apartments for two or three people. Apartment supervisors are available to provide whatever assistance may be needed.

B. Supervised Living – Trained staff available to provide supervision and support 24 hours a day.

*1. *Professional parent homes*: These are family homes in which one or two children with disabilities live with 24-hour support in a very intensive therapeutic family arrangement. The families are supported by trainers and consultants and also receive respite care.

*2. *Host homes*: These are provided for individuals who have been living in professional parent homes when that person turns 18 years of age and wishes to continue to live in that family home with other adults. The professional parent assumes more of a peer role with the individual and the individual works with the trainer in the acquisition of skills that allow independence as an adult. The person may receive support and/or supervision up to 18 hours per day.

*3. *Group homes*: These are the oldest models of community residential living. Although up to eight people may live in a group home, most homes are shared by five or fewer people. In most cases, the group home staff works shifts to provide support throughout the time consumers are at home (typically, 17 to 18 hours, but up to 24-hours). Training and assistance is provided to meet the needs identified in individual program plans.

3.5 Day Services

Recommendation

The recommended FY 2001 budget totals \$12.8 million, including \$3.8 million from the General Fund.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$3,304,200	\$3,815,300	\$3,815,300	
Federal Funds	326,400	497,700	497,700	
Transfers - H - Medical As	6,718,402	8,533,500	8,520,300	(\$13,200)
Lapsing Balance	(465)			
Total	<u>\$10,348,537</u>	<u>\$12,846,500</u>	<u>\$12,833,300</u>	<u>(\$13,200)</u>
Expenditures				
Other Charges/Pass Thru	\$10,348,537	\$12,846,500	\$12,833,300	(\$13,200)
Total	<u>\$10,348,537</u>	<u>\$12,846,500</u>	<u>\$12,833,300</u>	<u>(\$13,200)</u>

Transfers from TANF surplus funds

Last year the Legislature included \$313,700 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund increases approved for this program. Included in this amount was \$244,200 as part of the funding package for the waiting list, \$36,800 for emergency community services, and \$32,700 for federal funds lost due to the Medicaid match rate change. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

Day Service programs take place in the community or in workshops and are designed to maintain skills in post-school years and provide work opportunities. They include habilitative day training programs and supported retirement.

**Day programs* are designed to promote the ongoing development and maintenance of skills. The services may be provided in a variety of settings, including natural workplace settings throughout the community or at sheltered sites. Many participants in these programs receive federal funding through the Medicaid program. Care must be taken that the goals and objectives for each individual are not directed at teaching specific job skills, as Medicaid will not pay for vocational training. The average daily cost for day services range from \$27 to \$71.

**Supported retirement* is designed for people who are age 55 or older or whose health prevents their continued participation in employment or day training. This program utilizes Senior Citizen Centers, Adult Day Centers, and other community programs that provide a variety of activities for seniors.

3.6 Supported Employment

Recommendation The Analyst recommends \$5.2 million (\$1.7 million General Fund) for the Supported Employment budget for FY 2001.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$1,902,000	\$1,686,300	\$1,686,300	
Federal Funds	567,600	889,600	814,900	(\$74,700)
Transfers - H - Medical As	2,433,802	2,730,400	2,726,200	(4,200)
Lapsing Balance	(112)			
Total	\$4,903,290	\$5,306,300	\$5,227,400	(\$78,900)
Expenditures				
Other Charges/Pass Thru	\$4,903,290	\$5,306,300	\$5,227,400	(\$78,900)
Total	\$4,903,290	\$5,306,300	\$5,227,400	(\$78,900)

Transfers from TANF surplus funds

Last year the Legislature included \$38,200 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund increases approved for this program. Included in this amount was \$25,400 for emergency community services and \$12,800 to make up the loss of federal funds due to the Medicaid match rate change. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

Supported employment programs place people with disabilities in jobs in regular work environments. A job coach is assigned to each person to provide training on the job and to help solve problems that may arise. As the person becomes better able to do the work, the time spent with the job coach decreases. Over time, the cost of maintaining a person with disabilities in supported work decreases and will sometimes end. The cost of supported employment is approximately \$30 per job coach hour. For most individuals who enter this service, the Office of Rehabilitative Services in the State Office of Education funds the first 150 hours of training and the Division of Services for People with Disabilities provides the ongoing funding.

3.7 Family Support

Recommendation

The FY 2001 recommended budget for Family Support totals \$6.2 million, including \$2.3 million from the General Fund.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$2,214,100	\$2,273,600	\$2,309,100	\$35,500
Federal Funds		71,700	71,700	
Transfers - H - Medical As	3,120,950	3,854,700	3,849,700	(5,000)
Lapsing Balance	(252)			
Total	\$5,334,798	\$6,200,000	\$6,230,500	\$30,500
Expenditures				
Other Charges/Pass Thru	\$5,334,798	\$6,200,000	\$6,230,500	\$30,500
Total	\$5,334,798	\$6,200,000	\$6,230,500	\$30,500

Transfers from TANF surplus funds

Last year the Legislature included \$36,700 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund increases approved for this program. Included in this amount was \$19,900 for emergency community services, and \$16,800 to make up the loss of federal funds due to the Medicaid match rate change. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

The Family Support Program provides services to families that enable them to care for their children with disabilities at home. These services are provided through contract provider agencies or by staff hired directly by parents. The individualized nature of the program does not allow for fixed rates or allocations of funding. The average expenditure for a family is about \$4,200 per year. In 1998, the Division reassessed all family support recipients in order to standardize the need assessment process and to equalize allowances between individuals and families with similar needs. Savings generated through this assessment process were used to serve new people from the family support waiting list.

3.8 Personal Assistance

Recommendation The Analyst recommends an appropriation of \$917,700 (including \$627,200 from the General Fund) for FY 2001.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$517,500	\$627,200	\$627,200	
Dedicated Credits Revenue	21,700			
Transfers - H - Medical As	51,616			
Transfers - Internal	25,987	290,900	290,500	(\$400)
Lapsing Balance	(19)			
Total	<u>\$616,784</u>	<u>\$918,100</u>	<u>\$917,700</u>	<u>(\$400)</u>
Expenditures				
Other Charges/Pass Thru	\$616,784	\$918,100	\$917,700	(\$400)
Total	<u>\$616,784</u>	<u>\$918,100</u>	<u>\$917,700</u>	<u>(\$400)</u>

Purpose The Personal Assistance Services program provides monthly grants of between \$200 and \$1,500 to people with severe physical disabilities who can live independently with the aid of a personal attendant. The grants are based on the level of care required by the person. The person is responsible for the hiring, supervising and paying the attendant. Last year, the Division of Services for People with Disabilities and the Division of Health Care Financing developed a Personal Assistance Waiver in order to secure matching Medicaid funds to serve more people in this program.

3.9 Transportation Services

Recommendation The Analyst recommends an appropriation of \$1.7 million (\$568,600 General Fund) for Transportation Services for FY 2001.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$553,800	\$568,600	\$568,600	
Federal Funds	45,500	61,800	61,800	
Transfers - H - Medical As	1,006,392	1,118,900	1,117,300	(\$1,600)
Lapsing Balance	(168)			
Total	<u>\$1,605,524</u>	<u>\$1,749,300</u>	<u>\$1,747,700</u>	<u>(\$1,600)</u>
Expenditures				
Other Charges/Pass Thru	\$1,605,524	\$1,749,300	\$1,747,700	(\$1,600)
Total	<u>\$1,605,524</u>	<u>\$1,749,300</u>	<u>\$1,747,700</u>	<u>(\$1,600)</u>

Transfers from TANF surplus funds

Last year the Legislature included \$18,900 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund increases approved for this program. Included in this amount was \$14,800 for emergency community services, and \$4,100 to make up the loss of federal funds due to the Medicaid match rate change. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

The transportation program helps people with disabilities in getting from their homes to day programs, jobs, and other activities. The need for assistance with the means or cost of transporting people is one of the most frequently mentioned issues when public hearings are held on services for people with disabilities. This is especially true in the rural areas of the state. More than 850 people receive transportation services regularly.

4.0 Additional Information: Division of Services for People with Disabilities

4.1 Funding History

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund	\$31,772,201	\$34,527,500	\$35,810,800	\$38,136,200	\$38,040,400
Federal Funds	5,469,126	2,409,650	2,136,500	3,680,900	3,531,200
Dedicated Credits Revenue	1,641,438	1,352,453	1,346,944	1,442,400	1,479,500
GFR - Trust for People with Disabilities		738,000	690,000	200,000	200,000
Transfers - H - Medical Assistance	57,303,000	67,173,868	74,311,193	84,803,800	84,393,700
Transfers - Internal	65,498	36,589	168,543	1,127,000	1,126,600
Transfers - Other Agencies	903,152	141,892	302,885	310,000	310,000
Beginning Nonlapsing	18,800	194,700	95,600	50,000	
Closing Nonlapsing	(194,700)	(95,600)	(50,000)		
Lapsing Balance	(83)	(341,144)	(691,703)		
Total	\$96,978,432	\$106,137,908	\$114,120,762	\$129,750,300	\$129,081,400
% Change		9.4%	7.5%	13.7%	-0.5%
Programs					
Administration	\$2,414,479	\$2,130,593	\$2,367,169	\$2,742,600	\$2,712,400
Service Delivery	7,554,718	8,210,793	8,558,923	10,200,600	10,099,400
State Developmental Center	27,912,888	29,015,608	29,583,375	31,662,100	31,324,700
Residential Services	39,719,605	45,393,596	50,802,362	58,124,800	57,988,300
Day Services	9,408,200	10,403,564	10,348,537	12,846,500	12,833,300
Supported Employment	4,362,100	4,483,565	4,903,290	5,306,300	5,227,400
Family Support	3,837,691	4,549,604	5,334,798	6,200,000	6,230,500
Personal Assistance	473,200	491,090	616,784	918,100	917,700
Transportation Services	1,295,551	1,459,495	1,605,524	1,749,300	1,747,700
Total	\$96,978,432	\$106,137,908	\$114,120,762	\$129,750,300	\$129,081,400
Expenditures					
Personal Services	\$29,902,662	\$30,301,478	\$31,381,166	\$34,765,100	\$34,390,200
In-State Travel	147,502	142,805	159,844	182,200	182,200
Out of State Travel	21,436	43,229	38,236	35,200	35,200
Current Expense	6,413,190	7,249,219	7,177,395	8,048,000	8,038,900
DP Current Expense	492,490	1,240,784	1,546,379	1,216,800	932,000
DP Capital Outlay	27,323	6,999	23,550	10,000	10,000
Capital Outlay	79,250	328,968	63,227	142,000	192,000
Other Charges/Pass Thru	59,894,579	66,824,426	73,730,965	85,351,000	85,300,900
Total	\$96,978,432	\$106,137,908	\$114,120,762	\$129,750,300	\$129,081,400
FTE	988.7	939.8	867.3	1,010.5	1,010.5

4.2 Federal Funds

	FY 1999	FY 2000	FY 2001
	Actual	Authorized	Analyst
SSBG (Social Services Block Grant)	\$2,409,650	\$2,035,700	\$1,886,000
SSBG - Transfer of TANF "surplus"	0	1,645,200	1,645,200
Total	\$2,409,650	\$3,680,900	\$3,531,200
<i>No State match required.</i>			

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years, and will likely be reduced in the future. The Utah grant was reduced by approximately \$550,000 in FY 2000 and another \$1 million reduction is projected for FY 2001. The impact to DSPD is currently estimated to be \$149,700 in FY 2001, and \$78,000 in FY 2000.

The State has been transferring TANF (Temporary Assistance for Needy Families) surplus funds for the past few years. The TANF surplus funds will probably not be available after FY 2002. Last year the Legislature included \$1,645,200 from federal TANF (Temporary Assistance to Needy Families) "surplus" funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DSPD budget.