

Office of the
Legislative Fiscal Analyst

FY 2002 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 family 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.

Summary

The Fiscal Analyst recommends a budget appropriation for DSPD for FY 2002 in the amount of just over \$133 million, including \$40.3 million from the General Fund. The majority of the balance is from Medicaid transfers and other federal funds. The recommendation includes the transfer of \$100,000 General Fund from the Executive Director's Office budget for "dual diagnosed" clients. It also includes a recommendation to replace \$1.5 million of transfers from the federal TANF (Temporary Assistance to Needy Families) with State funds. The Analyst has also included a \$200,000 appropriation from the "Trust Fund for People with Disabilities" (General Fund Restricted). The budget recommendation has been reduced by \$822,600 (\$259,800 General Fund) for the State retirement rate reduction and increased by \$29,800 (\$9,000 General Fund) for changes in the State's Internal Service Fund user rates.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	38,684,700	1,600,000	40,284,700
Federal Funds	4,738,900	(1,500,000)	3,238,900
Dedicated Credits Revenue	1,414,600		1,414,600
GFR - Trust for People with Disabilities		200,000	200,000
Transfers - H - Medical Assistance	86,557,400		86,557,400
Transfers - Other Agencies	1,327,500		1,327,500
Total	\$132,723,100	\$300,000	\$133,023,100
Programs			
Administration	2,740,900	150,000	2,890,900
Service Delivery	11,041,700		11,041,700
State Developmental Center	30,740,900	50,000	30,790,900
Residential Services	59,299,600	100,000	59,399,600
Day Services	14,496,000		14,496,000
Supported Employment	5,227,400		5,227,400
Family Support	6,310,500		6,310,500
Personal Assistance	1,017,700		1,017,700
Transportation Services	1,848,400		1,848,400
Total	\$132,723,100	\$300,000	\$133,023,100
FTE/Other			
Total FTE	998		998
Vehicles	80		80

2.0 Issues: Division of Services for People with Disabilities

2.1 One-time Appropriation from Trust Fund

Last year, for FY 2001, the Legislature approved expenditures from the Trust Fund for People with Disabilities (General Fund Restricted) 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 2002, the Fiscal Analyst recommends that these amounts be re-appropriated for FY 2002. To ensure authorized expenditures do not exceed statutory limits, the Analyst will also recommend, in a supplemental appropriation, that the FY 2001 appropriation be deleted.

2.2 Transfer from TANF

The base budget for DSPD includes \$3,445,200 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG). Included in this amount is a \$1.8 million increase passed last year for services for people on the waiting list. Included with this appropriation, was intent language directing the Legislative Fiscal Analyst to “consider replacing the [increase in] TANF transfers with sufficient General Funds to provide the equivalent amount of service.” That is currently estimated at approximately \$1,500,000. Since these TANF transfers are one-time in nature, they must all eventually be replaced with State funds or services will be reduced. The Analyst recommends that the Legislature replace \$1.5 million of TANF transfers with State funds and has included this in the FY 2002 recommended budget.

2.3 Waiting List for People with Disabilities/Emergency Services

There are about 1,900 people in immediate need of services waiting for various community-based services, including about 500 waiting for community residential services. It would take approximately \$12 million (General Fund) to fully fund the current waiting list. The Fiscal Analyst recommends, if funding becomes available, that the Legislature increase the FY 2002 budget by \$1,750,000 General Fund for the waiting list. In addition, the Division also requests additional funds for emergency placements such as when a caregiver dies or becomes unable to continue care, and cases where the Court orders the Division to provide care. If funds become available, the Analyst recommends \$350,000 General Fund for this need.

2.4 FMAP Match Rate

The federal medical assistance percentage (FMAP) match rate for FY 2002 is changing from 71.47 percent to 70.36 percent. To maintain the current level of funding in DSPD, the State would need to increase its State match by \$1,326,500. If funds become available, the Fiscal Analyst recommends this amount be replaced with State funds.

2.5 Utah State Developmental Center Staff

The Developmental Center has over the past five years reopened two remodeled buildings for residential services, allowing for more individualized living conditions. As a result, the Center has seen a decreased staff-to-resident ratio. The Center was also under pressure to improve these ratios by Medicaid. Therefore, the Center has not seen as much staff reductions as were planned when the client out-movement and fund transfers began. The Center is requesting funding for 45 direct care staff currently employed but not funded. The Fiscal Analyst recommends an increase of \$388,000 from the General Fund be appropriated for the Center, if funds become available.

2.6 Intent Language

The 2000 Legislature approved the following intent language applicable to the Division of Services for People with Disabilities:

- a. *“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 development 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.

- b. *“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 2000 statement showing total rental receipts of \$112,915. After food charges and maintenance expenses are deducted, there is a net income of \$16,070. The private providers who operate these homes hold these funds for future major repairs of the facilities.

- c. *“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, 2000, meeting of the Health and Human Services Interim Committee and to the 2001 Health and Human Services Appropriations Subcommittee.”*

The Division filed its motion to dismiss the Lisa P. settlement agreement with the 3rd District Court on November 3, 2000.

- d. *“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 2001 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 and in accordance with DHRM rules.”*

The Division set aside \$400,000 from current resources to provide a minimum amount of funding for people on the waiting list not receiving any services. Approximately 1,000 families with members on the waiting list received one-time grants of up to \$500. The funds were used for a variety of needs, from purchase of medicines and specialized equipment to therapy or respite care. Several recipients claimed these funds allowed them, for the time being, to avoid coming into state-provided services. The Division convened a task force to establish goals to provide services to all people on the waiting list by July 2002. The Division will report further on these efforts.

- e. *“It is the intent of the Legislature that funds appropriated for the home and community based services waiting list for people with disabilities be used exclusively for that purpose. It is further the intent of the Legislature that the Division report to the Fiscal Analyst Office by December, 2000, on the number of individuals served and services provided.”*

The Division will provide the subcommittee an update on the use of waiting list funds for direct services and related supports during the budget hearing.

*Number of People
Served and Waiting*

In FY 2000, the Division provided services for 3,903 people statewide, including 3,654 who received support in their homes or local communities and 249 at the Developmental Center. Another 563 people received services in privately operated ICFs/MR. As of November 1, 2000 the Division had a waiting list of 2,687 people desiring services through the Division. Of that total number of people waiting, about 1,900 are in critical or immediate need of services and the rest are on the waiting list for services that they anticipate needing in the future. Of those with critical or immediate needs, about 400 are receiving some services and waiting for others, while about 1,500 are receiving no services.

- f. *“It is the intent of the Legislature that state agencies that license and/or develop, administer or supervise residential programs for people with disabilities develop guidelines for limits on the number of individuals served in a single facility based upon the clinical needs of those programs. It is further the Legislature’s intent that municipalities and counties rely upon existing state law to develop dispersal restrictions that address the concerns of neighborhoods in maintaining the integrity of their environment, prevents the excessive grouping of people with disabilities requiring residential supports, accommodates the needs of people with disabilities in residential services to access appropriate services, transportation, and opportunities for integration, and which places such residences in neighborhoods that positively support their needs. It is further the Legislature’s intent that municipalities and counties allow for consideration of exception to the dispersal requirements on a case-by-case basis. It is the sense of the Legislature that providers are responsible to demonstrate to the municipality or county why their facility should be granted this exemption. The Legislature acknowledges that state and federal fair housing law exempts from its coverage anyone who, despite services and accommodations, poses a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others.”*

DSPD policy, which was updated in August, 2000, states: "The number of persons residing in a residence should be based upon the preferences and resources of the person, but should not exceed one person for a host home, two persons for a professional parent home or four persons for a licensed home; any exceptions require Region Director approval."
(DSPD Policy # 2-8)

3.0 Programs: Division of Services for People with Disabilities

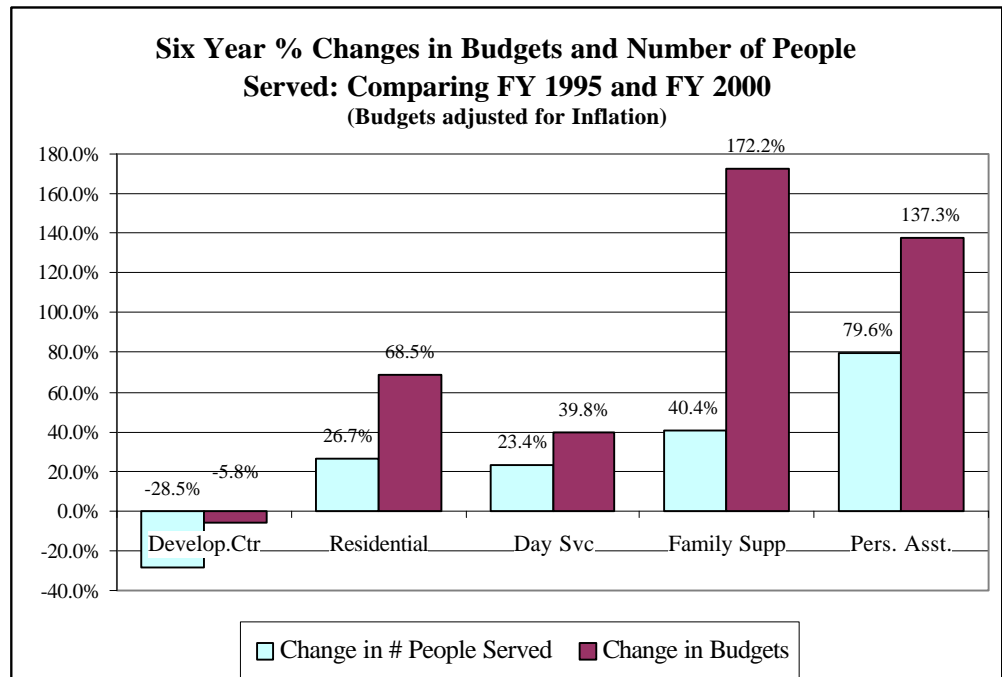
The Division has statutory authority for providing community-based services and supports for people with disabilities through its three Medicaid Home and Community-Based Services Waivers (HCBS) – one for individuals with developmental disabilities, one for individuals with brain injuries, and one for individuals with physical disabilities. It also provides some services 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 home 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 referrals for services through private ICFs/MR providers. However, the ICF/MR system is operated under authority of the Department of Health.

Performance Measures

Service Budgets Have Grown Faster than the Number of People Served

The following chart and table compares six-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, 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 by 68.5 percent, as adjusted for inflation, the number of people receiving services has increased by only 26.7 percent. Note that at the Developmental Center, while the budget (adjusted for inflation) has been reduced 5.8 percent, the population has dropped by 28.5 percent. The budget figures and actual numbers of people served are shown in the table.



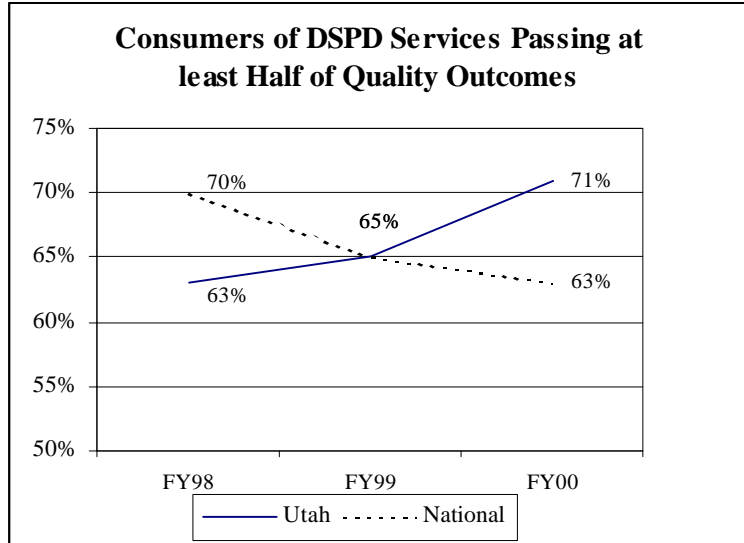
Comparison of Budgets and People Served Division of Services for People with Disabilities FY 1995 and FY 2000 (*Budgets Adjusted for Inflation)

	Budget *	# Served
Developmental Center		
FY 1995	\$27,566,500	330
FY 2000	25,954,000	236
Change	(\$1,612,500)	(94)
% Change	-5.8%	-28.5%
Residential Services		
FY 1995	\$28,152,100	1,276
FY 2000	47,432,500	1,617
Change	\$19,280,400	341
% Change	68.5%	26.7%
Day Services		
FY 1995	\$11,106,500	1,706
FY 2000	15,523,500	2,105
Change	\$4,417,000	399
% Change	39.8%	23.4%
Family Support/Respite Svc		
FY 1995	\$1,931,500	998
FY 2000	5,258,500	1,401
Change	\$3,327,000	403
% Change	172.2%	40.4%
Personal Assistants		
FY 1995	\$339,500	54
FY 2000	805,800	97
Change	\$466,300	43
% Change	137.3%	79.6%

Note: Some individuals are receiving more than one service.

Number of Consumers Passing More than Half of Quality Outcomes is Increasing

The following chart shows the percentage of persons receiving Division services who have 13 or more positive results on the 25 measured quality outcomes. This percentage has increased from 63 to 71 percent over the past three years in Utah. The national percentage has dropped from 70 to 63 percent over the same time period. The Council on Quality and Leadership in Supports for People with Disabilities, an accrediting organization, defines the “Quality Outcomes.”



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.

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 a mix of private and publicly owned and operated ICFs/MR. The private institutions range in size from 15 persons to more than 80 persons. The ICF/MR system is funded through the Division of Health Care Finance (HCF) in the State Department of Health. The Utah State Developmental 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 70 percent funded with Medicaid transfer payments. Although the ICF/MR 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 93 percent full. However, there is a turnover in its residents. About 205 people have been referred for placement in private ICFs/MR in the last 5 years. There is a state-imposed moratorium on the creation of added capacity.

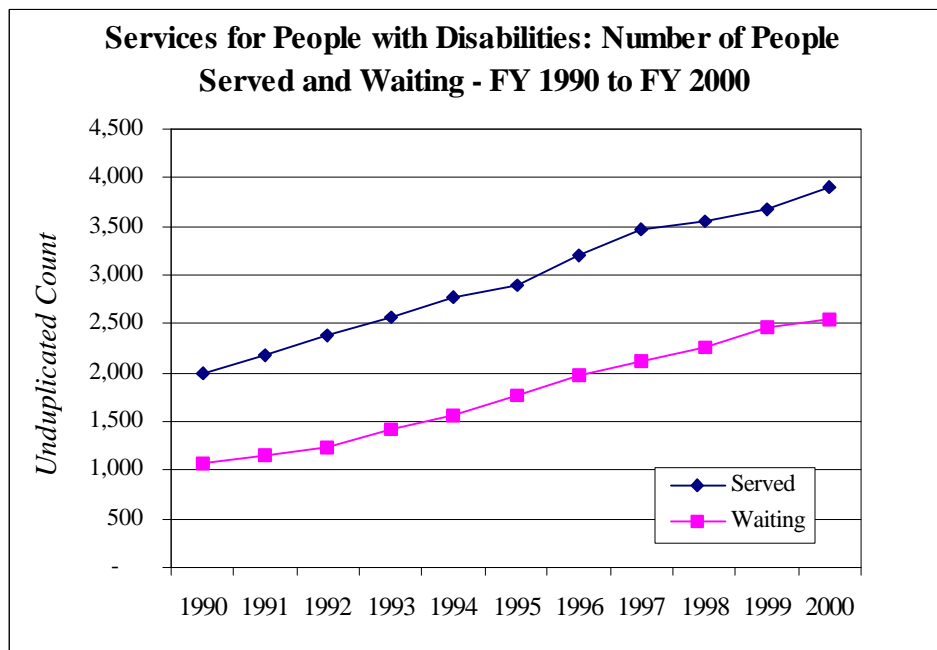
Home and Community-based Services (HCBS)

The State has also chosen to provide a Home and Community Based Services alternative (HCBS) to the ICF/MR system. The HCBS includes services and supports for people in homes and apartments located in community settings throughout the State. This system is also 70 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.”

Waiting List for Community-based Services

As of November 1, 2001, there were 2,687 people on the waiting list for community-based services. These include about 1,250 waiting for community residential services, 1,240 for family support, 575 for supported employment, 525 for day training, and 80 for personal assistance services. Some individuals are waiting for more than one type of service. Of the people waiting for services, about 1,900 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 six years, the Legislature has appropriated over \$28 million in new funding (including \$7.7 million State Funds plus \$2.8 million in TANF transfers) 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 (\$725,000 State Funds and TANF transfers). The following chart shows the growth in the number of people served and the number of people on the waiting list for the last ten years.



Waiting Lists Under Attack

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, Massachusetts, New Mexico, Oregon, and Montana, challenging their 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. A district court recently ordered Massachusetts to provide residential community services to all people on the its waiting list (2,100 individuals) within 90 days. Since then the State has submitted a plan to provide required services to all who are in immediate need (not those planning for future expected needs) by the end of FY 2002. Oregon has entered into a settlement agreement that would eliminate its waiting list by the year 2007, at an estimated cumulative cost of \$350 million.

Supreme Court Decision Regarding ADA “Integration Rule”

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.” In Utah, the Departments of Health and Human Services, allied agencies, service providers and consumers are currently developing the working plan through a collaborative effort.

Waiting List Funding Request

There are about 1,900 people in immediate need of services waiting for various community-based services, including about 500 waiting for community residential services. DSPD estimates it would take approximately \$12 million (General Fund) to fully fund the current waiting list. If funds become available, the Fiscal Analyst recommends the Legislature appropriate \$1,750,000 from the General Fund for services for people on the waiting list. Combined with an estimated \$3.5 million federal funds, the recommendation totals \$4.75 million. Depending on the mix of services to be determined by the Division, this additional funding would provide services for about 325 persons. Included in this amount is funding for approximately nine additional Division support coordinators at a cost of about \$450,000.

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. If funds become available, the Analyst recommends that the Legislature consider appropriating \$350,000 General Fund for emergency services for FY 2002. This would draw down an additional \$600,000 in federal funds. The approximate total amount of \$950,000 would provide services to about 55 individuals.

TANF Replacement

The base budget for DSPD includes \$3,445,200 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG). Included in this amount is a \$1.8 million increase provided last year for services for people on the waiting list. This funding source is considered “one-time” in nature and must eventually be replaced to maintain current service levels. Included with last year’s appropriation was intent language directing the Legislative Fiscal Analyst to “consider replacing the [increase in] TANF transfers with sufficient General Funds to provide the equivalent amount of service.” That is currently estimated at about \$1,500,000. The Fiscal Analyst’s recommended FY 2002 budget includes \$1.5 million from the General Fund to replace these federal TANF funds. The Analyst’s recommendation includes the following distribution by programs:

Service Delivery	\$38,300
Community Residential Services	\$986,000
Day Services	\$238,600
Supported Employment	\$86,000
Family Support	\$103,900
Personal Assistants	\$16,800
Transportation	\$30,400

FMAP Rate Change

The federal medical assistance percentage (FMAP) match rate for FY 2002 is changing from 71.47 percent to 70.36 percent. If funds become available, the Fiscal Analyst recommends that the Legislature appropriate \$1,326,500 from the General Fund for DSPD to provide the increased state matching funds and maintain the current level of service. These funds would be distributed by program as follows:

Service Delivery:	\$86,600
Developmental Center:	\$344,200
Residential Services:	\$620,400
Day Services:	\$149,700
Supported Employment:	\$42,200
Family Support	\$59,700
Personal Assistance	\$5,300
Transportation Services	\$18,400

**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. The Legislature may only appropriate interest earned on the fund, lease and rental receipts. After approved by the Board of Services for People with Disabilities, these funds may be used for programs described in Title 62A, Chapter 5, which is the DSPD section of the code.

The current balance of approximately \$2.1 million comes from the sale of land to American Fork City in FY 1998, contract payments on the sale of the Adventure and Learning Park to Highland City, the sale of five acres of orchards, and interest and lease payments. The current fund balance available for expenditure is about \$350,000. Net lease and interest receipts have been averaging about \$100,000 per year.

Last year, for FY 2001, the Legislature approved expenditures from this fund totaling \$200,000. This included \$100,000 for implementation of the "Self-determination Project," \$50,000 for assistive technology equipment, and \$50,000 for remodeling at the Developmental Center. Since these expenditures will not be made until FY 2002, the Division is requesting that these funds be re-appropriated for FY 2002. The Fiscal Analyst has included \$200,000 from this General Fund Restricted Account in the FY 2002 recommendation. There will also be a recommendation in the FY 2001 Supplemental Appropriations Act to delete the FY 2001 appropriation of \$200,000. This will prevent the Division from being authorized to spend amounts in excess of anticipated available funds.

3.1 Division of Services for Peoples with Disabilities-Administration

Recommendation

The Fiscal Analyst’s recommended FY 2002 budget for DSPD Administration totals \$2.9 million, including \$1.1 million from the General Fund. This recommendation includes \$150,000 from the Trust Fund for People with Disabilities (General Fund Restricted) for the “Self-determination” Project (\$100,000) and for assistive technology (\$50,000).

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	1,050,800	1,113,800	1,106,800	(7,000)
Dedicated Credits Revenue	120,970	174,500	163,500	(11,000)
GFR - Trust for People with Disabilit		150,000	150,000	
Transfers - Other Agencies	165,827		400	400
Transfers - H - Medical Assistance	1,492,327	1,460,400	1,470,200	9,800
Beginning Nonlapsing	50,000			
Lapsing Balance	(60,001)			
Total	<u>\$2,819,923</u>	<u>\$2,898,700</u>	<u>\$2,890,900</u>	<u>(\$7,800)</u>
Expenditures				
Personal Services	1,737,605	1,756,000	1,714,300	(41,700)
In-State Travel	46,907	30,600	30,600	
Out of State Travel	29,685	23,100	23,100	
Current Expense	629,668	431,300	465,200	33,900
DP Current Expense	206,796	151,700	151,700	
Other Charges/Pass Thru	169,262	506,000	506,000	
Total	<u>\$2,819,923</u>	<u>\$2,898,700</u>	<u>\$2,890,900</u>	<u>(\$7,800)</u>
FTE/Other				
Total FTE	31	35	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

The Analyst recommends an FY 2002 appropriation for this program totaling just over \$11 million, including \$5.6 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	5,317,300	5,674,300	5,561,800	(112,500)
Transfers - Other Agencies	9,129			
Transfers - H - Medical Assistance	4,562,080	5,576,700	5,479,900	(96,800)
Lapsing Balance	(1)			
Total	<u>\$9,888,508</u>	<u>\$11,251,000</u>	<u>\$11,041,700</u>	<u>(\$209,300)</u>
Expenditures				
Personal Services	8,163,789	9,462,300	9,252,800	(209,500)
In-State Travel	161,454	155,200	155,200	
Out of State Travel	4,335	6,100	6,100	
Current Expense	1,065,318	1,175,400	1,175,600	200
DP Current Expense	470,753	452,000	452,000	
Other Charges/Pass Thru	22,859			
Total	<u>\$9,888,508</u>	<u>\$11,251,000</u>	<u>\$11,041,700</u>	<u>(\$209,300)</u>
FTE/Other				
Total FTE	177	218	218	
Vehicles		19	19	

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 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 State Developmental Center

Recommendation

The Fiscal Analyst recommends that \$30.8 million be appropriated for the State Developmental Center for FY 2002. This includes \$7.2 million from the General Fund. The recommendation also includes \$50,000 from the Trust Fund for People with Disabilities (General Fund Restricted) for minor remodeling and improvement projects the Center.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	7,054,300	7,318,600	7,187,300	(131,300)
Dedicated Credits Revenue	1,341,371	1,274,000	1,251,100	(22,900)
GFR - Trust for People with Disabilit		50,000	50,000	
Transfers - Other Agencies	736,168	500,000	491,000	(9,000)
Transfers - H - Medical Assistance	21,633,354	22,249,800	21,811,500	(438,300)
Lapsing Balance	59,999			
Total	<u>\$30,825,192</u>	<u>\$31,392,400</u>	<u>\$30,790,900</u>	<u>(\$601,500)</u>
Expenditures				
Personal Services	24,246,917	25,295,300	24,737,900	(557,400)
In-State Travel	3,572	6,700	6,700	
Out of State Travel	3,668	7,200	7,200	
Current Expense	5,350,646	5,430,500	5,336,400	(94,100)
DP Current Expense	1,017,088	546,700	546,700	
DP Capital Outlay		6,000	6,000	
Capital Outlay	203,301	100,000	100,000	
Other Charges/Pass Thru			50,000	50,000
Total	<u>\$30,825,192</u>	<u>\$31,392,400</u>	<u>\$30,790,900</u>	<u>(\$601,500)</u>
FTE/Other				
Total FTE	707	746	746	
Vehicles		61	61	

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.

The Center has seen its population decrease from about 425 in 1991 to approximately 240 today, largely due to the out movement of clients to community placements mandated by the Lisa P. Settlement. The Center has restructured its delivery system, remodeling many of its dormitory type housing units into apartments with one to three bedrooms, providing more independence and privacy. This has altered the care delivery system at the Center, requiring a greater staff-to-client ratio. It has served to decrease the problem behaviors of residents and improved their quality of life.

Staff Funding Request

The USDC has requested funding for 45 developmentalists (direct care) positions currently employed by the Center. As it has seen its population decrease, the Center has not experienced as much staff reductions as were planned when the client out-movement and fund transfers began. The Center has been under pressure by Medicaid in its Title XIX surveys to increase the staff-to-client ratios. These positions have been funded over the past few years with various one-time sources or division budget funds. The Division is requesting permanent funding of \$388,000 (State funds) for these positions. Federal Medicaid Title XIX funds will contribute about \$917,000 to this cost. If funding becomes available, the Fiscal Analyst recommends that the USDC FY 2002 appropriation be increased by these funds.

3.4 Residential Services

Recommendation

The recommended FY 2002 budget for Residential Services totals \$59.4 million, including \$16.8 million from the General Fund. The recommendation includes \$986,000 additional General Funds replacing TANF transfers and the \$100,000 General Fund transfer from the Executive Director’s Office (EDO) for “dual diagnosis” clients. These funds were originally appropriated to EDO for the cost of court-ordered placement of individuals with a diagnosis of both mental illness and mental retardation. The Department would prefer these funds be appropriated directly to DSPD for residential services.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	15,730,500	15,732,500	16,818,500	1,086,000
Federal Funds	2,001,400	3,288,900	1,710,600	(1,578,300)
Transfers-Other Agencies	77,576	836,100	836,100	
Transfers-H-Medical Assistance	38,525,504	40,034,400	40,034,400	
Lapsing Balance	(102)			
Total	<u>\$56,334,878</u>	<u>\$59,891,900</u>	<u>\$59,399,600</u>	<u>(\$492,300)</u>
Expenditures				
Other Charges/Pass Thru	<u>56,334,878</u>	<u>59,891,900</u>	<u>59,399,600</u>	<u>(492,300)</u>
Total	<u>\$56,334,878</u>	<u>\$59,891,900</u>	<u>\$59,399,600</u>	<u>(\$492,300)</u>
FTE/Other				

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

- ◆ *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.
- ◆ *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.
 - ◆ *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.
 - ◆ *Group homes:* These are the oldest models of community residential living. Although up to eight people may live in a group home, five or fewer people share most homes. 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 Fiscal Analyst recommends a FY 2002 budget for Day Services totaling \$14.5 million, including \$4.2 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	3,815,300	3,900,000	4,163,600	263,600
Federal Funds	497,700	937,300	673,700	(263,600)
Transfers - H - Medical Assistance	7,118,387	9,658,700	9,658,700	
Lapsing Balance		(1)		
Total	<u>\$11,431,386</u>	<u>\$14,496,000</u>	<u>\$14,496,000</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	<u>11,431,386</u>	<u>14,496,000</u>	<u>14,496,000</u>	
Total	<u>\$11,431,386</u>	<u>\$14,496,000</u>	<u>\$14,496,000</u>	<u>\$0</u>
FTE/Other				

Programs

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

For FY 2002, the Fiscal Analyst recommends an appropriation of \$5.2 million, including \$1.7 million from the General Fund.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,686,300	1,686,300	1,724,500	38,200
Federal Funds	789,600	814,900	776,700	(38,200)
Transfers-H-Medical Assistance	2,816,100	2,726,200	2,726,200	
Lapsing Balance	(8)			
Total	<u>\$5,291,992</u>	<u>\$5,227,400</u>	<u>\$5,227,400</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	5,291,992	5,227,400	5,227,400	
Total	<u>\$5,291,992</u>	<u>\$5,227,400</u>	<u>\$5,227,400</u>	<u>\$0</u>
FTE/Other				

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 Fiscal Analyst recommends an FY 2002 budget totaling \$6.3 million, including \$2.4 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	2,273,600	2,309,100	2,425,800	116,700
Federal Funds	151,700	151,700	35,000	(116,700)
Transfers-H-Medical Assistance	3,820,200	3,849,700	3,849,700	
Lapsing Balance	(89)			
Total	<u>\$6,245,411</u>	<u>\$6,310,500</u>	<u>\$6,310,500</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	<u>6,245,411</u>	<u>6,310,500</u>	<u>6,310,500</u>	
Total	<u>\$6,245,411</u>	<u>\$6,310,500</u>	<u>\$6,310,500</u>	<u>\$0</u>
FTE/Other				

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.

3.8 Services for Individuals with Physical Disabilities (Personal Assistants)

Recommendation The Analyst’s FY 2002 budget recommendation totals just over \$1 million, which includes \$677,200 from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	627,200	627,200	677,200	50,000
Federal Funds		50,000		(50,000)
Transfers-H-Medical Assistance	329,800	340,500	340,500	
Lapsing Balance	(24)			
Total	<u>\$956,976</u>	<u>\$1,017,700</u>	<u>\$1,017,700</u>	<u>\$0</u>
Expenditures				
Current Expense	506			
Other Charges/Pass Thru	956,470	1,017,700	1,017,700	
Total	<u>\$956,976</u>	<u>\$1,017,700</u>	<u>\$1,017,700</u>	<u>\$0</u>
FTE/Other				

Purpose

The Physical Disabilities Waiver and state-funded 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. The Division of Services for People with Disabilities and the Division of Health Care Financing secured the Physical Disabilities Waiver in order to secure matching Medicaid funds to serve more people in this program.

3.9 Transportation Services

The Fiscal Analyst recommends that \$1.8 million be appropriated for transportation services in FY 2002. About one-half of this amount, or \$619,100, comes from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	568,600	573,700	619,200	45,500
Federal Funds	61,800	88,400	42,900	(45,500)
Transfers-H-Medical Assistance	1,083,795	1,186,300	1,186,300	
Lapsing Balance	(469)			
Total	<u>\$1,713,726</u>	<u>\$1,848,400</u>	<u>\$1,848,400</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	1,713,726	1,848,400	1,848,400	
Total	<u>\$1,713,726</u>	<u>\$1,848,400</u>	<u>\$1,848,400</u>	<u>\$0</u>
FTE/Other				

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

	1998	1999	2000	2001	2002
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	34,527,500	35,810,800	38,123,900	38,935,500	40,284,700
Federal Funds	2,409,650	2,136,500	3,502,200	5,331,200	3,238,900
Dedicated Credits Revenue	1,352,453	1,346,944	1,462,341	1,448,500	1,414,600
GFR-Trust for People with Disabilities	738,000	690,000		200,000	200,000
Transfers-H-Medical Assistance	67,173,868	74,311,193	81,381,547	87,082,700	86,557,400
Transfers-Other Agencies	141,892	302,885	988,700	1,336,100	1,327,500
Transfers-Within Agency	36,589	168,543			
Beginning Nonlapsing	194,700	95,600	50,000		
Closing Nonlapsing	(95,600)	(50,000)			
Lapsing Balance	(341,144)	(691,703)	(696)		
Total	\$106,137,908	\$114,120,762	\$125,507,992	\$134,334,000	\$133,023,100
Programs					
Administration	2,130,593	2,367,169	2,819,923	2,898,700	2,890,900
Service Delivery	8,210,793	8,558,923	9,888,508	11,251,000	11,041,700
State Developmental Center	29,015,608	29,583,375	30,825,192	31,392,400	30,790,900
Residential Services	45,393,596	50,802,362	56,334,878	59,891,900	59,399,600
Day Services	10,403,564	10,348,537	11,431,386	14,496,000	14,496,000
Supported Employment	4,483,565	4,903,290	5,291,992	5,227,400	5,227,400
Family Support	4,549,604	5,334,798	6,245,411	6,310,500	6,310,500
Personal Assistance	491,090	616,784	956,976	1,017,700	1,017,700
Transportation Services	1,459,495	1,605,524	1,713,726	1,848,400	1,848,400
Total	\$106,137,908	\$114,120,762	\$125,507,992	\$134,334,000	\$133,023,100
Expenditures					
Personal Services	30,301,478	31,381,166	34,148,311	36,513,600	35,705,000
In-State Travel	142,805	159,844	211,933	192,500	192,500
Out of State Travel	43,229	38,236	37,688	36,400	36,400
Current Expense	7,249,219	7,177,395	7,046,138	7,037,200	6,977,200
DP Current Expense	1,240,784	1,546,379	1,694,637	1,150,400	1,150,400
DP Capital Outlay	6,999	23,550		6,000	6,000
Capital Outlay	328,968	63,227	203,301	100,000	100,000
Other Charges/Pass Thru	66,824,426	73,730,965	82,165,984	89,297,900	88,855,600
Total	\$106,137,908	\$114,120,762	\$125,507,992	\$134,334,000	\$133,023,100
FTE/Other					
Total FTE	940	867	916	998	998
Vehicles				80	80

4.2-Federal Funds

	FY 2000	FY 2001	FY 2002
	Actual	Authorized	Analyst
SSBG (Social Services Block Grant)	\$1,857,000	\$1,886,000	\$1,871,000
SSBG - Transfer of TANF "surplus"	1,645,200	3,445,200	1,367,900
	<u>\$3,502,200</u>	<u>\$5,331,200</u>	<u>\$3,238,900</u>
<i>No State match required.</i>			

4.3 Future Impact of Current Federal Fund Decisions

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years and will possibly be reduced in the future. There was a move in the previous Congress to reduce the grant by 60 percent. These reductions have so far impacted DSPD by more than \$200,000.

The State has been transferring TANF (Temporary Assistance for Needy Families) "surplus" funds for the past several years to the Department's Social Services Block Grant. There is currently budgeted \$3,445,200 of these transfers in the DSPD operating budget. These transfers are one-time in nature. The Analyst has included a recommendation to replace \$1,500,000 of this amount in the FY 2002 budget. The balance of \$1,934,200 will probably have to be replaced in FY 2003, as the TANF program will by then be reauthorized by Congress. It is unknown at this time whether there will be funds available for these transfers in FY 2003 or beyond.