Revised 9/27/2011

DDRC
General Budget Assumptions
FYE 6/30/2012

State Revenue

State Revenue: Based on the base State Contract with the addition of the new Early Intervention resources approved by the Joint Budget Committee (JBC).

Case Management – State General Fund: Budget does include case management revenue related to CCB Non-Medicaid Functions performed by case management in the amount of $109,000.

Medicaid Revenue:

Comprehensive Revenue: Revenue is based on the final rates that took effect July 1, 2010 for services that are fee for service including, residential, day program, transportation, and behavioral. These rates include the 2.5% rate reduction from the 2009-2010 fiscal year and an adjustment for the 2% rate reduction effective July 1, 2010. For all the individuals that we bill for, we have built in a vacancy factor of approximately 2%.

For comprehensive agencies that bill Medicaid direct neither the revenue nor expense have been included in the budget.

Items that are on a cost reimbursement basis include dental, vision and specialized medical equipment, revenue has been budgeted to equal the expense. For external service agencies the revenue and expenses are based on a summary of all of the individuals' Prior Authorization Requests (PARs).

Case Management: Medicaid – Effective July 1, 2009, Targeted Case Management (TCM) changed the way it was to be billed. In the past DDRC received TCM funding on a per person per month basis for every individual enrolled in a Medicaid program who received a TCM activity. We are required to bill all TCM activities on a 15 minute per unit basis. The budget was built using the projected billable units with no individual caps on TCM or at the agency level.

Supported Living Services (SLS) and Children's Extensive Support (CES): Effective July 1, 2009 the SLS and CES program underwent significant changes. These changes included the use of the SIS (for SLS only), new standardized rates, revised service definitions, individual service caps and overall service plan authorization limits under the waiver. The 2010-2011 fiscal year budget was built on the projected utilization of the prior fiscal year. However, as we have seen throughout the 2010-2011 fiscal year these programs continued to be underutilized. In the proposed budget we have based the revenue and expense on the actual utilization of the prior fiscal year.

Jefferson County Revenue: Revenue from the mill levy for the first six months of the fiscal year is based on the existing calendar year contract with the County. The second six months of the fiscal year mill levy revenue is based on a projections received from the Jefferson County Budget office which includes an estimated reduction of approximately 4.1%. This reduction is a result of the decrease in property tax values in Jefferson County and the corresponding re-assessment year.

Expenses

Health Insurance: Includes an increase of 3.43% in health insurance for second six months of the fiscal year based on the health insurance renewal information received for the 2012 calendar year.

Purchase of Service: Included in the budget as purchase of service expense are four risk pools that had been used in comprehensive service in the past to match Medicaid dollars, as originally approved by the Board. The county funds set aside for these risk pools are: Risk pool comprehensive $100,000, High needs support $75,000, Medical needs $37,500 and Risk pool attrition $37,500. These items are no longer eligible for the Medicaid match. The current year budget includes just the county portion of these funds, $183,000 in total, in the residential purchase of service line item. Four years ago the Board approved the use of $67,000 from these funds for a Behavioral Analyst FTE.

DEVELOPMENTAL DISABILITIES RESOURCE CENTER
PRELIMINARY BUDGET
YEAR ENDING JUNE 30, 2012

	FY 10-11 BUDGET	FY 11-12 BUDGET
REVENUE	$ 40,747,209	$ 39,443,524
EXPENSES:		
PERSONNEL	19,604,210	19,916,920
OPERATING	13,137,641	11,477,472
PURCHASE OF SERVICES	6,333,941	6,852,556
HOST HOMES	1,555,217	1,437,499
TOTALS	40,631,009	39,684,447
OPERATING SURPLUS (DEFICIT)	$ 116,200	$ (240,923)

REVENUE SOURCE	FY 10-11 BUDGET	FY 11-12 BUDGET	PERCENT CHANGE	DOLLAR CHANGE	
STATE COMPREHENSIVE	132,456	0	-100.0%	(132,456)	1
STATE SUPPORT					
EARLY INTERVENTION / PART C	1,517,416	1,835,508	21.0%	318,092	2
FAMILY SUPPORT	649,182	225,092	-65.3%	(424,090)	3
ADULT SUPPORT LIVING	600,723	561,989	-6.4%	(38,734)	
MEDICAID COMPREHENSIVE	17,609,841	18,049,994	2.5%	440,153	
CASE MGMT					
STATE GENERAL FUND	640,774	626,382	-2.2%	(14,392)	
MEDICAID	2,138,657	2,089,047	-2.3%	(49,610)	
MEDICAID SUPPORT SERVICES					
SUPPORTED LIVING SERVICES	4,702,968	4,135,119	-12.1%	(567,849)	4
CHILDREN'S EXTENSIVE SUPPORT	643,682	466,749	-27.5%	(176,933)	5
MANAGEMENT FEE & ADMINISTRATION					
STATE	497,259	463,636	-6.8%	(33,623)	
JEFFERSON COUNTY	7,165,562	6,839,479	-4.6%	(326,083)	
ROOM AND BOARD	1,330,056	1,322,748	-0.5%	(7,308)	
HUD SUBSIDIES	109,200	107,506	-1.6%	(1,694)	
PRIVATE PAY	70,000	68,977	-1.5%	(1,023)	
WORK CONTRACTS	298,990	383,649	28.3%	84,659	6
GRANTS AND DONATIONS	20,000	20,000	0.0%	-	
INTEREST	20,000	14,089	-29.6%	(5,911)	
RENTAL REVENUE	551,121	462,604	-16.1%	(88,517)	7
GAIN (LOSS) ON SALE	15,000	15,000	0.0%	-	
ELDERLY, BLIND AND DISABLED	129,135	240,000	85.9%	110,865	8
MISCELLANEOUS	4,500	4,500	0.0%	-	
TOTAL EXTERNAL REVENUE	38,846,522	37,932,068	-2.4%	(914,454)	
INTERNAL REVENUE	1,900,687	1,511,456	-20.5%	(389,231)	9
TOTAL REVENUE	40,747,209	39,443,524	-3.2%	(1,303,685)	

DEVELOPMENTAL DISABILITIES RESOURCE CENTER
PRELIMINARY BUDGET
YEAR ENDING JUNE 30, 2012

EXPENSES DEPARTMENT/SECTION/UNIT	FY 10-11 BUDGET	FY 11-12 BUDGET	PERCENT CHANGE	DOLLAR CHANGE	
EARLY INTERVENTION / PART C / CENTERS					
PERSONNEL	1,376,544	1,391,113	1.1%	14,569	
OPERATING	1,299,855	1,548,583	19.1%	248,728	1
PURCHASE OF SERVICES	97,587	105,783	8.4%	8,196	
TOTALS	2,773,986	3,045,479	9.8%	271,493	
ADULT DAY PROGRAM					
PERSONNEL	4,229,447	4,353,381	2.9%	123,934	
OPERATING	1,063,562	908,269	-14.6%	(155,293)	2
PURCHASE OF SERVICES	1,340,340	1,297,819	-3.2%	(42,521)	
TOTALS	6,633,349	6,559,469	-1.1%	(73,880)	
ADMINISTRATION & DEVELOPMENT					
PERSONNEL	2,718,905	2,845,055	4.6%	126,150	
OPERATING	1,173,283	1,059,221	-9.7%	(114,062)	
TOTALS	3,892,188	3,904,276	0.3%	12,088	
RECREATION					
PERSONNEL	374,006	373,514	-0.1%	(492)	
OPERATING	80,363	82,662	2.9%	2,299	
TOTALS	454,369	456,176	0.4%	1,807	
GENERAL SERVICES					
PERSONNEL	239,115	0	-100.0%	(239,115)	3
OPERATING	52,332	0	-100.0%	(52,332)	3
TOTALS	291,447	0	-100.0%	(291,447)	
TRANSPORTATION					
PERSONNEL	426,928	446,868	4.7%	19,940	
OPERATING	302,342	327,642	8.4%	25,300	
PURCHASE OF SERVICES	298,870	203,497	-31.9%	(95,373)	4
TOTALS	1,028,140	978,007	-4.9%	(50,133)	
RESOURCE COORDINATION					
PERSONNEL	1,990,323	2,041,625	2.6%	51,302	
OPERATING	234,325	192,544	-17.8%	(41,781)	5
TOTALS	2,224,648	2,234,169	0.4%	9,521	
CHILDREN AND FAMILY SERVICES					
PERSONNEL	776,381	776,271	0.0%	(110)	
OPERATING	91,831	77,574	-15.5%	(14,257)	6
DIRECT FAMILY PAYMENTS - STATE	649,182	225,092	-65.3%	(424,090)	7
JEFFCO CFS FUND	0	0	-	-	
TOTALS	1,517,394	1,078,937	-28.9%	(438,457)	

DEVELOPMENTAL DISABILITIES RESOURCE CENTER
PRELIMINARY BUDGET
YEAR ENDING JUNE 30, 2012

EXPENSES (CONTINUED) DEPARTMENT/SECTION/UNIT	FY 10-11 BUDGET	FY 11-12 BUDGET	PERCENT CHANGE	DOLLAR CHANGE	
RESIDENTIAL - ALL					
PERSONNEL	5,817,697	6,080,801	4.5%	263,104	
OPERATING	2,469,299	2,126,218	-13.9%	(343,081)	8
PURCHASE OF SERVICES	4,597,144	5,245,457	14.1%	648,313	9
HOST HOME EXPENSE	1,555,217	1,437,499	-7.6%	(117,718)	
TOTALS	14,439,357	14,889,975	3.1%	450,618	
SUPPORTED LIVING SERVICES					
PERSONNEL	1,311,361	1,240,614	-5.4%	(70,747)	
OPERATING & POS	5,257,180	4,470,658	-15.0%	(786,522)	10
TOTALS	6,568,541	5,711,272	-13.1%	(857,269)	
GRANTS					
PERSONNEL	137,652	139,874	1.6%	2,222	
OPERATING	9,702	7,607	-21.6%	(2,095)	
TOTALS	147,354	147,481	0.1%	127	
BEHAVIORAL HEALTH					
PERSONNEL	205,851	227,804	10.7%	21,953	11
OPERATING	154,385	151,402	-1.9%	(2,983)	
	360,236	379,206	5.3%	18,970	
SELF DETERMINATION					
OPERATING	300,000	300,000	0.0%	-	
SUMMARY					
PERSONNEL	$ 19,604,210	$ 19,916,920	1.6%	312,710	
OPERATING	13,137,641	11,477,472	-12.6%	(1,660,169)	
PURCHASE OF SERVICES	6,333,941	6,852,556	8.2%	518,615	
HOST HOMES	1,555,217	1,437,499	-7.6%	(117,718)	
				-	
TOTALS	$ 40,631,009	$ 39,684,447	-2.3%	(946,562)	

DDRC
BUDGET VARIANCE EXPLANATIONS
6/30/2012

Revenue

1. State Comprehensive: State funded programs received cuts effective October 1, 2010. These cuts included the elimination of the State Comprehensive program. DDRC had six individuals enrolled in this program. Five individuals enrolled into Medicaid Comprehensive and one individual enrolled into State Supported Living Services (SLS).

2. State Support – Early Intervention/Part C: Based on the State contract. There is no longer American Recovery and Reinvestment Act (ARRA) dollars in the 2011-2012 fiscal year for Early Intervention (EI) Services. However, the Joint Budget Committee (JBC) did approve $3.25 million new EI resources for the 2011-2012 budget statewide. The net effect of the new EI resources and the loss of ARRA dollars for DDRC is an additional $125,000. In addition, DDRC's EI staff and Finance staff have been very aggressive in utilizing the EI funding hierarchy and anticipate drawing down an additional $120,000 from the EI trust.

3. State Support – Family Support: State funded programs received cuts effective October 1, 2010. These cuts included a 53% reduction in the Family Support program for the 2010-2011 fiscal year. In addition, the Department recommended an additional 33% reduction the Family Support program for the current 2011-2012 fiscal year which was approved by the JBC. These two cuts have reduced funding for the Family Support program by nearly 66%.

4. Medicaid Support Services – Supported Living Services (SLS): Effective July 1, 2009 the SLS and CES program underwent significant changes. These changes included the use of the SIS (for SLS only), new standardized rates, revised service definitions, individual service caps and overall service plan authorization limits under the waiver. Because of the changes and utilization problems there was a change in the way SLS and CES had been budgeted for the 2010-2011 fiscal year. However, for the fiscal year 2010-2011 SLS and CES continued to be under-utilized. In the proposed budget we have based the revenue and expense on utilization from the 2010-2011 fiscal year. Basing the budget on utilization has created a significant decrease from the prior year budget in both revenue and expense.

5. Medicaid Support Services – Children's Extensive Support: See Medicaid SLS revenue explanation number 4.

6. Work Contracts: Adult Vocational Services added a new, significant recycling contract for the 2011-2012 fiscal year.

7. Rental Revenue: Rental revenue is based on current tenants. During the prior fiscal year, there was one tenant that vacated their space at the DDRC building. That space currently remains vacant. In addition DDRC received notice from one tenant at Walters and one tenant at Weiland that they will be vacating their space during the year.

8. Elderly, Blind and Disabled (EBD): The enrollment in EBD nearly doubled from what was included in the 2010-2011 budget. The majority of this new enrollment is individuals who terminated SLS, because of all the changes associated with the program, and enrolled in the EBD waiver.

9. Internal Revenue: In the prior fiscal year a change was made to the way General Services was administered. Previous to the 2010-2011 fiscal year, the General Services department, which consists of four full time positions, reported to the Chief Financial Officer. After considerable analysis and review the decision was made to re-assign the four positions to enhance effectiveness and accountability. Two positions were assigned to Quality Living Options (QLO), one position to Adult Vocational Services (AVS)/Centers and one position to the administration building. In the 2011-2012

fiscal year budget we will change how the former General Services department expenses and revenue are accounted. In the prior fiscal years, DDRC credited the General Services department with internal revenue for the services rendered to other departments and then charged the specific departments with internal expense for the services rendered. As an example, if hours of service were rendered at a particular facility in QLO that individual facility was charged for those hours with internal expense and General Services was credited with an equal amount of internal revenue. Services rendered at the DDRC administration building internal expenses were allocated and charged to all Departments in the building (i.e. QLO, Admin, Finance, Human Resources, Resource Coordination, Children and Family Services, IT, etc. based on square footage) and General Services was credited with an equal amount of internal revenue. With the reorganization we will no longer need to account for the internal revenue and expense. Direct expenses, including salary expense, are now budgeted and will be charged to QLO, AVS and administration. The elimination of the internal revenue and internal expense has no net impact to the DDRC budget.

Expenses

Early Intervention / Part C / Centers

1. Operating: See variance explanation number 2 under the Revenues section.

Adult Day Program

2. Operating: Adult Vocational Services adjusted their current year budget to more accurately reflect spending patterns from the prior fiscal year which include the actions of the DDRC Cost Savings Committee that resulted in reduced operating costs. Those included decreases in temporary labor and repairs and maintenance.

General Services

3. Personnel and Operating: See variance explanation number 9 under the Revenues section.

Transportation

4. Purchase of Service: During the 2010-2011 fiscal year DDRC was notified by the Division for Developmental Disabilities (DDD) that a transportation provider who had previously been classified as a "generic" transportation no longer met that definition. A "generic" transportation provider may charge the waivers their rate they charge to other outside customers. The provider is no longer providing transportation services to approximately 10 individuals in comprehensive services. These individuals have found alternate transportation services. This resulted in a reduction of transportation purchase of service expense of approximately $100,000. Medicaid revenue has also been adjusted down for this change. There is no net impact to DDRC.

Resource Coordination

5. Operating: The decrease in the Resource Coordination operating budget is a result of the elimination of internal repairs and maintenance expense (see variance explanation number 9 under the Revenues section) and a decrease in interest expense.

Children and Family Services

6. Operating: The decrease in the Children and Family Services operating budget is a result of the elimination of internal repairs and maintenance expense (see variance explanation number 9 under the Revenues section) and a decrease in postage and shipping expense.

7. Direct Family: See variance explanation number 3 under the Revenues section.

Residential

8. Operating: Quality Living Options adjusted their current year budget to more accurately reflect spending patterns from the prior fiscal year. Those included decreases in repairs and maintenance and dental and vision services. The decrease in the QLO operating budget also

included the elimination of internal repairs and maintenance expense (see variance number 9 under the Revenues section).

9. Purchase Of Service: During the 2010-2011 fiscal year DDRC had a new provider start to provide residential services and bill through DDRC as the Organized Health Care Delivery System (OHCDS). This provider is serving 8 individuals in residential services. There has been an overall increase of 11 individuals served over the prior year budget that are served by agencies who bill through DDRC as the OHCDS.

Supported Living Services

10. Operating and Purchase of Service: See variance explanation number 4 and 5 under the Revenues section.

Behavioral Health

11. Personnel: The increase in the personnel costs associated with the Behavioral Health program relates to changes in benefits by employees within the department, in addition increased costs of health insurance.

Scope +/- 10% +/- $10,000