

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
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E30.39 - E30.40, F37 - F38, F95

APPROPRIATION:
Intellectual Disabilities - State Centers

I. SUMMARY FINANCIAL DATA

	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds	\$132,984	\$138,496 ¹	\$141,769
Federal Funds Total	\$170,114	\$175,311	\$174,019
Federal Sources Itemized			
<i>Medical Assistance - State Centers</i>	\$169,559	\$174,818	\$173,511
<i>Medicare Services - State Centers</i>	\$555	\$493	\$508
Other Funds Total	\$28,298	\$27,915	\$28,091
Other Fund Sources Itemized			
<i>Institutional Collections - State Centers</i>	\$10,173	\$9,689	\$9,774
<i>ID Assessment - State Centers</i>	\$18,125	\$18,226	\$18,317
Total	\$331,396	\$341,722	\$343,879

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$1,948 ¹
Federal Funds	<u>\$0</u>
Total	\$1,948

¹ Act 10-A of 2015 included State appropriation authority of \$136.548 million for Fiscal Year 2015-2016. However, the Governor's Executive Budget for Fiscal Year 2016-2017 reflects an \$1.948 million supplemental request for a revised Fiscal Year 2015-2016 State appropriation of \$138.496 million.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - State Centers				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$121,991	\$129,581	\$132,873	\$3,292	2.54%
<i>Federal Funds</i>	\$130,640	\$136,596	\$144,480	\$7,884	5.77%
<i>Other Funds</i>	\$8,146	\$7,764	\$7,849	\$85	1.09%
Total Personnel	\$260,777	\$273,941	\$285,202	\$11,261	4.11%
OPERATING					
<i>State Funds</i>	\$10,722	\$8,643	\$8,624	(\$19)	-0.22%
<i>Federal Funds</i>	\$24,357	\$24,489	\$24,436	(\$53)	-0.22%
<i>Other Funds</i>	\$20,152	\$20,151	\$20,242	\$91	0.45%
Total Operating	\$55,231	\$53,283	\$53,302	\$19	0.04%
FIXED ASSETS					
<i>State Funds</i>	\$271	\$272	\$272	\$0	0.00%
<i>Federal Funds</i>	\$104	\$103	\$103	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$375	\$375	\$375	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$15,013	\$14,123	\$5,000	(\$9,123)	-64.60%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$15,013	\$14,123	\$5,000	(\$9,123)	-64.60%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$132,984	\$138,496	\$141,769	\$3,273	2.36%
<i>Federal Funds</i>	\$170,114	\$175,311	\$174,019	(\$1,292)	-0.74%
<i>Other Funds</i>	\$28,298	\$27,915	\$28,091	\$176	0.63%
Total Funds	\$331,396	\$341,722	\$343,879	\$2,157	0.63%

APPROPRIATION:
Intellectual Disabilities - State Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$6,036	\$1,649	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	3,314	3,236	3,236
<i>Filled</i>	3,094	3,013	3,039
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	3,314	3,236	3,236
<i>Filled</i>	3,094	3,013	3,039
Benefit Rate	79.99%	89.00%	94.46%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides for the annualization of Fiscal Year 2015-2016 program changes and the impact of the Fiscal Year 2016-2017 "Community Opportunities" initiative.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206, 443.1 et seq.; MH/ID Act of 1966, 50 P.S. § 4101 et seq.; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq.

Disbursement Criteria:

Disbursements are made on the basis of approved salary and wage positions and established employee benefits, and through invoices for operating expenses and fixed assets incurred in operating the facilities.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Intellectual Disabilities - State Centers

	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Change in average bi-weekly and funded pay periods from Fiscal Year 2015-2016 levels:	(\$276)	(\$298)	\$0	(\$574)
2. Annualization of the filling of 47 vacancies during Fiscal Year 2015-2016 to maintain minimum staff-to-patient ratios:	\$822	\$889	\$0	\$1,711
3. Provides for the reduction 17 filled and four vacant positions associated with the Fiscal Year 2015-2016 transfer of these positions from the State Center complement to General Government Operations:	(\$400)	(\$433)	\$0	(\$833)
4. Provides for the impact of a salary adjustment factor (without benefits) of 2.07 percent for union-represented and management employees, which includes the annualization of the part-year cost of a January 1, 2016 step increase:	\$875	\$946	\$0	\$1,821
5. Net change in total employee benefit costs; primarily due to an increase in retirement rates:	\$4,333	\$4,687	\$0	\$9,020
6. Provides for an increase of \$0.116 million in other personnel costs from the Fiscal Year 2015-2016 level of \$11.048 million to \$11.164 million in Fiscal Year 2016-2017:	\$56	\$60	\$0	\$116
Subtotal Personnel	\$5,410	\$5,851	\$0	\$11,261
OPERATING				
1. Assumes funding for Centrally Distributed Charges at the Fiscal Year 2015-2016 level:	\$0	\$0	\$0	\$0
2. Assumes non-recurring maintenance costs at the Fiscal Year 2015-2016 funding level of \$0.855 million:	\$0	\$0	\$0	\$0
3. Provides for an increase in the Intellectual Disabilities (ID) assessment for Fiscal Year 2016-2017:	(\$47)	\$47	\$91	\$91
Subtotal Operating	(\$47)	\$47	\$91	\$91
FIXED ASSETS				
1. Provides for fixed assets at the Fiscal Year 2015-2016 level of \$0.375 million:	\$0	\$0	\$0	\$0
Subtotal Fixed Assets	\$0	\$0	\$0	\$0

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - State Centers			
	State \$	Federal \$	Other \$	Total \$
INITIATIVES				
OPERATING				
1. Community Opportunities:				
A. Anticipated savings associated with the transition of 75 State Center residents into home and community-based services under the Intellectual Disabilities - Community Waiver Program during Fiscal Year 2016-2017:	<u>(\$35)</u>	<u>(\$37)</u>	<u>\$0</u>	<u>(\$72)</u>
Subtotal Initiatives	<u>(\$35)</u>	<u>(\$37)</u>	<u>\$0</u>	<u>(\$72)</u>
MISCELLANEOUS CHANGES				
1. Provides for an increase in estimated Medicare billings:	<u>(\$15)</u>	<u>\$15</u>	<u>\$0</u>	<u>\$0</u>
2. Net effect of changes in other factors related to Medical Assistance computable costs:	<u>(\$2,466)</u>	<u>\$2,381</u>	<u>\$85</u>	<u>\$0</u>
3. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 52.01 percent to 51.78 percent, effective October 1, 2016 (full State fiscal year blended rate decreases from 51.9625 percent to 51.8375 percent):	<u>\$426</u>	<u>(\$426)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Miscellaneous Changes	<u>(\$2,055)</u>	<u>\$1,970</u>	<u>\$85</u>	<u>\$0</u>
BUDGETARY RESERVE				
1. Impact of Fiscal Year 2015-2016 Federal Medical Assistance budgetary reserve:	<u>\$0</u>	<u>(\$14,123)</u>	<u>\$0</u>	<u>(\$14,123)</u>
2. Provides Medical Assistance reserve to address potential changes in base revenues used to calculate ID assessment costs and net allowable Medical Assistance institutional expenditures:	<u>\$0</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$5,000</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$9,123)</u>	<u>\$0</u>	<u>(\$9,123)</u>
TOTAL	<u><u>\$3,273</u></u>	<u><u>(\$1,292)</u></u>	<u><u>\$176</u></u>	<u><u>\$2,157</u></u>

**VII. ITEMS INCLUDED IN FISCAL YEAR 2016-2017
CAPITAL BUDGET REQUEST
(\$ Amounts in Thousands)**

**APPROPRIATION:
Intellectual Disabilities - State Centers**

Total \$

**1. The Capital Budget requests State funds for the following Fiscal Year 2016-2017
Public Improvement Projects:**

A. Ebensburg Center

i. Install Control System: This project will provide for the installation of an automated logic control system to allow complete control of HVAC systems. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$800
b. Design and Contingencies:	<u>\$160</u>
Subtotal	\$960

ii. Upgrade Elevator: This project will provide for the upgrade of an existing elevator, which has exceeded its useful life. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$1,000
b. Design and Contingencies:	<u>\$200</u>
Subtotal	<u>\$1,200</u>

Subtotal Ebensburg Center **\$2,160**

B. White Haven Center

i. Replace HVAC: This project will provide for the replacement of the current HVAC system with a modern, more efficient system. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$2,000
b. Design and Contingencies:	<u>\$400</u>
Subtotal	\$2,400

ii. Upgrade Elevators: This project will provide for the upgrade of existing elevators, which have exceeded their useful life. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$1,000
b. Design and Contingencies:	<u>\$200</u>
Subtotal	<u>\$1,200</u>

Subtotal White Haven Center **\$3,600**

**VII. ITEMS INCLUDED IN FISCAL YEAR 2016-2017
CAPITAL BUDGET REQUEST**
(\$ Amounts in Thousands)

APPROPRIATION:
Intellectual Disabilities - State Centers

	<u>Total \$</u>
<p>The Capital Budget requests State funds for the following Fiscal Year 2016-2017 Public Improvement Projects (Continued):</p>	
<p>C. Selinsgrove Center</p>	
<p>i. Refurbish Water Tanks - Additional Funding: This project will provide for additional funding for project 553-43 to sandblast, repair and paint water tanks. When completed, this project is not expected to increase operating costs.</p>	
a. Base Project Cost:	\$1,000
b. Design and Contingencies:	<u>\$0</u>
Subtotal	\$1,000
<p>ii. Install Gas Boilers: This project will provide for the installation of bag house or gas boilers to meet emissions requirements. When completed, this project is not expected to increase operating costs.</p>	
a. Base Project Cost:	\$5,000
b. Design and Contingencies:	<u>\$1,000</u>
Subtotal	<u>\$6,000</u>
Subtotal Selinsgrove Center	\$7,000
<p>D. Polk Center</p>	
<p>i. Reroof Buildings: This project will provide for the reroofing of residential buildings including repair of the structure as needed. When completed, this project is not expected to increase operating costs.</p>	
a. Base Project Cost:	\$500
b. Design and Contingencies:	<u>\$100</u>
Subtotal Polk Center	<u>\$600</u>
Total Capital Projects	<u><u>\$13,360</u></u>

INTELLECTUAL DISABILITIES - STATE CENTERS

PROGRAM STATEMENT

The Department of Human Services, through the Office of Developmental Programs (ODP), currently operates five State Centers for Individuals with Intellectual and Developmental Disabilities. Each of these facilities provides 24-hour residential and habilitative services to adults with an intellectual disability. All facilities meet federal Intermediate Care Facility for the Intellectually Disabled (ICF/ID) standards that pertain to health and program services, environment, and safety. Facilities also meet the certification requirements for participation in the Title XIX (Medical Assistance) program. The primary goal of these state-operated facilities is to provide the services and training needed to support individual development in a person-centered manner.

During Fiscal Year 2016-2017, State Centers will provide service to approximately 880 people, which is about 1.6 percent of the more than 55,000 people expected to receive intellectual disability services through ODP programs. By June 30, 2017, the State Center population is expected to decrease to below 800 people. As of January 2016, there was one resident under the age of 21 and 272 residents ages 65 and over. Individuals in the State Centers have a wide variation of disabilities, from those who are independent in their daily living activities to those who need complete assistance. Staff provide programs and services to enhance growth and development.

Historically, state-operated facilities were the primary providers of services to persons with an intellectual disability. Following national trends, the population of these facilities has decreased steadily since the late 1960's as the availability of supportive services in the community has increased. During the ten-year period from January 1, 2006 to December 31, 2015, the census at the State Centers declined 34.5 percent, from 1,418 people to 929 people.

Beginning in Fiscal Year 2004-2005, the Governor's Executive Budget provided for an assessment on all ICF/ID services provided in Pennsylvania. This assessment applies to both public and private providers of ICF/ID services and totals an estimated \$38.017 million for Fiscal Year 2016-2017. Of the \$38.017 million, \$18.317 million represents the assessment on services provided in the State Centers for Individuals with Intellectual Disabilities and the balance of \$19.700 million represents the assessment on Private ICF/ID services and is reflected under the Intellectual Disabilities - Intermediate Care Facilities appropriation.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Providing Community Placement Opportunities for State Center Residents

The Governor's Executive Budget for Fiscal Year 2016-2017 includes funding to transition 75 individuals from State Centers for Individuals with Intellectual Disabilities to the Intellectual Disabilities - Community Waiver Program. This request is necessary to achieve ODP's mission to support individuals in achieving the quality of life that each person desires and to comply with the settlement agreement between the Disabilities Rights Network and the Department. All 75 people will need an array of services, including residential services provided under the Home and Community-Based Consolidated Waiver. In addition to fulfilling the requirements of the settlement agreement, this funding initiative is a key piece of the ODP plan to meet the requirements of the United States Supreme Court's Olmstead Decision, which requires states to have a plan to provide community opportunities for people residing in institutional settings who do not oppose placement in the community.