Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Health Care Policy and Financing
Request Title: Medicaid Community Living Inititative
Priority Number: R-9

Dept. Approval by: Josh Block 11/1/13 Date

OSPB Approval by: 10/29/13 Date

- [x] Decision Item FY 2014-15
- [ ] Base Reduction Item FY 2014-15
- [ ] Supplemental FY 2013-14
- [ ] Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	4,736,824,877	-	5,323,832,795	1,243,201	1,747,994
	FTE	-	-	-	-	-
	GF	1,036,017,966	-	1,035,822,319	846,787	1,342,371
	GFE	469,842,084	-	469,842,084	-	-
	CF	593,882,063	-	683,541,353	-	-
	RF	2,936,892	-	2,000,000	-	-
	FF	2,634,145,872	-	3,132,627,039	396,414	405,623
NEW ITEM (1) Executive Director's Office; (B) Transfers to Other Departments, Transfer to Department of Local Affairs for Home Modification Administration	Total	-	-	-	272,099	280,356
	FTE	-	-			
	GF	-	-		136,049	140,178
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-		136,050	140,178
(2) Medical Services Premiums	Total	4,736,824,877	-	5,323,832,795	971,102	1,467,638
	FTE	-	-	-	-	-
	GF	1,036,017,966	-	1,035,822,319	710,738	1,202,193
	GFE	469,842,084	-	469,842,084	-	-
	CF	593,882,063	-	683,541,353	-	-
	RF	2,936,892	-	2,000,000	-	-
	FF	2,634,145,872	-	3,132,627,039	260,364	265,445

Letternote Text Revision Required? Yes: [ ] No: [x] **If yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and COFRS Fund Number: FF: Title XIX
Reappropriated Funds Source, by Department and Line Item Name: N/A
Approval by OIT? Yes: [ ] No: [ ] **Not Required:** [x]
Schedule 13s from Affected Departments: Department of Local Affairs
Other Information: N/A

Cost and FTE

- The Department requests $1,243,201 total funds, $846,787 General Fund and $396,414 federal funds. This amount includes funding for 2.0 FTE for the Department of Local Affairs.

Link to Operations

- The Department actively promotes transitioning clients out of institutions and into the community; living in the community is generally better for clients' social needs and health outcomes, and is a less costly alternative than institutionalization in a nursing facility.

Problem or Opportunity

- The Department lacks the infrastructure to provide and pay for clients to receive counseling for community living options.
- The Department of Local Affairs was not a recipient of a HUD housing grant for transitioning clients out of institutions in FY 2013-14, jeopardizing savings included in the Department's budget.
- The Department estimates that 75% of clients that wish to transition out of institutions are lacking affordable housing options, and thus, remain in institutions.
- Because the Department does not have any dedicated resources for overseeing home modifications, these modifications are being overseen by case managers lacking training and experience.

Consequences of Problem

- Inadequate referral systems for transitions and lack of housing options for clients result in clients remaining institutionalized. This drives additional state expenditure and jeopardizes the Colorado Choice Transitions (CCT) program, which puts the state at risk for losing federal funding dedicated to deinstitutionalizing clients and the savings achieved from serving clients in a less costly setting.
- Insufficient oversight of home modifications leaves the state at risk for waste and abuse that is both costly and detrimental to clients receiving the benefit.
- Without affordable housing and home modifications that allow individuals with disabilities to live in their own home, many clients are at high risk for placement in a nursing facility.

Proposed Solution

- The Department requests $469,962 in order to create infrastructure for clients interested in transitioning by contracting with Adult Resources for Care and Help (ARCH) to respond to Nursing Facility referrals for options counseling.
- The Department requests $773,239 in order to partner with the Division of Housing in the Department of Local Affairs to provide both housing vouchers for CCT Program clients and to oversee the home modification benefit.

Department Priority: R-9
Request Detail: Medicaid Community Living Initiatives

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Medicaid Community Living Initiatives	$1,243,201	$846,787

Problem or Opportunity:

Clients who want to return to the community after receiving care in nursing facilities face a number of barriers that prevent them from doing so. The Department lacks the infrastructure for options counseling for clients interested in moving back into the community. To make an informed choice, options counseling provides an opportunity for clients in institutional placement to learn about housing options and the long-term services and supports (LTSS) available to them in the community. Clients that have been interested in exploring community living options have found housing options to be scarce, causing clients that could be served in the community to remain institutionalized. Many times, once a client has found a suitable housing option, the home has to be modified to allow for increased independence. These modifications lack licensed and experienced oversight, which could lead to harm to the client resulting in unwanted re-institutionalizations.

For the Department to serve clients in the most appropriate and cost effective setting, clients must first be assessed for their ability to live in the community with the right supports and services. In order for clients to live in the community, they must first have access to safe and suitable housing options. The Department actively seeks the most appropriate and cost effective placement for clients, whether that be in the community or in an institution; research indicates that community-based care enhances clinical and functional outcomes, as well as the satisfaction of long-term care participants[1]. Thus, if living in the community is appropriate, the client could achieve better health outcomes at lesser cost than in a nursing facility.

In March 2013, the Department implemented Colorado Choice Transitions (CCT), which is a federal grant program designed to facilitate transitioning clients currently residing in nursing facilities into the community, utilizing home- and community-based services (HCBS) and supports. Providing adequate levels of support in the community setting is critical to ensuring clients can live at home while receiving

[1] Marek, Karen Doreman; Popejoy, Lori; Petroski, Greg; Mehr, David; Rantz, Marily; Lin, Wen-Chieh. "Clinical Outcomes of Aging in Place", Nursing Research, V.53-3; May/June 2005

appropriate services and supports. For clients that transition out of institutions, the Department realizes savings from providing services in the community, as community-based services are generally less costly than providing services in a nursing facility.[2]

A stipulation of the CCT grant is that the Department needs to transition 100 clients per year. If this goal is not met, the Department is at risk of losing the grant's enhanced federal match rate, which is intended to improve the long-term care system. Further, the Department would not be able to achieve the savings that have been built into the Department's appropriation for Medical Services Premiums for serving clients in a less costly setting. For the CCT program to be successful, clients seeking alternatives to institutions must receive options counseling to fully inform them of their choices, and have access to stable housing options that safely allow the client to live independently. [3]

Currently, the Department lacks the infrastructure and resources to provide clients counseling on community living options. Although clients in nursing facilities are screened to determine if they want to live in the community, the Department does not have the necessary resources to respond to the vast number of requests from clients who want to learn about their options for leaving the nursing facility. Inadequate referral systems for transitions and lack of housing options for clients result in clients either being misplaced in an institution or remaining institutionalized when they could live in the community.

Stable and safe housing is a critical component of a successful transition. Of the clients who have expressed interest in transitioning out of institutions, approximately 75% are unable to transition because affordable housing is unavailable. Thus, these clients remain in institutions when they could be appropriately served in the community. During FY 2012-13, the Department partnered with the Division of Housing at the Department of Local Affairs (DOLA) to obtain a federal Housing and Urban Development (HUD) assistance grant for clients seeking to transition out of nursing facilities. Unfortunately, Colorado's application was not selected by the federal government for funding in FY 2013-14; as a result, there are a large number of clients who remain in nursing facilities because affordable housing remains unavailable. Further, for these clients, because community placement is less costly than placement in a nursing facility, this jeopardizes savings included in the Department's budget.

Once housing has been obtained, HCBS clients often need home modification to ensure they can live at home while receiving appropriate care. In FY 2012-13, under the Elderly, Blind, and Disabled, Community Mental Health Supports, and the Brain Injury HCBS waivers, the home modification benefit total expenditure was $3,698,550, which was an 11.64% increase from the previous fiscal year. The Department's home modification benefit makes accessibility improvements so clients can stay in their homes and live independently. Home modifications can range from simple hand rails in hallways and

[2] Colorado Choice Transitions (CCT) is part of the federal Money Follows the Person (MFP) Rebalancing Demonstration, which is a five year grant program. The goal of CCT is to facilitate transitioning Medicaid clients from long term care facilities to the community utilizing home and community based services and supports (HCBS). The Department receives a 25% enhanced federal match on HCBS. This additional funding is intended to improve the long-term care system by promoting awareness, use, and/or access to transition services, and to enhance HCBS waiver programs.

[3] In October of 2010 Centers for Medicare and Medicaid Services (CMS) passed new regulations that required nursing facilities to ask residents during their quarterly assessment, called the Minimum Data Set (MDS), if they are interested in the exploring community-based options.

bathrooms to replacing stairwells with wheelchair ramps. The expectations around the home modification benefit are different than other HCBS services; because the Department does not have any dedicated resources, case managers that lack appropriate training and experience in construction are expected to inspect and approve the work of the contractor, even though the Department does not expect case managers to inspect and approve the work performed with other HCBS services. Insufficient oversight of home modifications leaves the State at risk for waste and abuse that are both costly and detrimental to clients receiving the benefit. Without affordable housing and home modifications that allow individuals with disabilities to live in their own home, many clients are at high risk for placement or re-institutionalization in a nursing facility.

Proposed Solution:

The Department requests $1,243,201 total funds, including $846,787 General Fund and $396,414 federal funds, to fund the oversight of the home modifications benefit and obtain housing assistance payments (HAPs) by partnering with DOLA, and create infrastructure for options counseling in response to referrals from nursing facilities. Funding would be ongoing and includes 2.0 additional FTE at DOLA for the administration of the home modification benefit.

The Department would partner with the Division of Housing at DOLA to oversee the home modifications benefit and to obtain and manage HAPs. DOLA has existing infrastructure for oversight and quality control as well as the expertise to determine the appropriateness of contractor bids for home modification. DOLA does not currently perform this service for Medicaid clients, therefore DOLA would require two additional FTE for administration. Administration of the benefit would require specific project, over-all program and asset management capabilities, as well as codes inspection expertise. Additionally, each modification would require an inspection, at a cost of $65 per inspection.

To create the options counseling infrastructure, the Department would contract with regionally-based Adult Resources for Care and Help (ARCH), under the Division of Aging and Adult Services at the Department of Human Services, in order to provide LTSS options counseling to clients who express interest in transitioning and to coordinate with single entry points, community centered boards, and transition coordination agencies to help clients navigate and access the HCBS system. ARCHs would receive referrals for options counseling from nursing facilities and would be expected to provide LTSS options counseling to individuals considering LTSS. Currently, the ARCHs coordinate with SEPs and CCBs to help all individuals in need of LTSS access HCBS, without Medicaid funding. Establishing the ARCHs to coordinate housing options counseling for Medicaid presents an opportunity for the Department to integrate ARCHs in Medicaid processes and would generate more referrals for transitions, better positioning Colorado to meet its CCT goals and comply with the Olmstead decision, which requires states to administer programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities.

Anticipated Outcomes:

If approved, this request would help ensure clients are served in the most appropriate setting by allowing more clients the option to receive services in the community; this would help meet clients social needs and provide for better health outcomes, while serving clients in a less costly setting than a nursing facility.

Also, ensuring the quality and oversight of home modifications would increase the probability of clients' successfully living independently while decreasing the risk of placement in a nursing facility.

If this request is not approved, the Department risks losing revenue through the enhanced federal match received to run the CCT program. As a result, clients would remain in more costly institutions and the home modification benefit would continue to lack quality and oversight, leaving the state at risk for both waste and abuse that are costly and detrimental to clients receiving the benefit, putting clients at a higher risk for placement in a nursing facility. This would jeopardize the savings built into the budget from providing long-term services and supports in a less costly setting than a nursing facility.

Assumptions and Calculations:

This request is composed of three parts: creating options counseling infrastructure, providing HAPs, and funding home modification oversight. Of the FY 2014-15 total, the Department requests $469,962 for creating options counseling infrastructure, $450,375 for HAPs, and $322,864 for oversight of the home modification benefit. See Tables 1.1 through 1.4 in the appendix for a summary of the request.

Options Counseling

The Department's estimate of participants seeking options counseling is based on clients' responses to nursing home assessment data indicating that the client is interested in speaking with someone about leaving the nursing facility. Based on research and experience from the Division of Aging and Adult services, average counseling per client would be estimated at about 3 hours. Tables 2.1 through 2.3 in the appendix calculate the estimated expenditure and provide detail on the assumptions used.

Housing Assistance Payments

The Department would partner with the Division of Housing to obtain 75 HAPs per year for CCT clients. Thus the Department would fund 75 HAPs in FY 2014-15, 150 HAPs in FY 2015-16, and 225 HAPs in FY 2016-17. The departments would use the regular budget process to request funding for future years.

In order for clients to remain in the community, the Department expects that CCT clients could remain in need of HAPs for four years or risk unnecessary re-institutionalized. The Division of Housing will continue to aggressively apply for federal funding to provide permanent supportive housing, including HUD HOME funds, Community Development Block Grant funds, Housing Choice Voucher Section 8 housing subsidy funds, and Homeless Emergency Assistance and Rapid Transition to Housing Act funding for homeless population funds. If obtained, those federal funds could then be used for CCT clients and would replace the state-funded HAPs. HAPs cost information was obtained from DOLA: each HAP costs $6,005 per year and include an administrative fee. Tables 3.1 through 3.4 in the appendix calculate the estimated expenditure and provide detail on the assumptions used. The Department does not anticipate that Medicaid federal funding will be available for HAPs because housing is not a benefit under the Social Security Act.

Home Modification Quality Oversight

The administration of the home modification benefit would require 1.0 FTE General Professional V and 1.0 General Professional IV beginning in July 2014. The FTE would oversee construction duties, review bids, and manage assets. These FTE would be employed by DOLA and, because they would be responsible for

reviewing home modifications for Medicaid clients, the Department assumes that costs for these employees would receive Medicaid federal funding.

The home modification benefit has a lifetime maximum of $10,000 and historical data was used to trend forward the number of clients requiring home modifications, with a cost of $65 per modification inspection, based on current DOLA contracting agency fees with the Section 8 program. Tables 4.1 through 4.8 in the appendix calculate the estimated expenditure and provide detail on the assumptions used.

Table 1.1
Summary of Request
FY 2014-15

	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Source
Total Request	**$1,243,201**	**0.0**	**$846,787**	**$0**	**$0**	**$0**	**$396,414**	
(1) Executive Director's Office; (B) Transfers to Other Departments, Transfer to Department of Local Affairs for Home Modification Administration (new line)	$272,099	0.0	$136,049	$0	$0	$0	$136,050	Table 1.3
(2) Medical Services Premiums	$971,102	0.0	$710,738	$0	$0	$0	$260,364	Table 1.3

Table 1.2
Summary of Request
FY 2015-16

	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Source
Total Request	**$1,747,994**	**0.0**	**$1,342,371**	**$0**	**$0**	**$0**	**$405,623**	
(1) Executive Director's Office; (B) Transfers to Other Departments, Transfer to Department of Local Affairs for Home Modification Administration (new line)	$280,356	0.0	$140,178	$0	$0	$0	$140,178	Table 1.4
(2) Medical Services Premiums	$1,467,638	0.0	$1,202,193	$0	$0	$0	$265,445	Table 1.4

Table 1.3
Request Components by Line Item
FY 2014-15

	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Source
Total Request	**$1,243,201**	**0.0**	**$846,787**	**$0**	**$0**	**$0**	**$396,414**	
(1) Executive Director's Office; (B) Transfers to Other Departments, Transfer to Department of Local Affairs for Home Modification Administration (new line)	**$272,099**	0.0	**$136,049**	**$0**	**$0**	**$0**	**$136,050**	**Table 4.2 Row B**
Home Modifications Benefit - FTE for Construction Oversight	$272,099	0.0	$136,049	$0	$0	$0	$136,050	Table 4.2 Row B
(2) Medical Services Premiums	**$971,102**	**0.0**	**$710,738**	**$0**	**$0**	**$0**	**$260,364**	
Options Counseling	$469,962	0.0	$234,981	$0	$0	$0	$234,981	Table 2.1 Row D
Housing Assistance Payments (HAPs) for Colorado Choice Transitions	$450,375	0.0	$450,375	$0	$0	$0	$0	Table 3.1 Row C
Home Modifications Benefit - Inspections	$50,765	0.0	$25,382	$0	$0	$0	$25,383	Table 4.2 Row A

Table 1.4
Request Components by Line Item
FY 2015-16

	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Source
Total Request	**$1,747,994**	**0.0**	**$1,342,371**	**$0**	**$0**	**$0**	**$405,623**	
(1) Executive Director's Office; (B) Transfers to Other Departments, Transfer to Department of Local Affairs for Home Modification Administration (new line)	**$280,356**	**0.0**	**$140,178**	**$0**	**$0**	**$0**	**$140,178**	**Table 4.3 Row B**
Home Modifications Benefit - FTE for Construction Oversight	$280,356	0.0	$140,178	$0	$0	$0	$140,178	Table 4.3 Row B
(2) Medical Services Premiums	**$1,467,638**	**0.0**	**$1,202,193**	**$0**	**$0**	**$0**	**$265,445**	
Options Counseling	$478,953	0.0	$239,476	$0	$0	$0	$239,477	Table 2.1 Row D
Housing Assistance Payments (HAPs) for Colorado Choice Transitions	$936,750	0.0	$936,750	$0	$0	$0	$0	Table 3.1 Row C
Home Modifications Benefit - Inspections	$51,935	0.0	$25,967	$0	$0	$0	$25,968	Table 4.3 Row A

Table 2.1 - Estimated Expenditures on Options Counseling				
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**Notes**
A	Estimated Number of Residents	2,666	2,717	Table 2.2 Row D
B	Rate Per 15 Minute Counseling Session	$14.69	$14.69	Set by the Department's Rates Section
C	Estimated Number of Sessions	12	12	Estimate from the State Unit on Aging
D	**Total Estimated Expenditures**	**$469,962**	**$478,953**	**Row A * Row B * Row C**

Table 2.2 - Estimated Nursing Facility Residents Interested in Community Options Counseling				
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**Notes**
A	Residents Surveyed (April 2012-March 2013)	38,644	39,382	FY 2014-15: Table 2.3 Row A FY 2015-16: Row C
B	Estimated Growth Rate	1.91%	1.91%	Table 2.3 Row D
C	Estimated Residents Surveyed	39,382	40,134	Row A * (1 + Row B)
D	Estimated Percent Interested in Options Counseling	6.77%	6.77%	Table 2.3 Row E
E	**Estimated Interested Residents Surveyed**	**2,666**	**2,717**	Row C * Row D

Table 2.3 Historical Nursing Facility Residents Interested in Community Options Counseling				
Row	**Item**	**April 2011 - March 2012**	**April 2012 - March 2013**	**Notes**
A	Residents Surveyed	37,920	38,644	Data Source: MDS
B	Residents Interested in Options Counseling	2,604	2,578	Data Source: MDS
C	Percent Interested in Options Counseling	6.87%	6.67%	Row B / Row A
D	Residents Surveyed Growth	-	1.91%	Percent change from Row A
E	Average Percent Interested in Options Counseling	-	6.77%	Average of Row C
Source: Minimum Data Set (MDS) Versions 2.0 and 3.0				

Table 3.1 Total Estimated Expenditure on Housing Assistance Payments (HAPs)					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	Total Number of HAPs	75	150	225	Table 3.2 Row C
B	Total Cost Per HAP	$6,005	$6,245	$6,495	Table 3.3 Row C
C	**Total Cost for Housing Assistance Payments**	**$450,375**	**$936,750**	**$1,461,375**	**Row A * Row B**

Table 3.2 - Total Housing Assistance Payments (HAPs) Purchased Per Year					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	Estimated Number of Clients Able to Transition	100	200	300	CCT Goal: Transition 100 Client per Year
B	Percent Needing HAPs	75.00%	75.00%	75.00%	75% of clients transitions need HAP's per Year
C	**Estimated Number of Housing Assistance Payments**	**75**	**150**	**225**	**Row A * Row B**

Table 3.3 - Estimated Cost of Housing Assistance Payments (HAPs)					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	Prior Year Estimated Annual Cost Per HAP	-	$6,005	$6,245	
B	Estimated Growth Rate	4%	4%	4%	From the Division of Housing
C	**Estimated Annual HAP Cost**	**$6,005**	**$6,245**	**$6,495**	**Row A * (1 + Row B)**

Table 3.4 - Itemization of Annual Estimated Cost Per Housing Assistance Payments (HAPs)					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	HAP Cost Per Month	$450	$468	$487	From the Division of Housing
B	Annual HAP Cost	$5,400	$5,616	$5,841	Row A * 12
C	HAP Administrative Cost Per Month	$50.44	$52.42	$54.50	From the Division of Housing
D	Annual HAP Adminstrative Cost	$605	$629	$654	Row C * 12
E	**Total Annual Cost Per Housing Assistance Payment**	**$6,005**	**$6,245**	**$6,495**	**Row B + Row D**

Table 4.1 - Summary of Expenditure by Fund and Fiscal Year						
Fiscal Year	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Source**
FY 2014-15 Estimates	$322,864	$161,432	$0	$0	$161,432	Table 4.2 Row C
FY 2015-16 Estimates	$332,291	$166,145	$0	$0	$166,146	Table 4.3 Row C
FY 2016-17 Estimates	$333,526	$166,763	$0	$0	$166,763	Table 4.4 Row C

Table 4.2 - Summary of Expenditure by Initiative FY 2014-15							
Row	**Item**	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Notes**
A	Estimated Inspection Fee	$50,765	$25,382	$0	$0	$25,383	Table 4.5
B	Estimated Administration Expenditure	$272,099	$136,049	$0	$0	$136,050	Table 4.5
C	Total Estimated Expenditure	$322,864	$161,431	$0	$0	$161,433	Row A + Row B

Table 4.3 - Summary of Expenditure by Initiative FY 2015-16							
Row	**Item**	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Notes**
A	Estimated Inspection Fee	$51,935	$25,967	$0	$0	$25,968	Table 4.5
B	Estimated Administration Expenditure	$280,356	$140,178	$0	$0	$140,178	Table 4.5
C	Total Estimated Expenditure	$332,291	$166,145	$0	$0	$166,146	Row A + Row B

Table 4.4 - Summary of Expenditure by Initiative FY 2016-17							
Row	**Item**	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Notes**
A	Estimated Inspection Fee	$53,170	$26,585	$0	$0	$26,585	Table 4.5
B	Estimated Administration Expenditure	$280,356	$140,178	$0	$0	$140,178	Table 4.5
C	Total Estimated Expenditure	$333,526	$166,763	$0	$0	$166,763	Row A + Row B

Table 4.5 - Summary of Expenditure by Administrative Function					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	Estimated Administrative Fee - Inspection	$50,765	$51,935	$53,170	Table 4.6 Row C
B	Estimated Administration Expenditure - State	$272,099	$280,356	$280,356	Table 5.1
C	Total Estimated Cost for Home Modification Benefit Administration	$322,864	$332,291	$333,526	Row A + Row B

Table 4.6 - Estimated Home Modification Program Administrative Fee by Fiscal Year					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	Estimated Clients	781	799	818	Table 4.7 Row C
B	Cost per Modification Inspection	$65.00	$65.00	$65.00	Division of Housing
C	Estimated Home Modification Program Expenditure	$50,765	$51,935	$53,170	Row A * Row B

Table 4.7 - Estimated Home Modification Clients and Expenditure per Client					
Row	**Item**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**Notes**
A	Previous Year Clients	746	781	799	Table 4.8 Row A
B	Estimated Client Growth Rate	2.32%	2.32%	2.32%	Table 4.8 Row C
C	**Estimated Clients**	**781**	**799**	**818**	**FY 2014-15: Row A * (1 + Row B)^2** **FY 2015-16 & FY 2016-17: Row A * (1 + Row B)**

Table 4.8- Historical Home Modification Expenditure, clients and Expenditure per client					
Row	**Item**	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**	**FY 2012-13**
A	Clients	634	651	658	746
B	Yearly Percent Change	-7.85%	2.68%	1.08%	13.37%
C	**Average Yearly Percent Change FY 2008-09 to FY 2012-13**				**2.32%**

Table 5.1 - FTE Calcuations

Calculation Assumptions:

Personal Services -- Based on the Department of Personnel and Administration's August 2012 Annual Compensation Survey Report. All postions below are at the bottom of the pay range for the given class title.

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2014-15

Expenditure Detail			FY 2014-15		FY 2015-06
Personal Services:		FTE	$	FTE	
	Monthly Salary				
GENERAL PROFESSIONAL IV	$4,764	0.9	$52,406	1.0	$57,168
PERA			$5,319		$5,803
AED			$1,887		$2,287
SAED			$1,703		$2,144
Medicare			$760		$829
STD			$93		$101
Health-Life-Dental			$4,421		$4,421
Subtotal GENERAL PROFESSIONAL IV		0.9	**$66,589**	1.0	**$72,753**
	Monthly Salary				
GENERAL PROFESSIONAL V	$5,960	0.9	$65,562	1.0	$71,520
PERA			$6,655		$7,259
AED			$2,360		$2,861
SAED			$2,131		$2,682
Medicare			$951		$1,037
STD			$116		$127
Health-Life-Dental			$4,421		$4,421
Subtotal GENERAL PROFESSIONAL V		0.9	**$82,196**	1.0	**$89,907**
Subtotal Personal Services		1.8	**$148,785**	2.0	**$162,660**
Operating Expenses					
1 Indirect Admin (29.3% for ED,	25,613	1.8	$46,959	2.0	$51,226
2 Regular FTE Operating Expenses	800	1.8	$1,467	2.0	$1,600
3 Telephone Expenses	450	1.8	$825	2.0	$900
4 PC, One-Time	1,230	2.0	$2,460		$0
5 Office Furniture, One-Time	3,473	2.0	$6,946		$0
6 Other New Staff start up, One-Time	950	2.0	$1,900		$0
7 Cell Phone (for one staff person)	900	0.9	$810	1.0	$900
8 Office Supplies	750	1.8	$1,375	2.0	$1,500
9 Copies	400	1.8	$733	2.0	$800
10 Staff training	571	1.8	$1,047	2.0	$1,142
11 Certified Aging in Place Specialist (CAPs) Certification for 3			$3,300		$3,300
12 CAPs Certification Renewal for 3			$0		$166
13 ICC Accessibility Inspector/Plans Examiner Certification for 2			$360		$360
14 Outreach (Brochures, etc.)			$1,000		$1,000
15 Training for SEPs & Providers			$500		$500
16 Postage			$1,000		$1,000
17 Inspection Tools, One-Time			$500		$0
18 Mileage (state car)			$1,367		$1,367
19 Contract Services for Inspections	65		$50,765		$51,935
20 IT - website & software development					
Subtotal Operating Expenses			**$123,314**		**$117,696**
TOTAL REQUEST		1.8	**$272,099**	2.0	**$280,356**
	General Fund:		*$136,051*		*$140,178*
	Cash funds:		*$0*		*$0*
	Reappropriated Funds:		*$0*		*$0*
	Federal Funds:		*$136,048*		*$140,178*

	FY 2014-15	FY 2015-16
PERA	10.15%	10.15%
AED	3.60%	4.00%
SAED	3.25%	3.75%
Medicare	1.45%	1.45%
STD	0.177%	0.177%
Health-Life-Dental	4,421.04	4,421.04