

Annual Review of 5-year plan and plan for FY 2009-10

Evaluation of Targets for Improvement for FY 2008-09

Futures Explored had a number of targets for improvement for FY 2008-09:

- Continue our staff development and training through the use of the College of Direct Support.
 - We discontinued the use of College of Direct Support in October 2008 for a variety of reasons:
 - The State's fiscal crisis and the need to conserve resources
 - The Management staff felt we were getting diminishing returns from the on-line trainings, as they were too general and not specific to what we do in California.
- Evaluate/re-structure our Supported Employment program to deal with a 10% rate reduction (\$50K) revenue impact.
 - We have continued to keep a tight rein on our Supported Employment efforts, have down-sized and minimized expenses to keep Supported Employment a viable option.
- Launch our Huckleberry Café-to-Go Catering service, as an employment and revenue stream.
 - As of February 2008, we have the Huckleberry Café-to-Go catering enterprise. We have had slow but steady growth of orders, including a regular 4 day a week order from a local school.
- Continue our long-term Capital Campaign to raise over \$1.2 Million to complete phases II and III of the Lafayette project.
 - We have raised an additional \$ 200,000 for the second two phases of the project, but the sudden economic decline during the fall of 2008 has put a significant slow-down on our success rate. We are at the 50% point in the fundraising effort and continue to push. We have the design plans completed and will submit to the City in the next month.
- Complete the final construction and open our Brentwood GARDEN program.
 - Our 50 Guthrie Lane site has been plagued by a variety of planning, approval and construction delays. We have the final approval however; the significant drop in the economy has led to difficulty for our Landlord to be able to pay for their portion of improvements.
 - Given the delays, we have found a second site in Brentwood that we have acquired as it has minimal improvements needed and we have submitted our licensing and program design with the goal of opening in late July/early August of 2009.
- Complete the process and construction to connect our GARDEN Tri-Valley Livermore buildings to increase consumer comfort and usability.
 - We have approval from the City of Livermore and have submitted to the State of California's Health Financing Authority (the holder of the mortgage at Livermore) for their approval and have yet to hear from them, which means the construction is on hold.
- Re-locate our VTE office to a more central location to facilitate consumer and staff access.
 - We moved our office to a downtown Sacramento location, two blocks from light rail, which is a significantly better location and at a reduced cost.
- Continue to develop employment opportunities, including the development of Project SEARCH as a new transition model for individuals getting ready to leave high school.
 - We continue to actively work on bringing Project SEARCH to the Bay Area. The economy has slowed the interest in companies in starting new internship and employment opportunities. We continue to meet with the other Project SEARCH agencies to network and push for opportunities.
- Continue to implement our on-line Individual Service Plan Tracking for better outcomes.

- All of our sites are now using the on-line ISP tracking system, which allows for quick analysis and adjustment to identified issues and advances as each consumer moves forward.

FY 2009-10

Environment –

The current fiscal environment in the State of California has gone from bad to worse. The California State budget for FY 2008-09 was approved 2 ½ months late and with a 10% reduction to supported employment rates and the permanent continuation of a number of cost-containment activities. The State Economic situation went from being breakeven on September 30th to a projected 18 month deficit of \$ 42 Billion, when the Governor released his January 2009 estimate for FY 2009-10. The Legislature and the Governor took action and approved in February 2009 a mid-year budget adjustment for FY 2008-09 and the FY 2009-10 budgets, which included an immediate 3% rate reduction for all services and an additional \$ 100 million reduction to Regional Center Services, which were to be determined by stakeholder process. The lynch pin of the “Budget Deal” was the placement before the electorate of 5 propositions to confirm the actions of the Legislature and Governor. The election on the propositions was scheduled for mid-May just before the May revise would be released. All 5 of the propositions failed and the economy, especially the tax revenues into the State, have continued to fall leading to a May revision that is projecting a \$ 21 billion deficit

Challenges facing Futures Explored

- We had launched a series of programmatic expansions and construction projects in 2007, which have run into a number of challenges, which have reduced our reserve levels, causing us to start to take a series of actions to reduce costs. At the start of FY 2008-09 our target was to replace our reserve by generating 3 % in savings to go into our reserves, but with the continued State reductions the 3% savings are being used to offset State reductions. The following is the status of the projects:
 - GARDEN Tri-Valley – This project started 4 years ago with projected closure of Agnews. We achieved the breakeven number of consumers in January (2 years after we expected to) and have had to start an in-home program to meet the needs of 6 of the individuals slated to come into the program.
 - GARDEN Brentwood – This project has been plagued by approval, planning and construction issues with the final one being resolved in February 2009. The challenge is that the Landlord and our fundraising resources have been unable to find the resources to complete the project at this time. The demand for the services has continued to grow and our GARDEN Antioch site is now at capacity with a wait list. We have moved to plan B and have located a second site in Brentwood which we hope to have opened by the end of the summer of 2009.
 - Huckleberry Café-to-go and the Lafayette refurbishing project – We were able to complete phase I of the project as the economy turned south, which enabled us to maximize our donated funds and to get the Catering enterprise generating funds for us. The second phase of the project has been hit by the economic downturn which has caused a number of our major funders to change their focus from Capital improvements to “survival funding” to help keep the social support network of Not-for-Profits in place.
 - The State’s budget freefall starting in the fall of 2008 has already led to a 10% rate reduction to supported employment and then a 3% reduction to all of our other State paid rates.
- The following are areas we have achieved savings during FY 2008-09, which has kept us even rather than contributing to increasing our reserves and stability:
 - Reduced our General, property, auto insurance costs by \$2,000 a month, while increasing coverage.
 - Reduced our Health Insurance/Employee costs by \$ 4,000 a month.
 - Eliminated the College of Direct Support savings \$ 1,000 a month.
 - Evaluated vendors for major supplies, i.e. Office supplies, health and safety supplies etc. and have generated \$ 800 a month savings.
 - Reduced phone costs due to a specialized program by \$ 500 a month.

- Have held open several management positions: the Coordinator positions at ALIVE East, and GARDEN Brentwood to save approx. \$8,000 a month.
- Have evaluated each direct service hire to ensure the consumers are in place prior to hiring and have shifted one specialist position to cover direct service 80% of the time, these actions have generated \$ 4 to \$ 6 K a month savings.
- The big unknown facing us is the impact of the State of California's budget crisis and reductions to either rates paid or potentially services allowed. We have historically run relatively main stream programs, supported employment and day services, which may receive rate cuts, but will probably not be wholesale eliminated. We have started to offer other opportunities, such as Life Planning and Social Recreation, which maybe on the block for reductions and/or wholesale elimination by the State. The economy has also reduced opportunities for fund development and community employment, which challenges how we move forward. We are faced with a "strive to survive" mentality.
- Other systems that we have historically used to supplement and add to our services are also under severe stress and are reducing supports, such as Adult Education, which has added a lot to our services over time.

Futures Explored Advantages

- Creative, Flexible and Committed management team to promoting the vision and efforts of ensuring the individuals we support are active and accepted in our communities.
- Increasing abilities of the individuals we serve to actively step up and advocate for themselves, as they realize they do bring value to their community.
- An under tapped resource of families and friends, who are sometimes seeing their loved ones in a new light of independence and success after benefitting from the supports and services provided by Futures.

Goals for FY 2009-10

- Strive to achieve a 3% return to reserves during the year.
- Develop our internal trainings, so they can be shared amongst programs, using technology whenever possible. Each program is responsible for two trainings, first due by July 31, and the next due by January 31st.
- Continue to review alternative structures to support our programs, including flex-staff, shared use of staff, alternative supports and review of paperwork and processes to minimize effort to achieve outcomes
- Prepare and pass our CARF Accreditation review in the spring of 2010.
- Monthly review and discussion of operating policies and procedures at management meetings, to ensure clarity and implementation across the organization.
- Develop and implement a plan to generate an additional \$ 5,000 in revenue every quarter during FY 2009-10.
- To meet increased demand for services in East County open GARDEN Brentwood and evaluate the increasing need for employment support in East Contra Costa County.
- Submit and start a Community College Transition Program in the Alta Regional Center catchment area, based on their request and our analysis of a need for such a service.