

Message from Commissioner Peter H. O'Meara

April 6, 2009

As you may have heard by now in the media, a number of key events have occurred relative to the state budget which might have an impact on the Department of Developmental Services' (DDS) budget. We want to make sure you have the latest and most accurate information available as we work our way through these economic challenges. The Legislature's Appropriations Committee has released their proposed budget for fiscal years 2010 and 2011. A copy of this document is available on the DDS website. The Committee voted on the proposal on Thursday April 2<sup>nd</sup>.

The differences between this budget and the Governor's proposed budget for DDS are that this proposal delays the start date of high school graduate day programs until October 1, 2009; \$1 million for non emergency dental services under Medicaid is withdrawn because it is restored as a state plan service under Medicaid; and DDS's position count is reduced by an additional 50 positions which were currently vacant. There does not appear to be any reductions to the private sector funding and the proposed budget still relies on state employee concessions. As a reminder, the Appropriations Committee's proposal is not the final budget, rather it is one step on the way to a final negotiated budget that must be passed by the legislature and signed by the Governor.

Another significant development last week was a directive from Secretary Robert Genuario of the Office of Policy and Management (OPM) asking all agencies to review Personal Services (PS) accounts and prepare plans to reduce employee payroll costs for submission to OPM by April 14<sup>th</sup>. For DDS, this would translate into reductions of \$30 million at 5%, over \$40 million at 7% or \$59 million at 10%. These reductions would be targeted in fiscal years 2010 and 2011. These reductions would be in addition to the proposed PS reductions already reflected in the Governor's proposed budget for these years.

We are keenly aware of the anxiety that this process will create for our public sector employees who may face potential layoffs and we must also be prepared that this process could lead to a reduction of services that many of our individuals and families receive. Everyone has been very supportive and helpful during this ongoing economic challenge and the preparation for layoffs and a reduction in services are difficult options to contemplate. The reductions in overtime, gasoline and energy consumption conservation, coupon shopping, reconfiguring recreational outings to save money, and working with a number of unfilled vacancies have all been actions on your part that have helped achieve the savings needed to balance the DDS budget. However, as Secretary Genuario notes, the situation is not improving, nor is there currently any agreement on wage and benefit concessions, therefore, we must look at further reductions. As the planning for these reductions unfolds we will continue to keep you posted.

During the past few weeks Deputy Commissioner Kathryn du Pree and I have been all across the state at Town Meetings in every region to personally meet with our valued public staff and discuss the budget and your concerns. Your patience and understanding, in spite of the frustration and personal anxiety you are experiencing, is commendable. You are focused on your jobs, assisting each other when short-handed and maintaining the services and supports our individuals and families need. For that, we THANK YOU.

Again I recognize the uncertainty these times are creating for all of us and I thank you for your diligence and dedication as we move through these challenges.

PLEASE NOTE: This is the latest information that we have available to us as of Monday morning, April 6, 2009. We will continue to provide additional updates as they become available.