



State of Connecticut
Department of Developmental Services



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Governor

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**TESTIMONY OF THE DEPARTMENT OF DEVELOPMENTAL SERVICES
REGARDING PROJECTED DEFICIENCIES**

November 18, 2009

Good afternoon Senator Harp, Representative Geragosian, Members of the Appropriations Committee. I am Peter O'Meara, Commissioner of the Department of Developmental Services (DDS), and I am here today to discuss our projected deficiency of \$21.7 million.

Other Expenses:

The Department is currently projecting a \$2.3 million deficit in the Other Expenses (OE) Account. Our FY 2010 OE Appropriation totaled \$27,093,834 and incorporated General Reductions of \$676,593 that were comprised primarily of reductions in the areas of cell phones, motor vehicle rentals, and fuel costs, and incorporated the \$1.5 million reduction by the Appropriations Committee (that did not identify specific target areas of reduction). In order to implement bottom line lapses that were included in the budget, the agency's allocations were reduced through the B-1 process and the Department's OE was further reduced by \$5.6 million. While DDS believes that part of the reduction can be absorbed through vigilant management of the OE Account, a \$2.3 million deficit remains.

Early Intervention:

The Department is currently projecting a \$9.0 million deficit in the Early Intervention Account resulting from significant caseload growth. The areas of increase are as follows: a) the annualized cost for new children served in FY 2009, b) the shift of enrollment from the Early Connections state program to programs operated by private contractors, c) new children to be served in FY 2010, and d) an increase in the service demand for children with Autism Spectrum Disorders;

Workers Compensation:

The Department is currently projecting a \$2.0 million deficit in Workers Compensation. This deficit is not attributable to growth in new claims. In fact, our safety initiatives have yielded positive results and our new claims have decreased more than 37% over the past six years. The major factor in the increase in costs is from rising medical expenses for both old and new claims.

Voluntary Services Program:

The Department is currently projecting a \$2.5 million deficit in the Voluntary Services Program (VSP). This deficit will be the result of the continuation of the enrollment of eligible children and adolescents into this program.

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DDS projects there will be 131 qualified applicants in FY10 based on past years' experience and the number of applicants during the first quarter of FY 2010 who have been placed on a waiting list.. We have projected starting 81 of these children in services between November, 2009 and June, 2010. Start dates are staggered based on a rolling application process and the time it takes to plan and implement services. The average cost to serve someone enrolled in DDS VSP is \$55,000 per year. This methodology results in a projected unbudgeted shortfall of \$2.5 million in FY10 which annualizes to \$6.2 million in FY11.

The Department has proposed to continue to accept applications. The intention of creating a separate program within DDS for children who have mental retardation and need behavioral support services was to offer greater expertise to address their cognitive issues and to provide continuity for them when they become adults and receive supports from DDS. We believe that these supports are critical to families who have children living at home with them who exhibit serious behavioral problems as a result of the combination of an intellectual disability and a mental health diagnosis.

Community Residential Program:

The projected deficit in the Community Residential Services program totals \$5.9 million. It is partially based on the conversion of 17 homes from the public to private sector, and partially based upon portability that allows individuals to leave public programs for programs operated by private contracted providers.

As part of the conversion of the 17 public homes, each home converted to a private contractor will require start up funds to hire and train staff and prepare to operate the home.

DDS projects conversion dates ranging from March 1, 2010 to June 1, 2010. The total costs of the conversion in FY 2010 are projected to be \$3.5 million.

Also, \$2.4 million of the deficit is based on people that moved from the public sector under portability. People are allowed to take their resources from one provider to another. These service recipients moved from DDS operated residential programs to private residential programs.

Thank you for allowing us the opportunity to testify today. We will be happy to answer any questions that you have for us at this time.