

# trades

Meeting of February 9, 2009



Governor's Budget  
FY 2010 – FY 2011

## **Commissioner's Budget Update**

As many of you have already heard, Governor M. Jodi Rell presented her recommended budget for FY 2010 and FY 2011. This is the first step in creating a budget for the state and now the legislature will hear testimony from agency officials and the public before a final state budget is adopted. The challenges we face in our economy are unprecedented and will require great patience, flexibility, prudence and fiscal discipline as we move forward. The cooperation of all members of the Department of Developmental Services (DDS) community will be essential as we struggle with these challenges. Our consumers and their families must remain the focus of our attention. I know all of our partners, state employees and their private sector counterparts and fellow state agencies will work together as we move forward.

As the Governor noted, we still face a significant deficit in FY 2009, which will require further mitigation. We should be grateful that the impacts on DDS for FY 2010 and 2011 are reflective of Governor Rell's desire to minimize the impact on the most vulnerable citizens of our state. Funding for age-outs, high school grads and the Birth to Three system allows us to serve new clients and their families. The budget avoids rate reductions to our private providers and allows the infrastructure of the Department to remain intact. We thank Governor Rell and Secretary Genuario for their continued support and confidence.

Needless to say, there will be pressure to watch every expenditure and activity to assure that we are being fiscally responsible and responsive.

As the budget evolves, we will continue to keep the DDS community updated via webcasts, updates on our web and intranet and town meetings. Again, thank you for all you do. Working together, we will get to the other side of these challenges.

Attached is a summary of the Governor's Recommended FY 10 and FY 11 budget for your information as it impacts the Department.

## **Department Operations:**



### **A. Personal Services: the Governor's Recommended Budget proposes the following:**

- \$5 million is removed in FYs 10 and 11 to reflect a turnover of \$13 million. An additional \$648,007 is reduced to reflect the removal of all funded vacancies (\$13.6 million). 23 positions and \$2.2 million in FY10 and an additional 7 positions and \$516,000 in FY 11 were removed for rebalancing at Southbury and in state operated residential programs.
- The aforementioned actions will cap the Department's full-time position count at 4,031 in FY 10 and 4,024 in FY 11.

### **B. Operating Expenses: the Governor's Recommended Budget addresses needs in the following areas:**

- \$400,000 to annualize the anticipated FY 09 shortfall
- Annualization of FY 09 DOIT rate increases for service agreements with the Department
- Property lease increases
- Energy increases

### **C. Rescissions: The Governor's Proposed Budget includes continuation of the FY 09 rescissions in the following rescissions:**

- \$11,568 in the Human Resources Development SID
- \$16,000 in the Clinical Services SID.
- \$1.0 million in Employment Opportunities and Day Services
- \$1.0 million in the Community Residential Services account

**Contracted Services:**

**A. Cooperative Placements:**

**FY 10**

- \$600,000 to restore the '09 recision
- \$130,187 – annualization of funding for FY 09 placements
- \$475,975 – funding for 6 new placements

**FY 11**

- \$355,049 – annualization of FY 10 placements.

**B. Age-outs:**

**Residential Services**

**FY 10**

- \$3,191,444 – annualization of funding for FY 09 placements
- \$5,686,444 – funding for 72 new placements

**FY 11**

- \$4,293,818 – annualization of FY 10 placements
- \$4,462,796 for 67 new placements

**Employment Opportunity and Day Services**

**FY 10**

- \$42,600 – annualization of FY 09 placements
- \$2,359,370 for 73 new placements

**FY 11**

- \$124,177 – annualization of FY 10 placements
- \$2,254,839 for 70 new placements.

## **Contracted Services *continued*:**



### **C. High School Graduates:**

#### Employment Opportunities and Day Services

##### **FY 10**

- \$2 million to restore FY 09 rescission
- \$238,035 – annualization of FY 09 placements
- \$6,633,934 for 278 new placements

##### **FY 11**

- \$604,170 – annualization of FY 10 placements
- \$5,918,296 for 254 new placements.

### **D. Birth to Three:**

The Governor's Budget provides \$6.3 million of additional funding for the annualization of 2009 growth from increased service units and demand for specialty services.

### **E. Voluntary Services Program (VSP):**

The Governor's Budget funds \$6,460,760 in the Community Residential account to fund the annualization of FY 09 VSP placements. The Governor's Budget transfers \$33,692,416 from the Community Residential account to create a separate Voluntary Services account to provide better accounting and visibility to the program.

### **F. Other miscellaneous Residential Services additions/annualizations:**

#### Waiting List Placements

- FY10 - \$3.9 million annualization for 150 FY 09 Waiting List Placements

#### Money Follow the Person

- \$1.2 million in FY'11 to annualize 13 FY'10 transfers from MFP to Comprehensive Waiver
- \$2 million in FY'11 to annualize 20 transfers from MFP to the Comprehensive Waiver

**Contracted Services *continued*:**

**Other Services:**

**A. Bonding:**

The Governor's Budget recommends \$5 million in FY 10 and \$5 million in FY 11 in funding for capital improvements. The Governor's Budget also recommends \$1 million in FY 10 and \$1 million in FY 11 for the Revolving Loan Fund.

**B. Equipment:**

The Governor's Budget proposes the transfer of \$1.1 million in FY 10 and \$1.0 million in FY 11 to the Capital Equipment Purchase Fund.

**Other Services *continued*:**

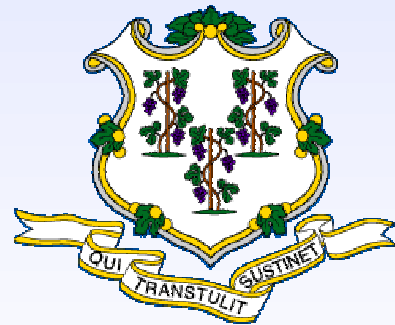
**C. Dental Program:**

The Governor's Budget includes the transfer of \$1 million from the Department of Social Services to the Department's Clinical Services account to ensure the continuation of coverage after the elimination of non-emergency dental services for adults under Medicaid.

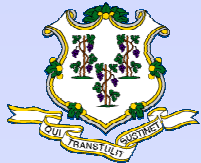
**D. Home Health Services:**

The Governor's Budget includes in the Community Residential Service Account \$500,000 transferred from the Department of Social Services' budget to fund Home Health Services.

# FY 2010 – FY 2011 GOVERNOR'S BUDGET







# Projected Deficit

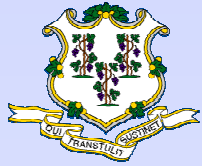
**Based upon the January 15, 2009 tax filings:**

- Tax projections have plummeted by about \$900 million:
  - \$665 million loss in the income tax;
  - \$100 million loss in corporate taxes;
  - \$50 million loss in the sales tax; and
  - Other revenue streams, such as casino proceeds and the conveyance tax, show similar negative trends.



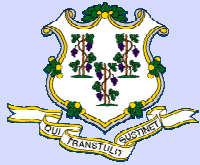
# Projected Deficit

- Based on the latest data, projected current services General Fund deficit for:
  - FY10 is \$2.9 billion
  - FY11 is \$3.1 billion

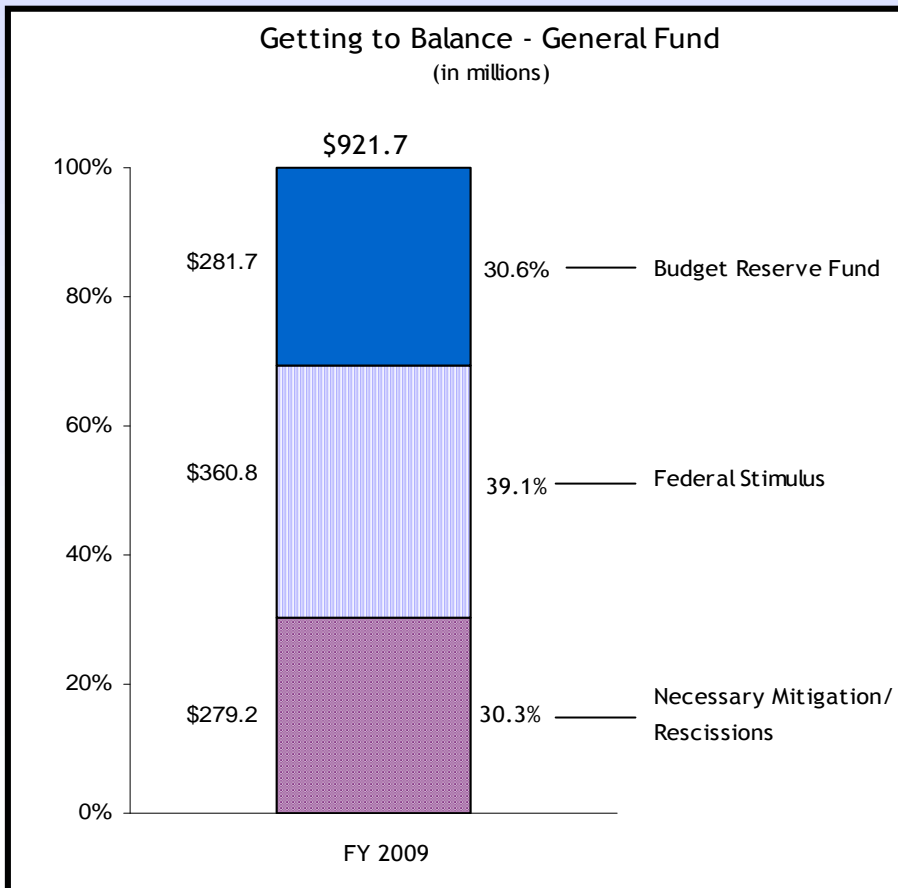


## Current Services versus Proposed Budget (in millions)

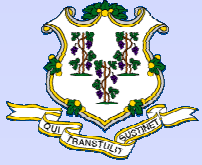
Fiscal 2009-2010			
	Current		Proposed
<u>General Fund</u>	<u>Services</u>	<u>Changes</u>	<u>Budget</u>
Revenues	\$15,678.2	\$ 1,831.0	\$ 17,509.2
Expenditures	<u>18,584.3</u>	<u>(1,075.4)</u>	<u>17,508.9</u>
Surplus/(Deficit)	\$(2,906.1)	\$ 2,906.4	\$ 0.3
Fiscal 2010-2011			
	Current		Proposed
<u>General Fund</u>	<u>Services</u>	<u>Changes</u>	<u>Budget</u>
Revenues	\$ 16,275.0	\$ 1,852.5	\$ 18,127.5
Expenditures	<u>19,383.4</u>	<u>(1,256.1)</u>	<u>18,127.3</u>
Surplus/(Deficit)	\$ (3,108.4)	\$ 3,108.6	\$ 0.2



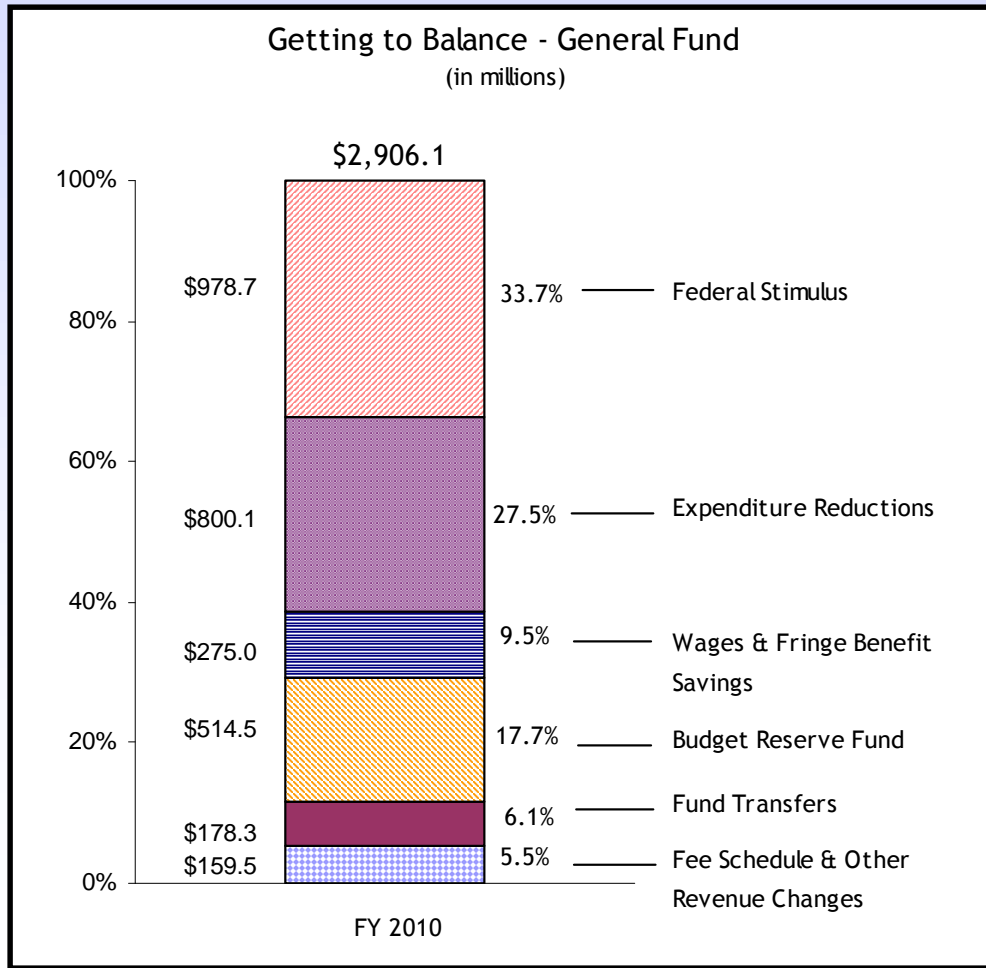
# Closing the FY09 Budget Deficit



- Even with the implementation of 3 rounds of allotment rescissions and the enactment of 2 Deficit Mitigation Plans, the state is facing a \$921.7 million budget deficit in the current fiscal year.
- Federal Stimulus monies, as well as a portion of the Rainy Day Fund, will be used to help close the FY09 gap.



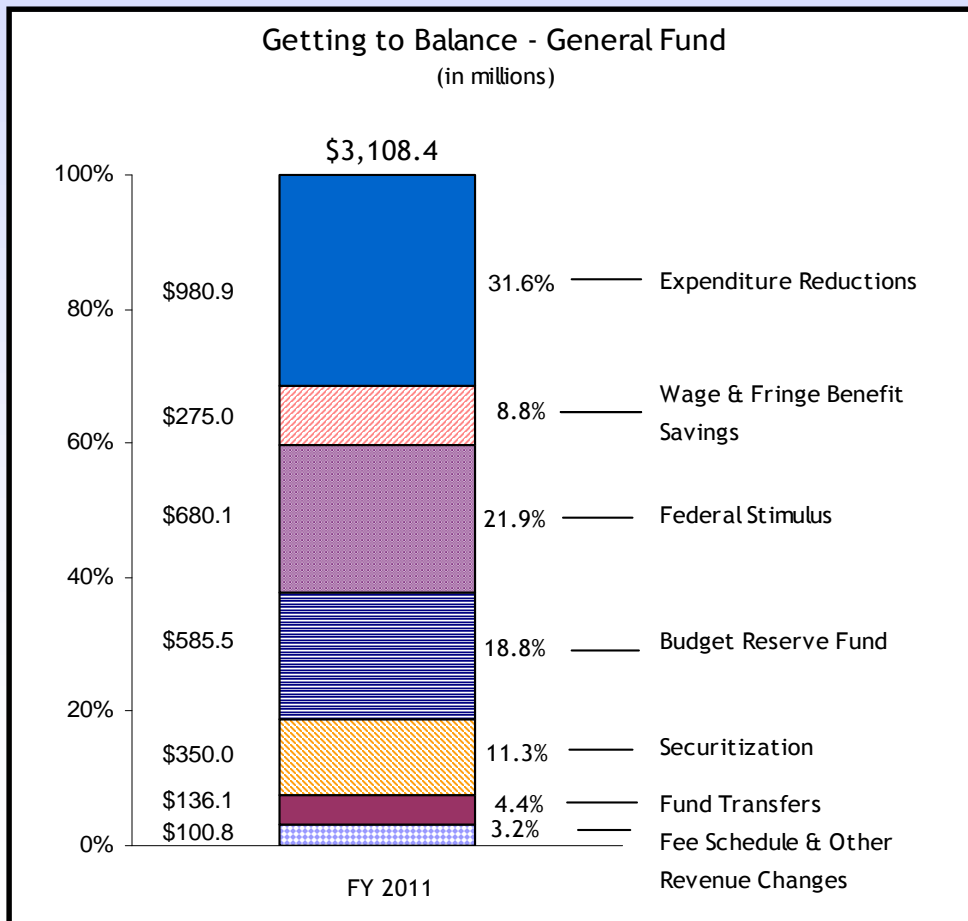
# Closing the FY10 Current Services Budget Gap



- **Governor Rell had a \$2.9 billion current services budget gap in FY10 to close.**
- **1/3 of the gap was closed by additional federal stimulus monies.**
- **Slightly more than 1/3 of the gap was closed by policy changes that resulted in budget cuts.**
- **Just under 1/3 of the gap was closed by various revenue actions including fund sweeps, fee changes, and the use of the Rainy Day Fund.**



# Closing the FY11 Current Services Budget Gap



- Governor Rell had a \$3.1 billion current services budget gap in FY11 to close.
- In FY11, the federal stimulus monies phase out, which necessitated the securitization of two Energy Funds and the depletion of the Rainy Day Fund.



# Maintaining Core Service

Significant caseload growth is budgeted over the Biennium:

DDS: Residential and Day Services  
Birth to Three early intervention program



# Caseload Growth

## DDS

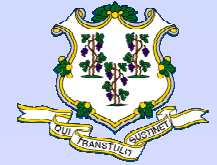
- \$35.7 million in FY10 and an additional \$20.4 million in FY11 for caseload growth;
  - 351 high school graduates and age-outs in FY10; 324 more in FY11;
  - 85 residential placements in FY10; 87 more in FY11;
  - Birth to Three - \$12.6 million over the biennium.





**DDS**

Legislative Update



## Department of Developmental Services (DDS) 2009 Legislative Proposals:

The following bills were proposed by DDS this session:

**S.B. No. 756 (RAISED) PUBLIC HEALTH. 'AN ACT CONCERNING A DEPARTMENT OF CHILDREN AND FAMILIES CHILD ABUSE AND NEGLECT REGISTRY CHECK FOR APPLICANTS OF EMPLOYMENT WITH THE DEPARTMENT OF DEVELOPMENTAL SERVICES OR THE DEPARTMENT'S PROVIDERS'**, to provide the Commissioner of Developmental Services with the authority to require an applicant seeking an employment position in the department or seeking employment with a provider licensed or funded by the department, to submit to a check of the Department of Children and Families child abuse and neglect registry. **REF. PUBLIC HEALTH**

**The Public Health Committee held a Public Hearing on Friday, February 6, 2009. Testimony is available on the Legislative Affairs page on the DDS Website.**



**S.B. No. 789 (RAISED) PUBLIC HEALTH. 'AN ACT CONCERNING THE SHARING OF INFORMATION BETWEEN THE DEPARTMENT OF CHILDREN AND FAMILIES AND THE DEPARTMENT OF DEVELOPMENTAL SERVICES'**, to allow the Department of Children and Families to share limited information with the Department of Developmental Services that will be used to facilitate enrollment and the planning of services for children in the Department of Developmental Services voluntary services program. **REF. PUBLIC HEALTH**

**The Public Health Committee held a Public Hearing on Friday, February 6, 2009. Testimony is available on the Legislative Affairs page on the DDS Website.**

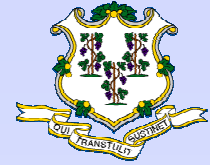
**H.B. No. 6309 (RAISED) PUBLIC HEALTH. 'AN ACT CONCERNING ADMINISTRATION OF THE DEPARTMENT OF DEVELOPMENTAL SERVICES'**, to make various minor changes concerning the internal administration of the Department of Developmental Services and entities under the auspices of the department including technical changes to the Birth to Three statutes, elimination of the sunset of the DDS Abuse Neglect Registry, clarification of term limits for the Family Support Council and Council on Developmental Services and a change in membership on the Harkness Advisory Council. **REF. PUBLIC HEALTH**

**The Public Health Committee held a Public Hearing on Friday, February 6, 2009. Testimony is available on the Legislative Affairs page on the DDS Website.**



The following concepts for bills have been submitted by DDS and are awaiting further action:

- 1. An Act Concerning Sexual Assault Against Persons Placed Or Treated Under The Direction Of The Commissioner Of Developmental Services.** This bill would clarify that it is a crime (sexual assault in the second degree) for someone in a supervisory capacity to engage in sexual relations with a client of the Department of Developmental Services. The Judiciary Committee voted to raise this concept as a bill.
- 2. An Act Concerning Volunteer Programs Within State Agencies.** This proposal eliminates the requirement that a cost benefit analysis of volunteer services for the preceding year (based on guidelines established by the Council on Voluntary Action which no longer exists) be submitted to the Governor in each agency's annual report. It also eliminates the requirement that this information be submitted to the Council on Voluntary Services. The concept was submitted to the Government Administration and Elections Committee to be raised as a bill.



In addition, a list of bills being tracked by the department can be found on the DDS Legislative Affairs Webpage. The volume of bills this session is truly incredible and while we are trying to maintain a comprehensive list of all bills that could potentially impact in some way upon the department, its consumers, public employees or private providers, the list is by no means exhaustive. Any testimony on bills by the agency will be posted to the website.

[www.ct.gov/dds](http://www.ct.gov/dds) (link to Legislative Affairs 2009 from the main page) or go directly to <http://www.ct.gov/dds/cwp/view.asp?a=2039&q=431222>