

Pipeline ... Extra!

Ohio Department of Mental Retardation and Developmental Disabilities
Ted Strickland, Governor

John L. Martin, Director



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State Budget Announcement Highlights Fiscal Sustainability



We are sharpening our pencils to make the most of scarce financial resources.

Ohio's Director of the Office of Budget and Management (OBM) J. Pari Sabety today described a state budget for 2010-11 that will be driven by continually asking the question, "Is this spending fiscally responsible and fiscally sustainable?" The responsibility factor weighs heavily on all state agencies to provide services to individuals and families with increasing needs, as their agency resources decrease. And sustainability is what will allow agencies to meet anticipated long-term needs with -- not what we wish we had -- but what we do have.

In a press conference today, OBM's Sabety clearly outlined a budget (See documents at <http://obm.ohio.gov/SectionPages/Budget/FY1011/ExecutiveBudget.aspx>) that responds to an unprecedented set of economic circumstances as a result of the national recession. As Governor Ted Strickland described, in part, last week:

... The budget would reduce spending by \$3.2 billion compared to '2009 planning levels,' while being bolstered with fee and fine hikes, \$3.4 billion in federal bailout money, and nearly \$1 billion from the state's rainy day fund.

According to Sabety's presentation, "This budget does not raise taxes for Ohioans, and continues the momentum in key investments -- such as education -- that are critical to rebuilding Ohio's economy and positioning it for recovery." The budget bill also includes increased funding for special education, as well as community engagement staff in schools, and assumes significant funding from the American Recovery and Reinvestment Act of 2009 (ARRA)

<http://www.opencongress.org/bill/111-s1/show>, which would offset lower state revenues available for the budget.

The ARRA has passed the U.S. House of Representatives, is currently before the Senate, and is strongly supported by President Obama, who is working for bipartisan support of the Act.

Other compelling budget considerations noted during the OBM presentation today include a discussion with state employees' union representatives regarding the need for shared sacrifice among all union and non-union state employees. The Executive Budget makes specific recommendations regarding non-collective bargaining unit employees. Discussion includes proposals that may reduce pay, increase the amount of employee buy-in to insurance coverage, and request possible unpaid 'furlough' days during the year, among other considerations. These discussions are ongoing, and expected to continue through June 2009.

According to ODMRDD Director, John Martin, fiscal sustainability means living within one's budget for an extended period of time. He notes,

"Throughout the budget process we are seeing unprecedented levels of transparency and accountability from the Office of Budget and Management, and we will respond in-kind as this process proceeds."

Putting the state's budget into perspective for the more than 80,000 Ohioans with disabilities and their families who receive services statewide, ODMRDD Director John Martin adds that two areas described as 'safety net' services were spared reductions in the proposed budget:

- MRDD Waivers services funded by the *Martin v. Strickland* settlement ('Martin Waivers') will continue at current funding levels, and,
- Disability Financial Assistance is fully funded at a rate consistent with projected caseloads.

Director Martin reinforced the impact of 2008 budget cuts with a group of MRDD stakeholders today, while reviewing some details contained in the budget announcement. In this context it is important to note that 2008 ODMRDD reduced Central Office administration by 16%, reduced census at our Developmental Centers by 132 residents, and instituted a number of other cost-saving measures. Director Martin noted, "It is gratifying to see today, that the Governor's Office and OBM have taken steps, given such difficult economic circumstances, to preserve the safety net for Ohio's most vulnerable citizens. From this understanding we will navigate the budget challenges in 2009."

In particular, Director Martin described funding line items 'Family Support Services' and 'County Board Subsidies' as being funded in this proposed bill at 95% of the FY2009 earlier appropriation, nearly restoring these important service components to levels following the first budget reduction. The budget bill also preserves the proposed New Futures Waiver funding, earmarked for children with intensive behavioral needs. (See information at <http://odmrdd.state.oh.us/futures/NewFuturesWaiverFeedback.htm>)

"We now will move forward according to the direction this budget affords us, and in line with the input we have received from stakeholders and constituents during our recent series of open budget conversations, across the state.* ODMRDD's plans will be built upon the foundation of the *servant leadership strategy* we set forth early in 2007 and reaffirmed in 2008, as we worked together with our funding partners through the challenges posed by steep budget cuts."

(*See: MRDD Community Budget Conversations: Concerns and Suggestions Jan. 30, 2009).

According to Ann Rengert, ODMRDD Deputy Director Fiscal Administration, budget language submitted for consideration by ODMRDD included the following (summarized):

- *Supported Living*: Proposal to voluntarily amend the definition of Supported Living to raise the limit on the number of unrelated persons with MRDD who may live together while receiving supported living *from four to five*.
- *Plan for Fiscal Sustainability*: Implement measures to address the fiscal sustainability of home and community-based services.
- *501 subsidy formula*: The ODMRDD, in consultation with County Boards of MRDD, shall develop a formula for allocating County Boards Subsidy.
- *Unpaid match invoices*: If a County Board fails to pay the invoiced amount by the timeline established by the Department, the Department may withhold any subsidies due the board.
- *Franchise fee*: Language in the Department of Job and Family Services budget regarding Developmental Centers to pay a franchise fee.

The complete text of the Office of Budget and Management press conference today is posted at <http://obm.ohio.gov/SectionPages/Budget/FY1011/ExecutiveBudget.aspx>

The ODMRDD budget will be posted at www.mrdd.ohio.gov this week as well, under 'Budget Information.'



Pipeline Extra feedback ... direct from you to the state ...

Questions? Comments? *Pipeline Extra* is a publication of the Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD) and is distributed infrequently, to highlight breaking news in the MRDD arena. The regular *Pipeline* publication publishes twice monthly to inform readership of relevant information affecting MRDD stakeholders. Please share your questions or comments with us at feedback@odmrdd.state.oh.us or contact Sherry Steinman at sherry.steinman@dmr.state.oh.us, phone (614) 644-0262.

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