

MR/DD Levy Amount Talking Points

July 28, 2009

After conducting a very thorough and favorable review of MR/DD, TATC (the organization chosen by the Commissioners to review our agency and report to the Tax Levy Review Committee) recommended a five-year levy amount of **\$445,305,550**, which includes a levy amount of **\$433,643,319** and allows us to keep our estimated carryover of **\$11,662,231** to serve new people. They note in their final report that the recommended amount is comprised of:

- \$400,199,446** - Required to maintain current level of service
- \$39,987,700** - Inflationary impacts
- \$16,780,635** - Net impact of action items recommended by consultants
- \$11,662,231** - Use of unexpended balance at the end of 2009

This amount, while the need is well-documented, would not be attainable in the current economic and political climate in the County. As a result, TATC and MR/DD reviewed each of the above items and developed new scenarios. Those scenarios and their impact upon service levels to the County's citizens with MR/DD follow:

Scenario I: \$411.8 million for five years

a combination of the Board of County Commissioners' (BOCC) allowed \$400.2 million** and our anticipated carryover into 2010 of \$11.6 million – actual levy amount would be \$400.2 million

BOCC amount	\$400.2M - continuation of current services
Loss in state funding	\$8.8M
10 Emergency Medicaid waivers/year	\$2 M - documented need is 100/year - waiting list of 90 for emergency residential placement will result
10 new adults/year	\$738K - need is 70/year - waiting list of 60 adults/year for day services will result

** BOCC Tax Policy allows for current levy amount plus inflation based upon the rates for the past 5 years.

Scenario II: \$428.4 million for five years

a combination of the \$411.8 million in Scenario I and \$16.6 million, the amount needed to serve new individuals and avoid large waiting lists – actual levy amount would be \$416.8 million

BOCC amount	\$400.2M - continuation of current services
Loss in state funding	\$8.8M
77 Emergency Medicaid waivers/year	\$15.4M - Match for federal dollars
50 new adults/year	\$3.5M - Net costs for day services
2 new Service Facilitators/year	\$519K - Required to implement waivers

In analysis of the ever-growing needs of our residents with MR/DD, we are asking the Commissioners to approve the levy amount outlined in scenario II. Although this exceeds the rate of inflation policy for all county-wide tax levies as set by the Commissioners, it will enable us to provide much-needed services to new individuals who come to us.

ADDITIONAL INFORMATION

Facts about Hamilton County MR/DD

- Since 2004, the number of people served increased 44%, from 5,500 to almost 8,000. The number of infants and their families served increased 307%, from 555 to 2,260
- Reasons for this growth include: medical advances are prolonging life and keeping infants alive who wouldn't have lived a generation ago; aging parents need services for sons and daughters whom they have cared for previously; astounding increase in the number of children with autism
- Four adult centers and two schools operated by the agency serve individuals with the most significant disabilities
- Financially supporting dozens of community agencies, we lead the state in contracting for services (57% of our budget)
- Each of the 14 stipulations from the 2004 tax levy has been met, including consolidation of three schools into two, stopping preschool services, instituting early retirement incentive programs, and asking each of the public school districts in Hamilton County to share in the costs of providing educational services
- Several performance reviews and audits show that HCBMR/DD is the best and most efficient county board of MR/DD in Ohio
- Services are critical to more than 7,900 individuals with disabilities and their families who rely on our support
- More than 70% of our funding comes from the Hamilton County tax levy

Highlights of the TATC Report

- MR/DD continues to be a well-functioning organization. Earlier this year, it received a re-certification by the State of Ohio for a full five years, one of only a few programs in the State to be so recognized. MR/DD currently holds accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) and expects to be reaccredited based on exit interviews from the CARF field review conducted in late March 2009.
- The Board continues to meet its legal obligations as established by Hamilton County, the State of Ohio, and the U.S. Government.
- The Board complied with all of the recommendations included in the previous tax levy review, either through direct action or indirectly.
- Hamilton County continues to compare well with peer jurisdictions in Ohio for case load management and costs of service.
- MR/DD has experienced, and will continue to experience, substantial growth in service demand, with minimal increase in service staff. This has placed large workload demands on the staff. MR/DD will have to confront this issue over the next several years. Options include increase in staffing to maintain current levels of client services in the face of the growing program enrollments, reductions in service and potential waiting lists, or a combination. We have prepared several financial models assuming varying levels of tax support. Our primary financial analysis is based on staff increases and uses a growth rate lower than what MR/DD has been experiencing.

TATC Recommendations for Financial and Operational Improvements

- Hamilton County will need to confirm that the losses in tangible personal property tax revenues that MR/DD will experience beginning in the coming levy period will be offset by tax revenues from other sources.
- MR/DD should continue to aggressively pursue Medicaid waivers as a means of providing a broader range of services to its participants while minimizing cost obligations against the levy. **(Scenario II will allow for 77/year; 100/year recommended)**
- MR/DD needs to increase service facilitator staff in order to meet growing service demands while keeping average case loads stable. **(Scenario II will allow for 2/year; 3/year recommended)**
- MR/DD will need to increase the number of Early Intervention Specialists to meet the growing number of requests for service. **(Scenario II has no new staff for EI; 5 recommended over the levy cycle)**
- The cost sharing ratio for the public schools should grow from 25% to 50%, beginning with the 2010-2011 school year.
- The budget for adult services will need to grow to keep up with an estimated net annual increase in adult enrollment by seventy persons. **(Scenario II will allow for 50/year; 70/year recommended)**
- MR/DD should provide better technology disaster planning by implementing a secure, off-site data center facility for its production servers. We also recommend that MR/DD implement a redundant server system. **(Scenario II will allow for partial fulfillment)**
- MR/DD is of such size that it could benefit from a full-time business analyst to work with the operating divisions to review continually means of improving business processes and to develop appropriate technology support. **(Not funded)**
- We encourage Hamilton County to continue pursuit of a Council of Governments with neighboring counties, first to provide for improved service support and coordination and, ultimately, to achieve greater financial efficiencies in administrative areas.
- MR/DD should continue fostering and using early retirement incentives.
- We commend MR/DD for developing a support system for its client service staff and encourage them to implement such a program as quickly as possible.
- MR/DD should develop the data capacity to monitor the needs and associated resource requirements for the aging population it serves.

Addressing the Carryover

The carryover at the end of 2009 is to be approximately **\$11.6 million**. This projected amount is due to a larger carryover from our last levy cycle than was originally anticipated, a number of initiatives that have been completed by our agency, stipulations from the 2004 Tax Levy Review Committee, and because of decisions made at the state level affecting Medicaid waivers. Following are the major areas that resulted in this carryover amount:

1. Medicaid Waivers (Action 4 – 2004 TLRC stipulations)

The levy plan called for the development of 75 emergency IO waivers in each of the five years of the levy plan (375 total). The state froze the development of waivers in the first two years of our levy. When individuals left the program, we were not allowed to place other individuals in the vacated waiver slots. We were able to apply for “emergency” waivers only, which limited our overall growth. This has amounted to an estimated **\$4 million** less in spending in this area. The current State Administration is freely granting new IO waivers, and we are catching up quickly with our overall development of these waivers.

2. Early Retirement Incentive Program (Action 9 – 2004 TLRC stipulations)

The Board offered an ERIP to eligible employees in 2004 and again in 2008. Vacated positions were either eliminated or filled by entry-level staff at much lower salaries. Our staffing has decreased from our 2004 staffing levels. In 2004 we had a total of 659 full and part time employees. In 2009, we have a total of 625 staff employed. Through the reduction in staff and the hiring of new staff at entry-level salaries, we have saved more than **\$5.6 million**.

3. Consolidating three schools into two (Action 8 – TLRC stipulations)

Our board voted on June 14, 2005 to close Breyer School in August 2006, after an extensive internal data review and community input. The school consolidation process finalized at the start of the 2006-07 school year with the transition of 24 students to Fairfax School and 25 students to Rost School. This consolidation occurred one year earlier than the levy plan called for. We continued to use the school building for a regional office for service facilitators until August 2007, at which time the County Commissioners entered into a lease/purchase agreement with the Math and Science Academy. Therefore, no savings for building operation were incurred during this time. However, savings of approximately **\$2 million** resulted from a consolidation of transportation routes.