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Department of Developmental Services

DDS

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Commissioner

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**Memorandum**

**Date:** August 16, 2016

**To:** Benjamin Barnes, Secretary, Office of Policy and Management

**From:** Morna A. Murray, Commissioner, Department of Developmental Services

**Re:** FY 2017 Spending Plan

The Department of Developmental Services (DDS) has developed a FY 2017 budget plan focused on maintaining current levels of supports and services to the greatest extent possible, while remaining within our appropriation. The plan follows national trends and best practices for reducing publicly-run residential and larger institutional facilities and continuing on a path of providing cost effective, community-based options for individuals supported by DDS.

The DDS budget plan maintains the trend toward reducing service delivery through the public sector by transitioning some individuals currently being served in public sector settings into the care of highly qualified private non-profit providers. In most cases, supports will continue at the same location. DDS is committed to maintaining service levels and minimizing disruption to individuals already supported by the department during this transition to new providers.

Community-based care provided by experienced non-profit organizations will ultimately allow Connecticut to afford to provide supports to the thousands of families currently waiting for services. As of the end of FY 2016, fewer than 10% of the individuals living in Community Living Arrangements (CLAs) are in public settings, down from more than 15% in FY 2009. The reduction in public service delivery is consistent with national trends. More than a fifth of states operate no large public institutional settings and some, such as Vermont, operate no public residential settings at all.

This transition will create personal challenges for many dedicated state employees who have provided these supports. To mitigate the adverse impacts on these public employees, the state is requesting that private provider agencies give hiring preference when possible to state employees who are displaced by the transitions. DDS may extend conversion transition periods at the discretion of the Commissioner and new providers when it is in the best interest of the individuals living in the impacted home. In addition, estimates of Reductions in Force may change due to attrition and plan adjustments made to accommodate the needs of individuals supported by DDS.

DDS believes that there is a continuing and lasting role for public employees in the DDS system – that functions such as case management, quality assurance and quality management should be the responsibility of the state; and that a public and private system can access the strengths of both non-profit providers and state staff, and thereby puts the needs of individuals supported by DDS and their families first. Our FY 2017 spending plan preserves these strengths, allowing us to maintain our commitment to support individuals and families with the highest quality supports and services.

# DDS FY2017 Budget Plan - August 2016

| Option  | Status                                      | Reductions in Force |              |              |            | FY 2017             |                                       |                      |                     |                          | FY 2018                        |
|---|---|---------------------|--------------|--------------|------------|---------------------|---------------------------------------|----------------------|---------------------|--------------------------|--------------------------------|
|   |   | Complete            | After 9/1/16 | After 1/1/17 | Total      | DDS FY17 Savings    | FY17 Shift to DSS (reflects net cost) | Net DDS FY17 Savings | FY17 Fringe Savings | FY17 Total State Savings | Annualized Total State Savings |
| Speech and Audiology Services - Efficiencies                      | Complete                                    | 14                  |              |              | 14         | (1,154,867)         | 0                                     | (1,154,867)          | (432,382)           | (1,587,250)              | (1,598,265)                    |
| Administrative Support Services - Efficiencies                    | Complete                                    | 8                   |              |              | 8          | (537,891)           | 0                                     | (537,891)            | (201,386)           | (739,278)                | (742,167)                      |
| Food Services - Efficiencies                                      | Complete                                    | 24                  |              |              | 24         | (1,333,965)         | 0                                     | (1,333,965)          | (499,437)           | (1,833,402)              | (1,856,584)                    |
| Maintenance Services - Efficiencies                               | Complete                                    | 24                  |              |              | 24         | (1,189,941)         | 0                                     | (1,189,941)          | (445,514)           | (1,635,454)              | (1,641,785)                    |
| Clinical Services - Efficiencies                                  | Complete                                    | 43                  |              |              | 43         | (2,493,420)         | 0                                     | (2,493,420)          | (933,537)           | (3,426,957)              | (3,442,947)                    |
| Convert Public Day Supports                                       | Anticipated 9/1/16 completion               |                     | 68           |              | 68         | (4,459,262)         | 0                                     | (4,459,262)          | (1,439,426)         | (5,898,688)              | (6,186,573)                    |
| Convert Public In-Home Supports                                   | Anticipated 1/1/17 completion               |                     |              | 43           | 43         | (1,250,211)         | 703,045                               | (547,166)            | (453,948)           | (1,001,114)              | (2,002,227)                    |
| Closure of Ella Grasso Regional Center                            | In process - anticipated 10/1/16 completion |                     | 3            |              | 3          | (306,843)           | 450,000                               | 143,157              | (36,945)            | 106,212                  | (317,575)                      |
| Closure of Meriden Regional Center                                | In process - anticipated 8/1/16 completion  |                     | 5            |              | 5          | (270,215)           | 412,500                               | 142,285              | (78,306)            | 63,979                   | (149,175)                      |
| Convert 10 Public CLAs (full year)                                | In process - anticipated 9/1/16 completion  |                     |              |              |            | (4,635,873)         | 0                                     | (4,635,873)          | (1,661,175)         | (6,297,048)              | (7,150,694)                    |
| Convert 30 Public CLAs (half year)                                | Anticipated 1/1/17 completion               |                     |              | 373          | 373        | (13,641,269)        | 2,384,831                             | (11,256,438)         | (4,740,143)         | (15,996,581)             | (30,561,037)                   |
| Remove State Funded Activity Fees from Individual Budgets         | Complete                                    |                     |              |              |            | (729,747)           | 0                                     | (729,747)            | 0                   | (729,747)                | (729,747)                      |
| Move In Home Supports for Individuals under 21 with ASD to SPA    | In process - anticipate 1/1/17 completion   |                     |              |              |            | (2,601,950)         | TBD                                   | TBD                  | 0                   | 0                        | 0                              |
| Move Behavioral Supports for Individuals under 21 with ASD to SPA | In process - anticipate 1/1/17 completion   |                     |              |              |            | (405,249)           | TBD                                   | TBD                  | 0                   | 0                        | 0                              |
| Close Admissions to Behavioral Services Program                   | Effective immediately                       |                     |              |              |            | (2,438,227)         | 0                                     | (2,438,227)          | 0                   | (2,438,227)              | (4,618,450)                    |
| Retirements 5/1/16 thru 9/1/16                                    | Ongoing                                     |                     |              |              |            | (8,223,063)         | 0                                     | (8,223,063)          | (3,756,997)         | (11,980,060)             | (14,116,399)                   |
| Critical Position Refills   | Ongoing                                     |                     |              |              |            | 3,486,696           | 0                                     | 3,486,696            | 1,305,419           | 4,792,115                | 5,750,538                      |
| <b>TOTAL</b>  |   | <b>113</b>          | <b>76</b>    | <b>416</b>   | <b>605</b> | <b>(42,185,298)</b> | <b>3,950,376</b>                      | <b>(35,227,723)</b>  | <b>(13,373,776)</b> | <b>(48,601,499)</b>      | <b>(69,363,089)</b>            |

**Note:** Estimates of Reductions in Force may change due to attrition and other factors