

January 31, 2017

**A Special Memorandum from Kelly A. Petty, CCBDD Superintendent and CEO**

As I have shared in my recent newsletter, *News, Views & Notes* (Nov. 2016), the Cuyahoga County Board of DD (CCBDD) is financially out of balance. Funding from our local tax levy is not recovering as we had hoped, and we are losing some revenue due to the gradual phasing out of our role as a direct service provider. In terms of expenses, our local portion of Medicaid waiver match, which funds 40% of home and community-based services, continues to grow. And, we also continue to employ staff to directly provide day services and transportation services. This dual system of service delivery (public and private) is an expensive model and difficult to sustain.

We must confront the need to make reductions in our current financial plan in order to move towards a more balanced budget in subsequent years. This means making the difficult decision to accelerate our transition timelines for employment services and transportation services. This action will maintain our plans to keep all eight Adult Activities Centers open.

**Our priority is, as always, to maintain a focus on quality services for people with developmental disabilities with as little disruption as possible.** Despite these changes, the same number of people will continue to access the same services from private providers with CCBDD paying the local Medicaid match of these services.

I know that we will come through these budget reductions a stronger, if leaner, agency. I appreciate in advance your support of the difficult decisions being made, and I look forward to your comments and feedback throughout the year. Opportunities to hear directly from me will be announced soon.

Listed below are some of the larger, cost-saving measures CCBDD will undertake in 2017 and 2018 as well as projected savings. It is important to note that every department within the agency will be impacted.

<u>Cost-Saving Measures</u>	<u>2017 Projected Savings</u>	<u>2018 Projected Savings</u>
<b>Reduce</b> staff positions primarily through voluntary separations, like retirement	\$ 550,000	\$ 550,000
<b>Accelerate*</b> plans to phase down transportation services; Relocate remaining transportation services to other CCBDD facilities	\$ 800,000	\$ 2,600,000
<b>Accelerate*</b> plans to phase down some group supported employment services	\$ 415,000	\$ 2,050,000
<b>Reduce</b> salaries/benefits (Includes reduced salary increases and sick time payout and increased employee health care contribution)	\$ 400,000	\$ 450,000
<b>Utilize</b> substitutes more efficiently	\$ 200,000	\$ 50,000
<b>Eliminate</b> large camp subsidies	\$ 240,000	\$ 150,000
<b>Standardize/reduce</b> supply purchasing	\$ 96,000	\$ 50,000
<b>Reduce</b> contracts for direct services (transportation and adult day and employment services); Replace with direct waiver billing by providers	\$ 4,250,000	\$ 4,300,000
<b>Eliminate</b> three of four planned housing purchases	\$ 1,000,000	\$ 0
<b>TOTAL PROJECTED SAVINGS</b>	<b>\$7,951,000</b>	<b>\$10,200,000</b>
<b>Total combined savings from 2017 and 2018: \$18,151,000</b>		

\* Includes costs related to reductions in staff positions, staff benefits, building costs, and other related costs.