



State of Connecticut
Department of Developmental Services

DDS

Dannel P. Malloy
Governor

Terrence W. Macy, Ph.D.
Commissioner

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Deputy Commissioner

**TESTIMONY OF
THE DEPARTMENT OF DEVELOPMENTAL SERVICES
ON
HOUSE BILL 5014 - AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND
REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

February 22, 2012

Senator Harp, Representative Walker, Members of the Appropriations Committee. I am Terrence W. Macy, Commissioner of the Department of Developmental Services, and I am here to testify on House Bill 5014 - An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2013. I thank you for the opportunity to appear before you today to discuss Governor Malloy's midterm budget for fiscal year 2013.

The Governor's proposed midterm budget adjustments provide for \$1,041,339,781 in appropriations to the Department of Developmental Services. At this time, I would like to review some highlights of the Governor's recommended midterm budget as they relate to DDS.

Personal Services (PS):

The department's fiscal year 2013 appropriation provides sufficient funding within the Personal Services (PS) account to adequately fund the Department's program and administrative infrastructures in order to serve the Department's consumer population.

The net adjustment is a reduction of \$24,697,070 to Personal Services. Much of the savings will be from public employee wage freeze savings, delays in hiring, reductions associated with cancelling vacancies in FY 2012 and an aggressive management of overtime.

As part of this net reduction, the midterm budget includes reductions to Personal Services that are associated with five residential closures; two at Southbury Training School (STS) and three others in the regions. The anticipated savings is expected to be achieved through attrition.

Contracted Services:

The Governor's budget for FY13 increases the **Employment Opportunities and Day Services** appropriation by \$2,044,844. This appropriation will replace Social Service Block Grant funding that was previously used for day services. The grant funding will be used instead to support emergency shelters allowing DDS to receive Medicaid reimbursement for day services rendered. This transfer is a revenue maximizing effort and will result in an increase in revenue of over \$1 million in FY13.

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The Governor's midterm budget provides additional funding for Employment Opportunities and Day Services for individuals in need of day services who were not identified when the budget was developed. Funding of \$470,011 for 48 additional high school graduates was added to the previously appropriated funding for 289 high school graduates in FY13.

The Messier Settlement Agreement requires DDS to inform residents of Southbury Training School (STS) and their families or guardians about community living options. In the Governor's midterm budget, \$4,208,227 was added to the **Community Residential Services** FY13 appropriation. This funding will allow 34 individuals to leave Southbury Training School (STS) in FY 2013 under the Money Follows the Person Program and six individuals to leave STS who will be living in community placements not supported by the MFP initiative.

Autism Division:

The Governor's budget continues to support the Autism Division which is currently serving 75 individuals. DDS also received \$1,000,000 to fund recommendations from the Autism Feasibility Study that is expected to be completed in the Spring of 2013.

Clinical Services:

DDS's Clinical Services appropriation was reduced by \$364,650, or five percent. DDS will be reviewing its commitments in this area and making the changes necessary to achieve this reduction.

Cooperative Placements:

The agency has a legal responsibility to serve people who are committed to the department after a court finding that they are not competent in a criminal matter. The Governor's midterm budget provides \$468,114 to the Cooperative Placements account to support six additional placements for persons committed to the department through the court system.

Other Expenses:

In order to receive 90% federal reimbursement for the comprehensive waiver management system being developed by DDS and DSS, DDS will require additional funding, mostly for consulting services, to meet specific categories laid out by CMS. The midterm budget recommends an additional \$555,400 in Other Expenses to support the planning phase of the project.

A reduction of \$75,383 from this account is also proposed due to the previously mentioned closing of public operated residential programs.

Private Provider Cost of Living Adjustment (COLA):

Within the Office of Policy and Management's budget adjustment is \$8,500,000 for a one percent cost of living adjustment (COLA) for health and human service private providers effective January 1, 2013. The intent of this COLA would be for these funds to be passed along in the form of wage and benefit increases for the providers' employees.

I thank Governor Malloy for making a commitment, through this budget, to protecting Connecticut's safety net and some of Connecticut's most vulnerable citizens, individuals with intellectual disabilities and their families. The funding in this budget will further support the department's commitment to putting individuals and their families first. The Department of Developmental Services looks forward to working with the legislature throughout the session. I would be happy to answer any questions that you might have concerning DDS's portion of the Governor's proposed midterm budget.