



BUTLER COUNTY BOARD OF
MENTAL
RETARDATION
&
DEVELOPMENTAL
DISABILITIES



Central Administration
1910 Fairgrove Avenue
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Equal Opportunity Employer
& Service Provider

June 19, 2009

RE: Update on Financial Situation

Dear Families,

As you know, I sent you a letter in January and another letter in March to update you about our current financial situation. I felt it was time to give another update.

In March, we were fairly certain that we would benefit from the Stimulus Package. In fact, we are benefitting from that package in two ways:

- 1) Retroactive to October, 2008 and for a total of 27 months, we will be required to pay less in our match commitment to Medicaid reimbursed programs. This means our financial obligation is \$3,712,500 less over that period of time than we would have paid without the Federal Stimulus Package. This gives us a "reprieve" in expenditures.
- 2) In addition, over that same period of time (27 months), a part of the state subsidy that we receive will be from the Stimulus Package. The state is applying \$3,339,748 of the stimulus money to us instead of state money that they would normally send. This means that, although the state department is experiencing severe cuts, for a time, our state subsidy will remain about the same. I cannot tell you if the remaining state portion is at risk if state cuts continue. For now, our state revenue source (which includes the federal stimulus money) is consistent with what we budgeted.

As I mentioned in my last letter, the longer we can go before we ask to go on the ballot for a levy renewal, continuation or increase, the better it is, especially in times when many taxpayers are losing their jobs.

You should also be aware that the Butler County General Fund is in serious crisis. According to the local papers, the County is experiencing a deficit of about \$6 million dollars. Our county levy revenue is not directly affected by this because WE DO NOT RECEIVE ANY COUNTY GENERAL REVENUE FUNDS. However, we will be and are affected by the problem. We certainly depend on many county offices to do much of our business. Recently, the Commissioners voted not to approve a union contract with our paraprofessional unit because it included a 2% increase in pay, even though we do not operate with any of the county general funds, our current budget included a 2% increase in pay for all



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staff AND we are operating within budget. This just indicates that the current financial situation is unprecedented and the political pressure this exerts on all public entities is also unprecedented. Before the Commissioners voted on that union contract, I explained our current budget situation and the extensive changes we made in the last couple years to adjust to our financial picture. That text is available for you to see at our website: www.butlermrdd.org.

On Thursday, June 11, statehouse officials released information that they were projecting a potential budget deficit of \$3.2 billion over the upcoming 2010-2011 biennial budget! This is \$1.3 billion higher than the state deficit in FY2009.

Currently the Budget bill is in conference and state legislators are hoping to work out a budget for the next 2 years by July 1 when the current biennial budget expires. One of the provisions in the budget bill that can impact us directly is the language regarding the Tangible Personal Property Tax. If we are held harmless, it will mean that we will collect a similar amount to what we normally do from our levy; if we are not held harmless, this will hurt our levy revenues significantly. If you haven't given your legislative reps a call or letter yet, this is one issue where you could ask for their help---to hold us harmless from the Tangible Personal Property Tax. We know it was provided for in the Senate Budget Bill, but we have no idea if it will make it through the current budget discussions.

As always, we will continue to keep you informed. We are committed to provide the best we can with the resources we have available to us and will continue to monitor our finances diligently.

Thanks for all of your support.

Sincerely,

Christina Hurr
Superintendent

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