



### Ohio's Biennium Budget: Impact on Board Revenues

For the last several months, we have been waiting to see what the approved Ohio Biennium budget would do to our budget. The Ohio budget was approved and is in effect as of July 1, 2011. This letter is to let you know how it affects us.

#### **Superintendent's Summary:**

We have worked extremely hard to anticipate the significant changes to our budget due to outside influences. By planning ahead, planning conservatively, and by constantly re-evaluating how we provide our services, we have avoided cutting current services or creating more waiting lists up to this point. This work has required much patience, trust, support and input from our staff, our families and our providers. It has not been without pain or sacrifice. Change has been difficult. As I see how other County Boards of DD are reacting, I can see that we have taken the best approach possible; many of them are struggling now and/or will continue to struggle in the next few years because they have been waiting to make changes.

As you can see from the information on the back of this page, we have adjusted our expenditures over time to deal with the anticipated revenue losses. Although the state budget was a little different than we thought, our overall projections were close to the actual outcome. In fact, the state budget came out a little better than we anticipated, though not significantly.

Unfortunately, I am afraid the work is not over. **Our budget revenues are currently below those we had in 2005**, yet we are providing services for a growing number of individuals. We have tightened up our operation, worked on efficiency, and made "do more with less" our motto. At some point, if revenues do not trend back up, we will not be able to meet growing needs, particularly in specialized services and residential support.

We will continue to do the best we can and hope that you will continue to work with us and advocate for us in the community and with the policy makers. Your efforts to do this are essential and reap benefits beyond what you can imagine!

#### **Revenues:**

- We will lose \$1.6 million in Personal Property Tax by 2013. Although this is significant, we anticipated losing *all* of our Personal Property Tax; the budget lets us keep 20% of our current PPT (about \$400,000) after 2013.
- We will lose \$750,438 in state revenue in 2012. Again, we anticipated a cut of \$1.6 million, so this is better than we put in our long range budget.
- Recently, there were some changes in Medicaid rates and billing requirements which took effect July 1, 2011 that will increase our revenue annually by \$807,500.
- The bottom line on revenues is that we came out a little better than we projected, but we still are experiencing a net loss from current revenues.

### **Expenditures:**

As you know, we have made many adjustments on our operating expenses to help offset our revenue losses so that we can maintain current services.

- In 2012 our salary expenses will decrease by 13% and in 2013 they will go down again by 9%. We have done this by not automatically filling every vacancy. Also, we initiated a Retirement Incentive Program which allows us to reduce staff without layoffs. Our staff members have not received any salary increases in 2010 or 2011, although other surrounding counties have continued to provide increases. We are budgeting for a 2% increase in 2012. (As a point of information, we do not give automatic step increases and salary increases, by policy, are contingent on performance expectations.)
- Our Health Insurance is budgeted to increase by 10% in 2012.
- Other operating expenses are projected down in 2012 by \$4.2 million, or roughly 18% from 2010. We have achieved this by consolidating our day program, taking on our own transportation services instead of contracting it, decreasing personnel, and by moving out of leased offices into owned buildings.
- The major increase in expenses is our match obligation for Medicaid reimbursed services. This will go up by \$1.2 million (18%), mostly due to the discontinuation of the Federal Stimulus Money that helped decrease our match obligation the last couple of years.

Please feel free to call if you have any questions.

Sincerely,



Christina Hurr  
Superintendent