

MEMORANDUM



To: Call2Action Network

From: Dan Ohler, Executive Director
Adam Herman, Communications Director
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Date: April 15, 2011

Re: Call2Action Alert: 2012-13 State Budget Bill – HB 153

Over the past several weeks, the *Ohio Association of County Boards – Serving People with Developmental Disabilities (OACB)* has been monitoring the progress of the two-year state budget bill (House Bill 153) as it makes its way through the committee process in the Ohio House of Representatives.

Today, that process moved one step closer toward its conclusion as the House Health and Human Services Finance Subcommittee ended its public input period and began preparing amendments for final consideration by the full House Finance Committee next week.

There are both positive and negative effects of the proposed budget on Ohio’s 88-county developmental disability service system. For purposes of this Call2Action alert, we have identified four key policy areas in which program participants can be most effective in persuading their state legislators during the consideration of budget amendments. They are as follows:

- 1. OPPOSE: Cutting state funding support to County Boards of DD**
The current proposed budget reduces state funding to *County Boards of DD* by \$49.3 million over two years, resulting in \$119.3 million in total lost funds when federal matching resources are factored into the overall funding picture. OACB encourages Call2Action participants to contact their legislators **in opposition** to this proposed funding cut.
- 2. OPPOSE: Increasing administrative fees on job training programs for young people with DD**
The Rehabilitation Service Commission (RSC) has proposed increasing an administrative fee on job training programs for young people with DD by 92%. This will drastically reduce participation in these programs and hurt transition-age youth looking to find jobs. OACB encourages Call2Action participants to contact their legislators **in opposition** to this fee increase.
- 3. SUPPORT: Increasing funding to County Boards of DD by cutting state fees**
Due to bureaucratic reorganization, one state agency will no longer need to collect an administrative fee for processing Medicaid dollars brought in from the federal government. This change would result in \$6 million being returned to *County Boards of DD* – a positive move that could help lessen the impact of state budget cuts. OACB encourages Call2Action participants to contact their legislators **in support** of this proposal.

4. **SUPPORT: Maintain funding for Help Me Grow and PART-C Early Intervention programs and move PART-C Early Intervention services under the management of the Department of Developmental Disabilities.**

In the previous budget, Help Me Grow and Part-C Early Intervention Programs were the beneficiaries of federal stimulus funding that has since expired. As a result, overall funding for these programs will decrease because additional state funding has not been allocated to make up the difference. Additionally, moving the management of these programs to the Department of Developmental Disabilities will ensure that the needs of children with DD are handled efficiently and effectively. OACB encourages *Call2Action* participants to contact their legislators in support of increasing state funding for these early intervention programs and moving their management to the Department of Developmental Disabilities.

In the following pages, you will find statistics, detailed information, and suggested strategies for communicating with your elected officials in support of each of these four arguments. If you have any questions about the information contained within these pages, or if you would like to discuss a particular point prior to contacting your local state elected officials, please don't hesitate to contact Dustin McKee at (614) 431-0616 or dmckee@oacbdds.org.

To find contact information for your local state legislators, visit www.house.state.oh.us or www.ohiosenate.gov and enter your zip code in the appropriate box on the front page.

Citizen participation in the legislative process by self-advocates, families, and their supporters has been a critical factor in the success of Ohio's DD system thus far. We hope that this document will provide *Call2Action* participants with the information they need to contact their state elected officials in support of individuals with developmental disabilities in this year's state budget, and welcome your feedback at aherman@oacbdds.org.

Policy Area 1: State cuts to County Boards of DD will reduce services for individuals with DD across Ohio and leave money on the table in Washington, D.C. Please do not cut state funding to County Boards of DD.

What you need to know:

- County Boards of DD use 85% of the money they get from the State of Ohio to pull down federal Medicaid matching funds. For every \$1 in state money received, County Boards can receive \$1.68 in federal funds (for a total of \$2.68 in total funding).

Why this argument is important:

- The proposed 2-year state budget reduces funding to County Boards of Developmental Disabilities by \$49.3 million.
- County Boards of DD would have used \$41.9 million of those state funds to draw down \$70.4 million in federal funds – money that could have been used to help individuals with DD here in Ohio.
- When you add up the money lost from the state (\$49.3 million) with the money lost at the federal level (\$70.4 million), you see that a total of \$119.3 million is actually cut from Ohio's DD system as a result of state cuts.
- These cuts are only the tip of the iceberg when it comes to the amount of money County Boards are actually losing over the next two years. Changes in Ohio's tax code (via the elimination of the Tangible Personal Property Tax), growing expenses, and other reductions in revenue will be made that much worse because a major source of funding from the state has been reduced.

How do these cuts affect me?

- Cuts in state funding to County Boards means that there are fewer dollars available to provide services to individuals with DD across Ohio. The cuts will be felt in every county, though some counties are more able to deal with them than others.
- Specifically, this means: increased case loads for County Board service and support administrators (case managers), larger waiting lists for programs, and less resources to support early intervention, preschool, school age and supportive employment programs children and adults with DD.

What do I need to do to stop this from happening?

- Urge legislators to oppose the state funding cuts proposed in the budget and ask that they avoid making any additional cuts to County Boards.

What are some things I can say if I contact my legislator?

- Tell your story and link it to why DD services are so important. For example:
 - "I/my family need(s) the services offered by my County Board because..."
 - "Cutting funding to County Boards of DD will put <Insert Service> in jeopardy..."
- "I understand how difficult it is this year to balance the budget, but cuts to County Boards aren't a good way to do it. Every time the state cuts a dollar to County Boards, it actually cuts \$2.68 in total support for people with developmental disabilities."
- "We can't afford to leave federal dollars on the table when there is so little money available in Ohio right now."

Policy Area 2: The Rehabilitation Services Commission's proposal to increase their administrative fees by 92% is unreasonable and must be rejected because it will hurt job-training programs for young people with severe disabilities.

What you need to know:

- In an effort to increase job-training programs for people with DD, RSC and County Boards of DD have partnered with the Ohio Association of County Boards to participate in the *Bridges to Transition* program.
- This innovative program allows RSC to use local levy dollars from County Boards of DD to access millions of dollars in federal resources. For every \$1 a County Board of DD provides to RSC, the state can draw down an additional \$3.69 in federal funds to help young people with developmental disabilities become employed in their communities.
- As part of this arrangement, RSC is permitted by law to withhold 13% of the revenue collected for these services to support administrative expenses at their agency.

Why this argument is important:

- The proposed budget for the next two years allows RSC to charge up to 25% – nearly double (+92%) – for costs at their agency.
- The budget also removes any requirement that the funds be used for administrative expenses. The agency is essentially balancing its budget with funds designated to help provide job-training services for young people with severe disabilities.
- If approved, this fee increase has the potential to deny 1,000 transition age youths with disabilities the opportunity to achieve their employment dreams as the program becomes too expensive for County Boards of DD to operate.

What do I need to do to stop this from happening?

- Urge legislators to remove language instituting a 25% fee and eliminating the requirement that RSC use the fee for administrative purposes.
- Advocate for the insertion of language instituting a fee of no more than 10% to be used specifically for administrative purposes – not balancing an agency budget.

What are some things I can say if I contact my legislator?

- “This fee is another example of how my community’s levy dollars are being taken away to support the needs of state government bureaucracy.”
- “We voted to support people with DD in my local community – not pay for bureaucrats at the state level.”
- “This fee amounts to an unfair tax on a worthwhile job-training program for developmentally disabled people in my community.”
- “Unless this fee is removed from the state budget, 1,000 young people with DD could be denied the opportunity to receive services that could help them obtain and maintain meaningful employment in my community.”

Policy Area 3: Cutting unnecessary fees in the Department of Job and Family Services will increase funding for County Boards of DD and reduce government inefficiency.

What you need to know:

- Right now, state law (specifically, Revised Code Section 5123.0412) requires County Boards of DD to pay a 1.5% administrative fee on all money they receive from Medicaid to two state agencies – the Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Developmental Disabilities (DODD).
- The two departments just mentioned divide the total 1.5% fee 70/30, with the DODD receiving 70% of the total and the ODJFS receiving 30%.
- This year, approximately \$20 million from Medicaid went to pay for administrative costs at the state level – a large amount, especially in the current budget environment.

Why this argument is important:

Next year's proposed state budget combines the administrative functions for DD programs into one agency – DODD. As a result, the other state agency – ODJFS – has no reason to keep collecting the fee. The money that used to go to pay for state administrative costs - approximately \$6 million – can now go back to County Boards of DD to pay for services and other programs for people with DD.

How would this change affect me?

Approximately \$6 million would go toward providing services to individuals with DD instead of paying for administrative bureaucracy at the state level. In some counties, this could mean programs at risk of shutting down due to reductions in funding could be maintained.

What do I need to do to make this happen?

- Urge legislators to support changes to Section 5123.0412 in the budget bill that would reduce the fee from 1.5% to 1.0% and eliminate fees collected by ODJFS.
- The remaining 0.5% once collected by ODJFS will revert back to County Boards of DD without any additional legislative action as a result of this change.

What are some things I can say if I contact my legislator?

- “Because DODD will now be taking care of all DD-related services, continuing to pay ODJFS is unnecessary and inefficient.”
- “In this budget environment, every dollar counts. With all of the other cuts to County Boards of DD from the state, ending this unnecessary fee will put more money where it matters most – serving individuals with developmental disabilities.”

Policy Area 4: We must maintain funding to Help Me Grow and PART-C Early Intervention programs to control future costs and allow the Department of Developmental Disabilities to manage PART-C Early Intervention services for children with DD.

What you need to know:

- County Boards of DD can raise local dollars to support Early Intervention programs, putting them in a unique position to transform Early Intervention service delivery just as they helped to transform service delivery to adults with DD.
- County Boards of DD spent more than \$90 million in local levy funds on Early Intervention services in 2010 compared to less than \$30 million spent using state and federal funds.
- More human development occurs in the years from birth to 3 than any other comparable period in the human lifespan. A substantial amount of children in Ohio still don't have access to critical Early Intervention services in their community.

Why this argument is important:

- Research demonstrates that every \$1 spent on Early Intervention services saves \$7 in preventable adult service needs.
- County Boards of DD have the experience, successful track record, and necessary local funding support to make the kind of investment in Early Intervention services that could save Ohio's human services countless millions in preventable future service costs.
- Due to the expiration of the federal stimulus program, \$7 million once allocated to Early Intervention programs is now gone.

What do I need to do to stop this from happening?

- Urge legislators to insert language in the budget bill to give statutory authority of Part C of the Help Me Grow (HMG) Program to the Department of Developmental Disabilities (DODD) instead of the Department of Health (ODH).
- Urge legislators to provide state funding to make up for the \$7 million lost from the federal stimulus.

What are some things I can say if I contact my legislator?

- "The Department of Health doesn't know infants and toddlers with disabilities like the DODD or my local County Board of DD does."
- "Investing money in these infants and toddlers now saves the entire state a lot of money down the road."
- "Every \$1 dollar invested in early intervention saves \$7 we'd be spending on these children when they are older. This sounds like a bargain to me."