



M. Jodi Rell
Governor

State of Connecticut
Department of Developmental Services

DDS

Peter H. O'Meara
Commissioner

Kathryn du Pree
Deputy Commissioner

Memorandum

TO: *DDS Employees
Private Provider Executive Directors
Council on Developmental Services*

FROM: *Peter H. O'Meara, Commissioner*

DATE: *January 5, 2009*

COPY: *DDS Website*

SUBJECT: ***DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS) BUDGET UPDATE***

We approach the New Year with many budgetary challenges before us at the national, state and departmental level. The state deficit has continued to grow because of lagging revenues and Governor M. Jodi Rell has called for a second mitigation plan. In that plan, \$2 million from our Personal Services account is removed. The legislature is planning on January 14th as a date to review the latest measures to mitigate the budget.

http://www.ct.gov/governorrell/lib/governorrell/final_decdeficitmitigationplan.pdf

We continue to restrict hiring, travel and fuel consumption as well as all non-essential spending and so far have been able to maintain services and supports to our consumers and their families. With the continuance of a hiring freeze, the cooperation and flexibility of everyone is essential to insure that the priorities of the department continue to be met.

A bright spot for both the public and private sector is the significant drop in fuel and energy costs over the past three months, which has allowed us to cover some of the other costs we have incurred.

To date, there is no new information regarding possible reductions in fiscal year (FY) 2010 or FY 2011. We anticipate that the Governor's budget in early February will outline the steps needed to balance the state budget.

The department has been involved with the Department of Social Services (DSS) and the Office of Policy and Management (OPM) in a Medicaid Recovery Project to retroactively adjust rates in our state, private and Birth to Three programs to assure we capture the maximum amount of federal revenue for the state. The program has been highly successful to date with over \$222 million in the process of being collected. This will greatly assist with the state's overall FY 2009 deficit.

On another note, many state employees have inquired about the status of an early retirement incentive program (ERIP). Although there is mention of it in the news media, noting the pros and cons, there is no ERIP plan in place as of this date.

I know many of the individuals we serve, their families, our state employees and our partners in the private provider community have concerns about the budget, and we will try to keep everyone updated as we receive more information.

Again, thank you for your patience as we work through these challenges.