



M. Jodi Rell  
Governor

State of Connecticut  
Department of Developmental Services

**DDS**

Peter H. O'Meara  
Commissioner

Kathryn du Pree  
Deputy Commissioner

*Memorandum*

**TO:** *Alyssa Goduti*  
*CCPA*

**FROM:** *Joe Drexler*  
*Director of the Operations Center*

**DATE:** *January 14, 2009*

**SUBJECT:** *Revised Budget Reductions*

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As you are aware, after re-examining the budget reduction option that was previously submitted, we determined that there were some issues with the quality of the information. We had made some calculation errors that affected some providers. Additionally, our source FTE data from the FY 2007 Annual Report had some inconsistencies based on how providers completed the reports. It was also apparent that the methodology used would have such a large impact on some providers that their ability to continue as a provider would be compromised.

We have, therefore, made some changes in the approach that address the aforementioned issues. We used FY 2008 Annual Report data, which should be more consistent because we provided additional clarification and training for providers to improve the consistency of the information. We also used a more incremental approach where all providers are reduced, applying a larger percentage cut to higher cost providers. The range reductions of 1.5% to 7% of the contracts, excluding transportation, would be very challenging but more workable than the previous submission.

The reductions total \$21,090,884 using this approach. Our previous submission was \$23,067,166.

As you know, this information was developed as part of a process where agencies were required to submit 10% budget reduction options. These and the other reduction options were submitted to OPM. If the Governor's Budget includes them, they will be reviewed by the Legislature, which would determine whether these or other reductions should be incorporated in the budget for FY10 and FY11.

cc: Peter H. O'Meara, Commissioner, DDS  
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