

2008-09 Spending Plan	Agency Name	Office of Mental Retardation and Developmental Disabilities
	Agency Head	Commissioner Diana Jones Ritter

A. Overview of Proposed Plan

A.1 Overall Approach

The overarching budget implementation strategy is to continue to “Put People First” and to drive OMRDD’s transformational agenda with mission-driven, program policy objectives supported by underlying fiscal strategies that provide opportunities for increased cost savings. OMRDD will accomplish this by delivering core programs and services more efficiently and effectively while eliminating functions and activities that do not directly support our mission of helping people with developmental disabilities lead richer lives. OMRDD’s mission, vision, values, and guiding principles are attached (Attachment 1).

Key elements of OMRDD’s overall approach include:

- Concentration of resources on agency mission, with funding priority for direct services to people with developmental disabilities.
- Implementation of longer-term transformational strategies that will yield a more responsive and efficient system of supports and services.
- Preservation of initiatives leading to enhanced lives and personal growth for people with developmental disabilities. This also includes initiatives, such as additional family supports, that help families who care for individuals with developmental disabilities, thus enabling people to continue to live at home if they wish.
- Everyone - district directors, central office unit heads and not-for-profit providers - held accountable for effectively managing the resources to meet their responsibilities.
- Careful review of requests to fill positions. First priority will be filling direct support positions, which are the backbone of our system. Critical clinical positions, such as nurses, will also be a priority. Administrative positions will be subject to intense scrutiny, with fills permitted only if determined that failure to fill would result in inability to maintain certification or loss of revenue.
- Increased controls on use of overtime, leading to recurring savings.
- Tight controls on non-personal (NPS) service spending, with the goal of achieving recurring savings.

A.2 Achievement of Savings on a Recurring Basis

OMRDD will implement immediate cost savings actions and spending controls to achieve a total of more than \$160 million in 2008-09 state operating fund savings:

- Approximately \$150 million state operating fund savings in the Executive Budget.
- \$13.3 million additional cost savings, all recurring, called for through Budget Bulletin B-1178 (see chart D.2 for recurring savings actions).

Strategies to achieve savings include:

- Communicate expectations for partnership in implementing austerity measures to workforce, not-for-profit agencies, advisory councils and committees, self-advocates and other stakeholders and establish forums to solicit cost-savings ideas.
- Establish new enterprise (central office and district) monthly “Hiring and Financial Condition” reports for Leadership Team distribution for review and plans of correction/adjustment. Increase transparency of progress on the activities and implementation of hiring and spending controls internally and conduct appropriate briefings for the Chamber and Division of the Budget.
- Establish stronger controls for review and approval of hiring, including reinforcing the requirements for central office oversight of district fills.
- Initiate aggressive efforts to reduce overtime.
- Establish stronger controls for review and approval of non-personal service expenditures.
- Review additional areas to achieve \$3 million in savings through additional revenue maximization. Although savings strategies are not finalized, it is anticipated that \$2 million savings in Family Support Services and \$1 million savings in Sheltered Workshop services can be realized by conversion to waiver services.
- In recognition of recalibrated needs, scale back Children’s Residential Program (CRP) development by 50 community residential opportunities over a two-year period.

A.3 Protecting Key Priorities

Above all, the plan protects the delivery of key services to assure that we can carry out our mission of **helping people with developmental disabilities lead richer lives.**

Our mission statement is founded on four key person-centered outcomes identified in the OMRDD vision: **People with developmental disabilities**

- **enjoy meaningful relationships with friends, family and others in their lives,**
- **experience personal health and growth,**
- **live in the home of their choice,**
- **fully participate in their communities.**

This plan supports the basic mission as well as OMRDD’s longer-term transformational agenda which will yield a more responsive and efficient system of supports and services. The transformational agenda includes the following major strategies:

- Downsizing and redefining our institutional capacity, with the goal of transitioning as many individuals living in institutional settings to community living when appropriate. This will also give us the opportunity to eliminate inefficient campus and capital expenditures.
- Transforming the rate based reimbursement system for supports and services provided by not-for-profit agencies to a more rational, predictable, equitable and efficient system of reimbursement.
- Continuing critical initiatives related to the employment of people with developmental disabilities, and respite and crisis services that support families caring for their loved ones at home. Not only do these initiatives “Put People First,” they also foster community integration and preservation of the family unit, thus enabling people to continue to live at home if they wish.

A.4 Treatment of New Initiatives

To enable us to go forward with new 2008-09 initiatives we consider critical to enhancing the lives of people with developmental disabilities and their families, we have substituted other savings to reach our initiative target of \$4.2 million:

- In State operations we are substituting \$750,000 in NPS savings to allow us to proceed with 128 new internships designed to provide a time-limited employment experience for individuals with developmental disabilities. The experience is intended to lead to eventual competitive employment.
- In Aid to Localities we are substituting savings of \$3.45 million, resulting from one-time bed delays in 2008-09 and a reduction in total CRP beds based upon the recalibrated need, which produces recurring savings. This substitution preserves our ability to proceed with the following new initiatives:
 - Family Support Services – new crisis and autism services for 4,300 individuals, including those with autism.
 - Supported Employment – enhanced services to encourage greater use of this low cost, high potential program that promotes personal growth for people with developmental disabilities through competitive employment and community involvement.
 - Respite expansion – allowing families to take a break from the intense experience of caring for a family member with developmental disabilities, thus helping to preserve the family unit.
 - 75 nonprofit community residential opportunities – these opportunities are an integral part of our plan to redefine and downsize our institutional capacity in partnership with our providers.

B. Summary of General Fund Financial Impacts

GENERAL FUND -- SAVINGS SUMMARY			
	<u>Required Reduction</u>	<u>2008-09 Savings</u>	<u>2009-10 Savings</u>
Local Assistance	6,450	6,450	6,450
Personal Service	N/A		
Non-personal Service	N/A		
Total State Operations			
Capital (002)	0	0	0
(389) On Line	0	0	0
(389) Off Line	0	0	0
TOTAL			

GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS			
	2007-08 Actual*	Revised Projection	Percent Change
Local Assistance	1,401,590	1,422,999	1.5%
Personal Service			
Non-personal Service			
Total State Operations			
Capital (002)	47,250	54,805	16%
(389) On Line	4,746	7,630	61%
(389) Off Line	61,917	68,100	10%
TOTAL			

*Includes comparability adjustment due to change in appropriation structure.

C. Identification of Proposed General Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
GENERAL FUND			
Local Assistance			
1. Revenue Maximization	3,000	3,000	3,000
2. Reduce Children's Residential Program Development	2,500	3,450	3,450
3. Delay Implementation of other residential opportunities	950	0	0
State Operations			
4. None			
Capital Projects			
5. None			

D. Summary of Impact on Other Funds

OTHER FUNDS -- SAVINGS SUMMARY			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance			
Personal Service	5,200	5,200	5,200
Non-personal Service	1,650	1,650	1,650
Total State Operations	6,850	6,850	6,850
Capital			
TOTAL			

OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance			
- OPTS	125,140	123,000	(1.71%)
- JV Clinics	6,116	6,000	(1.90%)
- ICF/Day Services	28,542	40,000	40.14%
Personal Service	1,067,395	1,103,551	3.39%
Non-personal Service	866,910*	886,809	2.30%**
Total State Operations	1,934,305	1,990,360	2.90%
TOTAL	2,094,103	2,159,360	3.12%

*Includes comparability adjustment due to change in appropriation structure.

** 1.91% of the 2.30% change is attributable to General State Charges.

E. Identification of Proposed Other Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
OTHER FUNDS (Note the fund/s affected by each proposal, in parentheses at the end of each entry)			
Local Assistance			
1. None			
State Operations			
2 Managing fills to target (PIA, MHPF)	2,100	2,100	2,100
3 Overtime controls (PIA, MHPF)	1,500	1,500	1,500
4 General State Charges (PIA, MHPF)	1,600	1,600	1,600
5 NPS Savings (PIA, MHPF)	1,650	1,650	1,650
Capital Projects			
6. None			

F. Plan to Manage the Workforce

F.1 Overall Approach

Any actions affecting the OMRDD workforce must recognize its critical role in maintaining the health and safety of those served and maintaining certification, thereby ensuring continued federal Medicaid funding.

With this in mind, the following actions will be implemented:

- Carefully review all requests to fill positions.
- First priority will be given to fill direct support positions - the backbone of our system.
- Critical clinical positions, such as nurses, are also a priority.
- Establish stronger controls for review and approval of hiring, including reinforcing the requirements for central office oversight of district fills.
- Administrative requests to fill will be subject to intense review, with fills permitted only if determined that failure to fill would impact health and safety, certification or revenue generation, either direct or indirect.
- The Executive Deputy Commissioner's approval is required for all central office fills.

F.2 Plan for Refill of Vacant Positions (both current and anticipated vacancies)

Workforce Impact -- All Funds	
a. Initial Target:	22,622
b. Current Fills PP# 3 or 4	22,638
c. Recurring impact of proposed actions (see Parts C & E)	(53)
d. Recurring impact of vacancy-refilling plan (see F.2)	(16)
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	22,569
f. Change from Initial 2008-09 Target (line e minus line a)	(53)

G. Monthly Projections: All Funds Workforce; All Funds State Operations/Local/Capital

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
A. Workforce - All Funds													
Est FTEs Month-end	22,638	22,632	22,625	22,619	22,613	22,607	22,600	22,594	22,588	22,582	22,575	22,569	22,569
B. State Operations													
Personal Service													
1st PP	42,444	42,444	42,444	42,445	42,444	42,444	42,444	42,444	42,445	42,445	42,444	42,444	509,330
2nd PP	42,444	42,444	42,444	42,445	42,444	42,444	42,444	42,444	42,445	42,445	42,444	42,444	509,330
3rd PP (if applies)	0	0	0	42,445	0	0	0	0	42,446	0	0	0	84,890
Subtotal PS	84,888	84,888	84,888	127,334	84,888	84,888	84,888	84,888	127,336	84,889	84,888	84,889	1,103,551
NPS	21,725	21,725	21,725	21,725	21,725	21,725	21,725	21,725	21,725	21,725	21,725	21,722	260,700
Assessment	10,287	10,287	10,287	10,287	10,287	10,287	10,287	10,287	10,287	10,287	10,287	10,287	123,441
Fringe Benefits	116,000	0	0	116,000	0	0	135,334	0	0	135,334	0	0	502,668
Total Disbursements -- State Ops	232,900	116,900	116,900	275,346	116,900	116,900	252,234	116,900	159,348	252,235	116,900	116,897	1,990,360
C. Local Assistance													
Medicaid (DOH Transfer)	106,961	95,026	150,797	105,780	91,336	86,539	112,158	94,678	101,807	89,899	94,617	121,402	1,250,999
Direct OMRDD Medicaid/Non-Medicaid Spending	22,444	15,195	23,374	28,157	25,140	22,254	26,682	21,045	30,922	47,428	39,890	29,427	331,960
OMR Non Medicaid	9,939	6,729	10,351	12,469	11,133	9,855	11,815	9,319	13,693	21,002	17,664	13,031	147,000
Total Disbursements - Local	139,343	116,951	184,522	146,406	127,609	118,648	150,656	125,042	146,422	158,330	152,171	163,859	1,729,959
D. Capital Projects													
(002)	1,820	2,235	2,377	2,594	4,104	4,023	5,539	5,239	6,137	7,655	7,013	6,069	54,805
(389) On Line	62	149	346	826	2,216	220	293	330	2,208	193	646	141	7,630
(389) Off Line	5,528	5,678	2,922	4,669	5,267	4,402	6,395	10,569	4,264	8,163	5,962	4,281	68,100
All other Capital Projects	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements -Capital	7,410	8,062	5,645	8,089	11,587	8,645	12,227	16,138	12,609	16,011	13,621	10,491	130,535

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H. Assumptions Underlying the Proposed Plan

The plan's multi-year approach relies heavily on managing fills, controlling overtime use, and reassessing future services needs. In each of these areas, OMRDD has a track record that has produced positive results:

- Managing fills by holding 53 positions vacant will achieve \$2.1 million in savings without impacting health and safety. OMRDD has been successful in the past in managing fills to

target, and will do so in 2008-09 by reinforcing the hiring process that requires central office oversight of all requests to fill. Key elements include:

- Review of all hiring in the context of health and safety, certification and sustaining Medicaid revenue (direct and indirect impact).
- Requirement for Executive Deputy Commissioner approval of all central office hires.
- Aggressive efforts are underway to reduce overtime by \$1.5 million on a recurring basis:
 - This will be accomplished by requiring districts to review overtime practices, including assuring strict adherence to a clarification of overtime policy.
 - District offices will also assure that best practices are implemented to improve the management of overtime.
- OMRDD already operates in a tightly controlled non-personal service environment that generated savings in the enacted budget. Achieving an additional \$1.65 million in savings will be accomplished by intensifying existing controls, including:
 - Reinforce restrictive policies concerning travel, attendance at conferences, seminars and retreats.
 - Mandate consideration of video or telephone conferencing prior to authorization of any staff travel.
 - Require Executive Deputy Commissioner approval of all proposed out-of-state travel.
 - Eliminate and/or reduce contract and equipment expenditures for non-priority services through rigorous review and Executive Deputy/Regional Associate Commissioner approval for expenditures above certain established thresholds and criteria.
 - Mandate electronic transmission of internal and external communication where feasible for cost savings in processing and postage.
 - Facilitate regional purchasing opportunities and bulk discounts for essential supplies and materials.
 - Establish a central office workgroup to identify shedding (programs, regulations, policies, systems, and transactions) and other streamlining actions to yield efficiency improvements, productivity increases and/or cost savings.
 - Increase energy and telephone audits in central office and the field.
 - Continue Information Technology Request process for all IT purchases (high degree of scrutiny requiring multiple levels of review and approval).
- \$3 million in savings will be achieved through additional revenue maximization. Although savings strategies are not finalized, it is anticipated that \$2 million savings in Family Support Services and \$1 million savings in Sheltered Workshop services can be realized by conversion to waiver services.
- Recent discussions with the State Education Department (SED) suggest that the current plan, which funds 305 new Children's Residential Program (CRP) opportunities for OMRDD, can be scaled back.
 - Our savings plan eliminates 36 CRP opportunities planned for 2008-09. At a State share cost of \$70,000 per bed, the current year savings is \$2.5 million.
 - To bring total 2008-09 savings to \$3.45 million, approximately \$950,000 will be saved by delaying implementation of other types of residential opportunities funded in the current year.
 - To assure recurring savings of \$3.45 million in the out years, an additional 14 CRP opportunities will be eliminated, for a total reduction of 50 CRP community residential opportunities.
 - After the reduction, there will be a total of 255 new CRP residential opportunities remaining to be developed.

I. Management of Risks Inherent in the Plan

Although OMRDD is capable of managing the financial impact of the reductions in this plan, there are areas of concern related to perception of our actions:

- Perceptions and concerns of self-advocates, families, parents, guardians and other advocates that some actions may erroneously signal some weakening of commitment to preserve essential supports and services.
- Balancing choices to rebuild priority core competencies and stabilize the infrastructure for meeting urgent new and emerging risks and challenges, such as the Centers for Medicare and Medicaid Services regulatory changes, while making prudent choices that yield efficiency and cost savings.
- Concerns by not-for-profit agencies that changes in reimbursement models and the emphasis on innovative services may destabilize their business models and reduce their ability to serve, in traditional ways, people seeking supports and services.
- Perceptions and concerns of State labor representatives regarding the implementation of stronger controls over overtime, utilization of staff and the absence of sufficient actions to improve the hiring and retention of nurses statewide.

Our approach to dispel these potential concerns will be to reassure our stakeholders that:

- Our commitment to providing essential supports and services to people with developmental disabilities is unwavering – it's the heart of what we do.
- Our relationship with all stakeholders is a partnership. Discussions of potential changes in policy or methodologies will be transparent, and will include our stakeholders' voices.

J. Additional Savings Opportunities for 2008-09

OMRDD is in the process of reviewing its operations and Aid to Localities spending to identify additional savings in 2008-09, if needed, and in future years. Many of the actions listed in Section K will have long-term effects, but may also yield current year savings.

K. Potential Future Savings Opportunities/Operational Improvements (indicate if statutory change is required)

Our long-term strategies are designed to offer as much choice and independence as possible to individuals with developmental disabilities. Our multi-year transformational agenda will yield a more responsible and efficient system of supports and services. Our plans include:

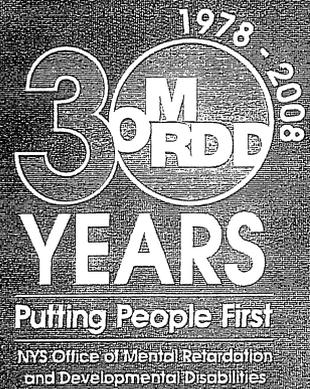
- Balancing the portfolio of supports and services to better reflect the expressed need of people with developmental disabilities and their families.
- Continuing critical initiatives related to the employment of people with developmental disabilities, and respite and crisis services that support families caring for their loved ones at home. Not only do these initiatives "Put People First," they also foster community integration and preservation of the family unit, thus enabling people to continue to live at home if they wish.
- Transforming the rate based reimbursement system for supports and services provided by not-for-profit agencies to a more rational, predictable, equitable and efficient system of reimbursement.
- Downsizing institutional residential capacity and eliminating inefficient campus and capital expenditures.

POLICY ADVICE

- Accelerating the completion of the current review underway of each of OMRDD's capital projects within the Five Year Capital Plan for necessity and/or alternatives.
- Reviewing all services provided through contracts to determine whether there is additional potential for revenue maximization.
- Significantly improving approaches to workforce development and talent management within OMRDD and working in partnership with Civil Service, GOER and others in collaboration to implement more efficient and effective talent strategies.
- Working with SED to reevaluate the need and level of CRP capacity development for children currently living in out-of-state schools or at risk of moving out of state to receive services.

ATTACHMENTS

1. Mission, Vision, Values and Guiding Principles



NYS Office of Mental Retardation and Developmental Disabilities

Vision, Mission, Values and Principles

David A. Paterson
Governor



Diana Jones Ritter
Commissioner

The Vision Statement



People with developmental disabilities enjoy meaningful relationships with friends, family and others in their lives, experience personal health and growth and live in the home of their choice and fully participate in their communities.



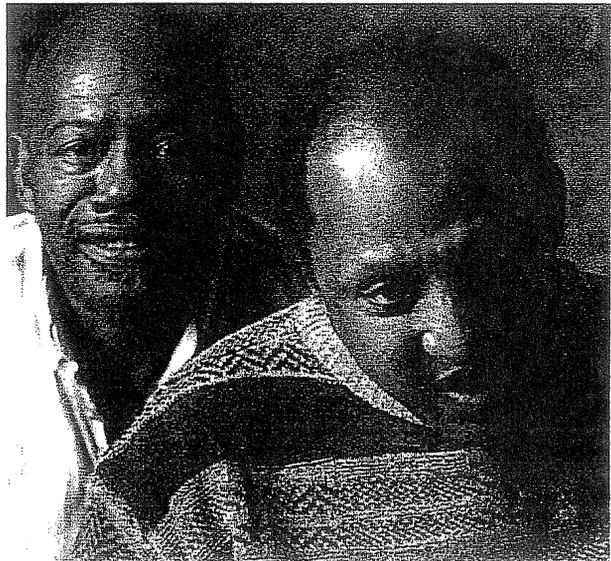
The Mission Statement

We help people with developmental disabilities live richer lives.

Values

describe how we as employees of OMRDD interact with the individuals we serve, families, staff, the community and each other:

- Compassion** The capacity to appreciate what others think and feel.
- Dignity** The recognition of the worth of each person and the treatment of individual rights and preferences with respect, honor and fairness.
- Diversity** The celebration, respect and embracing of the differences among us because these differences strengthen and define us.
- Excellence** The continual emphasis on innovation, increasing knowledge, and delivering the highest quality supports and services.
- Honesty** The foundation on which trust is built and truth is communicated.





Guiding Principles that frame how OMRDD conducts its business:

Put the person first - People

with developmental disabilities are at the heart of everything we do, and this person-first ethic is embodied in the way we express ourselves, and in the way we conduct our business.

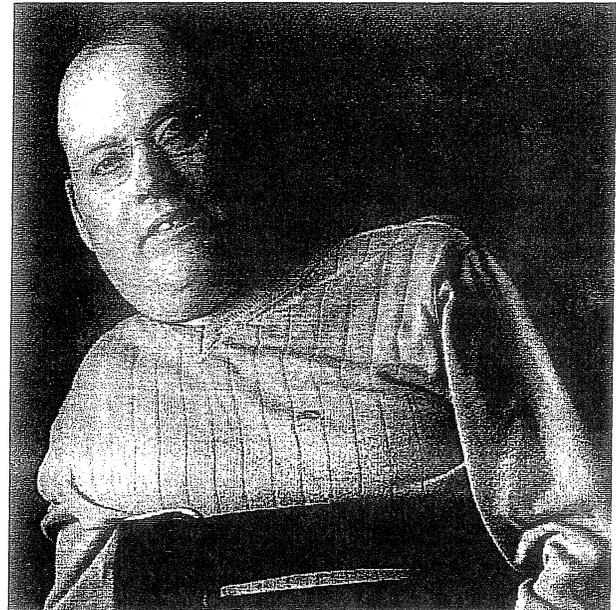
Maximize opportunities - OMRDD's vision of productive and fulfilling lives for people with developmental disabilities is achieved by creating opportunities and supporting people in ways that allow for as many as possible to access the supports and services they want and need.

Promote and reward excellence - Quality and excellence are highly valued aspects of our services. Competency is a baseline. We find ways to encourage quality, and create ways to recognize and incentivize excellence to improve outcomes throughout our system.

Provide equity of access - Access to supports and services is fair and equitable; a range of options is available in local communities to ensure this access, regardless of where in NYS one resides.

Nurture partnerships and collaborations - Meaningful participation by people with developmental disabilities strengthens us. OMRDD staff and stakeholders create mechanisms to foster this participation. The diverse needs of people with developmental disabilities are best met in collaboration with the many local and statewide entities who are partners in planning for and meeting these needs, such as people who have developmental disabilities, families, not for profit providers, communities, local government and social, health and educational systems.

Require accountability and responsibility - There is a shared accountability and responsibility among and by all stakeholders, including individuals with disabilities, their families, and the public and private sector. OMRDD and all its staff and providers are held to a high degree of accountability in how they carry out their responsibilities. We strive to earn and keep the individual trust of people with developmental disabilities and their families, as well as the public trust. Creating a system of supports that honors the individual's right to be responsible for their own life and accountable for their own decisions is of paramount importance.





For further information, please check the OMRDD Website:

www.omr.state.ny.us

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44 Holland Ave., Albany, NY 12229

(866) 946-9733

TTY: (866) 933-4889