

Division of Services for People with Disabilities (DSPD)
2009 General Fund Budget Cuts and How the Cuts were Implemented - September 30, 2009

The DSPD FY2010 general fund budget was cut significantly and in a targeted way by the legislature in 2009. Additionally, there are huge budget cuts looming for the FY2011 budget if one time backfills are not replaced with ongoing general funds. While the general fund cuts alone were difficult, the lost federal match makes these cuts especially painful. We have implemented the FY2010 cuts as required by the legislative language in Senate Bill 3, House Bill 3 and the Special Session, as follows:

1. Cut to Administration – Appropriation Unit KFA

Senate Bill 3 cut this appropriation unit \$105,100. We have implemented this cut by freezing hiring, eliminating one Program Manager, reducing in-state travel, almost eliminating out-of-state travel, eliminating all state office and regional office over time, and postponing needed computer purchases.

Implementing the cuts in this way had no direct impact on services or on our provider network, though the cuts do have an indirect impact.

2. Cut to Service Delivery (our state-employed Support Coordinators) – KFB

Senate Bill 3 and House Bill 3 cut this appropriation unit \$801,900, and the Special Session cut \$41,900. For FY2011, an additional \$1,950,000 backfill cut will happen unless it is replaced with on-going general funds. We have implemented this cut by encouraging state employees to become privately employed support coordinators (case managers), freezing hiring, eliminating 5 existing employees, offering a retirement incentive which 9 employees took, collapsing our regional structure, closing 8 offices (so far), and centralizing most regional operations (like intake, waiting list, eligibility and clinical oversight). In total, we have eliminated 51 positions in this appropriation unit so far.

Implementing the cuts in this way had no direct impact on services or on our provider network, though the transition to more private support coordination has caused disruption and concern among the people we serve and providers. But quality has actually improved, and we are carefully monitoring to ensure no reduction in service delivery.

3. Cut to the Developmental Center – KFC

The Special Session cut this appropriation unit \$400,000. We have implemented this cut by consolidating maintenance services with the State Hospital, and by eliminating 15 vacant positions.

Implementing the cuts in this way had no direct impact on services at the Developmental Center because we have effectively moved more people into the community, so our daily census is lower. This means there has been a small benefit to our provider network, which is now providing services for these people.

4. Cut to Waiting List Funding – KFD

The Special Session cut this appropriation unit \$900,000. We have implemented this cut by freezing waiting list access to all DSPD waiver services. Currently, the only way to move off the waiting list is by court order or if a child is court-ordered to Department custody.

This cut did have (and continues to have) a direct and painful impact on services and on the providers who give these services.

5. Cut to State-Only Funded Services (no federal match) – KFG

Senate Bill 3 cut this appropriation unit \$265,700, and the Special Session cut \$630,000. We have implemented this cut by eliminating state-only services to more than 50 people. We have also eliminated all general-fund only contracts, including services to more than 130 who lost supported employment, and 80 families who lost the Family Preservation pilot. Contracts to the Family-to-Family network, Access Utah, and psychological assessment providers were also cut. Finally, this cut reduced our non-lapsing funds used to cover emergencies, court ordered services, and children in custody.

This cut did have a direct and painful impact on services and on the providers who gave these services. But the cut was implemented in a way that attempted to minimize the negative impact on services by carefully assessing needs, moving as many people as possible into Medicaid funded waivers, and by finding other community resources if possible.

6. Cut to Provider Rates – KFD, KFE, KFF and KFG

Senate Bill 3 cut this appropriation unit \$1,531,400. For FY2011, an additional \$1,545,000 backfill cut will happen unless it is replaced with on-going general funds. We implemented this cut by reducing provider rates by 3.5%. The provider rate cut was applied uniformly across all providers, including families who self-administer their services.

This cut did have a direct impact on our providers, but they are doing an admirable job in maintaining the quality of their direct services despite the cuts. Most providers have eliminated administrative positions rather than direct service workers.

Ongoing Efficiency Efforts

In addition to the specific cuts, DSPD is continually looking for ways to streamline our services and precisely match the service needs of the people with their budget. In April 2009 we instituted utilization reviews to ensure that people's budgets match their current needs. We have reviewed the most costly 20% of service plans so far. We have recommended both reductions and increases in budgets. Total savings identified so far are less than \$100,000 in general fund. This has had a minor impact on provider budgets.*

Conclusion

The cuts in FY2010 were difficult to implement, both for the Division and our providers. Provider rates were cut \$1,531,400 in general fund, but federal funds of \$4,233,000 (not including ARRA enhancements) were also cut, totaling \$5,765,000. But every effort to minimize the impact on service cuts has been made.

DSPD's cuts have primarily impacted our staff - through reorganization and changing the way we provide support coordination. We have eliminated 52 positions out of a combined 280 (a loss of 18.6% of staff) in Administration (KFA) and Service Delivery (KFB), and more will follow. So far, we have prevented system-wide cuts to services. But if the backfills for FY2011 are not replaced, or if deeper cuts are made, there will be no choice but to cut services.

* The Division is aware that some providers believe that the utilization review process has taken "millions" out of their budgets; this simply is not the case, and we are working with the provider network to help them understand both the process and the resulting impact on their budgets.