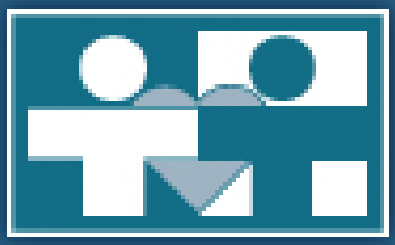
Hamilton County Ohio

Operations and Tax Levy Review:



Hamilton County Board of Mental Retardation & Developmental Disabilities

tatc consulting

MANAGEMENT PARTNERS INCORPORATED

Final Report: July 2009

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I. EXECUTIVE SUMMARY

TATC Consulting is pleased to have been selected by the Hamilton County Tax Levy Review Committee to conduct a management and operations review of the Hamilton County Mental Retardation and Developmental Disabilities Board (MR/DD). This report presents the work we have done in the conduct of this analysis, provides a series of operational recommendations, and provides our best estimate of MR/DD revenues and expenditures during the next tax levy period.

The County's purpose for this review of operations and management of the MR/DD Board includes consideration of operating efficiency relative to MR/DD's strategic plan, MR/DD's peer organizations, and reasonable expectations for future performance. General objectives for the review include the following:

- Identify base levels of service that meet legal requirements;
- Determine compliance with, and maximization of, current and planned funding contracts;
- Determine compliance with the previous levy requirements;
- Recommend management or operational changes promoting cost savings and/or revenue enhancement;
- Recommend Tax Levy contract provisions between Hamilton County and MR/DD assuming successful passage of the proposed Tax Levy;

In this report, we present our review and analysis of the operations of the Board of MR/DD. It includes our observations regarding structure and organization, compliance with legal standards and obligations, compliance with previous levy requirements, comparison with peer jurisdictions in Ohio, and our analysis of financial needs for the future.

Our principal observations include:

- The Hamilton County Board of Mental Retardation and Developmental Disabilties continues to be a well-functioning organization. Earlier this year, it received a re-certification by the State of Ohio for a full five-years, one of only a few programs in the State to be so recognized. MR/DD currently holds accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) and expects to be reaccredited based on exit interviews from the CARF field review conducted in late March 2009.
- The Board continues to meet its legal obligations as established by Hamilton County, the State of Ohio, and the U.S. Government.

- The Board has complied with all of the recommendations included in the previous tax levy review, either through direct action or indirectly.
- Hamilton County continues to compare well with peer jurisdictions in Ohio for case load management and costs of service.
- MR/DD has experienced, and will continue to experience, substantial growth in its service demand, with minimal increase in service staff. This has placed large work load demands on the staff. MR/DD will have to confront this issue over the next several years. Options include increase in staffing to maintain current levels of client service in the face of the growing program enrollments, reductions in service and potential waiting lists, or a combination. We have prepared several financial models assuming varyhing levels of tax support. Our primary financial analysis is based on staff increases using a growth rate that is lower than what MR/DD has been experiencing.

Based on our observations, comparative analysis, and financial analysis, our principal recommendations for financial and operational improvements include:

1. Hamilton County will need to confirm that the losses in tangible personal property tax revenues that MR/DD will experience beginning in the coming levy period will be offset by tax revenues from other sources.
2. MR/DD should continue to aggressively pursue medicaid waivers as a means of providing a broader range of services to its participants while minimizing cost obligations against the levy.
3. MR/DD needs to increase service facilitator staff in order to meet growing service demands while keeping average case loads stable.
4. MR/DD will need to increase the number of Early Intervention Specialists to meet the growing number of requests for service.
5. The cost sharing ratio for the public schools should grow from 25% to 50%, beginning with the 2010-11 school year.
6. The budget for adult services will need to grow to keep up with an estimated net annual increase in adult enrollment by seventy persons.
7. MR/DD should provide better technology disaster planning by implementing a secure, off-site data center facility for its production servers. We also recommend that MR/DD implement a redundant server system.
8. MR/DD is of such size that it could benefit from a full-time business analyst to work with the operating divisions to review continually means of improving business processes and to develop appropriate technology support.

9. We encourage Hamilton County to continue pursuit of a Council of Governments with neighboring counties, first to provide for improved service support and coordination and, ultimately, to achieve greater financial efficiencies in administrative areas.
10. MR/DD should continue fostering and using early retirement incentives.
11. We commend MR/DD for developing a support system for its client service staff and encourage them to implement such a program as quickly as possible.
12. MR/DD should develop the data capacity to monitor the needs and associated resource requirements for the aging population it serves.

Chapter VI of this report presents the primary financial analysis of MR/DD as welll as several altenative scenarios. In the primary financial model with no growth in revenues and an estimated three percent annual inflation rate, we forecast operating revenues of $536,421,606, including tax levy, over the five-year levy period and $576,409,306 in expenditures at current service levels. In addition, we estimate a fund balance carry-over of $11,662,231.

The net impact from these steps as displayed in the following detailed tables for the Hamilton County Board of MR/DD is a forecasted tax levy fund need of $445,305,550 over the five-year levy period. This total includes revenues at current levels with increases for inflationary requirements as well as action item recommendations.

Total Levy 2010-2014		Tax Levy Recommendation
$ 445,305,550		
$ (400,199,446)	-89.9%	Maintenance of Current Level of Effort
$ (39,987,700)	-9.0%	Inflationary Impacts
$ (16,780,635)	-3.8%	Action Item Net Impacts
$ 11,662,231	2.6%	Use of Unexpended Tax Levy Balance
$ (0)	-100.0%	

Of this total amount, $400,199,446 or 89.9% is required to maintain the current level of operational effort, assuming tax revenues at the BOCC inflation calculation level. $ 39,987,700 represents the additional adjustments necessary to maintain current levels of services to accommodate expected inflation during the five-year levy period. $16,780,635 relates the net expenses of the action item recommendations. The proposed plan also includes the use of $11,662,231 in unexpended tax levy funds remaining at the end of 2009.

II. PROJECT SCOPE

TATC Consulting is pleased to have been selected by the Hamilton County Tax Levy Review Committee to conduct a management and operations review of the Hamilton County Mental Retardation and Developmental Disabilities Board (MR/DD). This report presents the work we have done in the conduct of this analysis, provides a series of operational recommendations, and provides our best estimate of MR/DD revenues and expenditures during the next tax levy period.

A. BACKGROUND

Prior to County Commissioners placing a tax levy on the ballot, the Tax Levy Review Committee (TLRC) reviews the agency request and advises the Board of County Commissioners. Composed of nine Hamilton County residents, the TLRC also has, as non-voting members, the County Administrator and the Budget Director. The TLRC evaluates and reports on petitions for tax levies to be placed on the ballot.

As part of its evaluation process, the Committee hires a professional consulting firm to conduct a performance review of the requesting agency. These "management and operations reviews" must analyze the target agency's management processes, core business processes, staff utilization, client base, service quality, shortcomings and accomplishments, financial records, and other facets of operations and administration.

B. PROJECT SCOPE

The work plan for this study includes the following tasks:

Task 1: Review of Tax Levy Services -- Review and collect supporting data on the services funded by levy dollars by category of services.

Task 2: Determine Total and Unit Costs for Services -- For all services provided by tax levy funding, list the cost per unit of services for each category of service, including the cost per client and cost for the previous five year levy period. Determine whether the level of services provided is appropriate.

Task 3: Review Quality of Provided Services -- Analyze the quality of services provided with tax levy funding, including determining the number of clients served during the previous levy period, and review waiting lists (including how such list is defined). Review feedback from recipients of service including whether facilities are clean, safe, and providing proper care. Present recommendations for improvement.

Task 4: Develop Service Comparisons -- Compare MR/DD services provided with tax levy funding with services provided by Private Providers and Other Governmental Agencies.

Task 5: Conduct Financial and Contract Services Review -- Evaluate the financial results of MR/DD operations over the past five years, including analysis of variances from budget and comparison of financial trends with services delivered over the same time.

Task 6: Review Past MR/DD Budget Projections and Results -- Provide an historical review of MR/DD budget and projections.

Task 7: Review Alternative Funding Sources -- Analyze any alternative sources of funding to ensure that any of these sources of funding are being utilized first.

Task 8: Review MR/DD Compliance with Agreement -- Report and analyze MR/DD compliance with the terms of the current Agreement by and between the Board of County Commissioners of Hamilton County, Ohio and MR/DD entered into on August 14, 2007. Make recommendations for future contractual conditions upon passage of the levy.

Task 9: Report Preparation -- Prepare draft and final reports using the following outline as a guideline:

- Recent history and overview of MR/DD operations
- Analysis of corporate structure including organization chart
- Operations analysis
- Financial analysis
- Possible threats or other issues to MR/DD during the next Tax Levy period
- Effectiveness of strategic planning
- Summary of principal observations and recommendations
- Appendices

III. OVERVIEW OF THE BOARD OF MR/DD

Through the MR/DD Board, Hamilton County offers services and programs to benefit adults and children with mental retardation and developmental disabilities. Key services and programs of the MR/DD Board include:

- **Early Intervention Services** – Services for infants and toddlers who are 0-2 years and have been identified as at risk or delayed in development.

- **School Age Services** – Services for children ages 6 through 22. HCMR/DD operates two schools. Along with functional academics, special instruction is also given in practical skills for living in the community and in the home, as well as training in vocational skills. In addition, occupational and physical therapy, as well as speech and language services are available as needed.

- **Adult Services** – Services for individuals 16 years of age and older. HCMR/DD, supported mainly by the MR/DD Special Levy, operates four adult centers in the County and each provides work training and experiences. Many adults have moved from these centers to holding jobs in the community. Other adults have remained at the work centers and work at assembly and collation jobs. Each worker earns a wage and becomes a taxpayer.

- **Residential Services** – Services for individuals of all ages. HCMR/DD, through its residential and supported living programs, provides high quality residential options to individuals with mental retardation and other developmental disabilities.

- **Contracts with Community Agencies** – Services for men, women, and children. In addition to managing and providing its own direct programs and services, HCMR/DD also arranges contracts for services from other agencies, such as the Cincinnati Children's Division of Developmental Disabilities, the Jewish Vocational Service, Goodwill, etc. HCMR/DD contracts with agencies to provide programs, supports, and services. These provider services help Hamilton County minimize the numbers of staff needed and lessen the requirements for new buildings and offices to accommodate growth in people served.

A. FINANCIAL AND OPERATIONS OVERVIEW

The HCMR/DD has been supported since 1974 by a dedicated mental retardation property tax levy.

The current tax levy plan is presented in the table on the following page including Revenues and Expenditures. The table also presents actual and projected Revenues and Expenditures as provided by the MR/DD as part of the mid-term evaluation and further revised for the tax levy development.

The table presents carryover balances that vary significantly from the Levy Plan. MR/DD has attributed these variations primarily to the following factors:

- Greater actual carryover balance from prior levy period ($4,701,192 or 26%)
- Early Retirement Incentive Program Savings ($5,855,285 or 32%)
- School consolidation transportation savings ($2,554,000 or 14%)
- State freeze on Medicaid Waiver Programs in first two years of levy ($4,186,000 or 23%)

This spending dynamic has led to a growing carryover balance variance between planned and actual from approximately $6.0 million in 2005 to $19.3 million in 2007. Although the agency has made adjustments in operations to either accelerate expenditures or reallocate funds for other, related purposes, the current levy plan anticipates a positive levy balance of approximately $11.7 million at the end of the levy period.

LEVY PLAN	Year 1 2005	Year 2 2006	Year 3 2007	Year 4 2008	Year 5 2009
Beginning Carryover	**$ 10,574,852**	**$ 15,140,576**	**$ 17,726,677**	**$ 17,046,960**	**$ 11,588,749**
REVENUES	**$ 94,934,546**	**$ 95,131,556**	**$ 95,332,255**	**$ 95,292,925**	**$ 94,067,595**
Tax Levy	$ 68,431,906	$ 68,469,916	$ 68,596,615	$ 68,790,285	$ 68,983,955
Other	$ 26,502,640	$ 26,661,640	$ 26,735,640	$ 26,502,640	$ 25,083,640
EXPENDITURES	**$ 90,368,822**	**$ 92,545,455**	**$ 96,011,972**	**$ 100,751,136**	**$ 105,656,344**
Expenditures Total	$ 90,368,822	$ 92,545,455	$ 96,011,972	$ 100,751,136	$ 105,656,344
Ending Carryover	**$ 15,140,576**	**$ 17,726,677**	**$ 17,046,960**	**$ 11,588,749**	**$ -**

ACTUAL / PROJECTED	Year 1 2005 Actual	Year 2 2006 Actual	Year 3 2007 Actual	Year 4 2008 Est	Year 5 2009 Est
Beginning Carryover	**$ 15,276,044**	**$ 21,135,288**	**$ 33,501,478**	**$ 36,367,746**	**$ 25,042,291**
REVENUES	**$ 88,872,359**	**$ 97,812,789**	**$ 93,097,516**	**$ 94,897,078**	**$ 95,128,084**
Revenue Total	$ 88,872,359	$ 97,812,789	$ 93,097,516	$ 94,897,078	$ 95,128,084
EXPENDITURES	**$ 83,013,115**	**$ 85,446,599**	**$ 90,231,248**	**$ 106,222,533**	**$ 108,508,143**
Agency	$ 82,105,833	$ 84,514,559	$ 89,283,480	$ 101,624,078	$ 107,693,539
Auditor and Treasurer Fees	$ 907,282	$ 932,040	$ 947,768	$ 900,756	$ 814,604
Year-end Encumbrances				$ 3,697,700	
Ending Carryover	**$ 21,135,288**	**$ 33,501,478**	**$ 36,367,746**	**$ 25,042,291**	**$ 11,662,233**

VARIANCE	Year 1 2005 Actual	Year 2 2006 Actual	Year 3 2007 Actual	Year 4 2008 Approp	Year 5 2009
Beginning Carryover	**$ 4,701,192**	**$ 5,994,712**	**$ 15,774,801**	**$ 19,320,786**	**$ 13,453,542**
REVENUES	**$ (6,062,187)**	**$ 2,681,233**	**$ (2,234,739)**	**$ (395,847)**	**$ 1,060,489**
EXPENDITURES	**$ (7,355,707)**	**$ (7,098,856)**	**$ (5,780,724)**	**$ 5,471,397**	**$ 2,851,799**
Ending Carryover	**$ 5,994,712**	**$ 15,774,801**	**$ 19,320,786**	**$ 13,453,542**	**$ 11,662,233**

As can be seen in the table above, organizational and operational changes implemented by the agency as well as by the State and County can have profound impacts on financial performance in the MR/DD service environment. The Project Team has worked with representatives of the agency, County, State and Federal Government to identify, quantify and forecast these and other organizational, management and operational factors over the projected levy period.

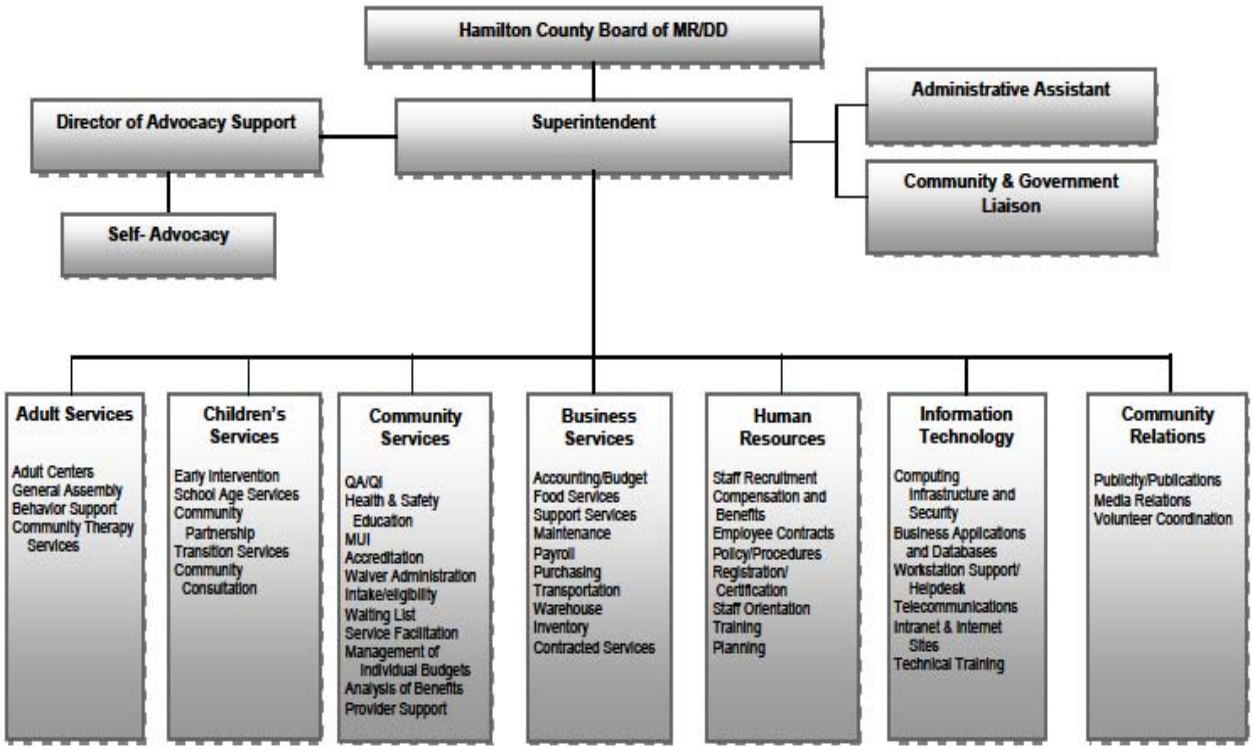
During MR/DD's history, the number of clients it has served has grown in size, scope, and service clients many times over. For point of comparison, between 2005 and now, the size and composition of MR/DD's service population has changed as shown in the following table:

MR/DD Client Services				
	2005	**2006**	**2007**	**2008**
Children's Services				
Early Intervention	641	1,196	1,626	2,151
EPAT		408	947	1,488
Agency Operated Schools	221	257	273	232
Satellite Classrooms			41	54
Itinerant Support Team	52	49	47	46
Transition Team		346	408	357
Kelly O'Leary Center		69	69	72
Community-based		120	105	288
Other Programs	307			
Adult Services				
Adult Centers	719	700	728	677
Contracted Adult Centers	787	1,205		
Community Employment	534	498	415	385
Community Services				
Service Facilitation	3,356	3,443	3,377	4,630
Supported Living	109	741	828	1,013
Family Resources	230	555	881	1,817
IO Waivers	983	1,004	1,186	1,556
Level I Waivers	366	665	642	695
Residential		472	530	530
Contracted Services			1,551	1,725
Data in this table are taken from MR/DD's annual reports; where cells are blank, MR/DD did not report data in that respective category of service and year.				

B. Organization of Board of MR/DD

The table on the following page presents the high level organizational structure of the Board of Mental Retardation and Developmental Disabilities:

ORGANIZATION CHART
HAMILTON COUNTY BOARD OF MR/DD



Essentially, MR/DD operates from the policy direction of the Board through the Superintendent, who is responsible for the day-to-day operations of the Board. The Department level structure is reasonably consistent with most public organizations, in which approximately half of the management staff is responsible for direct service delivery and the other half directs the support activities. The service delivery is appropriately divided between adult and children's services, given the differing needs, requirements, and service delivery models.

Our review of the functioning of MR/DD's organizational structure indicates that:

- It is a logical and coherent structure;
- Personnel clearly understand their roles and responsibilities;
- Coordinating mechanisms are in place that minimize the potential for silo operations and ineffective service delivery.

C. Principal Observations

Our review of the Hamilton County Board of Mental Retardation and Developmental Disabilities yields the following principal observations, listed below.

- The project staff remain as impressed in 2009 as we were in 2004 with the operation of the MR/DD Board in terms of its organization and overall performance. Agency personnel appear to be very professional in demeanor, conduct, and performance. There is an appropriate focus on client service, accompanied by concern for the proper use of public funds.
- In the previous levy report, the project team had conducted a detailed analysis of the legal requirements and constraints imposed on MR/DD by the State and Federal Governments. During this study, we reviewed that mandate chart and confirmed that it has not changed since the previous study and that MR/DD remains in compliance with the mandates.
- The governance structure of the Board appears to work appropriately. The Board is involved properly in key policy and financial decisions while exercising proper caution about intervening in daily management.
- Staff coordination begins with a weekly executive management committee of the Superintendent and department directors. Formal minutes of the meeting are kept and

disseminated. A review of the minutes shows a collegial information and decision-making process, critical to the coordination of such a large and complex organization.

- MR/DD has significantly improved its information technology services since the previous tax audit review.
- The Contract Management Department created in 2003 has performed to expectations.
- The transition to a two-school system, with greater emphasis on placement in local schools, with appropriate revenue sharing, appears to be working well.
- The use of the General Assembly and the Housing Foundation continue to function as intended. The Housing Foundation's role is to identify properties that can be used for residential services. The General Assembly operates under contract to MR/DD to provide light industrial work for individuals attending the Board's four adult workshops. The adult service workshops appear to be well operated. General Assembly recently provided the MR/DD Board with an annual report showing growth in services, revenues, and retained earnings. Field observations indicate that the persons attending the Board operated adult workshops tend to be more severely disabled than those attending programs provided by subcontractor agencies.
- Except for residential services, the MR/DD Board does not maintain a waiting list. While the residential waiting list appears to be substantial, much of the wait-listed client need is prospective in nature; that is, most are wait-listed for future year support rather than for current year residential needs.
- Based on recent storm experience, MR/DD is preparing an emergency safety and care plan for its clients. This reflects industry leading best practices relating to preparedness to assist clients in emergencies.
- MR/DD's human resources management has continued to progress in developing full service capacity. It's plans to develop an internal support system for MR/DD client service personnel is well ahead of the social service industry.
- Just at the outset of the previous levy study, MR/DD had formed a contract management group to assume responsibility for managing contracts for service providers. Our review of the unit shows that it is operating as originally intended. The unit has a well-defined approach to contract management and monitoring. Interviews with contract providers indicates that the providers are pleased with the service they receive, and our review of service contracts indicates that the unit has effective practices in place to assure proper contract management and that quality assurance review is performed.

One area of performance deficiency that was identified is beyond the authority of MR/DD to resolve. That area is the option of providers to work directly with the State of Ohio. MR/DD does not have the authority to conduct performance reviews for those agencies. This means that there could be areas of spotty performance standards within Hamilton County.

- The service facilitator system continues to work well. Facilitators are trained to manage new and continuing program participants, to assure participant residency and eligibility, and to monitor their program support. One issue relating to service facilitation is the change in case load over the past five years. While the average number of cases per facilitator has increased by about nine percent, the case complexity has grown substantially. Waiver cases require considerably more work effort than non-waivers. Five years ago, waiver cases represented about 40% of the average case load of a facilitator; this year they represent nearly 70% of the case load.

- The Early Intervention program experienced a dramatic increase in enrollment during the 2006-2008 period, better than tripling in size during that time. Because there has been virtually no increase in the the number of early intervention specialists, the EI specialist case load has also more than tripled.

- Based on information project staff obtained during the 2004 review, we sought additional information regarding the impact of an aging client population on service costs. MR/DD and the contract agencies do not capture the specific client information necessary to determine this. The client data indicate that there is a larger population of older clients than previously, but the percentage of total clients has not changed significantly. Anecdotally, these older participants are requiring more services, but this information is not being captured.

D. Overview of Strategic Planning

MR/DD has dramatically improved its strategic planning process. At the time of the 2004 review, the project staff were concerned that the MR/DD's strategic planning was limited in its scope of participation and represented more of a ideal than a realistic action plan. The current plan is more encompassing in terms of participation and is subject to regular reality testing. We believe that the current plan will be an effective roadmap for the future of MR/DD, so long as MR/DD continues the regular monitoring and feedback sessions that it uses.

IV. COMPARATIVE ANALYSIS

The project team collected performance and financial analysis, comparing Hamilton County against other selected counties in Ohio. The data sources for this analysis were primarily information available from the Ohio Department of Mental Retardation and Developmental Disabilities and the Ohio Association of Boards of MR/DD.

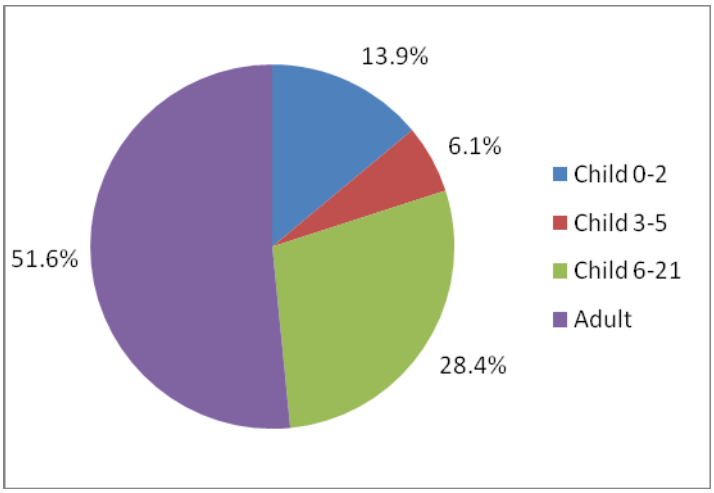
A. WORK VOLUME

There is wide variability in the total number of clients served in each county in the peer group, which, including Hamilton, encompasses the following:

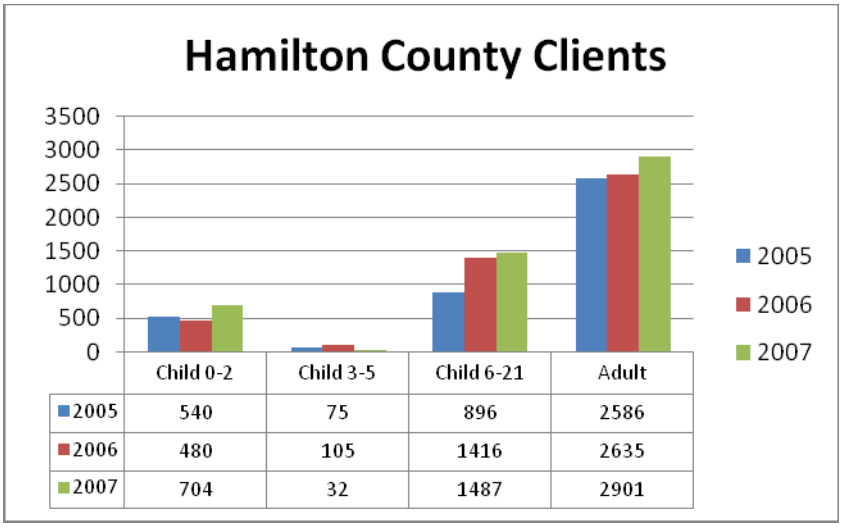
County	2007 Population
Butler	357,888
Clermont	193,490
Cuyahoga	1,295,958
Franklin	1,118,107
Hamilton	842,369
Lorain	302,260
Lucas	441,910
Summit	543,487
Warren	204,390

The variability in total client numbers is driven by the direct relationship between total respective county population and total clients served. This average client service rate totals approximately 6.3 clients per 1,000 county residents.

- The average relative share of program effort in the peer group between Children 0-2, Children 3-5, Children 6-21 and Adults is displayed below. With the exception of the 3-5 age group, Hamilton County is comparable to the peer group average with its 5,124 total clients served divided between 13.7% Children 0-2; 0.6% Children 3-5; 29.0% Children 6-21; and 56.6% Adults.

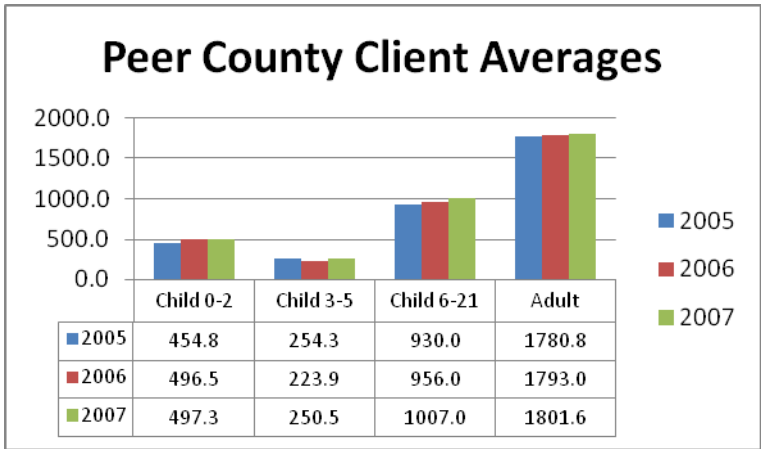


- The growth rate in the overall client population in Hamilton County was far greater than that of the peer counties. The first graph shows the Hamilton County growth from 2005 through 2007. Although not specifically shown in the graph, the rate of overall client growth was approximately 25%.



	Child 0-2	Child 3-5	Child 6-21	Adult
2005	540	75	896	2586
2006	480	105	1416	2635
2007	704	32	1487	2901

- The next graph shows the rate of overall client population growth in the peer counties. Although not noted in the graph, this growth rate was 4% from 2005 through 2007.



	Child 0-2	Child 3-5	Child 6-21	Adult
2005	454.8	254.3	930.0	1780.8
2006	496.5	223.9	956.0	1793.0
2007	497.3	250.5	1007.0	1801.6

- Program expenditures supporting Children 0-2 years total $4,203,003 and average $5,970 per client in Hamilton County. This is the lowest amount in the peer group and significantly less than the peer group average of $10,610 per client.

- Program expenditures supporting Children 6-21 years total $15,313,593 and average $10,298 per client in Hamilton County. This is the highest expenditure per client of any of the four peer counties operating a school, and 46% greater than the average of these four counties, which is $7,070. It should be noted, though, at slightly over $2.5 million of the Hamilton County MR/DD expenditures in this category is in contracts for services provided by entities other than MR/DD.

- A composite measure of expenditures supporting Children 0-21 years total $19,516,596 and average $8,779 per client in Hamilton County. This is approximately 22% less than the peer group average of $11,288.

- Program expenditures supporting Adults total $35,472,465 and average $12,228 per client in Hamilton County. This is the lowest level of per client expenditure in the peer group and significantly less than the peer group average of $17,870 per client.

- Program expenditures for Service and Support Administration total $10,218,039 and average $1,994 per client in Hamilton County. This is the second highest (Butler) among the peer group and 23% greater than the peer group average of $1,617 per client.

- Program expenditures for Community Residential total $7,910,871 and average $1,544 per client in Hamilton County. This is the fourth highest in the peer group, but almost 54% less than the peer group average of $3,325 per client.

- Account expenditures for Family Support total $980,908 and average $191 per client in Hamilton County. Only Lucas and Warren counties are lower in the peer group, and

Hamilton County is significantly less than the peer group average of $1,038 per client. The per client figures use total clients in the calculation.

- Account expenditures in support of Medicaid Administration total $926,610 and average $181 per client in Hamilton County. This is the third lowest (Franklin and Lorain) in the peer group and significantly less than the peer group average of $280 per client. The per client figures use total clients in the calculation.

- Account expenditures for Support Services total $9,426,285 and average $1,840 per client in Hamilton County. This falls in the middle of the peer group but well below the peer group average of $3,998 per client.

- Account expenditures in support of Nursing Services total $667,502 and average $130 per client in Hamilton County. This is the second lowest in the peer group (Lucas) and significantly less than the peer group average of $210 per client.

B. Staffing

For the peer group staffing comparisons, the project team used detailed staffing information from the September 2008 "Salary and Wage Survey of County MR/DD Boards" developed by the Ohio Association of County Boards of Mental Retardation and Developmental Disabilities. It should be noted that Franklin County had not provided comprehensive input into this survey, and therefore, staffing figures are not provided below for that county.

- The number of job categories in the peer group varied from a low of 45 (Butler County) to a high of 113 (Summit County). Hamilton County identified 46 job categories compared to a peer group average of 75 categories.

- The total full-time equivalent (FTE) staffing resources in the peer group varied from a high of 1,316.8 (Cuyahoga County) to a low of 205.0 (Warren County). Hamilton County allocates 472.5 FTE to MR/DD operations.

- Hamilton County staff members each serve 10.8 clients, more than any county in the peer group, and more than the peer group average of 5.4 clients per staff member. Clermont County services the fewest clients per staff member (3.1).

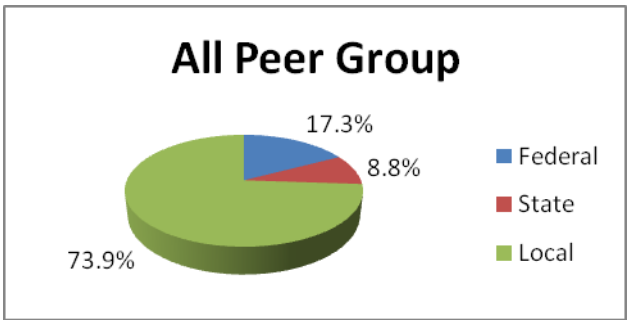
- The total clients served by "direct" service staff (Children, Adult, SSA, Ancillary, Residential) varied from a low of 4.8 (Clermont County) to Hamilton County's high of 13.6. The peer group average was 7.9 clients per direct service staff.

- The total clients served by "indirect" service staff (Board Ops, Admin Support, Ops Support) varied from a low of 26.2 (Clermont County) to Hamilton County's high of 170.8. Hamilton County indirect service staff each serve 116.3 clients more than the group average of 54.4.

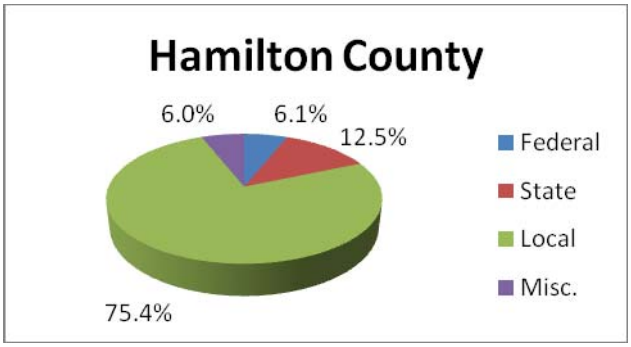
C. Financial Comparison

For peer group comparisons in the percent of funds received from various sources, the project team used information from the year 2007, provided by the Ohio Association of County Boards of Mental Retardation and Developmental Disabilities.

- Hamilton's eight peer counties all share similar financing plans for their MR/DD programs. The average breakout between federal, state and local sources is displayed in the charts below. The first of these shows the percentage of these funds from the eight peer counties, with the second showing the breakout for Hamilton County.



- As is the case for the eight peer counties, Hamilton derives the vast majority of its revenues from local sources as well, as the chart below shows.



- Hamilton County funds its operations with a relatively greater proportion of local funds than the peer group[1], with 75.4% coming from these sources, compared to the 73.9% average in

[1] State data reports for 2007 differ slightly from those found in Hamilton County's 2007 Annual Report. The project team has included the latter figures for purposes of these comparisons.

the other eight counties. Federal funding sources represent a far lower percentage of operating funds (6.1%) as compared to the peer group (17.3%).

- The effective rates for 2007 among the All Peer group vary from a low of 2.10 (Clermont) to a high of 5.80 (Franklin). The effective rate in Hamilton County for 2007 was 3.71, which is approximately 13% less than the All Peer group average of 4.29, and 22% less than the Large Peer group (Franklin and Cuyahoga), which was 4.79.

- Total taxable values varied from a low of $3.84 biliion (Clermont) to a high of $30.39 billion (Cuyahoga). Hamilton County's taxable value in 2007 was $18.92 billion, which was greater 32% than the All Peer group average of $14.32 billion, but 33% less than the average of the Large Peer group (Franklin and Cuyahoga).

- The per mill per enrollee yield represents the value generated by the respective county property tax in support of each MR/DD program enrolleee. This measure totals $3,693 for Hamilton County, which places it fifth in the All Peer group, which averaged $3,522. Hamilton had a somewhat higher figure than that of Franklin County ($3,135), but was lower than Cuyahoga's $4,251. The two-county Large Peer group's average was $3,647, which was essentially the same as Hamilton's figure of $3,693.

- The millage of the All Peer group required to support the local effort associated with programs for Children 3-21 ranged from a low of 0.0527 (Warren) to a high of 0.9075 (Franklin). The millage required in Hamilton County in 2007 was 0.8093, which was 60% greater than the All Peer group average of 0.5066, and 16% greater than the Large Peer group average of 0.6987.

- The millage of the All Peer group required to support the local effort associated with Adults ranged from a low of 1.3641 (Warren) to a high of 3.8042 (Lucas). The millage required in Hamilton County in 2007 was 1.8747, which was 27% less than the All Peer group average of 2.5702, and 38% less than the Large Peer group average of 2.5810.

V. OPERATIONAL RECOMMENDATIONS

In this chapter, we present recommendations for MR/DD and TLRC consideration. Our primary recommendations for the Board of Mental Retardation and Developmental Disabilities include:

1. **Work with Hamilton County to identify, confirm and implement offsets to the loss of revenue that will result from the elimination of the tangible personal property tax;**

   Beginning in the middle of the upcoming levy period, the State of Ohio will begin implementing the elimination of the States' authorization for the tangible personal property tax. This tax comprises a portion of the levy revenue for MR/DD. An analysis by the MR/DD finance staff indicates that the net reduction to MR/DD during the upcoming levy period will be approximately $ 9,970,277, as shown below:

Tax Year/Calendar Year	Estimated Revenue Loss
2011/2011	$1,107,809
2012/2012	$2,215,617
2013/2013	$2,954,156
2014/2014	$3,692,695
Cumulative Total	**$9,970,277**

   It will be necessary to recover these revenues, either through adjustment of the levy rate or the addition of some other dedicated source. The County Auditor's Office has related that offsets from other elements of the property tax will be used to fulfill the agency's total tax-support request. Our primary financial model and associated scenarios assume that the offsets will replace the tangible personal property tax.

2. **Continue to vigorously pursue Federal medicaid waivers.**

   MR/DD has historically been aggressive in securing medicaid waivers for its clients and families. As a result, over the current levy period, the number of persons receiving waiver support has grown from 39% of the service facilitator case load to 70%.

   It is important to note that the use of waivers in the upcoming forecast period represents a different financial value from the previous years. In the past, MR/DD was actively seeking to move current clients from fully-MR/DD funded to waiver funded status. The effect of this move was to save sixty percent of the costs that would otherwise be borne by the MR/DD. Most of those clients have now been converted, so the actual cost savings has been, insofar as possible, achieved.

The use of waivers for future clients represents a different financial model. MR/DD estimates that about 75 of its new clients coming into the system each year are emergency enrollments, whom MR/DD has no choice but to serve. The annual average cost for a client is $42,049 per year. This is a cost that would be carried entirely by MR/DD without the waiver program. By securing waiver eligibility, MR/DD saves sixty percent of the ***future*** cost of the enrollees. Thus, the waivers represent a future opportunity cost savings.

Analysis of Impact of Waiver Program on MR/DD Costs for Future Emergency Enrollments and Level One Waiver Conversions							
Year	**Enrollments**	**Avg Cost**	**2010**	**2011**	**2012**	**2013**	**2014**
2010	100	$42,049	$2,102,450	$4,331,047	$4,460,978	$4,594,808	$4,732,652
2011	100	$42,049		$2,102,450	$4,331,047	$4,460,978	$4,594,808
2012	100	$42,049			$2,102,450	$4,331,047	$4,460,978
2013	100	$42,049				$2,102,450	$4,331,047
2014	100	$42,049					$2,102,450
Total Annual Obligation (1)			**$2,102,450**	**$6,433,497**	**$10,894,475**	**$15,489,283**	**$20,221,935**
Costs Covered by Waivers (2)			$1,299,314	$3,975,901	$6,732,786	$9,572,377	$12,497,156
MR/DD Costs with Waivers (3)			$803,136	$2,457,596	$4,161,690	$5,916,906	$7,724,779

1. This is the total cost of 100 new clients coming into MR/DD as emergencies or as Level One waiver conversions to IO waivers. Admission of emergencies is non-discretionary. Without waiver support, this is the amount that MR/DD would be obligated to pay. The amount is based on the number of enrollees multiplied by the average annual cost. This table assumes that a half-year time lag in the enrollments, so that the 2010 enrollment number is actually based on 50 enrollments, with the remaining years at the full enrollment count.
2. This is the amount of the costs that are either recovered through reimbursement or not incurred as a result of direct charges. This is the effective savings to MR/DD as a result of the waiver program.
3. This is the total amount that MR/DD is obligated to incur.

3. Budget for increases in Service Facilitator staffing as a result of increased case load and waivers.

Of concern to continued service quality is the impact that the growth in waivers has had, and be expected to continue having, on the work load of Service Facilitators. While the average total case load per facilitator has grown by only three cases over the past five years, the average waiver caseload has nearly doubled. Waiver cases require significantly more work effort relating to finding and/or changing service providers, frequent review and changing of action planning, more major incidents requiring Service Facilitator follow-up, increased numbers of services, and more service follow-up. Thus, the substantial increase in waiver cases per service facilitator represents a substantial increase in the time demand on those facilitators.

Increase in Total Clients and Waiver Case Load, 2005-2009					
	2005	**2006**	**2007**	**2008**	**2009 (projected)**
Total Clients Supported by Service Facilitators	**3,366**	**3,231**	**3,420**	**3,537**	**3,654**
IO waivers	929	973	1,187	1,476	1,650
Level 1 waivers	385	627	641	673	913
Total waivers	**1,314**	**1,600**	**1,828**	**2,149**	**2,563**
Pct of Waiver Cases (Total Waivers divided by Total Clients)	39%	50%	53%	61%	70%
Service Facilitators	88	87	87	88	89
Average Total Caseload	38	37	39	40	41
Average Waiver Caseload	15	18	21	24	29

MR/DD projects that the rate of case load growth will slow in the upcoming levy period and is estimating a straight-line increase of 120 total cases per year—of which 75 each year will be waiver cases—for each of the upcoming five years. Even at this reduced rate of growth, it will be necessary to increase the number of facilitators to maintain the current total case load and waiver case load staffing ratios:

Planned Increase in Total Clients and Waiver Case Load and Impact on Service Facilitator Staffing 2010-2014					
	2010	**2011**	**2012**	**2013**	**2014**
Projected Increase in Case Load					
Total Clients Supported by Service Facilitators	3,774	3,894	4,014	4,134	4,254
IO waivers	1,725	1,800	1,875	1,950	2,025
Level 1 waivers	938	963	988	1,013	1,038
Total waivers	2,663	2,763	2,863	2,963	3,063
Pct of Waiver Cases (Total Waivers divided by Total Clients)	71%	71%	71%	72%	72%
Impact on Staff – Current Levels					
Service Facilitators	89	89	89	89	89
Average Total Caseload	42	44	45	46	48

Planned Increase in Total Clients and Waiver Case Load and Impact on Service Facilitator Staffing 2010-2014					
	2010	**2011**	**2012**	**2013**	**2014**
Average Waiver Caseload	30	31	32	33	34
Staff Required to Maintain Current Average Case Load (41 cases per specialist)	**92**	**95**	**98**	**101**	**104**

This analysis supports an increase in the number of service facilitators at the rate of three new positions per year. The following table shows the revenue and expenditure impact that this change in staffing will have:

Estimated Expenses and Revenue Associated with Increase in Facilitators					
	2010	**2011**	**2012**	**2013**	**2014**
EXPENSES					
2010	$153,815	$164,449	$175,819	$187,975	$200,972
2011		$153,815	$164,449	$175,819	$187,975
2012			$153,815	$164,449	$175,819
2013				$153,815	$164,449
2014					$153,815
Expense per year	**$153,815**	**$318,264**	**$494,083**	**$682,059**	**$883,031**
REVENUE					
2010	$73,296	$73,296	$73,296	$73,296	$73,296
2011		$73,296	$73,296	$73,296	$73,296
2012			$73,296	$73,296	$73,296
2013				$73,296	$73,296
2014					$73,296
Revenue per year	**$73,296**	**$146,592**	**$219,888**	**$293,184**	**$366,480**
NET EXPENSES	**$80,519**	**$171,672**	**$274,195**	**$388,875**	**$516,551**

We have incorporated the estimated cost of this increase in our primary financial forecast model.

4. The rapid growth in early intervention cases will require additional client case staff.

The early intervention program for children up to the age of three years, represents the most rapidly growing service population for MR/DD.

Increase in Early Intervention Case Load, 2005-2009					
	2005	**2006**	**2007**	**2008**	**2009 (projected)**
Total People Served by Early Intervention Specialists	641	1,196	1,626	2,151	2,251
EI Specialists	30	31	31	31	31
Average Caseload	21	39	52	69	73

The table above illustrates a 251% increase in case demand over the preceding five years. The bulk of the increase occurred in a three year period from 2006 through 2008, with 2009 projections reflecting a substantial decrease in the rate of increase, but a continued increase in demand nonetheless.

Acknowledging the slowing of the rate of increase, the MR/DD staff is still predicting a growth rate of about 100 new cases each year during the upcoming levy period. The following table analyzes the impact of this growth on case load and estimates the number of early intervention specialists necessary to maintain the average case load of 73 cases per specialist.

Planned Increase in Early Intervention Case Load And Staffing Impact 2010-2014					
	2010	**2011**	**2012**	**2013**	**2014**
Total People Served by Early Intervention Specialists	2,351	2,451	2,551	2,651	2,751
Change in Case Load with Current EI staffing					
EI Specialists	31	31	31	31	31
Average Caseload	76	79	82	86	89
Staff Required to Maintain Current Average Case Load (73 cases per specialist)	32	34	35	36	38
MR/DD Staffing Request	32	33	34	35	36

MR/DD is proposing to increase the average case load per specialist from the current 73 cases to 76 cases over a three year period. That request equates to one new specialist per position per year. The cost for this staffing is presented in the table below:

Estimated Expenses Associated with Increase in Early Intervention Specialists					
	2010	**2011**	**2012**	**2013**	**2014**
EXPENSES					
2010	$ 56,745	$ 60,201	$ 63,867	$ 67,756	$ 71,883
2011		$ 56,745	$ 60,201	$ 63,867	$ 67,756
2012			$ 56,745	$ 60,201	$ 63,867
2013				$ 56,745	$ 60,201
2014					$ 56,745
Expense per year	**$ 56,745**	**$ 116,945**	**$ 180,812**	**$ 248,568**	**$ 320,450**

We have included the costs associated with this lesser request in our primary expenditure forecast model.

5. **Increase the cost sharing with the public school system by increasing fees from 25% of cost to 50% of cost on the basis that the Schools can secure additional federal reimbursements that are not available directly to MR/DD.**

As part of the last levy period, MR/DD made several changes to the financial arrangements with area public schools for their contribution to MR/DD educational services to school-age youth in the program. Currently, the local schools pay the entire cost of public transportation for MR/DD students who are within their jurisdiction. Generally, the schools pay 25% of the costs for their students who attend the MR/DD schools, and there are cost sharing arrangements for schools where MR/DD staff use public school facilities for educational purposes.

Having implemented the shared funding principal, it would be appropriate for MR/DD to increase the funding percentages paid by the schools since the Schools are responsible for providing educational opportunities for school-age children. It is reasonable to expect that the Schools may be able to secure additional federal funding under the medicaid school plan to offset their direct costs in providing and/or financing services being provided by MR/DD. We present the financial impact of a change from a 25% sharing ratio to a 50% sharing ratio in the table below:

Financial Impact in Change of Billing Rate to Schools		
CALCULATION OF NET SCHOOL-AGE COSTS		
Total School-Age Costs		**$15,313,593**
Less:		
Community Based School Age Contracts		($2,564,845)
Transportation cost (schools pay 100%)		($1,623,952)
Net School-Age Costs		**$11,124,796**
CALCULATION OF TRANSPORTATION COSTS TO BILL SCHOOLS		
Transportation Cost		$1,623,952
Less DOE Transportation Subsidy		($589,342)
Net Amount to be Billed to Schools		**$1,034,610**
CALCULATION OF BILLING TO SCHOOLS	**Through 2009-10**	**Effective 2010-11**
Billing Rate	25%	50%
School Services Costs	$2,588,558	$5,562,398
Transportation Cost	$1,034,610	$1,034,610
Total to be Billed to School Districts	**$3,623,168**	**$6,597,008**
Estimated Additional Annual Income		**$2,973,839**

We concur in MR/DD's estimates that this increase would result in an estimated $2,973,839 per year in funding. We have factored that increase into our revenue estimates for the upcoming levy period. This assumption is included in the primary financial model as well as the alternative funding level scenarios.

6. Budget for anticipated continued enrollment growth in adult services.

MR/DD anticipates that its adult service enrollment will continue to increase at a rate of approximately seventy new persons each year. This increase is consistent with MR/DD's experience in the previous levy period. The growth has been, and is expected to continue to be, experienced primarily with MR/DD's contract service providers rather than in MR/DD's own adult centers. Just as the annual increase seems to be reasonably stable, so too is the average annual cost of $12,228 per year. The following table, shows the added cost for each year of the upcoming levy period, based on the average enrollment increase and average annual cost incremented by a 3.0 percent inflation rate.

Estimated Expenses and Revenue Associated with Annual Adult Enrollment Increases (Assumes 70 new enrollments per year at $12,228 annual cost, adjusted by 3% inflation rate)					
	2010	**2011**	**2012**	**2013**	**2014**
EXPENSES					
2010	$427,980	$881,639	$908,088	$935,331	$963,391
2011		$440,819	$908,088	$935,331	$963,391
2012			$454,044	$935,331	$963,391
2013				$467,665	$963,391
2014					$481,695
Expense per year	**$427,980**	**$1,322,458**	**$2,270,220**	**$3,273,657**	**$4,335,257**
REVENUE					
2010	$225,900	$451,800	$451,800	$451,800	$451,800
2011		$225,900	$451,800	$451,800	$451,800
2012			$225,900	$451,800	$451,800
2013				$225,900	$451,800
2014					$225,900
Revenue per year	**$225,900**	**$677,700**	**$1,129,500**	**$1,581,300**	**$2,033,100**
NET EXPENSES	**$202,080**	**$644,758**	**$1,140,720**	**$1,692,357**	**$2,302,157**

We have included these revenues and expenses in the primary forecast model.

7. **Continue to improve technology support by:**

   - **Moving immediately to the development of a disaster-based information technology backup and recovery system using off-site, secure facilities;**
   - **At a minimum, implement a redundant server system for production servers, and consider the feasibility of using entirely off-site, secure server systems;**
   - **Continue re-implementation of its client management system;**

MR/DD's technology capability has progressed dramatically from the previous levy review, when the review considered technology support to be a primary administrative issue. Today, MR/DD has a strong technology basis that has enabled it to become more efficient in the use of its resources. We commend this progress.

We suggest four initiatives that we believe will continue MR/DD's progress in technology, as listed in the recommendation above. The first two relate to system disaster planning, the need for which was shown in an extended weather-related loss of service earlier in this year. With critical records, many of which are not duplicated elsewhere, the loss of this information—or even its unavailability over an extended period of time—is a risk that should be avoided. For this reason, we recommend strongly that the MR/DD secure off site remote back-up and retention services at the outset, so that all of the MR/DD electronic records are backed-up a remote site that meets industry standards for technological capability, reliability of service, and natural and man-made disaster protection. This later consideration is most important of all. The cost for this service is highly variable, depending on storage memory requirements, performance standards, security standards, and interoperability requirements.

With a remote back-up server, MR/DD will want to maintain a redundant server system to assure that data are always accurate and that there is a quick transfer between systems if necessary. Eventually, MR/DD may wish to consider moving to an entirely off-site server provider.

We have seen costs range in the $25,000 to $100,000 range, but we anticipate that MR/DD's costs should be on the lower end of the scale. MR/DD has received an estimate from a local vendor for services starting at $37,000 per year for the backup services, with an annual increment of 2.5%. In addition, MR/DD will need to spend an additional $75,000 (approximate) for computer hardware capital in order to have a fully functional mirrored production capacity. This will, effectively, eliminate any future potential loss of service and is well worth the investment.

In our cost analysis, we have included $112,000 in the first year for the backup system and the mirroring hardware systems for redundancy. Since the hardware is a one-time purchase, the annual cost starting in the second year reduces to $37,000 plus an inflationary adjustment.

Eventually, MR/DD may wish to consider eliminating its own server capacity in favor of an off-site server operator. This is something that the Board can consider after it has resolved the more immediate back-up and security issue.

A third recommendation is to continue its work on the re-implementation of its client management system. Earlier, the Board has sought to be on the front-end of a new client management application that promised better capability, more integrated data management, and a higher level of staff and customer access. As sometimes happens, implementation of the new system did not meet expectations. MR/DD is to be complimented for having the fortitude not to throw good money after bad and to back away from the implementation rather than attempting to force through a flawed system.

MR/DD is now implementing an upgraded version of its previous client management system, and our review indicates that this is proceeding well.

8. **Hire a business analyst to work with operating units of MR/DD to evaluate and improve business processes on a regular basis as a means of enhancing technology services.**

   MR/DD has continued to grow and develop as a customer oriented, customer driven organization. To that extent, it has, appropriately placed its financial investment into direct customer services rather than administrative infrastructure. The problems of implementing the new client management sytem has pointed out the need to make an investment in some additional management infrastructure that will enable MR/DD to maintain its customer focus. We recommend that MR/DD add a management analyst position to the IT department. The role of this analyst will be to work with the line departments of MR/DD to evaluate constantly their business process models, with the information feeding into continual technology improvements. We believe that this minimal investment of between $60,000 and $90,000 per year (salary, fringe benefits, and associated costs) at the outset will enable MR/DD to stay ahead of the technology curve and to evaluate continually improved business processes.

9. **Continue the preliminary discussions with Butler, Clermont, and Warren Counties regarding establishment of a Council of Governments to coordinate activities of the three MR/DD programs;**

   Recently, the Hamilton County Board of MR/DD began very preliminary discussions with its parallel organizations in Butler, Clermont, and Warren Counties about the feasibility of forming a Council of Governments as authorized by Ohio Statutes. Our understanding of the concept is for the four county agencies to combine initially program coordination functions. A similar model for this already exists elsewhere in Ohio.

   The current discussion is limited to a few functional areas of cooperative service:

   1. Cooperative quality review, in which the peer jurisdictions would review each other for quality improvements;
   2. Staff backup in the event of temporary vacancies or other special work load circumstances;
   3. Appeals of Eligibility Determination in which one county can provide an objective assessment of an individual's eligibility in the case of appeals.
   4. Information Technology improvements to be gained jointly with the same software provider.
   5. Investments in which the agencies would jointly invest their reserve funds and accrue interest, where the County currently performs this function and receives the interest earnings.

The history of interlocal service sharing is that the most successful programs begin with the exploration of better coordination of local decisions. The possible areas of sharing currently under discussion are a good starting point that meet this standard. They provide the opportunity for the four agencies to cooperate and establish a basis of mutual trust and interlocal coordination.

As already limited resources for client service continue to decline relative to costs, it will become increasingly important to minimize administrative costs. Once the four agencies have developed the basis for mutual assistance, they can move relatively quickly to service sharing strategies that will begin to yield cost savings. These strategies usually relate to cross-agency administrative services support rather than to direct service delivery. Doctoral research conducted by one of our project team members, and our experience with shared service arrangements, indicate that successful shared service delivery can result in aggregate cost savings that can range between 15 and 30% of costs for duplicated services.

We encourage the four agencies to move quickly toward establishing a Council of Governments that establishes a framework for planning and coordination and that can, in the reasonably near future, move them forward to more direct cost savings.

10. Continue use of the early retirement opportunities to reduce personnel costs.

The MR/DD has used the County's early retirement program in the past to reduce personnel costs, and it should continue to do so. The composition of the Board's employment structure has changed over the past several years, so the overall value of this program may not be so significant as in the past. Nonetheless, this is a valid approach to managing its personnel costs. Because of the variability of the program, and the individual choice involved, we have not included cost savings estimates in our expense forecasts.

11. Continue development and implementation of internal staff support services for MR/DD employees.

Social support services, such as those provided by the Board of MR/DD, typically cause high levels of stress on the individual service providers. This, in turn, frequently causes employee burn out and high rates of employee turnover. Our review of MR/DD's employment history shows that, so far, MR/DD has not experienced the turnover that we frequently see in other service providers. MR/DD's Human Resources Department recognizes this potential issue and has begun to address it by developing an internal support service to assess, and better meet, the support needs of MR/DD employees who provide direct services to individuals with disabilities, a program that it anticipates rolling out in the near future. We commend this initiative as a progressive program designed to eliminate or minimize a potential issue before it arises.

At this point, no cost estimate has been developed for this program, but we believe that its cost will be minimal and have not included in our expense projections.

12. **Develop and implement additional client reporting information in order to evaluate more systematically the increase in aging client population.**

During the previous levy review, questions were raised about the potential impact on service delivery and service costs as the age of the client population grew. With age comes additional issues that have previously not been seen. As we reviewed MR/DD's case data and conducted interviews, we found that that MR/DD has not been able to collect hard data reflecting this possible trend. Anecdotally, our interviews with MR/DD staff and with other provider agencies indicate that this continues to be a concern, but which has not apparently manifested itself yet. MR/DD has begun discussions with the Area Agency on Aging about service coordination with the elderly population. This is important in that it will enable MR/DD to monitor potential increases in demands for aging services.

VI. FINANCIAL ANALYSIS AND LEVY FORECAST

This section of the report includes our analysis of the financial operations of MR/DD for the previous tax levy period and projects future needs.

The Project Team took the following steps in order to derive anticipated tax levy fund requirements:

- Use the anticipated tax levy fund balance at the end of the current period (2009) of $11,662,231 as a source of funding and build tax levy plan to drive to a "zero balance" at the end of the forecast period (2010-2014).
- Assume property tax revenue at the BOCC inflation calculation level through the period.
- Hold non-tax revenue at zero percent growth on all revenue account lines. This is necessary to allow consideration of discrete actions impacting operations and net costs on the Action Summary table.
- Inflate operating expenditures at anticipated levy period rate of inflation at approximately 3.0% per year. This is necessary to derive tax levy needs associated with maintaining the current level of effort before incorporating discrete actions from the Action Summary table.
- Identify, develop and incorporate discrete revenue and expenditure impacts associated with forecast operating issues during the levy period. This allows presentation of these impacts as incremental adjustments to the "base level" revenue and expenditure forecasts.

The net impact from these steps as displayed in the following detailed tables for the Hamilton County Board of MR/DD is a forecasted tax levy fund need of $445,305,550 over the five-year levy period. This total includes revenues at current levels without any increases, action recommendations, and inflationary requirements.

Total Levy 2010-2014		
$ 445,305,550		**Tax Levy Recommendation**
$ (400,199,446)	-89.9%	Maintenance of Current Level of Effort
$ (39,987,700)	-9.0%	Inflationary Impacts
$ (16,780,635)	-3.8%	Action Item Net Impacts
$ 11,662,231	2.6%	Use of Unexpended Tax Levy Balance
$ (0)	-100.0%	

Of this total amount, $400,199,446 or 89.9% is required to maintain the current level of operational effort, assuming tax revenues at the BOCC inflation calculation level. $ 39,987,700 represents the additional adjustments necessary to maintain current levels of services to accommodate expected inflation during the five-year levy period. $16,780,635 relates the net expenses of the action item recommendations. The proposed plan also includes the use of $11,662,231 in unexpended tax levy funds remaining at the end of 2009.

The primary financial forecast model is presented on the following pages. Given uncertainties in State funding of local MRDD and the increasing service demands, we have also prepared a series of scenarios at varying funding levels in order to provide options. These scenarios clearly identify the incremental changes in tax support as well as the additional services provided. For clarity, we have adopted the following naming strategy for the scenarios:

- Primary Financial Model - $445 million in total tax levy support over the levy perriod to fully fund inflation factor of 3.0% and maintain service levels in environment of increasing client populations.
- Scenario 400 – Approximately $400 million in total tax levy support over the levy period to match the BOCC inflation calculation level. Following scenarios build incrementally upon this level of support.
- Scenario 411 – Approximately $411 million in total tax levy support over the levy period to match BOCC policy plus additional levy funds to allow carrying levy balance equal to the current balance of $11 million for contingency purposes.
- Scenario 428 – Approximately $428 million in total tax levy support over the levy period to meet essential needs identified by executive team at MRDD.

Hamilton County MR/DD Levy
Board of MR/DD
Primary Financial Model - Five Year Forecast for Fiscal Years 2010-2014

	Actual				Estimated	Forecast					
Line Item Description	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**TOTAL**
Beginning Operating Cash Balance	$ 15,276,044	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 19,537,183	$ 23,464,907	$ 21,668,437	$ 13,924,077	
Plus: Total Operating Revenue	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 110,369,751	$ 115,058,354	$ 118,340,335	$ 121,705,022	$ 125,154,898	$ 590,628,359
Plus: Additional Revenue	$ -	$ -	$ -	$ -	$ -	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 45,106,104
Subtotal	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 119,390,972	$ 124,079,575	$ 127,361,555	$ 130,726,243	$ 134,176,119	$ 635,734,463
Less: Total Operating Expenditures	$ 83,013,115	$ 85,446,600	$ 90,231,248	$ 106,222,533	$ 108,508,143	$ 111,516,020	$ 120,151,851	$ 129,158,025	$ 138,470,603	$ 148,100,196	$ 647,396,694
Ending Operating Cash Balance	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 19,537,183	$ 23,464,907	$ 21,668,437	$ 13,924,077	$ (0)	
ADDITIONAL REVENUE NEED						$ 1,146,269	$ 5,093,497	$ 10,817,690	$ 16,765,581	$ 22,945,298	$ 56,768,335
AVERAGE ADD'L ANNUAL RESOURCE NEED						$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 45,106,104
TOTAL LEVY NEED											
Continuing Operations						$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,890	$ 400,199,446
Additional Needs						$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 9,021,221	$ 45,106,104
TOTAL						$ 89,061,110	$ 89,061,110	$ 89,061,110	$ 89,061,110	$ 89,061,111	$ 445,305,550

Hamilton County MR/DD Levy
Board of MR/DD
Primary Financial Model - Five Year Revenue Forecast for Fiscal Years 2010 - 2014

		Actual				Estimated	Forecast					
	Line Item Description	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**TOTAL**
111	Real Estate & Public Utilities	$ 53,682,157	$ 55,740,537	$ 55,991,744	$ 55,235,492	$ 54,729,445	$ 64,415,009	$ 64,415,009	$ 64,415,009	$ 64,415,009	$ 64,415,010	$ 322,075,046
112	Real Estate Trailer Tax	$ 58,558	$ 35,427	$ 20,802	$ 42,225	$ 32,000	$ 37,663	$ 37,663	$ 37,663	$ 37,663	$ 37,663	$ 188,315
113	Personal Property Tangible	$ 6,651,671	$ 5,396,737	$ 4,646,124	$ 2,384,899	$ -	$ -	$ -	$ -	$ -	$ -	$ -
137	Federal Payments in Lieu of Taxes	$ 14,478	$ 1,674	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
141	Pers. Prop. Reimbs.	$ 272,713	$ 1,995,574	$ 3,357,719	$ 4,819,855	$ 6,156,295	$ 7,388,536	$ 7,388,536	$ 7,388,536	$ 7,388,536	$ 7,388,536	$ 36,942,680
142	Rollback & Homestead	$ 6,893,753	$ 5,215,874	$ 5,279,375	$ 6,167,066	$ 6,097,107	$ 7,176,122	$ 7,176,122	$ 7,176,122	$ 7,176,122	$ 7,176,122	$ 35,880,610
143	Public Utility Reimbursement	$ 1,086,004	$ 1,086,004	$ 928,919	$ 893,001	$ 868,805	$ 1,022,559	$ 1,022,559	$ 1,022,559	$ 1,022,559	$ 1,022,559	$ 5,112,795
	Subtotal Tax Levies	$ 68,659,334	$ 69,471,827	$ 70,224,683	$ 69,542,538	$ 67,883,652	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,890	$ 400,199,446
	Average Annual Rate of Increase		1.2%	1.1%	-1.0%	-2.4%	17.9%	0.0%	0.0%	0.0%	0.0%	
151	State Grants	$ 3,465,391	$ 5,782,994	$ 5,317,463	$ 7,079,341	$ 5,495,236	$ 5,495,236	$ 5,495,236	$ 5,495,236	$ 5,495,236	$ 5,495,236	$ 27,476,180
161	Educational Subsidy	$ 6,708,988	$ 5,176,548	$ 6,296,474	$ 3,038,233	$ 3,259,576	$ 3,259,576	$ 3,259,576	$ 3,259,576	$ 3,259,576	$ 3,259,576	$ 16,297,880
	Subtotal MR/DD Revenue	$ 10,174,379	$ 10,959,542	$ 11,613,937	$ 10,117,574	$ 8,754,812	$ 8,754,812	$ 8,754,812	$ 8,754,812	$ 8,754,812	$ 8,754,812	$ 43,774,060
	Average Annual Rate of Increase		7.7%	6.0%	-12.9%	-13.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
131	Health Grant	$ 31,487	$ 28,364	$ 18,516	$ 26,168	$ -	$ -	$ -	$ -	$ -	$ -	$ -
133	Fed Food Grant	$ -	$ 3,747	$ 4,129	$ 6,170	$ 22,644	$ 22,644	$ 22,644	$ 22,644	$ 22,644	$ 22,644	$ 113,220
134	Other Federal Grants	$ 828,462	$ 443,658	$ 701,965	$ 547,976	$ 828,297	$ 828,297	$ 828,297	$ 828,297	$ 828,297	$ 828,297	$ 4,141,485
135	Title XIX Medicaid	$ 7,979,449	$ 10,147,553	$ 4,938,324	$ 9,252,635	$ 12,450,336	$ 12,450,336	$ 12,450,336	$ 12,450,336	$ 12,450,336	$ 12,450,336	$ 62,251,680
	Subtotal Federal Revenue	$ 8,839,398	$ 10,623,322	$ 5,662,934	$ 9,832,949	$ 13,301,277	$ 13,301,277	$ 13,301,277	$ 13,301,277	$ 13,301,277	$ 13,301,277	$ 66,506,385
	Average Annual Rate of Increase		20.2%	-46.7%	73.6%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
278	Misc Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
301	Auction Proceeds	$ 2,384	$ 10,949	$ 9,910	$ 4,047	$ -	$ -	$ -	$ -	$ -	$ -	$ -
384	Misc Receipts	$ 171,556	$ 811,693	$ -	$ 585	$ -	$ -	$ -	$ -	$ -	$ -	$ -
387	Misc Reimbursements	$ 1,022,699	$ 5,931,663	$ 5,582,060	$ 5,397,891	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 25,941,715
451	Interest	$ 2,609	$ 3,793	$ 3,991	$ 1,494	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Subtotal Miscellaneous Revenue	$ 1,199,248	$ 6,758,098	$ 5,595,961	$ 5,404,017	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 5,188,343	$ 25,941,715
	Average Annual Rate of Increase		463.5%	-17.2%	-3.4%	-4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	TOTAL CURRENT OPERATING REVENUE	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 107,284,321	$ 107,284,321	$ 107,284,321	$ 107,284,321	$ 107,284,322	$ 536,421,606
	Average Annual Rate of Increase		10.1%	-4.8%	1.9%	0.2%	12.8%	0.0%	0.0%	0.0%	0.0%	

Hamilton County MR/DD Levy
Board of MR/DD
Primary Financial Mosel - Five Year Levy Forecast for Fiscal Years 2010 - 2014

	Actual				Estimated	Forecast					
Line Item Description	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**TOTAL**
Expenditures											
Regular Employee & Overtime Compensation	$ 25,631,095	$ 24,216,606	$ 25,784,888	$ 28,444,820	$ 28,077,849	$ 28,920,184	$ 29,787,790	$ 30,681,423	$ 31,601,866	$ 32,549,922	$ 153,541,186
Part-time Employee Compensation	$ 275,152	$ 299,816	$ 309,002	$ 314,233	$ 309,715	$ 319,006	$ 328,576	$ 338,433	$ 348,586	$ 359,044	$ 1,693,646
Temporary Employee Compensation	$ 561,673	$ 515,715	$ 387,867	$ 385,762	$ 405,000	$ 417,150	$ 429,665	$ 442,554	$ 455,831	$ 469,506	$ 2,214,706
Vacation, Sick, Holiday, Additional, & Other Pay	$ 881,346	$ 865,210	$ 153,179	$ 771,738	$ 337,700	$ 462,459	$ 476,332	$ 490,622	$ 505,341	$ 520,501	$ 2,455,255
Worker's & Unemployment Compensation	$ 213,397	$ 139,501	$ 178,577	$ 772,214	$ 740,799	$ 763,023	$ 785,914	$ 809,491	$ 833,776	$ 858,789	$ 4,050,994
Medicare, FICA, PERS, & STRS Retirement	$ 5,661,775	$ 3,828,256	$ 3,972,028	$ 5,926,335	$ 5,018,489	$ 4,575,540	$ 4,712,806	$ 4,854,190	$ 4,999,816	$ 5,149,810	$ 24,292,161
Medical, Dental, Life, & Employee Assistance Plan	$ 3,437,459	$ 3,382,744	$ 4,211,826	$ 3,747,238	$ 4,407,780	$ 4,540,013	$ 4,676,214	$ 4,816,500	$ 4,960,995	$ 5,109,825	$ 24,103,547
Subtotal Personal Services	$ 36,661,897	$ 33,247,848	$ 34,997,367	$ 40,362,340	$ 39,297,331	$ 39,997,375	$ 41,197,296	$ 42,433,215	$ 43,706,212	$ 45,017,398	$ 212,351,496
Average Annual Rate of Increase		*-9.3%*	*5.3%*	*15.3%*	*-2.6%*	*1.8%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	
Office, Photo. & Computer Supplies	$ 336,343	$ 392,163	$ 454,353	$ 516,453	$ 367,500	$ 378,525	$ 389,881	$ 401,577	$ 413,624	$ 426,033	$ 2,009,641
Janitorial, Food, Fuel Supplies	$ 96,654	$ 114,246	$ 143,047	$ 232,546	$ 164,500	$ 169,435	$ 174,518	$ 179,754	$ 185,146	$ 190,701	$ 899,553
Other Operating Supplies	$ 125,591	$ 177,456	$ 172,874	$ 217,327	$ 182,000	$ 187,460	$ 193,084	$ 198,876	$ 204,843	$ 210,988	$ 995,251
Drug & Medical Supplies	$ 19,980	$ 15,711	$ 28,651	$ 24,253	$ 31,000	$ 31,930	$ 32,888	$ 33,875	$ 34,891	$ 35,937	$ 169,521
Building Supplies	$ 22,089	$ 44,727	$ 31,614	$ 39,847	$ 65,150	$ 67,105	$ 69,118	$ 71,191	$ 73,327	$ 75,527	$ 356,267
Contractors & Repair Services	$ 53,149	$ 58,575	$ 36,298	$ 119,782	$ 60,000	$ 61,800	$ 63,654	$ 65,564	$ 67,531	$ 69,556	$ 328,105
Food Service Contracts	$ 241,665	$ 147,615	$ 196,260	$ 177,466	$ 215,000	$ 221,450	$ 228,094	$ 234,936	$ 241,984	$ 249,244	$ 1,175,708
Employee Travel & Mileage	$ 319,407	$ 356,962	$ 355,479	$ 446,127	$ 441,100	$ 454,333	$ 467,963	$ 482,002	$ 496,462	$ 511,356	$ 2,412,116
Telephone, Postage,& Express	$ 351,154	$ 338,600	$ 383,954	$ 591,577	$ 542,171	$ 558,436	$ 575,189	$ 592,445	$ 610,218	$ 628,525	$ 2,964,813
Bus Rental Services	$ 8,632,183	$ 7,355,863	$ 7,488,683	$ 11,298,625	$ 12,537,823	$ 12,913,958	$ 13,301,376	$ 13,700,418	$ 14,111,430	$ 14,534,773	$ 68,561,954
Printing & Publishing	$ 53,789	$ 56,112	$ 106,259	$ 98,477	$ 105,500	$ 108,665	$ 111,925	$ 115,283	$ 118,741	$ 122,303	$ 576,917
Insurance & Bonds	$ 92,929	$ 113,926	$ 88,935	$ 86,137	$ 107,100	$ 110,313	$ 113,622	$ 117,031	$ 120,542	$ 124,158	$ 585,667
Utility Services	$ 463,409	$ 525,313	$ 582,321	$ 552,575	$ 684,300	$ 704,829	$ 725,974	$ 747,753	$ 770,186	$ 793,291	$ 3,742,033
Equipment Repairs & Maintenance	$ 104,505	$ 78,553	$ 96,106	$ 104,909	$ 146,500	$ 150,895	$ 155,422	$ 160,085	$ 164,887	$ 169,834	$ 801,122
Building Repairs & Maintenace	$ 207,973	$ 402,569	$ 417,383	$ 863,082	$ 1,062,050	$ 1,093,912	$ 1,126,729	$ 1,160,531	$ 1,195,347	$ 1,231,207	$ 5,807,725
Copier & Machine Rentals	$ 113,740	$ 121,203	$ 144,406	$ 117,061	$ 153,650	$ 158,260	$ 163,007	$ 167,898	$ 172,934	$ 178,122	$ 840,221
Office Rent	$ 489,064	$ 522,689	$ 306,654	$ 240,838	$ 363,682	$ 374,592	$ 385,830	$ 397,405	$ 409,327	$ 421,607	$ 1,988,762
Misc. Contractual Services	$ 33,189,761	$ 39,583,654	$ 42,429,575	$ 44,118,207	$ 47,592,957	$ 49,020,746	$ 50,491,368	$ 52,006,109	$ 53,566,292	$ 55,173,281	$ 260,257,797
Subscriptions & Memberships	$ 38,601	$ 12,493	$ 23,615	$ 124,263	$ 141,000	$ 145,230	$ 149,587	$ 154,075	$ 158,697	$ 163,458	$ 771,046
Training Services	$ 20,727	$ 46,227	$ 82,400	$ 105,640	$ 80,000	$ 82,400	$ 84,872	$ 87,418	$ 90,041	$ 92,742	$ 437,473
Refunds, Claims, Taxes, & Other Expenditures	$ 19,741	$ 10,677	$ 58,534	$ 1,195	$ 77,500	$ 79,825	$ 82,220	$ 84,686	$ 87,227	$ 89,844	$ 423,802
Indirect Cost Reimbursements	$ 907,317	$ 935,222	$ 947,768	$ 900,756	$ 814,604	$ 839,042	$ 864,213	$ 890,140	$ 916,844	$ 944,349	$ 4,454,589
Subtotal Supplies & Services	$ 45,899,771	$ 51,410,556	$ 54,575,169	$ 60,977,143	$ 65,935,087	$ 67,913,140	$ 69,950,534	$ 72,049,050	$ 74,210,521	$ 76,436,837	$ 360,560,081
Average Annual Rate of Increase		*12.0%*	*6.2%*	*11.7%*	*8.1%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	
Vehicles and Equipment	$ 346,447	$ 683,196	$ 553,712	$ 1,080,350	$ 1,170,725	$ 559,927	$ 576,725	$ 594,027	$ 611,847	$ 630,203	$ 2,972,729
Subtotal Capital Assets	$ 346,447	$ 683,196	$ 553,712	$ 1,080,350	$ 1,170,725	$ 559,927	$ 576,725	$ 594,027	$ 611,847	$ 630,203	$ 2,972,729
Average Annual Rate of Increase		*97.2%*	*-19.0%*	*95.1%*	*8.4%*	*-52.2%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	
TOTAL OPERATING EXPENDITURES	$ 82,908,115	$ 85,341,600	$ 90,126,248	$ 102,419,833	$ 106,403,143	$ 108,470,442	$ 111,724,555	$ 115,076,291	$ 118,528,580	$ 122,084,438	$ 575,884,306
Operating Transfers Out	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 525,000
Year-end Encumbrances / MCSA Contribution				$ 3,697,700	$ 2,000,000						
TOTAL EXPENDITURES	**$ 83,013,115**	**$ 85,446,600**	**$ 90,231,248**	**$ 106,222,533**	**$ 108,508,143**	**$ 108,575,442**	**$ 111,829,555**	**$ 115,181,291**	**$ 118,633,580**	**$ 122,189,438**	**$ 576,409,306**
Average Annual Rate of Increase		***2.9%***	***5.6%***	***17.7%***	***2.2%***	***0.1%***	***3.0%***	***3.0%***	***3.0%***	***3.0%***	

Hamilton County MR/DD Levy
Board of MR/DD
Primary Financial Model - Action Summary - Five Year Levy Forecast for Fiscal Years 2010 - 2014

	Line Item Description		Forecast FY2010	FY2011	FY2012	FY2013	FY2014	TOTAL
	ACTION IMPACTS (NET ADJUSTMENTS)							
	(From Listing Below)	Revenue	$ 3,085,430	$ 7,774,033	$ 11,056,014	$ 14,420,701	$ 17,870,576	$ 54,206,753
		Expense	$ 2,940,578	$ 8,322,296	$ 13,976,734	$ 19,837,023	$ 25,910,759	$ 70,987,389
		Net	$ 144,852	$ (548,263)	$ (2,920,720)	$ (5,416,322)	$ (8,040,183)	$ (16,780,635)
Action 1A	**Loss in State Subsidy (Not included in original model.)**							
	Reduction in State Aid due to State budget shortfall.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 1B	**Tax Levy Allocation Changes**							
	Personal Property Tax "Hold Harmless" period ends in 2010.	Revenue	$ -	$ (1,107,809)	$ (2,215,617)	$ (2,954,156)	$ (3,692,695)	$ (9,970,277)
	Compensating Levy Adjustments by Auditor	Revenue	$ -	$ 1,107,809	$ 2,215,617	$ 2,954,156	$ 3,692,695	$ 9,970,277
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 2	**Aggressively Pursue Medicaid Waivers**							
	Based on 75 emergency Individual Options waivers being	Revenue	$ 1,299,314	$ 3,975,901	$ 6,732,786	$ 9,572,377	$ 12,497,156	$ 34,077,534
	developed and 25 Level 1 waivers being converted to IO waivers each year	Expense	$ 2,102,450	$ 6,433,497	$ 10,894,475	$ 15,489,283	$ 20,221,935	$ 55,141,641
Action 3	**Service Facilitator Staff for Medicaid Waiver Services**							
	Service growing number of Medicaid Waiver clients.	Revenue	$ 73,296	$ 146,592	$ 219,888	$ 293,184	$ 366,480	$ 1,099,440
		Expense	$ 153,815	$ 318,264	$ 494,083	$ 682,059	$ 883,031	$ 2,531,251
Action 4	**Developmental Specialists for Early Intervention**							
	Add one during each year of the levy period.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ 56,745	$ 116,945	$ 180,811	$ 248,567	$ 320,450	$ 923,518
Action 5	**Increase School Cost Sharing**							
		Revenue	$ 1,486,920	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 13,382,279
	Schools to be billed 50% of school age costs (as per TLRC)	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 6	**Adult Services Growth**							
	Project 70 new Adult enrollments each year (same as last levy).	Revenue	$ 225,900	$ 677,700	$ 1,129,500	$ 1,581,300	$ 2,033,100	$ 5,647,500
		Expense	$ 427,980	$ 1,322,458	$ 2,270,220	$ 3,273,657	$ 4,335,257	$ 11,629,573
Action 7	**Information Technology - Security**							
	Contract for use of off-site data center.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ 37,000	$ 37,888	$ 38,797	$ 39,728	$ 40,682	$ 194,096
	Develop redundant production server capability (hardware /	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	software).	Expense	$ 74,182	$ -	$ -	$ -	$ -	$ 74,182
Action 8	**Information Technology - Capability**							
	Cost of hiring a Business Analyst to work with operating units of	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	MRDD to evaluate and improve business processes.	Expense	$ 88,406	$ 93,244	$ 98,346	$ 103,728	$ 109,404	$ 493,129
Action 9	**Investigate CoG with Neighboring Counties**							
	Potential service enhancements, revenue and expenditure	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	benefits.	Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 10	**Continue Use of Early Retirement Initiative Program**							
	Potential net expenditure benefits.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 11	**Continue Development of Staff Support**							
	Counseling and support services for MR/DD staf members.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 12	**Investigate Impacts of Aging Clients**							
	Develop information on needs and associated resource	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	requirements.	Expense	$ -	$ -	$ -	$ -	$ -	TBD

Hamilton County MR/DD Levy
Board of MR/DD
Primary Financial Model
Cash Flow Summary - Five Year Levy Forecast for Fiscal Years 2010 - 2014

	Line Item Description		Forecast FY2010	FY2011	FY2012	FY2013	FY2014	TOTAL	% of TOTAL
Inflationary Adjustments	**TOTAL OPERATING REVENUE (No Inflation Growth)**		$ 107,284,321	$ 107,284,321	$ 107,284,321	$ 107,284,321	$ 107,284,322	$ 536,421,606	
	TOTAL EXPENDITURES (3.0% Inflation Growth)		$ 108,575,442	$ 111,829,555	$ 115,181,291	$ 118,633,580	$ 122,189,438	$ 576,409,306	
	ANNUAL CASHFLOWS		$ (1,291,121)	$ (4,545,234)	$ (7,896,970)	$ (11,349,259)	$ (14,905,116)	**$ (39,987,700)**	**70.4%**
Action Impact Adjustments	**ACTION IMPACTS (NET ADJUSTMENTS)**								
	(From Listing on Previous Page)	Revenue	$ 3,085,430	$ 7,774,033	$ 11,056,014	$ 14,420,701	$ 17,870,576	$ 54,206,753	
		Expense	$ 2,940,578	$ 8,322,296	$ 13,976,734	$ 19,837,023	$ 25,910,759	$ 70,987,389	
		Net	$ 144,852	$ (548,263)	$ (2,920,720)	$ (5,416,322)	$ (8,040,183)	**$ (16,780,635)**	**29.6%**
Total Impact	**TOTAL ANNUAL IMPACT**		$ (1,146,269)	$ (5,093,497)	$ (10,817,690)	$ (16,765,581)	$ (22,945,298)	**$ (56,768,335)**	**100.0%**
	Less: Use of Unexpended Fund Balance		$ 11,662,231	$ -	$ -	$ -	$ -	$ 11,662,231	
			$ 10,515,962	$ (5,093,497)	$ (10,817,690)	$ (16,765,581)	$ (22,945,298)	**$ (45,106,104)**	

"SCENARIO 400"

TAX LEVY FUNDING OF $400 MILLION

Important assumptions regarding this scenario include the following:

- Tax levy support approximates funding level approved under the BOCC inflation calculation of $400,199,446.
- Expenditure inflation is not supported; organization will have to adjust service levels to adjust for inflationary pressures.
- No Action Items included except those that have a revenue impact that exceeds expenditures.
- $8.7 million anticipated loss in State subsidy funds due to State budget crisis not offset; agency will incur service reductions to cover this loss.

Hamilton County MR/DD Levy
Board of MR/DD
Scenario 400 - Five Year Forecast for Fiscal Years 2010-2014

	Actual				Estimated	Forecast					
Line Item Description	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**TOTAL**
Beginning Operating Cash Balance	$ 15,276,044	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 12,756,916	$ 13,079,519	$ 11,095,680	$ 6,756,964	
Plus: Total Operating Revenue	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 108,771,241	$ 110,258,161	$ 110,258,161	$ 110,258,161	$ 110,258,162	$ 549,803,885
Plus: Additional Revenue	$ -	$ -	$ -	$ -	$ -	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Subtotal	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 108,771,241	$ 110,258,161	$ 110,258,161	$ 110,258,161	$ 110,258,162	$ 549,803,886
Less: Total Operating Expenditures	$ 83,013,115	$ 85,446,600	$ 90,231,248	$ 106,222,533	$ 108,508,143	$ 107,676,556	$ 109,935,558	$ 112,242,000	$ 114,596,877	$ 117,015,126	$ 561,466,117
Ending Operating Cash Balance	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 12,756,916	$ 13,079,519	$ 11,095,680	$ 6,756,964	$ (0)	
ADDITIONAL REVENUE NEED						$ (1,094,685)	$ (322,603)	$ 1,983,839	$ 4,338,716	$ 6,756,964	$ 11,662,231
AVERAGE ADD'L ANNUAL RESOURCE NEED						$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
TOTAL LEVY NEED											
Continuing Operations						$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,890	$ 400,199,446
Additional Needs						$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
TOTAL						$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,890	$ 400,199,446

Hamilton County MR/DD Levy
Board of MR/DD
Scenario 400 - Action Summary - Five Year Levy Forecast for Fiscal Years 2010 - 2014

	Line Item Description		Forecast FY2010	FY2011	FY2012	FY2013	FY2014	TOTAL
	ACTION IMPACTS (NET ADJUSTMENTS)							
	(From Listing Below)	Revenue	$ 1,486,920	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 13,382,279
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
		Net	$ 1,486,920	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 13,382,279
Action 1A	**Loss in State Subsidy (Not included in original model.)**							
	Reduction in State Aid due to State budget shortfall.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 1B	**Tax Levy Allocation Changes**							
	Personal Property Tax "Hold Harmless" period ends in 2010.	Revenue	$ -	$ (1,107,809)	$ (2,215,617)	$ (2,954,156)	$ (3,692,695)	$ (9,970,277)
	Compensating Levy Adjustments by Auditor	Revenue	$ -	$ 1,107,809	$ 2,215,617	$ 2,954,156	$ 3,692,695	$ 9,970,277
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 2	**Aggressively Pursue Medicaid Waivers (Not Funded)**							
	Based on 75 emergency Individual Options waivers being	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	developed and 25 Level 1 waivers being converted to IO waivers	Expense	$ -	$ -	$ -	$ -	$ -	$ -
	each year							
Action 3	**Service Facilitator Staff for Medicaid Waiver Services (Not Funded)**							
	Service growing number of Medicaid Waiver clients.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 4	**Developmental Specialists for Early Intervention (Not Funded)**							
	Add one during in tear 1, year 3 and year 5 of the levy period.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 5	**Increase School Cost Sharing**							
		Revenue	$ 1,486,920	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 13,382,279
	Schools to be billed 50% of school age costs (as per TLRC)	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 6	**Adult Services Growth (Not Funded)**							
	Project 70 new Adult enrollments each year (same as last levy).	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 7	**Information Technology - Security (Not Funded)**							
	Contract for use of off-site data center.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
	Develop redundant production server capability (hardware /	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	software).	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 8	**Information Technology - Capability (Not Funded)**							
	Cost of hiring a Business Analyst to work with operating units of	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	MRDD to evaluate and improve business processes.	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 9	**Investigate CoG with Neighboring Counties**							
	Potential service enhancements, revenue and expenditure	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	benefits.	Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 10	**Continue Use of Early Retirement Initiative Program**							
	Potential net expenditure benefits.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 11	**Continue Development of Staff Support**							
	Counseling and support services for MR/DD staf members.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 12	**Investigate Impacts of Aging Clients**							
	Develop information on needs and associated resource	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	requirements.	Expense	$ -	$ -	$ -	$ -	$ -	TBD

"SCENARIO 411"

TAX LEVY FUNDING OF $411 MILLION

Important assumptions regarding this scenario include the following:

- Tax levy support approximates funding level approved under the BOCC inflation calculation of $400,199,446; also includes approximate value of current fund balance of $11.6 million.
- Expenditure inflation is not supported; organization will have to adjust service levels to adjust for inflationary pressures.
- Includes partial funding of Action Item #2 for Medicaid Waivers to to include 10 per year; total anticipated demand of 100 per year yields a growing backlog and wait list.
- Includes partial funding of Action Item #6 to address growth in client population for Adult Services by funding 10 new adults per year; total anticipated demand of 70 additional adults per year yields a growing backlog and wait list.
- $8.7 million anticipated loss in State subsidy funds due to State budget crisis is offset by these additional tax levy funds.

Hamilton County MR/DD Levy
Board of MR/DD
Scenario 411 - Five Year Forecast for Fiscal Years 2010-2014

	Actual				Estimated	Forecast					
Line Item Description	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**TOTAL**
Beginning Operating Cash Balance	$ 15,276,044	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 13,196,227	$ 13,738,484	$ 11,754,646	$ 7,196,274	
Plus: Total Operating Revenue	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 107,189,850	$ 108,999,885	$ 109,323,000	$ 109,646,115	$ 109,969,231	$ 545,128,081
Plus: Additional Revenue	$ -	$ -	$ -	$ -	$ -	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 11,460,430
Subtotal	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 109,481,936	$ 111,291,971	$ 111,615,086	$ 111,938,201	$ 112,261,317	$ 556,588,511
Less: Total Operating Expenditures	$ 83,013,115	$ 85,446,600	$ 90,231,248	$ 106,222,533	$ 108,508,143	$ 107,947,941	$ 110,749,713	$ 113,598,925	$ 116,496,572	$ 119,457,591	$ 568,250,742
Ending Operating Cash Balance	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 13,196,227	$ 13,738,484	$ 11,754,646	$ 7,196,274	$ (0)	
ADDITIONAL REVENUE NEED						$ 758,090	$ 1,749,828	$ 4,275,925	$ 6,850,457	$ 9,488,361	$ 23,122,661
AVERAGE ADD'L ANNUAL RESOURCE NEED						$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 11,460,430
TOTAL LEVY NEED											
Continuing Operations						$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,890	$ 400,199,446
Additional Needs						$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 2,292,086	$ 11,460,430
TOTAL						$ 82,331,975	$ 82,331,975	$ 82,331,975	$ 82,331,975	$ 82,331,976	$ 411,659,876

Hamilton County MR/DD Levy
Board of MR/DD
Scenario 411 - Action Summary - Five Year Levy Forecast for Fiscal Years 2010 - 2014

	Line Item Description		Forecast FY2010	FY2011	FY2012	FY2013	FY2014	TOTAL
	ACTION IMPACTS (NET ADJUSTMENTS)							
	(From Listing Below)	Revenue	$ (94,471)	$ 1,715,564	$ 2,038,679	$ 2,361,794	$ 2,684,909	$ 8,706,475
		Expense	$ 271,385	$ 814,155	$ 1,356,925	$ 1,899,695	$ 2,442,465	$ 6,784,625
		Net	$ (365,856)	$ 901,409	$ 681,754	$ 462,099	$ 242,444	$ 1,921,850
Action 1A	**Loss in State Subsidy**							
	Reduction in State Aid due to State budget shortfall.	Revenue	$ (1,742,948)	$ (1,742,948)	$ (1,742,948)	$ (1,742,948)	$ (1,742,948)	$ (8,714,740)
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 1B	**Tax Levy Allocation Changes**							
	Personal Property Tax "Hold Harmless" period ends in 2010.	Revenue	$ -	$ (1,107,809)	$ (2,215,617)	$ (2,954,156)	$ (3,692,695)	$ (9,970,277)
	Compensating Levy Adjustments by Auditor	Revenue	$ -	$ 1,107,809	$ 2,215,617	$ 2,954,156	$ 3,692,695	$ 9,970,277
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 2	**Aggressively Pursue Medicaid Waivers**							
	Based on 10 emergency Individual Options waivers being	Revenue	$ 129,931	$ 389,794	$ 649,657	$ 909,520	$ 1,169,383	$ 3,248,285
	developed per year; demand is 100 per year, resulting in waiting	Expense	$ 210,245	$ 630,735	$ 1,051,225	$ 1,471,715	$ 1,892,205	$ 5,256,125
	lists.							
Action 3	**Service Facilitator Staff for Medicaid Waiver Services (Not Funded)**							
	Service growing number of Medicaid Waiver clients.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 4	**Developmental Specialists for Early Intervention (Not Funded)**							
	Add one during in tear 1, year 3 and year 5 of the levy period.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 5	**Increase School Cost Sharing**							
	Schools to be billed 50% of school age costs (as per TLRC)	Revenue	$ 1,486,920	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 13,382,279
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 6	**Adult Services Growth**							
	Add 10 new Adult enrollments each year; demand is 70 per year,	Revenue	$ 31,626	$ 94,878	$ 158,130	$ 221,382	$ 284,634	$ 790,650
	resulting in waiting lists.	Expense	$ 61,140	$ 183,420	$ 305,700	$ 427,980	$ 550,260	$ 1,528,500
Action 7	**Information Technology - Security (Not Funded)**							
	Contract for use of off-site data center.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
	Develop redundant production server capability (hardware /	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	software).	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 8	**Information Technology - Capability (Not Funded)**							
	Cost of hiring a Business Analyst to work with operating units of	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	MRDD to evaluate and improve business processes.	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 9	**Investigate CoG with Neighboring Counties**							
	Potential service enhancements, revenue and expenditure	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	benefits.	Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 10	**Continue Use of Early Retirement Initiative Program**							
	Potential net expenditure benefits.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 11	**Continue Development of Staff Support**							
	Counseling and support services for MR/DD staf members.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 12	**Investigate Impacts of Aging Clients**							
	Develop information on needs and associated resource	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	requirements.	Expense	$ -	$ -	$ -	$ -	$ -	TBD

"SCENARIO 428"

TAX LEVY FUNDING OF $428 MILLION

Important assumptions regarding this scenario include the following:

- Tax levy support approximates funding level approved under the BOCC inflation calculation of $400,199,446 plus approximate value of current fund balance of $11.6 million plus additional funds to meet additional client service demands and avoid large waiting lists.
- Expenditure inflation is not supported; organization will have to adjust service levels to adjust for inflationary pressures.
- Includes partial funding of Action Item #2 for Medicaid Waivers to to include 77 per year; total anticipated demand of 100 per year yields a small backlog and wait list. Lowered target supports funds allocated for additional staff members.
- Includes partial funding of Action Item #3 for additional Service Facilitator staff positions. Supports increasing Service Facilitators by 2 positions per year to meet additional demands posed by waiver clients.
- Includes partial funding of Action Item #6 to address growth in client population for Adult Services by funding 50 new adults per year; total anticipated demand of 70 additional adults per year yields a backlog and wait list.
- $8.7 million anticipated loss in State subsidy funds due to State budget crisis is offset by these additional tax levy funds.

Hamilton County MR/DD Levy
Board of MR/DD
Scenario 428 - Five Year Forecast for Fiscal Years 2010-2014

	Actual				Estimated	Forecast					
Line Item Description	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**TOTAL**
Beginning Operating Cash Balance	$ 15,276,044	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 15,926,817	$ 17,838,812	$ 15,859,811	$ 9,937,181	
Plus: Total Operating Revenue	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 108,240,277	$ 112,102,300	$ 114,477,404	$ 116,852,508	$ 119,227,613	$ 570,900,102
Plus: Additional Revenue	$ -	$ -	$ -	$ -	$ -	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 28,639,973
Subtotal	$ 88,872,359	$ 97,812,789	$ 93,097,515	$ 94,897,078	$ 95,128,084	$ 113,968,271	$ 117,830,295	$ 120,205,399	$ 122,580,502	$ 124,955,607	$ 599,540,075
Less: Total Operating Expenditures	$ 83,013,115	$ 85,446,600	$ 90,231,248	$ 106,222,533	$ 108,508,143	$ 109,703,685	$ 115,918,300	$ 122,184,400	$ 128,503,132	$ 134,892,789	$ 611,202,306
Ending Operating Cash Balance	$ 21,135,288	$ 33,501,477	$ 36,367,744	$ 25,042,289	$ 11,662,231	$ 15,926,817	$ 17,838,812	$ 15,859,811	$ 9,937,181	$ (0)	
ADDITIONAL REVENUE NEED						$ 1,463,408	$ 3,816,000	$ 7,706,995	$ 11,650,624	$ 15,665,176	$ 40,302,204
AVERAGE ADD'L ANNUAL RESOURCE NEED						$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 28,639,973
TOTAL LEVY NEED											
Continuing Operations						$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,889	$ 80,039,890	$ 400,199,446
Additional Needs						$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 5,727,995	$ 28,639,973
TOTAL						$ 85,767,884	$ 85,767,884	$ 85,767,884	$ 85,767,884	$ 85,767,885	$ 428,839,419

Hamilton County MR/DD Levy
Board of MR/DD
Scenario 428 - Action Summary - Five Year Levy Forecast for Fiscal Years 2010 - 2014

	Line Item Description		Forecast FY2010	FY2011	FY2012	FY2013	FY2014	TOTAL
	ACTION IMPACTS (NET ADJUSTMENTS)							
	(From Listing Below)	Revenue	$ 955,956	$ 4,817,979	$ 7,193,083	$ 9,568,187	$ 11,943,291	$ 34,478,496
		Expense	$ 2,027,130	$ 5,982,742	$ 9,942,400	$ 13,906,255	$ 17,877,662	$ 49,736,189
		Net	$ (1,071,174)	$ (1,164,763)	$ (2,749,316)	$ (4,338,069)	$ (5,934,372)	$ (15,257,693)
Action 1A	**Loss in State Subsidy**							
	Reduction in State Aid due to State budget shortfall.	Revenue	$ (1,742,948)	$ (1,742,948)	$ (1,742,948)	$ (1,742,948)	$ (1,742,948)	$ (8,714,740)
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 1B	**Tax Levy Allocation Changes**							
	Personal Property Tax "Hold Harmless" period ends in 2010.	Revenue	$ -	$ (1,107,809)	$ (2,215,617)	$ (2,954,156)	$ (3,692,695)	$ (9,970,277)
	Compensating Levy Adjustments by Auditor	Revenue	$ -	$ 1,107,809	$ 2,215,617	$ 2,954,156	$ 3,692,695	$ 9,970,277
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 2	**Aggressively Pursue Medicaid Waivers**							
	Based on 77 emergency Individual Options waivers being	Revenue	$ 1,000,472	$ 3,001,416	$ 5,002,359	$ 7,003,303	$ 9,004,247	$ 25,011,796
	developed per year; 23 less than demand to pay for required	Expense	$ 1,618,887	$ 4,856,660	$ 8,094,433	$ 11,332,206	$ 14,569,979	$ 40,472,163
	staff.							
Action 3	**Service Facilitator Staff for Medicaid Waiver Services**							
	Service growing number of Medicaid Waiver clients with 2	Revenue	$ 48,864	$ 97,728	$ 146,592	$ 195,456	$ 244,320	$ 732,960
	additional staff each year.	Expense	$ 102,543	$ 208,983	$ 319,467	$ 434,150	$ 556,384	$ 1,621,527
Action 4	**Developmental Specialists for Early Intervention (Not Funded)**							
	Add one during in tear 1, year 3 and year 5 of the levy period.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 5	**Increase School Cost Sharing**							
	Schools to be billed 50% of school age costs (as per TLRC)	Revenue	$ 1,486,920	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 2,973,840	$ 13,382,279
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 6	**Adult Services Growth**							
	Add 50 new Adult enrollments each year; demand is 70 per year,	Revenue	$ 162,648	$ 487,944	$ 813,240	$ 1,138,536	$ 1,463,832	$ 4,066,200
	resulting in waiting lists.	Expense	$ 305,700	$ 917,100	$ 1,528,500	$ 2,139,900	$ 2,751,300	$ 7,642,500
Action 7	**Information Technology - Security (Not Funded)**							
	Contract for use of off-site data center.	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
		Expense	$ -	$ -	$ -	$ -	$ -	$ -
	Develop redundant production server capability (hardware /	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	software).	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 8	**Information Technology - Capability (Not Funded)**							
	Cost of hiring a Business Analyst to work with operating units of	Revenue	$ -	$ -	$ -	$ -	$ -	$ -
	MRDD to evaluate and improve business processes.	Expense	$ -	$ -	$ -	$ -	$ -	$ -
Action 9	**Investigate CoG with Neighboring Counties**							
	Potential service enhancements, revenue and expenditure	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	benefits.	Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 10	**Continue Use of Early Retirement Initiative Program**							
	Potential net expenditure benefits.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 11	**Continue Development of Staff Support**							
	Counseling and support services for MR/DD staff members.	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
		Expense	$ -	$ -	$ -	$ -	$ -	TBD
Action 12	**Investigate Impacts of Aging Clients**							
	Develop information on needs and associated resource	Revenue	$ -	$ -	$ -	$ -	$ -	TBD
	requirements.	Expense	$ -	$ -	$ -	$ -	$ -	TBD

APPENDIX:

MR/DD IMPLEMENTATION OF LEVY RECOMMENDATIONS AND COMPLIANCE WITH LEVY AGREEMENT

The following table presents MR/DD's implementation of the previous levy recommendations and compliance with the agreements with Hamilton County for the levy period.

CURRENT LEVY RECOMMENDATION	STATUS[2]
TAX LEVY AGREEMENT CONDITIONS	
MR/DD will institute no new programs for individuals served during the levy period that would result in exceeding expenditures as outlined in the approved Tax Levy Plan or as allowed by revenue sources other than the Hamilton County Tax Levy.	***Complete / Continuing Effort*** *MR/DD has not started any new programs.*
MR/DD will engage in a "school partnership" program with the local school districts beginning with the 2005-2006 school year. Districts will be billed 25% of the estimated annual cost of educational services for each school age child served by the Board.	***Complete / Continuing Effort*** *In August 2005, MR/DD began charging local school districts tuition for students served in Board-operated school programs, including 100% of transportation costs. Twenty (20) school districts were invoiced for the 2005 – 2006, and 2006 – 2007 school years. For the 05 – 06 school year MR/DD billed in the amount of $3,687,335 and for the 06 – 07 school year MR/DD billed in the amount of $3,530,485. MR/DD is also reducing expenditures in the school program based upon decreases in enrollment.*
MR/DD will bill the costs of transporting school age individuals to the appropriate local school districts.	***Complete*** *The tuition charge billed to the local school districts for school age programming provided by the Board includes the cost of transportation for the students served.*
MR/DD will integrate its financial plan with its strategic plan no later than December 2005 and shall submit a copy of such plan to the County no later than	***Complete / Continuing Effort*** *The Board approved the strategic plan for 2006 – 2010,*

[2] Material developed from data collection, staff interviews and the MR/DD Mid-Point Report "Update on Tax Levy Review Committee's Stipulations" (2007).

CURRENT LEVY RECOMMENDATION	STATUS[2]
10 days after approval by the MR/DD Board.	*which incorporated the planning amounts for each goal, on December 13, 2005. It was submitted to the County Commissioners within 10 days. The Board is currently working on a six-year strategic plan, which provides a framework for our next tax levy.*
MR/DD will sustain and expand its central purchasing policy.	***Continuing Effort*** *The Board of MR/DD has and continues to expand its use of the centralized purchasing system. They have submitted bids for HVAC, electrical, printing, cell phones, and waste removal. As areas for bidding occur, MR/DD works closely with the County Purchasing Department to use Demandstar and the county's bidding processes. MR/DD also utilizes many of the other County Departments in order to streamline cost.* Examples of MR/DD coordination with other county departments include: Hamilton County Engineers*:* • Providing bid specifications on various paving jobs and including MR/DD work with other county paving projects. Maintenance of all agency vehicles are done at the county engineers garage. • Some MR/DD fuel purchases are done at county fueling stations. • County Engineer's garage takes care of any towing of disabled vehicles. • Hamilton County Facilities: • MR/DD utilizes engineers and architects that are under contract with them for various construction projects. MR/DD teamed with them on landscaping contract with other county facilities. • MR/DD has discussed and will soon utilize the Archibus system for our entire inventory and fleet management. • Hamilton County Public Works: • Have used for various construction projects at MR/DD facilities. They have provided oversight in many instances with contractors. Utilized for the oversight of the new support center. • Hamilton County Sheriff's Department: • Provide safety training for MR/DD staff members. • Provided a security assessment for the new MRDD support center in July of 2007.

CURRENT LEVY RECOMMENDATION	STATUS[2]
	• Hamilton County Purchasing: • Using the Demandstar system to obtain competitive bids. Worked with them on bids for HVAC for MR/DD maintenance contract for 2005 – 2009. Saved over $3.50 on the hourly rate and $1,600 on the yearly rate. • Hamilton County Administration: • Worked with the county property manager on the new • Support center and the requests for information from the county commissioners regarding this acquisition. Also worked with property manager on the lease-purchase Agreement for Breyer School.
MR/DD will explore and facilitate mergers and strategic combinations of its service providers.	***Continuing Effort*** *One agency has sold a portion of its services to a larger agency. The Housing Network has been contracted to Resident Home Corporation, which was a consolidation of providers. Two-day habilitation providers went out of business due to market adjustments and the individuals they were serving are now being served by other agencies.* *MR/DD is currently providing in-service opportunities to providers to increase their level of performance. There are plans in development for the Behavior Support staff to provide additional training opportunities to MR/DD provider partners. This allows agencies to come together for mandated trainings, potentially saving resources and increasing quality of service.*
MR/DD will seek to minimize single-resident placement in the adult residential program.	***Complete / Continuing Effort*** *Staff of the Board and provider staff members have been working to match individuals living alone with housemates, resulting in reduction of the number of people living alone. In July 2004, the number of people living alone was 151. All new placements are with roommates, if at all possible. The small number of individuals who still live alone are very challenging to put with roommates, mostly for behavioral and medical reasons. Because of these challenges, the number of people living alone is not expected to significantly drop any further. Efforts are made to match housemates wherever possible. MR/DD anticipates that the average number of individuals needing to live alone to be between 35 – 45 on an annual basis.*
MAXIMUS TAX LEVY REPORT RECOMMENDATIONS	

CURRENT LEVY RECOMMENDATION	STATUS[2]
Receive Medicaid Audit cost recovery settlements	***Complete*** *MR/DD has received the Final Reconciliation for State Fiscal Years 2003 and 2004 for the Individual Options (IO) and Level one (LV1) Waiver Match in the amount of $2,684,003. MR/DD has also received a net amount of $5,114,932 as Final Settlement for Cost Report Period 01/01/2000 through 12/31/2003. This is settlement for the Community Alternative Funding System (CAFS) and Targeted Case Management (TCM). These amounts have been deposited in a capital project account, (MR/DD Support Center) as per the levy plan. Individual Options waiver reconciliation for FY 05 in the amount of $1,712,541 was received and deposited into MR/DD general revenue in June 2007. The 2008 revenue projections reflect the anticipation of FY 06 reconciliation funds in the amount of $1,500,000.*
Recognize pending reductions in State subsidies.	***Complete / Continuing Effort*** *MR/DD has reflected a decrease in their funding for Family Resources based on estimates from the State; this has been further reduced for FY 08. MR/DD revenue from other State sources is not reflecting a decrease at this time. Decisions at the State level around waiver funding, tax equity, Targeted Case Management, and statewide rates centered on Day Array of services are pending.*
Maintain a "no waiting list" policy for all programs excluding adult residential services, if fiscally possible. Reduce adult services costs, beginning January 1, 2005.	***Complete*** *The Adult Services budget has been reduced through the contracting of services. Also through the ERIP program MR/DD has reduced staff levels and hired new ones on reduced salary scales.*
Exercise Medicaid Waiver slots for 2005 and 2006, and as necessary to fund 75 individuals who present as "emergencies."	***Complete*** *MR/DD ha s experienced 60 emergency developments in 2006. These numbers increased to 90 in 2007 and this level is expected to remain constant in the future. MR/DD has utilized Waiver slots when available and "refinanced" levy-funded services to cover emergencies. MR/DD exercises all available waiver slots that are presented and will continue to do this based on individual and family needs.*
Discontinue pre-school program.	***Complete***

CURRENT LEVY RECOMMENDATION	STATUS[2]
	The Board ended the operation of preschool programs in June 2005. The operation of the two Board preschool classes was transferred to Cincinnati Public Schools and the Hamilton County Educational Services Center. During the 2005-06 school year, both preschool classes were housed in MR/DD school buildings, with one serving individuals with intense therapeutic needs and the other serving individuals with hearing impairments and cochlear implants. As of August 2006, the preschool classroom operated by Cincinnati Public Schools was relocated to one of their school buildings. MR/DD continues to house the preschool classroom operated by the Hamilton County Educational Service Center at Rost School. This classroom serves students with intense therapeutic needs.
Consolidate 3 schools into 2	***Complete*** *The MR/DD Board voted on June 14, 2005 to close Breyer School in August 2006, after an extensive internal data review and community input. The school consolidation process finalized at the start of the 2006-07 school year with the transition of 24 students to Fairfax School and 25 students to Rost School.* *In addition to the consolidation of the three schools to two MR/DD also serves approximately 40 students in 7 public school satellite locations.*
Authorize Early Retirement Incentive Program.	***Complete / Continuing Effort*** *The Board offered an ERIP to eligible employees in 2004, with an ending date of June 30, 2005. A total of 48 employees accepted this offer. Twenty-one of these positions were eliminated from the 2006 budget. The other positions were filled by entry-level staff at much lower salaries or were replaced by existing staff that applied for transfers, whose positions were then replaced by entry-level staff. The projected cost of the ERIP surpassed the original MR/DD projections. The cost of this program was $2,7373,897, which represents vacation/sick payouts, plus payments to PERS/STRS as applicable. The cost is approximately $1.6 million more than what was in the plan. The projected savings for this program also surpassed MR/DD projections. It was projected that MR/DD would save $1 million per year by offering this program. MR/DD estimates that the savings are closer to $2 million per year.* *The MRDD Board approved a second ERIP program at their August, 2007 meeting. The plan period for this*

CURRENT LEVY RECOMMENDATION	STATUS[2]
	program began on November 1, 2007 and terminated on 10/31/08. The 2008 budget reflects additional cost for vacation/sick payouts and PERS payments.
Implement Shared Residential Living.	***Complete / Continuing Effort*** *Staff members of the Board and provider staff have worked to match individuals living alone with housemates, resulting in reduction of the number of people living alone. In July 2004, the number of people living alone was 151. All new placements are with roommates, if at all possible. The small number of individuals who still live alone are very challenging to put with roommates, mostly for behavioral and medical reasons. Because of these challenges, the number of people living alone is not expected to significantly drop any further. Every effort is still being made to match housemates wherever possible. MR/DD estimates that the average number of individuals needing to live alone to be between 35 – 45 on an annual basis.*
Seek to reduce administrative overhead among service providers to include cessation of advance payments for services unless there is an economic benefit to MR/DD.	***Complete*** *This occurred with contracts that took effect in January 2006.*
Explore contracting operation of one adult workshop to a non-for-profit entity.	***Continuing Effort*** *MR/DD contracted out the Mobile Work Crews that were staffed by MR/DD employees and located at a leased facility at 3274 Beekman Street.* *MR/DD has identified their programming focus in the adult centers operated by the Board as serving those individuals with significant behavioral or medical needs. They have established a maximum number of 185 individuals to be served at each location in order to provide safe and effective services. When this capacity number was established, they were over this number at each location. All four centers are now operating at or below the specified capacity.*
Eliminate rent by purchase of central office facility with the use of Medicaid audit proceeds to fund the purchase.	***Complete*** *MR/DD has allocated audit proceeds that have been deposited into a capital account for a MR/DD Support Center.* *MR/DD has purchased and renovated a building at 1520*

CURRENT LEVY RECOMMENDATION	STATUS[2]
	Madison Road that has incorporated the functions of the Southeast Service Facilitation region, administrative offices, a drop in center for adults with MR/DD, and serves as the training and resource center for county board staff and staff of MR/DD contract agencies. *MR/DD has moved from the previous Support Center, which was leased from Duke at 4370 Malsbary Rd. in Blue Ash to this newly renovated facility. The facility is more centrally located in the county, easily accessed by mass transit, and is fully accessible architecturally for the individuals that are served by our agency. As part of this move, MR/DD consolidated a portion of the operations at the Northside Center with the Support Center. The Northside Center continues to serve as the Central Service Facilitation regions offices, General Assembly operations, and provide the necessary warehousing needs of the agency.*
Cease support of the Cincinnati Children's Hospital Department of Development Disabilities (CCDDD) Behavior Support Program.	***Complete*** *The contract referenced above for CCDDD was eliminated starting with our 2005 budget at an annual savings of $405,000.*