

PART C PLAN B COMMITTEE CONFERENCE CALL  
DRAFT MINUTES  
05/10/04

A conference call was held Monday, May 10, 2004 with the Plan B Committee members. The following members participated: Debbie Burcham; Carol Burke; Scottie Burnette; Beverly Crouse; Mary Ann Discenza; Tom Geib; Jim Gillespie; Carol Granger; Jim Henson; Debra Holloway; Jan Jessee; Katy McCullough; David Mills; Shirley Ricks; Brenda Sasser; and Allison Standring. Karen Durst served as the recorder.

Jim Henson, the meeting facilitator, welcomed the members and introductions were made. Mary Ann Discenza then stated that the intent of the call was to finalize the allocations and the methodology for distribution so that the information could be released to localities. She further reported that the feedback from Plan B members following the initial allocation distribution was that members were not fully aware of the unintended consequences and that further discussion was needed.

Mary Ann reported that the Part C contract was currently available for public comment until May 21st. She stated that attempts were underway to address concerns from the field surrounding the 3% cap on the Administrative budget line item and the newly proposed monthly reporting requirement. Mary Ann stated that she felt that the frequency of reporting was an issue that was negotiable.

Debbie Burcham added that the 10% cap on the Council Operations budget line item was also an issue. Mary Ann stated that she had not talked with Shirley Ricks and Frank Tetrick as to whether these issues would be addressed before the end of public comment or after. She reiterated that the purpose of this phone call was to address the allocations and that possibly a follow-up meeting was necessary to discuss the contract requirements.

Related to the methodology for distributing the allocations, Mary Ann reminded the group that two previous scenarios were recommended by the Plan B Committee with the final decision to be determined by the Part C office. The scenarios were:

- No council will receive less than a 5% reduction with any money remaining after those adjustments being redistributed to those councils with a reduction of greater than 40%.
  - This methodology related to child count with a modification.
- There will be a 28% reduction for all council.
  - It was identified that this would keep all councils operational and may be a better choice.

Mary Ann reported that the allocations were calculated using the first methodology of no council receiving less than a 5% reduction with any money remaining after those adjustments being redistributed to those councils with a reduction of greater than 40%. She stated that as a result of that decision, some members of the Plan B Committee had stated that the final calculations were not what were expected. Mary Ann further reported that David Mills and Jim Gillespie had been collaborating on other possible scenarios for allocating the funds. She stated that scenarios using

reductions of 20%, 25% and 30% had been calculated. Mary Ann framed the following two questions as those David and Jim had been looking at and those the Plan B Committee needed to address:

- How should the funds be allocated?
- How should the newly approved \$750,000 in state funds be allocated?

David and Jim shared that the final allocation information that they had distributed was a modified version that was based on child count. Those councils who had decreases of less than 5% were brought to a 5% floor. Those funds that were available from the 5% change were used to bring those councils who had a greater than 40% decrease, to a 40% ceiling. Any remaining funds from that change were distributed to those having decreases between 40% and 23%. David reported that changes continued to be made.

Debbie Burcham asked why the leftover money from the 5% floor had not been distributed to all councils. Jim Gillespie stated that the decision from the Plan B Committee had been to stay focused on using the child count with the methodology. He reported that this decision was incorporated into the methodology.

Jim Henson asked the group if this modified version would address the concerns expressed in the field related to the allocations. Jim Gillespie stated that the modified version addressed what was considered a flaw in the previous methodology. Jim Henson stated that the modification worked toward addressing equity as much as possible.

Discussion continued with David Mills clarifying the meaning of “overage” as it was listed on one of the scenarios. He clarified that this represented those funds that were below the 5% floor and that were redistributed to other councils. Further clarification was provided as to which documents representing scenarios were being referenced under the email heading of “Permutations Refined”.

David raised the question as to what the impact would be if the ceiling were lowered to 30% meaning that no council would experience more than a 30% decrease. He added that 5% could continue to be the floor meaning that no council would receive less than a 5% decrease. He referenced the distribution of the newly acquired state funds of \$750,000. Carol Burke added that several locations were below the 5% floor. Upon printing of the document, it was later determined that only one council was below the 5% floor.

Discussion continued regarding using a modified methodology and adding the \$750,000. Clarification was given by David that the \$750,000 was included within the state funds column. Shirley Ricks stated that the \$750,000 should be listed separately in order to show how the new funds were allocated.

Jim Gillespie raised the question as to whether the group wanted to looking at allocating funds by child count based on “rewarding” those councils who where in the “middle of the road” related to child counts. David stated that if councils were brought to a 30% ceiling then the overage of funds would not go to the those councils in the middle related to child count. It was stated that there needed to be an adjustment to the child count methodology in order to lessen the impact on councils. Jim Henson brought forth the

question as to what level of modification would be needed. It was determined that further discussion was needed.

Tom Geib raised the issue of restoration. Tom expressed that it was his understanding that any remaining funds would be distributed via child count once all councils that had experienced decreases were restored to their previous levels. He specifically cited that the decrease in funding was resulting in a large impact on local systems and that he saw the need to return the systems back to their former levels as quickly as possible. He stated that two problems existed within the Part C system. Tom stated that they were:

- A reduction in funds; and
- An under-funded system.

Discussion continued surrounding restoration. Jan Jessee stressed that while this would benefit some localities that it would not benefit overall. Jim Henson added that should restoration be considered, it would probably prevent ever having a balanced system. Jim further stated that the conversation appeared to be moving away from completely using the child count as the methodology for distribution of funds.

Tom Geib added that he felt child count should be used after the system returned to the previous funding level. The question was raised as to whether the Part C system would return to the previous funding level. It was noted that there would be \$1,000,000 less available for allocating next year due to the discontinuation of funds from the Department of Social Services (DSS). It was stressed that it could take years to reach the previous level.

Tom stated that he thought that it had been agreed that boards would be held harmless based on child count until they were brought back to their former level of funding. He added that one-time additional funds had been distributed based on need. Debbie Burcham added that some boards would take big cuts, both those boards that have grown before the funds were given and after.

Jan Jessee stated that it had been her understanding that the majority felt that when extra funds were received by the Part C system that they could go directly to the children through child count. Debbie Burcham then raised the question as to whether \$4,000,000 of the funds could be distributed equally across all boards. She added that during the recent MR Council meeting that some representatives had said that they would not recommend signing the Part C contract at a 40% decrease. Debbie added that she had asked the MR Council what they felt they could accept as a cut and that some had said 20%.

The question was then posed as to whether there would be enough money to decrease the impact of the reduction to 20% for all councils. It was further suggested that of the total funds available, \$1,750,000 could then be allocated by child count. Jim Henson stated that in considering whether there were enough funds for the 20% ceiling that the possibility of raising the 5% floor might be considered. Jim Gillespie added that the scenario with the 20% cut had been calculated prior to knowing that the \$750,000 was approved by the General Assembly. David Mills added that approximately \$750,000 would remain for redistribution based on the previously calculated 20% reduction prior.

He stressed that this was prior to the approval of the new \$750,000 in state funds. Discussion continued as to how to allocate the remaining \$750,000.

The following concerns and comments were shared related to the 20% reduction and allocating the \$750,000 based on child count:

- What would the impact be on the localities;
- If the \$750,000 was allocated based on child count, how could localities be addressed who had no increase or decreasing child counts;
- Would this methodology address restoration by shifting the timing to now but minimizing how this happens;
- Do you let all localities benefit with those councils with low child counts receiving less and those with high child counts receiving more;
- There is a need to move more quickly to the child count methodology due to the loss of the DSS funds next year; and
- It would be helpful to see the calculations prior to making any decision.

Debbie Burcham raised the question as to whether those councils who previously were to have received a greater than a 20% cut should not be given part of the \$750,000 since the previous figures were based on child count. Katy McCullough question what the 20% was based on. Debbie responded that the 20% was a figure that might assure that 100% of the localities signed the contract. Katy stressed that there needed to be a basis and justification for the number.

Jim Henson added that consideration should be given as to whether those councils that were “out of balance” in child count should receive the additional allocation. The question was posed as to the meaning of “out of balance”. Jim clarified that based on the child count methodology, some boards would benefit more than others. He stated that you would want to get the funds to those boards. He added that the methodology placed some localities “out of line” with the child count process.

Jim Henson asked the members if they could support the 20% decrease in funds for all councils with the remaining \$750,000 being distributed based on child count. Tom Geib stated that he would support the methodology as being fair and wanted to acknowledge the need to return to looking at child counts. Jim Gillespie identified the process as a compromise. Jim identified that some localities were being “rewarded” based on child count. He stated that he felt an uncertainty as to how the \$750,000 would be distributed. Jim also asked the group what should be done next year.

Debbie Burcham stated that this is a short-term solution and that the overall formula would need to be looked at for the long-term. Jim Henson added that when looking at the cost per child across the state, that some councils had amounts that were high compared to others. He stated that this was inequitable and unfair to others. Debbie asked if it would be possible to sort the councils whereby comparing the ranking of each council by allocation and by child count.

Jim Henson asked the members if all of the councils were reduced by 20%, would there be any money left other than the new money of \$750,000. Debbie Burcham asked how

much money was in the system without the \$750,000. Mary Ann Discenza responded, "\$10,044,704".

Jim Gillespie suggested that the money be distributed using the methodology that all councils receive an allocation with no more than a 20% decrease as a ceiling and no less than a 5% decrease as a floor.

Mary Ann reiterated the option presented by Jim. It was suggested that in order for all members to see the final figures that members briefly adjourn while David and Jim Gillespie calculated the figures. The members asked that a chart be developed that:

- Was one-page in length;
- Showed the current allocation;
- Showed the proposed allocations;
- Has a "final" column; and
- Showed the full distribution by child count.

It was stated that it was the purpose of the Plan B Committee to make the system "right" while being fair to all of the councils and moving forward. The chosen methodology was identified as a means of "moving forward" now related to child count. It was stated that the methodology was a compromise between child count and prorating.

Tom Geib stated that there would need to be a "quick and equitable" means of explaining the allocation methodology. He emphasized the need for localities to accept the methodology. Shirley Ricks stressed that it was necessary for the Plan B Committee to come to a consensus of the chosen methodology. She stated that she was to report the information to Frank Tetrick this afternoon who would then meet with the Secretary of Health and Human Resources. The group briefly adjourned.

The phone conference reconvened. The following members participated in the follow-up conference call: Debbie Burcham; Beverly Crouse; Mary Ann Discenza; Tom Geib; Jim Gillespie; Carol Granger; Jim Henson; Jan Jessee; David Mills; Shirley Ricks; and Allison Standing. Karen Durst continued as recorder.

Mary Ann Discenza stated that in looking forward to next year, it was her hope that the prevalence data could be used in determining the allocations. She stated that the Part C system would still be confronted with a deficit. Mary Ann said that as Karleen Goldhammer completed the cost study, she had suggested that possibly several localities could be looked at as potential benchmarks related to child count. Mary Ann reported that it would be necessary to agree on the benchmarks and that this would provide continuity with child count from this year to next year. She further stated that the possibility existed that Strategic Planning Group could address the allocation issue for the 2005-2006 year.

Tom Geib shared that the Part C program had been identified by the Governor as a "priority". He further stated that the program was viewed as favorable for funding by the legislature. Tom stressed that there seemed to be something blocking the funding process within the Department. He cited that the Part C program was not a program requiring a

lot of money and that it was politically favorable. The need for a strong advocacy effort was acknowledged.

The following comments were made related to funding:

- Is there a need to come up with an advocacy effort this summer in order to move forward;
- This will have to be in place by July in order to be addressed;
- Funding has been provided for waiver slots when the MR Department is not ready to move forward but Part C is;
- A strong advocacy effort is needed by the parents;
- Information has been sent to the Commissioner and the Deputy Commissioner stating that despite the added funds, the part C program is still experiencing a deficit. It is hoped that this message will go forward to the Secretary;
- Consideration needs to be given to growth;
- Data is needed to present to the legislature. The Staff Appropriations has asked for data; and
- There is a need to address the issue of providing data with the executive directors.

The discussion continued around data. Jim Henson stated that it was his understanding that some of the data was available from CSBs and that the executive directors might be willing to provide the information related to Part C. He added that this was not necessarily new data and that there was a need for a uniform reporting format.

Debbie Burcham disagreed. She stated that this is not old data and that boards are not collecting the data related to all of the programs. She said that most are collecting data on those children for which Part C funds are spent. Jim Henson added that the information related to local dollars spent on Part C children should be available. He said that this information is needed and should be provided.

David rejoined the group and had emailed the calculations to members. He reported that there was not enough money in the system to complete the 20%---5% scenario. He said that the overage from those councils that were brought to the 5% floor was not enough to bring everyone to the 20% ceiling. It was asked if raising the ceiling to 25% would make a difference. David responded that there were not enough localities in that range to impact the numbers. It was suggested that the 5% floor be raised.

Jim Gillespie suggested a 20% reduction based on the 2004 allocation base of \$10,044,704. He further suggested that the \$750,000 be allocated based on child count and that the 5% floor be eliminated.

Jan Jessee stated that if this was what it would take for the localities to agree then she would support it. Jim Henson asked for the consensus of the group. He asked if Shirley could present this as the recommendation of the group. Shirley asked that the members be certain that this was the recommendation. Debbie Burcham added that some localities would not be happy with the recommendation but that this was the fairest methodology for this year.

Shirley expressed that she felt it was important that localities receive the same amount next year as they are receiving this year. Debbie replied that there would be \$1,000,000 less next year due to this discontinuation of DSS funds and that everyone would be getting cuts. Mary Ann stressed the need for advocacy efforts to begin. Shirley added that the message to the Secretary is that all of the localities are experiencing cuts and that a deficit exists despite the added funding. The point being stressed is that more funding is needed.

It was reported that when the budget for the Department of Mental Health, Mental Retardation and Substance Abuse Services was first proposed that Part C funding was included. It was stated that the initial budget included 22 initiatives and that the final budget only included 6. Jim Gillespie emphasized the need to move forward with advocacy efforts this summer rather than in the fall.

Delegate Harvey Morgan was recognized as a supporter of funding for Part C. Shirley stressed the need to provide accurate data as additional support was requested. She also added that efforts need to be made for continued advocacy by the ARC and the VACSB.

As the meeting concluded, it was reiterated that the methodology should be introduced as a compromise based on child count and what will sustain the localities. David stated that the allocation chart would show a column with the regular \$3125 State Funds and the added \$175,000. Shirley suggested that the form should include an explanation as to what each column represents.

Concern was expressed that care should be taken to ensure that all localities receive a portion of the new \$750,000 in state funds. It was decided that all localities would receive some portion of the state funds.

The question was posed as to who at the Department had to approve the methodology recommendation. Shirley stated that approval would have to be received by Frank Tetrick, the Deputy Commissioner and the Commissioner. The group adjourned with the emphasis that the methodology was determined based on respecting the child count and assuring the survival of the Local Interagency Coordinating Councils.