

Logan County Board of Developmental Disabilities
Media Release
June 16, 2011

DD Board Discusses Impact of Revenue Loss

The LCBDD met in regular session on June 16, 2011. The main topic was the impact of the loss of the state's reimbursement for the elimination of the Tangible Personal Property Tax (TPPT) that was enacted in 2005. The state replaced the locally collected TPPT with the Commercial Activity Tax that is collected at the state level. For the past five years the state has reimbursed local government entities for the loss of levy funds that were approved by Logan County citizens. The proposed state budget will phase out the state's reimbursement over the next eight years if approved in the coming budget cycles. The TPPT payments represent roughly 20% of the levy funds collected each year or \$744,000. The Board will additionally lose another \$44,000 from state reimbursements for SB3 which deregulated electric utilities. This loss of revenue will result in a reduction of services in the coming years. If the phase out proceeds for the next eight years, the Board will cumulatively lose \$4.4 Million in revenue. In order to address the projected revenue shortfall, a three phase plan was presented. First, the Board will reduce expenditures in 2012 through attrition due to retirement, rehiring current employees who are eligible to retire at a 20% reduction in wages, reduction in hours of some employees and the elimination or reduction of benefits and a chargeback to local school districts for Physical Therapy services and the cost of an extra instructor assistant in an intensive needs classroom. The second and third phases would involve school districts paying for all therapy and transportation services in the 2012-13 and 2013-14 school years, respectively. The DD Board currently provides and pays 100% of the Discovery Center preschool program. Since the school districts are legally responsible for 100% of the costs associated with special education services for children three to five years of age with developmental disabilities they would be asked to pay a portion of the net cost. After this plan would be fully implemented in the 2013-14 school year, the DD Board would still be paying 66% of the total net costs associated with the preschool program.

The Board approved a resolution to continue the current level of health insurance benefits for staff whose hours will be reduced from full-time to part-time status in the 2011-12 budget reduction plans.

The next regularly scheduled meeting will be August 18, 2011. Typically the board does not meet in July.

Pamela Hickman
Executive Secretary
June 17, 2011