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February 26, 2010

The Honorable Daniel T. "Dan" Cooper  
South Carolina House of Representatives  
525 Blatt Building  
Columbia, South Carolina 29201

Dear Chairman Cooper:

Yesterday the Ways and Means Committee adopted a budget plan for FY 2010-2011. As a Commission we are writing you to explain the devastating impact the budget recommendations for DDSN would have on critical services.

The budget plan reduces DDSN's base budget by \$42.3 million, which equates to a 28 percent base budget reduction. In addition, the new Health and Human Services Funding Proviso appropriates \$12.5 million compared to the current year budget Proviso 90.13, which appropriates \$17.2 million to DDSN, resulting in a loss of \$4.7 million state match. This \$17.2 million is currently being used to earn enhanced Medicaid FMAP for the state and to provide services to approximately 10,000 individuals. The \$42.3 million base reduction plus the \$4.7 million proviso loss totals \$47 million of state funds DDSN is currently matching Medicaid that would be lost.

If this budget plan is implemented, DDSN will only be able to continue residential services for the 4800 individuals/beds currently being funded. *There will not be any funding remaining for other services.* While services for the other 25,700 consumers and families are essential, the individuals receiving residential services have nowhere else to go and cannot be kicked out on the street. We believe these services must be given the highest priority.

All other services DDSN is currently funding will have to be eliminated in their entirety. These services are provided to children and adults throughout their lives. Elimination of services will impact every disability group the agency serves – autism, brain injury, mental retardation, related disabilities and spinal cord injury. These services include early intervention, day programs/workshops, respite,

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family support, acute rehabilitation for traumatic brain injury and spinal cord injury, attendant care, the Pervasive Developmental Disorder (PDD) program, specialized therapies, service coordination and more.

The significant loss of state funds also means DDSN will not be able to qualify for the enhanced Medicaid FMAP it currently is earning for the state. To qualify, the agency must be able to certify that service funding levels are maintained at the July 2008 level. The loss of \$47 million state dollars prohibits this, and thus the anticipated earning of \$22.3 million in stimulus funds cannot be realized. There will be no stimulus earned at all.

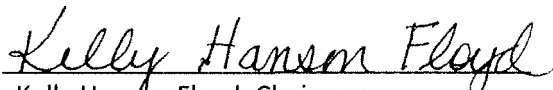
DDSN realizes the depth of our state's economic struggle and has not and is not asking to be exempted from budget reductions. The agency has not requested permission to run a deficit. The required cuts have been taken by reducing administration and service capacity and by reducing and eliminating services. Many individuals and families have suffered from these cuts and many staff have lost jobs. The \$47 million state funds to be reduced in the Ways and Means budget plan currently earn \$110 million in Medicaid for a total of \$157 million worth of services. The loss of an additional \$157 million of services would be catastrophic.

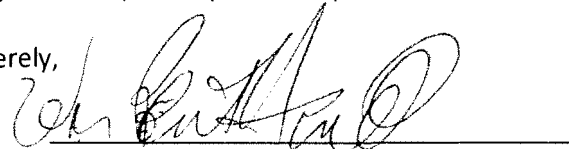
Should the agency be required to implement the full \$47 million state reduction, it is projected that 25,700 individuals and families will lose services they receive today and more than 3100 jobs will be lost. These essential services are the difference between helping the family with supports versus replacing the family with expensive out-of-home placement. The services allow family caregivers to remain employed and allow individuals with physical disabilities to live independently or with very limited assistance. Without these services, individuals with disabilities will be left in dangerous circumstances, crisis situations will increase significantly, and the demand for more expensive state services will rise accordingly.

Again, we fully understand the state's situation. But an additional \$47 million reduction is just too deep. Please give every consideration to reduce the amount of state funds DDSN's budget will be cut. Our State Director, Dr. Buscemi, and her staff are willing to provide you with whatever information you may need.

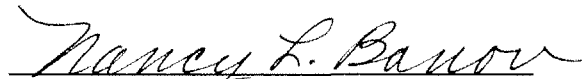
Thank you for your leadership and service to our great state. Your job is extremely difficult, and we appreciate you. All of us are eager to work in partnership with you to help these most vulnerable citizens and their families.

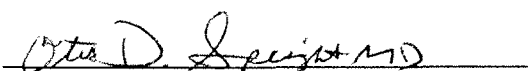
Sincerely,

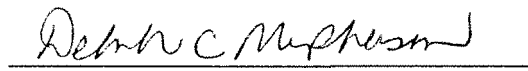
  
Kelly Hanson Floyd, Chairman

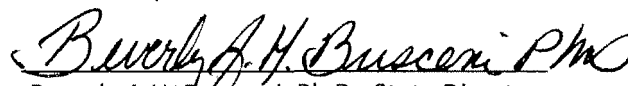
  
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