



*Creating solutions, **One** person at a time*

November 12, 2008

To: PBH Stakeholders
From: PBH Director of Community Relations
Subject: State Budget Reductions effective November 15, 2008

Dear Stakeholders,

Recent economic conditions in our nation have caused the Governor to order all state agencies to hold back funding for major programs in anticipation of a shortfall in tax revenues for this fiscal year. As a result, the Office of State Budget instructed all state agencies to reduce expenditures by 3%. This means that the Department of Health and Human Services must reduce expenditures by \$50 million dollars. The Division of Mental Health, Developmental Disabilities and Substance Abuse Services has already implemented cost reduction measures in the central office, including a freeze on filling vacant positions and eliminating non critical travel expenses.

LME's have received notice from the State that state budget allocations will be immediately reduced by 3%. For PBH, this amount is equal to \$801,177.00 and will impact funding for services and administrative costs. This reduction is in addition to the \$3.6 million dollar reduction that the State imposed at the beginning of our last fiscal year. This is serious and will no doubt have a cumulative impact on PBH's ability to provide state funded services. Our priority for State funded services is to maintain: current residential and day programs for adults; Crisis services; Inpatient services; Community Support Services; ACTT services; Outpatient Treatment; and Intensive Outpatient Treatment.

Therefore, effective November 15, 2008, there will be a freeze on funding for new consumers referred for the following services:

- Community Support Team
- Multi-systemic therapy
- Intensive In-home Services
- Day Treatment

- Personal Assistance
- Home/Community and Day Supports

Consumers who are referred for these services will be placed on a waiting list until funding is available. In January 2009, PBH will evaluate the impact of this freeze to determine if further action is required to meet the level of budget reductions.

PBH takes this action with great reluctance; however, we understand the need for the Governor to keep state budget expenses within the anticipated revenue limitations. We hope that economic conditions will improve in the near future and that the impact of these reductions will be minimal. We will keep you informed as this condition develops and look forward to offering our consumers the best services that we can during these austere times.

Sincerely,

Stephan Tomlinson
Director of Community Relations