



House of Representatives

General Assembly

File No. 103

February Session, 2004

Substitute House Bill No. 5361

House of Representatives, March 17, 2004

The Committee on Program Review and Investigations reported through REP. WASSERMAN of the 106th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING CONSOLIDATION OF AGENCIES SERVING PERSONS
WITH DISABILITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) The Secretary of the Office of
2 Policy and Management shall direct the consolidation of the
3 Department of Mental Retardation, the Commission on the Deaf and
4 Hearing Impaired, the Department of Mental Health and Addiction
5 Services, the Board of Education and Services for the Blind and the
6 Bureau of Rehabilitation Services into the Department of
7 Developmental and Rehabilitative Services in accordance with the
8 provisions of section 4-38d, 4-38e and 4-39 of the general statutes. The
9 Department of Developmental and Rehabilitative Services shall consist
10 of the following divisions: (1) Administrative; (2) mental health and
11 addiction services, to which shall be transferred all the programs and

12 services of the Department of Mental Health and Addiction Services;
13 (3) mental retardation services, to which shall be transferred all the
14 programs and services of the Department of Mental Retardation; (4)
15 services for the blind and visually impaired, to which shall be
16 transferred all the programs and services of the Board of Education
17 and Services for the Blind; (5) services for the deaf, to which shall be
18 transferred all the programs and services of the Commission on the
19 Deaf and Hearing Impaired; and (6) disability determination and
20 vocational rehabilitation, to which shall be transferred all the programs
21 and services of the Bureau of Rehabilitation Services.

22 (b) The Secretary of the Office of Policy and Management shall
23 establish a steering committee to develop an implementation plan for
24 such consolidation. The secretary shall appoint the members of the
25 steering committee as follows: One member designated by the State
26 Employees Union Bargaining Coalition; one member designated by the
27 state Management Advisory Council; one member designated by each
28 of the agencies specified in subsection (a) of this section; one member
29 representing an advocacy organization for each of the client groups
30 serviced by each of the agencies specified in subsection (a) of this
31 section; one member representing a contracting service provider for
32 one of the agencies specified in subsection (a) of this section, that is not
33 an advocate of a client group, and one member representing a private
34 sector business or trade association.

35 (c) The steering committee shall develop an implementation plan
36 that provides for consolidation of the agencies specified in subsection
37 (a) of this section to begin on February 1, 2005, and to be completed by
38 December 31, 2005. Each member of the steering committee from an
39 agency specified in subsection (a) of this section may form an
40 implementation team consisting of personnel in such member's agency
41 and in any support agency, including, but not limited to, the
42 Department of Information Technology, appropriate and relevant to
43 achieving such agency's consolidation into the Department of
44 Developmental and Rehabilitative Services. The steering committee
45 shall prioritize all activities necessary to such consolidation and

46 establish completion dates for such activities, which shall be included
47 in the consolidation implementation plan. The Secretary of the Office
48 of Policy and Management shall, on or before January 1, 2005, submit
49 the consolidation implementation plan, in accordance with section 11-
50 4a of the general statutes, to the joint standing committees of the
51 General Assembly having cognizance of matters relating to
52 appropriations, human services, public health and government
53 administration.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

Statement of Legislative Commissioners:

The first sentence of subsection (a) was rewritten to clarify that the Department of Developmental and Rehabilitative Services will not be established until an implementation plan for consolidation of the agencies specified in subsection (a) is completed.

PRI *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Various State Agencies	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Planning Impact

The bill requires the Office of Policy and Management (OPM) to direct the consolidation of the Departments of Mental Retardation, Mental Health and Addiction Services; the Board of Education and Services for the Blind; Commission on the Deaf and Hearing Impaired; and the Bureau of Rehabilitation Services into a newly created Department of Developmental and Rehabilitative Services. OPM must establish a steering committee to develop an implementation plan for the consolidation and submit a plan by January 1, 2005. The Office of Policy and Management may incur significant costs for consultants and administrative support to direct the steering committee and generate the report by the deadline.

Consolidation Impact

The bill requires that the consolidation will start February 1, 2005, based on the steering committee’s recommended implementation plan with a completion deadline of December 31, 2005. It is anticipated that the targeted area of cost-savings would be the administrative functions of the current five agencies. It should be noted that these agencies have been experiencing changes in staffing levels and adjustments to overall workforce due to ERIP, layoffs and other programmatic changes in the past few years. The extent that this consolidation

would impact the direct services provided to the clients of these departments is unknown.

In targeting administrative services such as fiscal, human resources, information technology, planning and other executive functions, it is anticipated that consolidating these agencies may result in a reduction to the workforce. Using an average salary range for a full-time position of \$50,000 - \$60,000 and a current fringe benefit rate of 45.82% (20.23% fringe rate in the first year of change), eliminating one position would result in an annual state savings of \$72,910 - \$87,500. Although it is unknown the priority of staffing that the steering committee would implement, on average for every twenty full-time positions eliminated an annual state savings of \$1.5 - \$1.75 million would result (100 full-time equivalent positions eliminated would result in \$7.3 million - \$8.75 million state savings). The agencies employ an estimated 9,000 people (full-time and part-time, General Fund and federal funded positions included). It is anticipated that the implementation plan adopted by the steering committee will include recommendations on administrative efficiencies and the resulting reduction in staff. It is unclear what the impact could be on federal reimbursement under Medicaid, to the extent that the changes due to the consolidation impact costs reimbursable under Medicaid.

It is anticipated that one-time costs may result due to moving of agencies and accommodating staff and clients within new office locations and structure. It is unknown what the implementation plan will require concerning moving and consolidating of locations, therefore it is unknown what the resulting costs and long-term savings would be by reducing overhead.

Due to the time constraints established in the bill annualized savings would not result until FY 07, however, as the consolidation would be required to start in January of 2005 (FY 05) and be completed by December 31, 2005 (FY 06), partial year savings may result in those fiscal years (however, these could be offset by one-time costs referenced above).

OLR Bill Analysis

sHB 5361

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING CONSOLIDATION OF AGENCIES SERVING PERSONS WITH DISABILITIES**SUMMARY:**

This bill requires the secretary of the Office of Policy and Management (OPM) to direct the consolidation of the departments of Mental Retardation (DMR) and Mental Health and Addiction Services (DMHAS), the Board of Education and Services to the Blind (BESB), the Commission on the Deaf and Hearing Impaired (CDHI), and Department of Social Services' Bureau of Rehabilitation Services (BRS) into a new Department of Developmental and Rehabilitative Services (DDRS). The secretary must establish a steering committee that develops an implementation plan for the consolidation, which begins on February 1, 2005 and must be completed by December 31, 2005. OPM must submit the plan to the Appropriations, Human Services, Public Health, and Government Administration and Elections committees by January 1, 2005.

EFFECTIVE DATE: Upon passage

DEPARTMENT OF DEVELOPMENTAL AND REHABILITATIVE SERVICES***Agency Organizational Structure***

The bill establishes the following divisions in the new DDRS:

1. administrative;
2. mental health and addiction services, to which all of DMHAS' programs and services are transferred;
3. mental retardation services, to which all DMR's programs and services are transferred;
4. services for the blind and visually impaired, to which all BESB's programs and services are transferred;
5. services for the deaf, to which all CDHI programs and services are

- transferred; and
6. disability determination and vocational rehabilitation, to which all of BRS' programs and services are transferred.

Steering Committee to Develop Implementation Plan

The OPM secretary appoints the members of the steering committee, which includes:

1. a State Employees Union Bargaining Coalition designee,
2. a state Management Advisory Council designee,
3. one member each that the five agencies designate,
4. a representative of an advocacy organization for each of the client groups served by the agencies,
5. a representative from a service provider with which one of the agencies contracts that is not an advocate of a client group, and
6. a representative of a private sector business or trade association.

The steering committee must prioritize all activities necessary to the consolidation and establish completion dates for them, both of which must be part of the plan.

Implementation Teams

The bill permits each state agency represented on the steering committee and BRS to form its own implementation team consisting of agency personnel, as well as personnel from support agencies, such as the Department of Information Technology, that are appropriate and relevant to the consolidation.

BACKGROUND

Hull-Harper Commission

In 1991, the legislature established the Commission to Effect Government Reorganization, which was subsequently dubbed the Hull-Harper Commission. In its final report, the commission recommended consolidating all of the state's disability agencies into a Department of Developmental and Rehabilitative Services. The 1992 legislature considered but did not pass a bill that would have required the consolidation.

COMMITTEE ACTION

Program Review and Investigations Committee

Joint Favorable Substitute

Yea 9 Nay 2