



**Auditor of State  
Betty Montgomery**

CLERMONT COUNTY  
BOARD OF MENTAL RETARDATION  
AND DEVELOPMENTAL DISABILITIES  
PERFORMANCE AUDIT

JULY 24, 2003



**Auditor of State  
Betty Montgomery**

To the Clermont County Commissioners, Clermont County Board of Mental Retardation and Developmental Disabilities, and the citizens of Clermont County:

The State Auditor's Office is pleased to provide the completed performance audit of the Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD). The Clermont County Commissioners requested a performance audit to assist in improving the quality of service delivery, increase efficiency, and increase customer service levels at Clermont MRDD. The areas examined during the performance audit include financial management, human resources, client services, state and federal compliance, and technology. The State Auditor's Office conducted this independent review of Clermont MRDD's operations with the objective of evaluating the efficiency of its operations, planning, and policies in relation to peer and best practice agencies.

The performance audit focused on aspects including the financial condition of Clermont MRDD; the impact of changes in local, state, and pass-thru funding; changes in the Medicaid funding process; budgeting practices; organizational structure; training and staff development; efficiency, effectiveness, and appropriateness of client services and case management; compliance with state and federal laws and regulations; and the use of technology. The performance audit contains recommendations based on operational comparisons to best practices and industry standards.

An executive summary has been prepared which includes the project history, the purpose and objectives of the performance audit, and a summary of key recommendations. This report has been provided to the management of Clermont County and Clermont MRDD, and its contents discussed with appropriate officials and management. Clermont MRDD has been encouraged to use the results of the performance audit as a resource in improving its overall operations, service delivery, and financial stability.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this performance audit can be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "Audit Search" option.

Sincerely,

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

July 24, 2003

# **Executive Summary**

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## **Project History**

In February 2003, Clermont County engaged the Auditor of State's Office to conduct a performance audit of the Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD). The county was seeking an independent evaluation of Clermont MRDD's operational efficiency and effectiveness. The audit report evaluates Clermont MRDD's financial management, organizational structure and staffing, compliance with legal requirements, client services and case management, and technology use.

## **Agency Overview**

County Boards of Mental Retardation and Developmental Disabilities in Ohio (MRDDs) were statutorily created in 1967. The primary mission of the MRDDs is to ensure the availability of programs and services that support and assist eligible individuals with mental retardation and other developmental disabilities in choosing and achieving a life of increased capability such that they can live and work in the community, and to assist and support the families of these individuals in achieving this objective. MRDDs are subject to rules, procedures, and guidelines mandated by the Ohio Revised Code, the Ohio Administrative Code, the Ohio Department of MRDD (ODMRDD), and the federal Medicaid program. The following lists mandated MRDD responsibilities pursuant to state guidelines;

- Administer and operate facilities, programs, and services pursuant to state guidelines;
- Determine eligibility for MRDD services in accordance with state guidelines;
- Coordinate, monitor, and evaluate existing services and facilities available to individuals with MRDD;
- Provide early childhood services, supportive home services, and adult services;
- Provide or contract for special education services in accordance with state guidelines;
- Provide case management services in accordance with state guidelines; and
- Establish a waiting list for services when resources are not available to meet the needs of all eligible individuals requesting services.

In addition to the mandated responsibilities, Clermont MRDD provides supported living services, sheltered employment, and job training activities as allowed under ORC §5126.05. It also provides educational services to children who are mentally retarded, developmentally disabled, and medically fragile.

Clermont MRDD is governed by an unpaid seven-member board. Five of the members are appointed by the Clermont County Board of County Commissioners and two of the members are appointed by the probate judge of Clermont County. The seven-member board's role in running Clermont MRDD includes the following:

- Select the superintendent and monitor the superintendent's performance;
- Review and establish Clermont MRDD policies; and
- Oversee the finances of Clermont MRDD.

Clermont MRDD's programs are administered by a superintendent through 10 directors. Finances are managed by the MRDD's business manager. Clermont MRDD recently experienced a decrease in funding because a 0.75 mill operating levy expired in FY 2002. Two unsuccessful levy attempts were made in FY 2001 and FY 2002.

The MRDD has also experienced governance issues as several Board members have been replaced in the past two years. According to the County administration, its confidence in the operations of Clermont MRDD has been eroded because of disagreements between the former superintendent and Board. Despite recent setbacks in its administration, Clermont MRDD appears programmatically sound. Furthermore, improvements in the stability of its management, implemented in the spring of 2003, should resolve communication and coordination issues between the Board, Clermont MRDD administration, and County offices.

## **Noteworthy Accomplishments**

This section of the executive summary highlights specific Clermont MRDD accomplishments identified throughout the course of the audit.

- Clermont MRDD has begun funding the Medicaid Risk Fund prior to it being mandated by ODMRDD.
- During 2003, Clermont MRDD began billing 100 percent of excess educational costs back to the respective school districts that it services. Billing all excess costs allows Clermont MRDD to continue to operate its school without reliance on MRDD operating levy funds.

## **Key Recommendations**

Based on the audit review, including information from, and discussions with, oversight agencies, Clermont MRDD operations are in accordance with applicable requirements. However, the efficiency and effectiveness of its operations could be improved, particularly in the areas of

financial management and technology. The following are the key recommendations resulting from the analysis conducting during the performance audit.

- **Clermont MRDD should institute formal forecasting policies and practices. Clermont's five-year forecast and the accompanying assumptions or notes should be expanded and should consistently present more detailed historic and projected information and explanatory comments. In addition, the MRDD business manager should ensure the notes and assumptions adequately reflect what is reported in the five-year forecast. The MRDD should consider adjusting its assumptions based upon recommendations and revised assumptions in this performance audit. Under the MRDD's FY 2002 five year forecast, the agency will have negative fund balances of \$5.8 million in FY 2003 and \$25.3 million in FY 2007. The revised Auditor of State (AOS) assumptions show the first year of negative ending fund balances occurring in FY 2005 and a negative ending fund balance of \$4.7 million in FY 2007.**
- **Clermont MRDD should use its long-range and three-year plans to develop a projection of future local funding requirements. Once projections have been completed, the MRDD should present its information to the Commissioners to seek their support for additional local funds. Furthermore, Clermont MRDD should publicize its planned expenditures and service levels to community members and use the information contained within this report to emphasize the importance of adequate local funding to MRDD operations. Based on the forecast shown in Table 2-10, the MRDD would need to seek additional local funding no later than 2004 to offset deficits projected in FY 2005.**
- **Clermont MRDD should adopt a health insurance credit similar to other Clermont County agencies, which is 100 percent of the lowest cost health insurance, plus dental and vision, for single employees. The benefit credit for a family plan is based on the increase to the single plan each year. Implementation of a single benefit plan could provide cost savings to both the County and Clermont MRDD.**
- **Clermont MRDD should consider reorganizing administrative operations, service and support administration, and quality and compliance to improve span of control and create economies of scale. Clermont MRDD should create a supervisor of transportation position and combine the areas of service and support, and quality and compliance.**
- **Clermont MRDD should review the allocation of staff resources resulting from organizational changes to ensure staff is used in the most efficient manner and serves the greatest number of individuals possible.**

- **Clermont MRDD should establish an internal quality assurance review committee (QARC) to assist management in monitoring the design and functioning of internal control policies and procedures. The QARC should serve in an internal audit capacity for regulatory compliance. This committee should review Clermont MRDD's compliance procedures, documentation, and readiness for upcoming accreditation reviews. Finally the QARC should ensure follow-up and implementation of any recommendations made by reviewing parties.**
- **Clermont MRDD should establish an agency-wide quality improvement (QI) process to achieve consistent compliance with all applicable rules and regulations, and attain additional internal goals for quality of care and performance levels. The QARC would become one committee within a larger QI process and the work of this committee would be incorporated with QI initiatives.**
- **Clermont MRDD should reorganize the Service, Support and Administration Division (SSA) and the Quality and Compliance Division (QC) by combining the two separate divisions into one. Clermont MRDD should integrate the two divisions in order to improve staffing use, maximize financial resources, and to further improve communication on shared topics regarding individual/provider information and trends.**
- **The SSA Director and staff should document all processes and procedures used the division. All policies and procedures should be cataloged, centralized, and filed electronically. SSA staff and other SSA-related employees should be provided with division-specific training to ensure the continued service level of the division. Cross-training programs are an effective means to avoid disruptions in service in the event of an unforeseen absence.**
- **Clermont MRDD should implement software that will provide real-time service delivery information. Real-time information will assist management in decision-making and help improve the efficiency and effectiveness of business processes. Software options include purchasing additional *Infallible* modules to supplement the software already in place or purchasing a new software system.**
- **Clermont MRDD should implement an Outcome Evaluation System to measure the effects and results of programs and services. An Outcome Evaluation System will allow areas to be directly assessed and evaluated within a pre-determined time frame and against set criteria and benchmarks.**
- **Clermont MRDD should work to reduce administrative costs, particularly in the School Age Services area. Areas of primary focus for further study and reduction should**

include school age, adult, and early intervention (EI) building costs as well as capital and administrative costs for all three program areas.

- **Clermont MRDD should work with its community to assess the viability of continued school age service provision through the Wildey School. This should include a task force to study alternatives and garner wide community input and support for any decision regarding school age services. Any evaluation of the Wildey School should include an in depth examination of typical cost driver areas for schools including staffing, benefits, transportation, and facility maintenance.**
- **All program areas at Clermont MRDD should institute and track outcome based goals. These goals should have measurable results which can be tracked. Clermont MRDD should consider pursuing Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation for the EI and school age service areas as well as adult services.**
- **Clermont MRDD should request permission from the Clermont County Board of Commissioners to connect to the County’s computer network through its technology department. If Clermont MRDD uses the County network, it will no longer have to maintain its own network or use the services of outside vendors to serve as network administrators.**
- **Clermont MRDD should hire a full-time information technology (IT) coordinator to provide technology support and oversight functions.**
- **Clermont MRDD should develop a strategic technology plan that addresses short and long-term technology needs.**
- **Clermont MRDD should streamline its administrative software systems, keeping in mind any impact on a potential joint IT venture with the county. It should assess the needs of staff across departments and evaluate current and potential software systems. Updated software that helps improve business practices should be a priority in the technology strategic plan.**
- **Clermont MRDD should ensure staff are sufficiently trained on available software and should conduct periodic needs assessments for employee training. Training will improve efficiency and increase use of available technology resources.**

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## **Additional Recommendations**

This section of the Executive Summary highlights additional recommendations from each area of the audit report.

### *Financial Management*

- Clermont MRDD should elect to fund the Risk Fund on a monthly basis. Making monthly contributions will lessen the financial impact on the MRDD's cash flow. The ability to contribute funds into the Risk Fund on a monthly basis is especially important to due to the inconsistent revenue stream that the Board receives.
- Clermont MRDD should provide funding for a Budget Stabilization (Rainy Day) Fund. A Rainy Day Fund will better position Clermont MRDD to stabilize its budget against cyclical changes in revenues and expenditures. Clermont MRDD should attempt to maintain a balance in the Rainy Day Fund of no more than 5 percent of its General Fund revenue for the preceding fiscal year. The suggested 5 percent fund limit is outlined in ORC §5705.13 which requires this limit for taxing authorities only.
- Clermont MRDD should ensure that its three-year plan is up-to-date and endorsed by the MRDD Board. The MRDD should use information from its three-year plan and projected waiver cost off-sets to communicate to the public the importance of obtaining additional waiver slots. Estimates of matching federal funds should be publicized so that constituents are familiar with the financial impact of additional waivers on MRDD operations.
- Clermont MRDD should continue to seek additional waivers to enhance federal funding of MRDD operations. Additional waivers will allow Clermont MRDD to support services for a larger number of individuals.
- Clermont MRDD should create a formal budget document which presents revenue-raising and spending decisions made by administrators and management of the Board. Clermont MRDD's formal budget document should be made available to the public. Fiscal priorities should be clearly articulated and any changes in priorities should be presented. Specifically, financial trends and factors affecting the budget should be included.
- The Clermont MRDD's business manager should provide Clermont MRDD, Clermont County Commissioners and the community with regular financial reports that convey the condition of the organization in an easy to read presentation. Due to the diverse backgrounds of the Board members, it would be beneficial to use graphical representations and explanations of the financial information for a firmer grasp of the condition of the



organization. The new business manager has already taken steps to address this recommendation.

### *Organization and Staffing*

- Clermont MRDD should update Article 5.04 of the negotiated agreement to state that personnel files, excluding medical records and background checks, are public record and may be requested by the public. Clermont MRDD should consult with its legal counsel on all policies and procedures that are advanced.
- Position descriptions should be reviewed and updated on an annual basis. In addition, this review should be built into the annual performance evaluation process. Following supervisory update and review, all job descriptions should be assessed by the human resources manager to ensure uniformity and clarity.
- Clermont MRDD should review its current attendance incentive and institute a more effective program to encourage employee attendance. Although the amount of sick leave that employees of Clermont MRDD earn is very similar to the peer boards, Clermont MRDD employees use more sick leave hours on average than employees at the peer MRDDs.

### *State and Federal Compliance*

- Clermont MRDD should seek the Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation for all services specified by ODMRDD that are not currently CARF accredited. Clermont MRDD should also implement best practices and adopt performance measurement criteria for each of its programs so that it can determine outcomes for all programs. ODMRDD states that a county board can receive a five-year accreditation by either pursuing best practices, or by maintaining accreditation from either CARF or The Accreditation Council. Clermont MRDD should, therefore, implement best practices and obtain CARF accreditation for additional program areas.

### *Client Services and Case Management*

- Clermont MRDD management, in consultation with the Board and its legal counsel, should formulate a policy to guide staffing levels in its investigative unit (IU).
- Clermont MRDD should implement written guidelines for individual (client) budget spending in the self-determination program. Guidelines should dictate appropriate uses for individual budgets as well as how decisions regarding spending will be made.

- When funding levels permit, Clermont MRDD should consider implementing additional adult service options. In particular, it should pursue options such as entrepreneurial enterprise development and support. Current staffing levels are marginally above the peer average and should allow an expansion of services without an increase in staffing.
- Clermont MRDD adult services should continue to look for ways to minimize the waiting list for services. While Clermont MRDD does have formal plans for removing individuals from waiting lists, adult services staff should seek additional methods of removing individuals from waiting lists which are not dependent upon funding.

### *Technology*

- Clermont MRDD should replace and upgrade its outdated computer hardware. It should develop a policy establishing minimum hardware specifications to support its goals, and ensure that only appropriate hardware is used. The MRDD should also create an inventory of all information technology related items, including software licenses. It should use the minimum specifications and inventory to develop and maintain a formal technology replacement plan for subsequent years.
- Clermont MRDD should develop and implement a purchasing policy for all technology related purchases that requires approval from the superintendent through the IT coordinator. The policy should place an emphasis on the importance of having the new IT coordinator review and endorse all technology purchases prior to the actual purchase. The purchasing policy should be linked to the minimum specifications to ensure that only appropriate hardware is purchased.
- Clermont MRDD should develop a common set of standards and procedures for software procurement. This should help Clermont MRDD minimize variability in its software acquisitions and acquire only those software programs that are relevant to its operations. Software should be endorsed by the IT coordinator and approved by the superintendent. If the MRDD uses the County network, the director of the County's information technology department should also be consulted in determining appropriate software.
- Clermont MRDD should continuously review new technology to enhance operations. Prior to implementing any new technology, Clermont MRDD should conduct a cost/benefit analysis to determine if the technology is consistent with its overall business needs and the strategic technology plan.

## **Objectives and Scope**

AOS has designed this performance audit with the objective of evaluating organization and staffing, financial management, compliance with applicable laws and regulations, program assessment and case management, and technology. Specific objectives of this performance audit include the following:

- Review the appropriateness of financial decision making, the accuracy of revenue and expenditures projections in relation to Clermont MRDD's resource needs, the clarity of financial accountability, the adequacy of internal financial controls and projected future resource needs within Clermont MRDD;
- Review the organization structure, policies and procedures, appropriateness of staffing levels and job descriptions, impact of labor agreements, and adequacy of human resources management processes;
- Assess service efficiency, cost effectiveness, programmatic effectiveness and quality, strategic planning and mission achievement, client outreach, timeliness, appropriateness of case management policies and procedures, and protection of client rights and information;
- Review Clermont MRDD's compliance with federal, state and local laws and regulations, as well as its efforts to provide services above and beyond the minimum federal and state standards; and
- Review technology use while focusing on the technological resources used by Clermont MRDD and the extent of automation in routine processes.

## **Methodology**

To complete this report, the auditors gathered and assessed a significant amount of information pertaining to the selected audit areas; conducted interviews with various individuals associated with Clermont MRDD; and assessed information from peer MRDDs in Clark, Union, and Warren Counties. The auditors also distributed two surveys to a random sample of Clermont MRDD employees. The auditors also spent a significant amount of time gathering and reviewing best practices and operating procedures from other entities.

Additionally, the performance audit process involved significant information sharing with management from Clermont MRDD, including periodic status meetings which served to inform Clermont MRDD of key issues impacting the selected areas and proposed recommendations to improve and enhance operations. Furthermore, preliminary drafts of findings and

recommendations were submitted as developed, and Clermont MRDD provided written comments on the various report sections which were taken into consideration in the reporting process.

The Auditor of State and staff express appreciation to the superintendent, Board members, and staff of Clermont MRDD; representatives of the Clermont County Board of County Commissioners; representatives of ODMRDD; and the superintendents and staff of the MRDDs in Butler, Clark, Union, and Warren counties for their cooperation and assistance throughout the audit process.

## **Summary of Financial Implications**

The following table summarizes those performance audit recommendations containing financial implications. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the report:

<b>Recommendation Number</b>	<b>Recommendations</b>	<b>Estimated Cost Savings (Annual)</b>
<b>Organization and Staffing</b>		
R3.1	Adopting the same benefit credit as other Clermont County agencies.	\$112,000 <sup>1</sup>
<b>Client Services and Case Management</b>		
R4.2	Redirecting the investigative agent position to Clinton County.	\$33,275
<b>Technology</b>		
R6.1	Implementing the Clermont County network.	\$900
R6.2	Hiring a full-time IT administrator.	\$5,000 <sup>2</sup>
<b>Total</b>		<b>\$151,175</b>

<sup>1</sup> This recommendation is subject to negotiations.

<sup>2</sup> This savings represents a net cost savings associated with no longer obtaining the IT services from contracted vendors.

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# Financial Management

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## Background

Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD) receives funding through federal, state, and local sources. In FY 2002, Clermont MRDD received the majority (52.4 percent) of its revenues from the collection of local real estate taxes. Local real estate taxes are assessed by the Clermont County Auditor (County Auditor) based on four continuing levies totaling 2.5 mills. The funds are collected by the County Auditor and disbursed to Clermont MRDD on a semi-annual basis. Clermont County voters recently rejected two levies, a 1.88 mill levy in 2001 and a 1.5 mill levy in 2002.

Clermont MRDD receives federal reimbursements from Medicaid for services provided. The Community Alternative Funding System (CAFS) provides funding for targeted case management. CAFS funding is provided to county boards for services provided to Medicaid-eligible individuals who have not been placed on waivers. Waivers provide county boards the opportunity to receive federal Medicaid reimbursements for habilitation services provided to Medicaid eligible individuals. Clermont MRDD also receives federal funds for adult services from Title VI-B, Title XIX, and Title XX. In FY 2002, federal funding comprised 14.9 percent of Clermont MRDD's total revenues.

In addition to federal funding, Clermont MRDD receives funding from the Ohio Department of Education (ODE) for the operation of the Thomas Wildey School (the School). State funding sources also include the State MRDD Subsidy and pass-thru revenues for excess costs paid by the area school districts. In FY 2002, state funding accounted for 8.7 percent of Clermont MRDD's total revenues.

Beginning in FY 1999, Clermont MRDD commenced major capital renovations at the Krenning Center. Clermont MRDD purchased and renovated this building for approximately \$1.46 million. In FY 2000, a warehouse was constructed by the School for storage of records and extra equipment for \$238,380. All funds used for capital improvements have been allocated from the General Fund.

### *Effect of H.B. 94 on Clermont MRDD*

Changes in Medicaid law have created an opportunity for MRDDs to serve additional individuals without investing additional local dollars. Ohio H.B. 94 extends these opportunities to local boards. Waivers are granted by the Secretary of Health and Human Services (HHS) and provide federal dollars for activities that were previously funded at the local level. When a MRDD fills a

waiver slot with an eligible individual that is already receiving services paid for with local and state funds, the MRDD can receive a federal Medicaid match of approximately 58 percent of the cost of services. Under the waiver system, the individual receives the same level of services; however, the MRDD receives a cost offset of approximately 58 percent of the local funds that were previously used to provide these services.

Prior to the passage of H.B. 94 in 2001, Ohio had a low number of waiver slots compared to those available in other states. Legislation contained in H.B. 94 redesigns the waiver system in Ohio to increase the number of waiver slots available to individuals throughout the State. One focal point of the planned redesign was to maximize local funding and draw additional federal Medicaid dollars. In an attempt to increase the total available waiver slots within Ohio, the State's waiver system will be redesigned into a three-level system of waivers with each level providing additional funding. **Table 2-1** provides a summary of the planned waiver system redesign.

**Table 2-1: Waiver Summary**

<b>Level One</b>	<b>Basic Support Waiver</b> – Statewide, 6,000 new individuals will be enrolled over three years based on the information contained in the county MRDD plans. To be eligible for a Level One waiver, individuals must require an ICFMR level of care and must live in their own home or a facility other than an ICFMR.	Waiver reimbursement cannot exceed \$5,000 per individual annually. <sup>1</sup>
<b>Level Two</b>	<b>Moderate Needs Waiver</b> – Statewide, 20,000 new individuals will be enrolled over a five year period based on information contained in the county MRDD plans. To be eligible for a Level Two waiver, individuals must require an ICFMR level of care and must live in their own home or in a facility other than an ICFMR and have moderate needs.	Waiver will provide \$5,000 to \$72,000 per individual annually.
<b>Level Three</b>	<b>Extended Support Waiver</b> – No definite guidelines have been released by ODMRDD.	

**Source:** Ohio Department of MRDD

<sup>1</sup> Additional funds are available over a three year period for equipment, home modifications, and emergencies according to Ohio Administrative Code (OAC) §5123:2-8-16.

### *Summary of Operations*

The Clermont MRDD business manager is responsible for revenue and expenditure reporting for all departments. Revenues and expenditures are tracked and reported using an internal Maximus system and Microsoft Excel spreadsheets. In addition, the Fiscal Department, which consists of the business manager and three clerks, is responsible for cash disbursements, accounts payable functions, payroll checks, and all other financial transactions.

Clermont MRDD recently hired a new business manager. The former business manager left under good terms, but Clermont MRDD had been unable to locate supporting documentation in



order to fill out reports to the federal and state governments for funding purposes. This information was located on June 16, 2003.

Clermont MRDD contracts with Health Care Billing Services (HCBS) to conduct its CAFS billing. Prior to outsourcing billing services, all Clermont MRDD departments independently billed for reimbursement of services rendered which may have resulted in Clermont MRDD not receiving its maximum reimbursements. After contracting with HCBS, Clermont MRDD required that all departmental billing be coordinated through HCBS who determines which services are appropriate for reimbursement. In addition, HCBS provides a review to ensure all documents have been properly completed and signed. Any documents that have been incorrectly completed are returned to the Clermont MRDD for correction. HCBS collects 5 percent of all reimbursed funds in payment for its services.

## Financial Management

**Table 2-2** displays Clermont MRDD's actual revenues and the annual percentage change in revenues for FY 1999 through FY 2002.

**Table 2-2: FY 1999 through FY 2002 Percentage Change in Revenues**

	FY 1999	FY 2000	% Change	FY 2001	% Change	FY 2002	% Change
Taxes	\$6,377,478	\$6,281,050	(1.5%)	\$6,415,130	2.1%	\$6,689,482	4.3%
Lunch Program	10,097	9,084	(10.0%)	9,506	4.6%	9,996	5.2%
EI Collaborative Grant	41,249	37,075	(10.1%)	92,229	148.8%	16,484	(82.1%)
Title VI-B	95,716	82,981	(13.3%)	39,714	(52.1%)	35,623	(10.3%)
Hearing Impaired Grant	16,857	55,863	231.4%	96,537	72.8%	226,449	134.6%
Title XX	129,349	95,473	(26.2%)	111,229	16.5%	116,935	5.1%
Title XIX – CAFS	980,078	1,216,724	24.1%	1,624,783	33.5%	1,990,355	22.5%
Title XIX – TCM	137,656	154,258	12.1%	342,631	122.1%	387,750	13.2%
Waiver Administration	34,731	0	(100.0%)	0	N/A	11,258	N/A
Service Coordination	5,528	7,530	36.2%	13,859	84.1%	55,787	302.5%
Department of Education	1,839,157	1,712,223	(6.9%)	2,208,094	29.0%	1,840,667	(16.6%)
Payments from School Districts	814,044	830,675	2.0%	1,042,636	25.5%	1,061,062	1.8%
Miscellaneous	197,426	234,774	18.9%	104,365	(55.5%)	277,037	165.5%
Other State Monies	0	0	N/A	18,590	N/A	52,369	181.7%
<b>Total Revenues</b>	<b>\$10,679,366</b>	<b>\$10,717,710</b>	<b>0.4%</b>	<b>\$12,119,303</b>	<b>13.1%</b>	<b>\$12,771,254</b>	<b>5.4%</b>

Source: Budget to Actual (Simple) By Account String, Includes all Funds for FY 1999 through FY 2002

Clermont MRDD experienced an average increase in total revenues of 6.2 percent annually from FY 1999 to FY 2002. Some of the more significant variances in **Table 2-1** are as follows.

- In FY 1999 through FY 2002, federal CAFS funding increased by an average of 24.7 percent annually because of an increased enrollment of 75 individuals in FY 1999 and FY

2000. In addition, Clermont MRDD seeks to maximize the amount of CAFS revenues received each year.

- During the same period, Clermont MRDD's hearing impaired grant increased approximately 138 percent per year. Under a new program design, Clermont MRDD became the main county participant in the Hearing Impaired Program. Therefore, the MRDD receives more funds than any other county organization. Caps on amounts received by each organization were also lifted.
- In FY 1999 and FY 2000, Clermont MRDD received additional grants for the development of its Early Intervention (EI) program. These increases include the Hearing Impaired Grant, EI Collaborative Grant, and Service Coordination. Clermont MRDD is a major participant in this program and it coordinates most grant activities within its nine county area.
- Title XIX (Target Case Management or TCM) also increased 122.1 percent during the historical period. TCM has consistently increased as Clermont MRDD staff have placed a greater emphasis on recording the appropriate information in a timely manner. This allows Clermont MRDD to realize a higher level of reimbursement from the federal government.
- Revenues from school districts increased by 25.5 percent in FY 2001 and an additional 1.8 percent in FY 2002. These revenues are billed to the school districts on a monthly basis for the students of the districts served by the Thomas Wildey School. Revenues will fluctuate depending on the needs of the students enrolled and excess costs will be divided evenly across the school districts served by Clermont MRDD.

**Table 2-3** displays Clermont MRDD's actual expenditures and the annual percentage change in expenditures for FY 1999 through FY 2002.

**Table 2-3: FY 1999 through FY 2002 Percentage Change in Expenditures**

	FY 1999	FY 2000	% Change	FY 2001	% Change	FY 2002	% Change
<b>Salaries &amp; Wages</b>	\$5,843,926	\$6,754,809	15.6%	\$7,342,947	8.7%	\$7,276,430	(0.9%)
<b>Insurance</b>	641,186	719,753	12.3%	956,898	32.9%	1,087,113	13.6%
<b>PERS/STRS</b>	743,266	827,318	11.3%	962,167	16.3%	1,002,159	4.2%
<b>Unemployment</b>	3,741	978	(73.9%)	0	(100.0%)	764	N/A
<b>Worker's Comp</b>	197,964	28,946	(85.4%)	161,841	459.1%	50,835	(68.6%)
<b>Medicare</b>	54,055	67,291	24.5%	75,611	12.4%	77,405	2.4%
<b>Other Payroll</b>	48,566	56,052	15.4%	110,085	96.4%	74,578	(32.3%)
<b>Supplies</b>	425,005	437,405	2.9%	439,997	0.6%	389,634	(11.4%)
<b>Capital Improvements</b>	4,784	0	(100.0%)	11,546	N/A	0	(100.0%)
<b>Equipment</b>	105,850	79,756	(24.7%)	42,023	(47.3%)	56,290	34.0%
<b>Repairs</b>	72,618	112,138	54.4%	136,240	21.5%	144,996	6.4%
<b>Services</b>	1,455,071	1,413,778	(2.8%)	1,721,167	21.7%	1,879,618	9.2%
<b>Public Relations</b>	28,611	35,961	25.7%	46,920	30.5%	29,575	(37.0%)
<b>Staff Development</b>	189,523	231,044	21.9%	241,511	4.5%	213,385	11.6%
<b>Contingency/Transfers</b>	804,502	361,344	(55.1%)	100,914	(72.1%)	111,889	10.9%
<b>Total Expenditures</b>	<b>\$10,618,668</b>	<b>\$11,126,573</b>	<b>4.8%</b>	<b>\$12,349,867</b>	<b>11.0%</b>	<b>\$12,394,671</b>	<b>0.4%</b>

Source: Historical Expenditure Summary Report by Fund FY 1999 through FY 2002

As shown in **Table 2-3**, Clermont MRDD's expenditures increased, on average, 5.3 percent per year from FY 1999 to FY 2002. Clermont MRDD experienced an 11.0 percent increase in total expenditures in FY 2001 because of increases in salaries, insurance, and worker's compensation expenditures. In FY 2002, total expenditures increased only 0.4 percent. Explanations for some of the more significant variances in **Table 2-3** are as follows.

- In FY 2002, salaries and wages decreased 0.9 percent as Clermont MRDD elected to leave some supervisor and director positions vacant and administrators did not receive raises. Other payroll, including retirement payouts, sick pay buyouts, and payments for foregoing health insurance, also dropped by 32.3 percent as a result of fewer retirements and fewer individuals opting out of health insurance.
- In FY 2001, Clermont MRDD's worker's compensation expenditures increased 459.1 percent and insurance expenditures increased 32.9 percent. The increase in worker's compensation was a result of claims filed by Clermont MRDD employees. Insurance expenditures increased because additional employees elected to use insurance coverage through Clermont MRDD. Costs also increased as a result of the annual inflationary costs associated with medical insurance.
- Purchased services, which include janitorial services, insurances (other than health and life), and utilities, decreased in FY 2000 by 2.8 percent, but increased in FY 2001 by 21.7 percent and in FY 2002 by 9.2 percent. Additional contracts on administrative equipment, such as equipment leases and repair contracts, have increased because Clermont MRDD is leasing a larger amount of equipment.

- Staff development increased 21.9 percent in FY 2000, 4.5 percent in FY 2001, and 11.6 percent in FY 2002. With the implementation of H.B. 94, requirements for staff training have increased; therefore, additional training has been necessary to achieve compliance.
- Clermont MRDD management has tried to keep capital projects, including major repairs and building, to a minimum. As a result, transfers and contingency expenditures decreased significantly over the four year period.

**Table 2-4** displays Clermont MRDD's revenues as a percentage of total revenues for FY 1999 through FY 2002.

**Table 2-4: Revenue Line-Items Displayed as a Percentage of Total FY 1999 through FY 2002**

	FY 1999		FY 2000		FY 2001		FY 2002	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Taxes	\$6,377,478	59.7%	\$6,281,050	58.6%	\$6,415,130	52.9%	\$6,689,482	52.4%
<b>TOTAL LOCAL REVENUES</b>	<b>\$6,377,478</b>	<b>59.7%</b>	<b>\$6,281,050</b>	<b>58.6%</b>	<b>\$6,415,130</b>	<b>52.9%</b>	<b>\$6,689,482</b>	<b>52.4%</b>
Lunch Program	10,097	0.1%	9,084	0.1%	9,506	0.1%	9,996	0.1%
EI Collaborative Grant	41,249	0.4%	37,075	0.3%	92,229	0.8%	16,484	0.1%
Title VI-B	95,716	0.9%	82,981	0.8%	39,714	0.3%	35,623	0.3%
Hearing Impaired Grant	16,857	0.2%	55,863	0.5%	96,537	0.8%	226,449	1.8%
Title XX	129,349	1.2%	95,473	0.9%	111,229	0.9%	116,935	0.9%
Title XIX – CAFS	980,078	9.2%	1,216,724	11.4%	1,624,783	13.4%	1,990,355	15.6%
Title XIX – TCM	137,656	1.3%	154,258	1.4%	342,631	2.8%	387,750	3.0%
Waiver								
Administration	34,731	0.3%	0	0.0%	0	0.0%	11,258	0.1%
Service Coordination	5,528	0.1%	7,530	0.0% <sup>1</sup>	13,859	0.1%	55,787	0.4%
<b>TOTAL FEDERAL REVENUES</b>	<b>\$1,451,261</b>	<b>13.7%</b>	<b>\$1,658,988</b>	<b>15.4%</b>	<b>\$2,330,488</b>	<b>19.2%</b>	<b>\$2,850,637</b>	<b>22.3%</b>
ODE Funding	1,839,157	17.2%	1,712,223	16.0%	2,208,094	18.2%	1,840,667	14.4%
Other State Revenues	0	0.0%	0	0.0%	18,590	0.2%	52,369	0.4%
<b>TOTAL STATE REVENUES</b>	<b>\$1,839,157</b>	<b>17.2%</b>	<b>\$1,712,223</b>	<b>16.0%</b>	<b>\$2,226,684</b>	<b>18.4%</b>	<b>\$1,893,036</b>	<b>14.8%</b>
Payments from School Districts	814,044	7.6%	830,675	7.8%	1,042,636	8.6%	1,061,062	8.3%
Miscellaneous	197,426	1.8%	234,774	2.2%	104,365	0.9%	277,037	2.2%
<b>TOTAL OTHER REVENUES</b>	<b>\$1,011,470</b>	<b>9.4%</b>	<b>\$1,065,449</b>	<b>10.0%</b>	<b>\$1,147,001</b>	<b>9.5%</b>	<b>\$1,338,099</b>	<b>10.5%</b>
<b>TOTAL REVENUES</b>	<b>\$10,679,366</b>	<b>100.0%</b>	<b>\$10,717,710</b>	<b>100.0%</b>	<b>\$12,119,303</b>	<b>100.0%</b>	<b>\$12,771,254</b>	<b>100.0%</b>

Source: Budget to Actual (Simple) By Account String, Includes all Funds for FY 1999 through FY 2002

<sup>1</sup> The percent of total revenues is less than 0.1 percent.

**Table 2-4** displays a shift in Clermont MRDD's revenue streams from local taxes to federal CAFS funding. In FY 1999, tax revenues accounted for 59.7 percent of Clermont MRDD's total revenues. Although tax revenues increased from FY 1999 through FY 2002, tax revenues as a percentage of total revenues declined from 59.7 percent in FY 1999 to 52.4 percent in FY 2002. **Table 2-4** highlights the importance of local tax revenues on the operating ability of Clermont MRDD despite the declining percentage. Without local tax revenues, Clermont MRDD would be unable to cover operating expenses. Additionally, H.B. 94 will place added importance on

Clermont MRDD's ability to generate local tax revenues. Without local tax revenues, Clermont MRDD will not be able to draw additional federal waiver funding, which requires a local match of 42 percent. In addition to the decline in the percentage of local tax revenues, the percentage of revenues received from ODE declined from 17.2 percent in FY 1999 to 14.4 percent of total revenues in FY 2002. However, declining ODE revenues have been offset by billing additional educational costs back to local school districts. As displayed in **Table 2-4**, payments from school districts steadily increased during the same period that ODE funding decreased.

**Table 2-5** displays Clermont MRDD's expenditures as a percentage of total expenditures for FY 1999 through FY 2002.

**Table 2-5: Expenditures Line-Items Displayed as a Percentage of Total FYs 1999 through FY 2002**

	FY 1999		FY 2000		FY 2001		FY 2002	
	Expenditures	% of Total	Expenditures	% of Total	Expenditures	% of Total	Expenditures	% of Total
Salaries & Wages	\$5,843,926	55.0%	\$6,754,809	60.7%	\$7,342,947	59.5%	\$7,276,430	58.7%
Insurance	641,186	6.0%	719,753	6.5%	956,898	7.7%	1,087,113	8.8%
PERS/STRS	743,266	7.0%	827,318	7.4%	962,167	7.8%	1,002,159	8.1%
Unemployment	3,741	0.0% <sup>1</sup>	978	0.0% <sup>1</sup>	0	0.0%	764	0.0% <sup>1</sup>
Worker's Comp	197,964	1.9%	28,946	0.3%	161,841	1.3%	50,835	0.4%
Medicare	54,055	0.5%	67,291	0.6%	75,611	0.6%	77,405	0.6%
Other	48,566	0.5%	56,052	0.5%	110,085	0.9%	74,578	0.6%
Supplies	425,005	4.0%	437,405	3.9%	439,997	3.6%	389,634	3.1%
Capital								
Improvements	4,784	0.0% <sup>1</sup>	0	0.0%	11,546	0.1%	0	0.0%
Equipment	105,850	1.0%	79,756	0.7%	42,023	0.3%	56,290	0.5%
Repairs	72,618	0.7%	112,138	1.0%	136,240	1.1%	144,996	1.2%
Services	1,455,071	13.7%	1,413,778	12.7%	1,721,167	13.9%	1,879,618	15.2%
Public Relations	28,611	0.3%	35,961	0.3%	46,920	0.4%	29,575	0.2%
Staff Development	189,523	1.8%	231,044	2.1%	241,511	2.0%	213,385	1.7%
Contingency/ Transfers	804,502	7.6%	361,344	3.3%	100,914	0.8%	111,889	0.9%
<b>Total Expenditures</b>	<b>\$10,618,668</b>	<b>100.0%</b>	<b>\$11,126,573</b>	<b>100.0%</b>	<b>\$12,349,867</b>	<b>100.0%</b>	<b>\$12,394,671</b>	<b>100.0%</b>

Source: Historical Expenditure Summary Report by Fund FY 1999 through FY 2002

<sup>1</sup> The percent of total expenditures is less than 0.1 percent.

**Table 2-5** shows that in FY 1999, salaries and benefits accounted for 68 percent of total expenditures. A significant increase in salaries and wages, insurance and PERS/STRS from FYs 1999 through 2002 increased the percentage of costs dedicated to salaries and benefits to 75.6 percent of total expenditures in FY 2002. During this same period, Clermont MRDD completed a large majority of its planned capital expenditures. **Table 2-5** illustrates the impact of Clermont MRDD's capital improvement plan on its total expenditures. Capital improvements, shown in the contingency/transfers line item, accounted for a significant portion of Clermont MRDD's total expenses in prior years. Some capital improvements were completed in FY 1999 and accounted for 7.6 percent of total expenditures. The majority of Clermont MRDD's capital expenditures were completed in FY 2000 and, therefore, the amount dedicated to capital improvements decreased in FY 2001 and FY 2002 to 0.8 percent and 0.9 percent of total expenditures, respectively.

**Table 2-6** displays Clermont MRDD's annual General Fund cash balance for FYs 1999 through 2002.

**Table 2-6: General Fund Ending Cash Balance FYs 1999 through 2002**

	FY 1999	FY 2000	% Change	FY 2001	% Change	FY 2002	% Change
<b>Beginning Cash Balance</b>	<b>\$2,826,165</b>	<b>\$2,886,863</b>	<b>2.1%</b>	<b>\$2,478,000</b>	<b>(14.2%)</b>	<b>\$2,247,436</b>	<b>(9.3%)</b>
<b>Total Revenue</b>	10,679,366	10,717,710	0.4%	12,119,303	13.1%	12,771,254	5.4%
<b>Total Expenditures</b>	10,618,668	11,126,573	4.8%	12,349,867	11.0%	12,394,671	0.4%
<b>Ending Cash Balance</b>	<b>\$2,886,863</b>	<b>\$2,478,000</b>	<b>(14.2%)</b>	<b>\$2,247,436</b>	<b>(9.3%)</b>	<b>\$2,624,019</b>	<b>16.8%</b>
<b>Ending Cash Balance as a Percent of Expenditures</b>	<b>27.2%</b>	<b>22.3%</b>	<b>N/A</b>	<b>18.2%</b>	<b>N/A</b>	<b>21.2%</b>	<b>N/A</b>

**Source:** Clermont County Auditor's Monthly Financial Statements, Budget to Actual (Simple) By Account String FY 1999 through FY 2002, Historical Expenditures Summary FY 1999 through FY 2002

As displayed in **Table 2-6**, Clermont MRDD's ending cash balances decreased 9.1 percent from FY1999 to FY 2002. Similarly, Clermont MRDD's cash balances as a percentage of total expenditures declined during the historical period. Clermont MRDD's revenue flow is not constant as it receives most of its revenue disbursements from the County Auditor on a semi-annual basis. Clermont MRDD's expenses, however, are incurred on an ongoing basis. As a result, Clermont MRDD must maintain a positive cash balance to pay expenses between revenue disbursements. It should be noted that the cash balances displayed in **Table 2-6** are presented as the cash balance at a single point-in-time and should not be used to predict Clermont MRDD's financial health.

### *Revenue and Expenditures*

**Table 2-7** displays Clermont MRDD's expenditures as a percentage of total expenditures for 1999 through 2002.

**Table 2-7: FY 2002 Revenue by Source and Expenditure by Object**

	Clermont MRDD <sup>1</sup>	Clark MRDD	Union MRDD	Warren MRDD	Peer Average <sup>2</sup>
<b>Total Individuals Served</b>	<b>566</b>	<b>683</b>	<b>158</b>	<b>586</b>	<b>476</b>
<b>Revenues</b>					
<b>Local</b>	52.4%	64.0%	85.1%	58.0%	69.0%
<b>State</b>	22.3%	18.2%	5.3%	19.4%	14.3%
<b>Federal</b>	14.8%	14.3%	5.3%	15.9%	11.8%
<b>Other <sup>3</sup></b>	10.5%	3.5%	4.3%	6.7%	4.9%
<b>Total Revenues</b>	<b>\$12,771,255</b>	<b>\$14,440,304</b>	<b>\$6,254,396</b>	<b>\$14,356,845</b>	<b>\$11,683,848</b>
<b>Expenditures</b>					
<b>Salaries &amp; Wages</b>	58.7%	52.7%	42.7%	52.1%	49.2%
<b>Insurance</b>	8.8%	12.4%	5.7%	9.9%	9.3%
<b>PERS/STRS</b>	8.1%	11.3%	8.4%	7.1%	8.9%
<b>Unemployment</b>	0.0% <sup>4</sup>	0.0% <sup>4</sup>	0.2%	0.1%	0.1%
<b>Worker's Comp</b>	0.4%	0.1%	0.2%	1.1%	0.5%
<b>Medicare</b>	0.6%	0.5%	0.5%	0.7%	0.6%
<b>Other</b>	0.6%	0.0%	0.0%	0.3%	0.1%
<b>Supplies</b>	3.1%	1.8%	0.9%	1.8%	1.5%
<b>Capital Improvements</b>	0.0%	0.0%	0.0%	1.3%	0.4%
<b>Equipment</b>	0.5%	0.2%	2.0%	0.3%	0.8%
<b>Repairs</b>	1.2%	0.3%	2.0%	1.9%	1.4%
<b>Services</b>	15.2%	7.2%	34.4%	12.7%	18.1%
<b>Public Relations</b>	0.2%	0.1%	0.2%	0.1%	0.1%
<b>Staff Development</b>	1.7%	2.1%	1.1%	0.9%	1.4%
<b>Contingency/ Transfers</b>	0.9%	11.3%	1.7%	9.8%	7.6%
<b>Total Expenditures</b>	<b>\$12,394,671</b>	<b>\$13,494,262</b>	<b>\$5,946,341</b>	<b>\$13,315,783</b>	<b>\$10,918,795</b>

**Source:** Clermont MRDD Budget to Actual (Simple) By Account String FY 1999 through FY 2002, Historical Expenditures Summary FY 1999 through FY 2002, Clark MRDD Revenue and Expenditure Reports for FY 1999 through FY 2002, Union MRDD General Fund Budget Projections FY 2001 through FY 2007, Warren MRDD Monthly Receipts and Expenditure Journal FY 2002, OACMRDD FY 2001 Revenue and Expenditure Report

<sup>1</sup> Clermont MRDD is the only MRDD included in **Table 2-7** which operates a school.

<sup>2</sup> Clermont MRDD is not included in peer average.

<sup>3</sup> Other revenues include donations, sale of miscellaneous products, refunds, etc.

<sup>4</sup> The percentage of unemployment is less than 0.1 percent of expenditures.

Clermont MRDD is the only MRDD displayed in **Table 2-7** that operates a school. As a result, Clermont MRDD receives a greater percentage of its revenue (22.3 percent) from the State than the peer MRDDs. **Table 2-7** also illustrates the importance of local revenues to Clermont MRDD and the peers as the majority of revenues are received from local sources. However, Clermont MRDD received a lower percentage of its revenue from local sources when compared to the peers and the peer average.

**Table 2-7** also shows that Clermont MRDD's salary expenditures (58.7 percent of total expenditures in FY 2002) were 19.3 percent higher than the peer average and the highest among the peer MRDDs. Clermont MRDD's high percentage of salary expenditures was caused by a high level of overtime and temporary employment payments. Benefits expenditures, including

insurance and PERS/STRS, were below the peer average by 1.3 percent. Clermont MRDD's percentage of expenditures for services, which includes employee medical, dental, and life insurance, was 16.0 percent below the peer average.

**Table 2-8** and **Table 2-9** compare Clermont MRDD's costs for selected programs to the peers. The information is from the Ohio Association of County Boards of Mental Retardation and Developmental Disabilities (OACMRDD) 2001 Revenue and Expenditure Report. Each MRDD independently submitted its expenditure data to OACMRDD. As a result, reporting practices may not be uniform for all MRDDs. **Table 2-8** displays expenditures per individual enrolled in children's programs at Clermont MRDD and the peer MRDDs.

**Table 2-8: Expenditures per Individual Served: Early Intervention and School-Aged Programs**

	Early Intervention		School-Age	
	ADM	Cost per Individual	ADM	Cost per Individual
<b>Clermont MRDD</b>	158	\$10,605	68	\$47,798
<b>Clark MRDD</b>	80	\$7,643	34	\$4,035
<b>Union MRDD</b>	41	\$16,583	0	\$0
<b>Warren MRDD</b>	83	\$10,240	96	\$23,072
<b>Peer Average</b>	<b>68</b>	<b>\$11,489</b>	<b>65<sup>1</sup></b>	<b>\$13,554<sup>1</sup></b>

Source: OACMRDD FY 2001 Revenue and Expenditure Report

<sup>1</sup> The peer average only includes Clark County and Warren County.

**Table 2-8** shows that in FY 2001, Clermont MRDD's early intervention (EI) program expenditures per individual served were \$882 lower than the peer average. Additionally, Clermont MRDD's EI expenditures per individual were approximately 10 percent lower than the peer average; however, EI costs are largely determined by the independent development plan (IDP) created for the individual served.

Clermont MRDD does not offer a pre-school program. Instead, these activities are offered in the County's school districts. School-age program costs are largely dependent on the level of enrollment. However, school-age programs have a maximum student-teacher staffing ratio of 8 to 1 and, in some cases, a MRDD may be required to hire an additional full-time teacher to serve a small number of children. In FY 2001, Clermont MRDD's school-age ADM was 68 students, which required a minimum of 9 teachers. The cost per child enrolled in Clermont MRDD was \$47,798 in FY 2001 according to the OACMRDD 2001 Revenue and Expenditure Report. The peer boards support eligible children by providing teachers in the child's school. Among all MRDDs, Clermont MRDD is twelfth highest in the state based on the amount of money spent per individual served.

**Table 2-9** displays Clermont MRDD and peer program expenditures per individual served in the adult and waiver programs.



**Table 2-9: Expenditures per Individual Served:  
Adult Program, Case Management and Waiver Programs**

	Adult Program		Case Management		Waivers	
	ADM	Cost per Individual	ADM	Cost per Individual	ADM	Cost per Individual
<b>Clermont MRDD</b>	374.0	\$18,418	128.0	\$8,809	87.0	\$82,219
<b>Clark MRDD</b>	551.0	\$13,945	74.0	\$20,128	113.0	\$79,200
<b>Union MRDD</b>	95.0	\$25,437	116.0	\$4,250	14.0	\$99,203
<b>Warren MRDD</b>	346.0	\$18,348	92.0	\$8,637	50.0	\$75,737
<b>Peer Average</b>	<b>330.7</b>	<b>\$19,243</b>	<b>94.0</b>	<b>\$11,005</b>	<b>59.0</b>	<b>\$84,713</b>

Source: OACMRDD 2001 Revenue and Expenditure Report

As presented in **Table 2-9**, Clermont MRDD expended 4.3 percent less than the peer average on adult services. For FY 2001, Clermont MRDD's case management expenditures per individual served were 20 percent lower than the peer average. Caseloads for Clermont MRDD historically averaged between 30 and 50 individuals per case manager. House Bill 94 now limits the case load to 25 individuals which Clermont MRDD has adopted. Waiver costs represent costs incurred by MRDDs to process and maintain waivers. In FY 2001, Clermont MRDD's waiver costs were \$2,494 or 2.9 percent below the peer average.

### *Projected Revenues and Expenditures (Financial Forecast)*

The financial projections presented in **Table 2-10** present the expected revenues, expenditures, and fund balances of the General Fund of Clermont MRDD for each of the fiscal years ending December 31, 2003, 2004, 2005, 2006, and 2007. The assumptions disclosed herein were developed by AOS and based on information obtained from Clermont MRDD, ODMRDD, and the Clermont County Auditor.

Because circumstances and conditions assumed in projections frequently do not occur as expected and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results. These projections include the effects of legislation concerning the Medicaid Waiver redesign. In addition, the risk exists that potential waivers applied for by the State will be declined by HHS, as well as the risk that further decreases in State funding for MRDD programs may occur.

Due to the uncertainty of the associated funding formula and the current financial situation at Clermont MRDD, funding for the Risk Fund, as outlined in H.B. 94, was not included in the financial forecast presented in **Table 2-10**. See **R2.4** for further discussions on the Risk Fund.

**Table 2-10: Clermont MRDD Five Year Forecast**

	Actual FY 2002	Projected FY 2003	Projected FY 2004	Projected FY 2005	Projected FY 2006	Projected FY 2007
Beginning Cash Balance	\$2,247,436	\$2,624,019	\$1,217,286	(\$47,574)	\$(1,456,227)	\$(2,942,897)
<b>Taxes</b>	6,689,482	4,158,000	4,324,320	4,497,293	4,677,185	4,864,272
Lunch Program	9,996	10,296	10,605	10,923	11,251	11,588
EI Collaborative Grant	16,484	120,000	140,000	154,000	169,400	186,340
Title VI-B	35,623	35,000	35,000	35,000	35,000	35,000
Hearing Impaired Grant	226,449	234,375	242,578	251,068	259,855	268,950
Title XX	116,935	126,290	136,393	147,304	159,089	171,816
Title XIX - Medicaid/CAFS	1,990,355	2,388,426	2,866,111	3,296,028	3,790,432	4,358,997
Title XIX - TCM	387,750	436,219	490,746	552,089	621,101	698,738
Waiver Administration	11,258	11,821	12,412	13,033	13,684	14,368
Service Coordination	55,787	58,576	61,505	64,580	67,809	71,200
Department of Education	1,840,667	1,840,667	1,840,667	1,840,667	1,840,667	1,840,667
Excess Costs from School Districts	1,061,062	1,165,046	1,279,221	1,404,584	1,542,233	1,693,372
Miscellaneous	277,037	288,118	299,643	311,629	324,094	337,058
Waiver Cost Offset	0	132,300	132,300	132,300	132,300	132,300
Other State Monies	52,369	25,000	25,000	25,000	25,000	25,000
<b>Total Revenues</b>	<b>\$12,771,254</b>	<b>\$11,030,134</b>	<b>\$11,896,501</b>	<b>\$12,735,498</b>	<b>\$13,669,100</b>	<b>\$14,709,666</b>
<b>Salaries &amp; Wages</b>	7,276,430	7,039,818	7,391,808	7,761,399	8,149,469	8,556,942
Insurance	1,087,113	1,197,458	1,413,001	1,667,341	1,967,462	2,321,605
PERS/STRS	1,002,159	985,574	1,034,853	1,086,596	1,140,926	1,197,972
Unemployment	764	1,000	1,000	1,000	1,000	1,000
Worker's Compensation	50,835	206,175	175,878	250,193	265,568	282,710
Medicare/SS	77,405	75,954	87,347	100,449	115,517	132,844
Other Payroll	74,578	76,815	79,120	81,493	83,938	86,456
Supplies	389,634	401,323	413,363	425,764	438,537	451,693
Capital Improvements	0	5,000	5,000	5,000	5,000	5,000
Equipment	56,290	25,000	25,000	25,000	25,000	25,000
Repairs and Maintenance	144,996	100,000	100,000	100,000	100,000	100,000
Services	1,879,618	2,067,580	2,274,338	2,501,772	2,751,949	3,027,144
Advertising/Printing	29,575	30,758	31,988	33,268	34,599	35,983
Staff Development/Travel	213,385	200,000	200,000	200,000	200,000	200,000
Contingency/Transfers	111,889	100,000	100,000	100,000	100,000	100,000
<b>Total Expenditures</b>	<b>\$12,394,671</b>	<b>\$12,512,455</b>	<b>\$13,332,696</b>	<b>\$14,339,275</b>	<b>\$15,378,965</b>	<b>\$16,524,349</b>
Ending Cash Balance	\$2,624,019	\$1,141,698	(\$218,909)	(\$1,651,351)	(\$3,166,092)	(\$4,757,580)
Performance Audit Recommendations		\$75,588	\$171,335	\$195,124	\$223,195	\$256,318
<b>Adjusted Ending Fund Balance</b>	<b>\$2,624,019</b>	<b>\$1,217,286</b>	<b>(\$47,574)</b>	<b>(\$1,456,227)</b>	<b>(\$2,942,897)</b>	<b>(\$4,501,262)</b>

Source: Clermont MRDD Budget to Actual (Simple) by Account String FY 2002, Historical Expenditures Summary Report FY 2002, Clermont County Auditor's Monthly Financial Statements, Percentage of Change in Revenues and Expenditures

The following is a list of major assumptions contained in the revenue section of **Table 2-10**.

- Real Property:** Real property revenues historically increased at 1.6 percent. Clermont MRDD's .75 mill operating levy expired in FY 2002. As a result, Clermont MRDD's local revenues have been projected to decrease \$2.5 million in FY 2003. Clermont MRDD's remaining levies are continuing levies and, therefore, the MRDD will not receive increases in local revenues from inflation in existing property values. Clermont County property valuations increased on an average of 4.4 percent over the past five years. Accordingly, real property taxes were projected to increase by 4 percent throughout the forecast period.

- **Lunch Program:** The lunch program has decreased historically by 0.1 percent due to a recent decrease in enrollment at the Thomas Wildey School. As additional children will be enrolled to fill vacancies in the program, this line item has been projected to increase at an inflationary rate of 3 percent per year based on FY 2002 actuals.
- **EI Collaborative Grant:** The EI Collaborative Grant includes programs for children birth to age three. Clermont MRDD is one of the lead sponsors of this program and oversees the Part C funding received by the County. Revenues for EI have historically increased at a rate of 18.8 percent. According to the early intervention director, this grant program is in the process of transitioning from the federal to state fiscal year. Therefore, FY 2003 includes October 1, 2002 through June 30, 2003 and the contract is for approximately \$120,000. The FY 2004 contract, effective from July 1, 2003 through June 30, 2004, is projected to be \$140,000.

The forecasted amounts in FY 2003 and FY 2004 are the amounts stipulated in the contracts. However, due to the uncertainty of the economic climate and the future of pass-through grants, a conservative increase of 10 percent annually has been projected through the forecast period beginning In FY 2005.

- **Title VI-B:** The Title VI-B grant provides federal funds for the overall improvement of services for students receiving special education. Because of uncertainties in educational funding, revenues for Title VI-B have been projected to remain flat at \$35,000 based on FY 2002 actuals.
- **Hearing Impaired Grant:** The Hearing Impaired Grant consists of federal funds received for the operation of hearing impaired initiatives. Clermont MRDD is the primary sponsor of this program which covers nine counties. Revenues for the hearing impaired grant have historically increased at 146.3 percent. However, increases of this magnitude are not expected to continue. In addition, due to the uncertainty of the economic climate and the future of pass-through grants, a conservative increase of 3.5 percent annually has been projected throughout the forecast period.
- **Title XX:** Title XX revenues are received for children and adults who are enrolled in EI and adult service programs that meet federal eligibility requirements. Within the past three years, revenues have increased by an average of 10.8 percent. Revenues were projected throughout the five year period at a conservative rate of increase of 8 percent based on historical trends and the uncertainty of the current economic climate and the future of pass-through grants.
- **CAFS:** Projected CAFS revenues for FY 2003 are based on Clermont MRDD's budgeted amount. CAFS has historically increased by 26.7 percent annually. Individuals placed on waivers are eligible to receive CAFS funding. However, individuals currently

receiving supported living or IO waiting list in categories of priority are not enrolled in adult services. As a result, refinance from CAFS funding is diminishing. For FY 2003 and FY 2004, CAFS funding has been projected to increase at 20.0 percent based on a conservative interpretation of historical trends. In future forecast years, it is projected to increase at 15.0 percent based on the average projected cost increase in medical care. CAFS is directly affected by the ability to track the amount of time staff spends with individuals, therefore, tracking and submitting eligible expenses will allow Clermont MRDD to receive reimbursements for those expenses.

- **Targeted Case Management: (TCM):** Targeted case management has increased at approximately 12.7 percent historically, excluding FY 2001 when it increased 122.1 percent. The federal government estimated that Medicaid spending would grow at 12.1 percent in FY 2002. This is the second consecutive year of double-digit increases. TCM is linked to medical costs. Likewise, the services provided at MRDDs are predominately tied to Medicaid services. As a result, this line item is projected to increase at 12.5 percent which is comparable to the historical increases and the expected Medicaid spending increase identified by the federal government. Increases in this line item will occur as additional waiver slots are filled by Clermont MRDD. TCM is directly affected by the ability to track the amount of time staff spends with individuals, therefore, tracking and submitting all eligible expenses will help Clermont MRDD recoup a greater percentage of direct care costs.
- **Waiver Administration:** Waiver administration revenues are earned by managing waiver-required activities and ensuring waiver requirements are being met. Clermont MRDD has been consistently charging the available activities to the federal program. FY 2002 was the first year in which Clermont MRDD received reimbursements for waiver administration activities. This line item has been projected at an inflationary amount of 5 percent (based on average projected wage increases). Waiver administration is directly affected by the ability to track the amount of time staff spends with individuals, therefore, tracking and submitting eligible expenses will allow Clermont MRDD to receive reimbursements for those expenses.
- **Service Coordination:** This line item represents reimbursements paid for staff time used in arranging individual services, monitoring the appropriateness of services, problem solving, crisis management, and service planning. Historically, this line item has increased between 36.2 percent and 302.5 percent. Because of the variability in this line item and the current economic climate, service coordination has been projected to increase at 5 percent through the forecast period, as increases in reimbursable amounts are directly tied to increases in staff wages. Service coordination is directly affected by the ability to track the amount of time staff spends with individuals, therefore, tracking and submitting eligible expenses is critical to receiving all eligible reimbursements. In

addition, service coordination is directly tied to the waiver administration at Clermont MRDD.

- **Department of Education Reimbursement:** Clermont MRDD experienced a significant increase in State education funding of 29.0 percent in FY 2001, but experienced a decline in FY 2002 due to a decline in student enrollment. Because of the variability of student enrollment and the uncertainty surrounding state foundation funding, this line item has been projected flat at \$1,840,667 based on FY 2002 actual expenditures.
- **Excess Costs from School Districts:** State funding does not cover the entire costs to Clermont MRDD for educating special needs children. As a result, Clermont MRDD charges excess costs to the school districts that receive services. In FY 2002, Clermont MRDD charge 60 percent of those costs back to the school districts. In FY 2003, schools have been charged 100 percent of excess costs. Revenues for this line item are projected to increase at the historical rate of 9.8 percent based on FY 2002 actual expenditures.
- **Miscellaneous Revenues:** Miscellaneous revenues primarily consist of other revenues, such as donations, sale of assets, vending machine sales, and refunds, historically increasing by 42.9 percent. This line item has been forecast to increase at a 4.0 percent inflationary rate using FY 2002 actuals as a base.
- **Waiver Cost Offset:** Additional Medicaid revenues attributed to the waiver cost offset have been projected based on the addition of 14 waivers that Clermont MRDD estimated it could fund after full implementation of H.B. 94. This amount is forecast at a flat rate of \$132,300 annually through the forecast period.
- **Other State Monies:** Other state monies consist of miscellaneous grants that have been received from the State. Because of the variability in this line item, other state monies have been forecasted at a flat rate of \$25,000 annually through the forecast period. This is based on a conservative average of amounts received in prior years.

Clermont MRDD's expenditures for FY 2003 through FY 2007 were forecasted using assumptions developed by AOS based on information provided by Clermont MRDD. Selected line items were projected using reports generated by the County's payroll system. The following is a list of major assumptions contained in the expenditure section of **Table 2-10**.

- **Salaries and Wages:** For FY 2003, salaries were forecasted based on the County's payroll system estimate of a 3.3 percent reduction. The County based this projection on Clermont MRDD not filling the transportation director position and two general supervisory positions. In addition, the Clermont MRDD administration will receive no pay increases in FY 2003. Historically salaries and wages increased by 7.8 percent but for the remainder of the forecast period, a 5 percent increase in salary expenditures has

been forecasted based on estimated 3 percent step increases and 2 percent cost of living increases.

- **Insurance:** Clermont MRDD provides health and life insurance to employees at a 100 percent of the least expensive single plan. In FY 2003, Clermont County's payroll system has projected a 19.6 percent increase in the cost of insurance. In the remaining forecast years, an 18.0 percent increase is projected based on the State Employee Relations Board (SERB) estimates.
- **PERS/STRS:** PERS/STRS expenditures are forecasted at 14 percent of salaries throughout the forecast period.
- **Unemployment and Workers' Compensation:** Expenditures for unemployment and worker's compensation have fluctuated in previous years. Workers' compensation has historically increased at a rate of 101.7 percent due to the high claims rate of Clermont MRDD. Clermont County has prepared projects in which it estimates the payments to be made to the Bureau of Workers' Compensation in the next five years. These calculations were used in the forecast and show a three fold increase in FY 2003, with more moderate fluctuations throughout the remainder of the forecast period. Unemployment has fluctuated between \$764 and \$3,741 and has therefore been projected flat at \$1,000.
- **Medicare:** Medicare expenditures have been projected using the County payroll system's forecasting feature. Medicare for FY 2003 decreased by 1.9 percent because of unfilled vacancies. This line item has historically increased at an average of 13.1 percent because of the retirement of employees starting before the required March 31, 1986 withholding date. Medicare will be projected to increase an average of 15.0 percent per year based on the assumption that an increased number of non-grandfathered employees will be paying into Medicare.
- **Other Payroll:** The other payroll line item is comprised of sick leave buyback, retirement payout, and payments in lieu of health insurance. Other payroll is projected to increase at an inflationary rate of 3 percent based on FY 2002 actual expenditures.
- **Supplies:** Supplies decreased dramatically in FY 2002 (11.4 percent) because of cost cutting measures implemented by the MRDD. In future years, supplies are projected to increase at an inflationary rate of 3 percent based on FY 2002 actual expenditures.
- **Capital Improvements:** Clermont MRDD has relatively new facilities and has completed major renovations (such as roofing and plumbing) in the past three years. Therefore, capital improvement expenditures should be minimal and have been forecasted at \$5,000 annually.

- **Administrative Equipment:** Expenditures for equipment, according to the Clermont MRDD superintendent and business manager, are expected to remain at a minimum since most of the administrative equipment was purchased in FY 2002. Equipment for client needs is paid for by other programs. Administrative equipment has been forecasted at \$25,000 annually.
- **Repairs:** Due to the completion of its major renovations and the installation of new equipment, the need for repairs at Clermont MRDD will decrease. As a result, this line item is forecasted to remain constant at \$100,000 annually throughout the forecast period.
- **Services:** The services line item is comprised of expenditures for contracted services, such as medical, rehabilitation, and provider services, as well as janitorial services, rentals, and insurances (other than health and life). Purchased services have increased historically at 14 percent but are projected to increase at a rate of 10 percent annually. This reflects inflationary increases for non-medical services (approximately 4 percent) and federal estimated increases for medical related costs (approximately 15 percent) which comprise the bulk of the expenditures. The forecasted 10 percent increase is equivalent to the average increases in non-medical services and medical related costs. Furthermore, Clermont MRDD expects to decrease its dependency on external vendors.
- **Public Relations:** Advertising and printing includes the costs of printing reports, brochures, and manuals. This line item has historically increased at a rate of 6.4 percent. Because public relations expenditures are directly under Clermont MRDD control and the MRDD should concentrate resources on direct client services, this line item has been forecasted to increase by 4.0 percent throughout the forecast period.
- **Staff Development:** H.B. 94 increases certification requirements for Clermont MRDD staff. As Clermont MRDD has started fulfilling these requirements, this line item is projected to remain flat at \$200,000 annually throughout the forecast period based on an average of prior year's expenditures.
- **Contingencies/Transfers:** Funds for capital improvements must be transferred out of the General Fund. Contingency/transfer amounts are projected flat at a rate of \$100,000 for any upcoming renovations or major projects, such as additions, storage and bus garage buildings.
- **Medicaid Risk Fund:** Due to the uncertainty of the associated funding formula and the current financial situation at Clermont MRDD, funding the Risk Fund, as outlined in H.B. 94, was not included in the financial forecast presented in **Table 2-10**. Contributions to the Medicaid Risk Fund also have not been forecasted because ODMRDD has not made contributions to the fund a required activity. Clermont MRDD made one payment of \$30,044 in December 2002.

## Recommendations

**R2.1** Clermont MRDD should institute formal forecasting policies and practices that require projections to be made for each object code aggregated into forecast line items. Clermont's five-year forecast and the accompanying assumptions or notes should be expanded and should consistently present more detailed historic and projected information and explanatory comments. All projection assumptions made in projecting object code items should be documented and assessed annually against actual financial figures. In addition, the MRDD business manager should ensure the notes and assumptions adequately reflect what is reported in the five-year forecast. By providing more detail in the forecast and its supporting notes, Clermont MRDD and the public will better understand the financial condition of Clermont MRDD.

Also, Clermont MRDD's forecasting assumptions do not appear to accurately present its future financial situation. Clermont MRDD should consider adjusting its assumptions based upon recommendations in this performance audit and the revised assumptions accompanying Table 2-10. Under Clermont MRDD's FY 2002 five year forecast, the agency will have negative fund balances of \$5.8 million in FY 2003 and \$25.3 million in FY 2007. The revised AOS assumptions show the first year of negative ending fund balances occurring in FY 2004 and a negative ending fund balance of \$4.5 million in FY 2007.

Clermont MRDD maintains an informal five-year forecast but the agency does not have a formal forecasting procedure. The forecast developed by the prior business manager showed larger than usual variances in FY 2003 projections. Because the accompanying assumptions were not detailed, AOS was unable to identify the reasons for larger than average increases in expenditures and smaller than average increases in revenues. The methodology employed by Clermont MRDD in developing this forecast appears to be based on a broad conceptual level, not on the components of each line item. This methodology does not examine the line items with a sufficient level of detail to ensure that developments at the individual expenditure category level are sufficiently accounted for at the forecast line item level.

The National Advisory Council on State and Local Budgeting (NACSLB) has endorsed the forecasting of revenues and expenditures in their Recommended Budget Practices. The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues expenditures into a single financial forecast. GFOA recommends governments have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions and develop appropriate strategies to achieve its goals. A key component in



determining future options, potential problems, and opportunities is the forecast of revenues and expenditures. Revenue and expenditure forecasting does the following:

- Provides an understanding of available funding;
- Evaluates financial risk;
- Assesses the likelihood that services can be sustained;
- Assesses the level at which capital investment can be made;
- Identifies future commitments and resource demands; and
- Identifies the key variables that cause change in the level of revenue.

The GFOA recommends that governments at all levels forecast major revenues and expenditures. The forecast should extend at least three to five years beyond the budget period and should be regularly monitored and periodically updated. The forecast, along with its underlying assumptions and methodology, should be clearly stated and made available to participants in the budget process. It also should be referenced in the final budget document. To improve future forecasting, the variances between previous forecast and actual amounts should be analyzed. The variance analysis should identify the factors that influence revenue collections, expenditure levels, and forecast assumptions.

Current forecasting practices have contributed to Clermont MRDD's apparent fiscal crisis. Forecasts that show overly conservative revenues and disproportionately high expenditures can result in an overly pessimistic financial position. Although Clermont MRDD will need additional revenues in future years, it should ensure that accurate and supported estimates are used to project both revenues and expenditures. Clermont MRDD should also consider the following factors and, to the extent that the factors impact the financial situation, include the factors in future forecasting efforts:

- Inflation rates - historic and projected;
- Internal financial objectives and comparable external averages;
- Service levels and anticipated number of clients;
- Information regarding facility utilization;
- Staffing by position - historic and projected; and
- Expenditures for main components of supplies and services.

Accurate assumptions are critical to ensuring reasonable projections. In each case, assumptions should take into account the historical performance within each line item. The high level at which projections are made by Clermont MRDD leads to inaccuracies in the forecast.

**R2.2** Clermont MRDD should closely examine its spending patterns in several areas (see Table 2-7) and consider allocating the monies it is currently receiving toward those programs and priorities which have the greatest impact on its clients' quality of life. In addition, Clermont MRDD should analyze the cost reductions recommended in this report to further increase operational and financial efficiencies.

The allocation of resources between the various functions of a governmental entity is one of the most important aspects of the budgeting process. Given the limited resources available, functions must be evaluated and prioritized. Analyzing the spending patterns between the various functions should indicate where the priorities of the agency and its management are placed. As shown in Table 2-7, Clermont MRDD expends more of its funds in salaries and wages (9.5 percent above the peer average) and supplies (1.6 percent above the peer average) when compared to the peer MRDDs. However, direct services, encompassed in the services line item, are 2.9 percent below the peer average.

Clermont MRDD should seek to manage costs in line items that do not contribute to direct client services and redirect savings to areas that have the greatest impact on clients' quality of life.

**R2.3** Clermont MRDD should elect to fund the Risk Fund on a monthly basis. Making monthly contributions will decrease the financial impact on its cash flow. Although Clermont MRDD's initial contributions are immaterial, projected future contributions will have an impact on operations. The ability to contribute funds into the Risk Fund on a monthly basis is especially important due to the inconsistent revenue stream that it receives.

While H.B. 94 will increase the level of habilitation services that MRDDs can provide through the expansion of waiver slots, it will also place greater responsibility on the county MRDD boards to ensure these services are continually funded. As a result of this increased responsibility, the need for county MRDD boards to set aside revenues to guarantee the local funding match for these waivers became apparent. OAC §5123.1.5.02 creates a process for establishing a MRDD Medicaid Reserve Fund (Risk Fund). The establishment of the Risk Fund is necessary to ensure that a MRDD is able to pay the nonfederal share of Medicaid expenditures for home and community based services in the event that short-term extraordinary costs arise that prevent payment of the local match. All MRDDs that receive federal Medicaid revenues through the waiver system will be required to establish a Risk Fund regardless of how it receives its local revenues. Clermont MRDD has established a Medicaid Risk Fund and made one contribution in FY 2002.

According to the OAC, the Risk Fund shall contain an amount equal to no less than 2 percent of the total non-federal share of Medicaid expenditures for home- and

community-based services for residents of the county for the most recently completed fiscal accounting period. Clermont MRDD established a Risk Fund with an initial contribution of 2/3 of its effective millage, instead of the minimum 2 percent of its FY 2000 nonfederal share of Medicaid expenditures. This initial contribution will roll over into the next fiscal year, when Clermont MRDD will be required to contribute an additional 2 percent of its FY 2001 nonfederal share of Medicaid expenditures for a total of 4 percent. The set-aside practice will continue until FY 2007, when it will be required to contribute 10 percent of the yearly increase in the total non-federal share of its Medicaid expenditures. **Table 2-11** displays how the Risk Fund is required to be funded.

**Table 2-11: Medicaid Risk Fund Contributions**

Fiscal Year	Required Contribution
2002	2 percent of the FY 2000 non-federal share of Medicaid expenses
2003	4 percent of the FY 2001 non-federal share of Medicaid expenses
2004	6 percent of the FY 2002 non-federal share of Medicaid expenses
2005	8 percent of the FY 2003 non-federal share of Medicaid expenses
2006	10 percent of the FY 2004 non-federal share of Medicaid expenses
2007 +	10 percent of the yearly increase in the boards non-federal share of Medicaid expenses

Source: ODMRDD and OAC §5123:1.5.02

ODMRDD has not established a target date for implementation of the risk fund requirement; however, in December 2002, Clermont MRDD established and funded a risk fund for this purpose. The formula used by Clermont MRDD was based upon the Required County Board Funding calculation. Clermont MRDD has not been able to determine the correct amount which should be reserved in the Medicaid Risk Fund because ODMRDD has not defined “nonfederal Medicaid expenditures”.

The purpose of the establishment and funding of the Risk Fund is to ensure that Clermont MRDD can continue to pay the non-federal portion of Medicaid expenditures in the event that it encounters extraordinary costs that prevent it from paying these expenditures. The rule defines extraordinary costs as follows.

- Increased service costs for an individual currently receiving home and community based services funded by a MRDD as a direct consequence of a change in the individual’s medical or behavioral condition, environment or other unanticipated, short-term emergency circumstance.
- If, as a consequence of levy failure and at the request of the MRDD, the department’s division of audits certifies that the MRDD can no longer pay the non-federal share of Medicaid expenditures for home- and community-based services necessary to assure the health and welfare of individuals receiving home- and community-based services.

Clermont MRDD is making yearly, lump-sum deposits. However, if Clermont MRDD made monthly contributions, it would spread the burden on its cash flow over 12 months. Although Clermont MRDD's initial contributions are small, projected future contributions can have an impact on Clermont MRDD's operations. The ability to contribute funds into the Risk Fund on a monthly basis is especially important to Clermont MRDD due to the inconsistent nature of its revenue stream.

**R2.4 In addition to the Risk Fund, Clermont MRDD should provide funding for a Budget Stabilization (Rainy Day) Fund. A Rainy Day Fund will better position Clermont MRDD to stabilize its budget against cyclical changes in revenues and expenditures. Clermont MRDD should attempt to maintain a balance in the Rainy Day Fund of no more than 5 percent of its General Fund revenue for the preceding fiscal year. The suggested 5 percent fund limit is outlined in ORC §5705.13 which requires this limit for taxing authorities only. This option should not be considered if it would hinder Clermont MRDD's operations or result in an operating deficit.**

Prior to FY 2003, Clermont MRDD had established and funded a Rainy Day Fund. However, the expiration of one of Clermont MRDD's local tax levies and the subsequent failure to pass additional millage caused local tax revenues to significantly decrease in FY 2003. As a result, Clermont MRDD exhausted the financial resources available in the Rainy Day Fund. The absence of a Rainy Day Fund leaves Clermont MRDD's operating ability vulnerable to unforeseen events that could significantly impact its ability meet current expenditures before an emergency levy could be passed.

The GFOA recognizes that it is essential that governments maintain adequate fund balances to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures. Fund balance levels are a crucial consideration, too, in long-term financial planning. However, pressures often come from constituents who may view high levels of fund balance as excessive or unnecessary. The GFOA recommends that governments establish a formal policy on the level of unreserved fund balance (rainy day fund) that should be maintained in the general fund. Such a guideline should provide both a temporal framework and specific plans for increasing or decreasing the level of unreserved fund balance, if it is inconsistent with that policy. The adequacy of unreserved fund balance in the general fund should be assessed based upon a government's own specific circumstances. Nevertheless, GFOA recommends, *at a minimum*, that general-purpose governments, regardless of size, maintain an unreserved fund balance in its general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures. A government's particular situation may require levels of unreserved fund balance in the general fund significantly in excess of these recommended minimum levels. Furthermore, such measures should be applied within the context of

long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unreserved fund balance in the General Fund at any one time.

In establishing a policy to govern the level of unreserved fund balance in the general fund, a government should consider a variety of factors, including the following.

- The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unreserved fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile).
- The availability of resources in other funds, as well as the potential drain upon general fund resources from other funds (i.e., the availability of resources in other funds may reduce the amount of unreserved fund balance needed in the general fund, just as deficits in other funds may require that a higher level of unreserved fund balance be maintained in the General Fund).
- Liquidity (i.e., a disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained).
- Designations (i.e., governments may wish to maintain higher levels of unreserved fund balance to compensate for any portion of unreserved fund balance already designated for a specific purpose).

Naturally, any policy addressing desirable levels of unreserved fund balance in the general fund should be in conformity with all applicable legal and regulatory constraints. In this case, it is essential that differences between GAAP fund balances and budgetary fund balances be fully appreciated by all interested parties.

**R2.5 Clermont MRDD should maximize the level of available local funds that the Board generates. Maximizing local funding would allow Clermont MRDD to place additional clients on waivers, which would increase its federal Medicaid revenues. In addition, Clermont MRDD should manage its local funds by applying cost saving measures and exploring options to reduce expenditures and increase state and federal grant funding. Furthermore, Clermont MRDD should be able to reallocate its local funding to other uses by maximizing draw downs for covered services. Clermont MRDD should ensure that departmental directors identify individuals responsible for actively seeking state and federal grants to offset expenditures paid through local revenues.**

The redesign of the waiver system within the State has created the opportunity for MRDDs to expand the level of services provided to individuals through an increase in

available federal funding. However, increased federal revenues will only be available to MRDDs that can generate sufficient local matching revenues. Clermont MRDD will be unable to fully benefit from the waiver redesign without maximizing local revenues. A majority of Clermont MRDD's local revenues are generated from continuing levies.

Fluctuations in historical revenues from grant funding indicate that Clermont MRDD may not be maximizing the current revenues that it generates. It is important that Clermont MRDD maximize its local revenue funding in order to further maximize the federal revenues which it can recapture. This will further permit Clermont MRDD to reallocate its local funding to other areas within the organization. Clermont MRDD has not designated personnel in each department to seek federal and State grants. Reduced grant funding causes Clermont MRDD to use local revenues on expenditures that could possibly be covered by federal and State grants.

**R2.6 Clermont MRDD should ensure that its three-year plan is up-to-date and endorsed by the MRDD Board. It should use information from its three-year plan and projected waiver cost off-sets to communicate to the public the importance of obtaining additional waiver slots. Estimates of matching federal funds should be publicized so that constituents are familiar with the financial impact of additional waivers on MRDD operations. Finally, information on available federal matching funds, coupled with data on current waiting lists and future client caseloads, should be incorporated into public information disseminated by the agency. This information will be critical to public understanding of potential future local funding needs.**

In an effort to determine how many additional waiver slots can be funded by MRDDs, ORC §5126.054 requires that each MRDD annually submit and update a three-year plan to the county. The plan should include:

- An assessment of the number of eligible individuals residing in the county who need the level of care provided through an intermediate care facility, may seek home and community-based services, and who are currently not served through Medicaid waivers, are given priority for services under ORC §5126.054D, as well as a projection of service needs and cost as well as the funding source to be used to pay for the nonfederal share of Medicaid expenses;
- A plan for the recruitment, training, and retention of existing and direct care staff necessary to implement services included in individualized service plans, including the source and amount of funds to support the plan, a timeline for implementation for board employees and Medicaid providers under contract with the County board, and a mechanism to ensure implementation accountability;

- An implementation component that specifies the number of individuals to be provided, during the first year that the plan is in effect, home and community-based services pursuant to the priority given to them under ORC §5126.054D, as well as the types of services to be received;
- A plan for the implementation of a habilitation center, case management, and home and community-based waiver services for individuals who begin to receive services on or after the date the plan is approved; and
- An explanation of how the local infrastructure capacity contained in the third part of the plan will be addressed with monies received through the refinancing of adult services and supported living.

Pursuant to ORC §5126.0547(C), if at least 500 more waiver slots are approved for home and community-based services than in the previous year, each MRDD must provide to ODMRDD an assurance that it will have available the revenues necessary to pay the nonfederal share of the services that the board is required to pay to fund these waivers. **Table 2-12** illustrates the required MRDD local match as outlined in ORC §5126.054.

**Table 2-12: Required County Board Funding**

Year	Required Local Match
2002	If, by December 31, 2001, the Secretary approves at least 500 more waiver slots than were available for 2001, each MRDD shall provide to ODMRDD an assurance that the MRDD will have for 2002 at least one-third of the value of one-half effective millage levied on the preceding year's local property valuations.
2003	If, by December 31, 2002, the Secretary approves at least 500 more waiver slots than were available for 2002, each MRDD shall provide to ODMRDD an assurance that the MRDD will have for 2003 at least two-thirds of the value of one-half effective millage levied on the preceding year's local property valuations.
2004	If, by December 31, 2003, the Secretary approves at least 500 more waiver slots than were available for 2003, each MRDD shall provide to ODMRDD an assurance that the MRDD will have for 2004 the value of one-half effective millage levied on the preceding year's local property valuations.

Source: ORC §5126.057(C)

As of June 2003, ODMRDD has not implemented ORC §5126.054 and currently has no plans for its implementation. ODMRDD stated that each potential implementation plan has contained substantial drawbacks, and it was unable to estimate when ORC §5126.054 would be implemented. Although not yet implemented, **Table 2-13** displays a projection of Clermont MRDD's required funding based on the requirements outlined in ORC §5126.054.

**Table 2-13: Clermont MRDD Required Funding Projections**

FY Year	Valuation Year	Projected Valuation	Required Millage	Required Local Match <sup>1</sup>
FY 2003	2002	\$2,706,245,270	0.1665	\$450,590
FY 2004	2003	\$2,825,320,062	0.3333	\$941,679
FY 2005	2004	\$2,949,634,145	0.5000	\$1,474,817

Source: ORC §5126.054

<sup>1</sup> Represents required revenues based on Clermont MRDD using maximum number of waivers allotted.

**Table 2-13** illustrates the required local match pledge for Clermont MRDD under ORC §5126.054, as well as Clermont MRDD's required local match for FY 2004 and FY 2005. In FY 2003, ORC §5126.054 allows for an assurance of approximately \$451,000 in local revenues to pledge as its local match for additional waivers. Under ORC §5126.054, and based on projected property valuations for Clermont County, Clermont MRDD will need to have approximately \$941,000 in local revenues available to pay the non-federal share of its expenses in FY 2004 in order to receive any additional waivers. For FY 2005, this amount is projected to be approximately \$1.5 million in local revenues. Although Clermont MRDD has these funds available, the MRDD will need to budget local revenues carefully to ensure their availability to support the federal match.

In addition to outlining the total revenues, a MRDD must have to receive any additional waivers, ORC §5126.057(D) and ORC §5126.057(E) also require that each MRDD adopt a resolution specifying the amount of funds it will use in the next year to pay for the nonfederal share of the services that it is required to provide as a local match. This resolution must contain an amount of funding that will be adequate to assure that the services will be available in the county in a manner that conforms to all applicable laws. The resolution must also state that the payment of the nonfederal share represents an ongoing financial commitment by the MRDD. The adopted resolution must be submitted to the county auditor, at which time the county auditor will determine whether the amount of funds the MRDD has specified will be available in the following year. ODMRDD has not identified the ramifications if a MRDD does not have funds available. Resolution of this issue is the principal cause of ODMRDD's delay in implementing the measure. ODMRDD's inability to provide guidance to MRDDs hinders adequate planning and preparation for the future.

**R2.7 Clermont MRDD should continue to seek additional waivers to enhance federal funding of MRDD operations. Additional waivers will allow Clermont MRDD to support services for a larger number of individuals.**

Initially, H.B. 94 will enable MRDDs to receive additional federal funding through the process of refinancing individual clients. Refinancing will be possible due to significant changes made to ORC §5126.042 which governs waiting lists. Prior to H.B. 94, individuals placed on waiting lists were served on a first-come, first-served basis. Using this method, individuals who were waiver eligible could not be placed on a waiver, due to



their position on the waiting list. The practice of first-come, first-served has been suspended to enable MRDDs to maximize the number of individuals who are placed on waivers. Through a targeted waiver process, a MRDD will be able to place any eligible individual on a waiver, regardless of their position on the waiting list, provided the county has an open waiver slot. The revised process will increase the amount of federal Medicaid revenues received by MRDDs. By moving as many individuals onto waivers as possible, the MRDD can maximize the amount of federal Medicaid revenue received; however, a MRDD can only use the number of waiver slots allotted to it by the State.

MRDDs provide habilitation services to clients for training in life skills that allow the individuals to live in the least restrictive environment possible. MRDDs cannot receive a federal Medicaid match for habilitation services unless the individual is on a waiver. After a person is enrolled on a waiver, the State bills for Medicaid reimbursement for the habilitation services provided to the individual using state and local funds. The federal revenue received reduces the amount of local and state funds necessary to provide habilitation services to the individual on the waiver, and those funds can be used as a match for waiver services for an additional individual or to fund non-waiver habilitation services.

In 2002, the State received new waiver slots from the Federal government, which were allotted to MRDDs based on the demographic make-up of the county and information contained in the county plans. From this information, Clermont MRDD was allotted 14 new waiver slots from the State. **Table 2-14** provides an example of the actual waiver cost avoidance that was achieved by Clermont MRDD using a targeted waiver process. The costs were determined based on Clermont MRDD's 2002 average adult service costs.

**Table 2-14: Clermont MRDD Waiver Cost Offset for 2002**

Average Local Costs for an Individual Not on Waiver		Average Local Costs After Placing an Individual on an I/O Waiver	
Adult Services	\$16,293	Adult Services	\$16,293
Total Local Costs	\$16,293	Total Local Costs	\$6,843
Total Federal Match	\$0	Total Federal Match	\$9,450
<b>Total Cost Avoidance</b>	<b>\$0</b>	<b>Total Cost Avoidance</b>	<b>\$9,450<sup>1</sup></b>

**Source:** Clermont MRDD Superintendent, OACMRDD FY 2001 Revenue and Expenditure Report

<sup>1</sup> This assumption is based on all eligible individuals meeting the specific waiver requirements; not all individuals will be able to be refinanced.

As presented in **Table 2-14**, Clermont MRDD realized an average cost avoidance of \$9,450 per individual placed on one of the additional Individual Options (I/O) waivers provided by the State. In total, refinancing provided Clermont MRDD with approximately \$132,300 that it was able to reallocate through the use of the 14 additional waivers. Based on 2002 expenditures, Clermont MRDD's cost to place an additional individual on a waiver was approximately \$6,843. Therefore, the \$132,300 cost

avoidance produced by placing 14 individuals on new waivers can be used to fund an additional 19 waivers in 2003. As stated above, however, Clermont MRDD can only place individuals in waiver slots allotted to the Board by the State.

**R2.8 Clermont MRDD should create a formal budget document which presents revenue-raising and spending decisions made by administrators and management of the Board. To be effective, it should communicate how and why these decisions were made. The formal budget should serve, not only as a policy document, but also as a financial plan, an operations guide, and a communications device. Clermont MRDD's formal budget document should include an executive summary which would highlight the key issues as well as the proposed budget and historical comparisons. Descriptions of recent accomplishments and the status of projects should also be included to provide a progress report on the implementation of Clermont MRDD's long range plan.**

**Clermont MRDD's formal budget document should be made available to the public. Charts and graphs should be included to increase the document's readability. Fiscal priorities should be clearly articulated and any changes in priorities should be presented. Specifically, financial trends and factors affecting the budget should be included. Factors contributing to significant use of, or increase in, Clermont MRDD's General Fund cash carryover should be detailed in this document, along with a description of the need to maintain a cash balance.**

Clermont MRDD submits an informal budget document to the Board. However, formal budgeting policies and procedures have not been implemented. Also, the information budget is not linked to MRDD long-range plans. Because of the informal nature of the budgeting process, the MRDD is not able to use its annual budget as a spending guide or communication tool.

GFOA recognizes that governments make program and service decisions and allocate scarce resources to programs and services through the budget process. As a result, the budget process is one of the most important activities undertaken by governments. The quality of decisions resulting from the budget process and the level of their acceptance depends on the budget process that is used.

Finding that too little information about effective budgeting practices existed and that an effort to identify and share recommended practices in budgeting was needed, GFOA and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) in 1995 and charged it with developing a set of recommended practices in the area of state and local budgeting. In December 1997, the Council concluded its work by adopting a budgeting framework and recommended budget practice statements which include the following:

- *Definition of the Budget Process:* The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.
- *Mission of the Budget Process:* To help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.
- *Key Characteristics of the Budget Process:*
  - Incorporates a long-term perspective;
  - Establishes linkages to broad organizational goals;
  - Focuses budget decisions on results and outcomes;
  - Involves and promotes effective communication with stakeholders; and
  - Provides incentives to government management and employees.

The GFOA recommends governments look to the recommended practices of the NACSLB as a model for evaluating and improving its own budget policies and procedures, with the goal of ultimately developing, adopting, and implementing budgets in accordance with these recommended practices. Given the evolving nature of good budgeting and management, these practices are not intended as mandatory prescriptions for governments. Rather, the practices are recommendations that provide a blueprint for governments to make improvements to its budget processes. Implementation of these practices is expected to be an incremental process that will take place over a number of years.

Clermont MRDD should adopt the GFOA recommended practices and begin to implement a budgetary practice. The budget should be linked to long term plans and used as a means to communicate the financial standing of the agency to the public.

**R2.9 The business manager should provide Clermont MRDD, Clermont County Commissioners and the community with regular financial reports that convey the condition of the organization in an easy to read presentation. Due to the diverse backgrounds of the Board of Directors members, it would be beneficial to use graphical representations and explanations of the financial information for a firmer grasp of the condition of the organization. The new business manager has already taken steps to address this recommendation.**

The business operations department is responsible for the fiscal management of all Clermont MRDD programs. The business manager prepares and proposes an annual budget which is approved by the Board. The department distributes the allocated and collected of funds necessary for the operation of Clermont MRDD. The business operations department is also responsible for the following:

- Paying all expenses incurred on behalf of Clermont MRDD;
- Collecting all monies, regardless of source, and allocating these funds to authorized accounts;
- Insuring proper cash flow so that fiscal obligations can be met in a timely manner;
- Coordinating and acting as a liaison to the County Treasurer, County Auditor, County Office of Management and Budget, as well as all State and federal fiscal departments in any matter concerning finances;
- Issuing purchase orders for expenses which Clermont MRDD will incur;
- Processing necessary paperwork for the receipt of the Title XX;
- Completing an annual report which establishes Title XIX (Medicaid funding) reimbursement rates;
- Searching and applying for grants which are appropriate for the services offered by Clermont MRDD;
- Providing clerical and fiscal assistance to the Clerk of the Board, including payroll and processing of all revenues and expenses;
- Determining appropriate purchasing policies that meet applicable requirements and allow Clermont MRDD to maximize its resources;
- Providing timely, accurate reports which reflect the fiscal operation of Clermont MRDD to appropriate authorities; and
- Preparing the annual comprehensive Medicaid Report to the State, which determines the appropriate rate of Medicaid reimbursement and justifies past expenditures.

A historical expenditure summary report comparing the current and prior three years expenditures is provided to the Clermont MRDD superintendent by the business manager on a monthly basis. A financial report is provided to the Clermont MRDD Board at every meeting. Although the Board of Directors does not require reports detailing budgeting or salary reports, monthly revenue and expenditure reports are provided at every meeting. These reports are generated by the business manager primarily using Clermont MRDD's PET system.

Best practices in financial management reporting, as identified by OPPAGA and Deloitte and Touche include the following features:

- Reports include appropriate performance and cost-efficiency measures to evaluate programs;
- Reports allow managers to review performance and costs of major programs and analyze the potential for cost saving alternatives;
- Reports illustrate program performance tax payers;

- Reports establish records that accumulate project costs and other relevant data to facilitate reporting of construction and other costs to the board, public and grantors;
- Report packets are provided to operational units with all applicable funds included. These reports should list detailed receipts, actual expenditures, and adjustments for the month, as well as encumbered and unencumbered balances by account code. Monthly and year-to-date budget comparisons should also be presented on the reports;
- Management reports are designed to provide department heads, administrators and the Board additional management information such as performance measures; and
- Department heads are held accountable for performance throughout the year, not just after year-end results are tabulated. To support this discipline, they should submit written reports to the Board to explain monthly variances and describe progress made on their performance plans. Once a year, the results should be made public through either the formal budget document or the popular financial report.

Clermont MRDD should use these principles to design a management reporting system that provides important decision-making information to the Board, administrators and department heads. Increasing the frequency and quality of financial management reporting will also help the MRDD build credibility with its clients, constituents and County officials.

**R2.10 Clermont MRDD should use its long-range plans (see R4.11) and three-year plans (see R2.6) to develop a projection of future local funding requirements. Once projections have been completed, it should present its information to the County Commissioners to seek their support for additional local funds. Furthermore, Clermont MRDD should publicize its planned expenditures and service levels to community members and use the information contained within this report to emphasize the importance of adequate local funding to MRDD operations. Based on the forecast shown in Table 2-10, the MRDD would need to seek additional local funding no later than FY 2004 to offset deficits projected in FY 2005.**

The redesign of the waiver system contained in H.B. 94 will place added importance on the local revenues that a MRDD generates. Available local revenues will dictate how many additional waiver slots a MRDD can receive. Any additional local revenues that can be generated can be used to draw additional federal Medicaid revenues. An increase in federal Medicaid revenues will then free up local dollars which can be used to create additional waiver slots. A MRDD that cannot generate local revenues will bypass the potential to draw additional federal revenues and reallocate local dollars to provide

greater service levels. See **R2.6** for further discussion on Clermont MRDD's three-year plans and **R4.11** for discussion on its five-year long-range plans.

Clermont MRDD is presently generating local tax revenues through four continuing levies. When determining what type of levy to propose to the voters, Clermont MRDD and the Clermont County Commissioners (the Commissioners) should consider a levy structure that provides the Board with the ability to maximize both federal Medicaid funding and the resulting service to clients. When proposing a local tax levy, Clermont MRDD is limited to the following levy structures.

- The Commissioners could submit to the voters another continuing operating levy. The passage of a continuing levy would generate tax revenues indefinitely. The major advantage of a continuing operating levy is its steady revenue stream and the fact that it does not require periodic renewal. A continuing operating levy, however, would permit Clermont MRDD to borrow funds against this revenue. A continuing operating levy is passed to generate a specific revenue amount and only generates additional revenues when new construction within the county is assessed. A continuing levy does not generate increased revenues resulting from inflationary increases in property valuations.
- The Commissioners could submit to the voters a replacement of one continuing levy. A replacement levy is the continuance of an existing levy that allows for the collection of the same millage, but should render a larger amount of revenue every time it is passed. In addition, the passing of a replacement levy eliminates one of the current levies which are in effect. The higher revenues are generated by assessing taxes on a new base for the first year of the levy period. The purpose of the replacement levy is limited to the purpose for which it was originally passed and must be designated as such. Although a replacement levy would likely produce a larger revenue stream for Clermont MRDD, after expiration, the levy must be approved by the voters to continue the revenue generation. Since Clermont MRDD has four continuing levies that are considered guaranteed funds, the failure of a replacement levy would remove revenues from the Board.
- Clermont MRDD could submit to the voters both a continuing levy and a replacement levy, sized to generate the desired revenue stream. Passing both types would provide Clermont MRDD with the benefits inherent to each as described above. However, there is a risk that only one would pass and that Clermont MRDD would fail to generate the necessary level of revenue.

Clermont MRDD needs to identify the required funding amounts through the levy period. Any additional funds requested of voters should be based on sound long-range plans and anticipated client service levels.

# Human Resources

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## Background

Clermont MRDD is governed by a seven member board. Five of the members are appointed by the Clermont County Board of County Commissioners (the Commissioners) and two of the members are appointed by the judge of the Clermont County Probate Court. The Clermont MRDD superintendent reports to the governing board and supervises 10 directors. Clermont MRDD currently has 202 regular employees in the following major operational areas: administrative operations, investigation, service and support administration, business operations, community relations, quality and compliance, transportation and maintenance (vacant at the time of reporting), school age services, early childhood services, and adult services. Many employees of Clermont MRDD are currently covered under an agreement ratified between Clermont MRDD and the Clermont County Special Education Association (CCSEA). CCSEA is the bargaining unit for employees at Clermont MRDD. This agreement, which was ratified on July 1, 2000, is valid through June 30, 2003. Several recommendations in this audit would require that Clermont MRDD negotiate new terms under bargaining agreement. Clermont MRDD should consult with its counsel on all policies, procedures, and positions that are advanced. Employees not covered under the agreement include case managers, service coordinators, supervisors, work services coordinators, program coordinators, administrative assistants, directors, and other central office staff.

In 2002, human resource functions were shifted from the fiscal office of Clermont MRDD to the director of administrative operations. The director of administrative operations is currently responsible for custodial, transportation, maintenance, and human resource functions. Human resources related functions are currently completed by the human resources coordinator and two assistants. The human resources department is part of Administrative Operations and is responsible for these main functions:

- Monitoring licensing and certification requirements;
- Monitoring payroll and submitting the information to the County;
- Hiring, including background checks;
- Updating the organizational chart;
- Updating seniority lists;
- Recording training and ensuring training requirements are met;
- Tracking performance evaluation dates;
- Monitoring FMLA; and
- Tracking payroll step increase dates.

In addition to the human resources department, the director of administrative operations is also responsible for the preparation and reporting of Clermont MRDD meetings and activities; development of the annual action plan; transportation, maintenance, and custodial functions; and organization of an annual staff seminar.

The following areas were reviewed in the course of this audit but yielded no recommendations:

- **Management and staff salaries:** Salaries at Clermont MRDD were found to be in line with peer and state averages.
- **Management controls:** There are adequate procedures in place to support Clermont MRDD policies.
- **Leave usage:** Employee leave usage was found to be in line with peers and Clermont MRDD established guidelines.
- **Training and staff development:** Clermont MRDD monitors required staff training and results of the audit review indicate that training is in accordance with the regulations stipulated by Ohio Administrative Code (OAC) §5123.
- **Employee turnover:** The turnover rate for Clermont MRDD regular employees is below national benchmarks.



## Recommendations

**R3.1** Clermont MRDD should adopt a health insurance credit similar to other Clermont County (County) agencies. Clermont MRDD should consider adopting the County's standard, which is 100 percent of the lowest cost health insurance, plus dental and vision, for single employees. The benefit credit for a family plan is based on the increase to the single plan each year. Clermont MRDD, as a significant segment of County employees, should work with the County in the negotiation of its health benefits and the determination of the employee contribution. Implementation of one benefit plan could provide cost savings to both the County and Clermont MRDD.

Clermont MRDD employees currently have a cafeteria style benefit plan which allows employees to choose a plan based on a predetermined credit to be applied to the total cost of benefits chosen. Employees of the County are offered the same benefits as employees of Clermont MRDD; however, the percentage of costs covered by the County differ. **Table 3-1** compares the monthly health insurance premiums and the corresponding employee portion for Clermont MRDD, the County, and the selected peer MRDDs. In addition, the State Employee Relations Board (SERB) reported average for counties and school districts are included.

**Table 3-1: Health Insurance Premiums and Employee Contributions**

	Single Coverage Premium (lowest cost option)	Single Coverage Employee Portion	Family Coverage Premium (lowest cost option)	Family Coverage Employee Portion
Clermont MRDD	\$271.64	\$16.44	\$701.42	\$39.06
Clermont County	\$271.64	\$0.00	\$701.42	\$117.80
Butler MRDD	\$305.00	\$7.63	\$783.00	\$19.58
Union MRDD	\$307.43	\$0.00	\$830.13	\$207.54
Warren MRDD	\$427.86	\$29.96	\$918.77	\$91.88
School District Average <sup>1</sup>	\$247.73	\$16.55	\$620.22	\$58.12
County Average <sup>1</sup>	\$232.39	\$20.23	\$585.63	\$77.17

Source: Clermont and peer MRDDs; 2001 SERB report on the Cost of health insurance in Ohio's public sector

<sup>1</sup> The school district averages and county averages were obtained from the 10<sup>th</sup> Annual Report on the Cost of Health Insurance in Ohio's Public Sector which was published by SERB in 2001.

As displayed in **Table 3-1**, both Clermont MRDD and the County's single and family coverage premiums are lower than the peer MRDDs, but higher than the school district and county averages. In addition, Clermont MRDD employees covered under a single plan must contribute \$16.44 per pay period, while employees covered under the same plan with the County do not have to contribute. The negotiated agreement for Clermont MRDD states that it will pay 90 percent of the most costly health plan for both family and single plans. The County establishes benefit credits that can be applied to the employee's choice of health, dental, and vision insurance options based on the premise

that it will cover 100 percent of the lowest cost health insurance plan plus dental and vision for the individual employee. The benefit credit for a family is based on the increase to the single plan each year.

SERB created a report detailing the cost of health insurance in Ohio's public sector. In this report, Ohio's public employers were surveyed on health insurance premiums and the percentage of employee contributions. Respondents to the survey indicated that 65 percent of Ohio's public employers require employees to pay a portion of the monthly premium for family health coverage. Additionally, the survey stated that the average contribution is 13.8 percent. **Table 3-2** shows the difference between the County benefit credit and the Clermont MRDD credit per pay period for 2003.

**Table 3-2: Comparison of County and MRDD Benefit Credit per Pay Period**

	Clermont County Benefit Credit	Clermont MRDD Benefit Credit	Difference	Enrolled at Clermont MRDD	Total Difference
Single Plan	\$151.45	\$127.60	(\$23.85)	35	\$834.75
Family Plan	\$291.81	\$331.18	\$39.37	131	(\$5,157.47)
<b>Total</b>					<b>(\$4,322.72)</b>

**Source:** Clermont County and Clermont MRDD benefit credit and enrollment information

**Table 3-2** displays the difference in cost between the County's benefit credit and the benefit credit of Clermont MRDD. Clermont MRDD's cost to provide benefits for an employee covered under a single benefit plan is currently \$23.85 less than the County's cost to cover an employee enrolled under the same single benefit plan. However, Clermont MRDD's cost to cover an employee under a family benefit plan is \$39.37 more than the County plan. Therefore, adopting a benefit credit similar to the County's plan would increase Clermont MRDD's expenditures for employees enrolled under a single plan, but decrease its expenditures for employees covered under a family plan.

As displayed in **Table 3-2**, Clermont MRDD currently has 35 individuals enrolled on a single benefit plan and 131 individuals enrolled on a family benefit plan. Adopting a benefit credit similar to the County would save Clermont MRDD \$5,157 per pay period for those employees enrolled on family benefit plans and create an \$838 increase in expenditures for employees enrolled on single family plans. In total, Clermont MRDD could save \$4,323 per pay period by adopting a benefit credit similar to the County.

*Financial Implication:* Adoption of the County's standard benefit credit would save Clermont MRDD approximately \$112,000 annually based on 2003 health care premiums. Due to the rising cost of health care, adopting a benefit credit similar to the County's would save Clermont MRDD additional expenditures in future years.

**R3.2** Clermont MRDD should, in consultation with its legal counsel, revise its negotiated agreement and employee handbook to be consistent and in accordance with state and federal law, including ORC §149.43, on the matter of personnel and employee records. Article 5.04 of the negotiated agreement states that personnel files, excluding medical records and background checks, are public record and may be requested by the public.

Article 5.04 of the negotiated agreement states that the personnel files shall be considered to be confidential. This contradicts article 305.01 of the employee handbook which states that personnel files, except medical records, are public documents. The contradiction between the negotiated agreement and the employee handbook may lead to confusion or dispute with Clermont MRDD employees.

Clark MRDD's negotiated agreement with the Professional Guild of Ohio refers to the ORC and states that the employer will comply with state and federal laws pertaining to public records. Clark MRDD's negotiated agreement provides an example of language to adopt for the Clermont MRDD negotiated agreement. The following is the language included in the Clark MRDD negotiated agreement. "The Employer shall comply with state and federal law, including ORC §149.43 regarding the release and retention of personnel and other employee records. However, employees shall be notified of the name of any persons, except Clark MRDD supervisory personnel, making a public records request for the employee's personnel file or other personnel record."

**R3.3** Clermont MRDD should consider reorganizing administrative operations, service and support administration, and quality and compliance to improve spans of control and create efficiencies of scale. Clermont MRDD should also create a supervisor of transportation position and combine the areas of service and support and quality and compliance. See R4.1 which provides additional information on this issue as well as an organization chart.

Organizational development specialists suggest that the structure of an organization should align with the strategic goals. This is important to ensure that elements such as strategic linkages, work flow, span of control, and information processing are appropriate to meet the strategy (or strategic plan). An effective organizational design model will create benefits of scale (economic advantage of grouping similar work), will shape behavior (focuses attention on a particular set of tasks), and shape the patterns of information processing (designs tasks to meet work requirements).

Several of the directors' positions at Clermont MRDD have only one or two employees who are direct reports. Due to the vacancy in the director of maintenance and transportation position, employees that had been reporting to this position have instead been reporting to the director of administrative operations. As a result, Clermont MRDD

has indicated that it does not plan to fill the director of maintenance and transportation position.

Although eliminating the director of maintenance and transportation creates a cost savings for Clermont MRDD, it also creates some organizational problems in the area of administrative operations. The director of administrative operations currently has 26 direct reports in six functional areas. Research on span of control in public organizations from Texas A&M University suggests that the greater the differences in functions, the narrower the span of control should be. Creating a supervisor of transportation would reduce the number of direct reports of the director of administrative operations to six employees. Because the supervisor of transportation will serve multiple clients within Clermont MRDD, the supervisor of transportation should report to the director of administrative operations.

Organizational structure can also be improved by combining areas that have similar functions or that utilize similar resources. See **R4.1** in the **client service and case management** section of this report which details how Clermont MRDD could create organizational efficiencies in the areas of administrative operations, service and support administration, and quality and compliance.

**R3.4 Clermont MRDD should review the allocation of staff resources resulting from organizational changes to ensure staff is used in the most efficient manner and serve the most individuals possible.**

**Table 3-3** compares the total staffing of Clermont MRDD to selected peer MRDDs. In addition, **Table 3-3** contains county populations, individuals served by each peer MRDD, and individuals per staff member.

**Table 3-3: Staffing Analysis**

	Total Staff	County Population	Individuals Served	Individuals per Staff Member
<b>Clermont MRDD</b>	202.0	177,977	589	2.9
<b>Clark MRDD</b>	380.6	144,742	839	2.2
<b>Union MRDD</b>	77.2	40,909	380	4.9
<b>Warren MRDD</b>	263.0	158,383	828	3.1
<b>Peer Average</b>	<b>240.3</b>	<b>114,678</b>	<b>682</b>	<b>3.4</b>

**Source:** Clermont MRDD and peer MRDD staff lists

**Note:** All staffing numbers illustrated in **Table 3-3** are illustrated in full-time equivalents (FTEs).

As displayed in **Table 3-3**, Clermont MRDD has a lower total staffing level in comparison to the peer average. This low level of staffing is possibly due, in part, to Clermont MRDD serving a lower number of individuals. As displayed in **Table 3-3**, Clermont MRDD serves 589 individuals, compared to the peer average of 682. In

addition, Clermont MRDD served 2.9 individuals per staff member, 14.7 percent lower than the peer average. In addition to comparing staff to individuals served, it is also necessary to examine the allocation of staffing resources to the various functions within the organization. **Table 3-4** illustrates the allocation of staff resources at Clermont MRDD compared to the peer MRDD boards.

**Table 3-4: Allocation of Staff**

Functional Area	Clermont MRDD		Butler MRDD		Clark MRDD		Union MRDD		Warren MRDD		Peer Average	
	FTEs	% of Total	FTEs	% of Total	FTEs	% of Total	FTEs	% of Total	FTEs	% of Total	FTEs	% of Total
Administration: Superintendent/ Area Directors	10.0	5.0%	10.0	2.8%	11.0	2.9%	8.0	10.4%	12.0	4.6%	10.3	3.8%
Direct Services: Instructors/ Program Directors/Adult Service Workers/ Health Care Worker	137.0	67.8%	248.0	69.5%	275.5	72.4%	51.0	66.1%	167.0	63.5%	185.4	68.8%
Investigation/ Compliance/ Service and Support	15.0	7.4%	77.0	21.6%	42.1	11.1%	13.6	17.6%	30.0	11.4%	40.7	15.1%
Other	40.0	19.8%	22.0	6.1%	52.0	13.6%	4.6	5.9%	54.0	20.5%	33.2	12.3%
<b>Total</b>	<b>202.0</b>	<b>100.0%</b>	<b>357.0</b>	<b>100.0%</b>	<b>380.6</b>	<b>100.0%</b>	<b>77.2</b>	<b>100.0%</b>	<b>263.0</b>	<b>100.0%</b>	<b>269.6</b>	<b>100.0%</b>

Source: Clermont MRDD and peer MRDD staff lists and organizational charts

As shown in **Table 3-4**, the percentage of staff that is allocated to administration is slightly higher than the peers. Combining the Service and Support Administration and the Quality and Compliance departments, as recommended in the **client services and case management** section of this report (**R4.1**), would reduce the number of directors by one and reduce the percentage of staff allocated to administration to 4.4 percent. This change brings the allocation of staff to administration more closely in line with the peer MRDDs.

It is important to note that Union MRDD contracts out its transportation services through Laidlaw, Inc. and Butler MRDD contracts bus driver and bus aide services through ITS. While Clermont MRDD contracts with Laidlaw, Inc. for the transportation of its adults, approximately half of the employees listed in the other category for Clermont MRDD are bus drivers and bus aides for the transportation of school age children. Including these positions in **Table 3-4** resulted in Clermont MRDD's other employees classification accounting for approximately 20 percent of its total staff. This also contributes to Clermont MRDD being 37.8 percent higher than the peer average in this area.

In contrast, staffing in Clermont MRDD's investigation/compliance classification is significantly lower than the peer average of 15.1 percent, and staff devoted to direct services at Clermont MRDD is comparable to the allocation of staff for those functions at

the peer MRDDs. The **client services and case management** section of this report examines, in detail, staff allocation and ratios for each service area (see **R4.2**).

**R3.5** Clermont MRDD should continue to seek methods to control workers' compensation claims and the resulting lost work time. Clermont MRDD has recently developed a program entitled Transition to Work and has also created some light duty positions in order to address rising costs of workers' compensation premiums. Continued investigation of cost savings opportunities in this area may yield even greater savings. Clermont MRDD and the County should examine a program similar to Clark MRDD's \$1,000 Program to determine if such a system could positively impact Clermont MRDD's rising workers' compensation expenditures.

Since 2000, Clermont MRDD's workers' compensations claims have increased 300 percent. Clermont MRDD and County officials have both expressed concern over the rising costs of workers' compensations claims. The Bureau of Workers' Compensation (BWC) offers several alternatives to organizations seeking to control claims and reduce the overall workers' compensation expenditures.

Clermont MRDD has addressed its workers' compensation claims by providing annual training on proper lifting techniques and requiring employees to use a two-man lift. Clermont MRDD is also working with County officials to develop a Transition to Work Program, offering modified schedules and duties that allow employees to return to work sooner. **Table 3-5** compares the number of workers' compensation claims and the average number of claims per employee for Clermont MRDD and the peer MRDDs.

**Table 3-5: Workers' Compensation Claims Filed**

	2000	2001	2002	Average Claims	Number of Employees	Average claims per employee
<b>Clermont MRDD</b>	10.0	14.0	40.0	21.3	202.0	.11
<b>Butler MRDD</b>	37.0	40.0	21.0	32.7	357.0	.09
<b>Clark MRDD</b>	17.0	8.0	0.0	8.3	380.6	.02
<b>Warren MRDD</b>	39.0	40.0	28.0	35.7	263.0	.14
<b>Peer Average</b>	<b>31.0</b>	<b>29.3</b>	<b>16.3</b>	<b>25.6</b>	<b>333.5</b>	<b>.08</b>

Source: Clermont MRDD and peer MRDDs

As shown in **Table 3-5**, Clermont MRDD experienced an increase in workers' compensation claims from 2000 to 2002, averaging 21.3 claims per year in this span. Clermont MRDD's average annual claims per year of 21.3 was 20 percent lower than the peer average. However, when examining average claims per employee, it is 25 percent higher than the peer average. As illustrated in **Table 3-5**, Clark MRDD had a significantly lower number of claims filed with the BWC. This is attributable to a program Clark MRDD implemented entitled the \$1,000 Program. Under this program,

Clark MRDD pays for all claims where the total medical cost is less than \$1,000, instead of filing a claim with the BWC. This program has had a significant impact on Clark MRDD, as evidenced by the fact that it had no workers' compensation claims in 2002.

**R3.6 Position descriptions should be reviewed and updated on an annual basis. In addition, this review should be built into the annual performance evaluation process. Following supervisory update and review, all job descriptions should be assessed by the human resources manager to ensure uniformity and clarity.**

The majority of Clermont MRDD job descriptions have not been updated since 1998. Although job descriptions appear accurate and reflect actual duties, some survey respondents indicated that job descriptions did not fully reflect the respondent's current duties.

According to the Society for Human Resource Management, updated job descriptions foster a greater understanding of duties and responsibilities, and can be used by employees as a reference in performance evaluations. Position descriptions help employees understand the responsibilities of their positions and provide a sense of where jobs fit into the agency as a whole. Accurate position descriptions provide a reliable and defensible foundation for performance evaluations and other compensatory procedures, such as promotions and salary adjustments. All job descriptions should include the following elements:

- Job title;
- Salary information;
- Summary of duties (including supervisory responsibility);
- Primary interactions (including supervisory responsibility);
- Equipment operation requirements;
- Level of decision making;
- Knowledge, skills, and ability requirements; and
- Qualifying education, training, and experience.

Additionally, human resource best practice organizations recommend that agencies establish a formal schedule for the annual review of all job descriptions. A job description should also be reviewed and revised under the following conditions:

- Job content changes;
- Organizational structure changes;
- Clermont MRDD Board, management, or staff request;
- Vacancies arise which may result in significant departmental change; or
- Significant performance issues exist.

The new human resources coordinator should work with other departmental supervisors to develop a procedure for job description updates and reviews. As changes become necessary, job descriptions should be submitted to the human resources department. Annual reviews and regular updates foster an increased awareness of actual job duties and can be used to assess employee progress and productivity.

**R3.6 Clermont MRDD should review its current attendance incentive and institute a more effective program to encourage employee attendance. Although the amount of sick leave that employees of Clermont MRDD earn is very similar to the peer MRDDs, Clermont MRDD employees used more sick leave hours on average than its peers. Clermont MRDD should increase the attendance incentive or implement a cash conversion program for sick leave.**

Clermont MRDD is the only MRDD of its peers that currently has an attendance incentive in its employee negotiated agreement. Clermont MRDD employees who use no sick days during the year receive a \$60 incentive. Employees who use only one sick day receive \$35 and those employees who use two sick days receive \$25.

Despite the attendance incentive, average leave usage at Clermont MRDD was 87 hours in 2002, based on the sick leave reports provided. Warren MRDD employees used an average of 67.5 hours and Butler MRDD employees used an average of 45.1 hours in 2002. The Bureau of Labor Statistics reported that average sick leave used by government employees in 2001 was approximately 34.5 hours. Clermont MRDD sick leave usage is clearly higher than the peers and higher than the national average.

The use of employee paid sick leave can be very costly to an MRDD since most positions, especially those in direct service, require a substitute to be called to fill the vacancy. Substitutes for MRDDs must also have current certification and require the same record keeping as regular employees.

Human resource professionals have found that cash incentives to reduce employee absenteeism are effective. However, it appears that Clermont MRDD's current incentive is too low to create much of an effect. One potential option is a sick leave conversion program which allows employees to convert unused sick leave to cash on an annual basis. If Clermont MRDD chooses to implement a cash conversion for sick leave, it will also need to limit the accumulation of sick leave and limit the amount of sick leave that can be converted to a cash payment. Clark MRDD's professional guild contract limits accumulated sick leave to 120 hours, and Clark MRDD's UAW contract allows for cash conversion of 50 percent of unused leave time up to 80 hours.

However, Clermont MRDD could also consider implementing a program similar to one in place at other Clermont County agencies. This program is designed to reward



employees by giving them an additional personal day whenever an employee goes 182 days without using sick leave.

*Financial Implication:* Because a cash conversion program has not been implemented, there is no data available to allow for the quantification of estimated annual costs or cost savings.

## Financial Implications Summary

The following table is a summary of estimated annual savings and implementation costs from the above recommendations for Clermont MRDD. Realizing the cost savings below would require renegotiation of the collective bargaining agreement.

### Summary of Performance Audit Recommendations for Human Resources

	Recommendation	Estimated Annual Savings
<b>R3.1</b>	Adopt the same benefit credit as the County	\$112,000
<b>Total</b>		<b>\$112,000</b>

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## Client Services

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This section of the report examines both client services and case management (see **Section A**) at the Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD) and adult services and children services (see **Section B**).

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### Section A: Client Services and Case Management

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#### Background

This section of the report focuses on the client services and case management operations within Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD). Comparisons will be made throughout this section to the following peers: Clark County Board of Mental Retardation and Developmental Disabilities (Clark MRDD), Union County Board of Mental Retardation and Developmental Disabilities (Union MRDD), and Warren County Board of Mental Retardation and Developmental Disabilities (Warren MRDD). Clermont MRDD's peers were identified based upon comparable operations, a review of various demographic information, and input from Clermont MRDD personnel. Best practices data from the Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD) is also used for additional comparisons and compliance information throughout the client services and case management section.

#### *Summary of Operations*

Client services and case management comprise service, support, and administration; quality and compliance; and investigations. The Service, Support, and Administration (SSA) division assists individuals and families in identifying, acquiring, and coordinating those programs and services for which they are eligible and need. Additional responsibilities include: coordinating and conducting eligibility determination for all MRDD services; providing information and referral services; and coordinating with other service agencies to provide services. SSA staff also serve as advocates for eligible individuals. The division is supported by one director, seven service coordinators, two support service coordinators, one behavior support coordinator, and a shared secretary/clerk.

The Quality and Compliance division (QC) is responsible for monitoring all support and Medicaid-funded services. It is the mission of this division to ensure that Clermont MRDD

provides and/or contracts for services that meet and exceed all applicable rules and regulations. In response to this mission, QC conducts comprehensive quality assurance reviews to evaluate service provision and provider compliance for services delivered to consumers through the Residential Facility Waiver (RFW), the Individual Options Waiver (IO) or the Supported Living Program. Additionally, QC is also responsible for coordinating all service documentation submitted by Clermont MRDD for federal reimbursement. The compliance review specialists facilitate timely billing while monitoring the various divisions of the Clermont MRDD that deliver Community Alternative Funding System (CAFS) eligible services. QC is composed of one director, two compliance review specialists and one clerk.

The Investigations Unit (IU) conducts reviews and investigations of all reports of abuse, neglect, unusual incidents (UIs), or major unusual incidents (MUIs) that may have an adverse affect on the health, safety, and welfare of individuals within Clermont MRDD. This division works with law enforcement officials to assist with the investigation and prosecution of individuals who are suspected of abuse and/or neglect of individuals who have developmental disabilities. In addition to working with local law enforcement officials, IU is also involved with Clermont County Children's Services to investigate possible abuse/neglect cases for children ages birth through 21 that have been determined to have developmental disabilities. IU is staffed by an investigative unit supervisor and an investigator, and shares a secretary/clerk with SSA.

The following assessments were conducted but did not warrant changes or yield any recommendations:

- **Services:** The services offered by Clermont MRDD are similar to those performed by the peers in terms of service and support administration, investigations, and quality and compliance.
- **Training:** Results of the audit review indicate that Clermont MRDD's staff training is in accordance with the regulations stipulated by OAC chapter 5123.
- **Eligibility Determination:** Clermont MRDD uses the state required Ohio Eligibility Determination Instrument 97 (OEDI) and the Children's version of this instrument (C/OEDI) to determine eligibility, has a well-developed policy and procedure similar to peers, and has low denial of service rates.
- **Grievances:** Clermont MRDD had zero formal grievances in the past two years and keeps individuals well informed of their rights and options. A brochure containing all client rights and Clermont MRDD's procedure for resolving complaints is given at intake and these rights, which include the right to file a grievance, are reviewed with everyone as a part of developing their annual Individual Plan (IP). Additionally, Clermont MRDD's grievance process contains required elements according to Ohio Administrative Code (OAC) §5123:2-1-02 and OAC §5123:2-1-12.

- **Intake:** Clermont MRDD maintains intake staffing levels similar to its peers. In addition, the time from receiving a referral, to intake, and initiation of services is less than the times reported by the peers and within the 45 day standard required by OAC §5123:2-1-02(c)(7).
- **Waiting lists:** Results of the audit review indicate that Clermont MRDD’s waiting list procedures meet the requirements of OAC §5123:2-1-08, and the number of individuals on the waiting list is less than the peer average.
- **Case Management Model:** Clermont MRDD uses a “Self Determination” model for case management which was developed in conjunction with ODMRDD. Clermont MRDD was a pilot county board for this model and is further in the implementation process than its peers.
- **Service Unit Rates:** Clermont MRDD’s service rates are within the maximum limits indicated in OAC §5123:1-2-08 and are comparable to the peers’ rates.

## Recommendations

### *Organization and Staffing*

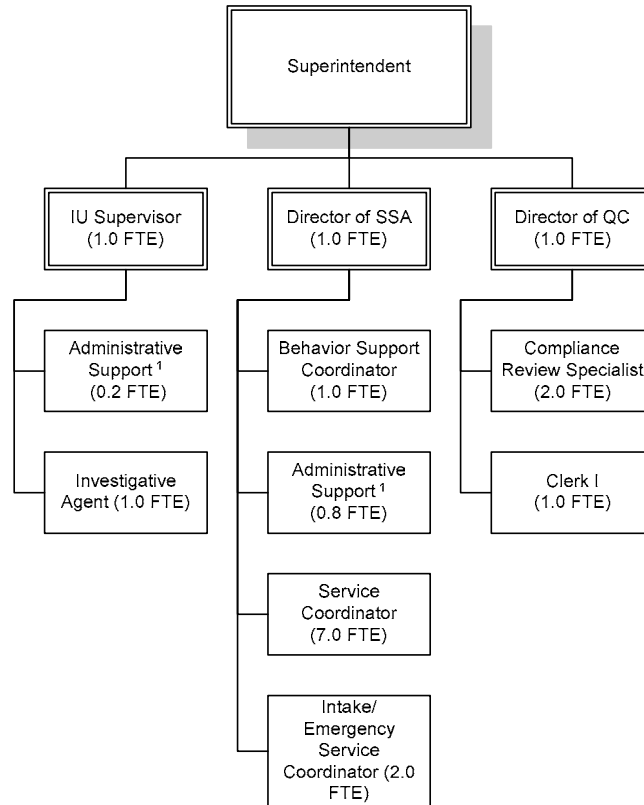
**R4.1** Clermont MRDD should consider reorganizing the SSA and the QC divisions by combining the two separate divisions into one. Clermont MRDD should integrate the two divisions in order to improve staffing use, maximize financial resources, and further improve communication on shared topics regarding individual and provider information and trends. Clermont MRDD should ensure that any reorganization efforts conform to statutory requirements.

Clermont MRDD's SSA, QC, and IU divisions are three separate units, each with a director and related staff. Clark MRDD, Union MRDD, and Warren MRDD each have two or fewer divisions for SSA, QC, and IU staff. Clermont MRDD's divisions accomplish generally the same duties and functions as the related staff of the peers. These include the following responsibilities:

- Intake/Eligibility;
- MUI/UI Investigations;
- Provider Evaluations;
- Funding Monitoring and Billing;
- Waiting Lists Maintenance;
- Supported Living/Waiver Administration/Residential Services;
- Provider Pool Upkeep; and
- Quality Assurance Reviews.

**Chart 4-1** shows the current organizational staffing of Clermont MRDD's SSA, QC and IU divisions.

**Chart 4-1: Clermont MRDD Organizational Chart - SSA, QC, and IU Divisions**



<sup>1</sup>The Administrative Support is shared between the IU and SSA divisions.

**Table 4-1** shows the staffing of Clermont MRDD and the peer agencies divided by the functions performed by the positions.

**Table 4-1: Staffing FTE Comparison by Function**

	Clermont MRDD	Clark MRDD	Union MRDD	Warren MRDD	Peer Average
<b>SSA Related Positions:</b>					
Director	1.0	1.0	1.0	1.0	1.0
Other Administration	0.0	1.0	1.0	1.0	1.0
Administrative Staff	0.8	3.0	2.0	3.0	2.7
Service Coordinators	7.0	25.6	9.6	14.0	16.4
Support Service Coordinators	3.0	2.0	2.0	7.0	3.7
<b>Total SSA Staffing</b>	<b>11.8</b>	<b>32.6</b>	<b>15.6</b>	<b>26</b>	<b>24.7</b>
<b>QC Related Positions:</b>					
Director	1.0	0.0	0.0	1.0	0.3
Quality Assurance Staff	2.0	4.0	0.0	2.0	2.0
Administrative Staff	1.0	2.0	0.0	1.0	1.0
Audit Investigator	0.0	2.0	0.0	0.0	0.7
<b>Total QC Staffing</b>	<b>4.0</b>	<b>8.0</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>
<b>Investigation Related Position:</b>					
Director/Supervisor	1.0	1.0	0.0	0.0	0.3
Investigative Agent	1.0	2.0	1.0	1.0	1.3
Administrative Staff	0.2	0.5	0.0	0.0	0.2
<b>Total Investigative staff</b>	<b>2.2</b>	<b>3.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.8</b>
<b>Total FTEs</b>	<b>18.0</b>	<b>44.1</b>	<b>16.6</b>	<b>31.0</b>	<b>30.6</b>
<b>Total Clients Served in 2002</b>	<b>589</b>	<b>839</b>	<b>380</b>	<b>801</b>	<b>673</b>
<b>Clients Served per FTE</b>	<b>33</b>	<b>19</b>	<b>23</b>	<b>26</b>	<b>23</b>

**Source:** Clermont MRDD and respective peer agencies

**Note:** Other SSA Administration includes Clark MRDD's business service officer, Union MRDD's Associate Director, and Warren MRDD's Assistant Community Resources Director.

Table 4-1 shows the difference in staffing complements between the four agencies. Clermont MRDD has the narrowest span of control because the agency has 15.0 FTEs reporting to three separate directors or supervisors. The peer agencies have, at most, two directors. They also have a greater number of staff reporting to fewer directors or supervisors. Clermont MRDD total staffing in these three areas is 41 percent lower than the peer average. However, Clermont MRDD serves 43 percent more clients per FTE than the peers.

Clark MRDD refers to its SSA division as Community Living Services. Community Living Services is responsible for the management of client services, Supported Living/Waiver Administration, Quality Assurance, Family Resource Services, Supported Living Council, and Community Collaboration. Union MRDD has an Associate Director to oversee SSA related activities in the Support Services division. Within SSA, and under the associate director, all SSA, QC, and investigative responsibilities are completed. Warren MRDD has two divisions that encompass the responsibilities

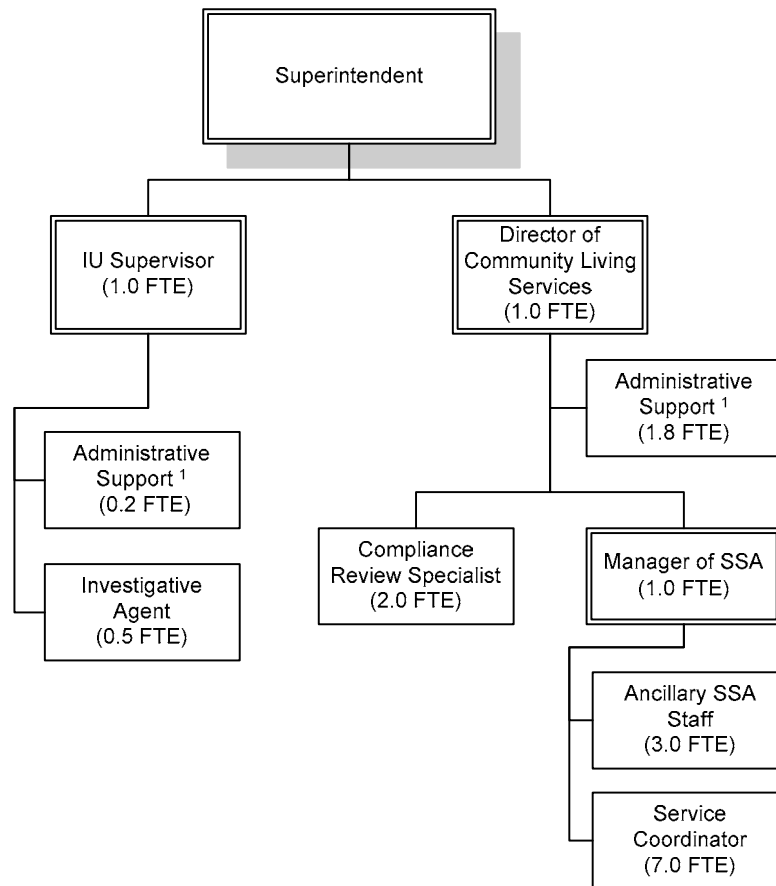


performed by Clermont MRDD's three divisions. Warren MRDD's investigations and quality assurance areas are housed within the Quality Assurance Division.

According to ODMRDD, HB 405 requires the Investigative Unit in all MRDDs to be separate from all other divisions and to report directly to the superintendent. For this reason, no change is recommended in the organizational chart for this division. Within the SSA department, the person or provider who writes the individual plan (IP) may not be the same person or provider that is implementing the IP. A service coordinator is allowed to write an IP and assist in ensuring that it is completed or that goals are being accomplished, but is not allowed to assist in the implementing of the services requested or needed by the individual. However, per ODMRDD, there is no prohibition in current rules or recently enacted HB 405 to having the SSA and QC functions combined in one department.

The majority of the peer MRDDs has two or fewer divisions to cover the functions maintained by three separate divisions of Clermont MRDD. Union MRDD has one director to cover all functions that reports to an Associate director. Clark MRDD has a director that oversees both SSA and QC. In order to provide a wider span of control, Clermont MRDD should not have two separate directors, but should combine the two divisions under one director. **Chart 4-2** illustrates the recommended arrangement of Clermont MRDD's SSA, QC, and IU divisions. The combined SSA and QC division is referred to as the Community Living Services Department. (See **R4.2** for recommendation on IU staffing.)

**Chart 4-2: Clermont MRDD Organizational Chart - SSA, QC, and IU Divisions**



The combined division would provide a collaboration of services and resources regarding information on individuals, providers, trends, and issues that could better enhance management's ability to track service issues and make more informed decisions to ensure resources are being used effectively and efficiently. The reorganization would not result in staffing reductions. Instead, the current director of SSA would report to the new combined departmental director.

**R4.2** Clermont MRDD management, in consultation with the Board and its legal counsel, should formulate a policy to guide staffing levels in its IU. A comparison of ratios of IU staffing to the number of individuals served shows that Clermont MRDD has staffing levels above the peer average in this area. As Clermont MRDD is planning to provide IU services to Clinton County, the MRDD could redirect this 0.5 FTE position to services billable to Clinton County.

Within the Investigation Unit, 2.2 FTEs perform administrative functions and two types of investigation. More specifically, 2.0 FTEs perform the investigations while 0.2 FTE performs administrative support for the division.

IU investigations include inquiries into abuse, neglect, misappropriation, or other areas that are criminal in nature. These investigations are detailed and ODMRDD has a set protocol for the conduct of the investigation. In these investigations, the investigator typically pursues information to reach a determination in the investigation.

Administrative review process investigations are inquiries into deaths, unauthorized hospital visits, unauthorized behavior support (such as restraint not included in an IP), crisis situations that require aversive actions, or medical emergencies. These investigations are more administrative in nature and involve working with people to determine what occurred. **Table 4-2** shows the staffing of Clermont MRDD and the peer agencies performing MUI and UI investigations.

**Table 4-2: Investigative Staffing FTE Comparison**

	Clermont MRDD	Clark MRDD	Union MRDD	Warren MRDD	Peer Average
Director/ Supervisor	1.0	1.0	0.0	0.0	0.3
Investigative Agent	1.0	2.0	1.0	1.0	1.3
Administrative Staff	0.2	0.5	0.0	0.0	0.2
<b>Total</b>	<b>2.2</b>	<b>3.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.8</b>
Total Individuals Served	589	839	380	801	673
<b>Individuals Served per IU Staff</b>	<b>267.7</b>	<b>239.7</b>	<b>380.0</b>	<b>801.0</b>	<b>473.6</b>
<b>Number of Incidents Investigated</b>	396.0	1447	89.7	936.0	824.2
<b>Incidents per IU Staff Member</b>	180.0	413.4	89.7	936.0	479.7

**Source:** Clermont MRDD and respective peer agencies

**Note:** Clark, Union, and Warren MRDD's number of incidents are based on three year averages.

**Table 4-2** shows that individuals served per IU staff for Clermont MRDD is 43 percent lower than the peer average. Similarly, the incidents per IU staff member are less than half of the peer average. Two of the three peer agencies maintain only 1.0 FTE to perform all incident investigations. Redirecting the investigations staff of 0.5 FTE to Clinton County would increase the ratio to 233 incidents investigated per FTE while allowing funds to be redirected to direct care. However, a decision of this type should be made by Clermont MRDD management in consultation with the Board and its legal counsel. Because IU serves a critical function of protecting MRDD clients from abuse, neglect, misappropriation, and other criminal acts, Clermont MRDD should carefully deliberate staffing decisions in this area.

According to the Clermont MRDD superintendent, it is exploring an idea on sharing the time of its IU staff with Clinton MRDD. Under this idea, IU staff at Clermont MRDD will assist Clinton MRDD with its investigations and bill Clinton MRDD for services

received. This will permit Clermont MRDD to recover some of the costs associated with its IU staff.

*Financial Implication:* Based on the average annual salary and benefits in 2002 for investigative agents of \$66,550, Clermont MRDD could generate an estimated annual cost saving of approximately \$33,275 by redirecting 0.5 FTE investigative agent position to Clinton County.

### *Policies and Procedures*

**R4.3 The SSA Director and staff should document all processes and procedures used by the division. Every process that is critical to the SSA division should be assessed, formalized and documented, enabling other staff to complete the responsibilities of the division as necessary. While all policies and procedures are currently cataloged, centralized, and indexed, it would be beneficial if Clermont MRDD were to store all policies and procedures on its mainframe system. This will enable staff and others to be able to continue the level of service currently maintained by the SSA Director, service coordinators, and staff.**

**SSA staff and other SSA-related employees should continue to be provided with division-specific training to ensure the continued service level of the division. Additional cross-training programs will be beneficial to avoid discrepancies in experience and specialized knowledge in the event of an unforeseen absence.**

Clermont MRDD's SSA division is functioning under a relatively new structure and many of the functional process documents detailing services and procedures are in the developmental process because of changes in the law. The division maintains a complete set of policies and procedures but does not store the documents. While the SSA division does engage in cross-training to ensure consistent service in the event of absences or turnover, additional cross-training could be beneficial in the event of an unforeseen absence.

HRnext.com recommends documentation as an important factor for the success of an organization. Written policies reduce the number of redundant questions. Policies are designed to provide direction to supervisors and managers so that they can make logical, fair, and consistent management decisions. Usually, policies are formalized with procedures, rules, and practices to instruct employees on divisional practices.

Clark MRDD provided policies and procedures in electronic form. Each document was uniform in appearance and was labeled with the following information:

- Policy name;
- Policy application;

- Procedure name;
- Procedure application;
- Board approval date;
- Commission on Accreditation of Rehabilitation Facilities (CARF) reference number;
- Revision date (if applicable); and
- Accreditation reference number.

Union MRDD also provided all agency policies and procedures in electronic form. Warren MRDD provided uniform policies and procedures that included the purpose/goal of the document and the procedure, and began with a section on definitions of terms included in the document. Warren MRDD's policies and procedures also cross-referenced the Ohio Administrative and/or Revised Code in order to demonstrate compliance.

The Society for Human Resources Management (SHRM) reports that cross-training is an effective method that may be used to align the values and needs of both the employees and the organization. In addition to the traditional benefits of broadening employees' skills to reduce costs and provide job coverage, SHRM provides the following as ways an organization can benefit from cross-training:

- Creates a more flexible and versatile workforce;
- Enables organizations to reduce the number of different jobs, reducing work jurisdiction;
- Allows for effective succession planning;
- Leads to better coordination and teamwork;
- Enables employees to understand organizational goals and objectives; and
- Helps create a learning organization.

Centralizing the policies and procedures electronically will allow SSA support employees to access procedures more readily and to continue the current level of service in the absence of the SSA director. The task of seeking requested information and pertinent laws will be alleviated for staff because all information will already be assembled in an electronic, organized, and user-friendly manner. Additional cross-training programs would reduce costs associated with time spent performing unfamiliar tasks. By maintaining SSA policies and procedures electronically and providing SSA support staff with additional cross-training, time spent on procedure questions and down-time in the absence of the SSA director will be reduced. This could result in increased productivity and overall improved understanding of work processes within the division.

**R4.4 Clermont MRDD should implement software that will provide real-time service delivery information. Real-time information will assist management in decision-making and help improve the efficiency and effectiveness of business processes. The**

software should provide information on units of service delivery by staff person, as well as the type, modality, and duration of service. Software options include purchasing additional Infallible modules to supplement the software already in place or purchasing a new software system.

Clermont MRDD's SSA Director provided AOS with information regarding the types of service contact that SSA staff provided to individuals. The exact percentage of each type of contact is not tracked in a system, but all contacts are documented in an individual's file. Clermont MRDD was unable to provide specific information regarding the number of calls that were from individuals on a one-time only basis, or broken down by the nature of the call. The SSA Director stated that communication with clients and related persons occurs via phone calls, face-to-face interactions, electronic mail, and by post. The type and nature of the communication is recorded in each client's clinical record.

**Table 4-3** shows estimates of the types of communication the SSA division has with clients and related persons. Direct contact indicates communication with the client and all other forms of contact indicate communication with other parties in regards to an individual.

**Table 4-3: Clermont MRDD Comparison of Communication Contact**

	Direct Contact		All Other Forms of Contact		Average	
	Non-Face to Face <sup>1</sup>	Person to Person	Non-Face to Face	Person to Person	Non-Face to Face	Person to Person
<b>Client in Emergency or Crisis Situation</b>	50%	50%	65%	35%	58%	43%
<b>Intake/Eligibility</b>	85%	15%	90%	10%	88%	13%
<b>Residential Facility Waiver</b>	10%	90%	90%	10%	50%	50%
<b>Individual Options Waiver <sup>2</sup></b>	N/A	N/A	90%	10%	90%	10%
<b>Supportive Living</b>	85%	15%	90%	10%	88%	13%
<b>Average</b>	<b>58%</b>	<b>43%</b>	<b>85%</b>	<b>15%</b>	<b>71%</b>	<b>29%</b>

**Source:** Clermont MRDD SSA Director

<sup>1</sup> Non-Face to face includes email, personal letter, and phone contact.

<sup>2</sup> IO Waiver covers such a range of abilities and disabilities that it is very difficult to average this number and therefore will not be included in the figures.

Clermont MRDD does not have the technical capacity to track the frequency of phone calls versus face-to-face contact with clients. The SSA division uses its Infallible software system to track client names and demographic information, but the MRDD has not purchased the supplemental modules that track this information and produce appropriate reports.

Clark MRDD makes use of the Infallible database to track the different methods of contact made by service coordinators with clients. Additionally, Union and Warren MRDDs were able to provide statistics of the types of contact and the location where services are provided through reports generated by the Infallible system. Union MRDD uses Infallible for documentation purposes but the version used does not have the capacity to create reports that would calculate the frequency or type of contact SSA staff have with clients.

Clermont MRDD's SSA division should begin to track the information related to the services provided to individuals and the community in a more detailed manner. The division should look to supplement the current technology, such as Infallible, or seek out a software program that will provide the division with sufficient tracking ability. See **R6.7** in the technology section of this performance audit for additional information.

The SSA division should track service contact, methodology, duration, location, and staff productivity. Additionally, the division should implement a method to determine when a client has last met face-to-face with agency personnel and when IPs need to be updated. The estimates provided by the SSA director indicate that service coordinators are contacting individuals at a greater rate through forms other than face-to-face communication. However, an accurate assessment of this information was not possible with the data provided.

By implementing tracking measures, the SSA Director will be able to ensure that all service coordinators are performing at similar and appropriate levels, contacting clients as necessary, and ensuring that client files are being reviewed on time. The current system does not allow for the director to review computer generated reports on the performance of the division. Such reporting will ensure performance is measured accurately and appropriate service levels are maintained.

*Financial Implication:* Clermont MRDD management will need to determine what modules and software packages it needs. As a result, an estimated implementation cost can not be quantified.

**R4.5 Clermont MRDD should implement an Outcome Evaluation System to measure the effects and results of programs and services. An Outcome Evaluation System will allow for areas to be directly assessed and evaluated within a pre-determined range and by set criteria.**

Clermont MRDD does not maintain a system for measuring the outcome of services and programs. Currently, each division of MRDD prepares annual goals. These goals are developed from information available in the previous year's annual report, which identifies Clermont MRDD's present situation and outcomes for goals for that particular

year. Additionally, Clermont MRDD surveys consumers, families, and community stakeholders for input on satisfaction with existing services, needed expansion of services, or modification of existing services. An annual action plan is developed based on information gathered from monthly divisional reports, the survey information, and areas identified in the Clermont MRDD long-range plan. A public hearing is held no later than December for all stakeholders to review and comment on the plan. A Long-Range Planning Committee met throughout 2002 to develop a five-year agency plan. Needs and strategies were prioritized and were the basis for the 2003 Annual Action Plan.

Each division is responsible for evaluating its progress on the particular goals that were set for the respective division. Divisions gather data throughout the year on progress toward goals and respond at year's end with a summary and plan to achieve the next year's goals. At least annually, each division is required to monitor the effectiveness of the goals for their division, identify obstacles, and reconfigure the goals as needed.

Clermont MRDD's Annual Action Plan 2003, as required by law (ORC §5126.04), includes the strategies and priorities "based on available resources for the provision of facilities, programs, and other services to meet the need of Clermont County residents who are eligible for MRDD services." The plan details goals, by division, that were set to help increase the quality of services provided by Clermont MRDD. Examples of these goals include the following.

- Provide effective and immediate response and linkage to services for families following referrals;
- Place 30 individuals into supported employment in the community;
- Complete policies for service and support division;
- Continue to improve communication between families/individuals served and Clermont MRDD with regard to responding to waiting list notifications;
- Continue increased emphasis on self-determination;
- Implement Universal IP; and
- Continue to conduct comprehensive quality assurance reviews to evaluate the service provision and provider compliance for services delivered.

The achievement of some goals was easier to measure, depending on whether the outcome was quantitative or qualitative. The Annual Action Plan also contains the MRDD's Long Range Plan. In 2002, Clermont MRDD defined four specific long-range goals which include:

- Improve communication;
- Provide resources adequate to meet the provision of good services;



- Continue to develop services that are needed; and
- Evaluate services provide, regularly evaluate the quality of services, and how well the services are provided.

The fourth goal (evaluate services) specifically outlines measuring the agency's success. Clermont MRDD has determined that there is a need for a system that measure effectiveness of its programs and services. In addition, it has recognized the need to develop a mechanism to measure the results or outcomes of its Annual Action Plan goals. Warren MRDD has a quality improvement process called the Outcomes Measurement System (OMS). The information gathered from this system provides vital information to aid in the strategic positioning and future planning of the organization. The purpose of the OMS is to help Warren MRDD ensure continuous improvement of services for its clients and their families. The information is collected and reviewed quarterly and included in its Annual Report. The following areas of service are developed objectives included in the OMS that focus on effectiveness, efficiency, and satisfaction of services:

- Community Employment;
- Employment Planning;
- Organizational Employment;
- Transaction Services;
- Community Services Coordination;
- Family Services; and
- Respite Care.

The areas of service are measured for effectiveness, efficiency, and satisfaction. The information collected is used to make recommendations for the delivery of, and planning for, services provided by the organization.

Although Clermont MRDD has a well-developed long-range plan and annual plan, it is important to implement a system of feedback and measurement. Clermont MRDD has recognized this need and, through an OMS, will be able to provide higher service levels to clients and their families. Even though each division is responsible for evaluating and reporting progress on its goals, Clermont MRDD should implement a collaborative, comprehensive process that allows for all areas of the agency to provide feedback.

Most importantly, the process to reach goals should be based on information collected through a quantitative and qualitative measurement system. Additionally, including the measurements of effectiveness, efficiency, and satisfaction will provide data for future planning because Clermont MRDD will be able to judge whether the product of a goal was successful and practical to the overall functioning of the respective division.

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## B. Adult and Children's Services

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### Background

This section of the report examines adult, Early Intervention (EI), and school age services at Clermont County Board of Mental Retardation and Developmental Disability (Clermont MRDD) in comparison to the peers. Peers for this section include the Clark County Board of MRDD (Clark MRDD), the Union County Board of MRDD (Union MRDD), and the Warren County Board of MRDD (Warren MRDD). In addition, some comparisons are made to other peer boards which operate a school.

#### *Organizational Structure and Function*

##### **Early Intervention (EI)**

Early Intervention (EI) services at Clermont MRDD involve children from the ages of birth to three years who are identified as having a developmental delay in at least one skill area, such as communication, mobility, learning, social skills, or adaptive skills. In addition, children may also qualify for EI services if there is a history of prenatal/perinatal complication or a physical, mental, or medical condition that may place the child at a higher risk for developmental delays. The EI program at Clermont MRDD was started in the early 1970's and is one of the oldest in the State. The program is centered on home visits from trained specialists who work with the child and family through an individualized plan. The goal of the program is to help each child develop to their maximum ability. The Clermont *Help Me Grow* Federal grant is administered through the EI program. Likewise, the Regional Infant Hearing grant, which offers services to children birth to age three who are deaf or hearing impaired, is also administered through Clermont MRDD. Some center-based EI services such as play groups, swimming, and therapy are offered at the Thomas A. Wildey School.

##### **School Aged Services**

School age services at Clermont MRDD are provided through the Thomas A. Wildey School which serves multi-handicapped children in a classroom setting. Generally, classes are not larger than eight students, per Ohio Department of Education (ODE) regulations. Students receive instruction in speech, occupational, and physical therapy. All students also participate in a physical development program which includes swimming in the on-site pool. Instruction is provided in accordance with ODE special education regulations to meet individual needs according to Individual Development Plans (IDP). As students grow, many are placed in

community-based vocational training classes according to ability level. These classes help train students for successful life beyond school. Unlike the peers, Clermont MRDD does not operate a pre-school program. Instead, children eligible for pre-school services are placed by their local school districts into appropriate preschool programs.

### **Adult Services**

Adult services at Clermont MRDD encompass several different areas and are regulated by the Ohio Department of Mental Retardation and Developmental Disability (ODMRDD). According to these regulations, persons with developmental disabilities have the right to receive a full range of support services which will help them to be participating members of their communities. Services may include the following:

- Employment (community competitive, supported, mobile work crews, enclaves, entrepreneurial enterprise, or sheltered employment);
- Continuing education;
- Transportation;
- Technological supports; and
- Therapeutic services.

Clermont MRDD Adult Services operates in three Board-owned buildings. The Donald A Collins Habilitation Center houses the senior program and social activities for those individuals who do not want to participate in vocational activities. The Grissom Building and the Krenning Center house sheltered workshops. The Clerco Café, a food-service business, is also operated by Clermont MRDD supported staff as a sheltered workshop environment. Clermont MRDD provides employment services under the non-profit organization Clerco, Inc. This allows Clermont MRDD to compensate individuals who perform work without requiring those individuals to be Clermont County employees. Enclaves and mobile work crew employment options allow individuals to work in the community with Clermont MRDD staff assistance. Groups may work at a local restaurants, or perform landscaping or janitorial services.

### **Recreational and Senior Programs**

Recreational and senior programs are offered for those individuals who choose not to work or are beyond working age. Program options include personal care training, conflict resolution courses, arts and crafts, computer familiarity classes, social and community outings, and other recreational activities. Clermont MRDD also has an intensive care program for individuals whose care takes up the majority of the day. Finally, individuals who choose not, or are unable, to participate in any of the standard programs can use the option of an individual budget. This allows an individual to use funds that would otherwise have been spent on a traditional program for things such as community outings, adaptive equipment, or other approved activities. Enrollment in all Clermont MRDD adult programs has been frozen due to budget constraints.

*Areas Assessed but Yielding No Recommendations*

The following areas were reviewed as part of the audit work but did not yield any recommendations:

- **Adult Services Staffing:** This area was deemed comparable to peer levels and appropriate for the programs offered by Clermont MRDD.
- **EI Staffing:** EI staffing levels were determined to be appropriate and adequate in relation to peer levels and Clermont MRDD service levels.
- **School Age Staffing:** This area appeared to be appropriate based on ODE standards. However, most peers no longer operate schools and, therefore, peer information was not readily available.
- **EI Services:** These services were determined to be comparable to peer services and in accordance with ODMRDD requirements;
- **School Age Services:** These services were determined to be adequate and in accordance with ODE and ODMRDD requirements; and
- **Outreach:** Outreach practices at Clermont MRDD are comparable to the peers in all the service areas.

## Recommendations

**R4.6 Clermont MRDD should implement written guidelines for individual (client) budget spending in the self-determination program. Guidelines should dictate appropriate uses for individual budgets as well as how decisions regarding spending will be made.**

Clermont MRDD was one of 30 counties to participate in a self-determination pilot program. The program advocated individual budgets as a means to allow people greater choice in determining care and services purchased with county funds. The individual budget allows clients to use the money that the County would have spent on them for selected items, such as specialized services, use of another county's services, community outings, adaptive equipment, or other activities. By selecting the individual budget option instead of traditional programming, individuals are granted more choice in their care. At Clermont MRDD, a policy committee made up of Adult Services staff decides what individuals can purchase with their individual budget funds. Clermont staff report that approval is not granted for activities deemed inappropriate for use of public monies. For instance, the policy committee might approve a community outing to a baseball game, but the individual is responsible for providing their own food and beverage.

Because the program is relatively new, no written guidelines exist for determining what constitutes an appropriate use of individual budget monies. As a result, questions regarding spending decision have been raised by Clermont County staff. Clermont MRDD staff report that these questions were easily answered and that staff from the County were satisfied with the explanations. However, Clermont MRDD staff also report that ODMRDD plans to expand the individual budget program to the remainder of Ohio counties sometime in the near future. By developing formal decision-making guidelines, Clermont MRDD can ensure that future decisions on individual budget spending are documented and that monies are not spent on items deemed inappropriate.

Other participants in the pilot project, including Summit County, Huron County, and Knox County, have developed general guidelines for disbursement of individual budget monies. These guidelines are available on the ODMRDD web-site and include the following items:

- Money will not be spent on anything illegal;
- Money will not be spent on anything which may cause danger to the individual or others;
- Allocations will not exceed existing Board resources; and
- Money will not be spent on luxury items not justified by the individual's needs.

ODMRDD's self-determination staff recommend that any guidelines clearly define who is responsible for determining spending, what spending is allowable, how much is allowable for certain activities, and what the process is for obtaining approval and receiving the actual funds. Since the initiative is still in the pilot stages, ODMRDD staff recommends counties not develop formal policies and procedures since these tend to be more restrictive and harder to change than general guidelines. However, by developing formal written decision-making guidelines for the use of individual budget monies, Clermont MRDDD can ensure that decisions are adequately supported and consistently applied to all individuals.

**R4.7 Clermont MRDD should consider implementing additional adult service options. In particular, it should pursue options such as entrepreneurial enterprise development and support. Current staffing levels are marginally above the peer average and should allow an expansion of services without an increase in staffing.**

Clermont MRDD provides services for adults in three main areas— vocational, employment, and recreational. Within these areas, the following services are offered:

- **Vocational**— Training, enclaves, mobile work crews, food service work, and piece work in the sheltered workshops.
- **Employment**— Identification, acquisition and maintenance of employment commensurate with vocational, social, physical, and medical needs and capabilities. This includes assessments, training, transportation arrangements, and arranging for adaptive technology.
- **Recreational, Senior, and Support**— Activities for those individuals who are not interested in working, are beyond working age, or whose care requires the majority of the working day. Activities include community outings, classes, arts and crafts, and others.

These service areas cover ODMRDD's required adult service options. Clermont MRDD also provides transportation services for all programs which exceeds ODMRDD requirements. The services listed above cover nearly all possible areas of service available to an MRDD Board. Clermont MRDD does not have significant areas in which to offer new services, but may have opportunities to expand those services already offered.

Clermont MRDD should consider expanding services to include those not currently covered but recommended by ODMRDD. Union MRDD, for instance, offers support for self-employment by helping clients develop, staff, and maintain their own independent businesses. In their 2003 ODMRDD Accreditation Survey, Union MRDD listed five client owned and operated businesses which are supported by adult services. Businesses included a greenhouse, a document destruction business, a sewing service, and a mail

preparation service. These businesses are owned and operated by MRDD clients with assistance from Union MRDD's non-profit umbrella organization.

**Table 4-4** displays staffing levels in terms of FTE's for both Clermont MRDD and the peer MRDDs.

**Table 4-4: Adult and Children's Service FTEs at CCMRDD and the Peers**

	Clermont MRDD	Clark MRDD	Union MRDD	Warren MRDD	Peer Average
<b>Early Intervention</b>	19.0	7.5 <sup>1</sup>	10.0	11.0	<b>9.5</b>
<b>School Age Services</b>	29.0	0.0	0.0	80.0	<b>26.7</b>
<b>Adult Services</b>	89.0	140.5	20.0	76.0	<b>78.8</b>
<b>Total Staff</b>	137.0	148.0	30.0	167.0	<b>115</b>
<b>County Population</b>	177,977	144,742	40,909	158,383	<b>114,678</b>
<b>Staff per 1,000 population</b>	<b>1.30</b>	<b>0.98</b>	<b>1.36</b>	<b>0.95</b>	<b>1.00</b>

**Source:** Clermont MRDD and peer MRDDs

<sup>1</sup> Clark MRDD does not employ therapists for Early Intervention services. It contracts with hospitals to be billed for therapy services as used by Early Intervention clients.

According to **Table 4-4**, Clermont MRDD staffing levels, when calculated per 1,000 county residents, are slightly higher than the peer average. Clermont MRDD has approximately 1.30 staff per 1,000 residents while the peer average is about 1.00 staff per 1,000 residents. Clermont MRDD is only slightly lower than Union MRDD but higher than both Clark and Warren MRDDs. As Clermont MRDD's adult service staffing is slightly above the peer average, additions to programs could be completed without a corresponding increase in staff.

Clermont MRDD should determine what additional services it would like to provide clients, perhaps through the annual long range planning process, and use the long range plan to incorporate these services into existing programs. By implementing new programs in addition to those already offered, Clermont MRDD can expand opportunities for its adult services clients and thereby better meet the needs of the community it serves.

**R4.8 Clermont MRDD should reduce administrative costs, particularly in the School Age Services area. Areas of reduction should include school age, adult, and EI building costs as well as capital and administrative costs for all three program areas.**

**Table 4-5** shows administrative costs by program area at both Clermont MRDD and the peers. Within the program areas, costs are further broken out in order to better identify the cost drivers associated with them.

**Table 4-5: FY 2002 Administrative Cost Break-out at Clermont MRDD and Peers**

	Clermont MRDD	Clark MRDD	Union MRDD	Warren MRDD	Peer Average
<b>EI Capital Costs</b>	\$47,649	\$11,894	\$47,278	\$1,527	\$20,233
<b>School Age Capital Costs</b>	\$72,958	\$0	\$0	\$11,636	\$3,879
<b>Adult Capital Costs</b>	\$180,006	\$64,033	\$35,315	\$15,634	\$38,327
<b>Total Capital Costs</b>	<b>\$300,613</b>	<b>\$75,927</b>	<b>\$82,593</b>	<b>\$28,797</b>	<b>\$62,439</b>
<b>EI Admin Costs</b>	\$135,646	\$79,273	\$88,233	\$77,440	\$81,649
<b>School Age Admin Costs</b>	\$360,006	\$0	\$9,546	\$170,895	\$60,147
<b>Adult Admin Costs</b>	\$718,898	\$899,187	\$340,655	\$475,227	\$571,690
<b>Total Admin Costs</b>	<b>\$1,214,550</b>	<b>\$978,460</b>	<b>\$438,434</b>	<b>\$723,562</b>	<b>\$713,485</b>
<b>EI Program Supervision</b>	\$1,987	\$180,369	\$54,441	\$66,899	\$100,570
<b>School Age Supervision</b>	\$5,178	\$0	\$5,890	\$150,614	\$52,168
<b>Adult Program Supervision</b>	\$690,114	\$1,135,207	\$377,960	\$432,459	\$648,542
<b>Total Supervision Costs</b>	<b>\$697,279</b>	<b>\$1,315,576</b>	<b>\$438,291</b>	<b>\$649,972</b>	<b>\$801,280</b>
<b>EI Building Costs</b>	\$146,227	\$193,044	\$89,102	\$15,462	\$99,203
<b>School Age Building Costs</b>	\$213,489	\$0	\$0	\$13,065	\$4,355
<b>Adult Building Costs</b>	\$394,756	\$374,770	\$147,801	\$357,082	\$293,218
<b>Total Building Costs</b>	<b>\$754,472</b>	<b>\$567,814</b>	<b>\$236,903</b>	<b>\$385,609</b>	<b>\$396,775</b>
<b>Total EI</b>	\$331,509	\$464,580	\$279,054	\$161,328	\$301,654
<b>Total School Age</b>	\$651,631	\$0	\$15,436	\$346,210	\$120,549
<b>Total Adult</b>	\$1,983,774	\$2,473,197	\$901,731	\$1,280,402	\$1,551,777
<b>Total Costs: EI, School Age &amp; Adult</b>	<b>\$2,966,914</b>	<b>\$2,937,777</b>	<b>\$1,196,221</b>	<b>\$1,787,940</b>	<b>\$1,973,979</b>
<b>EI Individuals Served</b>	188	268	30	167	155
<b>School Age Individuals</b>	68	0	0	64	21
<b>Adult Individuals Served</b>	333	571	64	366	334
<b>Total Served: EI, School Age &amp; Adult</b>	<b>589</b>	<b>839</b>	<b>94</b>	<b>597</b>	<b>510</b>
<b>Cost per EI Served</b>	\$1,763	\$1,734	\$9,302	\$966	\$4,000
<b>Cost per School Age Served</b>	\$9,583	N/A	N/A	\$5,410	\$1,803
<b>Cost per Adult Served</b>	\$5,957	\$4,331	\$14,090	\$3,498	\$7,306
<b>Cost per individual, all programs</b>	<b>\$5,037</b>	<b>\$3,502</b>	<b>\$12,726</b>	<b>\$2,995</b>	<b>\$6,407</b>

Source: Clermont MRDD and peer board financial records

Note: The methodology used to allocate administrative costs in the School Age Service area is being changed during FY 2003 under guidance of the new business manager. Clermont MRDD states that this will result in lower administrative costs in the School Age Service area.

Table 4-5 shows Clermont MRDD has higher costs than the peer average in the following categories.

- **Total Capital Costs** – Clermont MRDD’s total capital costs per individual served were \$510 in FY 2002. The peer average for total capital costs per individual served were \$122, nearly \$388 less than Clermont MRDD. Clermont has completed most of its capital projects and should not incur high costs in this area in the future.
- **Total Building Costs** – Clermont MRDD’s total building costs per individual served were \$1,281 in FY 2002. The peer average for total building costs per individual served were \$778, more than \$500 less per individual than Clermont



MRDD. Clermont should closely examine utility usage and potentially implement an energy management program to reduce building operational cost.

- **Total Administrative Costs** – Clermont MRDD’s total administrative costs per individual in FY 2002 were \$2,062. The peer average for total administrative costs per individual was \$1,399, which is \$663 less than Clermont MRDD. Clermont has a slightly higher FTE count in the area of administrators and directors. This may contribute to the high cost of administration. As a result, Clermont MRDD should redistribute administrative positions to direct service as attrition and program alterations allow.

Clermont MRDD should use these areas as a starting point to determine where overall administrative costs can be reduced and the funds redirected to direct client services. By determining specific areas with high administrative costs and reducing spending in these areas, Clermont MRDD can dedicate additional resources to its clients and their families.

**R4.9 Clermont MRDD should work with its community to assess the viability of continued school age service provision through the Wildey School. This should include a task force to study alternatives and garner wide community input and support for any decision regarding school age services. Any evaluation of the Wildey School should include an in depth examination of typical cost driver areas for schools including staffing, benefits, transportation, and facility maintenance. If local school districts are unable to fund excess costs in the future, Clermont MRDD should phase out school aged programs and return students to their home districts.**

Clermont MRDD is one of a limited number of counties in Ohio which continue to operate a separate school building for its school age services program. The school age service program is located in the Thomas A. Wildey Building (the Wildey School). **Table 4-6** displays FY 2002 expenditures at Clermont MRDD and the peers in the three different service areas.

**Table 4-6: Wildey School Expenditures for FY2002**

<b>Total Costs to operate the Wildey School</b>	<b>\$2,296,426</b>
<b>Total State Revenue</b>	<b>\$1,495,559</b>
ODE Special Education Funding	\$978,160
Transportation Funding	\$235,895
CAFS Reimbursement	\$281,504
<b>Total excess costs</b>	<b>\$800,867</b>
<b>Excess cost per student (68 students)</b>	<b>\$11,778</b>

Source: Clermont MRDD financial records

According to **Table 4-6**, Clermont MRDD spent approximately \$2.3 million to operate the Wildey School in FY 2002. About \$1.5 million, or 65 percent, of this was reimbursed

through State foundation funding. The remaining amount of \$800,000 was divided evenly by the number of students enrolled in the school. School districts were then asked to pay about \$12,000 for each student they had enrolled in the school to cover the excess costs. Clermont MRDD staff report that all the school districts agreed to pay the full amount for excess costs. Therefore, Clermont MRDD was able to recover all costs associated with operating the Wildey School in FY 2002 and no levy dollars were used to support the school age service program.

None of the peers originally selected for the audit operate a school. Therefore, county boards of similar size that operate schools were selected as peers for this comparison. The county MRDDs selected are illustrated in **Table 4-7** which displays FY 2001 expenditures and enrollments for Clermont and the school age services peer MRDDs.

**Table 4-7: FY 2001 School Age Expenditures**

	Clermont MRDD	Fairfield MRDD	Portage MRDD	Richland MRDD	Peer Average
<b>Population</b>	177,977	122,759	152,061	128,852	<b>134,557</b>
<b>2001 Expenditures ages 6-21</b>	\$3,250,297	\$921,929	\$1,772,252	\$891,112	<b>\$1,195,097</b>
<b>2001 Enrollment</b>	68	20	35	28	<b>28</b>
<b>Expenditures per Enrollee</b>	<b>\$47,798</b>	<b>\$46,096</b>	<b>\$50,635</b>	<b>\$31,825</b>	<b>\$42,682</b>

**Source:** ODOB Census statistics and County MRDD Board 2001 reported data.

**Note:** Data from FY 2001 was used for this analysis because FY 2002 data was not available from the peer school age programs.

According to **Table 4-7**, Clermont MRDD spent approximately 11 percent more per school age enrollee in FY 2001 than the peer average. This indicates that, while Clermont MRDD is close in spending with those Boards which also operate schools, it is still higher and should closely monitor service costs in the following areas:

- Staff salaries;
- Benefits;
- Transportation; and
- Facility maintenance.

Higher costs at Wildey School may be attributable to several factors. For instance, the building contains a therapy pool used by students and other clients for physical therapy. Pools require significant maintenance which can be costly. Other possible factors may include high staffing costs, high transportation costs, or care costs for particularly high needs children. The Wildey School also has a number of very experienced staff with long tenures. This increases staffing costs in a school and may be a contributing factor to the higher costs for school age services at Clermont MRDD.

Other options for providing school age services exist for Clermont MRDD. ORC §5126.04(D) does not require MRDD Boards to provide services for children between the ages of 6 and 21. This is the responsibility of the local school district. Currently, all excess costs to Clermont MRDD are paid by the students' home districts. However, if future district budget constraints limit these reimbursements, Clermont MRDD should seek alternatives to providing school age services at Wildey School.

Warren MRDD provides the same services for school age children as Clermont MRDD. It employs teachers, nurses, and aides, and provides transportation to all eligible students. However, Warren MRDD does not operate a separate school building. Instead, children are taught in nine classrooms throughout the eight local school districts. Warren MRDD began transitioning to this system in 1982 when the Board determined it would require a new school building. Currently, children remain in the MRDD classroom either part or all of the day, depending on the level of inclusion into mainstream classrooms. Warren MRDD staff indicate that this system provides children with the least restrictive and most inclusive environment in which to grow. Should Clermont MRDD choose this option of service delivery, the need for the Wildey School building would be eliminated, as well as the costs associated with operating the building. However, because Wildey School houses a therapy pool used by a large number of clients, Clermont MRDD could move some of its programs to the school building and thereby discontinue use of other facilities.

Based on the trend toward moving school age services into the local school district, Clermont MRDD may want to consider adopting a different option for serving the needs of its school age MRDD population. These options, such as the model Warren MRDD uses, may provide for more efficient delivery of services at Clermont MRDD. The Wildey School also serves other needs for Clermont MRDD such as the therapy pool used by both students and other individuals. Furthermore, the Early Intervention and part of the senior program are also housed in the building.

Any decisions regarding the provision of school age services and the Wildey School should be made with the various uses in mind. Clermont MRDD should implement a task force to study the issue of changing school age service delivery. The task force should be responsible for garnering community input through open forums and meetings and working with the local school districts to inform them of legal responsibilities. In addition, the task force can assist in assessing buildings for meeting student needs, working with parents of students to ensure smooth transitions, and implementing any decisions reached.

**R4.10 Clermont MRDD adult services should seek to minimize the waiting list for services. While Clermont MRDD has formal plans to take individuals off of waiting lists, the**

**adult services staff should seek additional ways of removing individuals from waiting lists which are not dependent upon funding.**

**Table 4-8** shows the number of individuals served by the different programs during FY 2002.

**Table 4-8: Individuals Served by Adult and Children's Service in FY 2002**

	Clermont MRDD	Clark MRDD	Union MRDD	Warren MRDD	Peer Average
<b>Early Intervention</b>	188	268	30	167	<b>155</b>
<b>School Age Services</b>	68	0	0	64	<b>21</b>
<b>Adult Services</b>	333	571	64	366	<b>334</b>
<b>Total Individuals Served</b>	589	839	94	597	<b>510</b>
<b>Individuals Served per FTE<sup>1</sup></b>	<b>4.30</b>	<b>5.67</b>	<b>3.13</b>	<b>3.57</b>	<b>4.43</b>

Source: Clermont MRDD and peer MRDDs

<sup>1</sup> The individuals served per FTE calculation was determined using the FTEs identified in **Table 4-5**.

Clermont MRDD served slightly fewer individuals per FTE than the peer average. Clermont MRDD is, again, higher than Union MRDD and Warren MRDD and lower than Clark MRDD. However, Clermont MRDD's service levels appear generally comparable to the peer Boards.

Clermont MRDD adult services currently has a waiting list for all programs including the sheltered workshop, enclaves and work crews; employment services; senior programs; and recreational programs. Waiting lists resulted from local funding reductions. Once eligibility is determined during the intake process, if the individual indicates a desire to receive adult services, a referral form is completed and forwarded to adult services. The services referral comes to the adult services secretary who mails out an enrollment packet within 48 hours. As soon as the packet is completed and returned, the individual is placed on the waiting list for the service of choice.

Each month, the director of adult services receives a report detailing the waiting list as well as break-outs for the sheltered workshop, individual budgets, senior services, and employment services. Individuals can remain on the waiting list for up to three years in some cases. Essentially, because program enrollment is frozen, someone has to leave a program in order to someone on the wait list to be admitted. Efforts are made by the adult services staff to open space in the programs by moving individuals into other programs when possible and when the individual chooses to do so. However, this approach produces only limited space in the programs, as it is still dependent on creating vacancies in the other areas and individual choice.

Neither Warren MRDD nor Union MRDD had waiting lists for their adult service programs. Only Clark MRDD reported a waiting list for adult services, but did not have

information available on average wait times. The steps taken at Clark MRDD to address waiting list issues were similar to those taken at Clermont MRDD. This included assessing capacity information on a regular basis to identify any openings and working to open space whenever possible.

Clermont MRDD has stated that it cannot create new spaces in any of its adult services programs because of the limited funds available. This severely limits Clermont MRDD's ability to serve individuals in accordance with ODMRDD regulations, which require it provide persons with developmental disabilities the full range of supports and services needed to be participating members of their communities. Furthermore, Clermont MRDD, like other MRDDs in the state, will experience a growing base of adult clients in the next decade as a result of shrinking home resources provided by aging parents. Adult services staff develop a formal plan to maximize services. Several recommendations in this performance audit indicate methods to redirect costs to direct client services. Clermont MRDD should evaluate these recommendations and use the available resources to increase program participation levels and reduce or eliminate waiting lists. This will allow Clermont MRDD to serve clients in the areas most desired, and thereby, best fulfill its mandate from ORMRDD.

**R4.11 All program areas at Clermont MRDD should institute and track measurable, outcome based goals. Staff in the EI and school age services programs should work with adult services staff to develop strategic long term goals specific to the respective program areas. In addition, Clermont MRDD should consider pursuing Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation for the EI and school age service areas as well as adult services. Once outcome based goals have been established for all programs, Clermont MRDD should ensure progress toward their achievement.**

Currently, all program areas at Clermont MRDD participate in long-term planning (for five years), but at different levels. The EI and school age service program both have long-term goals included in the Clermont MRDD long-term plan. However, these goals are limited and general in nature. The adult services program includes several specific and measurable goals as part of the long term plan. The adult services FY 2003 goals include the following:

- Place 30 individuals into Supported Employment in the community;
- Develop five new enclaves/mobile work crews;
- Partner the Retirement Program with the Early Intervention Program to provide senior adults with the opportunity to volunteer with infants in the EI program;
- Expand services for senior citizens; and
- Evaluate expansion services for Clerco Café.

Adult service goals were developed for the CARF accreditation process which requires the development and measurement of specific program goals. Clermont MRDD's adult program results are published in the annual *Outcomes Management Report* prepared by Director of Adult Services. The report details statistics and information including the following.

- Fifty-eight percent of clients increased their wages in FY 2002. The goal was 90 percent.
- Twenty-nine percent of clients left the workshops for work crews. The goal was 50 percent.
- Seventy-one percent of clients who transferred from workshops to work crews increased their wages.
- The average wage of clients working in the community was \$6.73 per hour. The goal was \$7.00 per hour.
- The number of days on the waiting list was about 635, and the goal was 90 days.
- Twenty-four eligible individuals were referred to community employment from the workshop.

The Outcome Management Report represents a significant effort on the part of adult services to determine how the programs are operating and whether they are meeting the needs and expectations of clients. By setting and measuring specific goals, adult service staff is better able to see where efforts should be concentrated in order to improve both the efficiency and effectiveness of services for adults in Clermont County.

The Bureau of Early Intervention in the Illinois Department of Human Services has created an Early Intervention Strategic Plan which includes the following outcome measurements.

- Reduce the average age of all children with active service plans
  - To measure a goal to reach infants and toddlers earlier;
- Increase the percentage of children whose services are delivered predominantly in natural settings, such as the home
  - To measure a goal to have at least 90 percent of services delivered in natural settings;
- Reduce the number of families who have overpaid relative to services received
  - To measure a goal stating the family fee system will minimize overpayments; and
- Reduce the average number of days between referral and initial service plan development
  - To measure a goal to start services for infants and toddlers earlier.

These measurements represent examples of the types of things Clermont MRDD could use to measure EI services. By implementing this type of measurement system in both the Early Intervention and school age programs, Clermont MRDD will have better information on which to base funding decisions, prioritize service delivery, determine staffing levels, and request additional funds in the future. CARF accreditation for Clermont MRDD Early Intervention and school age service programs would provide the organization with a uniform platform and method for developing outcome based goals. Furthermore, CARF accreditation could help Clermont MRDD achieve longer certification time frames from ODMRDD.

Once outcome based goals have been established for all programs, Clermont MRDD should ensure progress toward their achievements. Based on the stated goals and achievement levels for adult services, Clermont MRDD has opportunities to improve services in the targeted areas. Using the information contained in this performance audit, as well as internal programs and studies, Clermont MRDD should concentrate resources to meet its stated service level goals.

## Financial Implications Summary

The following table represents a summary of annual cost savings. For the purposes of this table, only recommendations with quantifiable impacts are listed.

### Summary of Financial Implications for Client Services and Case Management

<b>Recommendation</b>	<b>Annual Cost Savings</b>
<b>R4.2</b> Redirecting the investigative agent position to Clinton County.	\$33,275
<b>Total</b>	<b>\$33,275</b>



# State and Federal Compliance

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## Background

The state and federal compliance section reviews the Clermont County Board of Mental Retardation and Developmental Disabilities' (Clermont MRDD) operational structure and how it maintains compliance with applicable state and federal statutes. The objective is to analyze Clermont MRDD's compliance with applicable state and federal statutes and to develop recommendations for improvement, if necessary. The following agencies provide accreditation and compliance reviews on behalf of the state and federal governments: Ohio Department of Education (ODE), Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD), Ohio Department of Health (ODH), and the Ohio Department of Job and Family Services (ODJFS).

In conducting this performance audit, results of prior compliance and board accreditation reviews were analyzed. Interviews were conducted and documentation reviewed to verify that previous corrective action steps were implemented. The assessments of state and federal compliance were conducted based upon the reports prepared by the oversight agencies. The results of the reviews indicate that Clermont MRDD is operating in accordance with applicable rules and regulations. The auditors also examined its follow-up procedures. Although recommended changes were made, it was noted Clermont MRDD does not have a systematic way to follow-up on and review state and federal compliance issues (see **R5.1**).

The overall state and federal compliance review of Clermont MRDD found no major issues or concerns. All non-compliance issues were minor in nature and Clermont MRDD has taken the necessary steps by implementing corrective action plans in all instances to come into compliance. Clermont MRDD is reviewed by several external governing bodies on a cyclical basis to ensure compliance with state and federal statutes. The results of these reviews indicate that Clermont MRDD is operating in accordance with applicable rules and regulations.

### *Federal Laws*

The services provided by Clermont MRDD are governed by the following federal statutes:

- Individuals with Disabilities Education Act of 1997 (IDEA): 34 Code of Federal Regulations (CFR) Parts 300 and 303;
- Medicaid: United States Code (USC) §1396-1396v, subchapter XIX, chapter 7, Title 42;
- Health Insurance Portability and Accountability Act of 1996 (HIPAA): Public Law (PL) 104-191;

- Family Educational Rights and Privacy Act (FERPA): 20 USC § 1232g; 34 CFR Part 99; and
- Assistance to States for the Education of Children with Disabilities: 34 CFR Part 300.

Each of the statutes is monitored by a state governing body which assures compliance with the applicable laws and regulations. At the time of this performance audit, no major compliance issues with any of the federal mandates were identified.

Clermont MRDD is a certified habilitation center provider and is eligible to seek reimbursement through the Community Alternative Funding System (CAFS). The Ohio Department of Job and Family Services (ODJFS) is responsible for performing Medicaid desk audits of MRDDs. ODJFS stated that Clermont MRDD's last Medicaid desk audit was in 1995. AOS was not able to review the findings of the ODJFS audit because records were not available from the auditing agency. **Appendix A** (ADM 6) shows that during its last accreditation review, Clermont MRDD had minor non-compliance findings with its CAFS documentation. However, Clermont MRDD has implemented corrective action plans to address those findings.

### *State Laws*

Ohio Revised Code (ORC) chapter 3323 and ORC chapter 5126 provide the guidelines for county boards to administer and operate facilities, programs, and services to those in need. Clermont MRDD is accredited by ODMRDD and ODE and participates in accreditation reviews from each of these state agencies. Lastly, the Ohio Department of Health (ODH) is responsible for ensuring compliance with the rules of the Help Me Grow Program which are governed by the federal code and public law (P.L. 105-17, Title 34 CFR Part 300).

### **ODMRDD**

ODMRDD evaluates MRDDs in the following areas during accreditation: health, safety, and welfare; administration, service planning and delivery; and rights (consumer). During the last on-site compliance review conducted August 6-9, 2001, Clermont MRDD was accredited for a two-year period. **Appendix A** displays a summary of the ODMRDD Final Accreditation report and the corrective action steps taken to address any findings.

The Final Accreditation Report from ODMRDD also gave Clermont MRDD commendations for the following.

- **Intensive Training Program** - "Program has provided the individuals in that program with effective and positive training methods."
- **Collaborative work with the local Early Head Start Program** - "The WISHES Program is indeed an exemplary program, meeting the needs of the underserved."

- **Establishment of Habilitative Services to Infants and Toddlers Who Are Hearing Impaired/Deaf** - “The county board has displayed initiative in being the only county board in Ohio to apply for and secure funding through an Ohio Department of Health grant.”
- **Early Childhood Conference** - “This event definitely manifests the county board’s desire to encourage community education, and to work collaboratively with other providers who serve children.”
- **2001 Individual Assessment Survey** - “The county board is commended for its plan to secure a specific number of survey responses via main and follow-up calls from county board personnel.”
- **2000 Individual Satisfaction Survey** - “The county board is commended for its collaborative efforts with Anderson Consulting Firm last year who offered volunteers to assist individuals of county board services in completed the 2000 Individual Satisfaction Survey.”

### ODE

ODE ensures compliance with the following State education requirements:

- ORC §3323.01, Education of Handicapped Children;
- Ohio Administrative Code (OAC) §3301-35, Standards for Kindergarten Through Twelfth Grade;
- OAC §3301-51, Operating Standards for Ohio’s Schools Serving Children with Disabilities Ages 3-21;
- OAC §3301-52, Screening & Assessment Information;
- OAC §3301-53, Special Education Programs for the Mentally Retarded;
- OAC §3301-54, Payment for Contracted Special Education Units; and
- OAC §3301-55, Special Education Programs for State Institutions.

Schools operated by MRDDs must meet all the same standards as any public school plus additional requirements for the education of handicapped children. ODE staff conducts on-site School Improvement Review (SIR) visits at each district on a seven-year cycle. The last SIR completed on the Clermont MRDD school program was in January, 2001. Results of Clermont MRDD’s 2001 SIR along with corrective actions steps taken to address findings are shown in **Appendix B**. ODE’s follow-up, dated August 3, 2001, indicated that the plan of action was accepted.

The SIR noted teacher documentation and discussion indicated that the teachers at the Thomas A. Wildey School have an ongoing dialogue with the parents/family members of its students. The report noted that “there was almost daily communication with parents through teacher notes, student progress notes, student daily work, etc. It is refreshing to see some of the creative ways that teachers and staff use to ensure that relevant information is disseminated.”

**ODH**

ODH conducted a compliance review of Clermont MRDD's Help Me Grow Program in April, 2003. The Help Me Grow Program is an early intervention program that ensures that "newborns, infants, and toddlers in Clermont County have the best possible start in life." While there were some minor instances of non-compliance that centered on inconsistent or missing documentation in client records, ODH was impressed with Clermont MRDD's program and overall performance. Clermont MRDD indicated that immediate steps would be taken to address the instances of non-compliance.

During the review, a member of the ODH review team stated, "You have a remarkable system here at Clermont MRDD." The ODH review team stated that Clermont MRDD "excelled" in its service coordination, were "excellent" in its child find and public awareness efforts, and overall had "very good" assessments. ODH also stated that it was very pleased that Clermont MRDD had established "good relationships across agencies" and that the families Clermont MRDD served were "very pleased with the services" it was receiving.

*Board of Directors*

ORC §5126.02 mandates the establishment of a Board of Mental Retardation and Developmental Disabilities in each county. The Board is composed of seven members, all who must be residents of the county. Five of the members are appointed by the Board of County Commissioners and two are appointed by the County Probate Judge. Of the members appointed by the Board of County Commissioners, at least two shall be relatives of persons eligible for services provided by the county board of mental retardation and developmental disabilities, and, whenever possible, one shall be a relative of a person eligible for adult services, and the other shall be a relative of a person eligible for early intervention services or services for pre-school or school-age children.

Of the two members appointed by the Probate Judge, at least one shall be a relative of a person eligible for residential services or supported living. In addition, members must be interested and knowledgeable in the area of mental retardation and other allied fields. All appointments must be for a term of four years and members may serve for a maximum of three consecutive terms. The powers and duties of the Board are specifically set forth in ORC chapter 5126.

As part of the ODMRDD accreditation review (see **Appendix A**), Clermont MRDD Board's compliance with applicable ORC rules and regulations was reviewed. ODMRDD found the Clermont MRDD Board of Directors to be in compliance with all rules and regulations set forth in the ORC. As part of this audit, the Auditor of State also did a review of the Board minutes and documentation and found that the Clermont MRDD Board was carrying out its mandated responsibilities.

### *Superintendent*

The superintendent is responsible for the day-to-day administration of services and operations of the Board. ORC §5126.05 requires that the County Board of Mental Retardation employ a qualified superintendent who shall serve under contract with the Board for not less than one year nor more than five years. The County Board must also prescribe performance standards for, and reimburse the superintendent for actual and necessary expenses. ORC §5126.023 specifies the responsibilities of the Superintendent of the County Board of Mental Retardation and Developmental Disabilities. No issues of noncompliance with these requirements were identified at the time of this performance audit.

### *Areas Assessed But Not Yielding Recommendations*

The following assessments were conducted but did not warrant changes or yield any recommendations:

- **Compliance with state and federal rules and regulations:** No significant areas of non-compliance were identified during this audit. Clermont MRDD has undergone past compliance reviews and submitted an acceptable plan of correction for all identified findings.

## Recommendations

**R5.1 Clermont MRDD should establish an internal quality assurance review committee (QARC) to assist management in monitoring the design and proper functioning of internal control policies and procedures. The QARC should serve in an internal audit capacity for regulatory compliance. This committee should review Clermont MRDD's compliance procedures, documentation, and readiness for upcoming accreditation reviews. The internal review team should be comprised of the Clermont MRDD superintendent, department heads, and other individuals responsible for quality assurance and compliance matters at Clermont MRDD. It should review compliance on an ongoing basis and report progress to the Clermont MRDD Board. Finally the QARC should ensure follow-up and implementation of any recommendations made by reviewing parties. All corrective actions should be fully documented and retained for future reviewers.**

The Administrative Operations Department is responsible for all non-direct service aspects of Clermont MRDD's operations. As a component of its responsibilities, the department is responsible for overseeing compliance with state and federal regulations pertaining to the operations of Clermont MRDD. It monitors compliance with statutes contained in the ORC, OAC, CFR, USC, and Public Law to assure the health, safety, and human rights of individuals served by Clermont MRDD. The department also coordinates the Clermont MRDD Board of Director meetings and ensures that the Board of Directors is following all guidelines established in the ORC.

The Quality and Compliance Department (QCD) is responsible for monitoring all Medicaid-funded services. The QCD conducts comprehensive quality assurance reviews to evaluate service provision and provider compliance for services delivered to consumers through the Residential Facility Waiver, Individual Options Waiver, and Supported Living Program. It is also responsible for coordinating all billing documentation submitted by Clermont MRDD for federal reimbursement.

Compliance issues are monitored and managed by the director of administrative operations. Although centralized responsibility is desirable, the scope and complexity of Clermont MRDD's operations would benefit from additional manpower to ensure compliance. The limited emphasis on compliance causes Clermont MRDD to respond reactively, rather than addressing potential compliance issues in a proactive manner. For example, during its last ODMRDD accreditation review, Clermont MRDD received a two-year accreditation out of a possible five-year accreditation period. Clermont MRDD achieved only a two-year accreditation as it met the requirements for health and safety rules; however, based upon information provide by Clermont MRDD, it only achieved partial compliance in the other domains reviewed. The short accreditation term is evidence that an internal review committee is needed and would help solve compliance

issues before identification during an external review. With the adoption of an internal audit function, the Clermont MRDD could spend less time preparing for compliance reviews and having to implement corrective action plans. Internal auditing would find and correct matters on an ongoing basis through conducting reviews of policies and procedures, documentation of services, service delivery, staff credentials, and training. These reviews would identify areas of noncompliance and initiate a plan of action to address the issue. By conducting these reviews in continuous and systematic manner, Clermont MRDD would become more proactive in assuring continual compliance with the various rules and regulations under which it operates.

According to the Institute of Internal Auditors, an internal quality assurance review is an “independent, objective, assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the agency’s internal controls and processes.” It would also provide the additional support and oversight needed for an agency of this complexity without having to hire additional personnel. The committee could provide the following additional support and oversight to Clermont MRDD:

- Plan the scope of internal audits;
- Review the results of internal audits and provide necessary feedback;
- Prepare for external audits and accreditation reviews;
- Review the results of the external audit activity, provide necessary feedback, and institute corrective action plans;
- Assess adequacy of management and staff responses to issues identified by audit activity; and
- Recommend changes to Clermont MRDD policies and procedures to incorporate necessary changes that need to be made as a result of findings from internal or external audits to bring Clermont MRDD into compliance with all applicable rules and regulations.

The internal review committee should not institute corrective action plans. This should be a function of the department or office which has been audited by the internal review committee. The internal review committee would provide a mechanism to improve the overall compliance of the organization with all applicable rules and regulations. This would be one step toward ensuring Clermont MRDD achieves a full five-year

accreditation from ODMRDD. This would decrease the resources used preparing for site visits and developing corrective action plans. Achievement of the full five-year accreditation would provide greater assurance to the Board of Clermont MRDD that operations within the organization are in full compliance with ODMRDD regulatory requirements and would allow for staff resources to be redirected into client care.

**R5.2 Clermont MRDD should establish an agency-wide quality improvement (QI) process to achieve consistent compliance with all applicable rules and regulations, and obtain additional internally set goals for quality of care and performance levels. This process should incorporate the internal review recommended in R5.1 and build on that process to enhance the quality of services provided by the organization. The QARC would become one committee within a larger QI process and the work of this committee would be incorporated with QI initiatives.**

Clermont MRDD does not have a formal QI process focused on both compliance and quality of care across the entire organization. While Clermont MRDD was able to demonstrate compliance resolutions to its corrective action plans, the follow-up and monitoring was dispersed between various departments at Clermont MRDD. The director of operations and administration and the various department directors monitor compliance, but there is no systematic and continuous process to ensure that compliance issues are fully addressed or that process improvement is occurring. The implementation of a formal QI process will assist Clermont MRDD in formalizing follow-up and monitoring compliance issues throughout its entire operations.

Within Clermont MRDD, QCD conducts comprehensive quality assurance reviews to evaluate the service provision and provider compliance for services delivered to consumers through the Residential Facility Waiver, Individual Options Waiver or Supported Living Program. The quality assurance reviews include personal interviews with consumers to highlight levels of satisfaction and to identify areas that merit improvement. Additionally, QCD maintains the pool of providers for these services. This includes verifying provider certification and contract requirements, conducting provider evaluations, and facilitating training opportunities. Areas reviewed as part of the quality and compliance review include: documentation, compliance, and interviews with clients, guardians, service providers, the service coordinator, and program managers. The areas addressed through the different interviews include the following:

- Individual service plan;
- Choices;
- Personal income;
- Community inclusion;
- Relationships;
- Happiness and satisfaction;



- Home environment;
- Rights;
- Service coordination; and
- Health and safety.

In addition, areas of the person's environment are reviewed including: food/menu, individual area, clothing, recreation, and medical care. The result of the entire review is summarized along with any needed follow-up plan, positive highlights, areas of inconsistency, and any licensure violation. Although QCD conducts quality assurance reviews, these reviews are focused on services provided within the Medicaid waiver programs. This department does not provide a quality improvement program that addresses compliance and quality of care issues throughout the agency.

ODMRDD provides guidelines for quality improvement that outline the basic steps for establishing a quality improvement (QI) process. According to the ODMRDD report, QI is a systematic, ongoing process of data collection and analysis. One objective of the process is to correct any systemic problems that arise as a result of identified internal QI measures and to monitor the effectiveness of services provided. ODMRDD has also published a handbook on best practices that highlights the importance of a QI system. Compliance with best practice standards is one step toward achieving a full five-year accreditation.

A QI process is developed through clear and concise administration by a committee of representing all functional areas. Steps to developing an internal QI process include the following:

- Designate committee membership to develop the QI program and establish policies and procedures; and
- Establish a framework for quality improvement using the quality improvement loop. Ask the following questions:
  - How will information be gathered? By what format?
  - What are the sources for the data?
  - Who will gather data?
  - How often will data be collected?
  - Who will analyze data?
  - How often will data be analyzed?
  - What type of action plan will be established to correct areas of concern?

The goal of the QI committee is to develop a system to track trends of quality in relation to established parameters. The policy on quality improvement must be specific in

establishing a person responsible for completion of timely corrective follow-up in response to identified areas of weakness.

After data is collected and areas of non-compliance are identified, a plan of correction with specific responsibility and timelines should be established. The QI process should be continuous in that once corrections have been made and issues resolved, further monitoring and evaluation needs to occur to assess changes. Within the QI process several core principles are established. These principles include the following.

- **Specificity of outcome measurement:** This concept is necessary in precise measurement and in developing quality within the Clermont MRDD mission.
- **Timelines:** This keeps the focus on continuously striving to improve processes and outcomes.
- **Responsibility and ownership:** It should be the responsibility of every Clermont MRDD employee to ensure that quality exists within the services provided. It is necessary that every employee be invested in the quality improvement loop so that ownership of change can occur and include of ideas can be shared among the staff.
- **Follow-up and change:** If a problem is noted, problem-solving should occur immediately to address the issue. If follow-up is needed, it is important the responsible staff person complete the follow-up in a timely manner so that the loop continues to move.

Examples of specific areas for QI reviews include: health and safety, administration, service documentation, staff development, restraint usage, integration of services, and behavior practices. Additional guidance on specific reviews applicable to a QI review can be found in OAC §5122-28-03. This rule was developed by the Ohio Department of Mental Health and notes minimum components for a QI plan that can be used as a template by Clermont MRDD. The following are suggested areas of review that could be incorporated into the Clermont MRDD QI review process.

- Clermont MRDD should review all service documentation to determine if the information is pertinent, appropriate and legible and entered into client records in a timely manner. The record review should assure that assessment, treatment, and termination of services are coordinated in a comprehensive and congruent manner. In addition, the review should include Medicaid billing compliance when applicable. Given the importance on this source of revenue for Clermont MRDD, it is imperative that it take proactive steps to ensure full compliance with the Medicaid regulations.

- Important aspects of care should be identified with input from professional staff and may be selected from services including those of high volume, and those known to be problematic.
- All new admissions and those deemed ineligible should be reviewed to determine if admission criteria were appropriately applied.
- Trends and patterns of service use should be reviewed and monitored, highlighting gaps in the service delivery system.
- Ongoing monitoring of client waiting lists should be conducted to determine service needs and potential barriers.
- Peer review should assess the clinical performance of each staff member providing direct care. The results of this assessment can be used for staff performance reviews.
- The implementation and achievement of best practices in line with those recommended by ODMRDD.

Implementation of the internal QI process will expand on the efforts of the QARC (see **R5.1**) and move Clermont MRDD to an organization-wide focus on continuously improving processes and services to assure regulatory compliance. In addition, it will improve on the processes to delivery quality services in a manner that utilizes resources efficiently. This process can be instrumental in securing additional CARF accreditation and in implementing best practice standards within the agency. Both are steps toward achieving a full five-year accreditation and are a natural extension of Clermont MRDD's past efforts to provide quality care. Clermont MRDD should use the ODMRDD guidelines and Ohio Department of Mental Health recommendations to implement an internal agency-wide QI process.

**R5.3 Clermont MRDD should seek the Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation or other appropriate external accreditation for all services specified by ODMRDD that are not currently accredited. Clermont MRDD should also implement best practices and adopt performance measurement criteria for each of its programs so that it can determine outcomes. The implementation of best practices and the use of performance measurement will elevate Clermont MRDD above the minimum federal and state mandates.**

**Initially, Clermont MRDD should include its EI program in CARF accreditation activities. Although Clermont MRDD's EI program is governed by federal and**

**state mandates, other activities such as CARF accreditation and best practices could enhance the provision of in a more efficient and effective manner.**

Currently, Clermont MRDD's only CARF accredited program is the adult services program. During its last ODMRDD review, Clermont MRDD only received a two-year accreditation. Seeking external accreditation in other areas would help it extend its accreditation period. In order to receive a five-year accreditation, ODMRDD states "a county board shall be granted a fifth year (one year in addition to the four years with a minimum compliance review) of accreditation when the Department determines" there was a successful implementation of the best practices, or the county board has maintained either accreditation from the CARF or The Council for no less than a three-year period prior to the accreditation onsite review in the following designated areas:

- **CARF:** Child and Youth Services, Personal and Social Services, Community Living Services, Employment Services, and Community Services Coordination; and
- **The Accreditation Council:** Personal Outcomes Measures (POM) 2000 or future revisions, POM for Families with Young Children (0-3), POM for Service Coordination, POM for Children and Youth, and POM in Consumer Directed Behavioral Health.

The following are the seven categories with best practices that ODMRDD requires a Board to meet in order to receive a full five-year accreditation (if it pursues this option rather than CARF or The Council accreditation):

- Organizational administration;
- Health and wellness;
- Education;
- Community living;
- Employment opportunities;
- Universal accessibility; and
- Family supports.

If Clermont MRDD does not maintain its CARF accreditation or implement ODMRDD's seven best practice standards, then it will not be able to receive the five-year accreditation. While achievement of CARF accreditation for adult services is a positive step, Clermont MRDD should continue this effort and seek CARF accreditation for other services. Warren MRDD has achieved CARF accreditation for its EI services under the category of child and youth services. Applying best practices, obtaining the specified accreditation, and gathering performance measures will enhance Clermont MRDD's efficiency and effectiveness. In addition, consumers and families will receive high

quality services and, Clermont MRDD will be able to improve processes to maximize resources, and provide data to demonstrate the impact of services to the community and its stakeholders.

For examples of best practices and performance measurement criteria, Clermont MRDD should refer to ODMRDD's publication *Best Practices Handbook: Promoting and Advancing the Quality of Life*. The National Center on Outcomes Resources (NCOR) and The Council on Quality and Leadership are additional resources that provide guidance and information related to best practices and performance (outcome) measurement. The Council on Quality and Leadership assists in designing and implementing methodologies for the measurement of quality in organizations that provide services to people with disabilities. Methods include accreditation, organization assessment, consultation and technical assistance, third-party evaluation, and research studies.

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# Technology

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## Background

This section of the performance audit focuses on the technology activities at Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD). It provides assessments of different technology areas in the agency including planning and oversight; staffing and organization; hardware and networking; and software integration. In the process of conducting these assessments, auditors also surveyed staff on their perception of Clermont MRDD's technology issues. Some comparisons were also made to peer MRDDs which are similar in size or function to Clermont MRDD.

Clermont MRDD does not have an information technology (IT) department; rather, Clermont MRDD uses two outside vendors for its IT support needs. IDDC Incorporated (IDDC) provides primary IT support including, but not limited to, maintaining and repairing computer hardware; software consulting; performing daily backups; monitoring hardware supplies and consulting on hardware needs; troubleshooting technical problems; and updating Clermont MRDD's website. Computer Systems Management, Inc. (CSM) provides services and supplies including computers, printers, keyboards, computer projectors, and other miscellaneous technology related supplies. CSM also houses Clermont MRDD's website.

Clermont MRDD has begun working with the Clermont County's (County) information technology department, the Office of Technology, Communications and Security (OTCS). However, participation in OTCS initiatives is limited and the MRDD is not part of the County network. Current technology at Clermont MRDD is antiquated—software is outdated and necessary hardware upgrades have been neglected as Clermont MRDD does not have a strong technology focus.

### *Assessments Not Yielding Recommendations*

Assessments of the following areas were conducted but did not yield any recommendations.

- **Information Archiving:** Clermont MRDD currently keeps seven days worth of backup files. These file back-ups are stored on a hard drive because of the memory required to store the data.
- **Security:** Clermont MRDD maintains appropriate firewalls to ensure the security of agency data. In addition, computer users do not go through the server to access the Internet. Therefore, if the agency's server goes down, it can still use the Internet.

- **Technology Use Policies:** Clermont MRDD has a technology use policy that contains elements recommended by GFOA best practices. Through implementation of this formal technology policy, which includes employee rights and responsibilities, Clermont MRDD minimizes the risk of abuse and ensures the appropriate use of equipment.
- **License Agreements:** Clermont MRDD's software licenses are maintained by the agency itself.
- **Telephone System:** Clermont MRDD's telephone system is adequate to meet its needs.



## Recommendations

### *Staffing and Organization*

**R6.1** Clermont MRDD should request permission from the Clermont County Board of Commissioners to connect to the County's computer network through the County's technology department. If Clermont MRDD uses the County network, it will no longer have to maintain its own network or use the services of outside vendors to serve as network administrators. Also, using the County system will benefit Clermont MRDD and the County as the County moves to implement an enterprise resource planning (ERP) system to streamline financial and human resource functions.

The director of community relations and information at Clermont MRDD recently assumed the additional responsibility to act as a technology liaison with IDDC. Clermont MRDD staff report computer complaints to the director, who in turn compiles and e-mails a work order list each morning (or as needed) to IDDC.

Although the vendors have provided services to Clermont MRDD for several years, neither has a written contract. The CEO of IDDC indicated a preference to work for clients based on a verbal agreement and trust. According to IDDC, it had a one-year written contract with Clermont MRDD around 1997. However, this contract has not been renewed or renegotiated since its expiration.

Clermont MRDD pays \$75 each month to CSM Inc. to host the website with 50 e-mail accounts. These payments do not include expenditures for supplies purchased through CSM. However, a review of practices at the peer MRDDs found that those similar in size to Clermont MRDD use the respective county government information technology departments for such support.

Convergent Computing, an internationally recognized consulting, technical services, and IT staffing organization, notes that as an organization grows and increases use of technology, it tends to add more servers to its network to serve the needs of specific departments or satisfy the performance demands of the growing organization. The County has already invested resources to develop a single server that can host a significantly larger base of users. By connecting to the County's network, Clermont MRDD can consolidate or "right-size" server allocation and can lower the overall cost of its operations. This allows for a more efficient use of resources. Benefits to Clermont MRDD include increased storage, improved security, and decreased costs for network administration and maintenance.

Clermont County's technology department is willing to work with Clermont MRDD, and has the capability to provide all of its network needs. To initiate the process of becoming an online agency with the County, Clermont MRDD must send a letter of request to the Clermont County Board of Commissioners. The timeline for Clermont MRDD's connection to the County network should be approximately 60 days with the exception of linking to the County's new Enterprise Resource Processing (ERP) system. The lead time for connecting to the ERP system, which will impact human resource and fiscal operations, is approximately 18 months. Using the County system would benefit the MRDD in the following areas:

- Hosting its website and other related Internet services will be provided at no cost;
- Availability of the Structured Query Language (SQL) database in use at the County;
- Use of the same vendor as the County and participation in wholesale purchases to save cost;
- Availability of GroupWise for internal and external e-mail and scheduling;
- Hosting of Clermont MRDD website at no additional cost;
- Providing additional back-up to Clermont MRDD's IT coordinator from the OTCS support staff at no additional cost (see **R6.2**);
- Realizing potential cost-savings if the Clermont MRDD elects also to connect to the County's telephone system; and
- Additional expertise for consultation to address technology related issues at Clermont MRDD.

Connection to the County system will also help to streamline IT functions at Clermont MRDD and allow it to operate more efficiently. Both Clermont MRDD and the County have T-1 and fiber optic network connections which should simplify connecting Clermont MRDD to the County network system with minimum costs. Similarly, both use Microsoft Office Suite which should make conversion relatively easier.

*Financial Implication:* Using the County technology department will alleviate the need for Clermont MRDD to contract with an outside vendor to house its website. This will result in a savings of \$900 annually. The savings in improved services and coordination could not be quantified.

**R6.2** Clermont MRDD should hire a full-time IT coordinator to provide technology support and oversight functions. The individual should have a working knowledge of hardware and software maintenance and helpdesk experience. With the hiring of the IT coordinator, Clermont MRDD would no longer need the services of an outside vendor. This would result in an annual savings of approximately \$5,000 and significantly increase the number of hours of on-site support to better meet the technology needs of Clermont MRDD.

Currently, the director of community relations and information serves as the only technology staff at Clermont MRDD. However, the director only spends approximately 30 percent of the day completing technology-related functions. All technology support for staff, data security, inventory control, and hardware maintenance is provided by IDDC. Both a survey conducted by Clermont MRDD and that of AOS indicated that most staff of Clermont MRDD would prefer to hire a full-time IT support position to serve the needs of Clermont MRDD.

IDDC charges Clermont MRDD \$75 per hour for technology services and \$95 per hour for programming services. Charges vary depending on the number of hours of services provided during a particular month. Clermont MRDD's average annual payment to IDDC for its technology support services over the past three years was \$64,000. The average number of hours of service provided during this same period was 72 hours per month. During 2002, Clermont MRDD received an average of 61 hours per month of service and paid an average of \$4,500 per month for the services received.

The Information Systems Audit and Control Association (ISACA) has partnered with the IT Governance Institute to issue *Control Objectives for Information and Related Technology* (COBIT), a set of management and auditing guidelines for information technology. COBIT recommends that staffing assessments be performed regularly to ensure the IT function has a sufficient number of competent staff. Staffing requirements should be evaluated at least annually or upon major changes to the business, operational, or IT environment. Evaluation results should be acted upon promptly to ensure adequate staffing now and in the future.

Also, a survey conducted by *Workforce*, a human resources trade magazine, reported the number of employees supported by each IT worker is 1:18 for companies with 500 or fewer employees. This would appear to indicate Clermont MRDD requires a large IT department. However, by connecting to the County's network (see **R6.1**), some of the Clermont MRDD's IT related needs, such as network maintenance, and data security and backup will be met through the County's system. This will allow the Clermont MRDD to invest fewer resources in hiring internal IT staff.

*Infrastructure Outsourcing* (Murrain and Cohen, 2003) notes that as a general rule, if an organization is hiring one IT staff member, "it is best to focus that IT staff member on general user support and training, rather than network administration ...". According to COBIT, IT management should regularly verify personnel performing specific information technology tasks through appropriate education, training, and experience. Management should also encourage personnel to obtain memberships in professional organizations. An IT coordinator could provide the following services to Clermont MRDD:

- Maintain computer and ancillary hardware such as printers and scanners;
- Support software for programs housed only on Clermont MRDD computers;
- Act as a liaison to the County's network services;
- Review technology purchases to ensure consistency with agency standards;
- Troubleshoot technical problems experienced by staff; and
- Provide assistance in technology planning including the identification of new software to meet the Clermont MRDD's needs.

An IT coordinator should understand the operations and objectives of Clermont MRDD. Similarly, the IT coordinator should become familiar with the County's network system to understand how the available resources at the County can be better utilized to assist the agency. The average annual salary of an IT support staff, as reported by the director of Clermont County's IT department, is between \$40,000 and \$50,000.

*Financial Implication:* Based on the average salary and benefits, the cost to Clermont MRDD to hire a full-time IT coordinator would be approximately \$59,000. However, Clermont MRDD would no longer need the services of IDDC. As a result, Clermont MRDD would realize an estimated annual cost savings of \$5,000.

### *Planning and Management*

**R6.3 Clermont MRDD should develop a strategic technology plan that addresses short and long-term technology needs. Technology planning helps identify required resources, establishes timeframes for completion, and identifies responsible parties. Planning, supported by agency management or a technology committee, can reduce costs and improve information technology service delivery. Similarly, technology management helps agencies ensure that information systems are integrated and adequately supported. Clermont MRDD uses limited information technology to support business functions and new integrated software should improve its ability to conduct business with greater efficiency. Any technology plans should be prepared with the assistance of the OTCS.**

The Clermont MRDD short-term Action Plan and Long-Range Plan includes technology related goals. However, the plan does not include all of the recommended elements for a strategic technology plan. Clermont MRDD does not have additional information technology planning documents.

According to COBIT, a strategic technology plan should describe long-term objectives and how technical staff, funding, and resources would help achieve them. Management must fully support the goals and objectives stated within the plan and ensure that adequate funding is provided.

In addition, COBIT recommends the establishment of an annual review and revision process allowing the strategic technology plan to evolve with internal and external changes. The strategic technology plan should be completely revised every three to five years and updated annually to revamp all pertinent information, since technology is a rapidly changing environment. Effective strategic planning establishes sound leadership with a staff focus as well as more effective process management to accomplish the goals outlined in the plan. The following basic steps should be taken to develop the plan:

- Identify and analyze the business environment that the strategic technology plan must support;
- Define the key goals and objectives of Clermont MRDD and establish measurable success factors for those areas;
- Evaluate how existing hardware and software applications support the long-term goals and objectives of Clermont MRDD;
- Research significant industry trends for technology and government;
- Determine what technology is needed to help Clermont MRDD achieve its long-term goals and objectives;
- Identify user requirements for service-related and financial software applications;
- Clarify internal training issues, and establish an internal process for scheduling more in-depth software training for particular staff members;
- Hire an IT coordinator and establish management reporting lines for communication with the director of community relations and information and the superintendent; and
- Develop an implementation plan.

Technology planning can create a computing environment that facilitates more efficient use of staff time. The plan timetable should be realistic in estimating Clermont MRDD's commitment and ability to financially support the implementation of new technologies. A sound methodology will help Clermont MRDD implement high quality applications with less risk and at a lower cost. The plan, along with the budget, should also address the following issues:

- Upgrading and identifying future replacements of computer equipment;
- Identifying its software needs;
- Implementing new technologies;
- Increasing communication with providers and individuals served;
- Providing staff with increased accessibility to computers for the purpose of aiding their job performance ability;
- Working with the County to develop a centralized information and resource system;

- Creating a method to reduce the amount of paper hard copies being circulated; and
- Creating a database to store information needed to monitor and track client services.

Through an improved planning effort, Clermont MRDD will be better able to manage its information technology resources and the implementation of new hardware and software.

### *Hardware and Networking*

**R6.4 Clermont MRDD should replace and upgrade its outdated computer hardware. It should develop a policy that defines minimum hardware specifications to support its goals, and ensure that only appropriate hardware is used. The policy should also be applied to any donated equipment, and should specify the conditions that would entail removal, maintenance, or acceptance of donated equipment. The policy needs to be monitored and updated on an annual basis since technology is fast-changing. Clermont MRDD should also create an inventory of all information technology related items, including software licenses. It should use the minimum specifications and inventory to develop and maintain a formal technology replacement plan for subsequent years.**

Clermont MRDD uses some computer hardware equipment that is outdated and needs to be replaced and/or upgraded for use by Clermont MRDD's staff in performing their duties efficiently. According to Clermont MRDD, its replacement decisions are made during a meeting of the program directors and the superintendent once every six months (or as needed). Approximately 70 percent of Clermont MRDD's computers range in age from three to eight years and have never been upgraded. Consequently, these computers are no longer able to fully perform the functions originally intended. Clermont MRDD operates with one server, 67 desktop computers and 17 laptop computers with docking stations. Clermont MRDD does not maintain an inventory of all technology equipment or its vital information in any form.

Clermont MRDD's schools and staff personnel are currently using slow, out-of-date computers, which causes increased frustration among the staff. According to the survey conducted by AOS, personnel are not satisfied with the technology environment. Clermont MRDD could improve its user satisfaction and reduce the frustration levels by ensuring that all hardware meets minimum specifications for quality and performance.

According to COBIT, IT management should ensure that hardware and software acquisition plans are established and reflect the needs identified in the technology strategic plan. Based on the plan, IT management should define technology norms in order to foster standardization. These standards should be incorporated into the

technology strategic plan to identify equipment for replacement. Assessment tools for evaluating an agency's hardware resources can be found at TechSoup.org's website at [http://www.techsoup.org/sub\\_worksheets.cfm](http://www.techsoup.org/sub_worksheets.cfm). TechSoup.org is one of the nation's oldest and largest nonprofit technology assistance agencies.

Creating and maintaining an inventory would help Clermont MRDD develop a complete picture of its technology holdings. The inventory record could be used to help develop an annual budget for its IT program based upon needed replacements. With this information, the budget can reflect each piece of equipment that needs to be replaced and the estimated replacement cost.

**R6.5 Clermont MRDD should develop and implement a purchasing policy for all technology related purchases that requires approval from the superintendent through the IT coordinator. The policy should place an emphasis on the importance of having the new IT coordinator review and endorse all technology purchases prior to the actual purchase. The purchasing policy should be linked to the minimum specifications (R6.4) to ensure that only appropriate hardware is purchased.**

Clermont MRDD has an informal policy requiring the superintendent to sign off on all purchases affecting information technology, including hardware and software. According to the Director of Community Relations and Information, Clermont MRDD's procedure for purchasing hardware and supplies entails compiling a list when these items run low. This list is given to the superintendent with an explanation of the need for each item.

Clermont MRDD relies on IDDC to keep accurate records of its technology supplies and for notification when new items are needed. IDDC purchases the needed items and submits the invoice for payment. According to the CEO of IDDC, the company obtains competitive pricing on the items purchased. There is no indication that Clermont MRDD has formally reviewed the prices or conducted bid processes to ensure it is receiving the best supplies or services at the lowest cost.

COBIT recommends that management develop and implement a central procurement approach describing a common set of procedures and standards to be followed in the procurement of information technology related software, hardware, and services. Products should be reviewed and tested prior to purchase and payment. Also, COBIT recommends basing selection criteria on the functional specifications for the new or modified system and the identification of mandatory and optional requirements. Procedures should be in place to assess new hardware and software for any impact on the performance of the overall system.

Clermont MRDD management team should be responsible for formulating and implementing a technology purchasing policy, which should be submitted to the Clermont MRDD Board for approval. Based on this policy, management should develop a procedure for purchasing information technology materials with the IT coordinator's endorsement and superintendent's approval. The director of Clermont County's OTCS indicated that the County uses an online bid system to obtain competitive pricing. Clermont MRDD should make use of the County's online purchasing system once it is connected to the County network.

### *Software and Systems Integration*

**R6.6 Clermont MRDD should develop a common set of standards and procedures for software procurement. This should minimize variability in its software acquisitions and help to ensure that it acquires only those software programs that are relevant to its operations. Software should be endorsed by the IT coordinator and approved by the superintendent. If Clermont MRDD uses the County network, the OTCS director should also be consulted in determining appropriate software.**

Clermont MRDD does not have a set of standards for software procurement. The capabilities and compatibility of software are not formally reviewed before it is purchased and installed on Clermont MRDD computers. Individuals that identify a need for software are responsible for obtaining and installing the new software. As a result, Clermont MRDD has a wide variety of software packages that are not integrated and pose a challenge in terms of maintenance and upgrading.

According to COBIT, management should develop and implement a central procurement approach describing a common set of procedures and standards to be followed in the procurement of software. Software application packages should be reviewed and tested prior to final purchase or financial settlement. For example, Clermont MRDD has the ability to test some software packages before committing to purchase. This consideration may be available from more vendors and could ensure that software meets its specific needs. Clermont MRDD should also subject software purchases to the technology procurement policies and procedures as discussed earlier (see **R6.5**).

By using a common set of standards and formal approvals for software purchases, Clermont MRDD can ensure that only licensed, compatible software is used in its computers. Increasing control over software use will also potentially reduce the maintenance requirements and assistance needs of Clermont MRDD staff.

**R6.7 Clermont MRDD should streamline its administrative software systems, keeping in mind any impact on a potential joint IT venture with the County. It should assess the needs of staff across departments and evaluate current and potential software**



**systems. Evaluation criteria should be focused on needs to improve service delivery, provide better decision-making information, and increase the speed and reliability of business processes while decreasing cost. Updated software that helps improve business practices should be a priority in the technology strategic plan (see R6.3). Likewise, Clermont MRDD should continue to actively participate in County planning efforts to implement an ERP system for all County agencies.**

Clermont MRDD uses several different administrative software systems. Most of the software is used for specific purposes and only a few programs are used by all staff. All of the software is available at Clermont MRDD because it does not have a standard procedure for selection. Numerous concerns and gaps in software systems were identified from interviews and the AOS survey. Some of the concerns identified are as follows.

- **Technology resources at the school:** The school is in need of additional adaptive and assistive technology.
- **Remote access:** Clermont MRDD employees at remote sites cannot access needed client information from the database.
- **Q-and-A Database:** Upgrades for this database are no longer available. The database system has become very slow and outdated, and takes too long to generate needed reports.
- **Microsoft Access Database:** This database is used for storing and updating client information at Clermont MRDD. This database was custom-built for Clermont MRDD to update client information from other software automatically. However, it is no longer supported and cannot perform the intended function. Consequently, Clermont MRDD makes double entries to keep information in multiple software packages up-to-date.
- **Software integration:** Current software systems do not effectively share information.

Feedback from interviews and the AOS survey indicate that Clermont MRDD employees desire improvements in the current state of technology and that there are numerous gaps between what staff need and what is available within Clermont MRDD.

Clermont MRDD has actively participated in the County's planning process to purchase an ERP system. ERP involves the use of technology applications that improve agency-wide decision support and operational efficiency through information integration and process change. The ERP will attempt to accomplish three objectives for Clermont MRDD as follows:

- Eliminate duplication and waste among departments;
- Standardize business processes; and
- Move to an IT philosophy where “off-the-shelf/built on best practices” replaces “we can custom develop it ourselves because we are so unique”.

The implementation of the County ERP system should help Clermont MRDD to streamline its administrative software including human resources and fiscal operations software packages.

COBIT notes the importance of conducting a thorough analysis before acquiring a new software application. The steps in this analysis should include:

- Defining requirements;
- Identifying alternative sources;
- Studying technological and economic feasibility of the different options;
- Performing a risk analysis of each option; and
- Preparing a cost/benefit analysis.

COBIT also stresses that technology resources should be continually monitored in terms of performance and compared to capacity load limits so that corrective actions can be taken prior to affecting the system’s performance. This information should then be incorporated into the technology planning process.

The Gartner Group, an internationally recognized IT consulting firm, notes that the business value of technology comes from the ability to conduct processes more reliably, faster, and at lower cost; to improve service delivery; and to provide information that enables better decisions. Clermont MRDD’s current administrative software system does not satisfy these criteria. Furthermore, according to COBIT, management of any organization should ensure that a standard procedure is followed to identify all potential system software programs that will satisfy operational requirements.

**R6.8 Clermont MRDD should ensure staff are sufficiently trained on available software and should conduct periodic needs assessments for employee training. Training will improve efficiency and increase use of available technology resources.**

Technology training for Clermont MRDD is obtained through outside vendors such as New Horizon Computer Learning Centers. Employees are sent to the vendor for training on a specific software application on an as needed basis. Clermont MRDD does not have a written policy on how or when decisions for training are made at Clermont MRDD. Finally, it does not have a good system in place to track the training needs of users. Interviews and survey data revealed some unmet technology training needs. Based upon

the surveys (see **Appendix C**), some of the areas where staff would like to have some training include the following:

- Maximizing the use of Microsoft software products (Word, Excel, Outlook, and Access);
- Creating electronic flyers, lesson plans, and calendars; and
- Creating and updating database programs.

During interviews, it was discovered that some staff at Clermont MRDD do not know how to use some of the software applications which are already on their computers, and which they believe could be useful in their work. Also, information derived from the 2002 survey conducted by Clermont MRDD indicates that more training in technology use is necessary and would help to increase the use of technology in day-to-day operations.

COBIT recommends that, in line with the strategic plan, management should establish and maintain procedures for identifying and documenting the training needs of all personnel using information services. A training curriculum for each group of employees should be established. COBIT also recommends management ensure that employees are provided with proper IT training upon hiring and on-going training to maintain their knowledge, skills, abilities, and security awareness to the level required to perform their day-to-day operations effectively. Effectively conducted education and training programs raise the technical and management skill levels of personnel. Clermont MRDD should consider implementing security principles and awareness training for all personnel. The training should involve security awareness and incident handling; ethical conduct of the IT function; security practices to protect against harm from failures affecting availability; confidentiality; integrity and performance of duties in a secure manner.

Based on the identified needs, management should define the target groups, identify and appoint trainers, and organize timely training sessions. Training alternatives should also be investigated (internal or external location, in-house or third-party trainers).

Additional training in the use of available software should enhance technology use at Clermont MRDD. Increased coordination of training efforts, through annual surveys and tracking of training via a spreadsheet or other simple electronic format will help Clermont MRDD reduce its training expenditures while increasing employee skill levels.

**R6.9 Clermont MRDD should continuously review new technology to enhance operations. Prior to implementing any new technology, Clermont MRDD should conduct a cost/benefit analysis to determine if the technology is consistent with its overall business needs and the strategic technology plan.**

There are several software packages in the medical field and case management fields which may be beneficial to the operations of Clermont MRDD. However, should it decide that the software will be implemented into its daily operations, Clermont MRDD may be required to purchase different hardware to run the software. The following items represent some areas of emerging technology or access to current technology that may be beneficial to Clermont MRDD. This is not a comprehensive list but does highlight areas of technology that may be beneficial in achieving Clermont MRDD's goals.

**Personal Digital Assistant (PDA)** is a handheld device that combines computing, telephone/fax, Internet, and networking features. A typical PDA can function as a cellular phone, fax sender, website browser, and personal organizer. PDAs are available in either a stylus or keyboard version. With the stylus version, the PDA incorporates field staff personnel handwriting recognition features. Some PDAs can also react to voice input by using voice recognition technologies. Clermont MRDD staff, such as the senior managers, may find PDAs to be useful as they work in various remote sites throughout the County.

**Tablet Personal Computer (Tablet PC)** is a mobile computer that can be placed flat on a table or held on one arm while the user enters data with a pen. The Tablet PC can easily be used to take notes during a meeting which may be helpful to the field staff personnel and the managers. Most Tablet PCs are approximately the size of a thin and lightweight notebook computer and weigh three pounds or less. This technology provides the mobility of a PDA but with the full functionality of a personal computer.

Clermont MRDD should, with the assistance of the OTCS, evaluate new technology as it becomes available to determine if the emerging technology would improve efficiency or responsiveness at the agency. New technology can reduce manual workloads and improve service coordination and delivery.

## Financial Implications Summary

The following table represents a summary of annual cost savings. For the purposes of this table, only recommendations with quantifiable impacts are listed.

### Summary of Financial Implications for Technology

<b>Recommendation</b>	<b>Annual Cost Savings</b>
<b>R6.1</b> Use the County network	\$900
<b>R6.2</b> Hire a full time IT coordinator	\$5,000
<b>Total</b>	<b>\$5,900</b>

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# Appendix A

The Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD) produced a final accreditation report summarizing its review of the Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD). **Appendix A** summarizes the results of this report and the review conducted by ODMRDD.

## Appendix A: 2001 ODMRDD Accreditation Summary for Clermont MRDD

Standard	Compliance with Standard	Corrective Action Plan Implemented
<b>Health, Safety &amp; Welfare (HSW)</b>		
<b>HSW 1-</b> The county board ensures compliance with applicable state and federal health and safety requirements.	Building emergency plans did not include all elements. Required inspections not completed or adequately documented. New Richmond Board of Education site did not meet requirements. One staff was not trained on universal precautions.	Emergency plans were revised; inspections were completed and procedure developed for tracking drills; procedure implemented for using buildings not owned by Clermont MRDD to ensure full compliance with requirements; and procedure and tracking form developed for staff training.
<b>HSW 2-</b> The county board ensures that staff are registered, certified, and/or licensed.	Yes	Not Applicable
<b>HSW 3-</b> The county board conducts background investigations.	Yes	Not Applicable
<b>HSW 4-</b> The county board ensures compliance with all applicable delegated nursing requirements.	Nursing assessments did not include all required elements; two records did not include written request for medication administration; and lack of evidence for quarterly site visit by delegating nurse.	Reviewed procedures with ODMRDD and found to be sufficient. Created a comprehensive assessment form to include all requirements. Section added to annual emergency packet in 2001 to request consent. Effective January, 2002 quarterly visits to be documented.
<b>HSW 5-</b> The county board defines and established a system to report, investigate, review, remedy and analyze incidents adversely affecting health and safety of individuals, and monitors preventative actions taken to ensure health and safety.	MUIs reviewed did not consistently meet all reporting and follow-up requirements.	Clermont MRDD revised procedures to ensure consistent compliance.

<b>Standard</b>	<b>Compliance with Standard</b>	<b>Corrective Action Plan Implemented</b>
<b>HSW 6</b> - The county board develops and implements written policies and procedures that support and assist persons receiving services to manage their own behaviors.	Clermont MRDD's was complete but there were findings for specific client behavioral support plans not meeting all requirements.	A behavior support coordinator was hired in March, 2001 to develop and provide on-going training regarding behavior support interventions and strategies. Corrections were made to deficiencies in specific plans.
<b>Rights (R)</b>		
<b>R1-</b> Administrative Resolution of Complaints Review	The Board's policy was missing one element. Review of select complaints found lack of consistent adherence to procedural requirements with time lines.	Policy was updated in March, 2002. Clermont MRDD developed a comprehensive procedure in March, 2002 and provided staff training in April, 2002.
<b>R2-</b> Confidentiality	Incidents of an individual's name appearing in another person's record.	Administration is responsible for discussing redacting names with staff. Quality and compliance department reviewed files.
<b>R3-</b> Case Management	Yes	Not Applicable
<b>R4-</b> Bill of Rights	Review of records found findings in three areas related to restraint, confidentiality and right to receive care in least intrusive manner.	Information regarding cases reviewed was provided to address concerns over individual plans.
<b>Service Planning and Delivery (SPD)</b>		
<b>SPD 1-</b> Waiting List Review	Documentation did not evidence reassessment of needs and adhering to agency policy on removal from waiting list.	Developed a reassessment tool for the waiting list to address issues.
<b>SPD 2-</b> Waiver Administration	There was no written procedure to address disenrollment of HCBS waiver recipients.	Procedure developed and added to the Procedure manual for waivers.
<b>SPD 3</b> –Supported Living & Home & Community Based Waivers	Policy did not include all required elements. Review found non-compliance in five of the records reviewed.	New procedures developed to address deficiencies. Additional clinical information provided to address other findings.
<b>SPD 3IO-</b> Individual Options Waiver Review	Yes	Not Applicable
<b>SPD 3RF-</b> Residential Services and Supports	Yes	Not Applicable
<b>SPD 3SL-</b> Supported Living Services and Supports	Yes	Not Applicable
<b>SPD 4-</b> Adult Services Review	Review of service documentation in a sample of records found Individual Plans and Consents that did not contain all required elements.	Forms were developed or revised to address plan documentation requirements. Additional clinical information provided to address other concerns.



<b>Standard</b>	<b>Compliance with Standard</b>	<b>Corrective Action Plan Implemented</b>
<b>SPD 5</b> -Early Intervention Review	Review of records found IFSPs <sup>1</sup> did not consistently contain required elements. There were also findings regarding records not containing evidence of required documentation.	New procedure developed for IFSP content and reviews. All correspondence to be maintained in clinical records. Additional material added to Parent Handbook.
<b>SPD 6</b> - Transportation Services Review	Policy did not include all elements. Two staff had not completed annual training. There was lack of consistent documentation on information provided to transportation personnel and families	Procedure manual updated and procedural manuals provided to all transportation personnel. Developed procedure regarding attendance at training. Information to be provided to families by December, 2001.
<b>SPD 7</b> - Planning process to identify service needs and determine program goals	Policies and procedures did not include all required elements.	Revised policies and procedures to meet requirements.
<b>Administration (ADM)</b>		
<b>ADM 1</b> - COEDI <sup>2</sup> /OEDI <sup>3</sup> Review	Yes	Not Applicable
<b>ADM 2</b> - Board Membership Review	Yes	Not Applicable
<b>ADM 3</b> -Contract Monitoring	Contracted with three uncertified independent providers for supportive living services	Developed checklist for required items to track compliance. Instituted monitoring by SSA.
<b>ADM 4</b> -I.I.F. Review	Yes	Not Applicable
<b>ADM 5</b> -Ethics Council Review	Yes	Not Applicable
<b>ADM 6</b> -Community Alternative Funding Source (CAFS) Review	Contract with Developmental Center did not include all required elements. Policy and procedures were missing two elements. CAFS documentation found 21 incidents of noncompliance.	Copy of contract submitted and policy revised. Staff in-serviced on documentation requirements. Documentation procedures changed to ensure compliance. Reviewed findings with new billing company.
<b>ADM 7</b> -Family Support Services Review	Unable to verify CPR and First Aid training for two providers.	Clermont MRDD has training verification forms for two providers on file.
<b>ADM 8</b> -Title XX Review	Yes	Not Applicable
<b>ADM 9</b> -PASRR	Documentation was incomplete in two records reviewed.	Developed a procedure for completion of PASSR documentation and staff provided training.

**Source:** Ohio Department of Mental Retardation and Developmental Disabilities Final Accreditation Report, Clermont County Board of Mental Retardation and Development Disabilities, October 11, 2001

<sup>1</sup> IFSPs refers to Individual Family Service Plans.

<sup>2</sup> COEDI refers to the Children's Ohio Eligibility Determination Instrument (1997).

<sup>3</sup> OEDI refers to the Ohio Eligibility Determination Instrument (1997).

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## Appendix B

The Ohio Department of Education (ODE) and the Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD) produced a report summarizing its review of the Clermont County Board of Mental Retardation and Developmental Disabilities' (Clermont MRDD) school improvement. **Appendix B** summarizes the results of this report and the review conducted by ODE and ODMRDD.

### Appendix B: Summary of Clermont MRDD's School Improvement Review

Area	Compliant	Area of Non-Compliance (Finding) and Corrective Action	Evidence of Corrective Action Implementation
<b>Child Identification</b>	Yes	Not applicable	Not applicable
<b>Confidentiality</b>	Yes	Not applicable	Not applicable
<b>Procedural Safeguards</b>	No Of the 5 topic areas in the Procedural Safeguards section, CCMRDD has met the requirements of the federal regulations in three areas, while two areas needed corrective action.	<b>Area of Non-compliance:</b> Parent Participation Meetings <b>Corrective Action:</b> The staff at Thomas A. Wildey school will develop a plan to access parent surrogates for students when needed. A list of students and the name of their parent surrogates will be submitted to the Office for Exceptional Children. <b>Area of Non-compliance:</b> Age of Majority <b>Corrective Action Plan:</b> Administration and high school staff will develop a system for ensuring that parent rights are transferred at the age of majority and that all staff receive an in-service on transferring parent rights. A copy of the "system" developed by the administration and high school staff and a list of staff who were inserviced will need to be submitted to the Office for Exceptional Children.	Plan and names were provided to ODE in April, 2001.  Parents are advised about the "age of majority" with each IEP using the "Ideas for Transition" brochure. This requirement is reflected on the IEP compliance checklist. Staff were trained on the requirements on February 12, 2001. Information submitted to ODE in April, 2001.
<b>Multifactorred Evaluation</b>	No (Of the four topic areas identified, the CCMRDD has met the requirements of the federal regulations in three areas while one area needs corrective action.)	<b>Area of Non-compliance:</b> Planning and Conducting the Re-evaluation <b>Corrective Action Plan:</b> The Thomas A. Widley School administrators will work through their home school districts to ensure that all students' re-evaluations are conducted at least once every three years. A current list, which includes the most recent Multifactorred Evaluation (MFE)	Six months prior to the MFE due date and at beginning of school year, Clermont MRDD staff contact school districts and/or the Clermont County Educational Service Center for MFE dates. List

Area	Compliant	Area of Non-Compliance (Finding) and Corrective Action	Evidence of Corrective Action Implementation
<p><b>Individualized Education Program (IEP)/ Least Restrictive Environment (LRE)</b></p>	<p>No (Of the seven topic areas identified in the IEP/LRE section, the district has met the requirements of federal regulations in four areas, while three areas need corrective action.</p>	<p>dates, will need to be submitted to the Office for Exceptional Children.</p> <p><b>Area of Non-compliance:</b> Content of IEP  <b>Corrective Action Plan:</b> All teaching staff will be in-serviced on writing IEPs and will use the IEP forms in the <i>Ohio Model Policies and Procedures for the Education of Children with Disabilities</i>. Fifteen students' 2000-2001 IEPs and MFEs will be submitted for review. The IEPs and MFEs will represent one from each of the fifteen home school districts and will need to be submitted to the Office for Exceptional Children.</p> <p><b>Area of Non-compliance:</b> Testing Considerations  <b>Corrective Action Plan:</b> All teaching staff will be inserviced on alternative assessments. A plan will be developed on how staff at the Thomas A. Wildey School will implement this law. A copy of the training agenda for alternative assessment and registry of participants; and a copy of the plan on how Thomas A. Wildey school will implement this law, will need to be submitted to the Office for Exceptional Children.</p> <p><b>Area of Non-compliance:</b> Professional Development  <b>Corrective Action Plan:</b> The Thomas A. Wildey School will be trained on the <i>Ohio Model Policies and Procedures for the Education of Children with Disabilities</i> and will use all supporting documentation and forms. A copy of the training agenda and list of participants will be submitted to the Office of Exceptional Children.</p>	<p>of students MFE dates were provided on April 16, 2001.</p> <p>Training was held on February 12, 2001 for all teaching staff on writing IEPs and use of the correct forms. Clermont MRDD implemented an IEP compliance checklist.</p> <p>Alternative Assessment Training was included in the February 12, 2001 in-service. The form for the Alternative Assessment was added to the IEP packet. Information requested was provided to ODE in April, 2001.</p> <p>Training on this topic was included in the February, 2001 in-service. Requested information provided to ODE in April, 2001.</p>
<p><b>Management Assistance</b></p>	<p>Not reviewed at the time of the ODE On-site Validation Review.</p>	<p>Not applicable</p>	<p>Not applicable</p>

**Source:** State of Ohio, Department of Education, Clermont Board of Mental Retardation and Developmental Disabilities, Clermont County, Summary Report of the School Improvement Review, March 1, 2001

## Appendix C

An employee survey was distributed to 48 employees of the Clermont County Board of Mental Retardation and Developmental Disabilities (Clermont MRDD). The survey received a 73 percent response rate and **Appendix C** summarizes the results of the survey.

### Appendix C: Clermont MRDD Employee Survey Responses

Statements	Responses					
1) How long have you been employed with Clermont MRDD?	1 Less than 12 months	2 1 – 5 years	3 6-10 years	4 Over 10 years	Average Response	
	1	11	5	17	3.1	
2) If you have been employed with Clermont MRDD over five years, how would you rate the progress you have seen in technology and technical applications at Clermont MRDD during your tenure here?	1 None	2 Very little	3 Moderate Amount	4 Large Amount	5 Phenomenal Amount	Average Response
	0	3	8	9	2	3.5
Comments:	Most respondents in this category indicated that technology has improved within the last five to ten years, although a few respondents pointed out that the advancement has been insignificant indicating that more needs to be done in this area.					
3) How often do you use a personal computer, for any reason, during your workday?	1 Entire day	2 Few times a day	3 Few times a week	4 Rarely or never	Average Response	
	9	7	4	13	2.6	
4) How much do your primary job duties rely on technology or computers?	1 Very much	2 Mostly	3 Some	4 Very little	Average Response	
	8	2	11	12	2.8	
5) Currently, I feel that the computer and technology available to me are adequate to enable me to fulfill my job duties efficiently.	1 Strongly Agree	2 Agree	3 Neutral	4 Disagree	5 Strongly Disagree	Average Response
	5	11	9	5	1	2.6
Comments:	Some responders in this category indicated that there are enough computers and technology at Clermont MRDD to carry out their duties. Although, a large number of responders refrained from answering one way or the other by remaining neutral, some comments also expressed dissatisfaction with current technology availability at Clermont MRDD. Overall, there is a strong indication for the need for improvement in technology at Clermont MRDD.					

<b>6) I think that more advanced technology would enable me to perform my job with a higher level of effectiveness and efficiency.</b>	<b>1 Strongly Agree</b>	<b>2 Agree</b>	<b>3 Neutral</b>	<b>4 Disagree</b>	<b>5 Strongly Disagree</b>	<b>Average Response</b>
	8	7	11	3	2	2.5
Comments:	Most responders in this category stated that improved job performance will certainly result from advancement in technology; and only very few comments indicated otherwise.					
<b>7) If you have ever had a technology related problem, how satisfied were you with the amount of time it took for your problem to be resolved?</b>	<b>1 Very Satisfied</b>	<b>2 Satisfied</b>	<b>3 Neutral</b>	<b>4 Dissatisfied</b>	<b>5 Very Dissatisfied</b>	<b>Average Response</b>
	3	10	6	3	1	2.5
Comments:	Respondents were generally pleased with the level and prompt services provided by the IT support contractor. However, a few responders also expressed that it took longer than expected amount of time to receive help.					
<b>8) How many of the programs on your computer do you feel comfortable with?</b>	<b>1 All applications</b>	<b>2 Most applications</b>	<b>3 Some applications</b>	<b>4 Almost no applications</b>	<b>Average Response</b>	
	5	9	6	1	2.1	
Comments:	Responders overwhelmingly stated that they are satisfied with all the computer applications available to them.					
<b>9) What applications do you use most frequently on your computer?</b>						
Most of the respondents to this questions mentioned, in the order listed:						
<ul style="list-style-type: none"> <li>• Microsoft word;</li> <li>• Outlook;</li> <li>• Internet; and</li> <li>• Microsoft excel.</li> </ul>						
<b>10) To what level do you think additional training could help you use technology more effectively at work?</b>	<b>1 Definitely beneficial</b>	<b>2 Might be beneficial</b>	<b>3 Probably not beneficial</b>	<b>4 Waste of time</b>	<b>Average Response</b>	
	12	9	5	1	1.8	
Comments:	Most responses in this category indicated high interest in training. There is a strong sense that the staff could utilize their computer programs better if they actually understand how to do it. For example, some staff want to be able to use Microsoft excel to prepare lesson plans, making flyers, using calendar, and others.					
<b>11) How receptive is the agency to your technology needs?</b>	<b>1 Very Receptive</b>	<b>2 Somewhat Receptive</b>	<b>3 Not Receptive</b>	<b>Average Response</b>		
	8	16	5	1.9		
Comments:	Responders in this category overwhelmingly agreed that Clermont MRDD would prefer to provide all their technology needs. However, several comments pointed to a lack of funding as the main reason for the not responding to these needs.					

12) If you were to make a suggestion for new technology implementation or improvements, what do you feel is the probability of those suggestions being considered?	1 High Probability	2 Medium Probability	3 Low Probability	Average Response
	9	16	3	1.8
Comments:	Responders overwhelmingly stated that Clermont MRDD would like to provide advanced technology, and be open to such suggestions; however, its effort is hampered by the lack of funding.			

**13) If there were no constraints such as budget or timeframes, what is/are the major technology enhancement(s) you would really like to see at Clermont MRDD? For example, what application would you like to see installed that would really help you perform your job more effectively? Why?**

- Consumer database that is current, versatile, easily accessible to staff and relatively easy to use.
- New, faster, and more versatile computers.
- More laptop computers for field work and office.
- Scheduling software to help reduce the time spent on scheduling.
- Cell phones for safety and to communicate while in the field.
- More computers with multi-functions in the classrooms.
- More handrails for the deaf and blind.

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