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## **Rise in Costs, Loss in Revenue: Montgomery County Board of Developmental Disabilities Services Declares Fiscal Emergency**

DAYTON (Jan. 17, 2023) – The Montgomery County Board of Developmental Disabilities Services (MCBDDS) is working with the Montgomery County Administration to advance a plan to address a significant financial shortfall starting in 2024. The deficit was revealed in the five-year budget showing a multi-million-dollar shortfall through 2028 if actions were not taken immediately. The five-year average deficit is \$18.7 million per year.

These shortfalls are due to a host of factors, said Dr. Pamela Combs, the superintendent of MCBDDS. “We’ve seen this coming, so it’s no surprise,” she said. “We’ve managed around it and tried to hold it off as long as possible.” She points to a number of factors contributing to this financial need. These factors include:

- A doubling in demand for DDS services since 2009, eligibility for which is dictated by the State of Ohio.
- A continual loss of revenue since 2009 which has resulted in a \$13 million loss on an annual basis since 2017, including a loss of \$7 million in day services and transportation revenue annually when the agency was forced to privatize these services due to a federal mandate.
- Increase in payments to the State of Ohio of \$773,000 annually to cover the costs of services to individuals with developmental disabilities between 2011 and 2022. Previously, the county was required to pay 27 cents on the dollar for each waiver; now, that cost is 37 cents on the dollar. These costs will continue to increase as the federal government rolls back COVID-related subsidies.
- A 6.5% increase in waiver costs implemented by the state that all counties are expected to cover to implement a retention payment for direct care professionals. This increase will be retroactive to April 2022 and is expected to cost approximately \$2 million in State Fiscal Year 2023, and more thereafter.
- An increase in the cost of care for difficult-to-serve individuals due to the closure of state Developmental Centers.

The agency implemented numerous efficiencies to counter the decrease in revenues, including reductions in staffing costs, closure of four service facilities and one administrative office, a move to full-time agency teleworking, and implementing just-in-time payment of services, which allowed it to leverage funds more efficiently.

To bridge the deficit gap for budget years 2024 and 2025, the Board of County Commissioners (BCC) is providing \$17 million in American Rescue Plan Act (ARPA) funds, with additional funding from the Human Services Levy Council.

“The \$17 million in ARPA funds we are utilizing for this deficit is for expenses we know are directly tied to the pandemic,” said Montgomery County Administrator Michael Colbert. “We know those expenses meet the requirements the federal government has in place governing the use of ARPA funds.

“The funding from ARPA and funding received from the Human Services Levy Council may fluctuate over the next two years, but that is our initial plan,” he said.

The county administration will work with the MCBDDS and the Human Services Levy Council to determine appropriate future funding, closely monitoring MCBDDS fiscal plan,” said Montgomery County Assistant County Administrator for Human Services, Geraldine Pegues.

“Sustaining the high-quality services delivered to people with developmental disabilities is critical, as they ensure their safety and quality of life,” said MCBDDS President Madeline Iseli. “I see the positive impact these services have on my own sister. It makes me appreciate the partnership the Board enjoys with Montgomery County and our collaborative agencies and providers through the county, as well as the support of Montgomery County residents.”

Combs said several other initiatives are projected to lead to cost savings in the future, including an increase in billing for Medicaid mental health services; secure federally funded housing vouchers; seek additional state waiver-enhanced Medicaid match funds and request the state cover the recently imposed 6.7% DDS match increase in 2024; utilize community-based resources and needs-based waivers; and reduce DDS administrative costs, hiring will be mission critical and liquidation of the Southview facility.

The Northview facility, located at 8114 North Main Street in Dayton, will remain open.

Combs noted, “We are facing the challenges this shortfall presents, and believe these actions will have minimal impact on those who require services.”

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