

Connecticut Nonprofit Human Services Cabinet

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Children's League of Connecticut

Connecticut AIDS Resource Coalition

Connecticut Association for Community Action

Connecticut Association for Human Services

Connecticut Association of Area Agencies on Aging

Connecticut Association of Nonprofits

Connecticut Coalition Against Domestic Violence

Connecticut Coalition to End Homelessness

Connecticut Community Providers Association

Connecticut Consortium of Legal Services

Connecticut Council of Family Service Agencies

Connecticut Sexual Assault Crisis Services

Connecticut Women's Consortium

Easter Seals Connecticut

End Hunger Connecticut!

Human Services Council

Oak Hill

Planned Parenthood of Connecticut

The Connection, Inc.

Wheeler Clinic

Testimony before the Human Services Committee
March 3, 2009

HB 6609: AA Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission

Hello Senator Doyle, Representative Walker and members of the Committee, thank you for the opportunity to testify today. My name is Patrick Johnson, I am Co-Chairman of the CT Nonprofit Human Services Cabinet (the Cabinet). The Cabinet is a statewide coalition comprised of 20 nonprofit human service associations and organizations representing approximately 800 providers. Its mission is to advance a strong and unified nonprofit human services system to effectively meet community needs. The Cabinet has worked with state agencies on critical contracting issues and business practices that impact over 1,900 Purchase of Services (POS) Contracts valued at approximately \$2 billion annually. Our members play a vital role in addressing the critical health and human services needs that face so many Connecticut residents – they provide the safety net that *anyone* can find themselves in need of in the blink of an eye.

The Cabinet **supports** HB 6609, An Act Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission.

While members of the Cabinet have varied funding sources, from every state agency and the federal government, one of our top priorities is across the board COLA funding for all private provider POS contracts in the amount of 5.5% for both SFY10 and SFY11. HB 6609 seeks to address the chronic underfunding of private nonprofit providers. This bill contains three important measures designed to assist nonprofits:

- It establishes an account within the General Fund that will provide an immediate remedy to budget shortfalls for community providers, as well as a stable funding system and a consistent cost-of-service adjustment to avoid future budget shortfalls.
- It establishes a commission on community-based services that will study and make recommendations concerning a long-term funding solution for community providers.
- It creates a capitol improvement fund for community providers.

Our employees have been losing purchasing power for years with none receiving wage increases equal to or exceeding the Consumer Price Index. How long can we continue to survive on the backs of our employees? Fixed costs continue to increase for utilities, heating fuel, gasoline, food, health insurance, liability insurance, etc. Cuts in human services programs from the least expensive option the state has will not save the state money but our vital programs can not survive with three years of zero on top of 20 years of chronic underfunding.

The average cost-of-living adjustment (COLA) for private providers over the past 20 years is 1.1%, far off pace from inflation. While we fully understand the difficult financial situation facing our state, sustainability of our health and human services delivery system is bordering on the impossible. It is akin to reducing food to an already undernourished starving person. Our private providers are anorexic organizations. Flat funding is equivalent to budget cuts because expenses grow regardless of whether budgets keep pace. The funding provided in HB 6609 will supply the influx of dollars needed to prevent the nonprofit human services sector from falling further behind. **However, a long-term funding solution is desperately needed.** The Cabinet supports developing a commission to study and make recommendations on this matter.

We urge you to pass HB 6609 and provide nonprofits with the funding needed to serve the state's most vulnerable residents. Your attention to this complex and challenging problem is greatly appreciated. Please feel free to contact me with any questions or concerns.

In addition I want to express my strong opposition to SB 843 which would cap rates for ICF-MR facilities. These are facilities serving the most medically fragile people with severe disabilities requiring more robust nursing staff. Please do not balance the budget on the backs of the most helpless vulnerable people in the state who literally have no voice of their own! Thank you.

Respectfully submitted,
Patrick J. Johnson Jr.

President of Oak Hill
Co-Chairman of CT Nonprofit Human Services Cabinet
Vice-Chairman of CT Community Providers Association