

March 13, 2007

Support for Bill # 1338

Human Services Committee

Testimony provided by The APT Foundation

Lynn M Madden, CEO

Carolyn Parler-McRae, COO

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David Parachini, Chairman, Board of Directors

The APT Foundation is a private, not-for-profit corporation founded in 1970. Our mission is to address the problems of substance addiction and to improve the quality of life for those in recovery. The Foundation serves more than 2,500 individuals each year in programs located in New Haven and in Bridgeport.

The Foundation maintains grant contracts with various State agencies to support our mission. In addition to grant based services, APT provides fee based services to Medicaid and General Assistance supported clientele. In fiscal 2006, state grant revenue comprised 41% of the Foundation's operating budget and is the key financial support mechanism to service the needs of our clients. Entitlement fee for service rates, for the most part, have not been increased since inception of those programs.

The current proposed Governor's budget contains no cost of living (COLA) adjustment for our agency and threatens our ability to provide much needed services to our medically underserved population. Lack of a COLA adjustment represents, in effect, a reduction of funding for the Foundation as operating costs continue to increase at or beyond the rate of general inflation. This is especially an issue for us as no COLA adjustment impacts our ability to attract and retain qualified staff to support our mission. There is already a significant pay disparity between our work force and those holding State positions that require the same licensing and/or education.

General inflation over the past fiscal year has averaged 2.1%. This average trend ignores key components of the goods and services used in the operation of the Foundation which have been increasing at much higher levels. For example, energy related costs supporting heating & cooling of our facilities, local travel expenses and now, electricity have increased substantially beyond the general inflation rate. Electric rate increases alone are expected to add over \$100,000 of expense in the coming fiscal year. Food and insurance cost trends, while not as dramatic as energy costs also are increasing at a much greater rate. While the Foundation constantly reviews its operating costs and attempts through greater efficiency and vendor contracting, to control the level of expense, we may be unable to maintain our current service levels without a supporting COLA increase.

Foundation clinical and administrative staff currently experience a significant wage differential when compared to State employees performing the same or similar functions. Current estimates of clinical rate differentials of up to 50% make it increasingly difficult to attract and retain competent staff. This directly impacts on client care and expenses as

staff turnover results in increased training costs, lower efficiency and changes to the clinician and client relationship.

Lack of increased state funding to the not-for-profit human services sector threatens the most fragile and disenfranchised persons in our communities and directly impacts on the quality of care being provided.

Your attention to this matter is appreciated. Please feel free to contact us with any questions. Thank you.

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