



**C A F C A**

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**Testimony regarding Bill 1338: an Act Cost of Living Increase for Private Providers of Health and Human Services; and Bill 1396: an Act Concerning the State Purchase of Service Contracts for Health and Human Services**

Submitted by David MacDonald, Connecticut Association for Community Action, Inc.

**Human Services Committee Public Hearing, March 13, 2007**

Connecticut's Community Action Agencies (CAAs) are the federally-designated anti-poverty agencies and operate a statewide, results-based social service network for low-income people. Last year, our agencies served more than 107,000 families. Our statewide Human Services Infrastructure (HSI) system is an innovative response to the need to have a more efficient service delivery system. However, years of flat state and federal funding are severely straining this system. That is why CAFCA and CT's CAAs support Bills 1338 and 1396.

**Bill 1338: An Act Concerning a Cost of Living Increase for Private Providers of Health and Human Services**

CT CAAs provide a wide range of services, including employment and training, early childhood services such as child care, school readiness and Head Start, energy assistance and weatherization, financial counseling, eviction prevention, transitional housing and homeless shelters, food pantries and emergency services, case management, alternatives to incarceration, AIDS and substance abuse prevention, and many others. Some of these services are through federal funds, some through state funds and other programs utilize both federal and state dollars.

The COLA proposed in Bill 1338 needs to apply to all state agencies, especially DSS and DOC, and should include federal pass through funds. For example, Head Start has not seen an increase in 5 years from the federal government and that amounts to a 19% reduction when accounting for inflation. Our workers desperately need the COLA and we are losing our best trained teachers. Already our agencies have had to start reducing services and without a COLA, will have to consider closing Head Start classrooms.

The quality of staff is also imperative in human services where the relationships between staff and clients/consumers are pivotal to achieving successful results. Since salaries have stayed low for many years, turnover in some programs is quite high. This reduces productivity and negatively affects client outcomes. If the General Assembly is serious about Results-based Accountability, then services need to be funded appropriately to get the desired results.

CAFCA supports the minimum of a 7% COLA in SFY08 and a 5% COLA in SFY09. While this does not make up for decades of under-funding, it does provide the increase of dollars needed to prevent the nonprofit social services sector from falling further behind. We also ask that you include federal pass through funds in this COLA bill.

**Bill 1396: An Act Concerning the State Purchase of Service Contracts for Health and Human Services**

This bill allows the Secretary of the Office of Policy and Management (OPM) to waive competitive procurement requirements in contracts between the state and private providers of health and human services as needed. This is necessary not to avoid competition, but to protect vital and critical services from being competitively bid when doing so risks the health and safety

of those being served. Sometimes competitive bidding is appropriate and sometimes it is not. Therefore, it is important that government be able to determine when a distinction needs to be made.

Some social service provider infrastructure has been heavily invested in by state resources. For example, the LIHEAP energy assistance program has spent millions on software development and computer hardware acquisition. To bid these services would be a financial disservice to taxpayers and would interrupt a system that works efficiently compared to what existed previously. Other examples are preschool centers and group homes, where facilities have been renovated or constructed using state funds, and changes to providers could be very disruptive to clients and also threaten existing state investments in infrastructure.

We urge the committee to consider the Results-based Accountability initiative as a more effective tool for ensuring the state gets the results and accountability you want. RBA can provide a fair method of judging the effectiveness of services and provide a method to determine corrective action.

We thank the committee for your concern regarding these important matters and are willing to assist you in any way that we can.