

Testimony Submitted to the Human Services Committee:

Concerns & Recommendations Regarding:

S.B. No. 34: AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS WITH RESPECT TO SOCIAL SERVICES PROGRAMS.

Submitted By: Katie Banzhaf, Executive Director, STAR, Inc., Lighting the Way
Public Hearing Date: February 26, 2008

Repeal the 2% Rate Cap on Residential Care Homes and Community Living Arrangements, and Repeal of the Rate Freeze for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/MRs)

To Senator Harris, Representative Villano and members of the Human Services Committee, I appreciate the opportunity to provide testimony regarding these important issues.

My name is Katie Banzhaf. I am the Executive Director of STAR, Inc., Lighting the Way, a non-profit agency providing supports and services to over 500 individuals with developmental disabilities in the Greater Norwalk area.

Fifty-three adults with developmental disabilities receive residential supports from STAR through licensed CLA's, which receive Room & Board funding through DSS.

Historically, DSS reimburses on an actual cost basis for food and kitchen supplies, laundry, housekeeping supplies, maintenance, utilities (heat, light, etc.), equipment under \$2,500, mortgage interest and rent, and capital improvements.

This past year, STAR like other agencies built our budget using the DSS Calculated Rate for such allowable expenses. However, this year the DSS rate increases were capped at 2%. The impact on STAR Inc. was a loss of \$35,431. This loss is real in that the expenses have already been incurred and deemed allowable by DSS. STAR has no means to recover this loss from any other source, although we have tried.

I have approached United Way for the replacement of a boiler in one of our homes (that will exceed the cap next year) and the best they could provide was a "Recoverable Grant" of \$4,000, which must be paid back.

I have attached my work sheet for calculating the loss of \$35,431 and the source data from DDS that was used in the work sheet.

It should be noted that this loss was experienced over seven STAR homes. Four additional homes recorded actual expenses that came in under the rate cap.

In order for all homes to come in under the rate cap of 2%, STAR is forced to cut areas that will have a negative and lasting impact. As the utility bills increase the only areas for cuts are in food, maintenance and capital improvements, leaving our homes and residents vulnerable to health and safety issues. We can turn down the heat and limit food intake but at what cost to the health of our residents. We can curtail maintenance and delay capital improvements but at what risk to the safety of the residents and the deterioration of the infrastructure of our homes? **These are risks that STAR is not willing to take nor are they risks that I believe the General Assembly wants to be responsible for when the crisis in our homes occurs.**

I urge you to repeal the 2% rate cap on room and board rates for licensed CLA's.