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and support Connecticut's
nonprofit community.

Testimony Before the Human Services Committee

In Support of:

**SB 413: AA Establishing a Community Provider Rescue Fund Account and
Community-Based Services Commission**

Presented By: Paul Rosin, Executive Director of Community Residences, Inc.

Public Hearing: February 26, 2008

Senator Harris, Representative Villano and members of the Committee, thank you for the opportunity to testify today. My name is Paul Rosin and I am the Executive Director of Community Residences Inc and a member of the Connecticut Association for Non-Profits (CT-Nonprofits). CRI is a multi-service not for profit agency that serves over 500 adults and children and employees over 700 people in varying capacities.

CRI and the Connecticut Association of Nonprofits **support** SB 413, An Act Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission.

SB 413 addresses the budget deficiencies faced by state-contracted community-based nonprofit human services. This bill contains three important measures designed to help nonprofits:

- It establishes an account within the General Fund that will provide not-for-profit providers with up to a 9% contract adjustment (COLA).
- 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 capital improvement fund for community providers.

Not-for-Profit Agencies in Connecticut serve the homeless, developmentally disabled, mentally ill in addition to thousands of children and families in need. The key to providing effective services is to have stable, knowledgeable, dedicated social workers, clinicians, managers, nurses, direct care and support staff. These are the people that are on the line making a difference in the lives of Connecticut's most vulnerable citizens. The Governor's SFY09 Budget Adjustment provides no COLA funding for these workers. Many Direct Care Professionals do not currently receive a livable wage in Connecticut and given the increased cost of living in this State, without a COLA they will be going backward instead of forward. Given this, we are asking that you support the up to 9% COLA in this Bill.

Year after year not-for-profits come to this Committee and other Legislative Committees like this in order to provide testimony regarding their need for increased funding. It is frustrating for the providers and I am sure that it is frustrating for the Committees. It is especially frustrating since I know that this committee with near unanimity supports the private sector, gets the fact that the private sector is the preferred service provider, and that annual cost of living adjustments are necessary in order to ensure the quality and stability of services. It is time that we work together to come up with a long-term funding solution. Passing Raised Bill No. 413 would accomplish this.

Just briefly in terms of the capital improvement fund. For the past 20 years, DDS has had a Revolving Loan Fund that provides not-for-profits funding for purchasing, renovating, and repairing group homes. This fund was originally established with bond funds and is replenished on an on-going basis through repayments from providers for the interest and principle on the loans. It is efficient, flexible, and cost effective. I urge this Committee to talk with Commissioner O'Meara regarding this fund and recommend that DCF, DOC, DMHAS consider establishing similar programs.

In closing I would like to thank Senator Harris, Representative Villano and members of the Committee for the work that you do and for the support that you have given the private sector in the past. The 3% that we received for SFY08 would not have happened without your support last year and we are hopeful that you can make some more magic for SFY09.

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We do not believe Connecticut State Government wishes to harm nonprofit health & human service providers or undermine the good work they do for your community. However...

The proposed state budget fails to provide ANY additional funds to help your nonprofit providers meet the growing costs of services. If funding for nonprofits is not increased by the Legislature, your providers will have limited ability to respond to the growing costs of maintaining services.

Your nonprofit providers serve as the extraordinarily effective and efficient network of organizations that are providing critically important health and human services to your family, friends and neighbors in all of our state's cities and towns. Nonprofit providers successfully run thousands of programs serving tens of thousands of Connecticut's most vulnerable citizens.



Failing to fund these nonprofits means people won't receive the services they need, and it will actually cost Connecticut residents more in taxes as the demand for emergency and crisis response in our communities increase. NOW IS THE TIME TO PROPERLY FUND NONPROFIT PROVIDERS AND THEIR SERVICES!

- Provide a **FAIR AND MEANINGFUL COLA of 9% for SFY09.**
- Initiate a task force on nonprofit provider funding to develop long-term strategies to address the funding crisis.
- Use a portion of the state surplus to help our nonprofits address higher energy and insurance costs, and ensure continuity of care.



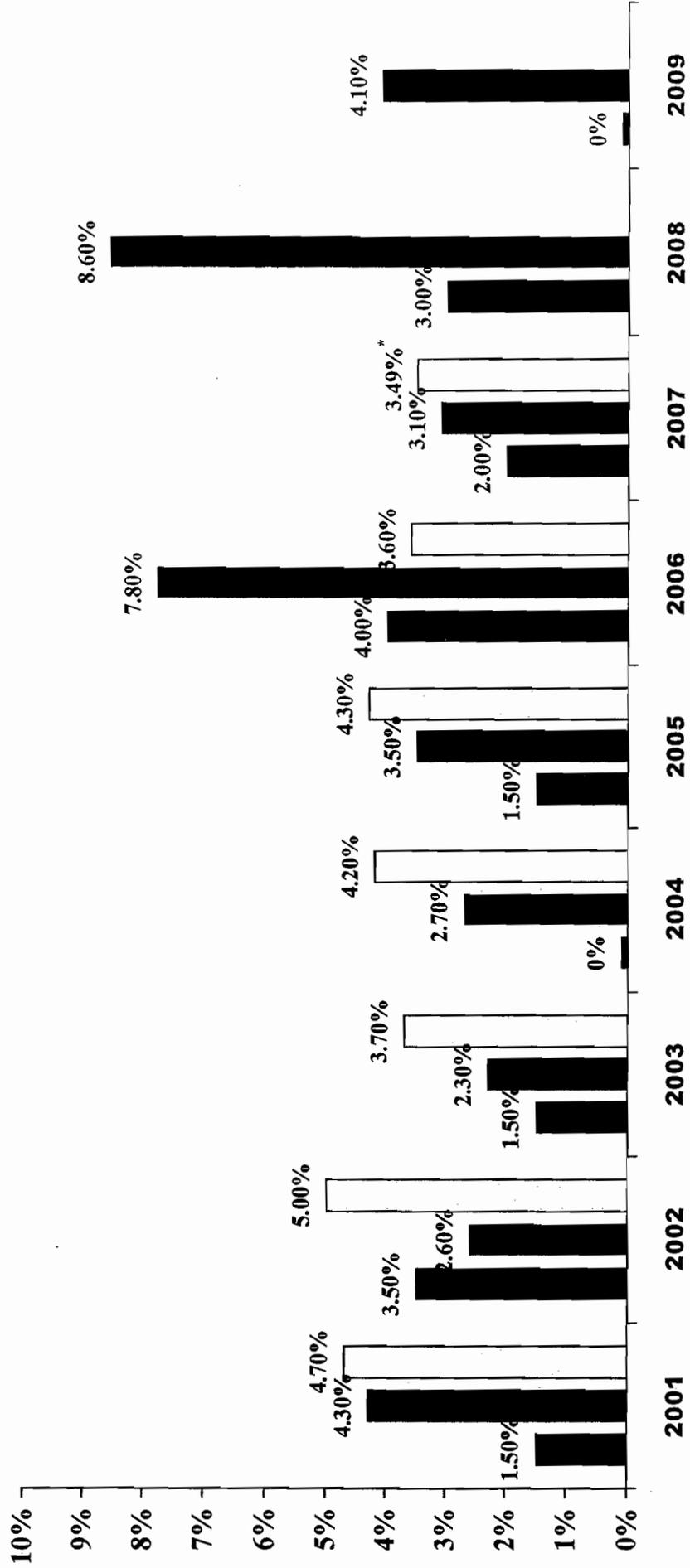
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Rates of Annual Growth 2001-2009 Nonprofit Providers vs. State Budget Growth vs. Medical CPI

1% COLA for Purchase of Service contracts totals approximately \$15 million.



■ Nonprofit Providers

■ Connecticut State Budget

□ Medical CPI

* Average through October 2007.



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