

CONNECTICUT
ASSOCIATION
of **NONPROFITS**

*...to serve, strengthen
and support Connecticut's
nonprofit community.*

Testimony Before the Human Services Committee - In Support of:

**Raised S.B. 413: AN ACT ESTABLISHING A COMMUNITY PROVIDER RESCUE FUND
ACCOUNT AND COMMUNITY-BASED SERVICES COMMISSION**

Julia Wilcox, Policy Specialist, Connecticut Association of Nonprofits (CT Nonprofits)
Presented by: David Stevenson, President / CEO, FHM Services, Inc.

Public Hearing Date: February 26, 2008

Good afternoon, Senator Harris, Representative Villano and members of the Human Services Committee. I appreciate the opportunity to speak before you today. My name is David Stevenson, and I am the President/CEO of FHM Services, Inc. FHM is based in the New London/Groton area, and has contracted with the Department of Correction (DOC) since 1990, to operate two programs: Fellowship House, and Project Transition. We provide residential support and case management services to 61 men, and aftercare support to hundreds of program graduates. We offer community release, parole and transitional supervision beds.

I am speaking today on behalf of Connecticut Association of Nonprofits. CT Nonprofits is a membership organization that represents more than 500 nonprofit agencies. Approximately 300 of their member agencies contract with State government for a variety of human and social services. This afternoon, I am proud to represent the Community Justice and Juvenile Justice Divisions of DOC & CSSD Funded Providers.

The membership of CT Nonprofits comes before you today to urge your support of the concepts presented in Raised S.B. 413: An Act Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission. However, we would urge passage of S.B. 413, with the recommendation to clarify and/or modify language in the Statement of Purpose, and Section 2; c (1); to prevent any interpretation that could potentially exclude these critical areas of service. We respectfully request either:

- 1) Modifications to language, to define a broader purpose of all health and human services. Or,
- 2) The addition of language to include programs related to: Reentry Services (which do not specifically include either substance abuse or mental health components), Juvenile Justice, HIV/AIDS Housing and Services, Homelessness, and/or other services related to health and human services.)

(Please refer to page 2 of 3, for specific sections of the Bill, to which these recommendations would apply.)

As you are fully aware, the Governor's midterm budget does not include any cost-of-living-adjustment (COLA) funding for FY09. The 3% COLA received in SFY08 would not have occurred without the generous support and continued efforts of members of the Human Services Committee. Your consideration of a COLA in FY09 is greatly appreciated. You have heard testimony through the years, from countless entities, seeking to alter the direction of historic under-funding of the nonprofit provider community. The concepts in the proposed legislation provide an opportunity to begin to address these issues in both a short term, and even more importantly – long range manner. The Nonprofit Provider Community joins together before you to request COLA funding for all state-funded Purchase of Service contracts in the amount of 9%. SB 413 Section 4 calls for an appropriation of \$135 million into the Rescue Fund, which is equivalent to a 9% COLA.

Certainly, ALL nonprofit providers face daunting issues with regard to each specific area of services. In addition to the many reasons to support a system of long range solutions, I wish to draw your attention to the following:

Overarching Concerns: Community Justice & Juvenile Justice (DOC & CSSD funded) Providers

As State Departments move forward to implement recently approved revisions to the Criminal Justice System, the demands, responsibilities, and liabilities of the nonprofit providers of re-entry services will increase substantially. There may very well be a misperception that the infusion of funding for the criminal justice reforms, equals financial stability for the nonprofit providers of reentry services.

The nonprofit network – in partnership with the state, MUST receive appropriate support (both financially and systemically) to achieve the success that is necessary and expected from The Legislature and the citizens of Connecticut. We are encouraged by the overall expansion of reentry services that has been proposed, as well as progress in the Juvenile Justice System related to the “Raising the Age” initiative (expands the jurisdiction of the juvenile court to include sixteen and seventeen year olds.) However, a methodical, strategic plan for transition – which includes clear input from the nonprofit provider community, is essential to achieve the goals as intended by passage of the legislation.

In closing, I would encourage you to contact providers within your local communities. The ability of the state of CT to adequately meet the needs of its residents is greatly dependent upon the ability of the Private Provider Community to sustain a vibrant network, which will continue to serve as the ultimate safety net for Connecticut’s citizens at risk.

I thank you for your time and consideration of these critically important issues. I would be pleased to answer any questions at this time.

*For additional information, Please do not hesitate to contact:
Julia Wilcox, Policy Specialist, CT Nonprofits: jwilcox@ctnonprofits.org or 860.525.5080*

The following, are sections of the proposed S.B. 413, for which we respectfully request language modification.

Section 2; c (1) The purpose of the commission shall be to study and make recommendations pursuant to subsection (d) of this section concerning a long-term funding solution for the provision of services for children and adults with disabilities, persons with substance use disorders and persons with mental illness. The commission shall make recommendations concerning: (A) The development of a state-wide strategic plan for the provision of services for such persons that includes (i) consistent funding for the provision of such services; (ii) cost-of-living and other fiscal adjustments in payments to providers of such services using an indexing option such as the consumer price index, the medical consumer price index, the home health market basket administered by the federal Centers for Medicare and Medicaid Services, or any other indexing option used in this state or other states; (B) a budget to implement the indexing option pursuant to subparagraph (A) of this subdivision; and (C) a budget and plan for stabilizing the service delivery system until indexed payments are allocated

Statement of Purpose:

To establish a community provider rescue fund, community-based services commission and capital improvement fund to stabilize the funding of necessary services for children and adults with disabilities, persons with substance use disorders and persons with mental illness.

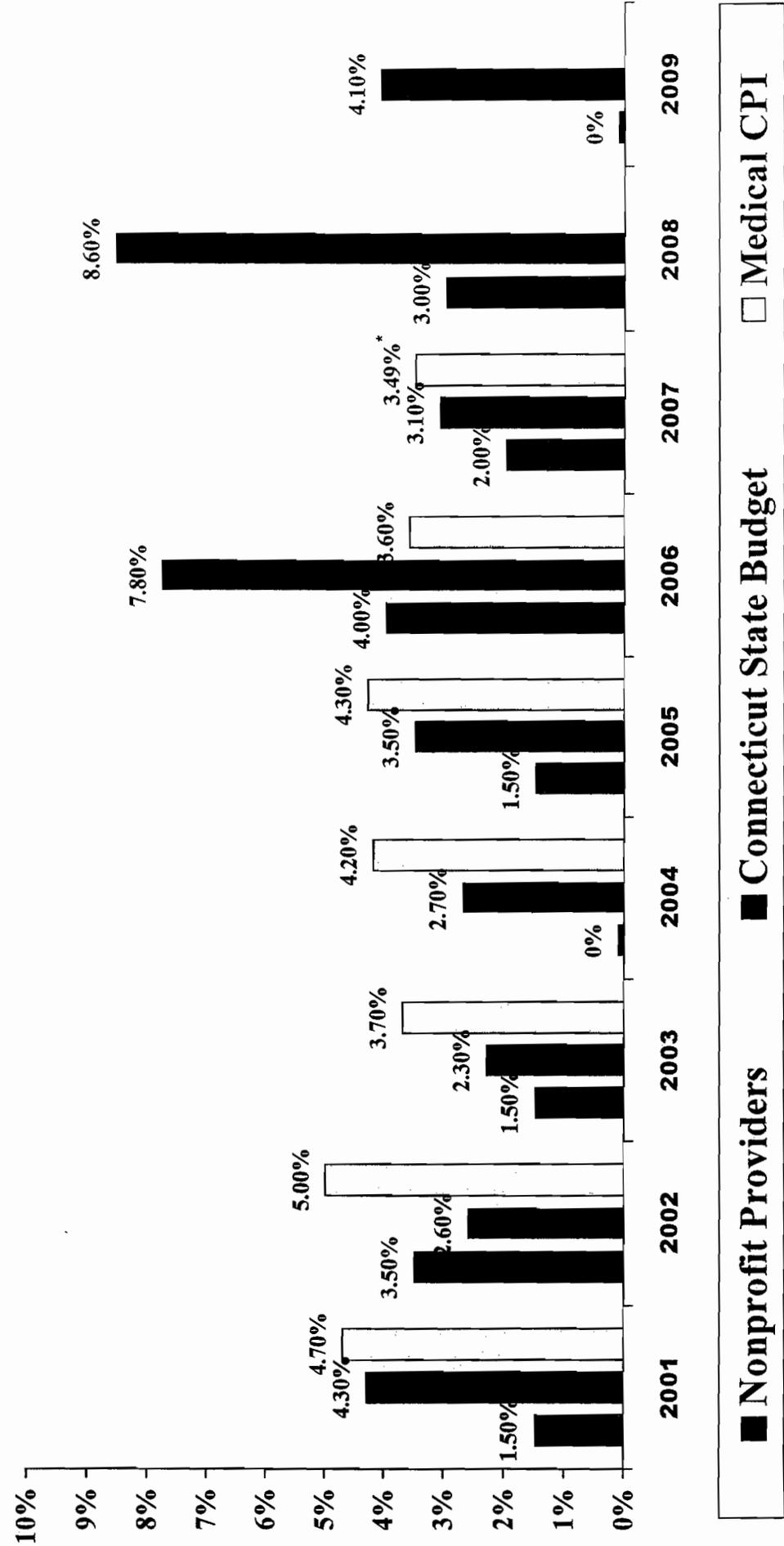
Related Information of Interest:

- ✧ For information related to DOC funded Private Provider Programs available within your community:
Directory of Contracted Community Programs: Connecticut Department of Correction - Parole and Community Services, Theresa C. Lantz, Commissioner, Randy Braren, Director of Parole and Community Services, Lawrence P. Mayer, Director of Programs and Services (June 2007)
<http://www.ct.gov/doc/lib/doc/pdf/contractedcommprogdirectory.pdf>
 - ✧ Recidivism Study: Annual Report: State of Connecticut, Office of Policy & Management, Criminal Justice Policy and Planning Division, Connecticut Statistical Analysis Center, Central Connecticut State University (March 1, 2007)
<http://www.ct.gov/opm/LIB/opm/CJPPD/CjResearch/RecidivismStudy/RecidivismStudy2007.pdf>
 - ✧ A Study of Reconviction Rates of Discharged Inmates from the Connecticut Department of Correction, Stephen M. Cox, Ph.D., Associate Professor, Department of Criminology and Criminal Justice, Central Connecticut State University (April 2006.)
<http://www.ct.gov/opm/LIB/opm/CJPPD/CjResearch/RecidivismStudy/RecidivismStudy2006.pdf>
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- ✧ Legislative Proposals: Judicial Working Group, Juvenile Jurisdiction Policy and Operations Coordinating Council (January 24, 2008) http://www.housedems.ct.gov/jjpocc/JJPOCC_Legislation_01-08.pdf
 - ✧ Families With Services Needs (FWSN) Report to the Connecticut General Assembly (February, 2008):
Section: VII. Issues Relating to the FWSN Population Requiring Further Study or Examination by the Joint Strategic Planning Committee. VII A. Impact of "Raise the Age" legislation, specifically at it relates to Youth in Crisis – Pg 70: http://www.cga.ct.gov/kid/FWSN/fwsn_report_0208.pdf
 - ✧ Juvenile Jurisdiction Policy and Operations Coordinating Council:
<http://www.housedems.ct.gov/jjpocc/index.asp>

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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.

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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