



Changing lives, changing minds

TESTIMONY
HUMAN SERVICES COMMITTEE PUBLIC HEARING

Submitted by
Stephen Becker
February 26, 2008

HARC, Inc.
Serving People with Intellectual
and Related Challenges

Senator Harris, Representative Villano, members of the Human Services Committee, my name is Stephen Becker, President/CEO of HARC, a nonprofit organization serving people with intellectual and related disabilities since 1951. I am appealing to you to **support Raised Bill 413, AN ACT ESTABLISHING A COMMUNITY PROVIDER RESUE FUND ACCOUNT AND COMMUNITY-BASED SERVICES COMMISSION.** We really need to solve the chronic problem of under funding private providers once and for all.

As many of you recall, community providers were recruited to provide residential and day program as public policy wisely changed from an institutional to a community based system of care. This approach was applauded by stakeholders since it opened a wide range of opportunities for people to enjoy inclusive lives in typical community settings. We are grateful that there is a new world for our people and the dark days of institutional warehousing are almost history.

Many of you will also remember that nonprofit providers were encouraged to respond to proposals with a funding system that provided *full reimbursement for all allowable and reasonable costs. This system also included an additional gross national product index to cover the lag time between expenses paid and the State reimbursement two rate years later.*

Community providers worked diligently to maintain cash flow during this lag period. At the same time, nonprofits engaged in fundraising and other creative financing to upfront costly capital expenses that were depreciated over the useful lives of the item. This was an excellent deal for the State since it was relieved of the burden of funding its own capital program.

Over the years the rules changed so that the State of Connecticut no longer reimburses actual costs, but rather assigns any amount as a rate, with a take it or leave it approach. A clear example of this practice is an average annual increase of 1.4 percent over the past 20 years, far below any index or test of reasonability.

As you know Zero is contemplated in the '09 budget. What message does Zero send?

- What does it say to the dedicated and caring people who work so hard to provide support to our people when Zero percent is communicated for their wages? How do we expect young people to join and remain on staff when the prospects for their futures are this grim?

- What does it say to the community organizations that are working so hard to sustain programs that were formerly fully-funded and operated by the State of Connecticut? HARC is experiencing a \$300,000 shortfall in state-funded residential and day programs. When we originally responded to the state's request to provide community services, it was to provide a cost effective alternative to public institutions. We never contemplated that the state would disavow its responsibility to fully fund these programs!
- What does it say to families with children at home who depend upon HARC's self funded programs like family support, community outreach, behavioral health, respite, social services and recreation program, when fund raising dollars have to be re-directed to meet shortfalls in state-funded programs?
- Finally, what does it say about the inherent value of our children when a ZERO percent increase is recommended for their cost of care?

It seems to me that government should strive to enrich the sector that provides the best service at the best price. Since there is no question about the relative efficiency of community providers over public sector services, it is clear that our financial viability must take a high priority. Why weaken and possibly do away with the State's most cost effective option?

Our families have been hard hit with a challenge in their lives that they never anticipated. Each year you hear from them and their compelling stories. Exorbitant medical bills, issues with health insurance, long waiting lists for services, insufficient funds to take care of their sons and daughters compound the problems faced each and every day by our families. Please create a permanent solution to the problem of care by supporting SB 413.

Thank you for helping us with this serious problem.