



Community Providers Association
Caring for Connecticut.

February 23, 2009

To: Finance Revenue and Bonding Committee
From: Terry Edelstein, President/CEO
Re: **S.B. 833 AA Authorizing Bonds of the State for Capital Improvements and Other Purposes**

Please accept this testimony in support of the proposed bonding allocations for DCF and DMHAS private provider contractors included in S.B. 833.

The Connecticut Community Providers Association represents organizations that provide services and supports for people with disabilities and significant needs including children and adults with substance use disorders, mental illness, developmental, and physical disabilities.

After two years without allocations for private provider bonding, the Governor's budget includes limited bond funds for private providers under contract with DMHAS and DCF. Sections 9 and 24 allocate grant in aid funding for providers of DCF residential services and outpatient psychiatric clinics for children in each year of the biennium and Section 24 allocates bond funds in FY11 for DMHAS nonprofit residential and outpatient services. There is no bonding money for DSS private provider contractors, which continues to be a problem.

After two years with limited access to bond funds, these allocations to DCF and DMHAS are sorely needed. Without the availability of bond funds, community provider agencies are at serious hardship in fulfilling their mission in supporting individuals with disabilities and significant needs in community-based locations. Bond funds allow for the development of programs in the community, covering emergency expenses such as boiler or roof replacement, as well as planned capital investments, restoration and renovation to property, much as a

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homeowner would repair a sidewalk, paint a house or install gutters. Not only are bond funds essential to maintain property, they are crucial to adhering to licensing standards, health and safety and contractual obligations. We urge you to support a bonding package that includes allocations for human service providers under contract with the state.

It is important to realize that bond funds go hand in hand with appropriations in ensuring that individuals with significant challenges can live and work in the community. If there are no bond funds available, providers must look to their contractual increases to pay for necessary repairs and maintenance. However, the Governor's proposed budget provides no COLA for community providers in FY10 and FY11, following a 0% COLA in FY09. In fact, over the past twenty two years, private provider COLAs have increased by only 33.6% while the Medical CPI has increased by over 197.2%. By any index, funding for private providers has been far outstripped by inflation.

Not only are contracts with DCF, DMHAS, DDS and other human services contractors frozen, but the DSS rates for "room and board" and Intermediate Care Facilities for the Mentally Retarded (ICF-MRs) remain at their FY09 levels, with no increases. These rates are meant to pay for allowable capital expenditures.

With three years with no cost of living adjustments we are asking you to support the Community Provider Rescue Fund which includes the creation of a capital improvement fund for community providers to be maintained on an annual level at \$30 million with uses as follows:

"Grants-in-aid ... shall be made available to community providers for improvements or expansion of treatment and service facilities, administrative office locations, fire and code compliance and upgrades, physical plant maintenance and upgrades, energy and conservation upgrades, replacement of heating and cooling systems, generators, communication systems, billing software, accounting software, quality assurance software, medical records, HIPAA compliance, hardware systems and other technology improvements."

We ask for your help in funding the human service delivery system properly. Bonding is a crucial component in providing community-based supports and services.

Thank you for your consideration.