



United Community & Family Services

*A Legacy of Caring since 1877*

34 East Town Street  
Norwich, Connecticut 06360-2326

telephone (860) 889-2375  
fax (860) 889-3450  
www.ucfs.org

Senator Slossberg, Representative Spallone and Members of the Government Administration and Elections Committee, I am Nancy Cowser, Vice President of Planning for United Community and Family Services, Inc, (UCFS), a Federally Qualified Health Center Look-alike serving Eastern, CT. I am testifying **IN FAVOR of HB 5824**, AAC THE PAYMENT OF PERSONAL SERVICE AND PURCHASE OF SERVICE CONTRACTS.

Over the past few years, UCFS has increasingly experienced significant difficulties receiving contracts in a timely manner. Except for multi-year contracts, with specified funds for the term of the contract, virtually all of our signed contracts (92%) have been received late (up to 7 months late) or a week or two before the program start date. In two cases, late contract execution made it impossible for us to start programming on time. Both contracts were received 3-4 days prior to the required start of service provision. This did not allow us to fill positions, to train staff or to otherwise be prepared to be 100% operational on the contract start date. Contract language specifically states that "contracted funds may not be expended prior to the starting date of the contract...". Especially in this climate of contract rescissions, we have no guarantee at all that a contract will actually be executed, or the amount for which it will be executed. In three cases this past contract year, contract amendments and revisions were still being made 5-7 months into an executed contract period.

Once a contract is finally executed, we are experiencing persistent delays in receiving payment. Contractually, the first payment is supposed to be paid upon signing of the executed contract. Yet, in virtually all cases, this payment is processed after the beginning of the start date of the program, and sometimes as late as 9 months into the program. This creates serious cash flow issues which can lead to our need to use financing to bridge the gap. Unfortunately, per OPM cost standards, interest expenses are not allowable. So while State contracting practices result in these expenses, the State will not reimburse them. Rather, the agency must absorb them, and cut somewhere else to do so.

Late contract execution and delayed payments are not fair to the agency, our employees, and especially the clients who are in need of critical services.

I want to thank the legislators for drafting this important bill, and in particular our southeastern Connecticut delegation for their continued support of our community and our agency. In these difficult economic times, we are grateful for your commitment to affecting change wherever possible.

