

In support of HB 6609, AA Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission

My name is Karen Annis and I work for Community Residences Inc., a not for profit agency that provides a variety of services to children and adults in Connecticut, and I am urging your support of the concepts raised in HB 6609, **AA Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission**. This bill seeks to address the chronic underfunding of our state's private nonprofit health and human services providers. The average cost-of-living adjustment (COLA) for nonprofit providers stands at 1.1% over the past 20 years; this does not even begin to keep pace with the inflation that providers have experienced during that time. With percentage increases in the double digits for energy and healthcare costs, nonprofits are falling further and further behind with each passing year of inadequate COLAs.

HB 6609 contains three important measures designed to assist nonprofits:

- 1. It establishes an account within the General Fund that will provide an immediate remedy to budget shortfalls for community providers, as well as a stable funding system and a consistent cost-of-service adjustment to avoid future budget shortfalls.
- 2. It establishes a commission on community-based services that will study and make recommendations concerning a long-term funding solution for community providers.
- 3. It creates a capitol improvement fund to assist community providers in addressing aging infrastructure.

Another issue that CRI is particularly concerned about is **credit**. Not for Profits are in need of lines of credit in order to provide cash to run their businesses, just like for-profit corporations. Over the past year due to the nation wide credit crunch, agencies are having problems maintaining existing lines of credit and negotiating expansions. As expenses increase and funding shrinks the availability of credit is going to be more and more of an issue. This has the potential to become an unintended outcome of level funding that could come back to haunt agencies and the consumers that we serve.

We fully understand the financial crisis facing Connecticut; however, this bill is absolutely critical to the sustainability of Connecticut's private nonprofit

providers. The health and human services delivery system simply cannot sustain any further increases in demand for services without additional funding being made available. While we do not envy the position that you find yourselves in or the difficult decisions that you must make, we are familiar with them. The budget cuts, making every dollar stretch a little further, and **DOING MORE WITH LESS** is something that nonprofits have been doing for years. We are asking for your support and urge passage of HB 6609. When Connecticut needs us most, this is what we need to be there for Connecticut.

Thank you for the opportunity to submit testimony. Please do not hesitate to contact me with any questions.

Sincerely,

Handwritten signature of Karen Annis, LCSW in cursive script.

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