



STATE OF CONNECTICUT  
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE HUMAN SERVICES COMMITTEE  
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Testimony Opposing House Bill No. 6609

AN ACT ESTABLISHING A COMMUNITY PROVIDER RESCUE FUND ACCOUNT AND  
COMMUNITY-BASED SERVICES COMMISSION

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Senator Doyle, Representative Walker and distinguished members of the Human Services Committee thank you for the opportunity to offer testimony on House Bill No. 6609, An Act Establishing a Community Provider Rescue Fund Account and Community-Based Services Commission.

This bill establishes a nonlapsing account within the General Fund to serve as a "community provider rescue fund" and authorizes me to make funds available to the agencies that contract with private providers under purchase of service agreements. The bill also establishes a commission on community-based services that is to study and make recommendations about long-term funding for private providers. The bill specifies the outcome of the commission's recommendations: to provide for increases in provider payments through an indexing methodology, and to develop a budget for implementing the indexing option. Finally, the bill specifies a bonding allocation of \$65 million for private provider capital improvements, and makes specific allocations to each agency that contracts with private providers.

Before commenting on the bill, let me state unequivocally that our private providers do a very good job of serving some of the most vulnerable populations in our state; the provider community is an invaluable partner and is essential to the provision of state services. With that said, however, I am not supportive of this bill. As most of you know, I have generally not supported the creation of more off-budget accounts. By their very nature, off-budget accounts are not subject to the scrutiny and review such as that provided annually by the Appropriations Committee, and as a result this leads to less transparency in our budgeting process.

I am also not supportive of the amount of bonding proposed in this bill. The Governor's budget proposes the cancellation of existing bond authorizations in order to help us deal with the amount of debt service that is squeezing out room for discretionary appropriations. While there may be some very real needs on the part of private providers, those needs should be clearly articulated and projects specifically identified for review through the traditional bonding process.

In addition, I am not supportive of the commission envisioned under this bill. If the legislature wishes to engage in a policy discussion about long-term funding for private providers, it should do so in the context of a long-term solution to the state budget, of which provider funding is only one component. There is also no need to establish a commission if the bill specifies the outcome of the commission's work: indexing of provider funding. Any policy discussion about provider funding should consider multiple outcomes of provider funding over the long term, rather than be pre-determined. Finally, and probably most importantly, I think we all need to recognize that budgeting is the process for weighing multiple, competing demands against scarce resources. Indexing and solutions like it limit the authority and discretion of the legislature and the executive branch to make policy choices and to allocate resources accordingly.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee oppose this bill and I will be happy to answer any questions you may have.