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**Testimony before the Human Services Committee
Re: S.B. 843 – An Act Implementing the Governor’s Budget
Recommendations Concerning Social Services**

H.B. 6542- An Act Concerning Medicaid Income Limits for Aged, Blind, and Disabled Persons

**H.B. 6526 – An Act Concerning Activities of the Council that Monitors the
Temporary Family Assistance Program and Employment Services Program**

**H.B. 6609 – An Act Establishing a Community Provider Rescue Fund Account
and Community-Based Services Commission**

**Submitted by Maggie Adair, Policy Director
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March 3, 2009

Good morning, Senator Doyle, Representative Walker, and members of the Human Services Committee. I am Maggie Adair, Policy Director of the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit organization that works to end poverty and to engage, equip, and empower all families in Connecticut to build a secure future.

Faced with a precipitous drop in state revenue and a budget deficit in the billions, policymakers must now make difficult decisions. CAHS believes that Connecticut’s policy leaders should take the long view on budget priorities, preserving the integrity of programs and policies that support children, families, and the well-being of the state.

I am testifying on several bills before you today.

CAHS is testifying in opposition to many provisions in **S.B. 843 – An Act Implementing the Governor’s Budget Recommendations Concerning Social Services**.

Governor’s budget concerning social services makes a **series of cuts to health care services to the poor, including Medicaid, SAGA, and ConnPACE**. I will not go into specifics since many other people will testify today about the illogical cuts to our health care system for low-income children, parents, disabled, and senior citizens. I will make a few points:

- The cuts to health care services and additional costs imposed on low-income families, taken all together, will have a heavy toll on our most vulnerable citizens. Rather than save health care costs, Connecticut will pay more in the end.
- Due to increased co-pays and premiums, cost-sharing proposals, drastically limiting dental care to adults, gutting wrap-around Medicare Part D services, cutting transportation services for SAGA, and other important provisions, people will not seek the health care and drugs they need to remain healthy. They will end up getting sicker and cost the state more long-term.
- Since Connecticut is receiving \$1.3 billion in Medicaid funding under the federal stimulus plan, if the state is going to take this new Medicaid money, at a minimum, it should not take away benefits under Medicaid and the other state health insurance programs for low-income residents. The whole point of the FMAP provision is to avoid having states cut Medicaid coverage.

- Using federal funds to liberally supplant existing funds is not an economic stimulus strategy. The federal funds are temporary. It will set Connecticut back once we pull out of this economic recession.
- When we have so much federal Medicaid money coming to Connecticut, and when we know that our health care system is broken, why would we want to start to dismantle health care for the poor, disabled, and elderly? **This is exactly the time to seize the opportunity and build a blueprint to ensure that all Connecticut people – the uninsured and under-insured – have access to comprehensive health care. We should turn our attention to the Sustinet proposal rather than cutting the foundations of public health programs.**

CAHS also opposes **deferring the cost-of-living increases** for people on Temporary Family Assistance (TFA), State Administered General Assistance (SAGA), and the Aged, Blind, and Disabled. When Governor Rell said she needed to create a budget that focuses on the core services and our most vulnerable citizens, we would have expected these populations would be protected.

CAHS is also concerned about the “cost-savings” incurred through the creation of newly configured block grants. About \$2.5 million in each fiscal year would be reduced through creation of a **Community and Social Services Block Grant** and about \$425,000 in each fiscal year would be reduced through the creation of an **Employment Services Block Grant**. The funds transferred to these new block grants from existing line items would be re-allocated according to a plan developed by the regional planning agencies. We are concerned about the ramifications of this proposal for the well-being of low-income children and families. **We know, from past history, what a block grant means: reduced investment in people.**

CAHS is also concerned about the reduced funding in FY 11 for **Care 4 Kids, the child care subsidy program**. The Governor cuts Care 4 Kids funding from \$103 million in FY10 to about \$96 million in FY11. In the Governor’s 3rd deficit mitigation plan, she also proposed lapsing \$9 million in Care 4 Kids funding for the current fiscal year. We have received conflicting reports from DSS, OPM, and OFA what the lapse really means. **The bottom line: in the economic downturn, now is the worst time to reduce funding for Care 4 Kids.** The goal should be to keep as many low-wage earners working as possible. Without a Care 4 Kids subsidy, low-wage workers cannot afford to work. We need people working and spending their earnings back into the community. We also need to keep children in high-quality educational settings so they do not fall behind in the critical early years of learning development.

The **\$13.7 million in new federal Child Care and Development Block Grant (CCDBG)** coming to Connecticut should not be used to supplant existing services. Of the \$13.7 million, about \$11.9 million is allotted for child care services, with another \$1.131 million for quality expansion and \$655,215 for infants and toddlers. Prudent uses for the new infusion of federal CCDBG dollars could: expand access, promote affordability for existing families, improve quality of services, improve eligibility levels, raise provider rates, and beef up workforce training.

There are some positive provisions in the Governor’s budget regarding social services. **We applaud the Governor for increasing funding for food and nutrition programs.** Under the Governor’s proposal, eligibility for the Supplemental Nutrition Assistance Program (SNAP – formerly known as Food Stamps) would increase from 130 percent to 185 percent of the federal poverty level. The cost is borne nearly entirely by the federal government so the cost to the state is minimal. An estimated additional 19,000 families will be served by SNAP. **Connecticut has had the option to make this change, and should have done so long ago.**

The Governor also increases funding for other nutrition programs, including food pantries, the state Supplemental Food Stamp program for legal immigrants, and the purchase of protein foods.

I would point out that the federal government’s economic recovery bill has infused significant new money to the SNAP program. SNAP benefits, under the federal bills, increase by 13 percent to offset rising food costs.

Connecticut will receive \$152 million more in SNAP funding and assist 240,000 participants. Connecticut will also receive \$2.5 million in administrative funding to handle the influx of new SNAP recipients. Regardless of the Governor's proposal, Connecticut will be seeing plenty of new money to boost its food and nutrition programs for struggling families.

CAHS supports **H.B. 6610 – An Act Concerning Medicaid Income Limits for Aged, Blind, and Disabled Persons.** This bill would create equity in the Medicaid program for people with severe physical and mental disabilities and elderly citizens. The bill would align the income eligibility threshold of elderly, blind, disabled people with those of parents and caregivers of HUSKY children at 185% of the federal poverty level. **There is no justification to allow for different income standards for different groups of people. We all get sick. We all need access to health care.**

In Connecticut, low-income elders and people with physical and mental disabilities *must be far poorer* than other eligible groups to qualify for Medicaid. In 2007, the Legislature raised the income level to 185% of the federal poverty for adults to qualify for HUSKY A – in alignment with children. We applaud this policy change. **But *nothing changed* for our most vulnerable citizens whose income eligibility threshold stands at a miserly 60-70% of the federal poverty level, a level that dates back to 1990.**

Given the economic crisis facing the state, we acknowledge the fiscal implications of this bill, but it is something we need to do. **This policy change is long overdue.**

CAHS also supports the intent of **H.B. 6526 – An Act Concerning Activities of the Council that Monitors the Temporary Family Assistance Program and Employment Services Program.** This bill would require the Commissioner of Social Services and the Labor Commissioner to submit reports about the Temporary Family Assistance program and Employment Services Program. The bill also requires the TANF Council to conduct a study of the status of the two programs. Connecticut needs to gather more data about the status of people enrolled in these programs and whether the programs are effective in training them and enrolling them in sustainable, good-paying jobs. If the programs are not effective in moving people into good jobs and economic security, then we are wasting money. Regarding the requirement for a study, we hope the Council will look back to the 2006 Program Review & Investigations Committee report on welfare reform and build off of that very thorough report.

CAHS supports the goal of **H.B. 6609 – An Act Establishing a Community Provider Rescue Fund and Community-Based Services Commission.** The nonprofit human services community forms the backbone of the human services delivery system in Connecticut. They work as partners with the State of Connecticut to provide services to our most vulnerable citizens. As partners, Connecticut needs to ensure that the nonprofits are adequately supported so they can continue to play their unique and important role in the community.

Unfortunately, nonprofit community-based providers have been historically under-funded. Last year, they did not receive a cost-of-living (COLA) adjustment, despite the rising costs of energy, electricity, and day-to-day expenses. Eventually, the system will break. The Legislature needs to address the wage disparity so that nonprofit employees earn a sufficient wage and the cost-of-living adjustments so that nonprofits can continue to serve people in the community. Again, we understand the fiscal implications of this bill. However, if we do not address the chronic under-funding of the nonprofit providers who perform critical services, we will see a downward spiral in the community provider's capacity to meet the needs out our most vulnerable people.

BETTER CHOICES FOR CONNECTICUT

Today, CAHS is testifying in support of increasing investments in people and communities. We acknowledge the fiscal implications, particularly when the state is facing daunting budget deficits for FY10 and FY11.

However, in these unprecedented financial times, we have choices. We can make a short-sighted poor choice and attempt to cut our way out of this multi-billion budget gap. This would require slashing vital programs and services

that are the lifeline for our most vulnerable people – our children, struggling working families, the disabled, and the elderly. It would require abandoning our investment in our schools, municipalities, transit, infrastructure, and public safety.

During a recession, demand for public services dramatically escalates. Deep budget cuts would deny services when they are needed most. Economists agree that crippling government will harm the economy when it is most at risk.

We can make a better and smarter choice. **Better Choices for Connecticut** has released a White Paper, detailing ways to address the budget crisis through prudent revenue changes. As author David Osborne said when Governor Rell brought him to Connecticut last month, it is “pure fantasy” to think that Connecticut can address the budget deficit by spending cuts alone. **Better Choices for Connecticut offers a revenue plan that will ensure Connecticut invests in its families, workforce, and infrastructure so that we come out stronger on the long run.** Revenue enhancements can be carefully focused on the people and businesses with the greatest ability to pay, while maintaining or lowering tax rates for people who are struggling the most economically, and for small businesses that are key to job creation.

We urge you to consider revenue options, keeping in mind the need to avoid hurting the state’s most vulnerable people and the health of the state’s economy through unwise spending cuts.

Thank you for giving me the opportunity to testify today.