



Memorandum

To: Appropriations Committee

CC: Agency Presentations and Public Hearing on the Governor's Proposed Budget

From: Carolyn Maloney-Hastillo
Director of Finance
MARC: Community Resources

Hearing Date: 3/2/2011

Re: H.B. No. 6380

My name is Carolyn Maloney-Hastillo and I am the Director of Finance for MARC: Community Resources in Middletown, CT and this is my statement regarding H.B. No. 6380 An Act Concerning the Budget for the Biennium Ending June 30, 2013, Excerpts relating to RACS, DDS Cost Settlement, RTFS

Moving from a 50% cost settlement position to a 100% cost settlement with the State of Connecticut will negatively impact those agencies who rely primarily on DDS funding. Those agencies will no longer have the ability to build up small cash reserves that will allow them to recover from situations out of their control. Situations like weather-related revenue losses and elevated expenses, or unanticipated drops in consumer attendance can greatly impact a bottom line and make the difference between breaking even and operating at a substantial loss. Simply trying to maintain a status-quo amidst flat funding for 4 years and decades of underfunding, combined with increased cost of living expenses, can be enough of a challenge.

At MARC: Community Resources, each day we have to cancel transportation because of inclement weather costs us over \$7,500 in revenue. So far this winter, we've experienced 8 such days that have cost us over \$60,000 in total revenue and over \$15,000 in snow removal expenses. DDS has said they will look into possible reimbursement for some of the lost CSA revenue, but that will still leave our agency with over \$40,000 of cash flow loss to deal with. In terms of cost settlement, the ability to keep these small amounts of dollars in reserve is critical to remain whole with such unanticipated losses. We are committed to maintaining the safety net for the State of Connecticut's most vulnerable individuals but we need your help. Please do not allow H.B. No. 6380 to pass with this language in place.