

CONNECTICUT
ASSOCIATION
of **NONPROFITS**

*...to serve, strengthen
and support Connecticut's
nonprofit community.*

TESTIMONY BEFORE THE APPROPRIATIONS COMMITTEE

February 22, 2013

H.B. No. 6350 AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015

H.B. No. 6367 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS

Senator Harp, Representative Walker and members of the Appropriations Committee: I am Ron Cretaro, Executive Director of the Connecticut Association of Nonprofits. CT Nonprofits represents more than 500 nonprofit organizations of which close to 275 are state contracting health and human service providers.

Many of the proposed funding reductions in the Governor's Budget do not reflect good policy and fail to align with a number of the Governor's stated past and current policy priorities – particularly job creation and economic development as well as protecting the safety net.

One of the most puzzling cuts is the elimination of the Centers For Independent Living in the newly created Department of Rehabilitation Services. The Centers help people live independent and supported lives without the need for costly institutionalization..

The Governor's Budget further calls for **freezing rates** for the Biennium to a) residential treatment providers under the Single Cost Accounting System in the DCF budget; b) ICF facility rates for persons with intellectual and developmental disabilities (of which there are 60 some) funded entirely by the Department of Social Services under Medicaid; c) for Community Living Arrangements (of which there are more than 750) which are partly funded by the Department of Developmental Services for their staffing and programs and by the Department of Social Services for their room & board. All of these programs rates will have been frozen for more than four years. It does permit with new language some ability of the Commissioners of DDS & DSS to support rate adjustment for a mandated capital improvement for health and safety. The State of Connecticut continues to benefit from the largesse and sacrifice of the private nonprofit sector which often reluctantly accedes to unreasonable financial terms and conditions as a "partner" with our state government. Our missions continue to be not-for-profit but we are also not-for-loss.

Also, the Governor's Budget reduces funding by \$4,100,000 in FY 14 and \$5,100,000 in FY 15 to reflect a reduction in the reimbursement for certain behavioral health services, including methadone maintenance. It also undermines the authority of the Behavioral Health Partnership which we oppose.

As for the Department of Children & Families Budget, while most of the Department's programs and services are flat funded other than the \$34 million cut to the Board & Care Residential account. Let's be clear, the reason congregate programs have closed and several organizations have folded is because these programs have gone under-utilized. This means DCF which controls referrals, discharges and funding has stopped sending children & adolescents to these in-state provider programs. There has been in our estimation close to 500 layoffs in the private sector nonprofit sector in the past three years. This does not mean DCF is not committed to residential treatment in their own operated facilities just less so in those operated by the nonprofit organizations some of which have served DCF's children for more than 100 years, having begun as orphanages. To be fair, savings from less reliance on congregate care has helped fund new community based initiatives which have resulted in new hiring of additional employees in the nonprofit sector.

It is our feeling that DCF has precipitously and prematurely thwarted referrals to congregate settings in order to save money and position itself to exit the Juan F. Consent Decree. It is our belief that new & necessary investment in community programs should be funded in their own right. Given the State's budget crisis, it remains to be seen whether DCF will have the resources to finance important new services which permit families to support children at home, with relatives or in the community.

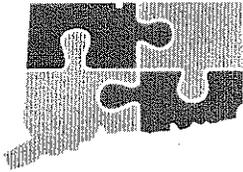
Several phenomena for which there is no direct cause & effect correlation are, nonetheless, noteworthy:

1. According to DCF, there has been an exponential increase in the past year in Emergency Room admissions (400) for children under age 12. DCF is undertaking a rapid assessment of this situation to determine causation. The Department believes some of it may be related to Newtown. Nevertheless, DCF has chosen to stop the placement and funding of out-of-home care for almost all children under age 12.
2. An informal poll of some of our DSS funded Homeless Shelters has indicated an increase in some areas of the state of adolescents and young adults 16-23 years of age. A number of these are adolescents who have been discharged from the DCF caseload. Another significant cohort are young adults whose parents are no longer able to cope with their symptoms of mental illness at home. Fortunately, the Governor's budget does increase funding for young adult services in the Department of Mental Health & Addiction Services.
3. Homeless shelters also acknowledge in some areas of the state an increase in admissions of single mothers with children.
4. Nearly one third of all admissions to the 16 funded STAR (short term assessment programs – formerly youth shelters for adolescents) are kids from failed foster placements.
5. One of DCF's Results Based Accountability scorecard looks at results of residential treatment. Residential treatment according to DCF's own tracking has shown a reduction in number of hospitalizations. Residential treatment in the nonprofit sector has been dramatically eliminated & reduced by the Department.
6. The dramatic system change at DCF has occurred with few or no dollars being directed to performance or outcome tracking and family/consumer satisfaction from or by a creditable external source. The shared goal is better outcomes for children, adolescents and families.

There is much to applaud and to lament in the Department of Social Services budget. Funding for caseload expansion and growth in several programs is a positive. Time does not permit itemizing all of the misguided decisions. Eliminating programs in the Children's Trust Fund prior to transferring it to the new Office of Early Childhood does not speak volumes for preventive services. Reduce funding by \$1,978,316 in both FY 14 and FY 15 to reflect the elimination of support for Family Empowerment, Family School Connection, the Children's Law Center and the Kinship Fund. while Nurturing Families Network and the Help Me Grow programs would continue to be funded.

Reduced funding is recommended by \$493,802 in both FY 14 and FY 15 for the Teen Pregnancy Prevention program. The program retains funding of \$1,481,402, which is consolidated under the Community Services account; Reduced funding by \$188,137 in both FY 14 and FY 15 to reflect the elimination of Traumatic Brain Injury Support and Family Support grants; elimination of funding for Transportation For Employment Independence program and reduction to Food Stamp assistance are regrettable recommendations.

Enclosure: 2 page document entitled "Cuts of Major Concern"



Cuts of Major Concern in Governor's Proposed Budget

By Appropriations Subcommittees – As of 02.25.13

We have provided a list of proposed funding reductions which are contrary to Governor's priorities and make little or no sense in terms of policy decisions to support Connecticut's economic recovery. These funding cuts will result in jobs losses to nonprofit organizations in our communities.

Job Creation, Job Training & Economic Development related funding elimination and cuts:

Conservation and Development Subcommittee (#5):

- **Department of Economic & Community Development** – Reduction by 10% to Culture, Tourism and Art Grants account. Reduces competitive grant pool to smaller, community & school based arts groups - **\$202,170**
- **Department of Labor** – Elimination of STRIDE program -**\$560,500**
- **Department of Labor** – Elimination of Incumbent Worker Training Program -**\$377,500**
- **Department of Labor** – Elimination of STRIVE program -**\$256,500**
- **Department of Labor** – Reduction by 20% Opportunities Industrial Centers -**\$100,000**

Elementary and Secondary Education Subcommittee (#10):

- **Department of Education** – Elimination of Afterschool Programs -**\$4,500,000**
- **Department of Education** – Elimination of Neighborhood youth Centers -**\$1,338,300**
- **Department of Education** – Elimination of LEAP - youth employment -**\$765,000**
- **Department of Education** – Elimination of CPEP - more underserved kids to enter math, science, technology careers -**\$262,500**

Human Services Subcommittee (#8):

- **Department of Rehabilitation Services** – Elimination of Centers For Independent Living - assist persons with disabilities with job seeking, skill development, living independently -**\$528,680**
- **Department of Rehabilitation Services** – Reduction by 25% of Employment Opportunities Program - **\$252,626**
- **Department of Social Services** – Elimination of Transportation For Employment Independence program -**\$3,187,240**

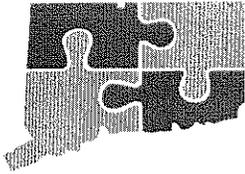
The following programs and services are vital to maintaining the Safety Net and need to be considered for restoration and add-backs. These will result in loss of further jobs as well.

Conservation and Development Subcommittee (#5):

- **Department of Economic & Community Development** – Elimination of funding for the Fair Housing Center -**\$308,750**

Health and Hospitals Subcommittee (#6):

- **Department of Developmental Services** – Reduction in funding/rates by 1-2% paid to residential service providers in the name of "efficiencies" on top of Rescissions & Deficit Mitigation cut of (2-5%) **nullifying 1% COLA** increase while at the same time adding \$30 million to serve new consumers and add new services; current persons in care are aging with greater medical needs thus increasing costs at a time of reduced funding.



- **Department of Mental Health & Addictions** – significant reductions to provider grants accounts in substance abuse and mental health based on capturing federal dollars for ACA on Jan. 1, 2014; puts existing services at risk. **-\$6,000,000** in SFY 14 for substance abuse: **-\$15,000,000** for mental health for SFY 14
- **Department of Public Health: School-Based Health Centers (SBHCs)** – Governor's budget includes proposal to eliminate funding for 22 new or expanded School Based Health Centers; over \$2.7 million each Fiscal Year, 2014 and 2015 and for which funds were originally appropriated in Fiscal Year 2013. Comprehensive School Based Health Centers provide both primary and mental health care on school grounds, making services accessible at low cost bolstering early identification of physical and mental health issues. **-\$2,700,000**
- **Department of Public Health: Reduction to Community Health Centers** by **-\$553,000** in FY 14; and a further **-\$493,000** in FY 15
- **Department of Public Health** – Elimination of Lead Poisoning Education & Outreach Campaign **-\$72,362**
- **Oppose the elimination of the Behavioral Health Oversight Council**

Human Services Subcommittee (#8):

- **Department of Social Services** – Elimination of Intermediate Care Facilities for persons with Developmental Disabilities (ICF-MR) rate freeze. Oppose removal of the 'Rate Add' for Intermediate Care Facilities. Previously approved rate increases of 2.2% increase in FY 2014 and 2.0% in FY 2015 for Intermediate Care Facilities for those with developmental disabilities, are eliminated. This Rate Freeze occurs at a time when the populations served continue to present more and more challenging physical and medical needs. **-\$1,380,000**
- **Department of Social Services: Children's Trust Fund** – The state budget proposal calls for elimination of the following Children's Trust Fund programs:
 - **Family Empowerment Programs**
 - **Family School Connection**
 - **The Children's Law Center**
 - **Kinship and Respite Fund**
- **Department of Social Services: Children's Trust Fund** – Reduction to the following programs:
 - **Healthy Start: -\$930,311** (66% cut)
 - **Nurturing Families Network: -\$261,000** or **-\$6,000** less per site (2% cut)
 - **Help Me Grow: -\$8,500** (2% cut)
- **Various State Agencies** – **extensive consolidation of accounts and line items** exacerbates budgeting and spending transparency; while we understand the flexibility granted without having to access FAC; we find it difficult as is to access information related to existing contracts for providers
- **Extension of Purchase of Service status** – The Departments of Housing, Aging, and Office of Early Childhood need to be designated Purchase of Service so that their grant accounts and procedures are aligned with POS and deemed eligible for any future COLA funding

Legislative Subcommittee (#1):

- **Oppose the consolidation of various Commissions** e.g. Children, Women, African American Affairs, Latino Affairs, etc. into a Commission on Citizen Advocacy

An investment in nonprofits is an investment in Connecticut's well-being.