

TESTIMONY

FINANCE COMMITTEE

March 4, 2013

Governor's Nonprofit Bonding

S.B. 842

GOOD MORNING (AFTERNOON), MY NAME IS PATRICK JOHNSON AND I AM PRESIDENT OF OAK HILL. OAK HILL IS A LARGE COMMUNITY NONPROFIT ORGANIZATION WITH 1,400 EMPLOYEES AND OVER 100 SITES IN 58 TOWNS THROUGHOUT THE STATE. WE PROVIDE SERVICES TO PEOPLE WITH MULTIPLE AND SEVERE DISABILITIES, PRIMARILY DEVELOPMENTAL DISABILITIES AND CURRENTLY HAVE 400 PEOPLE IN OUR RESIDENTIAL PROGRAM 24 HOURS PER DAY.

FOR OVER THE PAST TWO DECADES THE AVERAGE COST OF LIVING ADJUSTMENT TO OUR STATE CONTRACTS HAS BEEN LESS THAN 1% PER YEAR FOR 20 YEARS AND FOR THE PAST FIVE YEARS OUR FUNDING HAS BEEN FLAT. WE ARE GRATEFUL TO GOVERNOR MALLOY FOR THE 1% COLA STARTING IN JANUARY OF THIS YEAR. IT SOFTENS THE BLOW OF A NET LOSS THIS YEAR AS WELL. THE LAST TIME WE RECEIVED A RATE INCREASE GASOLINE WAS \$1.87 PER GALLON. NO REASONABLE PERSON COULD ASSUME THAT THIS IS SUSTAINABLE.

NEEDLESS TO SAY WE BALANCE OUR BUDGETS ON THE BACKS OF PEOPLE WHO HAVE HAD NO WAGE INCREASES IN 5 YEARS AND NOW POSSIBLY 7 AND THERE HAVE BEEN CAPITAL PROJECTS THAT HAVE NOT BEEN ADDRESSED. WE ARE GRATEFUL TO GOVERNOR MALLOY FOR RECOMMENDING A \$40 MILLION BOND PACKAGE OVER THE NEXT TWO FISCAL YEARS. THIS IS VERY IMPORTANT AND WILL ADDRESS SOME VITAL NEEDS IN THE PRIVATE NONPROFIT SECTOR TO UPGRADE OUR AGING INFRASTRUCTURE AND ADDRESS NEW PROGRAM AND SAFETY NEEDS. FOR EXAMPLE IT IS JUST A MATTER OF TIME UNTIL WE HAVE A REAL DISASTER. WITH SERVICES NOW BEING PROVIDED IN GROUP HOMES AND OTHER SETTINGS SEVERE STORMS HAVE MOVED FROM INCONVENIENT TO PERILOUS AND LIFE THREATENING. DURING RECENT STORMS SITES WERE RENDERED INACCESSIBLE AND MILD WEATHER IMMEDIATELY FOLLOWING THE STORMS WAS THE SAVING GRACE. PERMANENT AUTOMATIC GENERATORS FOR BACK UP POWER WOULD GO A LONG WAY TO ADDRESS THIS SIGNIFICANT RISK. WE CURRENTLY PREPOSITION PORTABLE GENERATORS IN CENTRAL LOCATIONS FOR MANY OF OUR SITES BUT THIS HAS SIGNIFICANT DRAWBACKS AND CHALLENGES GETTING THEM TO WHERE THEY ARE NEEDED AND KEEPING THEM FUELED AT GREAT RISK TO OUR RESIDENTS, MAINTENANCE MECHANICS, AND STAFF.

IN ADDITION, AFTER DECADES OF USE, WEAR AND TEAR AND DEFERRED MAINTENANCE BUILDINGS BECOME ANTIQUATED, ENERGY INEFFICIENT, AND POTENTIALLY UNSAFE. DEMANDS FOR NEW TECHNOLOGY SUCH AS ELECTRONIC RECORD KEEPING, NEW COMMUNICATIONS EQUIPMENT, ASSISTIVE TECHNOLOGIES, MONITORING EQUIPMENT, AND OTHER CAPITAL INVESTMENT PRESENT A

HUGE CHALLENGE FOR THE MAJORITY OF PRIVATE NONPROFIT AGENCIES WHO HAVE BEEN DRIVEN TO THE FINANCIAL TIPPING POINT BY CHRONIC UNDERFUNDING. PLEASE SUPPORT SENATE BILL 842 MAKING AVAILABLE THESE CRITICALLY NEEDED FUNDS. THANK YOU FOR YOUR SUPPORT AND PUBLIC SERVICE!

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