

**COMMUNITY RESIDENCES INC.
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TESTIMONY TO THE CONNECTICUT GENERAL ASSEMBLY
HUMAN SERVICES COMMITTEE

Raised S.B. No. 1023

Concerning Revenue Retention by Nonprofit Health and Human Services Providers

Chairperson Slossberg, Chairperson Albercrombie, members of the Human Services Committee, thank you for the opportunity to provide testimony. My Name is Paul M. Rosin and I am the Executive Director of Community Residences Inc. a not-for-profit human service provider of day, residential, and family support to children and adults with special needs. I am providing testimony in support of S.B. 1023: **An Act Concerning Revenue Retention by Nonprofit health and Human Services Providers.**

Over the past thirty years, the State of Connecticut has come to rely on not-for-profit organizations to provide more and more of the direct services to children and adults with special needs. These services include short term residential placements, foster care, adoption, behavioral therapy, employment services and a wide range of additional services. The private sector operates these services in an efficient and cost effective manner in every town and city in the State. We serve and employ thousands.

As I know that you are aware, over the past five years, not-for-profit agencies have received one-1% Cost of Living Adjustment (COLA). This has put significant pressure on these organizations to stretch every dollar as far as it will go and then some. The Governor's budget for SFY14 and 15 contains no cost of living adjustment in either year. This will continue to put pressure on Agencies to meet the needs of the consumers they serve, the staff they employ, and the Agencies that license them. It is our hope that money will be found by the Legislature or the Governor to rectify this situation.

S.B. 1023 demonstrates a recognition by the Human Services Committee that it gets the fact that not for profits are businesses that need to pay bills, meet payrolls, and negotiate with banks and lending institutions. By passing S.B. 1023, Agencies will be in a position to improve cash flow, enhance their bottom line, and decrease the need for hard to get lines of credit. I urge you to make this investment in the not-for-profits, giving them the ability to retain revenue at the end of a fiscal year and to then utilize that money to improve the quality of services to its customers in subsequent years.

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