

COMMUNITY RESIDENCES INC.
732 WEST STREET
SOUTHINGTON, CT. 06489

Testimony Submitted to the Human Services Committee:

H.B. No. 6465: An Act Concerning Purchase of Service Contracts

Submitted By: Paul M. Rosin, Executive Director, CRI.

Public Hearing Date: February 10, 2015

Senator Moore, Representative Abercrombie, Senator Markley, Representative Wood and distinguished members of the Human Services Committee, my name is Paul Rosin and I am the Executive Director of Community Residences Inc., a not-for-profit human services agency that operates group homes, day programs and community support for DCF, DDS and DSS. I am also a member of Connecticut Association of Non-Profits (CTNonprofits).

I would like to share my support for H.B. 6465, An Act Concerning Purchase of Service Contracts. **This bill asks the Governor and legislators to appropriately fund nonprofit providers by including an increase, commonly referred to as a cost of living adjustment, in all future Purchase of Service (POS) contracts and Medicaid fee-for service accounts consistent with the average annual growth of the Consumer Price Index or inflation.** This increase in funding is necessary because the state has failed to adequately fund nonprofit providers for the last two decades forcing many nonprofits to close, compete against one another for scarce resources, lay-off employees, reduce benefit packages; altogether creating a win or lose system that weakens the entire nonprofit sector and threatens its sustainability.

Due to this inadequate funding, CRI has not provided a cost of living adjustment (COLA) to its employees since July 2007. In addition, we have found it necessary to move from a fully insured health

insurance policy to one with a high deductible matched with the health savings account (HAS) which results in a higher cost to the employee.

H.B. 6465 makes a commitment to address those issues by properly investing in the nonprofit sector, a commitment the state has already made through 1,585 POS contracts serving approximately 500,000 residents (15% of the population) among ten state agencies totaling \$1.38 billion or 7.3% of the state budget. While any increase in funding may seem impossible in these tough budget years, policymakers simply can't afford not to do this. **Our employees are some of the hardest working professionals across the state and have had to bear the burden of underfunding, going years without salary increases while simultaneously watching benefit packages deteriorate.** Consequentially, nonprofits struggle to keep a quality workforce, as many providers experience high turnover with employees considering state employment or similar jobs providing higher wages and better benefits. In turn, high turnover adversely affects the clients who have grown comfortable with their nurse, social worker, roommate or mentor. **The reality is that the health and human service nonprofit providers have been continuously underfunded over the past two decades, pushing many of us to our breaking point.**

This bill represents an opportunity to improve the quality of life and economic activity in your communities for your constituents. Investing in nonprofit providers will improve service delivery, increase economic activity, and save taxpayer money. **This bill is a "win-win" for policymakers working to strengthen the economy, the nonprofit workforce trying to make ends meet, and the clients (and their families) who receive cost-effective, high-quality and efficient services from nonprofit providers.** I ask for your commitment now to require that future nonprofit-government contracts are tied to the growth in CPI and/or inflation.