



THE
KENNEDY CENTER, Inc.
Celebrating the Potential of All People

Public Hearing Date: February 10, 2015

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To: The Human Services Committee Legislative Program Review
and Investigations Committee

Submitted by: The Kennedy Center, Inc.

Ref: H.B. No. 6465: An Act Concerning Purchase of Service
Contracts
Raised Bill No. 5036

Senator Moore, Representative Abercrombie, Senator Markley, Representative Wood and distinguished members of the Human Services Committee, my name is Tina Varick. I am the Grants and Projects Manager for The Kennedy Center, Inc. Our organization provides comprehensive vocational, rehabilitative, recreational and residential services to nearly 2,400 individuals with disabilities and special needs, from birth to senior years.

As a member agency of the Connecticut Association of Nonprofits, I would like to share our support for H.B. 6465. As you know, this bill asks the Governor and legislators to appropriately fund nonprofit providers by increasing the cost of living adjustments, in all future Purchase of Service contracts and Medicaid fee-for service accounts, that is consistent with the average annual growth of the Consumer Price Index or inflation.

The need for an increase in funding has exceeded critical levels. The state's long term inadequate funding of nonprofit providers is not only threatening the quality of service that people with disabilities receive throughout our state, but Connecticut nonprofits have been forced to close their doors creating even larger gaps in service for our most vulnerable citizens. In an effort to survive this deteriorating landscape, nonprofits have been forced to lay off quality employees, further reduce employee benefits and close vital programs. This is, at best, a stop gap measure. Many of our

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2440 Reservoir Avenue • Trumbull, CT 06611 • (203) 365-8522 • Fax(203) 365-8533 • TDD(203) 365-8535
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most talented staff members have left as a result of our inability to provide reasonably competitive wages. If this condition is allowed to remain unchecked, the sustainability of the state's entire nonprofit sector is threatened. Just this last month, our Rehabilitation Services Division had three key Department Managers leave for state employment positions, sighting inadequate pay as their sole reason for their departure. We would never begrudge a person for seeking a higher salary or a fair wage, our frustration is when these staff leave for the same position at the state, where they earn twice the pay.

The long-term lack of financial support for human service providers impairs nonprofits like The Kennedy Center in a myriad of ways. For example, the new attendance based fee-for-services does not take into account that staffing of group services like Day Support programs cannot be reduced because a client fails to attend. Our cost remains the same, thereby forcing us to incur the unpaid cost without compensation. Consider weather hazard conditions such as snow days, where we are forced to choose to either remain open, placing our client and staff at risk, or close and lose valuable dollars needed to ensure the financial viability of the program.

Unfortunately, when funding cuts are made to meet the state's budget deficit, the first to be impacted are nonprofits and individuals with disabilities. Interestingly, when the state revenues subsequently increase, non-profits and individuals with disabilities are the last to benefit.

This legislation 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 among ten state agencies, totaling \$1.38 billion of the state budget.

While any increase in funding may seem impossible in these tough budget years, policymakers simply cannot afford to ignore our plea. 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.

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 to ensure adequate funding of contracted services.

Thank you again for your time and consideration. Please do not hesitate to contact Marty Schwartz, President and CEO of The Kennedy Center, or me with any questions or for additional information.

Martin D. Schwartz
President & CEO
The Kennedy Center, Inc.
2440 Reservoir Ave.
Trumbull, CT 06611
203.365.8522 Ext. 211
mschwartz@kennedyctr.org

Tina Varick
Grants & Projects Manager
The Kennedy Center, Inc.
2440 Reservoir Ave.
Trumbull, CT 06611
203.365.8522 Ext. 260
tvarick@kennedyctr.org