

Testimony of
Ron Miller
Owner of
Four Corners Rest Home

In opposition to

S.B. No. 897 (RAISED) AN ACT CONCERNING FAIR RENT FOR RESIDENTIAL CARE HOMES.

Senator Moore, Representative Abercrombie, and members of the Committee,

My name is Ron Miller. My wife, Molly, and I are the owners/operators of Four Corners Rest Home an 18 bed Residential Care Home located in Milford. I am writing you today to voice our opposition to SB 897- An Act Concerning Fair Rent for Residential Care Homes. Residential Care Homes like ours provide an invaluable resource to Connecticut by providing housing to disabled individuals at a fraction of the cost of most other alternatives. Our home currently receives \$52.93 daily/\$1609.95 monthly to provide meals, housekeeping, laundry, recreation, and medication supervision in addition the housing for our residents. You should know that this monthly rate is not funded solely by the state but is additionally supplemented by a portion of the individual's Social Security benefit, which averages \$700 in our home, leaving the net cost to tax payers at approximately \$900 monthly. The current Fair Rent component of this rate amounts to \$3.10 daily/\$94.29 monthly per individual or \$1,697.22 monthly for a home of 18 residents. I believe the use of the word "Fair" in describing this component is questionable as I doubt that a family of 18 could rent a 5,000 square foot house in Connecticut for \$1,700 monthly. Our facility will soon be entering its 60th year of operation and like any building of its age will need new roofs, windows, siding, and a multitude of other things going forward to remain in business. SB-897 removes the mechanism to help fund, through the rate process, these larger repairs and improvements. As a business owner I may be forced to decide whether to forgo needed repairs, close, or place our facility up for sale. Should I decide to sell, this bill has the unintended effect of penalizing established owners by not compensating us for repairs and improvements; however a new owner would be able to include into the initial Fair Rent calculation the means to pay for the same repairs and improvements upon purchase. In my opinion, the loss of established homes and/or owners will drive the Fair Rent component higher as the cost of construction for new facilities or the debt service for new owners to buy existing homes will more than negate any savings realized with the passage of this bill.

In closing I would like to add that most homes are experiencing very difficult financial times. Beginning in July of 2008 rates for Residential Care Homes were frozen for a period of 4 years while the cost of everything else went up. To cover these expenses repairs and improvements were put on hold which now makes the availability of small increases through the Fair Rent process even more important if we are to remain a much needed resource for the tax payers of Connecticut.

Thank You,

Ron Miller