

**TESTIMONY SUBMITTED TO THE HUMAN SERVICES COMMITTEE**  
**February 18, 2016**

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Senator Moore, Representative Abercrombie and members of the Human Services Committee, my name is Karl Kilduff, Executive Director of the Connecticut Housing Finance Authority (CHFA). On behalf of CHFA, I am providing my comments on legislation before the Human Services Committee.

**Senate Bill No. 17 An Act Implementing the Governor's Budget Recommendations For Human Services**

Section 2 requires the Commissioners of Developmental Services (DDS) and Social Services (DSS) to approve any changes of ownership of any DDS licensed Community Living Arrangements (CLAs) which are funded by both DSS and DDS. DDS covers service costs and DDS funds room and board. The service costs are Medicaid reimbursable, while room and board costs are not. Land and building costs are reimbursed through rates set and payments made by DSS over a 30-year useful life. This section provides that the useful life and value will not be reset due to the sale/transition of a CLA from one provider to another. Over the past few years, providers have been selling/transferring CLAs that are either fully paid or partially paid off. The resetting of the property reimbursement to a new 30 year period results in additional costs not funded in the DSS budget. This practice essentially results in the state paying twice for the same property.

CHFA administers a separate Group Home Program, which it funds through issuance of 501(c) (3) bonds. CHFA administers this program under a Memorandum of Understanding between CHFA, DDS, and the Department of Social Services. DSS guarantees that the room and board rate it provides to the residents will support the CHFA program. Public Act 14-231 (Section 66) allows for the transfer of the administration of DDS Group Homes Revolving loan fund to CHFA. The respective agencies are in the process of drafting a Memorandum of Understanding that would administer this transfer.

CHFA offers this testimony in support of Senate Bill No. 17 AA Implementing the Governor's Budget Recommendations for Human Services.

