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***Testimony Submitted to the Appropriations Committee:***

**H.B. No. 5044: An Act Making Adjustments To State Expenditures For The Fiscal Year Ending June 30, 2017.**

**Submitted By: Barry Simon, President & CEO**

**February 11, 2016**

Good afternoon Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, my name is Barry Simon and I am the President of Oak Hill. I am here today on behalf of those we serve and my incredible staff (part of which are 1199 union staff). Oak Hill has been providing services for 123 years, and is a leader in providing the highest quality community-based programs; through education, assistive technology, programs and advocacy, we support people at every stage of life. Oak Hill, has 15 distinct programs; 120 program sites, classrooms, and homes located in 60 towns. Oak Hill employs over 1,300 professionals to successfully meet the changing needs of close to 40,000 people with disabilities each year. What is obvious to me as I visit the various programs and meeting participants and staff, is that Oak Hill does set the standard in providing education and lifelong learning opportunities to enhance independence and quality of life for people with disabilities. We are among the 550+ member agencies of the CT Community Nonprofit Alliance (CT Nonprofit Alliance.) Yet, as Connecticut's largest POS provider of services for the disabled, it is very difficult for us to do business in Connecticut and pay a living wage.

I would like to share my concerns with House Bill 5044: An Act Making Adjustments To State Expenditures For The Fiscal Year Ending June 30, 2017. As it stands, the proposed budget would cut spending in almost every area of health and human services. In total, cutting vital programs and services by over \$408 million (or 72% of the total cuts of \$569.5 million for SFY17) across the 14 state agencies that partner with nonprofit providers.

We understand that this is a lean budget, but in difficult and uncertain economic times, families and individuals need the services of community providers more than ever. The true fix is with a long term solution for funding any services state or private. And just to be sure you maintain perspective; the last time we received an increase to our rates that was not rescinded, minimum wage was \$7.65/hr and, with the proposed budget, there would be no increases in 10 years. Programs have closed in the last few years and will continue to do so – this is not a false alarm. As an agency we have closed programs, made reductions in others, reduced staff, and reduced benefits due to the short sighted approach to state budgeting and policy. As we work on plans for the future of the agency and providing services that meet the needs of those we serve, developing business strategies to succeed in this environment is next to impossible and, this will ultimately lead to dire consequences for the total community service system; this is the antithesis to what I hope you are trying to accomplish.

Connecticut's community nonprofits deliver the state's core services, yet we are forced to operate on repeated rescissions and chronic underfunding. Doing more with less, we've been doing that, and it is not a sustainable option. The individuals served by community nonprofits are those who strive every day to increase or regain their independence. The services they receive are life-sustaining. They are also our children and parents, our neighbors and

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friends. Without community services, they will have no place to go to meet their needs, or they may be forced into more costly alternatives such as emergency departments, hospitals or even jails.

In addition, I would like to comment on Governor Malloy's proposed transfer of funding for the Community Residential Services line from the Department of Developmental Services to the Department of Social Services and a change from grant-funded service provision to fee-for-service billing. This change reflects a transfer of \$537,111,053 from DDS to DSS, or nearly half of the total DDS Operating Budget in FY17. Part of this proposal is the creation of an Intellectual Disabilities Partnership, with a similar model to the Behavioral Health Partnership. We support this aspect of the Governor's proposal. This proposed shift to DSS has the potential to create positive change in the provision of services for people with intellectual and developmental disabilities, with several very important caveats:

- 1) Without adequate rates, no rate setting methodology can fix the problems in the DDS Community Residential Services programs. Without adequate rates, the waiting list cannot be reduced. The Governor's budget represents a 1:1 transfer between DDS and DSS. Under the current system, there is not adequate funding to address either drastic underpayment to all providers or the waiting list. A simple transfer will solve neither of these problems. Adequate rates are key to breaking the gridlock.
- 2) Community nonprofits must be at the table throughout all aspects of writing a state plan amendment, rate setting methodology, and the setting of a rate at DSS.
- 3) The budget would convert Residential Community Living Arrangements from Public to Private Nonprofits. We support this shift however, again, the rates must cover the costs of the required services in order for services to be delivered effectively and to pay adequate wages.

In the past, the legislature has proven that it takes the needs and well-being of CT residents seriously. Please continue to support children and families in this midterm adjustment, both as the 2016 session draws to a close, and in future discussions while creating a new biennial budget. Stable fiscal planning, including responsible tax policy and spending priorities is essential to fixing the problem. Failing to invest now in health and human services means that we as a state will pay much more down the road. **Connecticut needs to invest in its priorities. Community providers improve and save lives. They also create jobs, strengthen the economy and the safety and security of our communities.**

Thank you for your time and consideration of these important issues. I am happy to answer your questions or provide additional information.

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