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Testimony Before the Appropriations Committee Regarding the Governor's Proposed Budget

February 18, 2016

Senator Bye, Representative Walker, members of the Appropriations Committee, thank you for the opportunity to speak before you.

I am Stan Soby, Vice President for Public Policy and External Affairs, at the Connecticut Institute for the Blind, known as Oak Hill, a recognized leader in providing community-based programs over the lifespan: housing, employment training, education, assistive technology, healthy relationships, early intervention, and recreation to children and adults with multiple disabilities (including visual impairments). Oak Hill employs over 1,300 professionals who work at our 115 program sites located in 55 towns throughout Connecticut.

The following is a list of our 16 distinct programs which continue to evolve to successfully meet the changing needs of thousands of people with disabilities each year: Art Therapy, Autism Services, New England Assistive Technology (NEAT), Birth to Three, Center for Relationships & Sexuality (CRSE), Chapter 126 Sports & Fitness, Community Companion Homes, Day Services/Supportive Employment, Equipment Restoration Center (ERC), The Hemlocks Center, In Home Supports, Oak Hill School, Oak Hill Camp, Professional Development, Residential Services and Services for the Blind.

- The governor's proposed budget puts at risk the health and well-being of CT residents by cutting spending in every area of health and human services, as well as the cultural fabric of our communities. In total, the Governor's budget calls for 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. *[Note: The \$408 million number was calculated by adding up the total number of cuts to programs and services we care about, from what has been actually appropriated in the biennial budget for SFY17 – current law. The numbers have been adjusted for transfers (fringe benefits and transfers).]*
- The individuals served by community nonprofits are some of the state's most needy citizens, and in many instances, 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 friends. Without community services, they will have no place to go to meet their needs, or they may be forced to more costly alternatives such as emergency departments, hospitals or even jails.
- Connecticut's community nonprofits deliver the state's core services, yet they are forced to operate on limited funding, the result of repeated rescissions and chronic underfunding. Doing more with less is not an option. We have already employed LEAN process to streamline and automate support functions. We have changed staff schedules to reduce overtime costs, changed benefit plans to reduce premium costs and been right-sizing our service array to better align with the current rate structures.
- This budget would cut almost \$56 million from the Department of Developmental Services.
- Over the past 30 years, the average annual rate/funding increase to providers has been less than one percent, far less than the increase in the cost of living by any measure.
- In November of 2013, the differential application of the rescissions cost Oak Hill 2.5% of its funding, undoing the benefit of the 1% increase budgeted for January 1, 2014. More cuts will impact of those served. As painful as the rescission cuts were, the 5.75%, or more, will be devastating.

- In annualizing the FY 2016 Deficit Mitigation and Lapses, the Governor is cutting millions from Employment Opportunities and Day Services, Behavioral Support Programs and opportunities for people to live in the community.
- The proposed budget contains a \$31,816,294 cut to the combined block grant “Agency Operations” account at DDS. There is no assurance that DDS would be required to evenly distribute this cut across all programs, creating the likelihood that the cut will be significantly more than 5.75%. Cuts of that magnitude will disproportionately fall on, and in some cases completely eliminate critical programs that serve people with disabilities across Connecticut, given that Employment Opportunities and Day Services represents the largest item in the new “Agency Operations” line. Additionally, DDS has required mandated a 20% increase in the length of the day without any adjustment to rates paid.
- Loss or reduction of these services, in addition to affecting those served, impacts on families who depend on these services so they can remain productive members of the workforce.
- In addition, Governor Malloy has proposed multiple cuts and changes to the provision of Developmental Services:
  1. The most significant change is a transfer of funding for the Community Residential Services line from DDS to the Department of Social Services and a change from grant funded service provision to fee-for-service billing.
    - a. This change reflects a transfer of \$537,111,053 from DDS to DSS, or nearly half of the total DDS Operating Budget in FY17.
    - b. 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.
    - c. 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:
      - i. 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 without new money will solve neither of these problems.
      - ii. 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. Without this assurance from the administration, we cannot support moving Community Residential Services to DSS.
  2. This budget would also transfer DDS’ Autism Division to DSS. This presents concerns in light of recent and ongoing issues with various Waiver services currently administered by DSS.
  3. The budget before you would convert Residential Community Living Arrangements from Public to Private Nonprofits. We support this shift. The state must pay adequate rates in order for services to be delivered effectively.
  4. This budget would eliminate the Early Childhood Autism Waiver altogether.

Finally, the work our employees do supporting individuals with disabilities to lead more independent and fuller lives in their communities continues to be de-valued by decisions made by State government. It is increasingly difficult to hire and retain people with the necessary skill sets to meet the needs of the people we support, as there are other employment options that will help them better take care of their own families. We should be able to do better as a society for the people we support and those who support them by investing in people.