Good afternoon Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee:

My comments are in reference to H.B. 7148 An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2021. My name is Sandra Lavoy and I am the Sr. Vice President of Community Rehabilitation Services with CW Resources, Inc.

CW Resources, Inc. has been providing services to people with disabilities in Connecticut since 1964. Within that time, we have supported thousands of individuals in their quest for a job and better life. We have seven (7) program and service centers across the state, spanning all three (3) Department of Developmental Services regions and last year supported over 500 individuals funded by the department.

Community nonprofits provide essential services, make Connecticut a better place to live and work and improve the quality of life for many of the State’s most vulnerable citizens. We were the partners and solution to deinstitutionalization, and we still are.

The provider community has become plagued with inadequate reimbursement rates which do not cover the true costs of services. Fourteen (14) years without cost of living increases coupled with onerous unfunded mandates continue to erode the private sector. Fixed costs continue to rise, and when faced with paying the bills, rent and other non-negotiable costs, we are forced to make cuts to services and reduce staffing. This means that people in need go unserved and underserved.

Last year, CW made a conscious decision to move one of its program locations to a smaller space in order to reduce fixed costs. This change was accompanied by reducing the staff and the number of people served. This change was not enough to manage costs and we continue to operate at a significant deficit and are faced with potential closures again this year.

We are purposefully continuing to reduce the number of people served and reduce staff. We have become very selective in those we accept into our services. The changing expectations of the department’s service definitions, the inability for some people to attend certain service models and the elimination of prevocational services has resulted in some individuals losing the opportunity to work and receive services. We have work, we have training opportunities, but they are not seen as valuable and the state is unwilling to pay for them.

The recently approved and implemented DDS Wage Bill illuminated the importance of the private provider community direct support professionals, by raising their wages to $14.75 per hour. This gave providers a bit of an edge when recruiting for employees. But this edge will be decimated with a $15 minimum wage when we will again compete with entry level jobs at the local restaurants and other businesses which will be less demanding and more appealing. Staff will leave for easier jobs at the local
stores, where they will also get a discount. Remaining in our employ will mean challenging work and the need to pay more for health insurance.

Investment in the State’s human capital is a must, and we need to be viewed as a fixed cost in the budget. The crumbling foundation of the provider community is not covered by insurance claims and cannot be subsidized by cookie sales. We need an ongoing solution which respects and values the work of provider community. We are a contractor with the state and deserve to receive payment for services provided.

Thank you and respectfully submitted by:

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