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

I am here to comment on H.B. 7148 An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2021, and Making Appropriations Therefor

My name is Beth Fisher and I am the Executive Director of Kuhn Employment Opportunities, Inc., a non-profit, social services organization based in Meriden and in Middletown. Our agency contracts with both DMHAS and DDS to provide employment and day support services to individuals living with mental illness and/ or with intellectual disabilities. We serve approximately 400 individuals throughout Central Connecticut each year.

I urge you to protect and fully fund essential community services. Community nonprofits improve our quality of life, making Connecticut a better place to live and work.

Year-after-year, state budget difficulties have put increasing pressure our community-based nonprofit.

For our agency, budget reductions in October 2016 meant a decrease in our ability to provide DMHAS contracted employment services to 70 individuals. In FY 2018, DMHAS employment services sustained a further 5% reduction in payments. While very recently Kuhn was able to work with DMHAS to restore services for 20 (of the 70) individuals just this past January 2019, our service system, especially in Middlesex County, continues to lack the needed resources to assist and support individuals, who are working toward recovery, to find, get and keep meaningful employment. Research shows that employment success is a major factor in achieving recovery for those struggling with mental illness. Our waiting list for these employment support services continues to grow and our costs continue to rise.

The employment and day services that Kuhn provides under contract with DDS are also critical for individuals with intellectual/ developmental disabilities. Insufficient rates of reimbursement, years of no increases and the ever growing list of unfunded mandates has squeezed the DD system to a breaking point. At our agency, we now operate with a compromised infrastructure in an effort to maintain services to individuals. We simply cannot continue to operate without key positions. Program managers, administrative and executive staff regularly work 10 to 15 hour days just to keep service delivery afloat. Staff burnout is common across our industry. Without relief, adequate rates to cover the cost of contracting with the State of Connecticut to provide these essential services, there will be no other option than to eliminate programs and services.

I am appreciative to the legislature for the work done in the last session to begin to address these issues however, it is also clear that these measures have not come close to meeting the needs of community-based human services providers who regularly deliver cost-effective and high quality services.

I support the Governor’s proposal to annualize the 1% Cost of Living Adjustment for Private Providers contracting with DMHAS.
• I support the Governor’s proposal to annualize funding for private provider wage adjustments under DDS contracts, an expenditure of $17.4 million in each Fiscal Year. However, I am concerned that the appropriation is not sufficient to fully fund the increases in statute, that on which many employees are depending.
  o Special Act 18-5 increased the minimum wage paid to private providers of DDS services to $14.75 and provided a wage increase of 5% to anyone else making between $14.75 and $30 an hour. The legislature appropriated approximately $10.8 million for that increase in the current fiscal year, which went into effect on January 1, 2019.
  o Unfortunately, DDS has not made enough funding available to providers to pay for the costs of fully implementing the increases, giving providers millions less than the data shows is necessary.
  o For Kuhn, the cost to implement the wage increases on an annual basis are approximately $25,000 more than the allocation we received from DDS.
  o If the legislature intends to honor its commitment to Direct Service Professionals, they must appropriate enough funding to pay for the costs of the increases they passed into law and ensure that if enough money has not been appropriated to meet the demonstrated need that there be a deficiency appropriation to keep providers whole

• We appreciate that in the face of another difficult budget year Governor Lamont has sought to limit the budget impact on people served by our agency, and other nonprofits.

• But after so many years of difficult budgets, there is more to do and we are here to ask you to build upon the Governor’s proposals

• As you know, more than half of the state budget comprises “fixed costs” which are not subject to cuts. That percentage grows each year, and we appreciate the Governor’s tackling those costs.

• But funding for nonprofits is in whatever remains. The combination of ongoing budget shortfalls and growing fixed costs mean community nonprofits are a shrinking piece of a diminishing pie.

• Nonprofits are dependent on the State for funding and have limited options in the face of budget shortfalls. We can’t raise taxes or charges. This is a model that cannot sustain itself – and it puts Connecticut’s quality-of-life at risk.

• You can maximize limited state funding by shifting more expensive state-operated programs into the community. The State must decide: either keep the expensive status quo and serve fewer people or change the system and serve more people in need. Community nonprofits can reduce state costs and meet the demand for services if you first take the necessary steps.

• Thank you for time and attention to these issues.

Beth Fisher, Executive Director
Kuhn Employment Opportunities, Inc.
1630 North Colony Road
Meriden, CT 06450
203.235.2583
bfisher@kuhnemployment.com