



TESTIMONY TO THE HEALTH SUBCOMMITTEE
Friday, February 16, 2018

I AM WRITING TO COMMENT ON H.B. NO. 5035 AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIAL ENDING JUNE 30, 2019

From: Denise Henry
Executive Director
SARAH Inc.
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To: Senator Osten, Senator Formica, Representative Walker, Representative Ziobron and distinguished members of the Appropriations Committee:

My name is Denise Henry and I am the Executive Director of SARAH Inc., a non-profit service provider with roots dating back 60 years. Our organization provides Birth to Three services to children and their families, as well as employment and day program services for adults. We support over **600 children and adults** with differing abilities in New Haven, Middlesex, New London and Windham counties.

I would like to focus on the state of Connecticut business. All too often we hear of well known corporations leaving Connecticut despite being offered incentives to stay (GE and Aetna). One such corporation, (Sikorsky, a Connecticut landmark) after being offered millions in subsidies, was convinced to stay. The importance of keeping such business in Connecticut cannot be overstated: they are vitally important to their employees, the communities in which they are located and the economy of our state.

There is another very important business to consider, a business that employs 12% of the Connecticut work force (nearly 200,000 people), is located in every community throughout the state, and serves over 500,000 people a year. As you can imagine a business of this size is an economic engine, paying billions in wages and other expenses. How would you feel if you heard a business of this size was leaving the state? Concerned? Maybe even panicked? I am, of course, talking about the **collective size of non-profit community businesses**. While some are actually closing or leaving the state, the rest of us are being pushed out of business through lack of funding and never ending budget cuts.

Take the agency I work for: SARAH Inc. Like a good number of community providers, we receive funding from the Department of Developmental Services. Our businesses have been



plagued by decades of low to no Cost of Living (COLA) increases. As of this writing we have not received a COLA for the services we provide for 5 years. The increase at that time was only 1% and was then eroded by budget recessions. As with any business, in any business climate, the cost of doing business increases over time. Yet nonprofit community businesses do not receive the funding necessary to meet these costs. In the 5 years since that last COLA there have been 3 much needed increases to the state minimum wage and no corollary increase to our funding. How can we raise our staff pay to remain competitive when we do not receive adequate funding? And for the past several years, the problem goes beyond the lack of much needed increases and is compounded by cuts to our funding. Unlike other businesses we cannot raise our prices to offset the shortfall.

Our most critical resource is our staff. They are passionate and dedicated employees. They are not in the human services field to get rich but they do need to make a living wage. These are the people who provide personal care, teach life skills and share small victories with our most vulnerable citizens. We are losing them because we struggle to pay even that living wage.

In comparison there are state-funded service providers who pay their direct support care providers more than twice what we can pay and allow those workers to more than double their base salary by working hundreds of hours of overtime. This inefficiency is costing state taxpayers millions of dollars while providing services to far fewer individuals. This is an ongoing issue that has cost Connecticut taxpayers millions of dollars and siphons money away from the cost efficient, nonprofit service providers.

There are thousands of families in Connecticut waiting for services for their loved ones with Intellectual/Developmental Disabilities. Many of them have been waiting for years and cannot access appropriate care and support. Elderly parents who have dedicated their lives to caring for their aging children live in fear of leaving behind their adult child with intellectual or developmental disabilities. Meanwhile, millions of dollars are directed to the care of the few in state run facilities. **Extend the safety net of coverage** to the many families desperate for care for their child. It is vital to maintain funding for Emergency Placements while also taking steps to redistribute funds directed to inefficient, state run facilities.

One of Connecticut's most valued and valuable businesses is metaphorically leaving the state.
We want to stay! It is time to work with us to make sure we can stay, providing vital services to those who need it. We understand that the state budget and the Connecticut taxpayer is beyond stretched making it seemingly impossible to acquire additional funding for us. What we are asking is that you **look at how current funding is allocated** and make common sense decisions to make the best use of the budget dollars we have. Community nonprofit businesses are able to provide top quality services at a more reasonable cost than outdated state-funded institutions. We are the answer. Invest in us.



Consider the following:

- I oppose the Governor's proposal to annualize holdbacks, which result in a total of \$11.2 million in reductions
- I support the proposal to convert 10 Community Living Arrangements from public to private operation, and I ask you to go further and convert more residential facilities
- I support the proposal to create a new line item called "Emergency Placements" and urge you to maintain its funding at \$5 million for FY19
- I support the proposal to add \$1.1 million in new funding to the "Employment Opportunities and Day Services" line item to support Money Follows the Person (MFP) caseload, which will annualize placements for 46 people who will transfer into the community

Show your support for our vulnerable citizens and the dedicated people who provide care and services to them. Thank you for addressing the inequities in the current distribution of resources and working towards allowing nonprofit service providers to continue caring for our differently abled citizens.