

**Testimony of Gary Faraci
Administrator, Maple Leaf Manor**

**S.B. No. 17 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR
HUMAN SERVICES.**

February 18, 2016 Human Services Public Hearing

Senator Moore, Representative Abercrombie and Members of the Human Services Committee, my name is Gary Faraci and I am the administrator for Maple Leaf Manor in Hartford Ct and a member of the Connecticut Association of Residential Care Homes. I am here today to testify in opposition to Section 22 of Senate Bill 17 which once again freezes residential care home rates.

We are asking for a rate increase for important reasons. We have been operating on frozen rates for 5 of the last 8 years with limited increases in the three years rates were unfrozen that unfortunately did not keep up with costs.

This is of critical importance to me as an administrator who wants to pay my employees a decent living wage but with the continual rate freezes I am unable to do so.

My staff gets paid on average \$12.50 per hour, I do provide health insurance for them with a reasonable co-pay for them to contribute to the premium, as health insurance increases, I am forced to charge them a higher co-pay, which in effect is a pay decrease for them. Some have actually asked me to take them off the health insurance plan to give them a pay increase instead of the health plan.

Additionally, I used to have a small pension plan for my employees, this has been suspended since 2009 since I could not contribute to it. This is making it hard to keep good staff when all they are getting is a mediocre hourly rate with minimum benefits, I have to keep cutting and cutting just to pay monthly expenses.

I recently upgraded my heating boiler from fuel to natural gas, this is a great savings to the state where I was paying approximately \$2500 monthly for heat during the heating season, whereas now natural gas is around \$700 monthly, I am doing my part, unfortunately the expense to convert this system was over \$30,000, which I had to borrow, I cannot borrow any more money at this point, I am having a tough time paying this loan since we are capped again, this was a great investment energy wise, but not so great financially since we not reimbursed appropriately.

This is on top of increasing fees such as the annual fire inspection fee mandated by the Dept. of Public Health and the fee to renew our boarding home license of \$650, again just recycling it back to the state along with state business entity tax, sales tax and other expenses.

My facility is not a tax exempt facility, maintenance and repairs and food becomes more expensive every year, I struggle to pay bills, and morale is getting low with my staff since I cannot afford to give them a more deserving pay and benefit to work for me. Please consider helping us to run our businesses without having to worry about major financial constraints.

Other issues include having an audit from the Dept. of Social Services for the year 2007 which is being extrapolated out to charge homes like mine in excess of a hundred thousand dollars. Additionally, my business had to pay an excessive unemployment tax in January for the 2015 year to help the government pay debt to the federal government, form 940, which used to be about \$400 and now increased to \$2000.

I am privileged to work with some of the most vulnerable people in this state and with some very devoted employees but the reimbursement rates have not kept up with costs. My fear is that without homes like mine many of my residents and others will be left without the true home like

I ask that you please consider this when deciding on residential care home funding in the next year.

Thank You.