



***Testimony of***

**Marek Kukulka, Chief Executive Officer, Catholic Charities Archdiocese of Hartford**

*Re: DCF Budget*

**H.B. 5005 An Act Adjusting The State Budget For The Biennium Ending June 30, 2021**

Appropriations Subcommittee on Human Services, February 19, 2020 Public Hearing

Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee, Thank you for the opportunity to testify on H.B. 5005 An Act Adjusting the State Budget for the Biennium Ending June 30, 2021, my name is Marek Kukulka and I am the CEO of Catholic Charities, Inc. - Archdiocese of Hartford.

Catholic Charities is a family and children's human services agency which employs over 420 human service delivery professionals and provides services to over 18,000 individuals and families without regard to race, religion, or economic circumstances each year. As a multiservice agency we serve adults and children with significant mental illness, substance use disorders, physical and intellectual disabilities, and victims of domestic or community violence. Our services also include early childhood education, infant toddler care, elderly services, migration and refugee services, as well as family support and education to name a few. We are among the 500+ member agencies of The CT Community Nonprofit Alliance (The Alliance).

I would urge you to appropriately fund Catholic Charities and other nonprofit providers by restoring financial resources that should have been provided to us as in the form of a fair cost of living adjustment over the past thirteen years to sustain of provision of essential human services in our communities. This has forced nonprofits to close, compete against one another for scarce resources, lay off employees, reduce benefit packages; altogether creating a win or lose system that weakens the entire nonprofit sector and threatens its sustainability.

As an example, our organization has not been able to provide for many of our staff a living wage for over 10 years. This presents a significant struggle in maintaining a quality workforce as on many occasions our employees have moved on to state employment or similar jobs elsewhere for significantly higher wages and better benefits.

In just one of our evidenced based programs (funded by DCF) providing specialized clinical, in-home services, in the period of 18 months, we have lost five clinicians after investing extensive time in training them in the evidence-based model. In addition to staff turnover, we have also lost productivity of staff while they have been receiving training in evidence practices. Similar challenges are common in our other DCF funded programs including Child Guidance Clinic which provides individual and group counseling sessions and case management services for both mental health and substance abuse to children and their families. Another example of a program impacted by chronic underfunding is Parenting Support Services which is a home visiting program designed to decrease risk factors for child abuse and neglect and help parents become resourceful problem solvers. These services support parents to create a positive and safe home learning environment for children to develop emotional, behavioral, and cognitive strengths.

In addition to the inability to provide living wages we have had to accommodate increases in the cost of health insurance for our employees, increasing both the employer and employee costs of medical

premiums. Without any increase of payment for our services by the state, each year we have to absorb increases in vendor costs for supplies, occupancy costs, mileage reimbursement rates, and our contracted services such as psychiatry time.

Our professional staff is required to participate in an extensive, ongoing training as well as being obliged to obtain credentialing without increases in reimbursement to cover the costs or to cover the costs to the agency of lost productivity from third party billing.

We have been challenged to cover the costs of technology upgrades which are crucial nowadays to conduct business. These particular costs are not only related to changing software and hardware technology but also to keeping up with changes to data systems required by the state funding agencies so we are able to export required program delivery and client information.

In order to maintain the ability to provide services we have been contracted to provide by the state we have subsidized the gap between the reimbursement rates and true costs by raising funds through fundraising and philanthropic foundations just to find out that we have been competing for the same resources with other community partners and human service organizations who find themselves in the same predicament. It is frankly an unsustainable model for offering services!

The legislature has an opportunity to address this reimbursement gap by properly investing in the nonprofit sector. At this time when Connecticut's projected surplus continues to grow, and the growth is projected to be sustained over time, policymakers simply can't afford not to do this. **Our employees are some of the hardest working professionals across the state and have had to bear the burden of underfunding, going years without salary increases while simultaneously watching benefit packages deteriorate!**

This investment of resources represents an opportunity to improve the quality of life and economic activity in your communities for your constituents. Investing in nonprofit providers will improve service delivery, increase economic activity, and save taxpayer money. I ask for your commitment now to invest in community nonprofits like Catholic Charities.

Failure to act will have dire consequences. There is a myth that nonprofits will continue to deliver services in the face of budget cuts. The truth is budget cuts and flat funding have resulted in harm to people who depend on nonprofit services and those who deliver those services, and without significant investment now, the nonprofit human services delivery system will be further pushed to its limits.

Thank you again for your time and consideration. Please do not hesitate to contact me with any questions, or for additional information.

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