



Kimberlee Pita
Board Chair

Luis B. Pérez, LCSW
President & CEO

February 21, 2020

Testimony before the Appropriations Committee regarding:

H.B. 5005: AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2021
Budget Hearing for: DMHAS, DDS, and DPH

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

Thank you for the opportunity to provide testimony. My name is Suzi Craig and I am here to represent Mental Health Connecticut (MHC). I wish to share comments in regards to H.B. 5005: An Act Adjusting the State Budget for The Biennium Ending June 30, 2021.

MHC is a 112-year-old nonprofit and an active member of The Alliance: The Voice of Community Nonprofits. I am here to express my concern on proposed budget cuts, and to explain how funding for essential community services will impact thousands of Connecticut residents, including MHC program participants, our staff, and their families.

While we appreciate the approach of “no cuts” as an attempt to help nonprofits with what’s being called flat funding. With the term “flat funding,” one could assume that there will be no impact to community services. This is incorrect. Flat funding is, in reality, a loss of essential capital that the system of care requires to not just survive, but thrive.

Community nonprofits are one of the largest industries in Connecticut, yet we are the most underfunded. Since 2007, community nonprofits have lost at least \$461 million in state funding that has not kept pace with inflation or adequately covered increased costs and demand for services over the last thirteen years. As Connecticut focuses on igniting an economic renaissance in our state, nonprofits cannot be left behind. We are a major industry in the state, by design. For the good of Connecticut’s future, it makes little sense to leave one of your major drivers of the economy behind while lifting up others.

Let’s work together to create an even playing field and influx of dollars that will support economic growth, and the residents who have chosen to work for nonprofits. We join our counterparts in all community-based nonprofits to ask that Connecticut:

- Increase funding by the full \$461 million, or 28%, by Fiscal Year 2025;
- Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2021, a 7% increase;



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- Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.

The Governor's budget proposal for DMHAS includes a modest \$3 million in additional funding for individuals to transition into the community from state psychiatric care. This allocation is the direction we should be headed (shifting dollars to community-based care), and MHC would like to see more support across all line items. Here's why:

- Only community-based nonprofits can accomplish keeping people in the least restricted environment with the most cost-effective and high quality outcomes
- Funding for behavioral health has been cut, even as demand increased
- Since Fiscal Year 2013, grant funding for substance abuse services has been cut by 29%
- From 2013 to 2017, opioid-related overdose deaths increased from 417 in 2013 to a record high 1,200 in 2019
- Medicaid rates do not cover the cost of care
- Community providers operate at a loss for nearly every service. In 2015, the annual loss for the top ten procedures by volume was more than \$27 million for approximately 250,000 service hours. With inadequate reimbursement rates, the State not only fails to maximize its federal matching funds, it risks the provision of some of the most highly utilized, critical behavioral health services.

How do funding cuts impact our staff? Our employees often work at below living wage and most need to work 2 or 3 jobs to support their family. At a time when the economic stimulus is necessary to the long-term welfare of our state, these individuals are not able to participate in the growing economy. They are rarely able to purchase goods and services or buy a home. These purchases are essential to provide much needed income to municipalities and our state. Even worse, our staff often have to resort to state assistance such as food stamps or Husky. Single heads of household, many of them women of color, are impacted the highest.

Unlike most for-profits that can raise prices or cut expenses without impacting the health and wellbeing of people, we have few options. When our funding is cut our options are to lay off staff and cut programs.

Please ensure that community-based services are funded so that MHC and all of our nonprofit counterparts can continue this important work.

Thank you for your time and for your service,

Suzi Craig
Chief Strategy Officer