

H.B. 6439 An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2023, And Making Appropriations Therefor.

Good afternoon Senator Osten, Representative Walker, Senator Miner, Representative France and distinguished members of the Appropriations Committee:

I am Michelle Grant, Director of Finance of The Caring Community of Connecticut for the past 16 years. I am also a homeowner in Colchester for the past 26 years. The Caring Community of Connecticut, Inc. is a non-profit, 501(c)(3) organization funded by the Department of Developmental Services and the Department of Social Services that provides day and residential support services to over 80 developmentally disabled adults in southeastern Connecticut. We have 21 locations and employ about 280 employees. Thank you for the opportunity to testify on H.B. 6439 An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2023, And Making Appropriations Therefor.

Community nonprofits provide essential services in every city and town in Connecticut, serving people in need and employing tens of thousands. They are what make Connecticut a great place to live and work.

I am here to respectfully **request that the legislature appropriate \$461 million over five years for community nonprofits**. 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. Please:

1. Commit to increasing funding by the full \$461 million, or 28%, by Fiscal Year 2026;
2. Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2022, a 7% increase;
3. Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.
4. Hold nonprofits financially harmless from the impact of COVID-19.

The Covid-19 Pandemic has negatively impacted our organization tremendously during the past year. In addition to staffing shortages, we have experienced a year-long spike in living costs (food, household supplies, supplies for repairs and maintenance on the homes). With shortages of many items, we had to pay the "going rate" for everything just to make sure we had sufficient food and supplies to properly operate our group homes for our developmentally disabled consumers. Our room and board rates for our homes were set and frozen in 2007. They do not account for any cost of living that has occurred over the past 14 years. The actual costs are reported each year, but the rate is never adjusted to reimburse the actual costs. This year in particular, we will see expenses well over the reimbursed largely due to Covid.

The COVID-19 pandemic exacerbated the impact of inadequate funding for nonprofit services and brought unanticipated and unbudgeted costs and operational challenges for many community nonprofits, such as:

- Providing hazard pay for essential workers on the front lines with a higher risk of exposure;
- Procuring expensive and hard to find Personal Protective Equipment (PPE) and cleaning supplies;
- Creating telehealth services seemingly overnight, and purchasing necessary computers, cybersecurity, online meeting platforms and training for both staff and people receiving services.
- Many community nonprofits never closed their doors even as the pandemic worsened.

With the room and board rates being frozen by DSS on group homes since 2007, we are not funded adequately to keep up with the every increasing cost of energy, food, supplies and maintenance. Had rates not been frozen, we also would have been able to list our property taxes as a cost of operations and had that factored into the room and board rate for the home. In 2016, the Town of Colchester starting assessing property taxes on our seven homes in Colchester after we had exempt from property taxes for over 30 years. So in addition to being underfunded by DSS, we are also fighting this issue in the court system, which has been financially and admistratively burdensome. Our time and money is better spent directly serving our consumers and maintaining their homes.

Department of Social Services Talking Points

- We are concerned that the Governor's budget appears to use the FMAP bump received by the federal government to enhance Medicaid rates into the general fund, rather than increasing rates for Medicaid providers.
- Please oppose the asset test in the Medicare Savings Programs. Many people served by nonprofits rely on this program and we are concerned about reducing anyone's benefits during this critical time.
- Please do not continue the practice of freezing rate increases for ICF/IIDs
- Please oppose freezing the COLA expected by public assistance recipients.

Michelle L. Grant
Director of Finance
The Caring Community of Connecticut, Inc.
84 Waterhole Road
Colchester, CT 06415
(860) 267-4463 (phone)
(860) 267-7628 (fax)