

Connecticut Nonprofit Human Services Cabinet

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Appropriations Committee Hearing on the Human Services Budget February 11, 2010

My name is Dan O'Connell and I am President and CEO of CT Council of Family Service Agencies and co-chair of the CT Nonprofit Human Services Cabinet. The Cabinet is a statewide coalition comprised of 20 nonprofit human service associations and organizations representing approximately 800 providers. Its mission is to advance a strong and unified nonprofit human services system to effectively meet community needs. Members play a vital role in addressing the critical health and human services needs that face so many Connecticut residents – we provide the safety net that *anyone* can find themselves in need of when least expected.

The Governor's proposed FY11 budget adjustments neither provided a COLA for private providers that contract with the state, nor did it recommend any across-the-board funding cuts to nonprofit human services providers. Nonprofit human services providers have not received an increase since July 2007, with the 20 year average COLA standing at about 1%. Additionally, we have been subjected to several budget rescissions and deficit mitigation plans that have resulted in less funding as the demand for our services dramatically increases. This unfortunately has left the system in a tenuous position. The Cabinet strongly urges all legislators to support a mechanism by which a long-term funding solution for nonprofit human services providers can be developed. We are critical partners with the state in the delivery of human services and the state must work with us to ensure our ability to meet the needs of Connecticut's families.

While you will hear from several Cabinet members today about specific areas of the budget, there are a few troubling cuts on which I would like to briefly comment. The Governor has proposed a 25% reduction to certain non-entitlement accounts under DSS, including: Safety Net Services, Community Services and the Human Services Infrastructure Community Action Program, among others. These cuts will result in a drastic reduction of the number of struggling Connecticut families that can receive the very basic needs that these line items represent.

My agency, the CT Council of Family Service Agencies, provides the Empowering People for Success program under the Safety Net Services Network. Referrals for these services, which include basics such as rental assistance, utilities and food, have increased 367% since FY2007. If the various cuts and rescissions we have already received are sustained and coupled with another 25% reduction, it will result in a quarter of my staff being laid off and, subsequently, 735 fewer families being served.

Meanwhile, community action agencies across the state will be struggling with the proposed cut to the Human Services Infrastructure grant (HSI) which allows them to provide heating and weatherization services, as well as assistance with complementary programs. The Connecticut Association for Community Action estimates that approximately 25,000 individuals will be negatively impacted by this cut.

The Cabinet also has concerns with many of the proposed healthcare cuts under the DSS budget. Restricting access to healthcare under Medicaid by imposing co-pays or increasing premiums on families least able to pay will severely harm those served by nonprofits. The research shows that when such requirements are put into place most will choose to forego taking their medication or seeking treatment during the early stage of an illness, instead becoming more ill and ending up at the emergency room, receiving more expensive care and costing taxpayers far more in the long run.

Children's League of Connecticut

Connecticut AIDS Resource Coalition

Connecticut Association for Community Action

Connecticut Association for Human Services

Connecticut Association of Area Agencies on Aging

Connecticut Association of Nonprofits

Connecticut Coalition Against Domestic Violence

Connecticut Coalition to End Homelessness

Connecticut Community Providers Association

Connecticut Consortium of Legal Services

Connecticut Council of Family Service Agencies

Connecticut Sexual Assault Crisis Services

Connecticut Women's Consortium

End Hunger Connecticut!

Mental Health Association of Connecticut

Oak Hill

Planned Parenthood of Southern New England

The Connection, Inc.

Wheeler Clinic

The Cabinet firmly believes that our state's budget cannot be balanced solely on cuts. Further cuts will only accelerate job loss and leave more Connecticut families without essential health and human services. We need a balanced approach to the budget that addresses the state's structural revenue problem with a revenue solution. We urge support of several revenue options, such as closing corporate tax loopholes, increasing income taxes on households most able to pay, and maximizing federal revenue, among others. We must all keep in mind what we want our state to look like when we come out of these difficult financial times. Eliminating vital human services to achieve short-term savings will only dismantle our state's safety net and further damage our economy.

Thank you for the opportunity to testify today.

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