



February 13, 2008

Honorable Chairpersons and members of the Appropriations Committee

My name is Tom Sullivan and I am Executive Director of The Arc of New London County, a non-profit organization that has been providing services to people with intellectual and related disabilities and their families for the past 56 years in Southeastern CT. Our agency is one of the 23 affiliates of The Arc of CT and we are a member of the Connecticut Community Providers Association (CCPA).

Over the past 3 months, thousands of consumers, families and employees of social service agencies have flooded the Governor's office with letters, cards, phone calls and e-mails urging her, as she developed her budget, to support struggling social service agencies by establishing a **Community Provider Rescue Fund** that would immediately infuse **\$135 million** into the system to correct shortfalls in past budgets and to address the 0% Cost of Living Adjustment (COLA) for non profit agencies in the FY 2008-09 budget. Apparently the voice of the people has not been heard, as the Governor's budget unveiled on February 6th had a 0% COLA.

It is not my intent to disparage some of the new initiatives that the Governor chose to fund. However, in my 41 years of working in the public and private human service sectors, I have been comforted with the assurance that one of the essential purposes of government is to make sure that the most vulnerable people in our society are taken care of. These are often referred to as **essential services** in contrast to **discretionary services**. I can't help but observe in this budget that a lot of our essential services are being neglected at the expense of what many would consider discretionary services.

We all recall that the chronic neglect of our bridges decades ago resulted in the tragic collapse of the Mianus River Bridge in June 1983. The Administration responded with a massive infusion of infrastructure funding to ensure that our bridges would be safe. This worked, but it was little consolation to the families who lost loved ones in that tragic accident. What we have today is the human service equivalent of a neglected bridge program. We are already seeing signs of this collapse. More prison beds are being built to house future criminals who perhaps may be helped by social service agencies if some of these agencies weren't cutting or freezing admissions to their programs; 525 new state employees are being hired to staff, oversee and manage programs...many of these positions adding to an already large state bureaucracy; cameras are being proposed to monitor our highways, etc.

To put this in perspective, let me share with you the experience of our agency. Last year, as a result of some hard, last minute work by our Legislators, agencies received a 3%

COLA. This translated to an **\$81,291** increase to our agency. Because our valued employees are on the low scale of the wage ladder, we gave them a 3% COLA. This consumed most of the COLA amount given to us by the state. With double digit increases in utilities, gasoline, health and workers compensation insurance, this \$81,291 increase became a **-\$99,394** deficit in funding! (A copy of this analysis is attached.) How, one might ask, are we managing? We have diversified our funding sources, kept our administrative costs among the lowest in the state and taken a business approach to running our agency so that we can operate "in the black". With a 0% COLA in the Governor's new budget, social service agencies will be further challenged with meeting rising operating costs and keeping a poorly compensated workforce motivated to stay in this field. Non-profit agencies provide services to 500,000 Connecticut citizens and employ many dedicated people cumulatively estimated to be at over **10%** of the Connecticut workforce. Most of these people provide direct services; are inadequately compensated; are your neighbors and friends; shop in the same stores and pay the same bills and taxes that you and I pay; and have the same dreams for their families that we all have.

Bottom line: a 0% COLA is another **cut** to social service agencies, the people whom they support and the dedicated employees who make these agencies successful. It is time that the citizens of Connecticut take a look at the state's priorities and speak up before this "bridge" too collapses.

I recognize that a reasonable COLA will cost a lot of money and is competing with many other essential projects and causes. Yet there may be ways of looking at some of the current models in place and use this as an opportunity to restructure our priorities as a state. At a recent meeting that I and several colleagues attended with Reps. Merrill and Heinrich, when asked where the money would come from, I suggested that the state look at the cost and benefit of operating the Southbury Training School, an older facility that houses 520 people. The cost to operate this facility is close to **\$150 million** a year not including capital improvements needed to keep this 1940s era institution in repair and in compliance with current codes. This translates to at least **\$280,000 per client per year**. Southbury and other state operated programs consume close to **half** of the DDS budget while serving **less than 20%** of its clients. A close look at this paradigm could result in finding some of the funds needed to support other initiatives.

Thank you for your consideration.

Thomas J. Sullivan
Executive Director, The Arc of New London County
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