

Squeezing the serfs to pamper the princes

By Chris Powell

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While they usually make it sound as if most of the state's population needs to be institutionalized for one thing or another, Connecticut's nonprofit social service agencies long have been impossibly good sports.

Represented by the Connecticut Community Providers Association, the agencies were nice about it again the other day at a press conference at the Legislative Office Building in Hartford. They said they are reducing services to their variously disabled, addicted, or otherwise needy clients and losing good staffers to higher-paying jobs because state funding is not keeping up. The average annual increase in their state funding over the last 20 years, the agencies said, has been only 1.4 percent, compared to an official inflation rate of 88 percent in that time. And while the agencies were given 3 percent more in the current state budget year, next year's budget has appropriated no increase for them. So they want \$200 million more right away in operating and capital improvement funds and a policy to give them increases automatically.

Governor Rell and legislative leaders will reconsider the appropriation for the social service agencies when the General Assembly convenes in February, but that and \$3.50 will buy them a mocha frappachino. It is long past time for the agencies -- and the public -- to wake up and smell the overpriced coffee.

"We do not believe that the governor and members of the legislature are deliberately hurting the clients we serve," the chairman of the social service agency group, Barry Kasdan, says. "But their decisions are having that effect."

Yes, it's not that the governor and legislators *want* to hurt anybody; it's just politics that causes their indifference. For politically the nonprofits and their clients don't count. Indeed, the nonprofits may provide the best example of Connecticut's political economy.

State government should love the nonprofits. They provide services at about half the cost of providing them directly through government agencies. If all the services being provided are necessary and would have to be provided anyway, the nonprofits, which receive about \$1 billion per year from state government, are saving the government an equal amount.

How is this saving possible? Because this is one area of appropriations where state government plays cutthroat, operating with devotion to getting value for taxpayers. Since state government has no competition for underwriting welfare services, it can do what it wants with the nonprofits; the nonprofits cannot send the bill to their own clients, who are largely indigent. So state policy has been to squeeze the nonprofits just short of strangling them. With a billion dollars in savings every year, this policy is a brilliant success.

Contrast state government's ruthlessness toward the nonprofits with its policy toward its own employees and municipal employees. *They* do no pathetic begging. For in Connecticut the highest objective of government is to take care of its own employees. This is not merely policy or practice; it is *the law*. The law practically requires the unionization of government employees and, through binding arbitration, guarantees them ample raises and benefit increases *every year*. Salaries and medical insurance far better than what are provided in comparable private-sector jobs, lifetime pensions and insurance after only 10 years, dozens of vacation and sick days and official holidays, protection against workplace discipline -- there is nothing cutthroat about state policy *here*, nothing even to get value.

The Connecticut Community Providers Association politely declines to stress this dichotomy of treatment, but one side of the equation is underwriting the other. There can be princes only if there are serfs, and the community providers are the serfs. As serfs they will never get more than mock sympathy until they start closing and until the mentally ill people who haven't taken their medicine, the hapless unmarried women with young children, the not-so-recovering alcoholics and druggies, and all the others with intractable problems start piling up on the steps of the state Capitol.

That is also how state government handles nursing homes, which, while privately owned, also fulfill a public welfare function, since most of their clients are supported by state reimbursements. Nursing home workers are paid a fraction of what they would be paid in similar state institutions, and the homes get reimbursement increases only when enough of them are on the verge of closing and dumping residents on the sidewalk because other homes have no room.

Government in Connecticut does some things well and some things poorly but in taking care of its own it is infallible.

---- ***Chris Powell is managing editor of the Journal Inquirer.***