



NEWS RELEASE

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Shifting More Human Service Programs to Community Providers Would Save \$1.3 Billion in 3-Year Phase-in and Protect Thousands Who Rely on Services 10 Percent Budget Cuts Would Gut Programs and Close Agencies

(Hartford, CT) –As the Governor and the Legislature grapple with a projected \$1.5 billion FY18 budget shortfall, they could avert devastating cuts to vital human service programs and save as much as \$1.3 billion over the next three years by moving state-operated programs into the community nonprofit sector, leaders of the CT Community Nonprofit Alliance said today.

The cost savings estimated by the Alliance would come from eliminating the state’s duplicative human service system which currently provides the vast majority of all human services through community-based agencies, and the balance through state operated facilities. Human service programs provided directly by the state are significantly higher cost.

“Human service programs provided in the community are of equal or higher quality than those provided by the state, and they are less expensive,” Peter DeBiasi, President and CEO of Access Community Action Agency in Willimantic, and Chairman of the Alliance Board of Directors, said. “Community based human service providers can be part of the state’s budget solution, and we urge lawmakers in the strongest possible language, to enact this structural change.”

The Alliance, which represents more than 500 community-based organizations across the state, estimated the permanent and ongoing savings that would come from both five and three-year phase-in of state-to-private programs for mental health and substance abuse programs and for services for individuals with developmental disabilities. The five-year phase in savings are slightly lower, but still substantial: \$169 million for mental health and substance abuse treatment and \$804 million for developmental disability facilities. *(full detail attached)*

The alternative to converting state services to community-based programs, Alliance leaders said, will be massive budget cuts.

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Alliance: Shift Human Service Programs to Community-based Providers P.2

In preparation for budget deliberations, the Office of Policy and Management had asked state agencies to submit proposals for 10 percent cuts. In a survey of member organizations released today, the Alliance leaders said if implemented, 10 percent cuts would force layoff of off direct-care staff, salary freezes or cuts, elimination of programs, leaving thousands of vulnerable individuals without the life-sustaining services they need.

The survey of 77 agencies found 80 percent would lay off staff; 65 percent would freeze or reduce salaries, 60 percent would reduce staff hours and eliminate programs; 51 percent would look to restructure employee benefits; 37 percent would reduce service hours and 31 percent would stop taking in new clients

“Community-based providers have been struggling to operate with inadequate funding for more than a decade, at a time when the need for services has only increased,” DeBiasi said. “The Governor and the legislature can protect these vital, life-saving services by embracing structural change.”

By shifting those state services into the private sector for both developmental disability services, and mental health and substance abuse treatment programs, the state can continue to support individuals in need.

The billion dollars in savings from converting state services to community based includes estimates for shifting existing state programs for residential and supports for individuals with developmental disabilities, and mental health and substance abuse treatment.

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