



GILEAD

COMMUNITY SERVICES, INC. • Serving Middlesex County

Improving Lives, Building Futures

Various programs
accredited by:



Human Services Committee

March 12, 2024

Public Hearing on H.B. 5374 An Act Concerning Annual Inflationary Rate Adjustments for Nonprofit Human Services Providers

Good afternoon Senator Lesser, Representative Gilchrest, Senator Seminara, Representative Case and members of the Human Services Committee:

My name is Daniel Osborne and I am the CEO of Gilead Community Services, an Oak Hill Affiliate. We have provided high quality Mental Health and Addiction treatment services for over 50 years and we currently serve over 2000 individuals throughout Middlesex County and New Britain. We have 350 dedicated staff who will be a key part of my testimony today.

Thank you for the opportunity to testify in support of H.B. 5374 An Act Concerning Annual Inflationary Rate Adjustments for Nonprofit Human Services Providers. This important bill would significantly help community providers stabilize their budgets and provide additional services to the state's most vulnerable populations.

I deeply appreciate the increases the legislature has been able to provide over the last few years, but they have not been enough to meet the needs of the people we serve. We continue to be hit by crippling increases in our costs, due in part to increases in inflation, that far outpace the rate of increases the legislature has provided.

As a result of decades of underfunding, Gilead has been forced to reduce services at a time when the need is growing in volume and complexity across all of the services that we provide. In addition we are not able to provide the compensation increases that our amazing staff deserve.

The impact of inflation is a simple calculation for nonprofit providers like Gilead. Our expense line consistently increases, but our revenue does not. This is not a complicated calculation and its impact is equally straight forward. Our inability to competitively and fairly compensate our staff results in several detrimental outcomes including requiring multiple jobs and overtime for our staff to make ends meet and difficulty recruiting and retaining qualified staff who are actively recruited to higher paying opportunities (including opportunities with the state, local hospitals and private practice).

I would like to share a few examples of what this looks like at nonprofits like Gilead. I was at a legislative event in Middlesex County a few weeks ago. At this event, a young woman stood up to share her story of trials and sacrifices. She shared her hardships, her resiliency and her experiences on the brink of poverty. This woman was not a participant receiving services from a nonprofit, she was the staff member of a nonprofit, forced to work multiple jobs and sacrifice time with her family in order to maintain her commitment to the mission of the organization that she believes in. She represents the "ALICE" population in our state of Asset Limited, Income Constrained, Employed individuals – many of whom work for nonprofit organizations. Should Connecticut residents need to take a vow of poverty to serve those in the greatest need in our communities?

In addition to countless stories like this one, the lack of consistent increases to keep up with inflation impacts our organization in many other ways. For example, Gilead has experienced levels of staff vacancy over the past several years that have threaten the operations and mission of the organization. Now, we have made it through these challenges because of the sacrifice and pure determination of all of our staff. But, does it have to be this way? Should it be this way? Are we willing to risk the possibility that programs and agencies like Gilead will be forced to close their doors like other organizations in Middlesex County?

If the rates the state pays for our services had increased along with inflation since 2007, we wouldn't need to be at the legislature every year asking you to find hundreds of millions of dollars in the state budget to keep pace. Inflation on the cost of our services since 2007 is 45%; the legislature has only been able to provide increases equal to about 13% in the last few years.

I am asking you, today, to create a sensible and cost-effective approach to funding increases that allows non-profits, like Gilead, to keep pace with inflation and be able to use our creativity and determination to create new and more effective services, prevent deaths and poor outcomes and make a significant impact on the opioid crisis. Imagine a Connecticut in which the collective strength, energy, passion and mission of nonprofits could be put toward healing and improving lives instead of simply survival. That is a Connecticut that I would want to live in!

So, I urge this committee to support H.B. 5374 An Act Concerning Annual Inflationary Rate Adjustments for Nonprofit Human Services Providers. Thank you for your time and consideration.