



DELAWARE ASSOCIATION OF REHABILITATION FACILITIES

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Executive Director
Connie Hughes

Member Agencies

- AHEDD
- Autism Delaware
- Bancroft Neurohealth
- Benedictine OCP
- Brandywine Counseling & Community Services
- Center for Disabilities Studies, UD
- Chimes of Delaware
- Choices for Community Living
- Cleanworks Janitorial Services
- Client Assistance Program
- Community Integrated Services
- Community Interactions, Inc.
- Connections CSP, Inc.
- DE Council on Gambling Problems
- Delaware Mentor Healthcare
- Delmarva Community Services
- Dove Pointe
- Easter Seals Delaware and Maryland's Eastern Shore
- Elwyn Delaware
- Fellowship Health Resources, Inc.
- Freedom Center for Independent Living
- Gaudenzia Fresh Start
- Goodwill Industries of Delaware
- Homeless Planning Council of DE
- Horizon House Delaware, Inc.
- Independent Resources, Inc.
- KenCrest Services
- Kent Sussex County Counseling
- Kent-Sussex Industries, Inc.
- Keystone Services MidAtlantic
- MOSAIC Delaware
- NHS Human Services
- Open Door, Inc.
- Opportunity Center, Inc.
- Psychotherapeutic Services, Inc.
- ResCare / VOCA DE
- Salvation Army
- The ARC of Delaware

To: Ms. Ann S. Visalli, Director
Office of Management and Budget
From: Craig Crouch of DelARF's Developmental Disabilities Commission
Date: November 2, 2011
RE: Governor's FY 2013 Budget Hearing – DDDS

Good afternoon! My name is Craig Crouch, and I am the CEO of Kent-Sussex Industries.

I am here today to testify on behalf of the 28 members of DelARF who provide service to Delawareans with disabilities as consumers of the Division of Developmental Disabilities Services. I want to thank the Secretary for her recommendations to fund programs serving the special school students who will graduate next year and for those needing emergency residential placements.

Many years ago the State of Delaware and DDDS made a business decision to provide services to their consumers through a business model that utilized private organizations. The State made this decision for some very good reasons. We are able to provide high quality services at a lower cost than those run directly by the State. We also have the ability to be more responsive and more efficient than State agencies can be.

Providers need the State to recognize that as business partners our success, and ultimately the quality of the services we provide to Delawareans with disabilities, relies on the proper funding of the services and programs we provide.

In preparing our budgets, we have "door openers" just like the state does. Our "door openers" include escalating costs much the same as the states. Last year, the Joint Finance Committee modified the budget to add a 2% rate increase for our services. While that amount does not address the level of need accrued over 8 years without meaningful increases, it was a step in the right direction and was appreciated. We need you to consider incorporating a rate adjustment every year in order to maintain the integrity of the services the state has decided to privatize.

Our members, like the State of Delaware, have had to find ways to deliver high quality services in an environment where everything costs more. Everything! Health insurance, property insurance, workers comp insurance, fuel, electric and water, training, wages, equipment, vehicles, food, leases. Everything.

Some real life examples of these cost increases mean that agencies have:

- Seen a 15 to 20 percent increases annually in health insurance premiums over the past two years, increasing the cost to the agency,

and forcing agencies to pass premium increases on to staff. This has forced many staff to drop health insurance coverage all together.

- Established hiring freezes, creating a situation where staff are being asked to do more and more and staff to client ratios are rising to detrimental levels.
- Delayed or postponed needed capital improvement projects and vehicle replacements because of lack of funding.
- Stopped providing some services, like transportation, pushing this back to the State at a much higher cost.
- Frozen salaries of all staff so as to maintain their financial viability in the short term.
- And, one organization that provides transportation saw its fuel cost increase last year by \$70,000 for the same amount of fuel as the prior year.

Our concern is that over time the expectations of the State and those we serve continues to increase, and we as providers want to provide an excellent service and great outcomes for those we serve. To do this our partner, the State of Delaware, needs to do their part and provide the proper level of funding to DDDS service providers.

It is important that we all understand who ultimately benefits or gets harmed if providers aren't properly funded....the Delawareans with disabilities that are counting on us to serve them.

We ask that you build on your astute decision last year and give an increase of 2 percent again this year, so we can begin to make progress on catching up to where we all agree we should be with regard to properly funded services for the people we serve. Please know that we are ready, willing and able to work creatively and efficiently with you to meet the challenges of increased need and limited resources.

Doing the right thing isn't always easy, but it is always the right thing to do! Thank you for your consideration.