



Speaking Points for Stable Funding For Nonprofits Providing Disability Services in Delaware

The ASK: Please support stable and appropriate funding for nonprofits serving people with disabilities for this year's budget and for FY 09.

- Delaware relies heavily on its partnership with nonprofit organizations to provide basic human services to its citizens.

In FY 07, DSCYF spent \$65 million or 39% of their budget on contracted services.

DHSS spent \$990 million or 56% of their budget on mandated contracted services with private nonprofits. This partnership has provided high quality, effective and efficient services for the state.

- Agencies across Delaware that support people with disabilities are struggling to maintain quality programs for thousands of individuals and families. The consumer price index has risen about 30% in the past 7 years while some service providers have had an increase of just 4%.
- Chronic under-funding has led to 1) low wages, 2) making do, and 3) doing without. “Nonprofits are managing on the backs of their employees. They reduce benefits, reduce hours, and the employer’s contribution to health care. We ask staff to do more with less for the greater good rather than telling funding sources we will serve fewer.”
- We understand that money is very tight but we must to tell you the consequences of this situation. The state is now at risk of increasing costs if this system is further eroded.

The consequences:

- When you ask families of people with disabilities what concerns them most, the response is almost universally “quality staff, retention of staff, and sufficient numbers of staff.” The quality of personal relationships is the single most significant determinant of quality of life for all people. This becomes more important with individuals with disabilities because many of their closest relationships are with paid caregivers, the employees of our organizations.
- Nonprofit organizations cannot raise prices to compensate for increased costs. As a result, our staff must work two jobs to survive OR they leave jobs they love for better paying jobs (delivering groceries). This also increases hiring and training costs for providers.
- The soaring costs of insurance, utilities and fuel have forced most agencies to compromise their capacity to deliver services. A recent study found that 56% of Delaware agencies surveyed shifted a

larger share of the benefit costs to their staff, 43% have already reduced staff or delayed hiring, and 31% reduced or eliminated raises or non-health benefits.

- The current “system of care” provides the state with options so that individuals get the *right services* at the *right time* for the *right cost*. Evidence shows that it costs less to serve people in the community on a per-person per-year basis. In most cases, community-based organizations can leverage revenue, almost dollar for dollar, from other sources—doubling the resources available. If these services continue to erode, the state will be forced to pay higher costs for less appropriate levels of care. Consider the example of moving just \$1 million out of Delaware Psychiatric Center’s \$40 million budget. **What can \$1 million buy?**
 - 12 licensed group home beds; **OR**
 - 38 beds in a staffed apartment program: **OR**
 - 77 slots in the Community Continuum of Care Program: **OR**
 - 250 slots in an outpatient clinic with mental health and substance use treatment: **OR**
 - A cost of living increase of more than 3% for contractors who operate the current community based care system.

Future impact: If appropriate levels of funding for nonprofits serving people with disabilities cannot be secured, they will be forced to reduce staff, limit operations and curtail needed services for the citizens of Delaware. They will

- Raise or introduce fees (only if this practice is allowed for the service they provide);
- Reduce or eliminate health benefits, increasing the numbers of uninsured;
- Cut programs or services;
- Multi-state providers may close down their Delaware Services.

Conclusion: Please find the funding now to support this system of care so that the efficiencies that it has created are maintained AND the citizens of Delaware receive the quality services they need and deserve.