

EXHIBIT 18  
DATE 1/19/2011  
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**Testimony for the Joint Appropriations Subcommittee on Human Services  
January 19, 2011**

Chairman Roberts and members of the committee, my name is Wally Melcher and I am the Director of Helena Industries, Inc., here in Helena, Montana. Helena Industries is a private, non-profit organization that was established in 1970. Over our 40-year history, our mission has been to serve the vocational and case management needs of individuals with developmental disabilities. We accomplish this mission by training individuals in job and job-related skills, placing individuals on jobs both in our own work areas and with employers in the community, providing case management and being an employer of persons with disabilities ourselves. In a year's time, we serve approximately 860 individuals with disabilities.

What I just gave you was a quick description of our services, but what I think is even more important for you to know about is our products. What we truly provide to individuals with developmental disabilities is opportunity, choice, self-esteem and dignity. We live in a society that highly values self-sufficiency and productivity. In fact, a huge part of a person's identity is established by what they do vocationally. When you first meet a person almost always your second question after asking their name is "what do you do". This question isn't about what the person does in their spare time, but what they do in their work life. We are proud to say that over the last four decades we have given literally thousands of people with disabilities an answer to this question that they can be proud of.

Four years ago, I testified before this committee about a new rate system that was being implemented by the Developmental Disabilities Program to reimburse organizations such as Helena Industries for services they

provide. At that time, I shared with the committee several concerns about this new system, but one thing that I felt was positive was that the rates would be based on the actual costs that providers were incurring. Today, I can tell the committee that the mechanics of the system, although there are still a number of issues that need to be resolved, seem to be working. What isn't working at all is the state's ability to pay our organization at a rate that covers our costs. A few minutes ago, you heard a testimony from the Chairman of our Board of Directors, Brad Lancaster. Mr. Lancaster expressed to you the pride and satisfaction he derives from his volunteer service to people with disabilities. I would like to tell you that Mr. Lancaster has been a passionate and dedicated supporter of the individuals that Helena Industries serves and the organization itself. We are extremely fortunate to have people of his caliber working with us. I am sure that you also detected in Mr. Lancaster's remarks that he is very concerned for our organization's future as we see the financial ground beneath our feet eroding. Let me give you some specifics. Last month, the Developmental Disabilities Program did a new survey of provider costs for fiscal year 2010. With 24 of 60 service providers responding to this survey, the preliminary results indicate that for the two vocational services that Helena Industries provides, Work Services and Supported Employment, providers were under reimbursed by \$1,049,037 and \$134,577 respectively. For Helena Industries specifically, payments from the state were short of paying for our actual costs by \$169,105 in Work Services and \$78,880 in Supported Employment. Mister Chairman and members of the committee, one doesn't have to be a financial expert to see that with these types of losses, our organization is rapidly moving toward financial disaster. Currently, we are supplementing these losses with a modest fund reserve. However, this reserve is rapidly depleting.

It appears that this session's legislative goals for many groups that depend on funding from the legislature are to just maintain the financing they have had in the past. I am here today to tell you Mister Chairman and members of the committee that our current level of funding will not sustain us in the future and that in order for Helena Industries to continue to be the type of resource for persons with developmental disabilities that it has been for the last 40 years, we desperately need your help.

I sincerely request that you get cost reimbursement data from the Developmental Disabilities program so that you can see for yourselves how inadequate some of the reimbursement rates are. After studying this information, I ask you to find a way to adjust rates so that they at least cover our actual costs.

Please remember what you have heard individuals and families tell you today. They have testified that the services that this Legislature funds provide them with opportunity, choices, self-esteem and dignity. With your continued support, they too can be Montana citizens who are proud of what they contribute to make our state such a great place to live. I thank you and your predecessors for the help you have always given individuals with developmental disabilities in this state and sincerely request that you find a way to help us with the incredible challenges we are now facing.

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