

EXHIBIT 26
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January 19, 2011

Chairman Don Roberts and Members of the Appropriations Subcommittee:

My name is Herb Noyes. I live in Red Lodge and have been employed for almost 34 years by Resource, Support, & Development, a non-profit corporation that has contracted with the State of Montana, DPHHS since 1974, to provide community-based residential and vocational services to adults with developmental disabilities in Red Lodge, Billings, Hardin, and Lewistown. Our corporation has a \$4.8 million DD budget and provides services to about 170 people and employs 140 regular employees.

I believe that you have recognized in the past the importance of increased funding for our services so that we can hire good people to do important work. We received a 2% increase from you in 2009 and a onetime only 2% in 2010 from stimulus funds. This allowed us to give our direct care workers a small wage increase but was not enough to cover all the other increased costs of providing quality services.

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Because of budget cuts by the Governor we did not see any increase in 2010; this caused us to freeze our wages and make other cuts in our budgets. Now the governor is proposing in his budget that we take our rates back to the 2009 level. For our corporation this could mean a loss of close to \$183,000. With losses of this magnitude it could have a very dramatic effect on the services we are providing. My most basic concern is that I have the ability to provide the best services I can for the individuals with disabilities I work for. To do this the most important thing is to have good quality staff. With wages frozen and benefits being affected it is becoming much harder to attract quality staff. For years we have been paid below what state workers receive for the same work and for years we have been crying for equity. Currently our wages and benefits are about 2/3 of what state employees at the Montana Developmental Center are receiving for the same kind of work. I need to be a competitive employer in my community to attract quality workers. In the past 5 years we have been losing the ability to compete. Our starting wage is \$9.00 - \$9.25 / hr. Those places we find ourselves in competition with such as nursing homes and hospitals are paying \$10.00- \$11.00/ hr. Personal care attendants who are also funded by DPHSS received enough funding from the state last session to pay \$11.00 /hr. These people provide similar services that we do in our group homes.

Because there have been many other years where providers of community based services have not received any rate increases, our base is slowly eroding. In the past few years we have been cutting more and more expenses, but we are being asked by the state, CMS, and other regulatory agencies to do more in every area of work. The cost of maintaining workers compensation insurance and health insurance for employees has increased from \$372,000 in 2001 to \$739,000 in 2011. This is only part of the increased cost picture, which across the board climbs steadily. With these increased costs and a new DDP rate system we are consistently seeing service programs lose money. For our agency to provide the best services and supports that we can to people who need them, this trend can't continue.

So with having to go back to 2009 base levels and not getting any kind of rate increase, how does the State expect us to stay in business and continue to provide good services to our most vulnerable citizens? How are we expected to cover that \$183,00 loss, much less cover all the other rising costs, like insurance, worker's compensation, gas, etc.? There are only so many expenses that can be cut without jeopardizing services to the people we serve, and we have no control over some of the rising costs. ~~And the new health insurance reform is going to cost us even more money, because of all the restrictions. We cannot (nor do we want to) cut direct support staff. The State is required to provide services to people with disabilities, so they have two options - either the services are provided by community-~~

~~based providers or they are provided by the state at the institution, which will cost the State much more than community based services.~~

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~~Many of us who have been in the human service field for many years know that we are not in this business for the money. But why is that? The Constitution says that the care of our citizens with disabilities should be our highest priority. Why does society value people who, for example, take care of computers more than they value staff caring for people with special needs. We need to start changing that.~~ Direct support staff has made an incredible difference in the lives of people with disabilities, but there aren't enough of them anymore who are choosing this type of career, because we can't pay them a livable wage. Many are working 2-3 jobs to make ends meet. So now is your opportunity to change that around—to make human service delivery a viable career option for them. We value the services we provide and the staff we employ—we hope you do, too. | END

Community-based services have made a huge economic impact in many communities across the State. In the four communities we serve, we purchased almost \$900,000 worth of goods and services from businesses in Montana. In Red Lodge alone, we purchased about \$175,000 of goods and services this past year. Our corporation plays an active role in purchasing services from local community businesses, such as grocery, maintenance, and office supplies. Consumers purchase medical services and items to meet their daily needs. With our agency's assistance, some people with disabilities have also been able to purchase their own homes, resulting in additional contributions to the Montana and county tax base. Employees of RSD and consumers we support earned a total of \$4,470,197 in wages and benefits last year and provided major contributions to the Montana tax base, including property taxes, income taxes, and unemployment taxes. Consumers and employees in Red Lodge alone earned \$738,800 in wages and benefits last year. Our Red Lodge and Lewistown satellite projects are two of the top employers in their respective counties.

So please consider not only maintaining current rates for DD community-based providers, but consider a rate increase for each of the next two years—so that we can maintain community-based services and give staff wage increases that they deserve.

Thank you for your support.