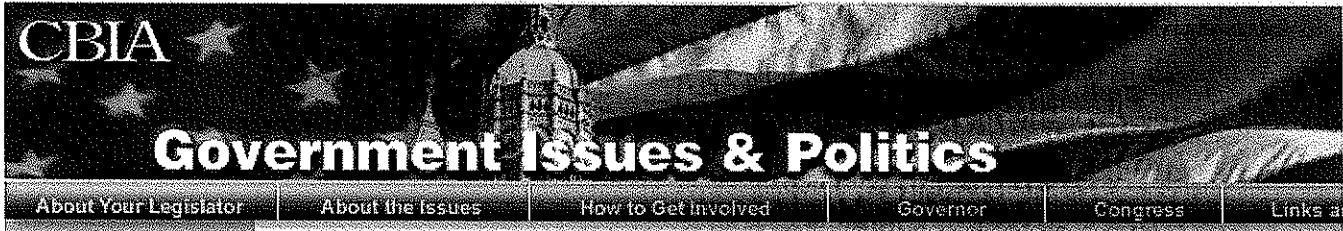
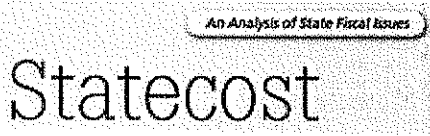
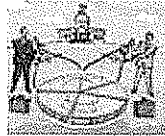


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There is a better way: Cost-effective social services through nonprofit providers

by Pete Gioia
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The state of Connecticut administers hundreds of programs that provide much-needed and generally high quality services for many people with disabilities and special needs, including children, people with mental illness and intellectual disabilities, former inmates transitioning to society, people with addictions and others. These are people who probably wouldn't survive without some kind of lifeline or safety net, and state government is helping to fulfill its responsibility to care for them.

But these people, and Connecticut's taxpayers, deserve to have much-needed social services provided in a way that can be sustained as cost effectively as possible over time. With the state facing a steep budget deficit, it is critically important to explore every viable option.

Obviously, the state provides quality services for many of its clients. It is startling, however, how much more expensive state-run programs are, compared with the same or similar services provided by nonprofit organizations.

In Connecticut, state-employee caregivers are providing services at double the cost of comparable programs provided by people in nonprofit agencies.

How big is the discrepancy? Here are some examples, according to the latest data (2007) from the state Department of Developmental Services (DDS):

Community living arrangements for disabled people Annual rates, per client

	Nonprofit Providers	State programs
Average	\$87,221	\$238,624
Low	\$43,800	\$190,924
Median	\$99, 278	\$240,228
High	\$158,77	\$250,193

B. Day programs

Annual rates, per client

	Nonprofit providers	State employee provider
Average	\$20,052	\$85,298

As can be seen, average rates for community living arrangement are 2.7 times higher when provided by state employees vs. nonprofit provider services; worse, rates for day programs are 4.2 times more expensive when the state provides the services.

It's important to note that these nonprofit programs are vigorously monitored by the state agencies that have hired them. Nonprofit agencies would not be providing services under contract to the state if their quality was unacceptable.

What then is the advantage of high-cost state agencies providing these services? Wouldn't the state find exceptional savings for taxpayers if it were to make more use of reputable nonprofit social services providers?

Connecticut also continues to maintain institutional services at four regional facilities at very high rates--even though clients with similar disabilities and needs, who were deinstitutionalized years ago at the Mansfield Training School, are now being served at community-based programs.

Here are annual per-client costs, based on fiscal year 2009 annual interim rates:

Nonprofit average: \$87,221

Southbury Training School: \$347,480

West Regional Center: \$266,450

North Regional Center: \$268,275

South Regional Center: \$386,900

Again, these programs are costing far more than those being provided by community-based services.

Certainly, any kind of change with such vulnerable clients would need careful planning to make sure people's needs are met. However, these cost discrepancies are so clear and Connecticut's fiscal crisis so enormous that continuing to do business as usual is just fiscally unsound. The state should immediately investigate options to provide quality, lower-cost services.

Ultimately, it comes down to deciding whether we simply want to keep doing things in the same high-cost way, or choosing to make the very best use of taxpayers' dollars. People in Connecticut have already voted, saying in two recent Quinnipiac University Polls that they want state government to become smaller and more effective. This is an area in which the state could start making some significant progress.