February 28, 2017

To: Sen. McGinn and the Senate Ways and Means Committee

From: Tim Cunningham, Executive Director
Tri-Valley Developmental Services, Inc.

RE: SB 173

SB 173 is an effort to rectify a problem that has existed since 2007. At that time, Kansas was still at the forefront of services for people with intellectual and developmental disabilities, but since that time we have seen an erosion in the quality of services provided to people across the state of Kansas, so much so that our system can now be considered in crisis. Much of that erosion can be attributed to a failure by the state to adjust rates as required by the Developmental Disabilities Reform Act and to the implementation of Kancare where managed care companies siphon 6-8% off of the top of our funding for administrative purposes. Below is a list of issues that we currently face.

1. Funding levels are currently inadequate to support agencies in their quest to provide quality services. For example, Tri-Valley has difficulty recruiting and retaining employees because we are unable to pay a living wage above $9.00 an hour for direct care staff. Currently, we are experiencing a 57.26% turnover rate, an increase of 13.85% from the previous year. Without stability in the workforce, quality care suffers.

2. The inability to recruit and retain quality staff has forced Tri-Valley to place capacity on the number of individuals it serves in its Supportive Home Care program. If this trend continues, we will no longer be accepting new clients into our residential program as well.

3. Without adequate funding we are unable to purchase the equipment and vehicles to provide quality services.

4. Due to funding decreases, we have eliminated forty-one positions since 2007. Those positions were tax-paying and local purchasing that no longer exist. That is a hard hit for southeast-Kansas were we have some of the highest unemployment in the state.

5. According to the Consumer Price Index, the rate of inflation between 2007 and currently is 17.58%. Since there have been no rate increases, we are unable to remain even close to the rate of inflation.

In order to alleviate these issues, we would like to expand community capacity through rate adjustments to achieve rates which would more closely reflect parity between community wages and state institutional wages by adding $12.141 million SGF in FY2018 and $12.748 million SGF in FY2019 and $13.385 in FY2020.

We thank the Committee for your thoughtful consideration of these issues.

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