

VALLEY

ESR Inc. to face funding cut

Local nonprofit need funds to hire and retain workers

BY JASON DEMOE

FOREST LAKE TIMES

A complex disability service system that has left ESR Inc. struggling for years, has dealt another blow recently as the nonprofit organization in Forest Lake, Lake Elmo, and Stillwater is facing a 7 percent cut to funding.

"All we are looking for is for some sense of long term stability," Minnesota Organization for Habilitation and Rehabilitation president Mike Burke said. "Stability in a system that will allow us to pay our staff competitive wages, which ultimately helps thousands of people with disabilities across the state who rely on our services for their quality of life."

ESR Inc. is a private nonprofit agency supporting adults with developmental disabilities and other special needs by helping them integrate into the larger community and gain meaningful employment.

Five years ago, ESR was granted additional funding to pay for an increase in staff wages and benefits in an effort to attract the very best employees. That increase was subsequently implemented. Recently, however, bad news came from the Center for Medicaid and Medicare Services.

"To try and explain it simply, I can say that the additional funds were tacked on to the end of a very complex funding formula that determines rates paid to disability service providers," ESR Executive Director Ed Boeve said. "The rates are tied to an inflationary factor and funding agreements with the

federal government. The Center for Medicaid and Medicare Services, a group that controls the administering and spending of the funds, was not happy that the funding increase was not built into the actual formula and therefore refused to allow that additional money to be spent."

Boeve said wages and benefits had already been increased with the expectation that the funds would be available.

"If this funding cut remains, we will have to choose to decrease benefits and wages or water down the services that we provide," he said. "Neither option is a good one."

A House bill led by Rep. Joe Schomacker and Senate bill authored by Sen. Paul Utke would alleviate the problem, which, if left unaddressed, could mean damaging cuts that are permanent.

MOHR is a member of Best Life Alliance, a statewide coalition of people with disabilities, their families and providers of home and community-based services. The group of more than 1,000 rallied at the Capitol in March to draw attention to this situation.

"The rally was an excellent opportunity to help state leaders meet and hear stories from the people who will be affected by these cuts," Burke said. "It's important for senators and representatives to hear from individuals with disabilities, their families and the people who work closely with them. Individuals are also speaking out in their own communities."

The cuts officially become effective July 1. Boeve is not optimistic about a solution by that time.

"Even if the solution works its way through the political system, I expect that the entire situation



won't be resolved until Jan. 1," he said. "I have heard Oct. 1, but I say that is too optimistic."

More information is available at mohrmn.org. Representing more than 100 providers in the state, **MOHR** members provide skills training, employment services, community involvement, behavioral supports and life enrichment activities to more than 26,000 individuals with disabilities in Minnesota.