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**Testimony on SFY 26/27 Operating Budget - House Finance Committee**

Chairman Stewart, Vice-Chair Dovilla, Ranking Member Sweeney, and esteemed committee members,

Thank you for the opportunity to testify before you today.

My name is Justin Blumhorst, and I am the Chief Innovation Officer of Capabilities. Headquartered in St. Marys, we proudly serve 66 counties across Ohio. We provide day and employment services administered by the Department of Developmental Disabilities (DODD) and employment and vocational training through Opportunities for Ohioans with Disabilities (OOD). Our team of 203 employees is proud to provide essential services to around 5,000 Ohioans with disabilities a year.

First, I want to express our deep gratitude for the investment in disability and vocational rehabilitation (VR) services in the last state budget. Your support allowed Ohioans with disabilities access and resources to find, keep, and succeed at meaningful jobs in their communities.

I respectfully submit this testimony in support of the budget initiatives proposed by Governor DeWine and Director Miller for Opportunities for Ohioans with Disabilities (OOD), as outlined in House Bill 96. These initiatives help ensure that all Ohioans have access to the resources and opportunities to succeed in the workforce and their chosen careers. The budget proposal also supports accessibility initiatives, internship opportunities, and state partnerships that help Ohioans with disabilities live, work, and thrive in their communities.

We are Opportunities for Ohioans with Disabilities' (OOD) largest vendor, and we partner with them to help people with disabilities advance in their career goals. With state rate changes through OOD and Ohio's Department for Developmental Disabilities, we have paid our staff more, trying to stay competitive with other employers and retain our staff longer.

OOD and Medicaid provider reimbursements are not linked to inflation, unlike Medicare provider payments, which are linked to inflation. On October 1, 2024, OOD increased the rates by an average of 2.5%. According to the US Inflation Calculator "Current US Inflation Rates: 2000-2025", inflation rates were 7% to 3% in 2020 through 2025. OOD was very interactive with providers during discussions, which led to the increase, and we are very thankful for their collaboration. While this rate increase was a step in the right direction, it doesn't cover the changing labor market, administrative costs, and indirect costs. We are still at least two years behind. Our personnel, administrative, and indirect costs have increased an average of 17.1% over the last two years. The budget initiatives for Ohioans with disabilities, guided by Director Miller's leadership, will reinforce and strengthen Capabilities' services. We encourage this committee to support the OOD budget proposal outlined in HB 96.

I want to express our deep gratitude for the historic investment in disability services through DODD in the last state budget. The funding increase helped providers like us recover from a decade-long crisis that led to devastating workforce shortages. Thanks to your support, we have been able to:

- Increase applicants, allowing us to fill critical positions and provide more reliable services.

- Reduce overtime costs, which are necessary for coverage but are not reimbursed by Medicaid.
- Increase wages, with our current average Direct Support Professional wage at \$22.30 per hour.

I want to express my appreciation to Governor DeWine and Director Hauck for honoring the commitment made in the last General Assembly by using General Revenue Funds (GRF) to maintain the rate increases that were funded in part with ARPA dollars. This investment provides much-needed stability for providers and the people they serve. However, the budget does not include any additional funding to further boost DSP wages, despite the continued workforce crisis and rising costs. The last rate increase took effect in July 2024, and without action from this body, providers face a nearly four-year gap in rate adjustments—putting us right back in the crisis we just emerged from.

To ensure Ohioans with disabilities and their families have access to the care they need, **we urge the General Assembly to:**

- 1. Maintain the Governor's investment** in ICFs, Multi-System Youth, and Technology First initiatives.
- 2. Include a rate increase for waiver providers** to keep up with inflation and workforce demands.
- 3. Establish a mechanism for ongoing increases** to prevent future funding crises.

Investing in services for people with disabilities is not just about providers—it's about ensuring Ohioans with disabilities receive the care and support they need to live full, independent lives in their communities. We look forward to working with you to build on the progress you've made and keep Ohio moving forward.

Thank you again for the opportunity and privilege to bring my concerns before you and if I can ever be of any help in this process, please let me know.



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