



DELAWARE GENERAL ASSEMBLY
LEGISLATIVE HALL
DOVER, DELAWARE 19901

June 24, 2008

The Honorable Nancy W. Cook
The Honorable William A. Oberle
Co-Chairs Joint Finance Committee
411 Legislative Avenue
Dover, DE 19901

Dear Senator Cook and Representative Oberle,

As you may know, there have been and continue to be numerous problems with, and disturbing revelations about the Group Home that was recently opened in Dartmouth Woods. Equally significant concerns have been raised about the Group Home on Grubb Road. These facilities were opened by the Department of Health and Social Services earlier this year under no-bid contracts that were ultimately awarded to a Pennsylvania based company: Resources for Human Development ("RHD").

After substantial inquiry and investigation, we have learned that RHD has entered into extremely lucrative leasehold contracts with a private, for profit landlord. Under these lease agreements, RHD and, by extension, the citizens of the State of Delaware, are paying approximately \$6,000.00 per month per lease to lease these properties -- approximately \$4,000.00 more per month or \$48,000.00 more per year per home than other similarly situated Group Homes throughout this state. The disparity in these rental terms over other traditional Group Home leases with Delaware non-profit providers has created tremendous concern within the provider community, increased community anger about wasteful government spending and raised questions about the propriety of the State's ability to manage effectively and efficiently the community living arrangements for persons with disabilities in Delaware.

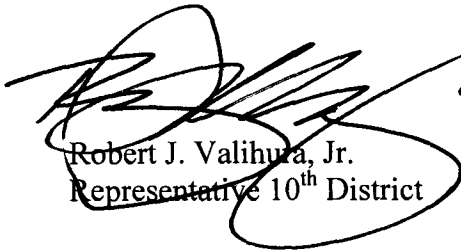
We have received no explanation for the unconscionable difference in the rate in which this private, out-of-state landlord is being compensated for leasing these properties as opposed to the non-profit entities which lease Group Homes throughout Delaware, and our repeated requests that the Department terminate the contracts and save the taxpayers money, particularly with the painful budget cuts being necessary this year, have been ignored. In addition, our efforts behind the scenes to obtain the rejection of these contracts have been stymied.

Accordingly, we are making this unprecedented request, a request that will save the

taxpayers of Delaware \$1,000,000.00 --\$500,000.00 for each home -- that will be paid out during the life of the State's contracts with RHD to this landlord. We are respectfully requesting that the Joint Finance Committee remove all funding from the budget for these two Group Homes. Under the terms of the contracts the State has with RHD, if the funding is removed, the contracts would terminate by their terms, thereby saving Delaware taxpayers the money that will be lost to this private, for profit out-of-state landlord and which could be put to use for truly helping those with disabilities in the State rather than enriching a private business. In that regard, we further respectfully request that the Joint Finance Committee place the funds saved by terminating these contracts in a contingency fund overseen by the Co-Chairs that will be available to cover the costs of housing the residents of the two homes until suitable and affordable alternative arrangements for their accommodation can be made.

Thank you for your consideration of this request.

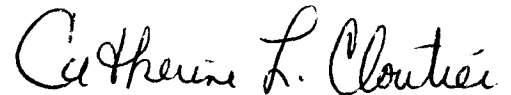
Sincerely,



Robert J. Valihura, Jr.
Representative 10th District



Charles L. Copeland
Senator 4th District



Catherine L. Cloutier
Senator 5th District