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CANDIDATE BULLETIN: Community Services are Essential

Nonprofits: Budget cuts, increased demand

Year-after-year of state budget difficulties have put pressure on community nonprofits, leaving them to face an uncertain future at a time when the demand for services is increasing. But nonprofits in Connecticut face a difficult set of challenges.

In FY 2018, over half of the state budget, 53%, comprised of “fixed” costs that are not subject to cuts. That percentage grows each year, and funding for nonprofits is in whatever remains. The combination of ongoing budget shortfalls and growing fixed costs mean community nonprofits are a shrinking piece of a diminishing pie. Meanwhile, the need for nonprofit community services is increasing.

Nonprofits are dependent on the State for funding and have limited options in the face of budget shortfalls. They can’t raise taxes or charges, forcing them to cut services, lay off employees or close programs. This is a model that cannot sustain itself – and it puts Connecticut’s quality of life at risk.

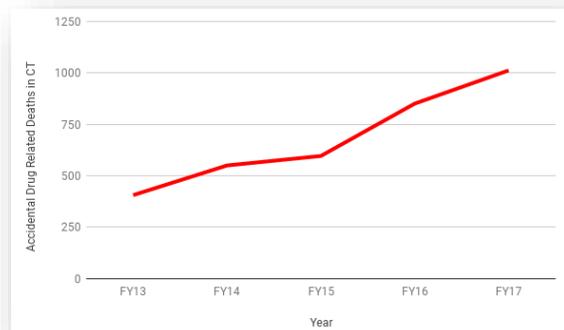
Policy makers can confront this crisis by recognizing that nonprofit services are *essential* and *necessary* – and by declaring them just as off-limits to cuts as “fixed” costs.

Cuts to Nonprofits Hurt Connecticut

When nonprofits are underfunded, there is a negative impact on people who live and work in communities throughout Connecticut. It makes our state – where the quality of life has long been its bestselling point – less attractive. Some examples are below:

Cuts to mental health and substance abuse services are happening in the face of Connecticut’s opioid crisis. Mental health and substance use **grants pay for the care of the most seriously mentally ill**, who are more likely to be uninsured, under-insured or experience gaps in coverage, but those funds have been cut repeatedly. In Fiscal Year 2018, the Department of Mental Health and Substance Abuse Services cut every provider contract by 5% across all service types.

Accidental Drug Related Deaths in CT



Grants for Substance Abuse Services Line Item Funding





In Fiscal Year 2013, 406 people died in Connecticut of a drug overdose and in FY17, 1,011 Connecticut residents died – an increase of nearly 150%. Too many people are forced to wait days, or even weeks, to receive treatment. As with any other crisis, failure to address the opioid epidemic now assures that Connecticut will incur additional costs, both human and financial.

Expanding access to treatment and recovery services costs money. **Since Fiscal Year 2013, grant funding all behavioral health services has been cut by more than 19%; for substance abuse services specifically, it has been cut by 30%.**

Currently, thousands of families of people with intellectual/developmental disabilities are waiting for residential services from the Department of Developmental Services (DDS). Lack of services means people must remain in the care of their parents, grandparents, or other guardians, many of whom must alter or eliminate their own work schedules to provide support. This forces families to seek additional state-funded social services, as they are not able to provide their own insurance or, sometimes, even food. With supports tailored to their needs, people with intellectual and developmental disabilities can thrive in their communities, and families who have left the workforce to care for their children can return knowing their loved one is being supported.

Other nonprofits, such as those that deliver arts and culture programs enhance the quality of life in Connecticut. The arts make our communities better places to live and work – they create jobs, generate revenue, and are key promoters of their cities and regions.

They are also economic engines. A study conducted by the Americans for the Arts found that Connecticut’s nonprofit arts and culture sector generates \$797.3 million in annual economic activity for the state, supporting over 23,000 jobs and generating \$72.3 million in local and state tax revenue.

The arts comprise an extremely small portion of state spending – less than one tenth of one percent. Connecticut, which must compete with other states for jobs and young people, cannot afford to short-change this sector.

Recommendation: Policy-makers can recognize that nonprofit services are essential and necessary – and declare them just as off-limits for cuts as other “fixed costs” in the State budget.

Please don’t hesitate to contact us with questions or for more information

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