



DATE: February 27, 2019
TO: Appropriations Committee
FROM: Julia Wilcox, Manager of Advocacy & Public Policy, The Alliance
RE: H.B. 7148 An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2021, and Making Appropriations Therefor.

Good evening Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee:

My name is Julia Wilcox, Manager of Advocacy & Public Policy at the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing nonprofits, with a membership of more than 300 community organizations and associations. Nonprofits deliver essential services to more than half a million people each year and employ almost 14% of Connecticut's workforce.

I appreciate the opportunity to comment on H.B. 7148 An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2021, and Making Appropriations Therefor.

Community nonprofits improve our quality of life, making Connecticut a better place to live and work. Year-after-year of state budget difficulties have put increasing pressure on our community nonprofit, and we appreciate that in the face of another difficult budget year Governor Lamont has sought to limit cuts on funding for nonprofits and the people they serve. **But after so many years of difficult budgets, there is more to do, and we are here to ask you to build upon the Governor's proposals.**

Conservation and Development Subcommittee - State Agencies: DECD, DOH, DOL

Department of Economic and Community Development

We thank the Governor and urge you to support arts and cultural programs in the state by maintaining current funding levels. After years of ongoing cuts, maintaining funding at the current level will prevent further negative impact on this critical sector.

- The arts and culture sector of the economy represents 5% of Connecticut's economy, generates \$9 billion annually, and supports 57,000 jobs. Arts and cultural initiatives lead to vibrant downtowns, support innovation and creativity, and provide an improved quality of life that attract businesses and families to live, work and play in the community. There is a \$7 to \$1 return on investment of funding for arts and cultural programs, greater than the ROI on tourism which is \$3 to \$1.

The Connecticut Arts Alliance is an organization that represents art and cultural institutions across the state. They are bringing before you their funding proposals that underscore the importance of tourism to supporting their work. **We encourage you to consider and support their recommendations** which are:

- The newly established "Tourism Fund" (PA 17-2) was intended to use a dedicated revenue source (a portion of the lodging tax) to specifically fund arts, cultural and tourism programs in DECD. The current portion of the lodging tax that would fund these programs is 10% (\$13 million). Respectfully, we ask the Committee to adjust the portion of the revenue generated from the lodging tax (10%) be increased to

25% (\$32 million), to better support arts, culture and tourism programs. Most arts, cultural and tourism line items have been cut over the last few years, and this change would help restore those reductions.

- **Change the name of the “Tourism Fund” to the “Arts, Culture and Tourism Fund.”** This clarification is important as the fund is intended to treat equally arts, culture and tourism programs. Similarly, please change the name of the line item, “Statewide Marketing” “Statewide Tourism Marketing,” as it is a better representation of how the funds are used.
- **Dedicate 60% (\$19.2 million) of the “Tourism Fund” (or “Arts, Culture and Tourism Fund”) to tourism programs; and the remaining 40% (\$12.8 million) to arts and cultural programs.** This share of funding for tourism and arts and cultural programs mirrors current allocations.
- **Appropriate 100% of the “Tourism Fund” (or “Arts, Culture and Tourism Fund”) to support, arts, culture and tourism annually. Avoid making any further cuts to these programs.**

Department of Housing

We thank the Governor for his proposal to adjust funding for the Subsidized Assisted Living Demonstration and ask the Committee to support this initiative. Funding of \$528,000 in FY20, and \$594,000 in FY21 are provided to support these important programs.

The Subsidized Assisted Living Demonstration Project was developed to provide a community-based housing and service setting for low-income seniors who are eligible for the Department of Social Services' Connecticut Home Care Program for Elders.

- These are seniors who otherwise might have to move into a more expensive nursing home setting. Rental subsidies are provided by the Department of Housing (through the Connecticut Housing Finance Authority who manages the projects).
- Pursuant to a longstanding Memorandum of Understanding (MOU), The Connecticut Housing Finance Authority calculates the rental subsidies in an amount sufficient to pay the actual debt service on the mortgage loans and bonds. The MOU further requires the Office of Policy and Management to include this amount in the Governor's budget submission.

We thank the Governor and ask the Committee to **support expanding funding and services to implement the Medicaid Supportive Housing Benefit for High Cost, High Need Individuals.** \$459,000 is provided in FY20. This funding is increased to \$2.3 million in FY21, and \$3.5 million in FY22.

- Under this proposal, a 1915(i) state plan home and community-based services benefit will be developed that will serve up to 850 individuals who experience homelessness and whose average Medicaid costs exceed \$40,000 per year. Transition and tenancy-sustaining supports have been found to be effective at achieving housing stability as well as improved health, community integration and life satisfaction.
- By providing stable housing and tenancy-sustaining wraparound services, this initiative is expected to allow participants to effectively access and engage with goals and action steps around their health, resulting in a 40% reduction in the Department of Social Services' Medicaid costs.

We support the Governor’s proposal to expand funding to provide Rental Assistance Vouchers to support the Department of Social Services' Long-Term Care Rebalancing Strategy. \$239,000 is provided in FY20, \$1.3 million in FY21, and \$1.9 million in FY22.

- The funding will support housing vouchers for individuals who will transition out of institutional care. The funding is provided to achieve savings and support the Department of Social Services' rebalancing strategy.

We support the Governor's proposal to fund Rental Assistance caseload growth under the Money Follows the Person Program. \$1.4 million is provided in FY21, and \$3.9 million in FY21.

We support the Governor's proposal to **annualize the 1% Cost of Living Adjustment for Private Providers**. This proposal increases funding in a number of state agencies (pursuant to Section 69 of Public Act 18-81).

As you consider the Governor's budget proposal, I respectfully request that you **consider the recommendations of the Commission on Equity & Opportunity (CEO) Reentry Working Group**. The Final Report: '[Hope for Success: Returning Home](#)' addresses the scope of the problem: Homelessness and Housing Instability Among the Reentry Population in Connecticut. The report includes key, evidence-based recommendations in the following areas:

- Coordinated Access Networks Data (Homelessness Information Management System)
- DOC Reentry Data & Discharge Planning for Housing
- Racial and Ethnic Disparities & Economic Inequality

Department of Labor

We oppose the Governor's proposal to annualize the FY19 Holdbacks. \$700,000 in FY20 and FY21 is held back, reducing funding to Cradle to Career, Healthcare Apprenticeship Initiative, and Manufacturing Pipeline Initiative.

While we support the maintenance of funding for the Second Chance Initiative, we **oppose reductions in funding to Connecticut Career Resources.**

- The funding is reduced by 27% in FY20 and 24% in FY21, for a total reduction of 51% over the Biennium. Connecticut Career Resources provides critical employment opportunities which serve to enhance the state's efforts to successfully implement the Second Chance Society Initiative. In 2016 alone, 1,676 customers completed a CRI-run training program.

Thank you for your consideration and I urge you to support full funding for nonprofit community services. Please contact me with any questions or comments.

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