

## INCREASE FUNDING TO NONPROFITS AS THEY SUPPORT COMMUNITIES HIT HARD BY COVID-19

When the pandemic hit, nonprofits were underfunded by \$461 million. Already stretched thin, they rose to meet the challenge, adapting facilities and programs to protect their employees and ensure continuity and quality of care for the families and people they serve.

### NONPROFITS IN YOUR COMMUNITY

Community nonprofits improve our quality of life, making Connecticut a better place to live and work. They support people with intellectual/developmental disabilities, treat people with mental health and substance abuse needs, feed the hungry, house the homeless, and provide arts and culture that make our communities vibrant.

### CONTACT US:

Gian-Carl Casa, [gcasa@ctnonprofitalliance.org](mailto:gcasa@ctnonprofitalliance.org)  
Jeff Shaw, [jshaw@ctnonprofitalliance.org](mailto:jshaw@ctnonprofitalliance.org)  
Ben Shaiken, [bshaiken@ctnonprofitalliance.org](mailto:bshaiken@ctnonprofitalliance.org)  
Brunilda Ferraj, [bferraj@ctnonprofitalliance.org](mailto:bferraj@ctnonprofitalliance.org)  
Julia Wilcox, [jwilcox@ctnonprofitalliance.org](mailto:jwilcox@ctnonprofitalliance.org)

# 2021 LEGISLATIVE AGENDA

## APPROPRIATE \$461 MILLION OVER FIVE YEARS FOR COMMUNITY SERVICES

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- **Underfunded since 2007**, community nonprofits have fallen more than \$461 million behind the cost of services. The COVID-19 pandemic has exacerbated financial and operational challenges posed by inadequate funding, and unanticipated costs. The State should establish a **five-year program to restore \$461 million**, beginning with \$128 million (net cost of \$67 million after federal reimbursements) for Fiscal Year 2022.
- Increase **Medicaid rates** to cover the true cost of care.
- Restore and increase **grant funding** to serve the uninsured and underinsured and pay for other programs and services not covered by Medicaid.

## MODERNIZE THE HEALTH AND HUMAN SERVICE DELIVERY SYSTEM

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- **Convert** state-operated behavioral health and intellectual/developmental disability services into the community system, and **re-invest savings** achieved into serving more people in need. A significant number of state employees are expected to retire by 2022, presenting the state with a rare opportunity to make real, structural change.
- Create the **Innovation Incentive Program**, ending cost settlement and allowing nonprofits to retain savings to meet the needs of the community.
- Authorize **\$25 million in annual bond funding** for the Nonprofit Grant Program

## PROTECT NONPROFIT TAX EXEMPTIONS

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- **Clarify statutes** to protect charitable property tax exemptions. Nonprofits reduce costs by providing services and programs so that government doesn't have to. Denying tax exemption for charitable property mean fewer services can be provided to people who need them.
- Most charitable property is deemed exempt quadrennially, with the next application due across Connecticut on November 1, 2021. If the legislature does not **act now**, hundreds more properties may be wrongfully denied.

# GUIDING PRINCIPLES

## NONPROFITS ARE COMMUNITY

Nonprofits are recognized, valued, and essential contributors to thriving communities.

