



Date: February 13, 2020

To: Appropriations Committee

From: Jeff Shaw, Senior Director of Public Policy & Advocacy, CT Community Nonprofit Alliance (The Alliance)

Re: H.B. 5005 An Act Adjusting The State Budget For The Biennium Ending June 30, 2021: Elementary and Secondary Education Budgets

Good evening Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee. My name is Jeff Shaw, Senior Director of Public Policy and Advocacy at the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide association of community nonprofits. Community nonprofits deliver essential services to more than half a million people each year and employ almost 12% of Connecticut's workforce.

Thank you for the opportunity to testify on H.B. 5005 An Act Adjusting The State Budget For The Biennium Ending June 30, 2021. Community nonprofits provide essential services in every city and town in Connecticut. They support people in need, enrich our quality of life, and employ tens of thousands. They are what make Connecticut a great place to live and work.

Community nonprofits and the people they serve have made substantial sacrifices during the past decade of State budget deficits. The 2020 Legislative Session provides a critical opportunity to begin to address the impact of this chronic underfunding and increase the stability of the nonprofit sector.

Connecticut's economy is finally on the road to recovery, as illustrated by the budget outlook which is the strongest it has been in over a decade. As Connecticut's projected surplus continues to grow, it is time to restore previous funding cuts and invest in the people served by community nonprofits.

Given the current fiscal climate, I am here to respectfully request that the legislature appropriate \$461 million over five years for community nonprofits. Since 2007, community nonprofits have lost at least \$461 million in state funding that has not kept pace with inflation or adequately covered increased costs and demand for services over the last thirteen years. Please:

1. Commit to increasing funding by the full \$461 million, or 28%, by Fiscal Year 2025;
2. Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2021, a 7% increase;
3. Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.

I am enclosing the Executive Summary of The Alliance's White Paper: Increase Funding by \$461 Million for Community Nonprofits.

CT Community Nonprofit Alliance

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Office of Early Childhood

Please support the Governor's proposal to increase funding for Birth to Three by \$3 million. These services meet the developmental and health-related needs of infants and toddlers who have delays or developmental disabilities and their families. Increasing caseload growth will allow more children in need to receive these essential services. Similarly, expanding program eligibility from Birth to Three, to Birth to Five, would provide an opportunity to support more children and families in need. According to a recent OEC Annual Report, every dollar invested in Birth to Three saves the State \$12 per year in the future. 53% of children that have received Birth to Three services no longer require special education services at the age of 5.

State Department of Education

Please oppose the Governor's proposal to cut \$500,000 from After School Programs. This funding is for important programs and vital services operated by Boys & Girls Village, the American School for the Deaf and Neighborhood Youth Centers. Please restore these proposed cuts for these essential services.

Enclosed:

Executive Summary: Alliance White Paper: Increase Funding by \$461 Million for Community Nonprofits

Community nonprofits provide essential services in every city and town in Connecticut, serving people in need. They are a vital part of Connecticut's economy, providing services that make our state safe, healthy and vibrant. Community nonprofits serve more than 500,000 people every year. They:

- Employ 117,000 people, 12% of Connecticut's workforce;
- Are at the front lines of the opioid crisis;
- Help people return to their communities from prison;
- Support people with developmental disabilities;
- Shelter and feed families in need;
- Enrich communities with cultural and artistic programs; and more.

Since 2007, community nonprofits have lost at least \$461 million in state funding that has not kept pace with inflation. At the same time, demand for community services continues to increase. For example:

- The opioid crisis has increased the need for substance abuse treatment, yet grant funding has decreased;
- More than 2,000 people with Intellectual/Developmental Disabilities languish on a waiting list for services.

The legislature should increase funds to nonprofit services by \$461 million, to keep pace with increased costs and demand over the last thirteen years. The legislature should:

- Commit to increasing funding by the full \$461 million, or 28%, by Fiscal Year 2025;
- Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2021, a 7% increase;

- Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.

You can read the full white paper, Increase Funding by \$461 Million for Community Nonprofits at: <http://ctnonprofitalliance.org/wp-content/uploads/2020/02/2020-Alliance-State-Budget-White-Paper.pdf>