



DATE: March 24, 2021
TO: Finance, Revenue and Bonding Committee
FROM: Jeff Shaw, Senior Director of Public Policy & Advocacy, The Alliance
RE: S.B. 887 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

Good morning Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman and members of the Finance, Revenue and Bonding Committee:

My name is Jeff Shaw, Senior Director of Public Policy & Advocacy, of the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide association of community nonprofits. Nonprofits deliver essential services to more than half a million people each year and employ almost 14% of Connecticut's workforce.

Thank you for the opportunity to testify on S.B. 887, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes. **The Alliance respectfully asks the Committee to add \$25 million in each year of the biennium to fully fund the Nonprofit Grant Program.**

Since 2013, the legislature has authorized at least \$25 million for grant-in-aid in each fiscal year toward capital and infrastructure projects for nonprofit health and human service providers through the Office of Policy and Management's (OPM) Nonprofit Grant Program. However, the last two years there has been no allocation by the State Bond Commission.

The COVID-19 pandemic has highlighted the critical need of a reliable source of capital and infrastructure funding. The pandemic brought unanticipated and unbudgeted costs and operational challenges for community nonprofits. Many organizations had to access cash reserves or borrow to make technology upgrades or create telehealth systems. Many of these costs were not reimbursable by the State, Coronavirus Relief Funds, or Paycheck Protection Program loans. Further, nonprofit providers have no way to capitalize for infrastructure projects within their current State contracts.

The Nonprofit Grant Program project eligibility requirements are in line with efforts to protect clients and staff from COVID-19. Current statute allows this capital funding to pay for renovations to physical space, upgrading information technology, improving ventilation systems and retrofitting vehicles to safely transport people, especially those at higher risk of severe illness. These capital projects also help lower administrative costs, increase efficiency, and maintain high quality services.

The application process is competitive and rigorous. OPM manages and scores each project application by assigning value to collaborative, cost-effective and "shovel-ready" projects. A few examples of approved projects include:

- Launch a Mobile Food Truck Program to prepare and deliver fresh food to seniors, families, and people with disabilities, especially helpful to those at heightened risk of severe illness of COVID-19.
- Replacement of leaking roofs with solar panels which would also reduce energy consumption.
- Upgrades to information technology systems to help people receiving services learn computer skills as more jobs, services, civic life and school has gone remote, or for nonprofit employees, to use the latest electronic health record technology to provide services more efficiently.

The demand for grants-in-aid has always exceeded available resources. As an example, in a previous round of applications, \$101 million worth of projects were received for only \$20 million in available funds.

The last biennial budget included \$25 million in each year of the biennium to replenish the Nonprofit Grant Program, but that money has not yet been authorized, even amid a pandemic. The need to respond to the COVID-19 pandemic will be ongoing and additional capital funding is needed to meet increased demand for services.

This grant program is an appropriate use of bonding: it (1) creates benefits that are felt for years into the future, (2) saves money for the state and nonprofits by helping them be more efficient (3) and provides vital resources in the fight against COVID-19.

We urge you to add \$25 million in FY22 and FY 23 for the Nonprofit Grant Program.

Thank you for your consideration of this important matter.