



DATE: February 16, 2022

TO: Appropriations Committee

FROM: Julia Wilcox, Senior Public Policy & Division Advisor, The Alliance

RE: [H.B. 5037](#) An Act Adjusting the State Budget for the Biennium Ending June Thirtieth, 2023
Conservation & Development Budgets

Good evening, Senator Osten, Representative Walker, Senator Miner, Representative France and distinguished members of the Appropriations Committee:

My name is Julia Wilcox, Senior Public Policy & Division Advisor at the CT Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing the nonprofit sector. Community nonprofits provide essential services to over half a million individuals and families in Connecticut every year and employ 115,000 Connecticut workers, improving the quality of life in communities across the State.

Thank you for the opportunity to testify on H.B. 5037, An Act Adjusting the State Budget for the Biennium Ending June Thirtieth, 2023. The Alliance greatly appreciates the 4% Cost of Living Adjustment for community nonprofits that you fought to include in last year's budget. Unfortunately, that increase has quickly been absorbed by rising costs. Over the last year, inflation rose by almost six percent, surpassing the COLA in the current year's budget. The COVID-19 pandemic exacerbated the impact of inadequate funding for nonprofit services and brought unanticipated and unbudgeted costs and operational challenges for most community nonprofits. Throughout the legislative session, you will hear from representatives of the nonprofit sector, who respectfully request that you honor the long-term plan to address underfunding of community nonprofits and **increase funding this year by an additional 8% for FY23**. This increase would be the second step of a multi-year plan to restore at least \$461 million in buying power lost to inflation for community nonprofits.

This funding is needed now more than ever. Without it, we risk destabilizing our state's community service delivery system which has been upended by the pressures of COVID-19 and an exponential increase in the need for service in our communities. At the same time, providers are facing unprecedented challenges recruiting and retaining staff of all skill levels and salaries. Human services are now in competition with companies such as Amazon and Walmart that require no specialized training, are paying more and offering more hiring incentives. The impact of the pandemic, in concert with decades of chronic underfunding, have exacerbated the workforce crisis for the nonprofit sector. Our recent report, "[CT Nonprofit Workforce Crisis](#)," highlighted the following critical areas of concern:

- 91% of nonprofit respondents said it has been difficult or extremely difficult to recruit employees this past year.
- The average vacancy rate is 18%.
- 68% said demand for services has increased over the past two years
- 11% of those said it increased by more than 50%.
- 59% of respondents said they've established waiting lists for services

CONSERVATION & DEVELOPMENT SUBCOMMITTEES

DEPARTMENT OF HOUSING

Nonprofit homeless services organizations, and the people who work for them, play a critical role in protecting and assisting Connecticut's most vulnerable people. During the COVID-19 pandemic emergency, homeless services have been an important part of the state's critical infrastructure and emergency response system.

Regardless of their essential role, homeless services organizations continue to be funded by state agencies at levels far below the actual cost of delivering homeless and housing assistance services. The Alliance's request to increase funding this year by an additional 8% includes support of nonprofit providers who partner with the Department of Housing, to provide essential services to individuals and families who experience homelessness.

During the COVID-19 pandemic emergency, homeless services have been an important part of the state's critical infrastructure and emergency response system. Their herculean effort to decompress shelters and prevent COVID-19 transmission and outbreaks among the homeless population have protected not only people experiencing homelessness, but the whole state. In addition, as rates of housing instability have increased as a result of the pandemic, homeless services organizations have prevented thousands of people from losing their homes.

We respectfully request that the Committee support the following proposals for the Department of Housing (DOH):

- Provide additional funding for homeless and housing service organizations, which would provide adequate wages, benefits, and professional development for frontline staff as well as address increasing rent and utility costs due to inflation, and better access to technology.
- Support the Governor's proposal for \$50 million in ARPA funding for affordable housing initiatives. Affordable housing will put families, seniors, and other vulnerable people on a path to stability which will improve their well-being, mental health and economic opportunities.
- Support the Governor's proposal to provide an additional:
 - \$2.3 million to provide critical staff infrastructure support to Coordinated Access Networks (CANs) and 2-1-1. CANs provide streamlined access to the homeless services system at the regional level while 2-1-1 serves as the statewide single point of entry to CANs.
 - \$2.5 million in DOH's Housing/Homeless Services line to establish and implement a proven eviction prevention model that leverages Right to Counsel legal services and couples them with high-quality social work to address vulnerable renter's needs.

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

Arts, Cultural and Historic Preservation programs that enrich our communities are provided by many nonprofit organizations in Connecticut. Visual and performance artists and cultural organizations enrich the quality of life for every community in Connecticut and contribute substantially to our economy.

The Alliance's request to increase funding this year by an additional 8% includes support of nonprofit arts and culture programs that enrich the quality of life for every community in Connecticut and contribute substantially to our economy.

We respectfully request that the Committee support the following proposals for the Department of Economic & Community Development (DECD):

- **Please support the Governor’s proposal to provide \$150,000** to the Greater Hartford Community Foundation, which runs the Travelers Championship. This program benefits thousands of nonprofit organizations, and tens of thousands of individuals each year.
- **Please support additional funding to support the stability of the network of arts and cultural organizations.** While the legislature provided historic funding increases in 2021 for arts, culture and historic preservation, the impact of the pandemic continues to devastate the creative economy, as providers continue to rebuild. Please support additional funding to ensure the fiscal stability of this essential sector of Connecticut’s heritage and economy.
- **Please support the following proposed funding from the American Rescue Plan Act:** \$27.5 million — \$15 million in FY23 and \$12.5 million in FY24 to continue free summer programming such as free admission to museums, aquariums, and other venues. During the first year of implementation, this program provided substantial support to the designated nonprofit arts and cultural organizations, as well as children and families across Connecticut.

Thank you again for the opportunity to provide testimony this evening. Please do not hesitate to contact me with any questions or recommendations.

Julia Z. Wilcox

Senior Public Policy & Division Advisor
CT Community Nonprofit Alliance (The Alliance)

JWilcox@ctnonprofitalliance.org