

DATE: February 24, 2022
TO: Appropriations Committee
FROM: Gian-Carl Casa, President and CEO
RE: H.B. 5037 An Act Adjusting the State Budget for the Biennium Ending June Thirtieth, 2023
Health Subcommittee

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

I am Gian-Carl Casa, President and CEO of the CT Community Nonprofit Alliance (The Alliance). The Alliance is the statewide organization representing the nonprofit sector. Community nonprofits provide essential services to more than half a million people 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.

First, I want to **thank you** for the 4% Cost of Living Adjustment for community nonprofits that you fought to include in last year's budget. It is greatly appreciated; we know it didn't come easily. What we are saying today doesn't diminish our gratitude, but nonprofits today are in crisis, and we must discuss with you what nonprofits need to continue providing community-based services for the fiscal year starting July 1 and years thereafter.

We are asking that you:

- (1) **honor the long-term plan to restore at least \$461 million** in buying power lost to inflation for community nonprofits, an **8% increase in funding for FY23**; and
- (2) **increase funding by statutory requirements for the full \$461 million, or 28%, by FY2026**, indexed for inflation after that.

COMMUNITY NONPROFITS ARE IN CRISIS

Connecticut's community nonprofits find themselves at a confluence of problems that taken together equal a nonprofit sector in crisis. Let's review them:

- Nonprofits were, at the beginning of last year, **\$461 million – 28% – behind inflation** since 2007;
- **Two years of covid exacerbated the impact of inadequate funding** and brought unanticipated, unbudgeted costs and operational challenges for most community nonprofits;

- The 4% increase in the current year was quickly absorbed by rising costs. Over the last year, **inflation rose by almost 6%**, surpassing the COLA that is in the current year’s budget;
- Adding to this is a **workforce crisis** the likes of which our members have never seen. A recent survey we did found that, of the 70 nonprofit respondents:
 - 91% said it has been difficult or extremely difficult to recruit employees this past year;
 - The average vacancy rate is 18%;
 - 68% report increased demand, meaning
 - 59% have waiting lists for things like opioid treatment, shelter, respite care and help for people returning to their communities after incarceration.

STATE REVENUE IS STRONG ENOUGH TO SUPPORT INCREASES

It is time to increase funding for nonprofits next year and into the future. The state has the revenue.

- For FY 2022 OPM’s February estimates project a **total state budget surplus of \$2.4 billion**.
 - Regular budget revenue, operating surplus of \$1.5 billion, plus
 - Volatility cap surplus of \$969 million.
- The Budget Reserve Fund (“Rainy Day Fund”) is full with \$3.1 billion in it.
- **For FY 2023**, the consensus revenue projections by OFA and OPM estimate a **surplus of \$1.9 billion**.

NONPROFITS PROTECT CONNECTICUT’S FUTURE

Some people have expressed concerns about whether the state will have enough revenue in the future to support nonprofit programs, but **the crisis faced by nonprofits is happening now** and those paying the price are people who depend on them for services. Those women, men, children and families should have the same priority as other budget and tax expenditures to which the state already commits over a long-term.

We know investments in nonprofits today will help Connecticut thrive down the road. Community nonprofits are Connecticut’s safety net, and they support residents at every point in their lifespan.

Turning our backs on them today would mean more problems for our state in the future.

They took the hits year-after-year with repeated budget cuts when economic times were tough. Years of underfunding, covid, inflation and a workforce crisis are crushing them. Today the state budget is stronger than it’s ever been.

They need your help. Please stand with nonprofits to support **restoring at least \$461 million** in buying power lost to inflation for community nonprofits, an **8% increase in funding for FY23** and a statutory schedule of increases over the next four years.

In addition, I would like to offer comments on several specific proposals in the Governor's budget related to the Health Subcommittee:

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

For behavioral health services, commitment to increase funding by \$461 million is needed now more than ever as we are seeing an increase in the need for mental health and addiction services. We have been encouraged to see the legislature's focus and attention on this crisis this year. But we want to be clear: **There is no way to address the gaps in the mental health system without addressing the chronic underfunding of the existing services provided by nonprofits.**

The Governor's budget proposes several new programs for which we urge your support, including

- Expanding Mobile Crisis services to be available 24/7 using ARPA funding, which will be important especially as the state rolls out 9-8-8.
- 26 new community placements from CVH and Whiting
- Funding to place peer support specialists in Connecticut's 12 busiest hospitals. This will improve the connection to services of people who are hospitalized with a mental health crisis or who go to the emergency room. It is important to note, however, that this program will increase referrals to existing community programs and increase in demand which is not funded in the proposed budget.

The Governor's proposed budget contains new behavioral health services and initiatives, which we support, but it does not provide support to existing programs that are struggling to keep up with the demand for services. Behavioral health needs continue to increase, with providers seeing an unprecedented high volume of people in crisis as the COVID-19 pandemic continues to wreak havoc on communities.

DEPARTMENT OF DEVELOPMENTAL SERVICES:

Nonprofit Providers funded by the Department of Developmental Services are grateful for the efforts of the Appropriations Committee and Governor Lamont to address wage and funding issues specific to services for the Intellectual/Developmental Disabilities population. Last year's Group Home Settlement provided significant funding to increase the minimum wage for direct support staff in DDS agencies.

However, the group home settlement also created significant challenges:

First, the terms of the settlement provided wage increases of as much as 11.6% for entry level staff, which next year will increase to 14.5%. But the agreement only provides a 3% increase to everyone else. Staff who before July were making only slightly above the new minimum, often people who had years or decades of experience or managing other staff, found themselves suddenly paid almost the same as a new hire.

- Second, the funding dedicated a pool of dollars to enhance employee benefits, but to date none of that funding has been disbursed to providers. We understand it to total less than half what providers have told DDS they would need.

Please also support please support the following proposals by Governor Lamont from the American Rescue Plan Act for DDS:

- \$5 million in FY23 for infrastructure improvements for public and privately-owned camps.
- \$5 million in FY23 to provide additional recreational and leisure opportunities to facilitate socialization and connections as the state emerges from the pandemic.

Thank you for your attention. Please contact me (gcasa@ctnonprofitalliance.org) or Ben Shaiken, Director of Government Relations (bshaiken@ctnonprofitalliance.org) if you have any questions or would like more information.

Attachments:

Appendix A: CT Nonprofits in Crisis Presentation
Appendix B: Alliance Governor's Budget Analysis
Appendix C: CT Nonprofit Workforce Crisis Report

Appendix A:



The **Alliance**
Voice of Community Nonprofits

2022: Community Nonprofits
Are In Crisis

Underfunding of Community Nonprofits Since 2007

- At the beginning of last year, **nonprofits were \$461 million (28%) behind inflation since 2007.**
- In 2021, the Governor and General Assembly **increased funding by about 4%.**
- **Inflation has risen 5.9% since last year.**

A Nonprofit Workforce Crisis

An Alliance survey found:

- **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%.

Do The Math

A decade and a half of underfunding

+ Rising costs/inflation

+ Increased demand

+ A workforce crisis

+ Almost two years of COVID-19

= A crisis for CT's community nonprofits

The State has the Revenue

- For FY 2022 (current year) the Office of Fiscal Analysis is projecting a **total state budget surplus of \$2.2 billion**:
 - Current year operating budget surplus: \$1.2 billion; and,
 - \$969 million scheduled to be transferred to the “rainy day fund.”
- The **Rainy Day Fund has \$3.1 billion dollars** in it.
 - Because it is full, the \$969 million will be paid towards unfunded state liabilities.
- Last year, the state “volatility cap” law used \$1.6 billion in surplus revenue to pay unfunded state liabilities.

What's Needed In 2022

- Last year's funding increases should be just the first step of a multi-year commitment to restore at least the \$461 million in buying power lost to inflation.
- The Alliance's plan calls for an 8% funding increase in FY 22-23.

Governor Lamont Releases Proposed FY23 Budget Adjustments

On February 9, Governor Lamont presented his Fiscal Year 2022/2023 Budget to the General Assembly. The \$24.2 billion budget represents an 2.4% increase overall from the second year of the biennium that was originally adopted by the legislature in 2021.

- [Read the Governor's Budget and supporting documents](#)
- [Read the statement of Gian-Carl Casa, President & CEO, The Alliance](#)

The Governor's budget does not propose to increase funding for existing services above the amount already appropriated for FY23, which funds current services, annualizes the four percent Cost of Living Adjustment that was included in the biennial budget, and funds the second year of the group home settlement for DDS providers.

The budget does make a significant number of new investments in new programs and initiatives, largely funded through the Coronavirus State Recovery Fund in the American Rescue Plan Act (ARPA). The budget proposes to invest nearly \$160 million in new behavioral health initiatives. It also proposes \$5 million in new funding for new recreation services for people with Intellectual & Developmental Disabilities (I/DD), and a \$5 million investment in the state's camps for people with I/DD. In addition, the budget proposes to formally allocate \$174 million in funding that the state was provided by the 10% match to Home and Community Based Services through Medicaid in APRA.

The budget also contains proposals to increase funding for community- and health-care based organizations working to prevent and/or reduce gun violence, new funding for organizations providing reproductive services to women, and provides workforce development funding through ARPA dollars to expand a student loan repayment program to behavioral health providers and to work with Connecticut's State Colleges & Universities to expand access to healthcare degree programs.

Because the Governor's budget combines revenue and appropriations in the general fund with expenditures from ARPA and other sources, this document:

- Summarizes major initiatives in the budget that impact nonprofits;
- Provides a summary of proposed policy changes by state agency; and
- In the Appendix, provides a line-by-line analysis of the changes to appropriations proposed in the Governor's budget.

For more information, please contact Ben Shaiken at bshaiken@ctnonprofitalliance.org, Jeff Shaw at jshaw@ctnonprofitalliance.org, Brunilda Ferraj at bferraj@ctnonprofitalliance.org, or Julia Wilcox at jwilcox@ctnonprofitalliance.org.

Summary of Major Initiatives

The budget contains a significant number of new programs and investments in areas that Governor Lamont has identified as priorities for his administration. Many of the proposals are for allocations from the American Rescue Plan's Coronavirus State Fiscal Recovery Fund (the state's \$2.4 billion in direct ARPA funding) as well as other federal funding sources.

This section analyzes areas of focus for nonprofits and provides details about changes proposed in the Governor's budget. *Please note:* Many of the topline numbers presented in the budget represent a multi-year ARPA investment from FY23 through FY25 rather than single-year spending in FY23, as the appropriations adjustments proposed the Governor are limited to. Where that distinction can be identified in the budget, this section also delineates what the proposed allocation is for FY23 only.

Cost of Living Adjustment for Nonprofits

The Governor's budget does not propose any adjustment to the existing FY23 budget for the Cost of Living Adjustment (COLA) for community nonprofits. The existing budget annualizes the four percent increase that nonprofits received in the current fiscal year, equaling an appropriation of \$23.2 million in next fiscal year.

There are several minor adjustments proposed to represent changes that were made during the allocation of the COLA this fiscal year that were not contained in the original budget. They are:

- An additional \$358,692 to provide the COLA to School-Based Health Centers
- An additional \$30,460 to provide the COLA to Youth Service Bureaus

It is unclear where the four percent COLA increase in Medicaid behavioral health rates in the current year is annualized in the budget.

DDS Group Home Settlement

The Governor proposes to add \$15 million to increase funding for the dollars that are earmarked in the group home strike settlement the administration negotiated last Spring with SEIU 1199 to be spent to enhance employee health and retirement benefits. That increase would bring the total FY23 allocation for benefit enhancements to \$45 million.

The settlement also calls for the minimum wage in DDS-funded programs to rise to \$17.25 per hour and to provide a second 3% raise to all other staff as of July 1, 2022. The existing budget contains an additional \$92.2 million for that purpose, annualizing the increase of \$56.9 million from the current year and providing additional funding to increase wages for FY23. The Governor's budget does not propose any adjustments to this funding.

Behavioral Health Investments

The Governor's budget proposes \$159.9 million in new funding for a variety of new behavioral health initiatives. Of this proposal, \$105.4 million is proposed to be funded by one-time ARPA dollars (often over multiple years), \$14.5 million in funding is proposed from the General Fund, \$25.5 million is proposed to be funded by new federal matching funds, and \$19 million is proposed to be funded through capital expenditures. The proposals include:

- \$26.4 million (\$13.2 million in FY23) from ARPA to expand mobile crisis, including \$17.2 million (\$8.6 million in FY23) to DCF for expanded 24/7 coverage and linkages with schools and police, and \$9.2 million (\$4.6 million in FY23) to DMHAS for 24/7 coverage and adding case management post-crisis.
- \$26 million (\$21.5 million from ARPA and a \$4.5 million increase from the General Fund) in FY23 to establish children's behavioral health urgent crisis centers & sub-acute crisis stabilization treatment units.
- \$15 million (\$5 million in FY23) from ARPA to develop infant and early childhood mental health services by building capacity for specialized mental health.
- \$4.3 million from ARPA (\$1.4 million in FY23) for 12 additional forensic respite beds for community competency evaluations and restoration to competency activities for repeat offenders of misdemeanor-only crimes.
- \$2.5 million increase in FY23 from the General Fund for 26 new community placements for individuals in Connecticut Valley/Whiting Hospitals ready for discharge.
- \$2.4 million from ARPA (\$1.2 million in FY23) for mental health peer supports in 12 busiest hospital emergency departments.
- \$1 million in FY23 from ARPA to explore universal home visiting sustainability through private insurance/Medicaid.
- \$15 million in FY23 from ARPA to develop new 12-bed psychiatric/medical unit at Connecticut Children's Medical Center.
- \$6.4 million in FY23 in state Medicaid funding to annualize inpatient pediatric mental health rate increases for bed expansion and acuity add-on to address emergency department overcrowding.
- \$35 million (\$16 million from ARPA and \$19 million in capital funding) to fund electronic health records to modernize patient medical recordkeeping at DMHAS state-operated facilities.
- A net increase of \$25.5 million in total funding for new Substance Use Disorder waiver investments in DMHAS, DCF, DSS, and Judicial. This increase represents federal matching funds as these services are transitioned to Medicaid.
- \$2.8 million from ARPA (\$1.4 million in FY23) to provide wrap-around services for 150 existing supportive housing units.
- \$1.1 million in FY23 from the General Fund for programs identified in CT's Family First Prevention Plan aimed at preventing children from entering foster care.
- \$400,000 from ARPA for Judicial to expand several programs in the Family Services Unit, including supervised visitation, behavioral health services, and supporting parenting roles.
- \$200,000 from ARPA to study parity of private insurance and Medicaid coverage of behavioral health services.

Services for People with Disabilities

The Governor proposes \$185.6 million across several new investments to serve people with disabilities in addition to the increased funding for the DDS Group Home Settlement referenced above. Of that, all but \$700,000 is proposed to be allocated from federal resources.

Primarily, the budget proposes to allocate \$174.4 million in FY23 which represents the first of three years of the 10% enhanced Federal Medical Assistance Percentage (FMAP) the state is receiving for Home and Community Based Services (HCBS). The budget proposal allocates those funds to DSS (\$116.1 million), DDS (\$56.5 million), and DMHAS (\$1.2 million) to support workforce stability, informal caregiver support, assistive technology / smart home technology, home adaptations, and self-direction.

In addition, the budget proposes:

- \$5 million in FY23 from ARPA provide additional recreational and community engagement opportunities to facilitate socialization and connections for individuals with intellectual and developmental disability (I/DD).
- \$5 million in FY23 from ARPA for infrastructure improvements for public and privately-operated DDS camps serving individuals with I/DD.
- \$700,000 in FY23 from the General Fund (\$1.4 million total including federal share) to add 150 new autism waiver slots.
- \$2.8 million in FY23 from ARPA to shift the cost of the temporary ICF rate increase to \$501 minimum per day from the general fund

Workforce Development

The Governor proposes an \$87.4 million increase in Workforce Development. Of that investment, the proposal includes \$72 million from ARPA to expand the health care workforce, including:

- \$17 million (\$3 million in FY23) to expand a DPH student loan repayment program to include behavioral health providers. The current program is funded at \$1 million and only covers primary care providers.
- \$55 million to the Office of Workforce Strategy to partner with CT State Colleges & Universities to expand facility, build community pathways and tuition support to address health care shortages and diversify the health care workforce. The proposal adds \$20 million in scholarships and \$35 million for faculty recruitment for in-demand areas of healthcare.

Criminal Justice Initiatives

The Governor proposes a \$72.5 million increase in criminal justice funding, including several initiatives that nonprofits provide, including:

- \$3.6 million (\$2 million in FY23) from ARPA to support community- and health-care-based organizations that are preventing and reducing gun violence and to help design and implement anti-violence strategies and reporting of outcomes with the Department of Public Health.
- \$176,000 to improve continuity of Project Longevity staff performing outreach to group and gang members.

- \$14.9 million in FY23 from ARPA to fill a gap left by disappearing federal VOCA assistance funding for victim services, including crisis intervention, safety planning, behavioral health, and legal services.
- \$2.9 million in FY23 from ARPA to provide housing and transitional services for domestic violence victims facing heightened risks during the pandemic.
- \$2.0 million from the General Fund for Youth Service Bureaus and Juvenile Review Boards.

Housing Initiatives

The Governor proposes a \$152.1 million increase for housing and environmental initiatives, including:

- \$50 million from ARPA to support and invest in the creation of additional affordable housing.
- \$2 million from the general fund for the Congregate Operating Subsidy Program, reducing reliance on the Housing Repayment and Revolving Loan Fund.

Summary of Proposals by State Agency

This section provides an analysis of the changes to current services proposed by the Governor in each state agency.

Court Support Services Division/Judicial Branch

In the General Fund:

- Adjusts funding related to the Substance Use Disorder waiver and adds \$169,232 to the CSSD budget as a technical adjustment to reflect how funding will be distributed as the Substance Use Disorder Waiver is implemented. Overall, this change results in a net increase in \$25.5 million to the SUD system but is completely offset by the Medicaid match associated with the services becoming newly Medicaid-eligible.

From the American Rescue Plan Act:

- \$400,000 — \$200,000 in each FY23 and FY24 — to enhance contracts for direct service partnership for households and families including supervised visitation, behavioral health services, and supporting parenting roles.
- \$5.8 million — \$2.9 million in each FY23 and FY24 — to expand housing opportunities for individuals on bail to expand bail services to assist individuals in the criminal justice system to find appropriate housing and residential treatment.
- \$14.9 million in FY23 from ARPA to fill a gap left by disappearing federal VOCA assistance funding for victim services, including crisis intervention, safety planning, behavioral health, and legal services.

Department of Children and Families

In the General Fund:

- Adjusts funding related to the Substance Use Disorder waiver, adding \$601,062 to the DCF budget as a technical adjustment to reflect how funding will be distributed as the Substance Use Disorder Waiver is implemented. Overall, this change results in a net increase in \$25.5 million to the SUD system but is completely offset by the Medicaid match associated with the services becoming newly Medicaid-eligible.
- \$4.5 million to establish one short- term sub- acute crisis stabilization unit to accept referrals from a children's behavioral health urgent crisis center when a stay of less than two weeks is needed.
- \$2 million to carry out a plan to be developed by the Department of Children and Families that shall include recommendations for Youth Service Bureaus and Juvenile Review Boards to expand coverage to all municipalities in the state, increase the adoption of evidence-based and quality assurance practices, receive staff training, and develop a data collection and reporting system.

- \$1.1 million to enhance prevention services and community care coordination, reflecting $\frac{3}{4}$ year funding to expand and implement programs from the Families First Prevention Services Act (FFPSA).

From the American Rescue Plan Act:

- \$17.2 million to expand mobile crisis intervention services - \$8.6 million each in FY23 and FY24 - to complete the expansion of pediatric mobile crisis intervention services to statewide 24/7 coverage.
- \$21 million in FY23 to establish three additional urgent crisis centers partnered with sub-acute crisis stabilization units to provide diversionary services.

Department of Developmental Services

From the American Rescue Plan Act:

- \$56.5 million to support the ARPA Home and Community-Based Services Reinvestment Plan enables states to earn an extra 10% federal reimbursement on a range of Medicaid waiver and related services. This extra federal reimbursement (over \$213 million for Connecticut) must be reinvested in new qualifying services which support community-based long-term services and supports over the three-year period ending March 31, 2024. The new federal funding, once reinvested as the state share, will leverage approximately \$228 million in new federal reimbursement to match those expenditures, resulting in total expenditures of approximately \$461 million over the full three-year period. This technical adjustment reflects resources necessary to support the reinvestment plan.
- \$5 million in FY23 for infrastructure improvements for public and privately-owned camps.
- \$5 million in FY23 to provide additional recreational and leisure opportunities to facilitate socialization and connections as the state emerges from the pandemic.

Department of Mental Health and Addiction Services

In the General Fund:

- Adjusts funding related to the Substance Use Disorder waiver, a \$5.8 million net reduction to DMHAS. This is a technical adjustment to reflect how funding will be distributed as the Substance Use Disorder Waiver is implemented. Overall, this change results in a net increase in \$25.5 million to the SUD system but is completely offset by the Medicaid match associated with the services becoming newly Medicaid-eligible.
- \$2.5 million to fund 26 additional hospital discharges from Connecticut Valley and Whiting Forensic Hospitals.

From the American Rescue Plan Act:

- \$1.2 million to support the ARPA Home and Community-Based Services Reinvestment Plan enables states to earn an extra 10% federal reimbursement on a range of Medicaid waiver and related services. This extra federal reimbursement (over \$213 million for Connecticut) must be

reinvested in new qualifying services which support community-based long-term services and supports over the three-year period ending March 31, 2024. The new federal funding, once reinvested as the state share, will leverage approximately \$228 million in new federal reimbursement to match those expenditures, resulting in total expenditures of approximately \$461 million over the full three-year period. This technical adjustment reflects resources necessary to support the reinvestment plan.

- \$2.4 million for mental health peer supports in hospital Emergency Departments — \$1.2 million in each FY23 and FY24.
- \$16 million — \$10 million in FY23 and \$6 million in FY24 — to braid with \$19 million in bond funds to fund a new electronic health record system at DMHAS state-operated facilities.
- \$9.2 million — \$4.6 million in each FY23 and FY24 — to enhance mobile crisis services. \$3 million will support 24/7 coverage in privately provided mobile crisis teams and \$1.6 million will support case management services for people awaiting treatment post-crisis.
- \$4.3 million — \$1.4 million in FY23, \$1.9 million in FY24 and \$954,576 in FY25 — for 12 new respite bed services for the forensic population.
- \$1.4 million — \$1 million in FY23 and \$200,000 in each FY24 and FY25 — to support client telehealth equipment.
- \$2.8 million — \$1.1 million in each FY23 and 24 and \$562,500 in FY25 — to fund supportive services to accompany new housing vouchers.

Department of Correction

There are no changes proposed from the existing biennial budget for FY23 in areas that fund nonprofit services.

Department of Housing

In the General Fund:

- \$2 million to annualize funding for the Congregate Operating Subsidy Program, which will eliminate the program's reliance on the Housing Repayment and Revolving Loan Fund (HRRLF).

From the American Rescue Plan Act:

- \$50 million in FY23 for affordable housing initiatives.

Department of Labor

There are no changes proposed from the existing biennial budget for FY23 in areas that fund nonprofit services.

Department of Aging and Disability Services

There are no changes proposed from the existing biennial budget for FY23 in areas that fund nonprofit services.

Department of Public Health

In the General Fund:

- Provides \$89,417, the salary of a nurse consultant to enable DPH to conduct licensing and complaint investigation activities at the Albert J. Solnit Children’s Center.
- \$244,558 to fully fund per capita grants to full-time local health departments and health districts.

From the American Rescue Plan Act:

- \$17 million — \$3 million in FY23, \$7 million in FY24 and \$7 million in FY25 — to expand the Student Loan Repayment Program to behavioral health professionals.
- \$3.6 million — \$2 million in FY23 and \$1.6 million in FY24 — to fund community gun violence prevention and intervention activities.

Department of Social Services

In the General Fund:

- Adjusts funding related to the Substance Use Disorder waiver , adding \$29.6 million to the DSS budget as a technical adjustment to reflect how funding will be distributed as the Substance Use Disorder Waiver is implemented. Overall, this change results in a net increase in \$25.5 million to the SUD system, but are completely offset by the Medicaid match associated with the services becoming newly Medicaid-eligible.
- \$700,000 to provide funding to support individuals on the Autism Waiver wait list, increasing the number of funded slots by an additional 150.
- \$6.5 million to increase adult Dental and Endodontic rates in Medicaid.

From the American Rescue Plan Act:

- \$116.1 million to support the ARPA Home and Community-Based Services Reinvestment Plan enables states to earn an extra 10% federal reimbursement on a range of Medicaid waiver and related services. This extra federal reimbursement (over \$213 million for Connecticut) must be reinvested in new qualifying services which support community-based long-term services and supports over the three-year period ending March 31, 2024. The new federal funding, once reinvested as the state share, will leverage approximately \$228 million in new federal reimbursement to match those expenditures, resulting in total expenditures of approximately \$461 million over the full three-year period. This technical adjustment reflects resources necessary to support the reinvestment plan.
- \$15 million in FY23 to to develop a new 12- bed specialized psychiatric and medical unit at Connecticut Children’s Medical Center for capital and temporary staffing costs.
- \$15 million — \$5 million in FY23 and \$10 million in FY24 — for infant and early childhood mental health services to build capacity for specialized mental health providers with the highest levels of clinical endorsement to provide early treatment services to identified youth and parents.
- \$2.9 million in FY23 to provide additional supports for victims of domestic violence.
- \$2.8 million in FY23 to shift the cost of the temporary ICF rate increase to \$501 minimum per day from the general fund.

Office of Early Childhood

In the General Fund:

- \$1 million in carryforward to provide funding for the New Haven Home Visiting Program.

From the American Rescue Plan Act:

- \$1 million in FY23 to study the sustainability of Universal Home Visiting.

State Department of Education

From the American Rescue Plan Act:

- \$26 million — \$13 million in each FY23 and FY24 00 to expand the Learner Engagement and Attendance Program (LEAP).
- \$4.5 million in FY23 to support additional summer enrichment opportunities, including camp programs.
- \$1.1 million in FY23 for the American School for the Deaf.

Office of Policy and Management

In the General Fund:

- \$15 million to provide additional funding to support benefit enhancements for employers in DDS provider settings.
- \$175,560 in increased funding for Project Longevity at the Justice Education Center.

From the American Rescue Plan:

- \$272 million — \$155 million in FY23 and \$117 million in FY24, to support continued COVID-19 testing, PPE, and other pandemic response measures.
- \$928,779 — \$371,512 in FY23, \$371,511 in FY24 and \$187,756 in FY25 — to develop capacity to evaluate evidence basis for various ARPA initiatives.
- \$1.3 million — \$250,000 in FY23, \$750,000 in FY24 and \$250,000 in FY25 to provide audit capacity for recipients of ARPA funding.

Department of Economic and Community Development

In the General Fund:

- \$150,000 to the Greater Hartford Community Foundation, which runs the Travelers Championship.

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.

Appendix: Analysis of Governors Proposed Appropriations

Because of how American Rescue Plan Act funds are distributed throughout the budget as well as other factors in how policy changes are explained, we are providing the tables of the proposed appropriations for each individual state agency separately from the summary of the policy changes that precedes this Appendix.

Please refer to this section to access specific line-item funding, but refer to the two sections of the analysis for a clearer picture of the policy changes proposed by Governor Lamont’s budget.

Court Support Services Division

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Forensic Sex Evidence Exams	1,348,010	1,348,010	1,348,010	-	0%
Alternative Incarceration Program	50,061,425	50,086,434	50,086,434	-	0%
Justice Education Center, Inc.	469,714	469,714	469,714	-	0%
Juvenile Alternative Incarceration (Youthful Offender Services added)	28,788,733	28,789,161	28,789,960	799	0%
Youthful Offender Services (consolidated into Juv. Alternative Incarceration)	-	799	-	(799)	-100%
Victim Security Account	8,792	8,792	8,792	-	0%
Children of Incarcerated Parents	493,728	493,728	493,728	-	0%
Legal Aid	1,397,144	1,397,144	1,397,144	-	0%
Youth Violence Initiative	2,296,420	2,299,486	2,299,486	-	0%
Youth Services Prevention	5,170,000	5,169,997	5,169,997	-	0%
Children's Law Center	92,445	92,445	92,445	-	0%
Juvenile Planning	500,000	500,000	500,000	-	0%

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Juvenile Justice Outreach Services	23,455,142	23,463,343	23,463,343	-	0%
Board and Care for Children - Short-term and Residential	7,732,474	7,732,474	7,732,474	-	0%
Counsel for Domestic Violence	1,250,000	1,250,000	1,250,000	-	0%

Department of Children and Families

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Family Support Services	946,451	946,637	946,637	-	0%
Differential Response System	15,812,975	15,821,651	8,359,970	(7,461,681)	-47%
Regional Behavioral Health Consultation	1,646,024	1,646,024	1,646,024	-	0%
Community Care Coordination (NEW proposed SID)	-	-	7,979,078	7,979,078	
Health Assessment and Consultation	1,422,776	1,425,668	1,425,668	-	0%
Grants for Psychiatric Clinics for Children	16,205,306	16,225,467	16,225,467	-	0%
Day Treatment Centers for Children	7,294,573	7,311,795	7,311,795	-	0%
Child Abuse and Neglect Intervention	9,882,941	9,889,765	9,889,765	-	0%
Community Based Prevention Programs	7,527,785	7,527,800	9,527,800	2,000,000	27%
Family Violence Outreach and Counseling	3,745,395	3,745,405	3,745,405	-	0%
Supportive Housing	19,886,064	19,886,064	19,886,064	-	0%
No Nexus Special Education	3,034,946	3,110,820	3,110,820	-	0%
Family Preservation Services	6,593,987	6,594,028	6,594,028	-	0%
Substance Abuse Treatment	8,654,849	8,686,495	9,186,495	500,000	6%
Child Welfare Support Services	2,560,026	2,560,026	2,560,026	-	0%

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Board and Care for Children - Adoption	107,421,375	111,010,454	109,384,511	(1,625,943)	-1%
Board and Care for Children - Foster	139,906,480	144,471,637	137,349,565	(7,122,072)	-5%
Board and Care for Children - Short-term and Residential	79,443,183	78,391,093	77,131,028	(1,260,065)	-2%
Individualized Family Supports	5,217,321	5,595,501	5,225,000	(370,501)	-7%
Community Kidcare	44,107,305	44,113,620	44,728,723	615,103	1%
Covenant to Care	163,514	165,602	165,602	-	0%
Juvenile Review Boards	1,318,623	1,319,411	1,319,411	-	0%
Youth Transition and Success Programs	450,000	450,000	450,000	-	0%
Youth Service Bureaus	2,640,772	2,640,772	2,640,772	-	0%
Youth Service Bureau Enhancement	1,093,973	1,093,973	1,093,973	-	0%

Department of Developmental Services

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Housing Supports and Services	1,400,000	1,400,000	1,400,000	-	0%
Family Support Grants	3,700,840	3,700,840	3,700,840	-	0%
Clinical Services	2,337,724	2,337,724	2,337,724	-	0%
Behavioral Services Program	20,246,979	20,246,979	20,246,979	-	0%
Supplemental Payments for Medical Services	2,908,132	2,808,132	2,808,132	-	0%
ID Partnership Initiatives	1,529,000	1,529,000	3,691,500	2,162,500	141%
Emergency Placements	5,666,455	5,666,455	5,666,455	-	0%
Rent Subsidy Program	5,032,312	5,032,312	5,032,312	-	0%

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Employment Opportunities and Day Services	297,568,217	308,316,217	328,405,289	20,089,072	7%

Department of Mental Health and Addiction Services

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Housing Supports and Services	23,357,467	23,403,595	23,403,595	-	0%
Managed Service System	59,029,012	59,422,822	59,422,822	-	0%
Legal Services	706,179	706,179	706,179	-	0%
Connecticut Mental Health Center	8,348,323	8,848,323	8,848,323	-	0%
Professional Services	14,400,697	14,400,697	14,400,697	-	0%
General Assistance Managed Care	41,522,341	42,360,495	18,068,501	(24,291,994)	-57%
Nursing Home Screening	652,784	652,784	652,784	-	0%
Young Adult Services	79,972,397	84,319,278	84,319,278	-	0%
TBI Community Services	8,468,759	8,511,915	8,511,915	-	0%
Behavioral Health Medications	6,720,754	6,720,754	6,720,754	-	0%
Medicaid Adult Rehabilitation Option	4,184,260	4,184,260	4,184,260	-	0%
Discharge and Diversion Services	28,885,615	30,313,084	32,813,084	2,500,000	8%
Home and Community Based Services	23,300,453	24,404,347	25,074,941	670,594	3%
Forensic Services	10,312,769	10,408,558	10,408,558	-	0%
Grants for Substance Abuse Services	18,063,479	18,242,099	29,941,077	11,698,978	64%
Grants for Mental Health Services	66,467,302	66,646,453	66,646,453	-	0%
Employment Opportunities	8,818,026	8,849,543	8,849,543	-	0%

Department of Correction

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Inmate Medical Services	112,556,425	121,777,650	122,472,650	695,000	1%
Board of Pardons and Paroles	6,974,828	7,229,605	7,118,831	(110,774)	-2%
STRIDE	73,342	73,342	73,342	-	0%
Aid to Paroled and Discharged Inmates	3,000	3,000	3,000	-	0%
Legal Services To Prisoners	797,000	797,000	797,000	-	0%
Community Support Services	39,191,248	41,284,033	41,284,033	-	0%

Department of Housing

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Elderly Rental Registry and Counselors	1,011,170	1,011,170	1,011,170	-	0%
Homeless Youth	2,644,904	2,934,904	2,934,904	-	0%
Subsidized Assisted Living Demonstration	2,636,000	2,928,000	2,928,000	-	0%
Congregate Facilities Operation Costs	7,189,480	7,189,480	9,189,480	2,000,000	28%
Elderly Congregate Rent Subsidy	1,935,626	1,935,626	1,935,626	-	0%
Housing/Homeless Services	85,369,348	85,323,311	85,323,311	-	0%
Housing/Homeless Services - Municipality	607,063	637,088	637,088	-	0%

Department of Labor

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Workforce Investment Act	29,255,281	29,450,756	26,035,492	(3,415,264)	-12%
Connecticut's Youth Employment Program	5,000,905	5,004,018	5,004,018	-	0%
Jobs First Employment Services	12,566,193	12,591,312	12,591,312	-	0%
Apprenticeship Program	501,295	518,781	518,781	-	0%
Connecticut Career Resource Network	118,079	122,352	122,352	-	0%
STRIVE	76,125	76,261	76,261	-	0%

Department of Aging and Disability Services

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Educational Aid for Blind and Visually Handicapped Children	4,384,075	4,552,693	4,552,693	-	0%
Employment Opportunities — Blind & Disabled	370,890	370,890	370,890	-	0%
Vocational Rehabilitation - Disabled	7,681,194	7,697,683	7,697,683	-	0%
Supplementary Relief and Services	44,847	44,847	44,847	-	0%
Special Training for the Deaf Blind	239,891	240,628	240,628	-	0%
Connecticut Radio Information Service	70,194	70,194	70,194	-	0%
Independent Living Centers	764,289	766,760	766,760	-	0%
Programs for Senior Citizens	3,578,743	3,578,743	3,578,743	-	0%

Department of Public Health

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
LGBTQ Health and Human Services Network	250,000	250,000	250,000	-	0%
Tobacco Prevention (NEW SID in Gov Budget)	-	-	1,000,000	1,000,000	
Community Health Services	3,586,753	3,586,753	3,586,753	-	0%
Rape Crisis	548,128	548,128	548,128	-	0%
Local and District Departments of Health	6,919,014	7,919,014	7,163,572	(755,442)	-10%
School Based Health Clinics	10,678,013	10,680,828	10,680,828	-	0%

Department of Social Services

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
HUSKY B Program	16,660,000	24,170,000	15,170,000	(9,000,000)	-37%
Substance Use Disorder Waiver Reserve Account (NEW Line in Gov Budget)	-	-	3,269,396	3,269,396	
Medicaid	2,757,166,000	2,991,351,000	3,081,350,362	89,999,362	3%
Old Age Assistance	38,370,000	30,660,000	33,360,000	2,700,000	9%
Aid To The Blind	503,200	523,900	478,900	(45,000)	-9%
Aid To The Disabled	49,620,000	37,620,000	38,120,000	500,000	1%
Temporary Family Assistance - TANF	37,390,000	36,910,000	31,410,000	(5,500,000)	-15%
Community Residential Services	655,119,602	668,069,602	720,685,200	52,615,598	8%
Safety Net Services	1,334,544	1,334,544	1,334,544	-	0%
Services for Persons With Disabilities	276,362	276,362	276,362	-	0%

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Nutrition Assistance	749,040	750,204	750,204	-	0%
State Administered General Assistance	15,130,000	15,240,000	12,940,000	(2,300,000)	-15%
Community Services	2,055,376	2,055,376	2,055,376	-	0%
Human Service Infrastructure Community Action Program	3,794,252	3,803,200	3,803,200	-	0%
Teen Pregnancy Prevention	1,255,827	1,255,827	1,255,827	-	0%
Domestic Violence Shelters	5,321,749	5,425,349	5,425,349	-	0%

Office of Early Childhood

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Birth to Three	23,452,407	24,452,407	24,452,407	-	0%
Evenstart	295,456	295,456	295,456	-	0%
Nurturing Families Network	10,319,422	10,347,422	10,347,422	-	0%
Head Start Services	5,083,238	5,083,238	5,083,238	-	0%
Care4Kids TANF	59,527,096	59,527,096	59,527,096	-	0%
Child Care Quality Enhancements	5,954,530	5,954,530	5,954,530	-	0%
Early Head Start-Child Care Partnership	1,500,000	1,500,000	1,500,000	-	0%
Early Care and Education	132,377,530	135,079,054	135,079,054	-	0%

Office of Policy and Management

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Justice Assistance Grants	786,734	790,356	790,356	-	0%
Project Longevity	948,813	948,813	1,124,373	175,560	19%
Private Providers (FY21 funding for minimum wage increases spread across budget)	40,000,000	80,000,000	95,000,000	15,000,000	19%

State Department of Education

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Leadership, Education, Athletics in Partnership (LEAP)	312,211	312,211	312,211	-	0%
Neighborhood Youth Centers	613,866	613,866	613,866	-	0%
School-Based Diversion Initiative	900,000	900,000	900,000	-	0%
American School For The Deaf	8,357,514	8,357,514	8,357,514	-	0%
Family Resource Centers	5,802,710	5,802,710	5,802,710	-	0%
Adult Education	21,214,072	21,333,248	21,333,248	-	0%
Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415	3,438,415	-	0%
After School Program	5,750,695	5,750,695	5,750,695	-	0%

Department of Economic and Community Development

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Statewide Marketing	4,280,912	4,280,912	4,280,912	-	0%
Hartford Urban Arts Grant	242,371	242,371	242,371	-	0%
New Britain Arts Council	39,380	39,380	39,380	-	0%
Main Street Initiatives	100,000	100,000	100,000	-	0%
Neighborhood Music School	80,540	80,540	80,540	-	0%
Nutmeg Games	40,000	40,000	40,000	-	0%
Discovery Museum	196,895	196,895	196,895	-	0%
National Theatre of the Deaf	78,758	78,758	78,758	-	0%
Connecticut Science Center	446,626	446,626	446,626	-	0%
CT Flagship Producing Theaters Grant	259,951	259,951	259,951	-	0%
Performing Arts Centers	787,571	787,571	787,571	-	0%
Performing Theaters Grant	381,753	381,753	381,753	-	0%
Arts Commission	1,497,298	1,497,298	1,497,298	-	0%
Art Museum Consortium	287,313	287,313	287,313	-	0%
Litchfield Jazz Festival	29,000	29,000	29,000	-	0%
Arte Inc.	20,735	20,735	20,735	-	0%
CT Virtuosi Orchestra	15,250	15,250	15,250	-	0%
Barnum Museum	20,735	20,735	20,735	-	0%
Various Grants	393,856	393,856	393,856	-	0%
Greater Hartford Arts Council	74,079	74,079	74,079	-	0%
Stepping Stones Museum for Children	30,863	30,863	30,863	-	0%
Maritime Center Authority	303,705	303,705	303,705	-	0%
Connecticut Humanities Council	850,000	850,000	850,000	-	0%

SID Description	FY22 Adopted Budget	FY23 Adopted Budget	FY23 Governor's Budget	Difference from FY23 Appropriation	Percent Change
Amistad Committee for the Freedom Trail	36,414	36,414	36,414	-	0%
New Haven Festival of Arts and Ideas	414,511	414,511	414,511	-	0%
New Haven Arts Council	52,000	52,000	52,000	-	0%
Beardsley Zoo	253,879	253,879	253,879	-	0%
Mystic Aquarium	322,397	322,397	322,397	-	0%
Northwestern Tourism	400,000	400,000	400,000	-	0%
Eastern Tourism	400,000	400,000	400,000	-	0%
Central Tourism	400,000	400,000	400,000	-	0%
Twain/Stowe Homes	81,196	81,196	81,196	-	0%
Cultural Alliance of Fairfield	52,000	52,000	52,000	-	0%



Appendix C:

CT NONPROFIT WORKFORCE CRISIS

REPORT + NONPROFIT SURVEY FINDINGS



JANUARY 2022

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Executive Summary

CT NONPROFIT WORKFORCE CRISIS: REPORT + NONPROFIT SURVEY FINDINGS

59%

Of nonprofits currently have a waiting list for community services

Community nonprofits are on the front lines of the Coronavirus pandemic, providing essential services to people in need in every city and town in Connecticut. 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.

18%

Average vacancy rate for nonprofits

But in the wake of the pandemic, community nonprofits are facing an unprecedented workforce crisis on top of ongoing issues related to inadequate funding. The Alliance surveyed its membership to better understand how these issues are impacting nonprofits and the people they serve.

68%

Of nonprofits say that demand for services has increased in the past two years

Ninety one percent of nonprofits surveyed reported that it has been extremely difficult or difficult to recruit employees this past year, with an average vacancy rate of 18%. The top factors affecting nonprofit organizations' ability to recruit/retain staff include lack of applicants (81%), inability to offer a competitive salary (80%), and staff burnout (66%), among other factors.

91%

Of nonprofits report that it is extremely difficult or difficult to recruit employees

This unprecedented workforce crisis comes at a time when demand for services has increased dramatically. **Sixty eight percent of respondents said that demand for services has increased over the past two years.** Of those respondents, 11% stated that services have increased by more than 50%, and 30% said that demand for services increase by 25-49%.

94%

Of nonprofits say that with additional funding they would be able to fill more open positions

Community nonprofits are facing a no-win situation. They need the commitment of policymakers to help solve this crisis. Now more than ever, it is critical that the state fulfill The Alliance's \$461 million funding plan for community nonprofits and **provide at least an eight percent Cost of Living Adjustment for Fiscal Year 2023.**

Introduction



Community nonprofits serve those in need, enabling people to thrive in an imperfect world. In 2022, nonprofits, so adept at dealing with crises, are dealing with an emergency of their own.

In the wake of the pandemic, community nonprofits cannot attract and retain staff. It is no longer enough to convince potential employees that nonprofit work is noble work, employees must be adequately compensated, especially when there is competition for their services.

Afraid of the transmission of COVID-19, those who can are dropping out of the nonprofit workforce or moving to private practice where they can be paid three times as much for the same or less difficult work. **Community nonprofits are now in competition with employers such as Amazon and Walmart that require no specialized training, are paying more and offering more hiring incentives.** Nonprofits are at a disadvantage with limited support from the State, which has historically underfunded them and to date has not provided sufficient critical support which could be used to raise wages.

Community nonprofits are facing a no-win situation. They need the commitment of policymakers to help solve this crisis.

CT Nonprofit Survey Findings

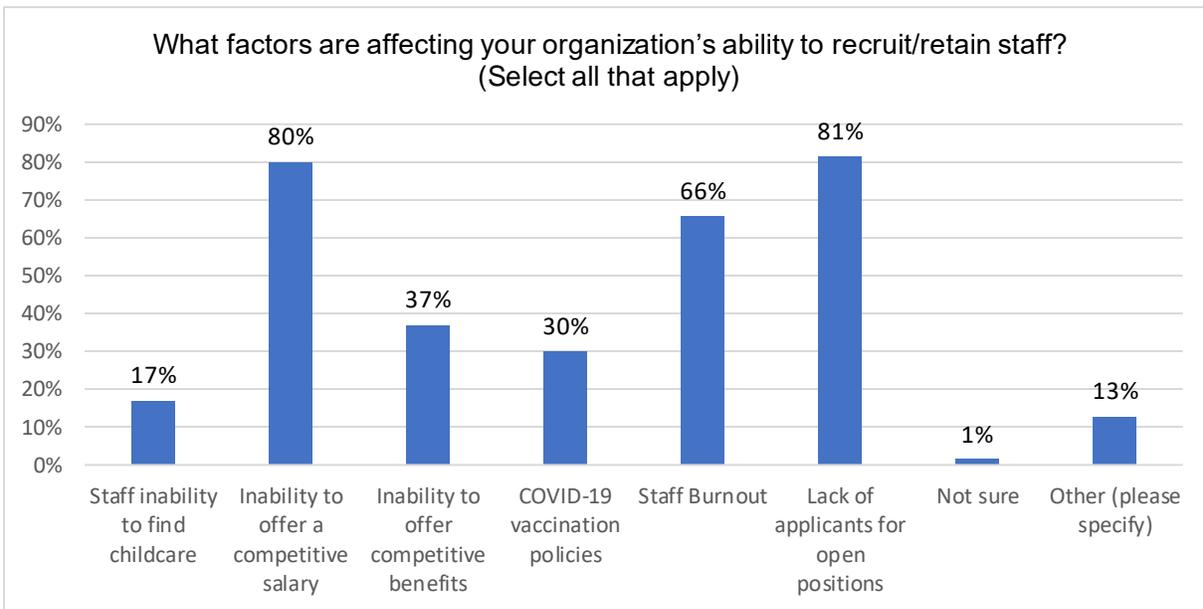
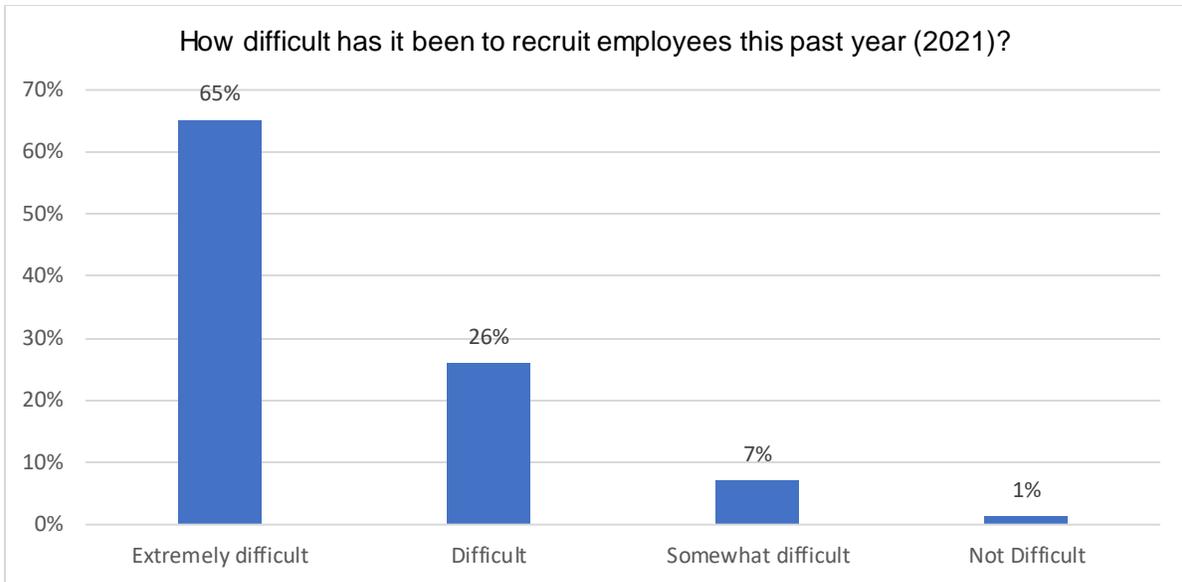
State funding has fallen behind inflation and the needs of providers at least since 2007. The Alliance has led the charge to uphold Connecticut’s obligation to the nonprofit community and people that depend on them.

One Alliance member says their employees are “hanging on by their fingernails.” They are having difficulty hiring at all levels, from psychiatrists and APRNs to residential staff. With clinician vacancies alone, 3,520 people are unable to access life-saving care, and they report experiencing 120 full- and part-time positions vacant out of a workforce of 900. They might not even be able to keep their residential programs open as positions that used to get 20 applicants now get “1 or 2, if that.” Another provider says their employees have been working multiple shifts, wearing masks, and risking exposure to COVID-19. They say they have 45 open positions out of a total staff of 363 – that’s 12% of their workforce.

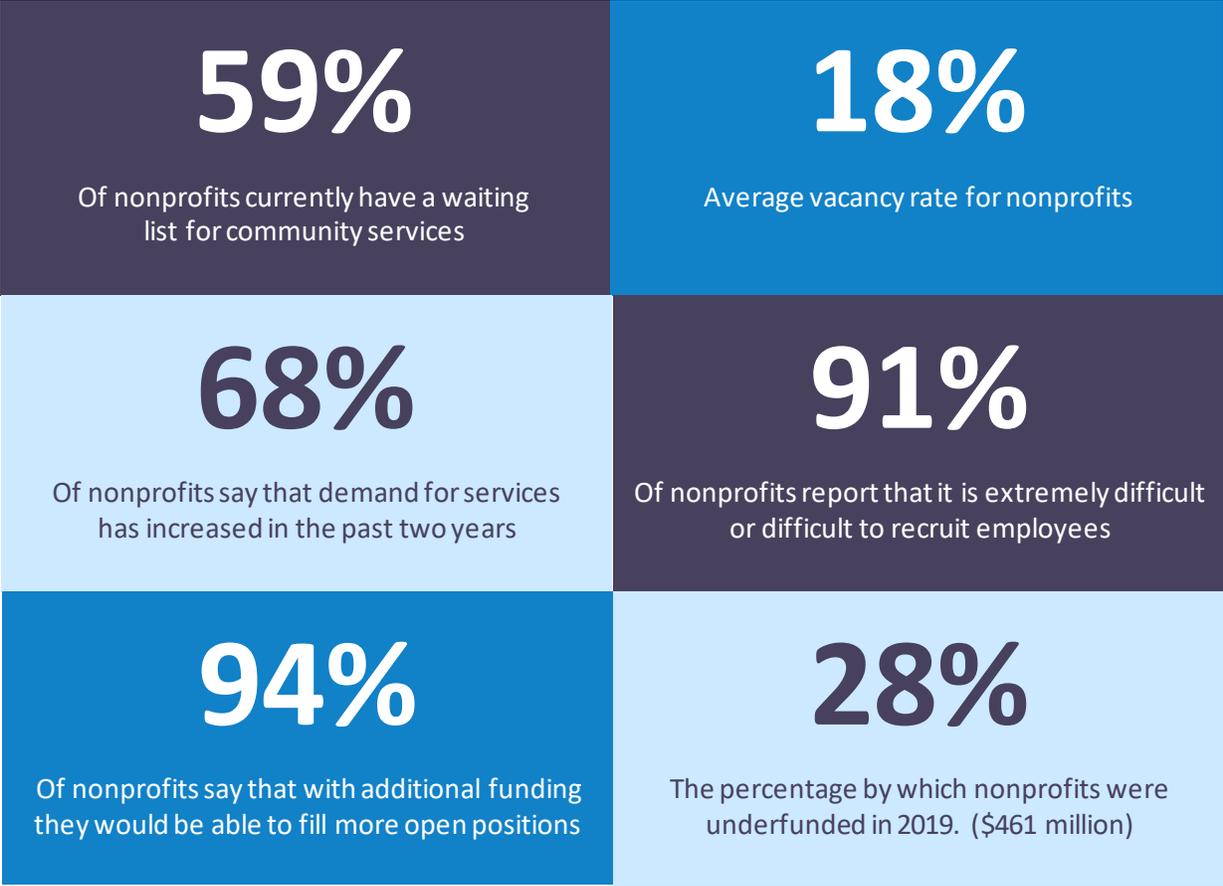
In December, The Alliance surveyed its membership to better understand the scope of the CT nonprofit workforce crisis. A total of 70 nonprofit organizations provided data on how the crisis is impacting a wide range of community-based services, the people they serve and staff.

“I have 45 open positions out of a total staff of 363 - that’s 12 percent of my workforce.”

Survey findings illustrate the severity to which nonprofit recruitment and retention rates are suffering, negatively impacting community services and the people that depend on them. **91% of nonprofit organizations reported that it has been extremely difficult or difficult to recruit employees** this past year, with an **average vacancy rate of 18%**. The top factors affecting nonprofit organizations’ ability to recruit/retain staff include lack of applicants (81%), inability to offer a competitive salary (80%), and staff burnout (66%), among other factors.



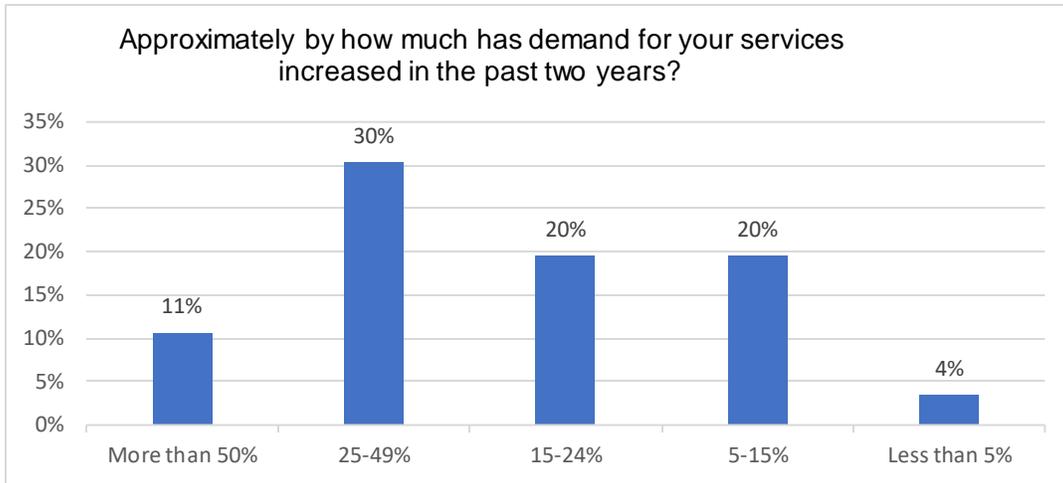
When asked how staff are impacted by hiring challenges, some cite low morale and stress, but an overwhelming majority say burnout by name. One provider says, “**Staff are stretched to the max and experiencing burnout** due to the weight of additional responsibilities. Tension is high and tempers are short.” Many responses indicate that current staff are exasperated and frustrated, feelings that negatively impact both the workplace culture for clients and staff. The feelings are warranted: nonprofit **staff are having to work overtime or longer shifts** to compensate for loss of staff in other areas. One provider says, “Because staff are/were working so many additional hours, in addition to experiencing burnout, incentivizing the open shifts is no longer proving to be effective.”



CT’s unprecedented workforce crisis comes at a time when demand for services has increased dramatically. **68% of respondents say that demand for services has increased over the past two years.** Of those respondents, 11% state that services have increased by more than 50%, and 30% more say that demand for services increase by over 25%.

“We have students now on the waiting list,” says one provider, “that has never happened to us in the past.” Another notes, “DMHAS-funded employment services has seen an increase of approximately 15% and the increase for DDS employment/day services is much higher.”

Waiting lists for services also continue to grow, as **59% of respondents state that they currently have a waiting list for services** ranging from outpatient mental health services for children and adults, Intensive In-Home Child & Adolescent Psychiatric Services (IICAPS), Extended Day Treatment, residential placements, child first, employment and day services, and more. Many have waited more than a year,” says one provider. Almost all programs that reported waitlists said that their wait times were in the range of months



In addition, some providers have been forced to **reduce or stop admissions to programs altogether**. “We receive many calls inquiring about program openings,” says one provider. “But due to limited capacity, they have not been officially referred. The average wait time for DDS-funded services is approximately four months.”

Another says: “We have over 100 consumers on the waiting list and increasing referrals every day. We have exceeded our caseload per staff per the DMHAS fidelity, but it does not help when you don't have staff to begin with.” Below are just a few examples of waiting list for services that CT residents are facing:

Service	Wait Time
DMHAS-funded services	3 weeks
DDS funded services	4-7 months
Extended Day Treatment	2-4 months
Private Residential Treatment Facility	3 weeks
Day support and employment	6 months
Day programs	12+ months
Intensive Outpatient	1-8 weeks
Autism assessments	3 months
Outpatient Substance Use services	14 days
Inpatient Substance Use Rehab Services	10 days
Inpatient withdrawal management services	4 days
Adult Outpatient Services/MAT Services	2 -3 months
Outpatient mental health services	3-16 weeks

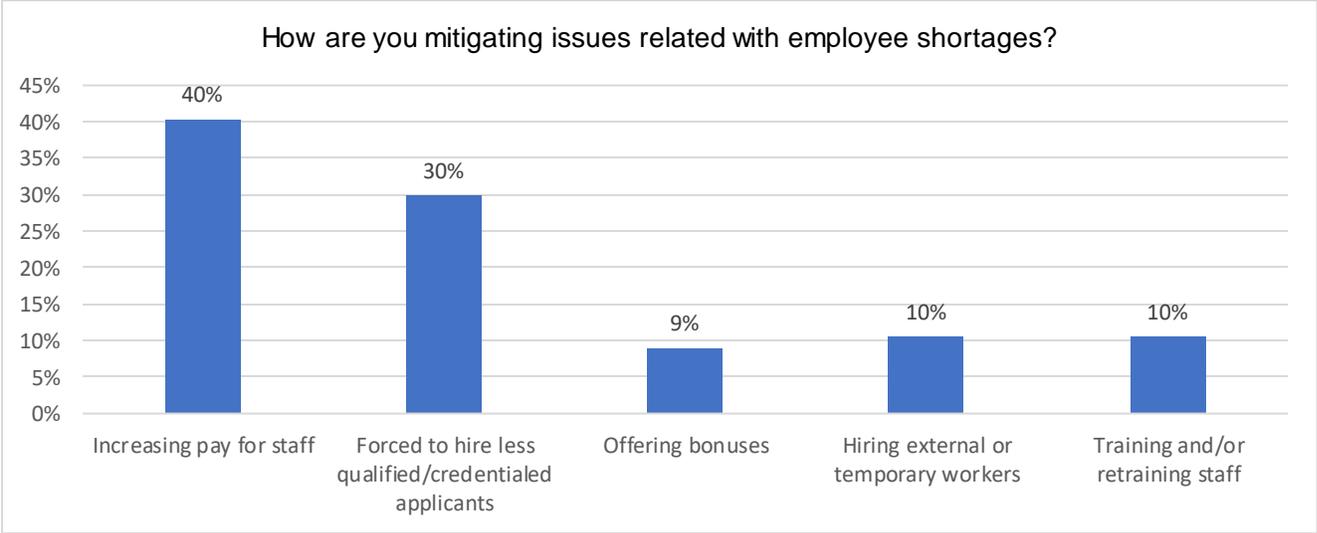
Without immediate support from the state, the workforce crisis may jeopardize safety and quality of care. For example, one provider says they “cannot support suicide prevention needs or postvention response as responsively as possible to towns when we are understaffed,” which could lead to life-threatening consequences.

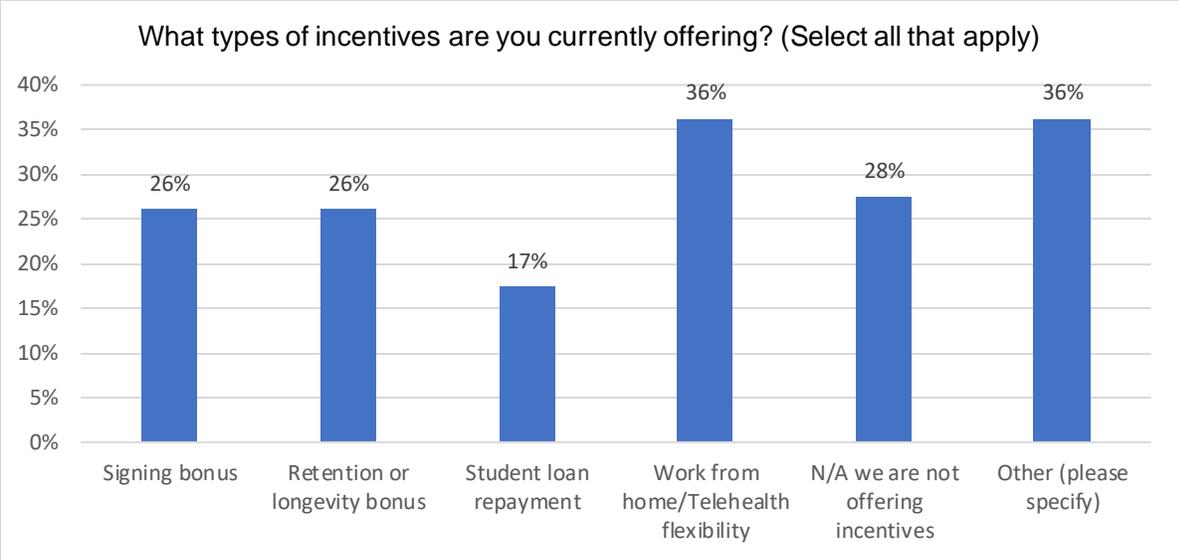
Each clinician vacancy equates to about 200 clients not served per year

Others say safety minimums are at risk and required paperwork is not being completed. An overwhelming number of respondents say they simply cannot recruit staff. There is an enormous shortage of clinicians – doctors, APRNs, social workers – all jobs that must be filled by an applicant with specialized training. One provider says, “We cannot hire licensed clinicians because they have so many options to work with an ‘easier’ population or have a private practice. Each clinician vacancy equates to about 200 clients not served per year.”

Respondents overwhelmingly report that **employees are demanding competitive wages and benefits and many nonprofits are not being adequately funded to offer that.** Many providers (40%) have increased pay for staff, but they note how **“These costs are not funded by state contracts.”**

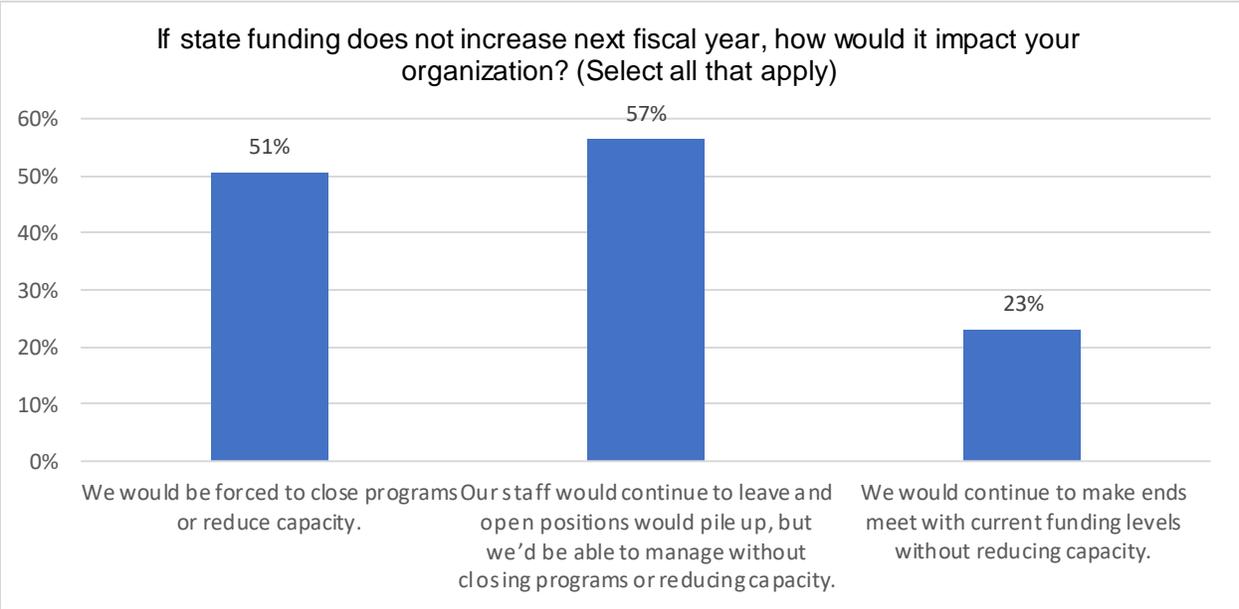
Nonprofits are also not being compensated to implement other recruitment and retention tactics. For example, when asked to select from a list of incentives that they are providing their staff, it is clear nonprofits do not have the resources to offer hiring or retention incentives. Only nine percent of respondents have offered their staff bonuses, and only 26% have been able to offer a signing bonus for new staff or longevity payments. As one respondent notes, “I wish we could offer these benefits!” In addition, some organizations that have implemented incentives have not found there to be any improvement in their ability to recruit.

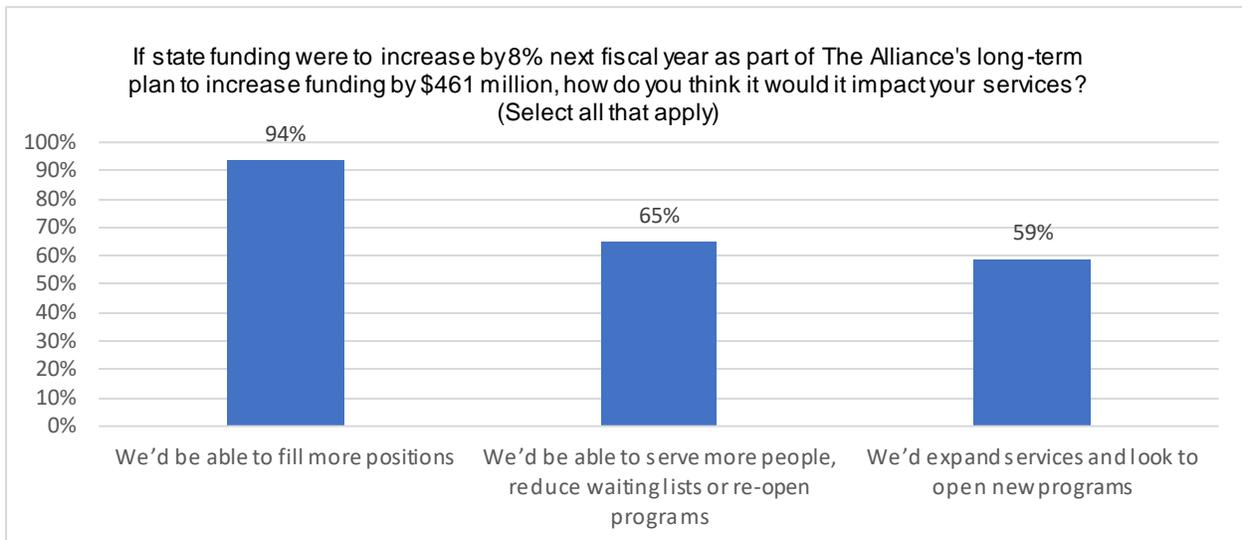




Survey findings highlight the need for adequate funding for nonprofits facing unexpected and unbudgeted costs of doing business during a pandemic and in the midst of a workforce crisis. As policymakers craft the fiscal year 2023 and 2024 state budget, they must **increase funding by at least an additional eight percent (at least \$150 million) for Connecticut’s community nonprofits.**

When asked what they would do if state funding increased by eight percent, 94% of respondents say they would be able to fill more open positions and 65% say they’d be able to serve more Connecticut residents. Conversely, if funding is not increase, 57% of respondents say their staff would continue to leave and 51% say they might be forced to close programs.





Before the pandemic hit, community nonprofits were underfunded by \$461 million, or 28%, behind the cost of services. Between 2007 and 2019, community nonprofits lost that much because state funding for services did not keep pace with inflation. In 2021, policymakers stepped up and appropriated a four percent Cost of Living Adjustment (COLA) for the current year budget. That was very much needed and appreciated. But the increase in this year's budget has quickly been absorbed by rising costs. Since 2019, inflation grew by an additional 8.4%, more than doubling the COLA in the current year's budget.

We urge policymakers to continue to make Connecticut stronger by increasing funding for community nonprofits by at least eight percent in FY23. Now more than ever it is critical that the state fulfill The Alliance's plan to continue to increase funding above that initial allocation over the next several years. Connecticut's community nonprofits provide essential services in every city and town in Connecticut, serving people in need. They are partners with state government in serving our residents, a vital part of Connecticut's economy, and help keep our state safe, healthy, and vibrant.

People are struggling, and so are the nonprofit staff they depend on. Without additional funding, the state risks destabilizing our state's community service delivery system.

Some providers have been forced to stop or reduce admissions altogether

Provider Spotlight

Sherry Albert, COO of Community Solutions Inc., knows that “this is not a dress rehearsal for our clients” – the wellbeing of the people she serves is on the line. Community Solutions, a community nonprofit specializing in reintegrating offenders into the community, is facing grim circumstances because of the workforce crisis.

Out of 280 Connecticut-based employees at Community Solutions, there are 52 openings. Of the people who apply for jobs, there is a 20% response rate and many people don’t show up even when an interview is scheduled. CSI's job listings have been up for more than a year – they’re paying extra to get the job postings moved to the top of job listing websites. But finding job seekers with appropriate experience and retaining even those who have worked for her for years is becoming a constant struggle.

Community Solutions has done everything they can to compete with retail and service industry employers. At great cost to the organization, they gave hazard pay when covid was peaking, retention bonuses, and referral bonuses to current employees with no help from the State, which has a budget surplus.

Still, Community Solutions is rapidly losing employees. Sherry talks of burnout, of employees required to cover extra shifts, and spending two months trying to fill positions for a program running with 50% of the needed staff. The state needs to acknowledge the great hardship of leaders like Sherry and how it directly affects her clients and the quality of services in Connecticut.



Sherry tells of a seasoned program director leaving to work at Planet Fitness, citing more money, better benefits, and less stress.

National Workforce Crisis

Connecticut’s challenges mirror those of other states. In a national poll of behavioral health organizations, 78% say the demand for their services has increased during the pandemic but 97% say it is difficult to recruit employees, especially the highly qualified. These organizations say recruitment and retention is their greatest concern mostly because they are unable to provide a competitive salary.

Behavioral health organizations need state funding to pay the true cost of care and address increased demand for services. This has led to a growing regional movement to hold states accountable to what they have promised.

Behavioral health professionals say that good social support is the strongest indicator of secure mental health. In a pandemic year of isolation and loneliness, Americans faced a concurrent mental health epidemic. Nearly half (49%) of Americans between the ages of 18-29 exhibited

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3,520

At one behavioral health provider, 3,520 people are unable to access life-saving care as they have 120 full- and part-time positions vacant out of a workforce of 900. They might not even be able to

symptoms of anxiety or depression during the pandemic, particularly in marginalized groups, which has led to increased demand on behavioral health services in a sector already dealing with a scarcity of qualified professionals to provide services.

The National Alliance on Mental Illness of Connecticut says that calls to their mental health concern warmline have doubled from 2019. Even before the pandemic, the Health Resources and Services Administration (HRSA) predicted a 15% increase in demand for addiction counselors by 2030 and a 13% increase in demand for mental health counselors.

Like their colleagues in behavioral health, community nonprofits that support those with intellectual and developmental disabilities have found their workforce decimated. According to

Career coaches
are helping
clients with
disabilities land
jobs that pay
even more than
the career
coaches receive.

a study from the American Network of Community Options and Resources (ANCOR), 93% of respondents said that they are struggling with hiring because employers that were never competitors in the past are now taking away potential applicants. Almost 60% of these employers surveyed said they were discontinuing programs and services.

Consequently, more clients are being sent to hospitals and crisis care, a non-solution that violates principles of commonly accepted recovery models. More than three quarters of providers have closed their doors to new clients. Some providers say they are sometimes forced to hire staff who do not meet their usual high level of qualifications

Recommendations

- Continue to implement The Alliance's \$461 million funding increase request by providing at least an eight percent Cost of Living Adjustment for Fiscal Year 2023.
- Create a tuition reimbursement and loan forgiveness program for critical staff who choose to spend their careers employed by community nonprofits serving Connecticut's most vulnerable residents.
- Temporarily relax requirements or provide waivers for staff credentials, allowing qualified staff to begin practicing without waiting for administrative hurdles to be cleared.
- Reduce or eliminate tuition for community nonprofit staff at state institutions of higher education, providing a pathway for staff to enrich their lives and careers.

About The Alliance

The CT Community Nonprofit Alliance (The Alliance) is the statewide association of community nonprofits in Connecticut. Our mission is to advance excellence in community-based nonprofits through advocacy and capacity building.

If you have questions or need more information please contact Gian-Carl Casa, President and CEO at gcasa@ctnonprofitalliance.org or Ben Shaiken, Director of Government Relations at bshaiken@ctnonprofitalliance.org.