



Date: March 18, 2022
To: Appropriations Committee
From: Ben Shaiken, Director of Government Relations, The Alliance
Re: H.B. 5431 An Act Concerning Funding Received by the State Under the Federal American Rescue Plan Act

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

My name is Ben Shaiken, Director of Government Relations for the CT Community Nonprofit Alliance. The Alliance is the statewide 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 H.B. 5431 An Act Concerning Funding Received by the State Under the Federal American Rescue Plan Act. The Alliance's comments today are in regards to Section 1 of the bill, which would amend an existing program at the Department of Public Health that provides student loan repayment funds to behavioral health providers within the state's human service system. This language corresponds with a proposed \$17 million American Rescue Plan Act (ARPA) allocation in the Governor's budget.

The bill aims to expand a program created through legislation in 2021, but we urge the Committee to expand it further. We request the Committee amend this language to address a specific issue in its current draft:

In lines 8 and 12, please remove the reference to "primary care". As written, the bill would restrict eligibility for the program to only cover behavioral health practitioners who are employed at a community-based organization that provides primary care. While these providers are important, the bill is unnecessarily restrictive and would exclude from participation Connecticut's full breadth of community-based nonprofit behavioral health providers.

Student loan debt is a significant burden on hundreds of thousands of Connecticut residents, including many employees of Connecticut's nonprofits.

In 2016, Connecticut residents had the highest average student loan debt among the states; now its average student loan debt per borrower is slightly higher than the national average.

- **\$17.1 billion** in student loan debt belongs to state residents.

- **\$35,448** is the average student loan debt.
- **482,400** student borrowers live in Connecticut.
- **58%** of them are under the age of 35.
- **13% of state residents** have student loan debt.
- Among the state's indebted student borrowers, **only 13% owe less than \$5,000.**¹

Starting May 1, 10% of Connecticut residents will resume payment on student loans that will no longer be in forbearance due to the public health emergency. If every borrower resumes making payments on their loans on May 1, up to \$178 million per month will be taken out of circulation in our economy.

Meanwhile, Connecticut's nonprofits are facing a workforce crisis after two years of the COVID-19 pandemic. According to a survey The Alliance released in January, nearly one in five (18%) nonprofit jobs are unfilled across Connecticut. The nationwide exodus from the healthcare industry has been well-documented, but it has hit Connecticut's nonprofits acutely. Staff are leaving for higher paying jobs in private industry and private practice, where they can deliver behavioral health services remotely from their homes, and school districts are hiring clinical staff away from community-based nonprofit providers. The four percent Cost of Living Adjustment in last year's state budget, while appreciated, has been completely enveloped by six percent inflation. And unlike Amazon or Starbucks, nonprofits are paid for their services by the State and cannot unilaterally raise their prices to meet rising costs.

Thank you for the opportunity to testify on this important issue. We look forward to engaging with the Committee to refine this bill in concert with similar proposals in H.B. 5001, H.B. 5130, and S.B. 271 proposed in other Committees.

¹ <https://educationdata.org/student-loan-debt-by-state#connecticut>.