



CONNECTICUT
ASSOCIATION
of **NONPROFITS**

*...to serve, strengthen
and support Connecticut's
nonprofit community.*

Testimony Presented Before the Human Services Committee:

Submitted By: Patrick Johnson, Interim Executive Director, CT Nonprofits

Public Hearing Date: March 12, 2015

In Support of H.B. No. 6947:

'AN ACT CONCERNING STATE CONTRACTS FOR HUMAN SERVICES.'

MY NAME IS PATRICK JOHNSON AND I AM THE INTERIM EXECUTIVE DIRECTOR OF THE CT ASSOCIATION OF NONPROFITS AND I AM HERE TODAY TO TESTIFY IN SUPPORT OF HB 6947 WHICH WOULD TIE STATE CONTRACT REIMBURSEMENT RATES WITH CPI/INFLATION. I AM SPEAKING ON BEHALF OF OUR ALMOST 500 NONPROFIT MEMBERS.

FOR THE PAST QUARTER CENTURY THE STATE OF CT HAS IGNORED THE REALITY OF INFLATION WHEN CONTRACTING WITH NONPROFIT ORGANIZATIONS. INFLATION EXISTS AND IT IS DESTROYING THE NETWORK OF HUMAN SERVICE AGENCIES THAT DELIVER BASIC HUMAN NEEDS, MENTAL HEALTH, DEVELOPMENTAL DISABILITY, CHILD WELFARE, AND ALTERNATIVE SANCTIONS PROGRAMS FOR OUR MOST VULNERABLE CITIZENS.

JUST IMAGINE THAT STATE REVENUE HAD INCREASED BY LESS THAN ONE PERCENT FOR THE PAST 25 YEARS. WHAT WOULD THE STATE HAVE DONE TO COPE WITH THAT? THIS HAS BEEN THE REALITY FOR NONPROFIT AGENCIES CONTRACTING WITH THE STATE. FOR OVER TWO DECADES WE HAVE BEEN IN AN ABUSIVE RELATIONSHIP WITH THE STATE THAT HAS SOUGHT TO EXPLOIT OUR COMMITMENT TO MISSION AND DRIVEN TOO MANY OF OUR EMPLOYEES INTO POVERTY. THIS HAS BEEN A DISCRIMINATORY PRACTICE THAT RESULTS IN NONPROFIT CONTRACTORS BEING TREATED VERY DIFFERENTLY THAN FOR PROFIT CONTRACTORS. JUST EXAMINE THE COST INCREASES FOR YOUR 'FOR PROFIT' CONTRACTORS AND COMPARE THEM. EVERY YEAR WITHOUT AN INCREASE IS A REDUCTION EQUAL TO INFLATION. TWENTY FIVE YEARS AGO STATE EMPLOYEE WAGES AT THE DEPT OF DEVELOPMENTAL SERVICES WERE WITHIN 15 CENTS PER HOUR OF WHAT WAS PAID IN THE NONPROFIT SECTOR. TODAY THEY ARE ALMOST DOUBLE.

SEVERAL LEGISLATORS HAVE ASKED ME OVER THE YEARS WHY WE HAVE NOT GONE OUT OF BUSINESS. WE HAVE A PROFOUND COMMITMENT TO THE PEOPLE WE SERVE. WE NOT ONLY CARE FOR THEM; WE CARE ABOUT THEM. WHAT THE STATE IS ENGAGED IN IS EITHER A PERVERSE EXPERIMENT TO SEE HOW FAR THEY CAN GO UNTIL THE SERVICE NETWORK COLLAPSES, OR THIS IS INTENTIONAL TO DRIVE EMPLOYEES OF NONPROFITS INTO POVERTY THUS QUALIFYING FOR MEDICAID AND FOOD STAMPS AND SHIFTING COST TO THE FEDERAL GOVERNMENT, OR IT IS SIMPLY A LACK OF CARING FOR THE ALMOST 200,000 PEOPLE AMONG YOUR CONSTITUENCY WHO WORK FOR NONPROFIT ORGANIZATIONS. (12% OF THE WORKFORCE) AND THE THOUSANDS OF VULNERABLE PEOPLE WE SERVE AND SUPPORT EVERY DAY. THIS LACK OF FAIR TREATMENT OF NONPROFITS IS A HUGE SUPPRESSOR OF ECONOMIC GROWTH IN OUR STATE.

I'LL TELL YOU WHAT NONPROFIT ORGANIZATIONS HAVE DONE TO COPE WITH THIS ABUSE FOR TWENTY FIVE YEARS. WE HAVE BECOME ABUSERS TOO. WE HAVE PROVIDED NO WAGE INCREASES FOR SEVEN OR MORE YEARS AND NOW POSSIBLY NINE. WE HAVE CUT BENEFITS. WE HAVE REDUCED SERVICES TO PEOPLE WITH DEVELOPMENTAL DISABILITIES, MENTAL ILLNESS, AND OTHER DISABILITIES. THIS IS ALSO A JUSTICE ISSUE. IT IS A WOMEN'S ISSUE SINCE THE MAJORITY OF EMPLOYEES AFFECTED ARE WOMEN. THIS BILL, IF FULLY IMPLIMENTED, WILL PUT OUR EMPLOYEES AND OUR STATE ON A TOO LONG DELAYED PATH TO PROSPERITY. I HAVE THREE MESSAGES: PEOPLE MATTER, INFLATION IS REAL, AND HB 6947 SHOULD PASS TO STOP THE ABUSE AND EXPLOITATION OF NONPROFIT ORGANIZATIONS.

I THANK YOU FOR YOUR TIME AND CONSIDERATION OF THESE CRITICALLY IMPORTANT ISSUES. AS ALWAYS, PLEASE DO NOT HESITATE TO CONTACT ME AT ANY TIME, WITH QUESTIONS, OR FOR ADDITIONAL INFORMATION:

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