

**Public Hearing on:**  
**H.B. 5005 An Act Adjusting The State Budget For The Biennium Ending  
June 30, 2021**

Good afternoon Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee:

Thank you for the opportunity to testify on H.B. 5005 An Act Adjusting The State Budget For The Biennium Ending June 30, 2021,

Non-profits play necessary roles within the communal ecosystems throughout Connecticut. Providing essential services, serving marginalized populations, and working towards overall community development. Non-profits continue to fuel our neighborhoods in overlooked capacities. Through periods of recession and growth, non-profits have been relied upon to perform their jobs in order to keep entire communities afloat. Now, more than ever, non-profits are in need of additional supportive funding. Years of slashed budgets have led to the disrepair of infrastructure, a diminishing workforce, and the consequential imposition on the overall delivery of services. With the continued increase in demand for services, these circumstances have all contributed to an urgent situation for non-profits in Connecticut.

I am here to respectfully **request that the legislature appropriate \$461 million over five years for community nonprofits**. Since 2007, community nonprofits have lost at least \$461 million in state funding that has not kept pace with inflation or adequately covered increased costs and demand for services over the last thirteen years. Please:

1. Commit to increasing funding by the full \$461 million, or 28%, by Fiscal Year 2025;
2. Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2021, a 7% increase;
3. Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.

Infrastructure plays a pertinent role in operation of most non-profits. After years of disrepair due to budget-cuts, infrastructure has consequently suffered. MARC Community Resources has recently purchased a new building to consolidate services, increase efficiency of resource allocation for example limited staffing given the epidemic staffing shortage and centralizing transportation thereby maximizing the number of people to whom we can provide transportation. The build out on our 1985 property is massive. We've had creative financial solutions and a dedicated team of consulting professionals but with limited ability to retain surplus funds we have not been able to adequately prepare for infrastructural needs i.e. HVAC, roof, LED lighting, asbestos abatement, windows. We rely on funding for the Nonprofit grant

bond program. This resource is essential to our ability to run our organizations in a safe, healthful, efficient manner, particularly given we cannot save for such needs. We are building capacity to serve the underserved and need resources allocated for success to be secured

- Please support the Governor's proposal in the DSS and DDS budgets to create an incentive payment model to help move people with Intellectual/Developmental Disabilities into less intensive and more appropriate levels of care.
  - Please ensure that this new program furthers the creation of a better continuum of care that provides the proper services for everyone who is eligible for them.
  - Please also do not just use the savings it creates to balance the budget, instead taking the opportunity to reinvest that savings into increasing rates and/or moving people off the waiting list.

In skilled and specialized positions, non-profits struggle to retain employees given the low and stagnant wages. Competing against companies requiring less specialization, non-profits struggle to maintain the consistency needed in order to adequately provide services. Serving high-need populations, the staff serve as cornerstones to operations. With additional funds from the surplus, non-profits would be able to stabilize their workforce and bring more consistency to their operations.

It is essential that non-profits acquire steady funding from the state. Without stable funding, some of the most vulnerable populations are put at risk. While alternative sources provide a temporary means of funding, non-profits require consistent funding in order to ensure they are able to adequately serve their given communities.