

DATE: March 2, 2021

TO: Appropriations Committee, Health Subcommittee

FROM: David Porteus, Portland Connecticut

RE: H.B.6439 **An Act Adjusting the State Budget for the Biennium Ending June 13, 2023**

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

My name is David Porteus and I would like to offer my perspective on H.B. 6439 and funding for non-profit groups.

I am here in two capacities.

- First as the parent of a 36-year-old autistic man who has received services from eight different DDS-funded non-profit groups over the last 15 years.
- Secondly as a member of the board of directors of two other agencies, Oak Hill and Gilead Community Services, that between them provide addiction treatment services, support for individuals with mental health needs and services for developmentally disabled individuals. These two agencies provide support to 40,000 individuals in 77 Connecticut towns through the efforts of 1,700 dedicated professionals.

From the vantage point of both board seats and parental involvement, I continue to be impressed by the tremendous dedication and competence of staff at all levels of the various non-profits that I have worked with over the last few years. This is exemplified by staff dedication to helping clients with COVID at significant risk to their own health, and the long hours they put in to cover for employees who have left or been placed on quarantine due to COVID exposure. And while the COVID-19 pandemic has clearly exacerbated the underlying financial issues I will discuss in a moment, all the agencies that I deal with have risen with amazing conviction and effort to support their clients.

Non-profit groups do an outstanding job servicing these needy populations at a fraction of what it would cost the State to run those services. They are truly the goose that keeps laying the proverbial golden egg. But, sadly, the goose is not well, and I am asking you to help restore the health of these critical organizations.

As you are aware, the non-profit groups that provide support to this population do so on levels of funding that effectively have not changed over the last 14 years, falling \$461 million short of inflation benchmarks. While we can call it “flat funding” it is in fact a long history of annual decreases as inflation erodes buying power.

During this same period, the legislature has recognized the impact of inflation elsewhere. For example, the minimum wage was raised eight (8) times by my count, a total increase well over 50%. There has been no similar action to recognize the cost increases non-profits also face.

As a board member, I am painfully aware of the impact of responsible decisions driven by “flat” funding: programs closed, others scaled back, reductions in staffing and reduced benefits. More importantly, each year the level of funding is increasingly inadequate to meet the needs of our clients, clients we support on behalf of the State.

As a parent, I have witnessed the impact of funding deterioration from the sidelines. Last time I spoke to this group I talked about dedicated, long-term employees who were working two or three jobs to pay the rent. Since then:

- I have watched as agencies increasingly have difficulty finding competent, dependable staff at salary levels that are no longer competitive
- I have worked with a revolving door of new, inexperienced staff hired to replace highly competent, seasoned workers who decided to leave their jobs.
- I have spoken with friends who learned that services for their disabled child now will not be available for several more years, as the parents are in their late 60s and services are not available until they reach 70 years of age under current funding guidelines

It is imperative that we take action to address continuing funding shortfalls. Others will speak more fully about specific financial targets, but I will mention only that I support the budget recommendations of the non-profit Alliance, specifically:

- appropriating \$128 million in new funding for community nonprofits in Fiscal Year 2022,
- committing to the \$461 million target by fiscal year 2026, and
- indexing future spending to inflation thereafter.

I would like to close with a short analogy.

On a recent drive I passed by a contractor working on a state highway construction project. I thought, “What if this contractor was being paid the same way that the State pays non-profit groups?” The contract might say:

- The state will reimburse you for covered expenses. (Fine print: This will likely not cover your actual costs and you will probably lose money on this contract.)
- In any event, no profit is allowed. (Implication: If you somehow have excess funds at the end of the year, you cannot set it aside for next year in case your aging dump truck needs repairs; you must return the funds to the State.)
- However, you may set up a table on the side of the road and collect donations from passing motorists to cover any shortfalls

I do not think many contractors would take us up on that offer.

And when I hit a small pothole a few minutes later, I thought, “How big would this pothole now be if, in addition, that contractor’s funding had effectively been frozen for 14 years?”

Frankly, I do not believe we can afford any bigger potholes in our social services programs. I implore you to take necessary and long-deferred action on non-profit funding this budget cycle.

I greatly appreciate the chance to speak today and thank you for your time and consideration of this matter.