

H.B. 6439 An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2023, And Making Appropriations Therefor.

TESTIMONY OF NANCY W. GENTES, EXECUTIVE DIRECTOR, MADONNA PLACE

Madonna Place is a nonprofit agency in Eastern Connecticut providing family support, home visiting, parenting education, and early childhood, fatherhood, and child abuse prevention services. Approximately 2000 parents and children benefit annually. About 70% of our funding comes from the State of Connecticut (including DCF and DSS) and over the past 8 years we have lost about 650,000 in grant funding from the State resulting in significant loss of services to families in our communities. These losses include complete program eliminations, program funding reductions and rescissions which result in lowering our permanent base funding rather than a one-year reduction. As an example, in 2016, the State eliminated a unique and successful program in four Connecticut communities that was preventing chronic absenteeism in at-risk Elementary Schools by working with families to address the root cause of the problem.

We are not alone, as the landscape for State nonprofit funding in Connecticut has been rough and unpredictable, leading to difficulty for many nonprofits to maintain sustainable operations and create long range strategic plans for their agencies. 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. Compounding these concerns is the impact of the pandemic. To respond safely, **Madonna Place and many other nonprofits have experienced increased, unreimbursed expenses and continue to operate albeit differently, while our ability to raise money through fundraising has greatly decreased.**

More recently, the State of Connecticut has experienced increased revenue and has been able to generally avoid draconian cuts to nonprofits and to include a large contribution to the Rainy-Day Fund. These actions are certainly to be commended. However, there are other considerations.

The Governor's proposed Biennial Budget does not include a request for overall nonprofit increases.

I am respectfully **requesting that the legislature appropriate \$461 million over five years for community nonprofits.** Please:

1. Commit to increasing funding by the full \$461 million, or 28%, by Fiscal Year 2026.
2. Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2022, a 7% increase.
3. Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.
4. Hold nonprofits financially harmless from the impact of COVID-19.

It is now time, for you, our Leadership, to take care of the community of parents, children and other persons served by the hundreds of high-quality nonprofit agencies in Connecticut that have

been neglected for years by the inability of the State to provide even flat funding, or reasonable costs of living increases. There are thousands of people employed by nonprofit agencies who have not received raises and unfortunately the occasional COLA increases given by the State of 1% in the past do not even cover the cost of benefit increases experienced by the agencies, never mind provide enough for a rate increase.

Thank you for your consideration and support of Madonna Place and the nonprofit community of Connecticut, and the thousands of children, families and other individuals in our State that are served daily by our organizations.

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