

CONNECTICUT  
ASSOCIATION  
of **NONPROFITS**

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

*Testimony Before the Human Services Committee*

*In Support of:*

**SB 413: AA Establishing a Community Provider Rescue Fund Account and  
Community-Based Services Commission**

*Prepared & Presented By: Denis Geary, Executive Director, Jewish Association for Community Living*

**Public Hearing: February 26, 2008**

Thank you Senator Harris and Representative Villano and all the members of the Human Services Committee for this opportunity to speak today in regard to S.B. 413.

My remarks today will not shed any new light on the issues that you are so familiar with. Our concerns are well documented. In fact it must be getting tedious for everyone. I don't consider myself a student of the legislative process and its history but I am hard pressed to think of an issue that has been before this body for as long as the nonprofit funding issue has been. I've been coming here nearly 20 years to speak out on the hit and miss, almost whimsical approach to funding nonprofits.

"Is there or isn't there a crisis" seems to be a question circulating around the capitol. How do we define a crisis? Is the crisis the neglect leading up to the bridge falling into the river below or is it only a crisis after the bridge actually collapses? In the end it matters little how we define a crisis, as the results are the same. Think of nonprofits as a bridge. We are a bridge between the State and the vulnerable citizens it is morally and/or legally responsible to serve. We may be the bridge between having a life vs. simply living a life. We may be the bridge between living in the community and living in an institution or in a home and on the street. We may be the bridge between health and illness or success and failure or we may be the bridge between redemption and recidivism.

FY 09 calls for no additional funding for the nonprofits that deliver health and human services on behalf of the State of Connecticut to those in need. 0%, a number that has crisis written all over it! In a letter I recently wrote to the Hartford Courant, I said this. "Imagine going through the check out at the supermarket and informing the clerk that you will only pay \$20 for your bag of groceries, not the \$30 it really costs the store." This is essentially how the system works for nonprofits. Next year, that bag of groceries will cost \$35, but as things stand now, the State only plans on providing nonprofits the same \$20 it funded this year. The budget enacted last year expects nonprofits to provide next year's services, which will clearly cost more, at this year's funding levels. If we listen carefully, we can hear the bridge creaking under the weight of this type of public policy.

So maybe there will be some relief this year. Maybe it will be a \$135M rescue fund or a 9% COLA or maybe it will be something between these proposals and the 0%. After all, this math is easy, making us all smarter than a 5<sup>th</sup> grader. But then what?

Perhaps the most important element of this bill is the call for a commission, or as some have proposed – a cabinet- something with teeth which will address this situation once and for all. We must move beyond the year-to-year band-aid approach that leaves us all to wonder what our funding levels will be. After the industry is stabilized by enacting the above referenced legislation, then a methodology must be established that provides future funding increases in amounts that accurately reflect the true cost of doing business. Then we can all go home and do what we do best – take care of those you have partnered with us to care for.

Thank you for your time today.

**We do not believe Connecticut State Government wishes to harm nonprofit health & human service providers or undermine the good work they do for your community. However...**

The proposed state budget fails to provide ANY additional funds to help your nonprofit providers meet the growing costs of services. If funding for nonprofits is not increased by the Legislature, your providers will have limited ability to respond to the growing costs of maintaining services.

Your nonprofit providers serve as the extraordinarily effective and efficient network of organizations that are providing critically important health and human services to your family, friends and neighbors in all of our state's cities and towns. Nonprofit providers successfully run thousands of programs serving tens of thousands of Connecticut's most vulnerable citizens.



**Failing to fund these nonprofits means people won't receive the services they need, and it will actually cost Connecticut residents more in taxes as the demand for emergency and crisis response in our communities increase. NOW IS THE TIME TO PROPERLY FUND NONPROFIT PROVIDERS AND THEIR SERVICES!**

- Provide a **FAIR AND MEANINGFUL COLA of 9%** for SFY09.
- Initiate a task force on nonprofit provider funding to develop long-term strategies to address the funding crisis.
- Use a portion of the state surplus to help our nonprofits address higher energy and insurance costs, and ensure continuity of care.



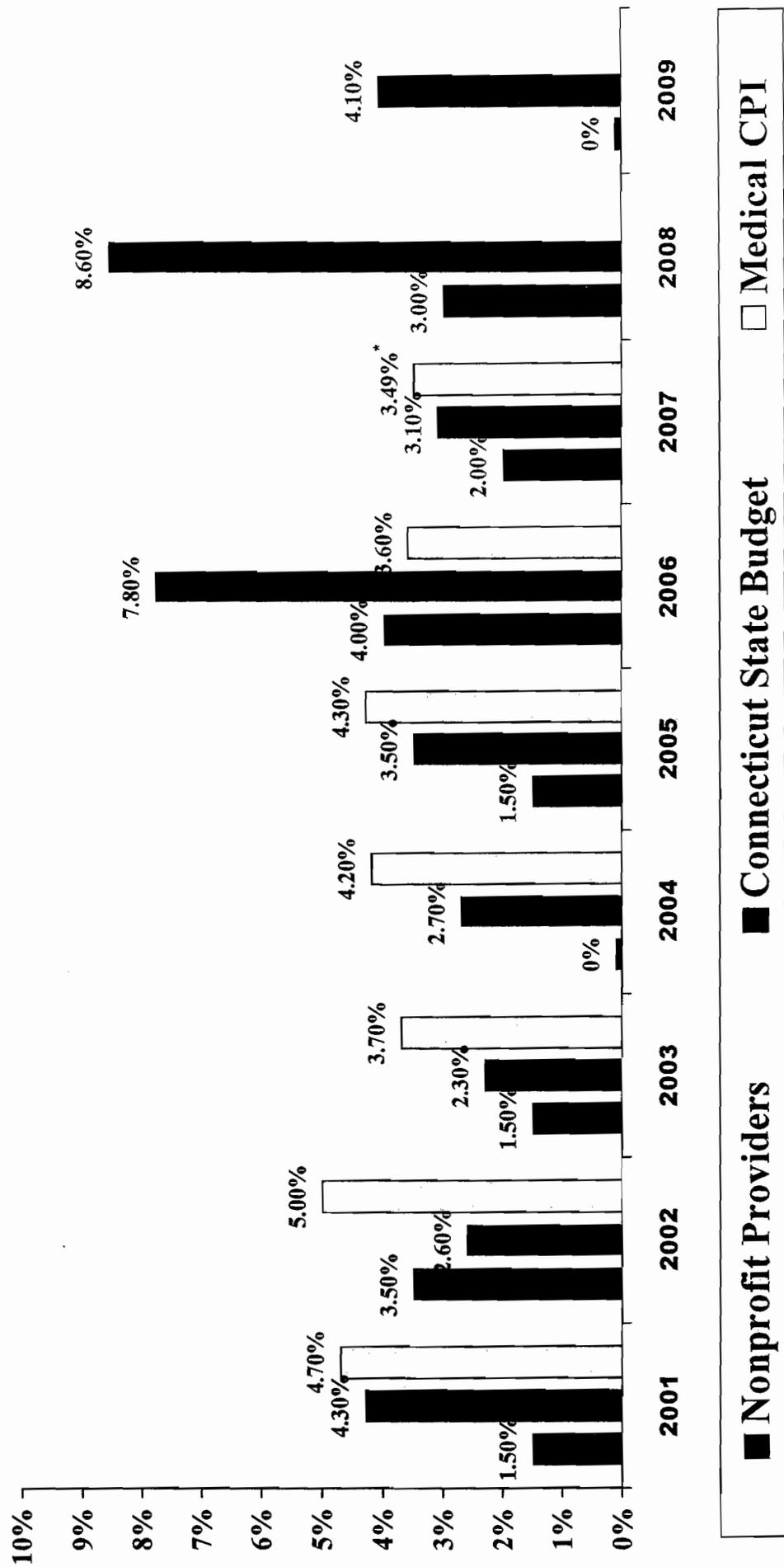
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# Rates of Annual Growth 2001-2009 Nonprofit Providers vs. State Budget Growth vs. Medical CPI

1% COLA for Purchase of Service contracts totals approximately \$15 million.



Nonprofit Providers
  Connecticut State Budget
  Medical CPI

\* Average through October 2007.

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