



**CONNECTICUT
ASSOCIATION
of NONPROFITS**

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

Testimony before the Government Administration and Elections Committee

March 19, 2010

**In support of
SB 473, AAC State Contracting**

By Ron Cretaro, Executive Director

Senator Slossberg, Representative Spallone and members of the Government Administration & Election Committee, I am Ron Cretaro, Executive Director of Connecticut Association of Nonprofits (CT Nonprofits). We are the largest membership organization in Connecticut dedicated exclusively to working with nonprofits in Connecticut. Our membership numbers more than 500 organizations, 300 of which are health and human service purchase of service contractors with the State of Connecticut. Others members, including arts and culture, agricultural, environmental, economic development and educational organizations also hold contracts with Connecticut state government.

CT Nonprofits supports SB 473, which will allow private providers to reduce their expenditures without agency approval when a contract is reduced by three percent or more during any fiscal year. Although we would prefer that contracts not be reduced mid-year, budget rescissions and mid-year cuts are a reality we have had to face over the past two years. Nonprofits continue to be asked to do more with less as state-funding for our services is cut, yet demand continues to rise. We have met every challenge presented by the current fiscal climate with vision and leadership to ensure that the most possible Connecticut residents continue to receive essential health and human services.

Unfortunately, there is often an expectation from the state that when funding is reduced, the level of service will not be reduced. It is an unrealistic expectation that a nonprofit can provide the same level of service for less than the original funding amount. As you know, funding for nonprofit human services has not kept pace with inflation; therefore, even prior to any budget cuts providers are already expending more on a service than the state is paying.

While we understand the concerns of state agencies about a loss of control over their contracts, providers have concerns about their ability to direct their organizations in a fiscally prudent manner. This bill will allow providers to reduce their expenditures in an amount equal to the funding reduction to help ensure their financial stability and allow them to remain in business to serve as many Connecticut residents as possible. Nonprofits are critical partners with the state in the delivery of health and human services and we are confident that this bill only strengthens that partnership.