

CT COMMUNITY NONPROFIT ALLIANCE



To: Members of the Appropriations Committee

**From: Julia Wilcox, Senior Public Policy Specialist
CT Community Nonprofit Alliance**

Re: Appropriations Committee Public Hearing on H.B. 5044 AN ACT MAKING ADJUSTMENTS TO STATE EXPENDATURES FOR THE FISCAL YEAR ENDING JUNE 30, 2017 – DECD Budget

Date: February 10, 2016

Good evening distinguished members of the Appropriations Committee,

My name is Julia Wilcox, Senior Public Policy Specialist at CT Community Nonprofit Alliance. The CT Nonprofit Alliance represents more than 550 nonprofit organizations and associations across the state and is the largest advocacy organization representing community nonprofits in Connecticut. **Together, our members serve more than 500,000 Connecticut residents each year.**

I am here today to voice concerns about the Governor's 2017 Midterm Budget.

This proposed budget threatens the health and well-being of Connecticut residents by cutting spending in every area in which nonprofits serve our communities. In total, the Governor has proposed cutting vital programs and services by over \$408 million. Put another way, 72% of the total cuts proposed by the Governor will fall on state agencies that support community nonprofits.

The following testimony is presented on behalf of the Arts and Culture Division of CT Nonprofit Alliance – and the thousands of individuals and families impacted by their programmatic contributions to the state.

CT Nonprofit Alliance stands in strong opposition to the proposed reductions to the Arts, Humanities & Tourism sector within the DECD Budget. We ask that you maintain your support of the Sector as an essential investment in the quality of life and economic growth of the State of Connecticut. As you are no doubt aware, the Governor's Proposed Budget ELIMINATES the Arts & Culture line items and transfers funding – at a 25% reduced level – under 'miscellaneous accounts' within the Office of the State Comptroller. While the rationale for such a transition is unclear, it is extremely clear that the sector will lose the extremely necessary prioritization the sector deserves under the Arts & Culture Division of the DECD.

In total, the proposed cuts to the DECD are \$4.7 million. This total includes the proposed 25% reduction to Arts & Culture line items as well as the annualization of 2016 Deficit Mitigation Savings of \$439,447. These cuts are set to impact a sector which has endured not only 20+ years of chronic underfunding, but rounds of rescissions in the past 3 budget cycles. (November 2014, January 2015 and September 2015.)

Nonprofit Arts and Culture providers welcome the call for accountability that has been a constant 'theme' in the Governor's Budget. This sector in particular, has a long-standing record of providing data related to the

impact on the State of their remarkable programs – exhibits, performances, etc. You need look no further than these statistics to understand how incredibly counter-productive these cuts will be.

Connecticut’s Arts & Culture sector is a \$653 million industry.

As you will hear in the testimony of many others - The Arts & Culture industry:

- * Supports over 18,000 full-time equivalent jobs, which generate...
- * \$462.5 million in household income.
- * Industry organizations spend \$455.5 million annually, leveraging...
- * \$197.5 million in additional spending on restaurants, parking and hotel rooms.

In closing, I urge you to consider the following recommendations, to maintain and build upon the achievements of this vital aspect of the DECD Budget:

1. Restore funding lost both through the proposed cuts and annualized rescissions.
2. Reinstatement of the previously dedicated line items within the Arts & Culture Budget moving forward.
3. Support the Office of the Arts in terms of resources and staffing capacity to adequately manage designated responsibilities which in turn, supports the sector at large.
4. Protect the Connecticut Arts Endowment Fund. Allocate the previously authorized investments into the fund, and return to investing annually at least \$500,000 a year. The last allocation to increase the fund was in 2003 in the amount of \$1 million. Change the Arts Endowment statute’s definition of interest and the formula which it relies upon so that the fund can be more effective.

Connecticut’s community nonprofits deliver the state’s core services, yet they are forced to operate on limited funding, the result of repeated rescissions and chronic underfunding. Doing more with less is not an option.

The individuals served by community nonprofits are some of the state’s most needy citizens, and in many instances, those who strive every day to increase or regain their independence. **The services they receive are life sustaining.** They are our children and parents, our neighbors and friends. Without community services, they will have no place to go to meet their needs, or they may be forced to more costly alternatives, such as emergency departments, hospitals—even jails.

In the past, the legislature has proven that it takes the needs and well-being of Connecticut residents seriously. **Please continue to support community nonprofits and the hundreds of thousands of individuals, children and families they serve across Connecticut.**

I thank you for your time and consideration of these critically important issues. As always, please do not hesitate to contact me at any time, with questions, or for additional information:

Julia Wilcox, Senior Public Policy Specialist
CT Community Nonprofit Alliance

JWilcox@ctnonprofitalliance.org 860.525.5080 ext. 1025

