

CT COMMUNITY NONPROFIT ALLIANCE



To: Members of the Finance, Revenue and Bonding Committee

**From: Jeffrey Shaw, Director of Public Policy
CT Community Nonprofit Alliance**

Re: Finance Revenue and Bonding Public Hearing in support of S.B. No. 11, An Act Authorizing And Adjusting Bonds Of The State For Capital Improvements, Transportation And Other Purposes.

Date: February 26, 2016

Senator Fonfara, Representative Berger and distinguished members of the Finance, Revenue, and Bonding Committee,

My name is Jeffrey Shaw and I am the Director of Public Policy at CT Community Nonprofit Alliance. The CT Nonprofit Alliance represents more than 550 community 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.**

SB-11, An Act Authorizing And Adjusting Bonds Of The State For Capital Improvements, Transportation And Other Purposes, would **provide an additional \$15 million in grants-in-aid for nonprofit health and human service providers through the Nonprofit Grant Program.** Identical to the original legislation, Section 152 (line 983) would allow nonprofit health and human service organizations (exempt under Section 501c3 of the Internal Revenue Code of 1986) grant-in-aid for capital and infrastructure projects that include renovating existing facilities, upgrading information technology systems, enhancing ADA compliance, improving energy systems, purchasing vehicles, and other improvements. These capital projects will help lower administrative costs, increase efficiency and improve the delivery of services.

Snapshot of Nonprofit Grant Program

Measure	Round 1	Round 2*	Round 3	Round 4
Approved Grant-in-Aid	\$20 million	\$20 million	\$30 million (Only \$15 million authorized)	\$10 million (already approved for FY16 and FY17) \$25 million (proposed for FY16 and FY17)
Total Funding Requests	\$101 million	\$101 million	\$122 million	TBA
Project Applications	553	407	440	TBA
Project Awards	146	121	47	TBA
Nonprofit Providers Receiving Awards	81	84	34	TBA
Nonprofit Providers Applying	285	285	N/A	TBA

**Round 1 applicant pool used for Round 2 awards.*

As background, the Nonprofit Grant Program was created in 2013 with \$20 million of grants-in-aid through bond proceeds for both SFY14 and SFY15. The ‘first round’ of applications resulted in OPM

receiving 553 project applications from 285 nonprofit providers, totaling \$101 million in requests; but only 146 projects from 81 nonprofit providers received grants. During the 2014 legislative session – and **in response to an overwhelming number of applications – funding was expanded by \$30 million** (for SFY15) bringing the total over two years to \$70 million. The ‘second round’ of awards for the (original) second \$20 million (for SFY 15) was announced on March 18, 2015.

Similarly, **in response to another overwhelming number of applications (440) in ‘round three’, funding is once again being proposed for expansion** by \$15 million brings the total to \$25 million. At the January 29, 2016 Bond Commission meeting, \$15 million of the remaining \$30 million was authorized, resulting in 47 project awards to 34 nonprofit providers in 26 municipalities. The remaining \$15 million must be acted upon by the Bond Commission before additional awards can be announced.

As all three rounds of applications and awards have shown, **funding availability falls well short of interest and demand**. The proposed expansion to \$25 million (from \$10 million) is badly needed as many capital and infrastructure projects have been put on hold due to uncertainty of state funding.

As you have heard countless times this session and previous years, chronic underfunding and mid-term reductions in funding (rescissions and deficit modification) for essential human services is making it almost impossible to do business , let alone engage in expansion or modernization projects. While replenishing the Nonprofit Grant Program does not solve the systemic funding crisis, it is a **small but essential resource for nonprofit providers** in an era of diminishing resources.

Simply put, the proposed expansion of the Nonprofit Grant Program will allow nonprofit organizations to make much needed capital and infrastructure improvements that will **make our communities safer and healthier places to live for all of our citizens**. I strongly urge this committee and the legislature as a whole to support this expansion.

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