



DATE: Thursday, March 9, 2017

TO: Finance, Revenue and Bonding Committee

FROM: Jeff Shaw, Director of Public Policy, The Alliance

RE: S.B. 788, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

Good afternoon Senator Fonfara, Senator Frantz, Representative Rojas, Representative Davis and distinguished members of the Finance, Revenue and Bonding Committee:

My name is Jeff Shaw, Director of Public Policy at The Alliance. The Alliance is Connecticut’s statewide association of community nonprofits, which serve over 500,000 people each year and employ almost 14% of Connecticut’s workforce.

I offer testimony in support of S.B. 788, An Act Authorizing And Adjusting Bonds Of The State For Capital Improvements, Transportation And Other Purposes, which would authorize \$25 million in each year of the biennium for grants-in-aid for nonprofit health and human service providers through the Nonprofit Grant Program (Section 13). The Alliance thanks the Governor for this proposal and for establishing the Nonprofit Grant Program.

The Nonprofit Grant Program allows 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 help lower administrative costs, increase efficiency and maintain high quality services.

**Table 1. Snapshot of Nonprofit Grant Program**

Measure	Round 1	Round 2*	Round 3
Approved Funding	\$20 million	\$20 million	\$30 million
Total Funding Requests	\$101 million	\$101 million	\$122 million
Project Applications	553	407	445
Project Awards	146	121	47
Community Nonprofits Receiving Awards	81	84	34
Community Nonprofits Applying	285	285	202

*\*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 553

project applications from 285 individual nonprofit organizations, totaling \$101 million in requests; but only 146 projects from 81 individual nonprofit organizations received grants. In response to an overwhelming number of applications, funding was expanded to address the massive unmet needs for capital and infrastructure funding. Yet, as Table 1, Snapshot of Nonprofit Grant Program, illustrates, available funding still falls well short of demand.

The proposed increased authorization for the program to \$25 million each year is badly needed as many capital and infrastructure projects have been put on hold due to uncertainty of state funding and the inability of contracted nonprofit providers to retain unexpended state funding even when all contract measures are met.

As you have heard countless times this session and previous years, chronic underfunding and mid-term reductions in funding (rescissions and deficit modification) are making it increasingly difficult to do business, let alone engage in expansion or modernization projects. While replenishing the Nonprofit Grant Program does not solve the systemic funding problems, it is an essential resource for community nonprofits in an era of diminishing resources.

The proposed expansion of the Nonprofit Grant Program will allow community nonprofits to make much needed capital and infrastructure improvements that will help enhance the efficiency of nonprofit providers and make our communities safer and healthier places to live for all of our citizens. I strongly urge this committee and the legislature to support this authorization.

Thank you for your time and consideration.

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