Appropriations Committee Testimony

Friday, March 1, 2019

Dear Honorable Members of the Appropriations Committee:

MARC Community Resources is a private provider of residential and day services to individuals with intellectual and developmental disabilities throughout Middlesex County. Last year MARC was denied tax exemption status on several group homes as well as our two-day programs, owned and operated in Cromwell. This tax exemption status has forced community nonprofits, like MARC, burdened by years of state budget cuts to choose between costly litigation and paying taxes on property that is exempt by state law. MARC has chosen to pursue legal means to maintain our tax-exempt status. We have had to re-appropriate funds; stealing critical dollars from the essential services that we provide to cover the unbudgeted, unfunded, $24,000 annual taxes and an additional $12,000 in legal fees. While we have since received our quadrennial tax exemption on our day programs, we still await a pretrial date for the tax exemption on our group homes.

Habitual underfunding and cuts to the budget makes it difficult for nonprofits to service their participants effectively. Clarifying statute language surrounding group home tax exemption will aid our fiscal issues, but does not address the systemic funding crisis plaguing our industry.

The State of Connecticut sets and funds group home properties through our room and board rates. For the past several years, the state legislature has frozen our room and board rates while the cost of living continued to rise. We have had to rely on fundraising to cover the cost of home repairs that do not qualify as health and safety; i.e. general repair and upgrades. If towns are permitted to tax charitable organizations, the state must then increase rates to help cover the cost. For many years, until recently, MARC was not funded at the rates set by DDS, causing even greater stress. In addition, we were mandated to increase our staff wages to a minimum of $14.75 with 5% for those over up to $30.00. While this is a welcome and much deserved increase for our staff, we did not receive adequate funding to cover the on-going cost of this mandate.

Nonprofits benefit the public by addressing the needs of the community. The mission of nonprofits is to improve the well-being of our local communities, enhancing the quality of life and serving the public good. Nonprofits have numerous regulatory operating restrictions and in exchange receives tax exemption.

MARC and our community of staff and families are confident that state legislators will aid in preserving the tax exemption of community nonprofits. Moreover, we are hopeful that legislators will ensure proper levels of funding to empower nonprofits to successfully address the needs of the state’s most vulnerable populations.

Thank you for your time and efforts.

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