

# Connecticut Association of Nonprofits

## Connecticut Association of Nonprofits 2006 Legislative and Public Policy Agenda

The Connecticut Association of Nonprofits represents more than 480 nonprofit organizations that employ more than 20,000 people in the State of Connecticut. Many of those organizations are human and social service providers working to improve the quality of life in Connecticut's communities.

### **NONPROFITS ARE ESSENTIAL TO A HEALTHY CONNECTICUT**

Charitable nonprofits benefit us in ways that cannot easily be quantified. Each day nonprofit organizations help build communities, foster civil society, strengthen the social fabric, and improve the quality of life for people in Connecticut. It is impossible to put a price tag on saving a life, keeping a family together, giving kids positive alternatives, protecting the environment, giving someone a chance to be independent...yet the members of the Connecticut Association of Nonprofits do these things every day.

### **TOP CROSS-SECTOR PRIORITY**

- ❖ **Work to increase the financial support essential for maintaining necessary and quality nonprofit human services.**

#### **Implement Indexing for Nonprofit Human Service Providers**

Nonprofits and state government have long been partners in providing cost-effective, high-quality and essential care and treatment that benefit Connecticut's residents. The financial stability and success of private provider programs are essential to the state as a whole, and must be built on a firm foundation with fair and just payment for services that are provided. There is as much as a 50% wage differential\* between private providers and state employees doing similar work. The benefit gap is even greater in many cases. Private providers are unable to keep up with the skyrocketing costs of health care insurance, property & liability insurance, workers compensation, heating and transportation. While the Consumer Price Index has cumulatively exceeded 50% in the last 18 years, inflationary increases in private provider contracts have increased only 20%.

*A multi-year plan to close the wage gap between state employees and all nonprofit human service providers must be put into place. Indexing increases to similar state employee increments would help to address the wage disparity. A fair and equitable contractual relationship between the state and nonprofits will help to maintain a healthy and viable nonprofit network that remains cost effective.*

**Providers funded by the Department of Social Services and the Department of Public Health were awarded a Cost Of Living Adjustment (COLA) for the first time in many years in SFY06 and should continue to be included. All contract funds, including federal dollars and fee-for-service accounts, should receive cost-of-living increases. COLA on state grant funds alone are insufficient to prevent a widening gap between dedicated nonprofit staff and their state employee counterparts.**

\* CT Dept. of Labor statistics, 2004

## **OTHER CROSS-SECTOR PRIORITIES**

- ❖ **Advocate for PILOT (Payment in Lieu of Taxes) Legislation.** PILOT Legislation would allow for the state to pay cities and towns a percentage of what they would receive for property taxes if the property owner was not a nonprofit organization. The state has similar legislation for universities, colleges, hospitals and prisons. PILOT legislation would help alleviate the burden faced by nonprofits when trying to secure locations for programs, and create positive relationships with the surrounding community.
- ❖ **Reauthorize Indexing Legislation Providing A Mandate for Annual Contract Increases Comparable to State Employees.** Legislation similar to what was approved by the State Senate in 2004 (SB 555) is needed permanently.
- ❖ **Adjust State Purchase of Service Contracts To Reflect Rising Energy Costs.** Cost adjustments are needed for the operation of community based human service providers who operate under State contracts. Nonprofit organizations can expect at least a 25% -50% hike in energy costs in 2006.
- ❖ **Eliminate the 18% Cap on Administrative Expense Thus Restore A \$10 million Cut To Four Agencies**  
The SFY 07 budget for four state departments - DMHAS, DCF, DMR, & DSS - reduces contracts and grants by \$10 million to effect a ceiling on Administrative & General expense at 18%. There is no uniform methodology for applying administrative costs and an arbitrary cap does not take into consideration the unique situations of individual organizations.
- ❖ **Support Fair & Equitable Contracting Standards Which Do Not Limit the Capacity of Nonprofits to Meet the Needs of Connecticut Citizens.** Previous Legislative efforts have created barriers that would unwisely limit the ability of Connecticut state government to privatize human services. CAN supports efforts at clean contracting. CAN strongly believes that in order to best meet the needs of all of Connecticut's residents, the State must retain the flexibility to contract with nonprofit organizations.
- ❖ **Restore Federal Funding cuts to the State Budget.** Vital services should continue to be funded with General Fund dollars replacing lost federal dollars.
- ❖ **Equalize Treatment For Unemployment Liability** - Direct reimbursers for state unemployment claims are treated differently than those who directly contribute to the State Unemployment (SUI) fund. Nonprofits should have the same right to protest the base period liability for an employee who was separated for good cause as do those who are direct taxpayers.
- ❖ **Oppose Efforts To Limit the Ability of Nonprofit Employers To Determine The Salaries & Benefits of Their Employees and To Limit The Ability to Communicate With Their Employees.** For years organized labor has pushed forward legislation such as the "Captive Audience" and "Neutrality Agreements" that CAN will continue to oppose.
- ❖ **Continue To Protect Against Any Encroachment by Cities & Towns To Tax Nonprofit Organizations And Their Property Which Is Tax Exempt.**
- ❖ **Sustain Bonding As a Source of Support from State Government To Nonprofit Organizations**  
Nonprofits rely on state bonding assistance for capitol repairs and renovations to maintain quality environments for those being served. State government needs to continue the timely availability of bonding funds as a priority.

- ❖ **Increase Revenues To Meet the Needs of Its Citizens and To Make Essential Investments.** Connecticut needs a more fair and equitable distribution of tax responsibility.
  - *Reform the state's personal income tax structure*
  - *Conduct a comprehensive review and cost benefit analysis of all tax credits, deductions and exemptions (known as " tax expenditures")*
  - *Modify the current spending cap to allow for spending that reflects the State's ability to pay for needed services and investments*
  
- ❖ **Work In Coalition With Other Groups To Prevent Erosion And Close Gaps of Medicaid and State Administered General Assistance (SAGA) Benefits To Vulnerable Populations to Ensure Medical Support To Persons Without Adequate Financial Means** Adequately fund the State General Assistance (SAGA) program and provide greater access to health care to the state's poorest citizens.
  
- ❖ **Seek Legislative Solutions to Make Health Insurance and Workers Compensation Insurance More Accessible and Affordable For All Nonprofits.** The ability of nonprofits to achieve their mission and do business is made more difficult by increasing rates for health insurance and the barriers to establishing insurance alternatives for nonprofits.