



2008 Legislative and Public Policy Agenda

NONPROFITS ARE ESSENTIAL TO A HEALTHY CONNECTICUT

Charitable nonprofit organizations benefit Connecticut communities 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, instilling hope through inspiring artistic performances, protecting the environment, giving someone a chance to be independent...yet the members of Connecticut Association of Nonprofits do these things every day.

Connecticut Association of Nonprofits (CT Nonprofits) represents more than 500 nonprofit organizations that employ more than 20,000 people in the State of Connecticut. Many of those organizations are health and human service providers working to improve the quality of life in Connecticut's communities.

TOP CROSS-SECTOR PRIORITIES FOR STATE FUNDED MEMBERS

- **Address decades of under-funding and neglect of Connecticut's nonprofit health and human services network by infusing the system with a 9% Cost of Living Adjustment that will provide the support essential for maintaining necessary and quality nonprofit health and human services for our most vulnerable neighbors throughout the State.**

For the biennial budget CT Nonprofits and its collaborative partners made a COLA request which was 7% in the first year and 5% in the second year, for a total of 12% over the biennium. The justification for the requested influx of resources was the historical under-funding of nonprofit health and human services providers over the last 2 decades in which the average annual COLA was 1.4% and the Consumer Price Index increase 4.2%. As you know, this biennial budget included only a 3% COLA in the first year and *NOTHING* in the second year. For this reason, our members will advocate for a 9% COLA in State Fiscal Year 2009, a request that is consistent with a 12% COLA over the biennium in order to help remedy over 20 years of insufficient funding.

- **Initiate a major Commission on nonprofit provider funding to develop long-term strategies to address the chronic under-funding of nonprofit health and human services and to ensure that part of the State's economic development plan includes a healthy nonprofit sector with good jobs.**

According to Connecticut Department of Labor (2004), nonprofit organizations employed over 165,000 people in Connecticut or approximately 11.8% of the state's labor force. Health & human service organizations make up the largest proportion of Connecticut's reporting charitable nonprofits (34.1%). These nonprofits provide a broad spectrum of services including youth development, disaster relief, housing services, counseling, crisis intervention and family supports. Nonprofit employees earned over \$6.5 billion in wages or about 8.2% of the state total. This is about equal to the total wages paid to employees of the state's construction industry and state government combined; yet nonprofit human services staff wages are 20% to 60% less per week than these other industries, even when the work is comparable. It is time that the State recognizes the valuable role that nonprofits play in Connecticut's economy and take responsibility for creating good 21st century jobs with its existing and new investments in the nonprofit sector.

- **Provide annualized support to address higher energy and insurance costs.**

As in any industry or home, energy and insurance cost are increasing at astronomical rates, increasing up to 50% last year. Nonprofit health and human services providers work to keep costs down, but when these increased costs associated with providing services are not met in state grants and fees, the services are bound to suffer. Increased resources and alternative purchasing programs are needed to help control those costs that can be controlled and meet those that cannot.

- **Continue efforts to develop equitable and ethical contracting policies and standards.**

Significant progress has been made in passage of legislation regarding Purchase of Service contracting and rebidding and input on implementation will continue with both the Legislative and Executive Branches. Additionally, legislation to implement Purchase of Service contract revenue retention, or similar measures that promote and support innovative work in the nonprofit sector, will be pursued.

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 and municipalities when trying to secure locations for programs, as well as create positive relationships with their neighborhoods and communities.
- **Continue to Protect Against any Encroachment by Cities and Towns to Tax Nonprofit Organizations and Their Tax Exempt Property.**
- **Support Additional Funding for Arts and Culture Organizations.** There is a dire need to bolster financial support to arts and heritage organizations to ensure their viability.
- **Support 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.
- **Support Universal and Equal Access to Comprehensive, Accountable and Cost Effective Health Care for All. The Current Health Care System is Inefficient, Expensive and Fails to Cover Over 350,000 People in Connecticut.** A system of health care is needed that provides excellent and affordable care, leaving no one out, while cutting costs and including research that shapes future policy.
- **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.
- **Revise the Neighborhood Assistance Act.** The NAA deserves revision to permit greater utilization by both nonprofits and businesses alike.
- **Sustain Bonding as a Source of Support from State Government to Nonprofit Organizations.** Nonprofits rely on state bonding assistance for capital 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. Affordable & supported housing, open space protection, and historic preservation are all dependent on state support through bonding.
- **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.*