



2009

Cross-Sector Legislative Agenda

Connecticut Association of Nonprofits represents more than 525 nonprofit organizations that employ more than 20,000 people in the State of Connecticut. These nonprofits play a vital role in the lives of thousands of Connecticut residents everyday. Whether it be by saving a life, keeping a family together, instilling hope through inspiring artistic performances, protecting the environment or giving someone a chance to be independent, nonprofits make a difference in people's lives. Our members have dedicated their lives to strengthening Connecticut communities and improving the quality of life for countless individuals and families. Not only do they provide critical services, but they do it at about a 50% cost-savings to taxpayers. After a disappointing 0% COLA last year, we are asking the state to make an investment in nonprofits, because an investment in us is an investment in Connecticut's future.

When Connecticut needs us most, this is what we need to be there for Connecticut...

Priority #1 – Sustainability

- **Allocate 5.5% cost-of-living (COLA) increases in each year of the biennial budget** for nonprofits that contract with the state to provide health and human services. This amount is equal to the inflation reflected in the Consumer Price Index (CPI), which is a measure of the average change over time in the prices paid by consumers for goods and services, such as medical care.
- **Provide bonding funds to address the aging infrastructure of many nonprofits.** Providers rely on state bonding to make capital repairs and renovations to ensure the health and safety of those being served.
- **Eliminate unfunded mandates** and other burdensome administrative and programmatic requirements that take time and resources away from providing services to clients and consumers.

Priority #2 – Long-Term Solutions

- **Create long-term solutions that will address the chronic underfunding of private nonprofit providers.** The average cost-of-living increase for nonprofit providers over the past 20 years is 1.1%, well below inflation and the actual cost of providing health and human services. A meaningful, long-term solution that ensures nonprofits receive annual, adequate increases equal to the cost of providing services is urgently needed.
- **Maximize federal revenue.** The state should explore and maximize all methods for generating federal funds for services currently paid for with 100% state funds.

Priority #3 – Meaningful Reform

- **Develop universal, continuous, affordable, sustainable, high quality healthcare that is available to all Connecticut residents, including the option of allowing nonprofits access to the state health insurance pool.** One of the largest costs that nonprofits face is health insurance. Many agencies continue to see percentage increases in the double digits, often having to pass some of that increase onto their employees, only worsening the problem of under-compensation within the sector.
- **Revise the Neighborhood Assistance Act (NAA)** to permit greater utilization by both nonprofits and businesses. The NAA gives tax credits against specified business taxes for investments in local community service activities and programs.
- **Raise nonprofit audit thresholds to \$500,000.** Currently, nonprofits in Connecticut with annual budgets of \$200,000 or more are required to conduct an annual audit of their financial statements, which can cost upwards of \$10,000. Nonprofits who do not meet the audit threshold will still be required to have an annual review of their financial statements, but at a significantly lower cost to the agency. Other states, including Massachusetts and New York, have increased their audit thresholds thereby decreasing the financial burden on smaller nonprofits.

An investment in nonprofits is an investment in Connecticut's future.