

Connecticut Nonprofit Human Services Cabinet

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Impact of Proposed Deficit Mitigation Plan

The Connecticut Nonprofit Human Services Cabinet is a statewide coalition comprised of 20 nonprofit human service associations and organizations representing approximately 800 providers. Its mission is to advance a strong and unified nonprofit human services system to effectively meet community needs. The Cabinet has worked with state agencies on critical contracting issues and business practices that impact over 1,900 Purchase of Services (POS) Contracts valued at approximately \$2 billion annually. Members play a vital role in addressing the critical health and human services needs that face so many Connecticut residents – they provide the safety net that *anyone* can find themselves in need of in the blink of an eye.

First consider the stress *already* placed on the nonprofit provider network:

- No COLA for nonprofit human service providers for 3 years - FY09-FY11
- Reduced monthly allotments during the first 3 months of FY10
- FY10 rescissions to many health and human services between 2-5%
- Cuts to SSBG funding of 4% in FFY10, plus retroactive cuts in FFY09 of 10% to emergency shelters
- Increased service demand due to weak economy and high unemployment rate, including the introduction of the middle-class into the service population
- Presentation of clients with more complex needs – i.e.: they present for sexual assault, but they also need assistance with employment, food and housing
- Increased difficulty for nonprofit providers to obtain lines of credit due to tenuous state contract payments

Some specifics on proposed cuts in the November 24th Deficit Mitigation Plan:

- Cuts to Medicaid services – reductions to funding of these programs will ultimately result in less federal revenue to the state as federal match funds will be lost or decreased due to less state spending.
 - Reduce Medicaid Rates to ICF/MR facilities by 2%: This cuts essential services to the disabled and most medically fragile people in the state.
- DPH – Reduce AIDS Services & Needle and Syringe Exchange by 25% each: It is poor public health policy to cut the frontline of HIV prevention in the state and will ultimately result in higher long-term healthcare costs to the state.
- DSS – Reduce Expenditures Under the Alzheimer’s Respite Care Program: There are already over 300 families on the waitlist at DSS for this program. A reduction of \$1 million would be devastating and result in a higher cost to the state through increased nursing home placements.
- DSS – Reduce Non-Entitlement Grant Accounts by 25%
 - Child Day Care: Early Childhood Centers estimate a loss of approximately 1200 slots, which means that the parents of 1200 children will have to stay home from work to care for their children and that providers will have to layoff staff.
 - Housing/Homeless Services: In October, the estimated statewide occupancy rate in emergency shelters averaged 107%, which is 13% higher than the same time last year. Any cuts to these services will have unspeakable consequences.

Alternatives to cuts:

- Increased revenues – rollback of the increased threshold for the estate tax, mandatory combined reporting and fixing tax loopholes (i.e.: people who own yachts currently do not, but *should* pay sales tax on yacht repairs).

Children's League of Connecticut

Connecticut AIDS Resource Coalition

Connecticut Association for Community Action

Connecticut Association for Human Services

Connecticut Association of Area Agencies on Aging

Connecticut Association of Nonprofits

Connecticut Coalition Against Domestic Violence

Connecticut Coalition to End Homelessness

Connecticut Community Providers Association

Connecticut Consortium of Legal Services

Connecticut Council of Family Service Agencies

Connecticut Sexual Assault Crisis Services

Connecticut Women's Consortium

End Hunger Connecticut!

Mental Health Association of Connecticut

Oak Hill

Planned Parenthood of Connecticut

The Connection, Inc.

Wheeler Clinic

For questions, please contact Liza Andrews, Project Director at (860) 525-5080 or landrews@ctnonprofits.org

- Bonding – while this certainly will not help the state’s bond rating, it is quite frankly a better alternative than obliterating basic health and human safety net services.

Bottom Line:

We represent the safety net that anyone – you, a family member, a neighbor – can find themselves in need of when least expected. We have been doing “more with less” for years and stretching flat or decreased funding to unimaginable lengths. Cutting funding to nonprofit providers will only hurt the state’s economic recovery efforts – not only will nonprofits be forced to make layoffs, but we will, as a result, not have the capacity to assist Connecticut residents with the basic human needs that everyone must have in place before they are able to contribute to an economic recovery. We understand the position the state is in, but cuts to health and human services is not the answer.