



**CONNECTICUT
ASSOCIATION
of NONPROFITS**

*...to serve, strengthen
and support Connecticut's
nonprofit community.*

Connecticut Association of Nonprofits

2007 Legislative and Public Policy Agenda

The Connecticut Association of Nonprofits represents nearly 500 nonprofit organizations. These organizations employ more than 20,000 people in the State of Connecticut and serve hundreds of thousands of individuals and every community. Many of those organizations are health and human service providers working to improve the quality of life in Connecticut's communities.

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 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 health and human services through a **7% COLA in SFY08 and a **5% COLA in SFY09**.**

Nonprofits and state government have long been partners in providing cost-effective, high-quality and essential care and support to 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.

Adequate resources to assure that nonprofit organizations succeed in meeting the needs of those they serve are not provided through state contracts. No matter what index or measure used, state funding support has failed to keep pace with inflationary increases. Nonprofit providers of essential services are unable to keep up with costs of doing business in wages, health insurance, property and liability insurance, heating and transportation.

A 7% cost of living increase in SFY 08 and a further 5% increase in SFY 09 for all purchase of service contracts are sought in an effort towards reducing this imbalance.

A multi-year plan to close the wage and funding gap must be implemented.

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 Organizations.** The Governor has made a \$10 million commitment over the Biennium to bolster arts and heritage organizations. The Legislature needs to exceed this amount.
- ❖ **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.
- ❖ **Adjust State Purchase of Service Contracts To Reflect Rising Energy Costs.** Cost adjustments are needed for the operation of community based nonprofit human service providers who operate under State contracts. Nonprofit organizations incurred between 25% and 50% increases in energy costs in 2006. State surplus funds can be used to remedy this situation.
- ❖ **Restore the \$5.6 million reduction related to the arbitrary 18% Cap on Administrative Expenses.** The SFY 07 budget for four state departments - DMHAS, DCF, DMR, and DSS - reduces contracts and grants by \$5.6 million to effect a ceiling on Administrative and General expenses at 18%. This half year figure will double when annualized. A uniform methodology for applying administrative costs has been adopted as OPM policy as of 1/1/07, but the cuts took effect well before that without significant consideration for the organizations impacted and its services or the historical policies surrounding each state agency's Administrative and General policies. These cuts will result in service cuts to vulnerable citizens and must be restored.
- ❖ **Support Fair and Equitable Contracting Standards Which Do Not Detract from the Resources and Capacity of Nonprofits to Serve Connecticut's Most Vulnerable Citizens and Meet Community Needs.** Previous Legislative efforts have created barriers that would unwisely limit the ability of Connecticut Nonprofits to respond to community needs. Nonprofits support efforts at clean contracting and transparency, but flexibility for both State Government and nonprofits is necessary, as is independence for private organizations.
- ❖ **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.
- ❖ **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 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*