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## Amid State Funding Cuts, Nonprofits Rethink Their Operations

by Christine Stuart | Nov 28, 2017 5:30am



CTNEWSJUNKIE FILE PHOTO

One of several nonprofit rallies at the state Capitol over the past few months.

HARTFORD, CT — They rallied, they got arrested for refusing to leave the governor's office during the height of the budget debate, but in the end they were handed some ugly budget cuts that have their organizations rethinking how they operate.

And just when they thought it couldn't get any worse, it did.

Funding for private nonprofit human service organizations was cut again last week when Gov. Dannel P. Malloy's administration announced it would be holding back about \$181.6 million in what's termed a "lapse." A "lapse" is an identified amount of money that policymakers believe will be underspent across some portion of the budget.

In recent years, an achievable lapse amount would have been around \$100 million out of a \$18 billion budget. That's less than one percent. However, this version of the budget that took legislative leaders on both sides of the aisle a month to negotiate, includes much larger lapses or holdbacks.

"The human service spending cuts announced today by Governor Malloy come after more than a decade of underfunding of Connecticut's community nonprofits and repeated budget reductions in recent years,"

Gian-Carl Casa, president and CEO of CT Community Nonprofit Alliance, said. "While we await direction from state agencies on the way these cuts will be implemented, we are concerned that they will be tough to absorb and could further reduce the availability of and lengthen waiting lists for services."

The ARC Connecticut, which advocates for the intellectually and developmentally disabled (I/DD), said the budget that was passed was not perfect.

It contained significant cuts to the Behavioral Services Program and other essential community supports, but it protected existing community residential and Employment and Day program funding.

The I/DD community is worried the lapses to the agencies that fund their programs will mean another reduction in services.

"We know that people with I/DD and their families are tired after this year's endless budget battles and we are all looking forward to the holiday season, nevertheless we must take action," an email from The ARC Connecticut states. "If the Governor is required to submit a deficit mitigation plan, then based upon past experience we should all expect that plan will include cuts to community supports for people with I/DD."

State Comptroller Kevin Lembo will have to decide on Dec. 4 whether the governor's budget office is accurate in reporting a \$202.8 million deficit.

The Connecticut Council for Philanthropy recently conducted a survey, which found that grantmakers are stepping up to help nonprofits get through the fiscal crisis.

An estimated 33 percent of grantmakers are supporting conversations about nonprofit mergers, but many more report that they plan to respond in some way to the state's fiscal crisis.

About 50 percent are planning to increase their grant support to nonprofits.