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Public Hearing Testimony before the
Connecticut General Assembly's Government Administration & Elections
Committee

**In support of S.B. 432 An Act Concerning State Contracts with Nonprofit
Human Services Providers**

Rhonda Evans, Executive Director
Connecticut Association for Community Action, Inc. (CAFCA)

March 18, 2024

Good afternoon, Senator Flexer, Representative Blumenthal, Senator Sampson,
Representative Mastrofranceso and members of the Government Administration &
Elections Committee:

Thank you for holding this public hearing today. The Connecticut Association
for Community Action (CAFCA) is the state association that works with
Connecticut's nine Community Action Agencies (CAAs), the state and
federally designated anti-poverty agencies that provide a wide variety of
services to nearly 200,000 low- and moderate-income people in all 169 cities
and towns across the state. More information about Community Action
Agencies is included at the end of this testimony.

**CAFCA supports this bill, which would take several steps to improve the
issues nonprofits face as we contract with the state to deliver essential
health and human services.** Specifically, this bill:

- Directs OPM to review contract rates and determine whether they adequately compensate nonprofit providers;
- Requires OPM to review all reports nonprofits are required to file, and eliminate or consolidate any that are unduly burdensome or duplicative;
- Requires all contracting agencies to render payment for services within 30 days;
- Requires OPM and the Comptroller to review and detect inefficiencies with the CORE-CT system.

Community Action Agencies (CAAs) provide vital health and human services to some of the most vulnerable individuals and households across the state. Unfortunately, the ability to provide these services to residents of Connecticut is often put in jeopardy due to the challenges that nonprofits face as a result of the largely inefficient, and ineffective state contracting process and the

associated payment delays that this causes. Contract and payment delays are systemic and longstanding problems that cross many state agencies. Community Action Agencies across the state currently have multiple contracts that have been pending execution since before the start of the fiscal year. In most instances the CAAs have continued to provide services by tapping into lines of credit or reserves in order to ensure the continuity of services for these vital programs. This is not a sustainable practice and threatens both the availability of these essential services to vulnerable Connecticut residents and the fiscal well-being of non-profit human service providers.

We also appreciate that the bill directs the Office of Policy and Management to evaluate whether the rates state agencies pay for services are adequately compensating nonprofits for the services that they provide. While there have been some rate adjustments over time, there are still far too many that have not been adjusted in many years, while service requirements, reporting and tracking expectations have only increased. The time has come to review and change the state contracting and payment process and this bill will go a long way in initiating that change.

I urge this committee to support S.B. 432. Thank you for your consideration and for your service to our state. Please feel free to get in touch with any questions at rhonda@cafca.org or 860-305-2937.

More about Community Action Agencies

As the largest statewide safety net service provider, Connecticut's network of Community Action Agencies connects neighbors in need with resources that stabilize and improve lives and communities. These services and resources include, but are not limited to:

- Nutrition (inc. SNAP outreach, Meals on Wheels, and Congregate meals)
- Housing and shelter
- Asset development and financial literacy
- Energy and heating assistance
- Job training
- Early childhood care and education

Through a holistic, comprehensive, multigenerational approach, CAAs work with those in need to plan, achieve, and maintain a realistic path to short and long-term economic self-sufficiency and success. A Profile of Services table to this testimony is below and shows the services provided by Community Action Agencies in Connecticut.

