



CAFCA
Connecticut Association
for Community Action

Public Hearing Testimony before the
Connecticut General Assembly's Appropriations Committee

**In support of Senate Bill 374:
An Act Concerning Equalizing Rates Of
Pay For Nonprofit Provider Workers.**

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Connecticut Association for Community Action, Inc. (CAFCA)

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Distinguished members of the Appropriations 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.

SB 374 seeks to equalize pay for nonprofit service providers. CAFCA supports this bill, but with the following changes:

- Increase state-funded payment rates for all nonprofit providers who contract across every state agency, not just the Department of Mental Health and Addiction Services and Department of Developmental Services.
- Include our proposed amendment language (Attachment A) that examines ways to streamline, expedite, and improve current state contract processes and payment policies and create process efficiencies.

Increase paid nonprofit provider rates

Community Action Agencies provide essential health and human services to some of Connecticut's most vulnerable residents across the state. However, like other nonprofit human services providers, payment rates do not match the provision of services, despite providing these services at a lower cost than state government. While there have been some rate adjustments over time, there are still far too many that have not been adjusted in many years – yet service requirements, reporting, and tracking expectations have only increased.

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Additionally, stagnant state funding, program cuts, and low salaries continue to contribute to employee turnover and staffing shortages, leaving nonprofits without adequate coverage, and resulting in service delivery delays. Therefore, it is critical that the state increase paid rates to nonprofit human service providers, helping to ensure they can operate efficiently and effectively while serving their customers.

Issue state contracts on time

In addition to increasing nonprofit provider payment rates, the state must also issue provider contracts in a timely manner. The current system is wrought with inefficient processes that result in contract delays, which then cause delays in payments to the contractors who are providing valuable services for the State of Connecticut. When contracts are issued late, it puts organizations in jeopardy of being unable to provide their services to Connecticut residents. These longstanding, systemic problems cross many state agencies, and further burden nonprofits by forcing them to float the cost of programs for the state by tapping into lines of credit or reserves to ensure the continuity of services. Currently, Community Action Agencies across the state have multiple contracts that have been pending execution since before the start of the fiscal year and in most cases, they have continued to provide the services though they have not yet been paid.

This is unsustainable and threatens both the availability of essential services to vulnerable Connecticut residents as well as the fiscal well-being of nonprofit human service providers, who are providing vital programs and services for the state.

On behalf of Connecticut's Community Action Network, I urge you support SB 374 with our suggested changes: increasing nonprofit provider payment rates across state agencies and reviewing the states contracting process, both of which will help the nonprofit provider network to continue providing critical programs and services to those who need it most across our state.

Thank you for considering our concerns with this important bill 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.

Attachment A: Proposed contract amendment language

Streamlining State Contracting and Payment Processes

The Secretary of the Office of Policy and Management, in consultation with the Commissioner of the Department of Administrative Services and the Attorney General shall conduct a review of the state contracting process and payment policies for service providers and nonprofits and examine ways to streamline and expedite such processes.

Such review shall include, but not be limited to, determination of adequate agency staffing levels to draft and process contracts, identification of complications resulting from the tiered process of multiagency and Attorney General reviews of contracts and the procedure to get payments processed in a timely manner once contracts are signed.

The Secretary shall examine the feasibility of utilizing master contracts with amendments as needed, and utilizing carry forward funding to sustain providers operating ongoing programs when contracts are delayed.

The Secretary shall report his finding and recommendations on streamlining the state contracting process and payment policies to the Appropriations Committee by January 1, 2025.