

**Hartford Foundation for Public Giving Testimony on
Governor's Proposed Budget FY2021-23 Appropriations Hearing**

**House Bill 6439, An Act Concerning the State Budget for the Biennium Ending June
30th, 2023**

February 19, 2021

Good afternoon Senator Osten, Representative Walker, Representative Gibson, Senator Hartley, Representative Kennedy, Senator Somers, and distinguished members of the Appropriations Committee. The Hartford Foundation for Public Giving is grateful for this opportunity to submit written testimony today on the Governor's Proposed Budget FY2021-23. The Foundation asks the committee to ensure the state budget provides equitable and adequate funding to support those who have been most impacted by the COVID-19 pandemic and advance the economic and social mobility of the state's Black and Latinx residents.

The Hartford Foundation for Public Giving is the community foundation for the 29-town Greater Hartford region. As a community foundation, we manage approximately \$1 billion in assets, in 2020, the Foundation distributed a record-breaking \$52 million in grants to promote equitable opportunity for all residents in our region. Made possible by the gifts of generous individuals, families and organizations, the Foundation has awarded grants of more than \$837 million since its founding in 1925. While significant, these resources pale in comparison to what is needed and obligated from the public sector.

Two years ago, the Hartford Foundation for Public Giving announced its intention to focus on reducing persistent racial/ethnic, geographic and income disparities to ensure that Greater Hartford reaches its full potential. The time has come to call out the structural racism that creates significant barriers to opportunity, economic mobility and prosperity for communities of color.

The "dual pandemics" of COVID-19 and systemic racism have affirmed our commitment. Reducing disparities is not only the right thing to do; it will also help us repair the social damage caused by COVID-19, get our economy back on track and safeguard us against future crises. During his budget address, Governor Lamont said that the stage budget is "a reflection of our shared values, as we are collectively deciding not only what we are funding, but why we are funding it." The Hartford Foundation believes that these values should be expressed by making investments that support those most significantly impacted by the systemic inequities that have held back so many of our Black and Latinx residents for generations.

As the committee reviews the Governor's proposal, we ask that members recognize the critical importance of a sustainable and long-term public commitment to nonprofits. Since the COVID-19 outbreak, our nonprofits have needed to take on additional financial burdens in order for them to work remotely and purchase personal protective equipment to protect the health and safe of their staff and client. The pandemic has also highlighted the invaluable role smaller,

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neighborhood-based nonprofit organizations play in providing services to some of our most challenged residents. State funds must reach not only larger multiservice organizations but these smaller organizations as well. The state should also seek ways to support not only programs but nonprofit capacity building including technical support for data collection, analysis and coordination and evaluation.

As part of the Hartford Foundation for Public Giving's efforts to dismantle structural racism and improve social and economic mobility for Black and Latinx residents of Greater Hartford, the Foundation seeks to **increase the number of Hartford residents living in higher opportunity neighborhoods**. Higher opportunity neighborhoods are defined by a variety of factors including low unemployment, better performing schools, lower crime and greater availability of quality, affordable housing stock.

The Foundation seeks to increase the numbers of Hartford residents living in higher opportunity neighborhoods both by increasing the opportunity level in Hartford neighborhoods and by increasing the ability of Hartford residents to choose to move to other higher opportunity areas throughout the Greater Hartford region. In order to support these outcomes, the Foundation invests in efforts designed to increase the stability, availability, and quality of affordable housing in the Greater Hartford region; align and leverage additional investment in Hartford neighborhoods, and increase social strength and connectedness of Hartford neighborhoods.

While there has been significant progress in addressing homelessness, the challenges in finding and keeping affordable permanent housing persists. Prior to COVID, 57 percent of renters in Hartford reported spending more than 30 percent of their income on housing, leaving little to cover other expenses such as transportation, childcare, or food.

Significant portions of the Hartford Foundation's past and current investments have focused on preventing and reducing homelessness in the Greater Hartford region. On an annual basis, the Foundation provides approximately \$1 million to local nonprofit organizations to provide access to emergency shelter, housing subsidies, case management, eviction prevention/landlord negotiation, employment services, and housing services to residents' at-risk or experiencing homelessness. This includes support to the Greater Hartford Coordinated Access Network for rapid re-housing services during the coldest months.

As many renters face very real concerns that they might be evicted once COVID moratoriums are lifted, helping rent-burdened families and families experiencing homelessness obtain and maintain permanent, During COVID-19, the need for permanent housing for all of Connecticut's residents has become even more important.

It is for these reasons we ask the committee to support several proposals from Governor Lamont's proposed budget for the Department of Housing including:

- **\$85.5 million for the DOH Housing and Homelessness Line.**
- **Repurpose the Governor's proposed reduction of \$3 million from the Housing and Homelessness Line Item for the Rental Assistance and/or homeless services.**
- **Funding for the DOH Homeless Youth Line Item at \$2.65 million in Fiscal Year 2022 and \$2.94 million in Fiscal Year 2023.**



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- **Additional allocation of \$2.3 million in specific funding for Coordinated Access Networks (CANs) in a new line item called 'Homeless Supports' at the Department of Housing.**
- **Additional investment of \$2 million in the Department of Housing's Homeless Services Line to provide rental assistance to 200 scattered-site supportive housing units.**

As part of the Foundation's work to increase the number of Hartford residents living in higher opportunity neighborhoods, we are pleased to serve on the HOMEConnecticut advisory council which supports efforts to prevent homelessness and housing instability and increase the availability of quality, affordable housing stock in higher opportunity neighborhoods.

This agenda includes providing at least **an additional \$100 million in state funding to assist tenants before and during eviction proceedings, stabilize landlords' operating budgets and the private rental market, and prevent evictions and the resulting displacement of individuals and families.** As thousands of state residents have lost their jobs as result of COVID-19, this has significantly increased people's risks of families becoming unstably housed or homeless. Not only has COVID had a disproportionate impact on the health of people of color, Black and Latinx families are also being disproportionately impact by housing discrimination and eviction. This \$100 million state investment in people most at risk would be invaluable as it has been estimated that at-risk families owe an estimated \$400 million or more in unpaid rent.

We also ask the committee to support additional investment of at least \$20 million annually in ongoing rental supports through the Rental Assistance Program (RAP). This investment would support 2,000 more of our state's lowest income households. This program serves as flexible tool to address housing insecurity and assist severely cost burdened renters as the assistance adjusts with changes in household income.

Research confirms that stable, affordable, quality housing and neighborhood amenities are a key pathway to economic mobility and that inclusive economic mobility yields greater economic growth. The Foundation is eager to partner with you and your legislative colleagues, advocates and municipalities to promote inclusive development principles, ensuring all residents have the opportunity to thrive.

The Foundation's efforts to dismantle structural racism and improve social and economic mobility for Black and Latinx residents of Greater Hartford includes support for arts and culture in our region, with a focus on people of color, who are underrepresented in Greater Hartford's art workforce. The Foundation's work is focused on increasing the arts sector's stability and resilience and increasing the racial/ethnic diversity of Greater Hartford's arts workforce.

The arts are a critical asset in our region and when properly leveraged can support community and resident well-being, including physical and mental health, learning, economic growth and community cohesion and resilience. Arts are essential yet, in times of crisis, such as now, many funders and the state must prioritize Basic Human Needs and the nonprofits that provide them. As we move from crisis to recovery and ongoing resilience, we should consider public support for the arts as part of that recovery plan.



Our research and evaluation of the Greater Hartford arts sector tells us that people of color are underrepresented in Greater Hartford's art workforce, particularly Latinx artists and organizations. Artists/creatives are among the workers most severely affected by the pandemic. Black and Indigenous artists have higher rates of unemployment than white artists due to COVID and have lost a larger portion of their 2020 income. Pre-COVID, one-third of Greater Hartford's arts organizations exhibited signs of financial fragility.

While philanthropic dollars are more flexible and can fill gaps and support more targeted efforts, we have seen how COVID has created the competing needs between vital, basic human services and the arts sector. This reinforces the need for the public sector to be the first and primary funder for both arts and basic human needs. Private funder partnerships can be positioned to bring in additional dollars from the federal and national funders.

The Foundation offers its support for the proposal to respectfully request the Committee require 40 percent of funds in the Tourism Fund be allocated to arts and culture with the remaining 60 percent to support tourism. The forty percent allocation reflects the current process for allocation. It does not change the funding to either line item but serves to formalize the requirement. We also support the proposal to change the name of the "Tourism Fund" to the "Arts, Culture and Tourism Fund" to more accurately describes its role in providing state funding to all three of these sectors.

Providing stable funding for arts, culture and tourism throughout the state is necessary at a time when these industries are in dire straits with many organizations either closing their operations or struggling to continue. Creating this new funding mechanism would also help provide some stability to arts, cultural and tourism funding which has seen state support decline over the past decade.

The Foundation also supports the proposal to create a more equitable process of allocating state funding for arts and culture organizations. The proposal would end the inequitable practice of creating new line items in the Department of Economic and Community Development. We are hopeful that this would help to create more opportunities for under resourced artists of color by giving greater access to current funding allocations within DECD (\$13 million) and the competitive art and culture grant program within the Arts Commission line item (\$1.4 million).

The Foundation is eager to partner with legislators, advocates and the business sector to support arts and culture in our state and create a stronger infrastructure to ensure the arts sector's stability and resilience and increase the racial/ethnic diversity of Connecticut's arts workforce.

Thank you for your leadership and commitment to supporting those most in need during these historically challenging times. The Hartford Foundation is eager to partner with legislators, the administration, advocates, philanthropy and other stakeholders to ensure that Connecticut's economic recovery positively impacts all of its residents.

If you have any questions, please feel free to contact our staff at policy@hfpg.org or 860-548-1888.