

“Delaware Revenue Solutions Coalition Letter to the Joint Finance Committee”
2017 Budget Outreach

We recognize the most difficult task that you face to balance a budget with the estimated \$386 Million funding gap, and thank you for your efforts to minimize the adverse impact it will have on any one constituency. With the continued reduction in the size of state government and the services provided, the work of nonprofit organizations has become more vital in delivering essential services, enhancing the quality of life for all Delawareans, and uplifting the spirit of faith, innovation, and inspiration in local communities across the state. The incredible diversity of our 1,000 nonprofits touch and benefit Delawareans virtually every day of their lives, literally from birth to death.

We want to do our part during these difficult fiscal times. However, nonprofits cannot sustain the proposed cuts on top of nearly 10 years of virtually no funding growth, while the Delaware population that consumes nonprofit services has grown by 10%. Thus, nonprofits will be forced to limit services or close altogether, reverting direct service costs back into government. Nonprofits collectively employ over 40,000 people in Delaware. The proposed budget reductions will lead to substantial lay-offs and closure for some agencies.

Government’s nonprofit partners have faced double digit increases in employee expenses for healthcare, workers comp, overtime, and similar increases in business expenses such as technology and systems upgrades.

A recent DANA survey of Delaware Nonprofits indicates that reductions in funding from the State of Delaware through contracts/grants, through Grant-in-Aid, through “Pass-Throughs, or other funding sources will have significant impact on employment and service quality. Here are some of their words:

- “Delawareans who depend on home services will be forced into nursing homes at an average cost of \$114,000/year.”
- “We employ 100+ individuals with a \$4.8 million in payroll (salaries & benefits), providing services to 80,000-100,000 Delawareans annually. ”
- “Veterans would not get the services they need.”
- “Layoffs and reduction in hours and services to an already fragile community.”
- “Downstate family support & psychological youth care services will have to lay off more employees with this “High-Risk” community.”
- “Additional cuts to the developmental disability service system beyond the existing \$39 million shortfall will be disastrous to providers in Delaware”.

Sources indicate that Grant-In-Aid (GIA) may see a \$5 Million or higher cut across-the-board of “Community Agencies”. Though this may seem equitable, it will shutter some programs and cut off services to people who desperately need them. The Controller General’s Analysts have stepped up their analysis and site-visits. We respectfully request you apply those evaluations in determining GIA awards, rather than a blanket across the board approach.

We ask for you to consider the recommendations of the “DEFAC Advisory Council on Revenue”

The public depends on the charitable sector to provide a reliable social safety net and deliver a wide range of other services that are vital to the cultural, economic, spiritual, and environmental well-being of our citizenry and communities. Yet, the unprecedented stresses from the recent recession, and governmental reactions to it, threaten the health of the charitable sector and its ability to provide the safety net upon which the public and government rely.

We the Delaware Revenue Solutions Coalition of the nonprofit sector agree upon the following points:

- The Nonprofit Sector represents over 233,000 Delawareans that work and volunteer¹ at Delaware Nonprofits.
- The Nonprofit Sector, in partnership with state government, provides innovative, efficient, and effective services for all Delawareans.
- No cuts should be made to contracts and “Pass Throughs” with Delaware nonprofits for services to Delawareans.
- No more allocations should be added to the “Tobacco-Master Settlement Agreement, diluting remaining resources available for existing service providers.
- Hold Grant-In-Aid to Community Agencies and Senior Centers level.

Delawareans’ quality of life depends on the important fibers of the nonprofit sector that are woven together with those of the business and government sectors into a strong Delaware for all. Governments at all levels across the country have been rapidly shifting significant financial burdens onto charitable nonprofits, including reducing funding without reducing the underlying human needs, thereby increasing demands on nonprofits in local communities while also decreasing resources for nonprofits to provide needed services.

Please do not let it happen in Delaware.

Respectfully yours in Unity,

Delaware Revenue Solutions Coalition

Delaware Alliance for Nonprofit Advancement
Ability Network of Delaware
Delaware Community Foundation
United Way of Delaware
Delaware Grantmakers Association
Association of Fundraising Professionals
University of Delaware Center for Community Research and Service

and the Delaware Nonprofit Sector

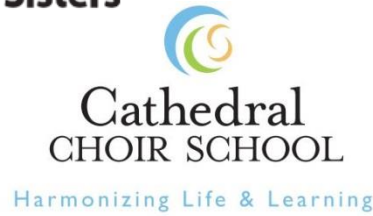
FOOTNOTES

1. 2016 Bureau of Labor Statistics & 2014 Volunteering in America





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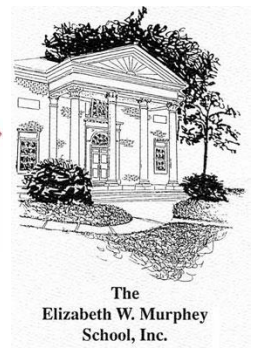
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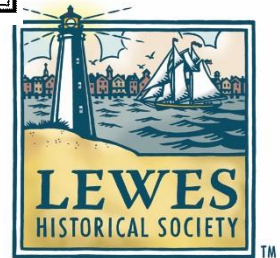
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