



Nonprofits Stand United with State Leaders to Support the Social Infrastructure of our Communities
- a position statement on the Budget of the State of Arizona
April 2009

The 2008-09 recession is putting tremendous strain on Arizona communities and the organizations and institutions which support our communities' health, quality of life, social systems, economic vitality, and physical and cultural environment. To illustrate: the Alliance of Arizona Nonprofits survey of community benefit organizations across the state shows that three-quarters have seen an increase in the demand for their services and programs since early 2008, while two-thirds are seeing declining revenues. These nonprofit organizations, which comprise \$18 billion of the Arizona economy, provide a critical social, economic, cultural and environmental infrastructure for our citizens and our children. Without a healthy nonprofit community, the residents of Arizona suffer.

Meanwhile, state budget cuts enacted by the Arizona Legislature in early 2009 have further strained this community infrastructure. Many of the programs cut or eliminated by the \$1.6 billion plan to bring the state budget into balance are in fact delivered by nonprofit organizations under contracts issued by state agencies. Especially among health and human service organizations (one-third of the sector), nonprofits rely upon state contracts for a major, if not significant majority, portion of funding for their services. Therefore, they are bearing a significant brunt of the recent cuts, and the prospect of more cuts in the 2009-10 state budget imperil the very existence of many of these critically important social service organizations.

While many foundations and individual donors are stepping in to support critically needed services, especially in light of the impact of rising unemployment, foreclosures and others strains produced by the recession, their resources are limited and not adequate to overcome the impact of millions of dollars in state budget cuts.

Ultimately, the people who suffer most when this social infrastructure breaks down are the citizens who most need support, assistance and inspiration during these difficult times: people who have lost incomes, children who have lost critically needed health care, neighbors whose properties erode further in value when homes go into foreclosure, employees who do not have child care options so they can work, businesses who do not have retraining programs to retool for economic changes.

Therefore, we urge state policy makers to maintain a commitment to our social, economic, cultural and environmental infrastructure, which is essential for the future economic vitality and quality of life for all Arizonans. Specifically, we support:

- a balanced budget which assures that critically needed services are preserved and does not erode the revenue base on which those services depend. We believe it is not possible to maintain a satisfactory quality of life in Arizona if we undermine essential services and the community-based nonprofit organizations who provide them.
- full use of the new federal stimulus dollars quickly, fully and responsibly, with oversight and accountability. These dollars can mitigate the effect of state cuts and restore critical programs.
- a fiscal plan which puts all fiscal options on the table for the FY 2010 budget. We believe that all proposals for revenue enhancements, budget restructuring and tax reform should be considered by state policy makers to ensure stable and healthy communities in the future.

We, the nonprofits of Arizona, stand ready to work in partnership with state policymakers to achieve this agenda. As major stakeholders in the delivery of state-funded services, we share the goals of state leaders to meet vital social, economic and community needs, support our fellow citizens who need help during this recession, and unite our efforts to address community issues in a way that builds a stronger Arizona.