

State of Connecticut



Governor's Cabinet

on

Nonprofit Health and Human Services

Report to

Governor Dannel P. Malloy

December 17, 2014

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Executive Summary

Governor Malloy established his Cabinet on Nonprofit Health and Human Services in September 2011 to support nonprofit agencies during a period of intense fiscal challenges. Over the past three years the Cabinet has developed a series of recommendations for the Governor in order to sustain the health of nonprofit health and human services providers.

In 2014 the Governor charged the Cabinet with focusing on business practice in the nonprofit sector, nonprofit employment data and contract procurement and administration.

The Cabinet, co-chaired by Terry Edelstein, the Governor's Nonprofit Liaison, and Peter DeBiasi, President & CEO of the Access Community Action Agency, relied on work groups to meet the Governor's charge. Each work group was comprised of a cross-section of representatives from state agencies and nonprofit provider organizations. Over sixty individuals from state and private agencies participated in eleven work groups and subcommittees as well as the full Cabinet meetings.

The Cabinet has made numerous recommendations to the Governor for the purpose of enhancing the effectiveness and efficiency of the service delivery system, as well as strengthening and increasing the sustainability nonprofit organizations. This report includes specific recommendations in the areas of:

- Enhancing Financial Viability
- Supporting the Workforce
- Bonding Opportunities
- Contracting Opportunities

In addition, the Cabinet made recommendations for future areas of focus in 2015.

We hope that these recommendations provide information, ideas and technical resources for the provider community as well as to state agencies as we collectively support the state's safety net.

We wish to thank the twenty-six members of the Cabinet for their active participation, including those designees of our state agency commissioners. All Cabinet members in both the public and private sectors gave many hours in representing their agencies at the Cabinet meetings and in the work groups and subcommittees.

The Co-Chairs of each of the work groups deserve specific recognition:

Work Group on Business Practice:

William Hass, President & CEO, FSW, Inc., CT

Amy Porter, Commissioner, Department of Rehabilitation Services

Work Group on Nonprofit Employment Data:

Cheryl Cepelak, Deputy Commissioner, Department of Correction

Luis Perez, President & CEO, Mental Health Association of CT

Work Group on Contract Procurement and Administration:

Kathleen Brennan, Deputy Commissioner, Department of Social Services

Kathleen Stauffer, CEO, The Arc of New London County

In addition we would like to thank public policy interns to the Nonprofit Liaison, Brittany Kaplan and Brandon Cirillo, for their assistance throughout the work group process. We would also like to recognize Amy Tibor, Executive Secretary at the Office of Policy and Management for managing Cabinet logistics and maintaining the Cabinet website.

We would like to thank the United Way of Connecticut and the Connecticut Community Providers Association for their willingness to host work group meetings at their locations. We appreciate their generosity.

We are pleased to present this third report to Governor Malloy on behalf of his Cabinet on Nonprofit Health and Human Services.

Terry Edelstein, Nonprofit Liaison to the Governor, Cabinet Co-Chair

Peter S. DeBiasi, President & CEO, Access Community Action Agency, Cabinet Co-Chair

Governor's Cabinet on Nonprofit Health and Human Services **Membership**

Governor Malloy appointed the following individuals to serve on the Cabinet:

Terry Edelstein, Nonprofit Liaison to the Governor, Cabinet Co-Chair

Peter S. DeBiasi, President & CEO, Access Community Action Agency, Cabinet Co-Chair

Kathleen Brennan, Deputy Commissioner, CT Department of Social Services

Cindy Butterfield, Fiscal Director, CT Department of Children and Families

Roberta Cook, President & CEO, BHcare, Inc.

Robert Dakers, Executive Finance Officer, CT Office of Policy and Management

James Dzurenda*, Commissioner, CT Department of Correction represented by
Cheryl Cepelak, Deputy Commissioner

Stephen Grant, Executive Director, Court Support Services Division, CT Judicial
Department

William Hass, President & CEO, FSW, Inc. CT

Myra Jones-Taylor, Commissioner, CT Office of Early Childhood

Evonne Klein, Commissioner, CT Department of Housing

Katharine Lewis, Deputy Commissioner, CT Department of Public Health

Terrence W. Macy, Commissioner, CT Department of Developmental Services

James Maloney, President & CEO, CT Institute for Communities

James Morton*, President & CEO, YMCA of Greater Hartford, Inc.

Lois Nesci, CEO, Catholic Charities of the Archdiocese of Hartford

Luis Perez, President & CEO, Mental Health Association of CT

Amy Porter, Commissioner, CT Department of Rehabilitation Services

Sandy Porteus, Executive Director, Family Services of Greater Waterbury, Inc.

Richard Porth, CEO, United Way of CT

Edith Prague*, Commissioner, CT Department on Aging, represented by
Margaret Gerundo-Murkette, Acting Commissioner

Maureen Price-Boreland, Executive Director, Community Partners in Action

Patricia Rehmer, Commissioner, CT Department of Mental Health & Addiction Services

Josie Robles, CEO, Hartford Behavioral Health

Anne Ruwet, CEO, CCARC, Inc.

Kathleen Stauffer, CEO, The Arc of New London County

Thanks to additional representatives of state agency Cabinet members:

Dimple Desai for Evonne Klein; Cynthia Theran, Brian Hill, and Deb Fuller for
Stephen Grant; Pietro Rosato and Linda Goodman for Myra Jones-Taylor; Chris
Andresen for Katharine Lewis; Kate McNulty for Patricia Rehmer

* *Member did not serve full term*

2014 Cabinet Recommendations - Consolidated

ENHANCING FINANCIAL VIABILITY

1. Revenue Retention

- Implement the Cabinet's 2013 recommendations regarding "Retention of Unexpended Funds".

2. Cost of Doing Business

- Provide for reimbursement that covers the cost of doing business.

3. Modify the Department of Developmental Services Residential Revolving Loan Program

- The Department of Developmental Services, Department of Social Services and the Connecticut Housing Finance Authority should revise the 6% interest rate for the loan program to more closely reflect market rates.
- The Department of Developmental Services, Department of Social Services and the Connecticut Housing Finance Authority should review the timeliness of when the first loan payment is scheduled to be paid and when the corresponding increase to the provider's room and board rate is effective. The Departments should consider changing the two effective dates to be more aligned with each other.
- For capital projects requested to be completed over a specified amount and time period, the Department of Developmental Services and the Connecticut Housing Finance Authority should consider developing a process to reimburse providers based on an identified payment plan based on completion targets.

SUPPORTING THE WORKFORCE

1. Develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, including funding contracts at a level that supports:

- Paying a living wage.
- Providing benefits including healthcare, retirement and life insurance.
- Providing training and supports necessary for employees to move along a career path and to promote advancement in the industry.

BONDING OPPORTUNITIES

1. Nonprofit Collaboration Incentive Grant

- Expand the scope and flexibility of the Nonprofit Collaboration Incentive Grant program to better support the needs of nonprofit organizations.

2. Nonprofit Grant Program

- Continue to support the capital needs of nonprofit providers through issuance of grants through the Nonprofit Grant Program.
- While the Office of Policy and Management shall continue to manage the overall Nonprofit Grant Program application and selection process, State Purchase of Service (POS) agencies shall be given an enhanced role in reviewing and providing feedback on projects primarily impacting their clients.

3. Purchase of Service State Agency Bonding

- Continue to appropriate bond funding directly for the Departments of Mental Health and Addiction Services, Children and Families and Developmental Services for health, safety code and capital projects.
- Appropriate bond funds to the Department of Correction for health, safety code and capital projects for its community providers.

CONTRACTING OPPORTUNITIES

1. Pay for Success

- Support legislation that promotes use of Pay for Success/ Social Innovation.

2. Department of Economic and Community Development (DECD)

- Explore opportunities for expanding the Small Business Express program to increase the participation of nonprofit organizations, including increasing the threshold for participation.

3. Office of Policy and Management (OPM) Statewide Organizational Effectiveness

- Support the nonprofit community's capacity to utilize process improvement models by extending the state's Lean consulting contracts to nonprofit providers.

- Identify cross-sector process improvement projects that can be jointly engaged in by state agencies and nonprofit organizations.

4. Office of Policy and Management (OPM) Purchase of Service Unit

- Identify opportunities for collaboration across state agencies in order to increase effectiveness and efficiency of working with nonprofit providers.
- Develop incentives in contract procurements for nonprofit organizations that have implemented a process improvement model (e.g. offer additional points on proposal scoring, technical assistance).
- Develop mechanism to fund data provision in Purchase of Service contracts.
- Provide technical assistance to nonprofit organizations on how to analyze and use their data to improve services.
- Develop and implement a standardized human services workforce data collection system for nonprofit organizations that draws from existing or enhanced contract information.
- Restore and streamline the “debriefing and appeal” process in the OPM Procurement Standards.

GOVERNOR’S NONPROFIT LIAISON

1. Nonprofit Toolkit Resources

- Provide resources on the use of B-Corporations and Social Enterprise models.
- Provide resources on the use of Pay for Success models.
- Provide information about loan forgiveness programs for students pursuing degrees in the health and human service field.
- Provide information about affordable child care and transportation options so as to increase the affordability of pursuing education and employment.
- Publicize the availability of leadership training opportunities for nonprofit providers through state training academies.

2. Shared Data

Ensure provider participation in implementation of the State’s data efforts.

- Department of Social Services healthcare data-sharing system.
- Connecticut Open Data Portal: <https://data.ct.gov/>

Future Cabinet Tasks

Business Practice Work Group

1. Compile and share a set of foundational components that support effective collaboration including:
 - examples of successful collaborations
 - practices that facilitate collaborations
 - practices that discourage collaboration
2. Compile and disseminate information about successful data management systems, including the common elements that exist in the more successful systems, such as:
 - Department of Children and Families RBA Model
 - Department of Social Services RBA Project
 - Judicial Branch Court Support Services Division provision of technology, personnel and technical support
 - Department of Mental Health and Addiction Services Provider Dashboard
3. Work with the State's Open Data Portal to identify the information on the Portal that will be useful to nonprofit organizations.
4. Identify the frameworks for performance measures that are currently being used, with the ultimate goal of agreement on a common framework for performance measures, allowing nonprofit organizations to group measures into like clusters and to evaluate contributions toward population results.

Contract Procurement and Administration Work Group

1. Evaluate the effectiveness of the current criteria that drive re-procurement (timeframes, quality standards, cost thresholds), and make recommendations to improve those criteria if necessary.
2. Participate in the development of the state's enterprise contract management system.
3. Revenue Retention
 - Assess the Department of Developmental Services revenue retention pilot.
 - Assess the Department of Mental Health and Addiction Services pilot.
4. Access To Private Market Capital, e.g. Repair Funds, Capital Loans
 - Ascertain the difficulty nonprofit organizations are having accessing capital by developing, distributing and analyzing a survey.

5. Assess the cost of healthcare on nonprofit organizations
 - Ascertain the changes in the cost of providing healthcare for employees by developing, distributing and analyzing a survey.

Nonprofit Employment Work Group

1. Work with the Board of Regents for Higher Education to develop, identify, publicize, and implement opportunities for nonprofit organizations to partner with community colleges that will allow for affordable educational opportunities and career paths, including:
 - Certificate Programs
 - Degree Programs
 - Continuing Education Trainings
 - Internships

Appendices

PURCHASE OF SERVICE (POS) CONTRACTS - DEFINITION

The recommendations make reference to Purchase of Service (POS) contracts. A POS contract is a contract between a state agency and a private provider organization or municipality for the purpose of obtaining direct health and human services for agency clients. The contract generally is not used for the sole purpose of purchasing administrative or clerical services, material goods, or training and consulting services. POS contracts cannot be used to contract with individuals.

OPM ANNUAL REPORT ON PURCHASE OF SERVICE CONTRACTS

The OPM Annual Report on Purchase of Service (POS) Contracts summarizes information regarding POS contracting activity of state agencies. As required by Public Act 11-238, this report includes an assessment of the aggregate financial condition of nonprofit, community-based health and human services agencies that enter into POS contracts. Follow the links below to view the Annual Legislative POS Reports from the Office of Policy and Management.

[POS Annual Legislative Report \[SFY '14\]](#) (Adobe.pdf)

[POS Annual Legislative Reports \[SFY '07-'14\]](#) (OPM Website)

OPM COST STANDARDS

[Purchase of Service: Cost Standards](#) (PDF, 668KB)

Date: January 14, 2014

OPM PROCUREMENT STANDARDS

[Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts](#) (PDF, 474KB)

Revised: December 5, 2014

GUIDING PRINCIPLES TO GUIDE THE STATE-PRIVATE NONPROFIT PROVIDER PARTNERSHIP

These Partnership Principles are intended to promote a fair, effective, responsive, transparent, and accountable partnership between nonprofit providers and their state government funders to facilitate a sustainable human services system.

These Partnership Principles are as follows:

- All contracted services are based on dynamic, data-driven systems;
- The selection processes for contracted providers are transparent and competency-based;
- Contract terms and renewals are based on the community's best interest and performance;
- Contract amounts and timely payments are critical to maintaining a viable system;
- Reporting and monitoring promote efficiency and accountability;
- There is open communication and mutual accountability which are critical for government agencies and nonprofit providers to fulfill their shared commitment to the public good.

PRIOR COMMISSION AND CABINET REPORTS

The Commission on Non-Profit Health and Human Services was the predecessor to the Governor's Cabinet on Nonprofit Health and Human Services. The Governor's Cabinet has built on the work of the Commission.

Commission on Non-Profit Health and Human Services

The Commission was created by Special Act 10-5 to analyze the funding provided to non-profit providers of health and human services under purchase of service contracts.

Final Report: March 31, 2011:

http://www.ct.gov/opm/lib/opm/finance/hhs_commission/final_report_commission_on_nonprofit_health_and_human_services.pdf

Governor's Cabinet on Nonprofit Health and Human Services

The Governor's Cabinet on Nonprofit Health and Human Services was established in September of 2011 to analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability, and sustainability.

The Cabinet serves as a vehicle for providing critical, up-to-date information for nonprofit health and human service providers and a venue to promote "best practices."

Final Report: October 1, 2012:

http://www.ct.gov/opm/lib/opm/assets/temp/governors_np_cabinet_annual_report_final_2012-10-01.pdf

Final Report: December 1, 2013:

http://www.ct.gov/opm/lib/opm/secretary/hhs_cabinet/12-1-13_final_report_-_governors_cabinet_on_nonprofit_health_and_human_services.pdf

RETENTION OF UNEXPENDED FUNDS

The 2013 Report of the Governor's Cabinet on Nonprofit Health and Human Services recommended that nonprofit provider agencies be allowed to retain unexpended funds.

The Cabinet endorsed the same recommendation in 2014, framing the recommendation as a positive "business practice." In addition, the Cabinet supported continued analysis of revenue retention pilot programs for contractors of the Departments of Developmental Services and Mental Health and Addiction Services.

2013 Cabinet Recommendation for Retention of Unexpended Funds

It is recommended that:

- a. State agencies and providers will continue to collaboratively develop outcome, performance and performance monitoring systems that will enable a greater level of budgetary flexibility including retaining a portion of unexpended funds.
- b. In the interim:
 - i. State agencies may work with providers to allow state funds to be spent first, provided there are no federal or other matching requirements.
 - ii. Providers will continue to submit fiscal and programmatic reports in accordance with current contractual requirements. Providers and state agencies will continue to discuss these reports and other matters and adjustments will be made as needed.
 - iii. Providers will submit the 8 month report as currently, in regard to which:
 - a. State agencies, in consultation with the provider, may direct spending changes based on fiscal and other reports.
 - b. State agencies and providers may continue to seek, through the budget revision process, to repurpose projected unexpended funds for one time purposes important to the program and provider.
- c. Year-end reconciliation
 - i. Cost reconciliation will continue to occur at the same level that cost reconciliation currently occurs (i.e. program, SID, etc) for each contract.

- ii. If there are unexpended funds and if State agency determines that the provider has complied with contractual and other service delivery requirements, then:
 - o The provider may retain 50% of the unexpended funds
 - o The retention amount shall be capped at 10% of the funds received by the provider (at the program, SID or other level to be reconciled).

Note: Unexpended amounts resulting from a failure to make certain expenditures or fill positions as directed by a state agency may not be included in the calculation of the provider retention amount.

- iii. Federal funds will follow federal rules
- iv. Unexpended funds retention would not apply in the first year of a new program.
- d. In cases of budget deficits, unexpended funds retention may be suspended for a particular fiscal year by the Secretary of OPM or as part of an agency deficit mitigation plan.

REVENUE RETENTION PILOT PROGRAMS

The 2014 Cabinet report recommends assessing the Department of Developmental Services and Mental Health and Addiction Services plans for revenue retention pilots.

Statutory references:

P.A. 14-47: AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2015 established a pilot program for revenue retention for DMHAS POS contractors and continued the pilot for DDS POS contractors established during the 2013 legislative session.

Sec. 13. Section 34 of public act 13-184 is repealed and the following is substituted in lieu thereof (Effective July 1, 2014):

(a) For all allowable expenditures made pursuant to a contract subject to cost settlement with the Department of Developmental Services by an organization in compliance with performance requirements of such contract, one hundred per cent, or an alternative amount as identified by the Commissioner of Developmental Services and approved by the Secretary of the Office of Policy and Management, of the difference between actual expenditures incurred and the amount received by the organization from the Department of Developmental Services pursuant to such contract shall be reimbursed to the Department of Developmental Services during the fiscal year ending June 30, 2014, and the fiscal year ending June 30, 2015.

(b) (NEW 2014) For expenditures incurred by nonprofit providers with purchase of service contracts with the Department of Mental Health and Addiction Services for which year-end cost reconciliation currently occurs, and where such providers are in compliance with performance requirements of such contract, one hundred per cent, or an alternative amount as identified by the Commissioner of Mental Health and Addiction Services and approved by the Secretary of the Office of Policy and Management and as allowed by applicable state and federal laws and regulations, of the difference between actual expenditures incurred and the amount received by the organization from the Department of Mental Health and Addiction Services pursuant to such contract shall be reimbursed to the Department of Mental Health and Addiction Services for the fiscal year ending June 30, 2015.

CABINET WORK GROUP FINAL REPORTS

Please follow the links below to read the final reports submitted by the Cabinet Work Groups. These and additional documents are posted on the Cabinet website:

<http://www.ct.gov/opm/cwp/view.asp?a=2998&Q=490946>

WORK GROUP ON CONTRACT PROCUREMENT AND ADMINISTRATION – FINAL REPORT

The charge of the Contract Procurement and Administration Work Group was to:

1. Recommend language changes to the Cost Standards:
 - a. Regarding fair rental for agency owned property, including costs of ongoing property management and the need for capital improvement reserves; and
 - b. To clarify that taxes or penalties incurred under the Affordable Care Act are not reimbursable expenses under the Cost Standards.
2. Review the status of the OPM Efficiency Project and make recommendations regarding future areas of focus.
3. Review the status of recommendations transmitted to OPM relating to the RFP and procurement process per the 2013 Report to the Governor.
4. Review the status of recommendations transmitted to OPM relating to modifications to the OPM Cost Standards per the 2013 Report to the Governor.
5. Identify additional areas of focus such as:
 - a. Payment reform;
 - b. Strategies for strengthening and supporting POS contractors in the POS system; and
 - c. Unfunded mandates.

Follow this link to view the full report:

http://www.ct.gov/opm/lib/opm/Work_Group_on_Contract_Procurement_Admin_10-22-14_BC.pdf

WORK GROUP ON BUSINESS PRACTICE – FINAL REPORT

The Business Practice Work Group explored business-related trends unfolding nationally in the delivery of social services. These trends could prove crucial in implementing many of the goals that have been articulated in past Cabinet reports because they are specific tools relating to data, measurement, and financial efficiency—all consistently recurring themes.

Follow this link to view the full report:

http://www.ct.gov/opm/lib/opm/Work_Group_on_Business_Practice_BC_10-22-14.pdf

Task #1: Identify models, best practices and incentives for collaboration and partnership among nonprofit organizations.

Work and Observations:

The Work Group has seen presentations, specifically from the Graustein Memorial Fund, and discussed efforts undertaken by the United Way of Connecticut and United Way of New Haven, all related to the positive impact that collaboration can have when applied in connection with an appropriate opportunity. Examples of collaboration fall across a continuum of models, from cooperation in a particular area to full integration of administrative and program consolidation. The general conclusion is that in the right circumstances, collaboration improves outcomes and can serve as a vehicle for all stakeholders to work toward shared goals on important community issues.

Task #2: Identify processes for streamlining nonprofit business practices using tools such as the Lean model

Work and Observations:

There was significant recurring discussion surrounding the benefits to the state and the nonprofit community when a concerted effort is made to examine opportunities for increased efficiency. Specific discussion was had regarding the usage of the Lean model within the State of Connecticut and the ability this model has on improving efficiency.

Task #3: Evaluate the potential for engaging in innovative or emerging business practices such as Social Impact Bonds and Social Enterprise.

Work and Observations:

Significant discussion was held regarding the new trends relating to social financing, specifically social impact bonds and the many ways in which social impact can be created, including through social enterprise and pay-for-success structures that reward services that are measured for both (i) success and (ii) financial impact. There are resources such as reSET available to the nonprofit community to encourage the use of B-corporations and enhance social enterprise, and resources at DECD to help the nonprofit community create or maintain jobs.

Task #4: Make recommendations on the technical resources that nonprofit organizations need in order to collect and analyze data that will drive performance delivery and budget decisions.

Work and Observations:

There is an increasing national consensus that the usage of data and technology can help deliver better results and improve the social services sector. The Work Group witnessed presentations from several agencies, specifically the Judicial Branch Court Support Services Division (CSSD) and the Department of Children and Families (DCF), and was able to observe first hand some of the good work being done within the State of Connecticut to develop technology infrastructures that improve results and capture meaningful performance data. It was clear that the successful implementation of this task makes all the other Work Group tasks possible, as we need data, systems, and analysis in order to fully implement the other recommendations.

Additional Considerations: Consider the Business Practice Needs of Nonprofit Organizations

Work and Observations:

There was a great deal of discussion surrounding the financial pressures facing nonprofit organizations today. This discussion tied in many of the concepts under consideration relating to measurement and financial impact. There was a consensus within the group that increased awareness by the public and government regarding the financial pressures that are felt by the nonprofit community would greatly benefit the community at large. In advocating that the State view nonprofit organizations as businesses, we would do well to demonstrate the economic impact of our services and the value to the community.

WORK GROUP ON NONPROFIT EMPLOYMENT DATA – FINAL REPORT

The charge of the Nonprofit Employment Data Work Group was to:

1. Work with the Department of Labor (DOL), Office of Policy and Management (OPM), and relevant state agencies to collect data on the Purchase of Service (POS) and the Judicial Branch Court Support Services Division's (CSSD) contracted workforce in the nonprofit sector.
2. Assess and report on a process to develop and implement a statewide data system that captures nonprofit sector workforce needs and trends.
3. Assess the impact of wage/pay equity, specifically as it relates to the predominately female workforce employed by nonprofit organizations, building on the work of the Gender Wage Gap Task Force.
4. Coordinate linkages between the Cabinet and other venues that relate to the nonprofit workforce, including:
 - a. the State Innovation Model (SIM) and its Work Group Task Force, and
 - b. the Veteran's Cabinet.
5. Provide recommendations to the Cabinet about the current workforce and areas for future enhancement.

In addition, the Work Group adopted a mission:

To identify current and trend data that will provide nonprofit organizations with information they can use to strengthen their organization as well as inform public policy to increase viability and sustainability.

The Work Group also identified the following outcomes as indicators of success in achieving its charge:

- Compile data to support decision-making and policy recommendations to develop the workforce to benefit the state and local economy.
- Identify core competencies that can be used to make recommendations for career pathways and to create a model that can be used by any organization to support staff development.
- Identify demographic information on this workforce.
- Change the philosophy on how nonprofit organizations are perceived by reimagining and rebranding.

Follow this link to view the full report:

http://www.ct.gov/opm/lib/opm/Work_Group_on_Nonprofit_Employment_Data_10-22-14_BC.pdf

RESOURCES

NONPROFIT EMPLOYMENT DATA

Definitions

The United States adopted the North American Industry Classification System (NAICS) and the Standard Occupational Classification (SOC) as the standard industrial and occupational classification systems to be used by all Federal statistical agencies to provide a means of comparing data across agencies. The NAICS code is a broad industry code used to classify establishments with employees. This report primarily uses information related to NAICS 62, which is the Health Care and Social Assistance industry. The SOC system references more specific job functions within the larger industry classification system, and would include titles such as “Social and Community Service Managers” (SOC: 11-9151) or “Home Health Aides” (SOC: 31-1011).

Research Data on the Nonprofit Sector

The United States Bureau of Labor Statistics developed research data on employment, wages, and establishment figures for nonprofit institutions. This information can be found online at: <http://www.bls.gov/bdm/nonprofits/nonprofits.htm>

Occupation Information, National Data

O*NET OnLine is sponsored by the United States Department of Labor, Employment & Training Administration. This resource provides a comprehensive look at occupations by detailing core competencies, education requirements, description of duties, and additional information. This resource can be found online at: <http://www.onetonline.org/>

Occupation Information, Connecticut Data

The Connecticut Department of Labor, Office of Research provides a detailed look at specific occupations, including job descriptions, educational and license requirements, wage rates, and employment outlook. In this report, we looked at information using the following occupation codes and titles: (Links will open the associated Occupation Profile webpage found at the CT Department of Labor website)

[11-1011 – Chief Executives](#)

[11-9151 – Social and Community Service Managers](#)

[21-0000 Community and Social Service Occupations](#)

[21-1011 Substance Abuse and Behavioral Disorder Counselors](#)

[21-1021 Child, Family, and School Social Workers](#)

[31-1011 Home Health Aides](#)

[21-1093 Social and Human Service Assistants](#)

[39-9021 Personal and Home Care Aides](#)

A compilation of the description, areas of knowledge needed, required skills, and education & training requirements of the above occupations can be found as a PDF on the Cabinet website, at the following link:

http://www.ct.gov/opm/lib/opm/Core_Competencies_Appendix.pdf

Wage Information

Connecticut Occupational Employment and Wages is a tool created by the Connecticut Department of Labor, Office of Research that provides accurate and meaningful wage information. Employers may find the data useful as a guide in analyzing pay scales; job seekers and students could utilize the information in making employment and career decisions; program planners should be aware of employment and wage levels in determining training programs to be offered. This tool can be found at the following link:

<http://www1.ctdol.state.ct.us/lmi/wages/statewide2014.asp>

The United States Bureau of Labor Statistics has an Occupational Employment Statistics data sort tool that allows you to find wage and employment data for specific occupations, and can be found here: http://data.bls.gov/oes/search.jsp?data_tool=OES

Recent Publications

American Association of Intellectual and Developmental Disabilities, Direct Support Workforce Supporting Individuals With IDD: Current Wages, Benefits, and Stability, Matthew D. Bogenschutz, Amy Hewitt, Derek Nord, and Renee Hepperlen:

<http://www.aaidjournals.org/doi/abs/10.1352/1934-9556-52.5.317>

SOCIAL ENTERPRISE AND SOCIAL IMPACT

Social Enterprise

reSet Social Enterprise Trust: <http://www.socialenterprisetrust.org/>

reSET, the Social Enterprise Trust, is a nonprofit organization whose mission is to promote, preserve and protect social enterprise as a viable concept and a business reality. reSET's strategic goal is to make Connecticut a hub of social enterprise, defined as businesses structured to solve social or environmental problems.

Social enterprise is a hybrid business model that harnesses the power of business to generate both purpose and profit. Social enterprises create solutions to our communities' social and environmental problems while at the same time driving economic growth by creating jobs and businesses.

Pay for Success/ Social Impact Bonds/ Social Impact Financing

Resources courtesy of the White House Office of Social Innovation and Civic Participation, in partnership with the Laura and John Arnold Foundation and Nonprofit Finance Fund

- [CNCS Social Innovation Fund: List of Requests for Proposals](#)
- [Harvard Kennedy School Social Impact Bond Lab Application for Technical Assistance](#)
- [Third Sector Capital Partners SIF Award Competition](#)
- [Webinar: Using Pay for Success to Address Racial Disparities in Child Welfare and Juvenile Justice](#) from the National Council on Crime & Delinquency (November 20th)
- [Webinar: Third Sector's SIF Pay for Success Competition](#) (November 21st)
- [Pay for Success Child Care Financing: Challenges and Opportunities](#) (Institute for Child Success)
- [Assessing Nonprofit Risk in PFS Deals](#) (Center for Employment Opportunities)
- [Foundations for Social Impact Bonds](#) (Social Finance U.S.)
- [Pay for Success Learning Hub](#)

LEAN

The State of Connecticut has adopted the Lean process improvement approach as a business strategy.

LeanCT is the program within the [Office of Finance](#) at the [Office of Policy and Management](#) (OPM) that is responsible for the daily management and coordination of Connecticut's statewide process improvement initiative.

The program assists state agencies in using organizational, process and programmatic improvement techniques, such as Lean, to help create a sustainable, customer-focused, and more efficient future for Connecticut.

The Governor's Cabinet has recommended that the Office of Policy and Management support the nonprofit community's capacity to utilize process improvement models by extending the state's Lean consulting contracts to nonprofit providers and that OPM identify cross-sector process improvement projects that can be jointly engaged in by state agencies and nonprofit organizations.

Follow this link to learn more about the Lean process, find resources, and the state's vendor contract: http://www.ct.gov/opm/cwp/view.asp?a=4595&q=538306&opmNav_GID=2162

2014 Cabinet Recommendations – Full List

The following recommendations were approved by the Cabinet on October 30, 2014.

1. The Business Practice Work Group should continue its work to compile and share a set of foundational components that support effective collaboration (include examples of successful collaborations).
2. The Business Practice Work Group should continue its work to gain a better understanding of existing practices that facilitate or discourage collaboration.
3. OPM should work with state agencies to identify opportunities for collaboration by strengthening relationships across state agencies in order to increase effectiveness and efficiency of working with nonprofit providers.
4. The Contract Procurement and Administration Work Group of the Cabinet should evaluate the effectiveness of the current criteria that drive re-procurement (timeframes, quality standards, cost thresholds), and make recommendations to improve those criteria if necessary.
5. The Contract Procurement and Administration Work Group of the Cabinet should encourage the involvement of nonprofit organizations in the development of the state's enterprise contract management system.
6. OPM should expand the scope and flexibility of the Nonprofit Collaboration Incentive Grant Program to better support the needs of nonprofit organizations.
7. The concept of using and supporting process improvement models should continue.
8. The nonprofit community's capacity to engage in the Lean model should be increased, through training and through the exploration of additional funding mechanisms.
9. That OPM identify cross-sector process improvement projects that can be jointly engaged in by state agencies and nonprofit organizations alike to facilitate the ease of working together.
10. That OPM work with state agencies to develop incentives for nonprofit organizations that have implemented a process improvement model (e.g. offer additional points on proposal scoring, technical assistance).

11. The continued development and implementation of Pay-for-Success models in the delivery of all services.
12. Support legislation that promotes use of Social Innovation Financing (such as Social Impact Bonds) and Pay-for-Success models in CT.
13. The nonprofit community expand efforts to use B-Corporations and Social Enterprise models.
14. DECD become a greater resource for nonprofit organizations developing social enterprises, with a focus on job creation.
15. Enhance the Small Business Express program so as to increase the participation of nonprofit organizations. Toward that end, consideration should be given to raising the threshold of the number of employees for eligibility and highlighting the positive economic benefits of nonprofit participation.
16. The Business Practice Work Group should compile and disseminate information about successful data management systems, including the common elements that exist in the more successful systems. (Highlight models such as the Department of Children and Families RBA Model, the Department of Social Services RBA Project, the Judicial Branch Court Support Services Division provision of technology, personnel and technical support, and the Department of Mental Health and Addiction Services Provider Dashboard, and share the inventory to help us frame and align the work between state agencies and nonprofit organizations).
17. The State assure funding to support nonprofit organizations that are required to provide data utilizing one or more state data systems.
18. The State develop resources to provide technical assistance to nonprofit organizations on how to analyze and use their data to improve services.
19. The Business Practice Work Group should work with the State's Open Data Portal to identify the information that nonprofit organizations would like to see on the Portal.
20. The Business Practice Work Group should identify the frameworks for performance measures that are currently being used, with the ultimate goal of agreement on a common framework for performance measures, allowing nonprofit organizations to group measures into like clusters and to evaluate contributions toward population results.

21. The Cabinet work to ensure that the provider voice is at the table for implementation of the State's data efforts, including the Department of Social Services legislative charge to develop healthcare data-sharing mechanisms across agencies.
22. The continued support of nonprofit provider capital needs through issuance of grants through the Nonprofit Grant Program.
23. The Cabinet reiterates its support for the 2013 Cabinet recommendation for "Retention of Unexpended Funds."
24. The State provide consistency in fees, competitive wage rates and true costs for doing business for nonprofit organizations contracting with the State.
25. The Community College system identify, publicize, and implement opportunities for nonprofit organizations and others to partner with community colleges that will allow for affordable educational opportunities and career paths, including:
 - A. Certificate Programs
 - B. Degree Programs
 - C. Continuing Education Trainings
 - D. Internships
26. The State of CT identify, publicize, and implement opportunities to create loan forgiveness programs for students pursuing degrees in the health and human service field.
27. The State of CT identify, publicize, and implement strategies to make child care and transportation more affordable for residents so as to increase the affordability of pursuing education and employment.
28. The State of CT develop budget recommendations in collaboration with the nonprofit sector that support the implementation of strategies across the nonprofit field to recruit, train, and retain staff in health and human service positions, including:
 - A. Paying a living wage,
 - B. Providing training and supports necessary for employees to move and grow along a career path,
 - C. Offering benefits to retain employees, including health care, retirement plans and life insurance,
 - D. Offering ongoing educational opportunities to promote advancement in the industry.

29. The State of CT identify, publicize, and offer leadership training opportunities for nonprofit providers through state training academies.
30. Develop and implement a standardized human services workforce data collection system for nonprofit organizations that draws from existing or enhanced contract information.
31. Cost Standards (OPM, 1/14/14 update)

A. Fair Rental Allowance: *SECTION 43. Rental b. Allowable Costs*

The Cabinet should address the issue of fair rental for agency-owned property, including costs of ongoing property management and the need for capital improvement under the Cost Standards.

- 1) Continue to appropriate bond funding directly for the Departments of Mental Health and Addiction Services, Children and Families and Developmental Services for health, safety code and capital projects.
- 2) Consider appropriating bond funds to the Department of Correction for health and safety code projects for its community providers.

B. Affordable Care Act: *SECTION 49. TAXES b. Allowable Costs, c. Unallowable Costs*

Charge: To clarify that taxes or penalties incurred under the Affordable Care Act are not reimbursable expenses under the Cost Standards

Work Group: No recommendation. Cost standards provide sufficient detail about allowable and unallowable costs.

32. Nonprofit Grant Program

Public Act 14-98 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS (Effective July 1, 2014) authorized “grants-in-aid to private, nonprofit health and human service organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, and that receive funds from the state to provide direct health or human services to state agency clients, for alterations, renovations, improvements, additions and new construction, including health, safety, compliance with the Americans with Disabilities Act and energy conservation improvements, information technology systems, technology for independence, and purchase of vehicles and acquisition of property.”

- A. While the Office of Policy and Management shall continue to manage the overall Nonprofit Grant Program application and selection process, State Purchase of Service (POS) agencies shall be given an enhanced role in reviewing and providing feedback on projects primarily impacting their clients.

33. Modifications to DDS Residential Revolving Loan Program

P.A. 14-231 AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING VARIOUS REVISIONS TO THE PUBLIC HEALTH STATUTES allows the Department of Developmental Services (DDS) to enter into a memorandum of understanding with the Connecticut Housing Finance Authority (CHFA) to administer the DDS "residential facility revolving loan program."

"Under the program, DDS makes loans to private nonprofit organizations for purchasing, building, and renovating community-based facilities for individual with intellectual disabilities or autism spectrum disorder. Existing law already allows Department of Developmental Services to administer the program through a contract with a state-wide private nonprofit housing development corporation organized for the purpose of expanding independent living opportunities for individuals with disabilities."(Office of Legislative Research summary)

- A. The Department of Developmental Services, Department of Social Services and the Connecticut Housing Finance Authority should review and considering revising the 6% interest rate for the loan program to more closely reflect market rates
- B. The Department of Developmental Services, Department of Social Services and the Connecticut Housing Finance Authority should review the timeliness of when the first loan payment is scheduled to be paid and when the corresponding increase to the provider's room and board rate is effective. The Departments should consider changing the two effective dates to be more aligned with each other.
- C. For capital projects requested to be completed over a specified amount and time period, Department of Developmental Services and the Connecticut Housing Finance Authority should consider developing a process to reimburse providers based on an identified payment plan based on completion targets.

34. Restore and streamline Contract RFP and Procurement “Debriefing and Appeal Process” (*added by Cabinet co-chairs Edelstein and DeBiasi*)

The Work Group was charged with reviewing the status of recommendations transmitted to OPM relating to the RFP and procurement process per the 2013 Report to the Governor. Most of the recommendations were accepted in full, although language was updated to meet legal sufficiency. During these updates the “debriefing and appeal process” was eliminated.

- A. The Work Group recommends that the “debriefing and appeal” process be restored utilizing a simplified process. This process takes into account the fact that the Contracting Standards Board is the final source of appeals.

35. Recommendation for Future Work:

A. Affordable Care Act

- 1) Compile data regarding the cost of providing healthcare to employees of nonprofit organizations.
- 2) Compile information regarding the strategies utilized by nonprofit providers in payment of these costs.
- 3) Recommend strategies for reimbursing nonprofit providers for these costs.

B. Revenue Retention

P.A. 14-47: AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2015 established a pilot program for revenue retention for DMHAS POS contractors and continued the pilot for DDS POS contractors established during the 2013 legislative session.

- 1) The Work Group will assess the Department of Developmental Services plan for revenue retention.
- 2) The Work Group will evaluate the framework of the Department of Mental Health and Addiction Services plan.
- 3) The Work Group will report on both to the Cabinet.

C. Access To Private Market Capital, e.g. Repair Funds, Capital Loans

Because nonprofit providers report having increasing difficulty accessing capital, the Work Group recommends that it ascertain the extent of the problem by creating a survey to be distributed by the Governor's Nonprofit Liaison and trade associations to nonprofit providers/members for the purpose of collecting data about access to capital. It is recommended that this survey be completed by February 17, 2015, and – based on results – acted upon by July 1, 2015.