



General Assembly

January Session, 2013

Raised Bill No. 854

LCO No. 3011



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

AN ACT CONCERNING SOCIAL INNOVATION INVESTMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-68aa of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2013*):

3 (a) As used in this section:

4 (1) "Savings" means a reduction in state expenditures, as defined in
5 an outcome-based performance contract;

6 [(1)] (2) "Secretary" means the Secretary of the Office of Policy and
7 Management, or the secretary's designee;

8 [(2)] (3) "Social innovation investment enterprise" means an entity
9 created to coordinate the delivery of preventive social programs by
10 nonprofit service providers, which has the capability of creating a
11 social investment vehicle, entering into outcome-based performance
12 contracts and contracting with service providers;

13 [(3)] (4) "Social investment vehicle" means an investment product

14 established by a social innovation investment enterprise to raise
15 private investment capital; and

16 [(4)] (5) "Outcome-based performance contract" means a contract
17 entered into between the secretary and a social innovation investment
18 enterprise that establishes outcome-based performance standards for
19 preventive social programs delivered by nonprofit service providers
20 and provides that investors in any social investment vehicle shall
21 receive a return of their investment and earnings thereon only if
22 outcome-based performance standards are met by the social
23 innovation investment enterprise.

24 (b) The secretary may enter into an outcome-based performance
25 contract with a social innovation investment enterprise [for the
26 purpose of accepting a United States Department of Justice fiscal year
27 2012 Second Chance Act Adult Offender Reentry Program
28 Demonstration Category 2 Implementation grant. The outcome-based
29 performance contract between the secretary and a social innovation
30 investment enterprise may provide for payments from the social
31 innovation account, established pursuant to subsection (d) of this
32 section, to the social innovation investment enterprise or to investors
33 or to both.] based on a written proposal deemed sufficient by the
34 secretary to demonstrate that savings will be generated by the social
35 innovation investment enterprise through the accelerated delivery of
36 preventive social programs within the state.

37 (c) The secretary shall comply with the provisions of section 4e-16
38 relating to privatization contracts when entering into an outcome-
39 based performance contract with a social innovation investment
40 enterprise pursuant to this section.

41 (d) There is established an account to be known as the "social
42 innovation account" which shall be a separate, nonlapsing account
43 within the General Fund. The account shall contain any moneys
44 required by law to be deposited in the account. Any interest accruing

45 to the account shall be credited to the account. Moneys may be
46 transferred to the account from the General Fund. [Moneys in the
47 account shall be expended by the Secretary of the Office of Policy and
48 Management for the purposes of facilitating the reentry of moderate
49 and high-risk offenders into the community.] The outcome-based
50 performance contract between the secretary and a social innovation
51 investment enterprise may provide for payments from the social
52 innovation account to the social innovation investment enterprise or to
53 investors, or both. The secretary may apply for and accept gifts, grants
54 or donations from public or private sources to enable the account to be
55 a source of payments to investors purchasing interests in a social
56 investment vehicle.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	4-68aa

Statement of Purpose:

To allow for the funding of a wider array of preventive social programs through outcome-based performance contracts.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]