



General Assembly

February Session, 2014

Raised Bill No. 105

LCO No. 985



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 Section 4-68aa of the general statutes is repealed and the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, 2014*):

3 (a) As used in this section:

4 (1) "Savings" means a reduction in state expenditures, as such
5 expenditures are defined in 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 purpose
26 of [accepting a United States Department of Justice fiscal year 2012
27 Second Chance Act Adult Offender Reentry Program Demonstration
28 Category 2 Implementation grant. The outcome-based performance
29 contract between the secretary and a social innovation investment
30 enterprise may provide for payments from the social innovation
31 account, established pursuant to subsection (d) of this section, to the
32 social innovation investment enterprise or to investors or to both] a
33 child well-being early intervention and prevention program. The
34 outcome-based performance contract shall be based on a written
35 proposal deemed sufficient by the secretary that demonstrates savings
36 will be generated by the social innovation investment enterprise
37 through the accelerated delivery of preventive social programs within
38 the state.

39 (c) Any outcome-based performance contract entered into by the
40 secretary, pursuant to the provisions of this section, shall include, but
41 not be limited to, requirements that: (1) Payment be conditioned on the
42 achievement of specific, quantifiable outcomes based on defined
43 performance benchmarks; (2) an independent evaluator shall
44 determine whether the performance benchmarks have been achieved;
45 and (3) a fiscal analysis be completed by the secretary as to projected

46 savings in specific governmental service areas related to achievement
47 of specific, quantifiable performance benchmarks.

48 (d) After entering into an outcome-based performance contract with
49 a social innovation investment enterprise, the secretary shall present
50 the terms and conditions of the contract, along with an executed
51 summary of the agreement, to the joint standing committees of the
52 General Assembly having cognizance of matters relating to human
53 services and appropriations and the budgets of state agencies so that
54 said committees are fully apprised of (1) the social innovation
55 investment for which the contract is being entered into, (2) the
56 performance measures being used, and (3) the future financial
57 implications particularly as they pertain to projected appropriations
58 necessary for fiscal years subsequent to the current biennium to fund
59 the social innovation account established under this section. In
60 addition, for each outcome-based performance contract entered into
61 pursuant to this section, the secretary shall report annually during the
62 contract period and within six months after the conclusion of the
63 contract period on the status of such contracts to the joint standing
64 committees of the General Assembly having cognizance of matters
65 relating to appropriations and the budgets of state agencies and
66 human services. Such reports shall include information on (A) the
67 achievement by the nonprofit service provider of specific, quantifiable
68 outcomes based on defined performance benchmarks as determined
69 by an independent evaluator; (B) returns on investment for the social
70 innovation investment enterprise; and (C) fiscal analyses of savings
71 achieved in specific governmental service areas related to the
72 achievement of specific, quantifiable performance benchmarks.

73 [(c)] (e) The secretary shall comply with the provisions of section 4e-
74 16 relating to privatization contracts when entering into an outcome-
75 based performance contract with a social innovation investment
76 enterprise pursuant to this section.

77 [(d)] (f) There is established an account to be known as the "social

78 innovation account" which shall be a separate, nonlapsing account
79 within the General Fund. The account shall contain any moneys
80 required by law to be deposited in the account. Any interest accruing
81 to the account shall be credited to the account. Moneys may be
82 transferred to the account from the General Fund. Moneys in the
83 account shall be expended by the [Secretary of the Office of Policy and
84 Management for the purposes of facilitating the reentry of moderate
85 and high-risk offenders into the community.] secretary to provide
86 payments to the social innovation enterprise, investors or both in
87 accordance with the terms of an outcome-based performance contract.
88 The secretary may apply for and accept gifts, grants or donations from
89 public or private sources to enable the account to be a source of
90 payments to investors purchasing interests in a social investment
91 vehicle.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	4-68aa

Statement of Purpose:

To promote the well-being of vulnerable children via a social innovation enterprise grant.

[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.]