Bill No.: SB-945
Title: AN ACT CONCERNING THE INNOVATION INCENTIVE PROGRAM FOR NONPROFIT PROVIDERS OF HUMAN SERVICES.
Vote Date: 3/21/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/7/2019
File No.: 

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SPONSORS OF BILL:
Human Services Committee

REASONS FOR BILL:

Senate bill No. 945 would provide a financial incentive for nonprofit providers to provide cost-efficient and innovative state-funded human services by allowing them to keep a percentage of savings from the contracted cost and reinvest the savings in services.

Proposed Substitute Bill No. 945 allows providers with state contracts worth up to $5 million to be eligible for a program allowing them to keep a negotiated percentage of savings over contract costs.

RESPONSE FROM ADMINISTRATION/AGENCY:

Melissa McCaw, Secretary of the Office of Policy and Management, State of CT; opposes the bill. The Secretary stated the following concerns of the bill as written. Equitably selecting eight non-profit agencies to participate in the pilot program would be a challenge. The bill doesn’t indicate an end. The bill would require fifty percent of the savings be used to expand services however it doesn’t state how an agency would fund the expansion in subsequent years or consider if an agency cannot fully expand a service. OPM is suggesting taking no action on this bill or consider other language changes similar to H.B. 7148.

NATURE AND SOURCES OF SUPPORT:

Pam Fields, CEO for MidState Arc, Inc.; supports the bill. The Innovation Incentive Program is a creative way to help nonprofits invest in system change upgrades such as new software, assisted technology, IT equipment and training which will help an agency stay current.
Roberta J. Cook, President and CEO of BHcare; supports the bill. S.B. 945 builds upon Public Act 17-122 by requiring the implementation of the program and expanding the program to more non-profit agencies. In addition, the program would allow non-profits to be able adjust for turbulent financial times.

Shannon Jacovino, Director of Advocacy and Public Policy, The Arc Connecticut; in support of this legislation with slight language changes which would allow for those providers between one and five million dollars.

Alyssa Goduti, President and CEO of Adelbrook Behavioral and Developmental Services; supports the bill. Unlike any other businesses state contracted non-profit providers are required to return any unused funds back to the state at the end of the fiscal year. Incentivizing innovation is an important concept in strengthening successful nonprofits.

Selma Ward, CFO at Perception Programs in Willimantic; supports the bill. As a fiscally prudent agency being able to utilized surplus funds at the end of a year allows the agency to best address client or programmatic needs.

William J. Hass, President & CEO of the CT Council of Family Service Agency; supports the bill. The implementation and expansion of the Innovation Incentive Program would help agencies to sustain critical services, assist in replacing lost funding and reward high performing non-profits for their efficiencies.

Brunilda Ferraj, Director of Policy and Research and Organizational Initiative at the CT Community Nonprofit Alliance (Alliance); supports the bill with minor language changes.

Marek Kukulka, CEO, Catholic Charities, Inc; in support of this legislation.

Sandra Lavoy, Sr. Vice President, CW Resources; in support of this legislation.

Heather Gates, President and CEO of Community Health Resources (CHR); supports the bill. Expanding and implementing the Innovation Incentive Program would promote efficiencies and allow agencies to build stronger financial infrastructures.

Stan Soby, Vice President for Public Policy and External Affairs at Oak Hill; supports the bill. Current contract requirements is counterproductive and a disincentive for nonprofit agencies and has not been sustaining for the state’s nonprofits. The bill would allow nonprofits to be able to create more stable fiscal planning.

Sarah C. Prout, The ARC of Litchfield County, Inc.; supports the bill. The bill would allow nonprofits to invest and grow.

**NATURE AND SOURCES OF OPPOSITION:**

No sources of opposition were submitted on this legislation.

Reported by: Eileen Bronko Date: 03/26/18