OLR Bill Analysis
sSB 898

AN ACT ESTABLISHING THE HISPANIC AND FELLOW COMMUNITIES OF COLOR NONPROFIT STABILIZATION AND GROWTH FUND.

SUMMARY

This bill establishes, within available appropriations, the "Hispanic and Fellow Communities of Color Nonprofit Stabilization and Growth Fund" as a separate nonlapsing fund. The fund must be used to build the capacity of eligible community-based organizations to provide services by helping such organizations improve operational efficiencies through performance-based metrics and the adoption of long-term fiscal sustainability strategies. It permits the fund to be used to make grants-in-aid authorized under the bill and for administrative expenses.

The fund must contain money (1) from the General Fund traditionally appropriated to the Department of Social Services (DSS) for human resources development contracts serving Hispanic persons and communities of color (see BACKGROUND) and (2) required by law to be deposited into the fund. The bill appropriates $1.5 million from the General Fund to the new fund for FYs 20 and 21.

The bill explicitly states that its provisions cannot be construed to infringe upon any contract in effect when the bill passes between DSS and a community-based organization providing services to Hispanic persons and fellow communities of color.

EFFECTIVE DATE: Upon passage

FUND ADMINISTRATION
The bill authorizes the DSS Commissioner to contract with a nonprofit organization to administer the fund, provided such organization has (1) at least 15 years of experience coordinating advocacy, service and outreach efforts for Hispanic charitable organizations that support Hispanic persons, and (2) a proven track record of establishing networks with non-Hispanic organizations that provide services to fellow communities of color (i.e., nonwhite Hispanic, African-American or Asian Pacific-American). Under the bill, the commissioner may give preference to an organization with experience successfully administering a similar fund.

Under the bill, the commissioner must require the nonprofit fund administrator to: (1) establish a competitive procurement process through annual requests for proposals (RFPs) to eligible community-based organizations, (2) establish a results-based contract evaluation system that includes goals that organizations must meet in order to be considered for contract renewal, and (3) meet goals established by the commissioner for administration of the fund, including annual reporting on fund expenditures and compliance with administrative expense limitations.

**ELIGIBILITY FOR FUNDS**

The bill defines "eligible community-based organization" as an organization that:

1. has a 501(c)(3) nonprofit tax-exemption;

2. has been an incorporated nonprofit for at least three years;

3. is Connecticut-based and a direct provider of human services;

4. serves a population that is comprised of 51% or more Hispanic persons or non-Hispanic communities of color;

5. is led by a Hispanic, African-American or Asian Pacific-American chief executive officer or is governed by a board with a majority of members who are Hispanic, African-American or Asian Pacific-American; and
6. has an annual operating budget of at least $150,000.

It requires RFPs issued by the fund administrator to state that preference must be given to eligible community-based organizations that have annual budgets of less than one million dollars and offer culturally competent, language accessible services (i.e., services that effectively meet the recipient’s social, cultural, and linguistic needs in the recipient’s own language).

**USE OF FUNDS**

The bill requires the fund to be used to provide grants to eligible community-based organizations to support capacity building, training, and technical assistance opportunities in:

1. financial management, including financial planning, budget development, fiscal monitoring, and cash flow analysis;

2. board development, including establishing board committees, a fundraising board, and conducting professional board meetings;

3. fund development, including gift solicitation and event planning;

4. nonprofit management and leadership training;

5. information technology;

6. collaborations and merger planning; and

7. results-oriented outcome training, including development of progress metrics and performance tracking tools.

**FUND ALLOCATION**

The bill establishes an allocation panel to determine which community-based organizations are grant-eligible. The panel must consist of at least seven members including DSS representatives, the nonprofit fund administrator, and at least two members of the communities to be served by the grant proposal. It also allows the executive director of the Commission on Equity and Opportunity to
name a representative. The bill requires the chosen nonprofit fund administrator to forward information on community-based organizations that are grant-eligible to the social services commissioner, who has final approval over the awarding of a contract. Organizations awarded such grants must, within the grant period, (1) submit progress reports as required to the commissioner, (2) assign a person in a position of leadership at the organization and at least two staff members to annually attend three seminars on organizational topics presented by the fund administrator, and (3) agree to site visits as scheduled by the fund administrator.

REPORTING

By September 1, 2020, the commissioner must submit a report to the Appropriations and Human Services committees on (1) the number of community-based organizations awarded grant contracts under the fund, (2) whether and how the fund has improved the capacity of community-based organizations to meet needs, (3) the performance of the fund administrator, and (4) a recommendation on whether the fund should continue, and any necessary appropriations.

BACKGROUND

*Human Resource Development - Hispanic Programs Account*

In practice, funds from the Human Resource Development - Hispanic Programs account within DSS have been used to support direct client services such as English as a second language classes, employment services, a certified nurse’s aide program, client advocacy, literacy training, and service plan development to achieve goals such as permanent housing and substance use disorder treatment.

COMMITTEE ACTION

Human Services Committee

Joint Favorable
  Yea  17   Nay  1   (03/07/2019)