

# Governor's Cabinet on Nonprofit Health and Human Services

NOVEMBER 4, 2015

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# Agenda

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- 1.) Welcome and Announcement
- 2.) Introductions
- 3.) Approval of Minutes of 6/12/15 Cabinet Meeting
- 4.) Work Group Report Outs
  - i.) Work Group Process Overview
  - ii.) Nonprofit Employment & Training Work Group
  - iii.) Business Practice Work Group
  - iv.) Contract Procurement and Administration Work Group
- 5.) Recommendation on Governor's Nonprofit Grant Program
- 6.) Nonprofit Collaboration Incentive Grant
- 7.) Other Business
- 8.) Adjournment

# 2015 WORK GROUP REPORTS

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## **Nonprofit Employment & Training Work Group**

# Employment & Training Work Group - Charges

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**Develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions**

In conjunction with BOR identify training and supports necessary for employees to move along a career path and to promote advancement in the industry

Develop recommendations regarding tuition remission for employees of nonprofit organizations

# Employment & Training Work Group

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Provide guidance in the rollout of Second Chance Society initiatives to engage nonprofit participation (in conjunction with OPM)

Provide guidance in rollout of “Working Cities Challenge” (in conjunction with OPM)

# Employment & Training Work Group – Action Items

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## ❖ Training and Staffing – Sandy Porteus

- Develop a plan for best practices and how to achieve goals, maintain compliance and collaboration efforts.

## ❖ Second Chance Society – Maureen Price-Boreland

- Measure nonprofit culture/climate as it relates to willingness to hire ex-offenders through the collection and analysis of data with regard to hiring practices, policies and contract requirements to make recommendations for future practices.

## ❖ Education and Outreach – Rick Pittman

- Cultivate outside and shared resources to provide and augment training.
- Vet other state programs as potential models.

# 2015 WORK GROUP REPORTS

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## **Business Practice Work Group**

# Business Practice Work Group

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## Business Models

### **Promulgate information about Pay for Success/ Social Innovation:**

- Reviewed Current Pay for success models
  - Social Impact Bonds (require legislation in CT) looking at models in other states that do not require legislation; public bonds and CRA credits.
  - B- corporations
  - Social Enterprise

Pay for Success models depend upon high-level effectiveness data

Committee will collect pertinent information, add to Non Profit Tool Kit

# Business Practice Work Group

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**Work with Department of Economic and Community Development (DECD) to expand access to capital and technical assistance.**

Met with DECD to learn about Small Business Express Program (SBEP)

SBEP- provides small businesses with various forms of financial assistance (loans and grants).

The incentive is to help businesses with fewer than 100 FT employees to grow; create jobs.

# Business Practice Work Group

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Cont.: DECD

- DECD has provided assistance to many nonprofit organizations.
- DECD's goal is to help small businesses to be successful.
- Committee will include DECD's SBEP Procedures and Guidelines in the Nonprofit Toolbox.

# Business Practice Work Group

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## OPM Cont.

Work with OPM Office of Statewide Organizational Effectiveness to boost nonprofit access to process improvement training and technical assistance

Committee met with OPM representatives to discuss Process Improvement initiatives in CT

State of CT has implemented the LEAN model and each State agency has completed at least one project.  
Information on the OPM Website

DDS has urged their providers to implement this model and in some cases do the project jointly with DDS.

# Business Practice Work Group

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## Resources for training non profits in the LEAN Model:

OPM will offer up to 10 training slots twice a year to nonprofit staff for LEAN 101

OPM suggested that other resources could be negotiated with state agencies should a program have unexpended funds. Full LEAN training is 5 days and cost approx. \$12,000.

Department of Corrections has offered LEAN Training to their nonprofit providers.

# Business Practice Work Group

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**Compile and share a set of foundational components that support effective collaboration :**

Each Committee will provide materials on the topic of **Collaboration**

The Committee will select the pertinent materials and include them in the Nonprofit Toolbox.

# Business Practice Work Group

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## Human Resources

**Make recommendations regarding human resource innovations that support nonprofit organizations .**

Just started to gather information on this topic. Will consult with HR professionals who can inform the group.

# Business Practice Work Group

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## Technology

Make recommendations regarding technology resources that support nonprofit organizations

Staff from the CT Center for Advanced Technology will be presenting at the November subcommittee meeting to add to the discussion about resources for nonprofits

# Business Practice Work Group

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## Data

Compile and disseminate information about successful data management systems

- Inventory of data systems across Judicial Branch/CSSD and DOC contract management systems demonstrated the fragmentation of systems utilized by state employees and nonprofits
- The subcommittee is conducting an inventory of data management systems to better understand the scope within and across state government agencies and branches

# Business Practice Work Group

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## Data

Work with the State's Open Data Portal

<https://data.ct.gov/>

- The group has had an initial discussion about the relevancy of the Portal project; more work to come in this area.

# Business Practice Work Group

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## Data

Identify effective frameworks for tracking and analyzing performance measures

- The subcommittee has learned about the *Benchmarks for a Better Vermont* project and will be exploring more information for use in CT.
- The subcommittee has also reviewed the previous Cabinet work on Population Results Statement and Indicators
- Discussion has focused on the need for state agencies and nonprofits to better define how we want to measure the successes of our work

# Business Practice Work Group

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## Data

Recommend how increased technical assistance can be provided to nonprofit organizations so as to improve their data analysis to drive service improvement

- Representatives from the nonprofit sector have shared experiences with pooled data systems to provide a foundation for data analysis; more work to come in this area.

# Business Practice Work Group

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## **Common Themes:**

Recognition of Nonprofits as businesses- talk about the value of our work as it affects the economy (12% of CT's economy).

The importance of high-quality data as access to Pay for Success funding.

# 2015 WORK GROUP REPORTS

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## **Contract Procurement and Administration Work Group**

# Contract Procurement and Administration Work Group

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## Assess Revenue Retention Pilots

- Pilots for DMHAS and DDS have not been implemented at this point.
- **We recommend adopting the 2013 proposal for revenue retention adopted by the Cabinet.**
- That recommendation includes regular reporting of funds expended versus contracted, communication between state agency contract administrators and providers and the ability to retain up to 50% of unexpended funds as “savings reinvestment.”

# Contract Procurement and Administration Work Group

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## Survey Access To Private Market Capital

- We recognize that access to private market capital is a challenge for some nonprofits, particularly those that are primarily state funded.
- Assess the cost of healthcare on nonprofit organizations  
Data is available from CT Nonprofits benefit survey demonstrating the growing costs of healthcare for nonprofit businesses.
- Surveys may be developed and administered once a new Nonprofit Liaison is in place or as part of a broader Cabinet survey combining questions from each workgroup.

# Contract Procurement and Administration Work Group

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Review and report on status of nonprofit bonding:

- Nonprofit Collaborative Incentive Grant
  - \$5M pool over 3 rounds with the goal of creating incentives for collaboration. Funding has been fully obligated. Interest grew with each application round and requests in the final round were more than available resources.
  - Funds distributed have supported joint technology ventures, training initiatives and co-location of programs. They've improved quality of services and supported collaborations that wouldn't have occurred without this incentive.
  - **We recommend another round of \$5M in the Nonprofit Incentive Grant Program in FY16.** Any opportunity to support collaboration will benefit the system. We recommend streamlining the application process to allow for rolling applications and quicker distribution of funding.

# Contract Procurement and Administration Work Group

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Review and report on status of nonprofit bonding:

- Nonprofit Grant Program:

- Originated in 2013 to support infrastructure needs of nonprofit providers. \$20M allocated in both FY14 and FY15. Due to the high volume of requests, an additional \$30M was added to FY15, bringing the total funding to \$70M for the program.
- The FY16 and FY17 budgets include \$10M in each year for the Nonprofit Grant Program.
- In FY14 – 146 Projects were funded
- In January 2015 – An additional 130 projects were funded.
- In Round 3 (Summer 2015), 144 applications were received totaling \$122M in requests. Total funding available is \$30M. Funding announcements are expected to be made by 11/20/15 for project funding in January 2016.
- Significant infrastructure needs have been identified through the overwhelming response to this program.
- **We recommend increasing the bonding pool available in FY16 and FY17 to \$25M in each year.**

# Contract Procurement and Administration Work Group

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Review and report on status of nonprofit bonding:

- Work with DDS to implement 2014 Cabinet recommendations about the Residential Revolving Loan Fund:
  - DDS doesn't use traditional bonding for community providers like in DMHAS and DCF.
  - Mortgage program – for the construction, purchase and renovation of community based residential facilities
  - Capital improvement and repair loan program – for repairs or improvements for community based residential facilities.
  - 15 outstanding loans
  - 45 providers awarded loans
  - Challenges – 6% interest rate, rates adjusted by DSS in room and board funding, presents cash flow issues for some agencies, administration of the program being transferred to CHFA.

# Contract Procurement and Administration Work Group

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## Work with OPM Purchase of Service Unit on Contracting Reform:

- Centralized Contract Unit (DMHAS, DCF, DOC, etc.) vs. De-Centralized Contract Unit
- DAS/BizNet - Require all agencies to utilize for procurement

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.

- Contract terms/time frames - typically 2 to 3 years, some state agencies now 5 years.
- Certificate of legal existence - State agencies require this and it's available on-line (no cost), currently a cost to the providers.
- Nonprofit Seal - Must provide to AG's Office even though previously submitted - cost to provider.
- Explore option of Electronic or Scanned Signature for contract approval page. Need to determine a way to authenticate the signature.
- Reviewed 2013/2014 Cabinet recommendations and implementation.

# Contract Procurement and Administration Work Group

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## Work with OPM Purchase of Service Unit on Contracting Reform:

Participate in the development of the state's enterprise contract management system.

- Spring 2015, OPM distributed RFI for state enterprise contract management system.
- OPM received 11 proposals.
- State agencies reviewed/evaluated each proposal identifying strengths/weaknesses.
  - Based on review/evaluation process - six potential contractors were identified as meeting the minimum requirements.
  - Contractors were notified and scheduled demonstrations of their product.
  - Once a contractor has been identified, OPM will seek input from subcommittee to assist in the module development stage of the project – seeking provider input with module configuration.

# Contract Procurement and Administration Work Group

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Develop recommendations for payment reform models to enhance financial viability of nonprofit organizations:

Strategies:

- Examine models of funding in other states— more research to be done
- Massachusetts 257 legislation and subsequent lawsuit created a rate setting entity and a review of the adequacy of rates every two years.
- California proposition 263 passed in 2004. It created a separate tax of .25% to create a “Human Service Lockbox.”
- New York – Plan to lower hospital utilization rates. CMS is allowing the state to reinvest savings into the system if they can demonstrate good outcomes and shared efficiencies.
- Look at current system in CT for determining hospital and nursing home rates.

# Contract Procurement and Administration Work Group

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Recommendations for payment reform models to enhance financial viability of nonprofit organizations:

Themes:

- Nonprofits as businesses
- Rates that meet CMS standards – economic and efficient
- Rewarding positive outcomes – outcome-based incentives
- Regular review of rates/ contracts to assure that they meet costs of services
- Methodologies built into contracts to hold providers accountable for outcomes
- Savings reinvestments
- Consistency of rules – if funding levels changes then expectations of providers need to change as well.

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# Next Cabinet Meeting

## March 9, 2016 9:00-11:00