



General Assembly

**Amendment**

February Session, 2014

LCO No. 5669

\*SB0010405669HDO\*

Offered by:

REP. ABERCROMBIE, 83<sup>rd</sup> Dist.

SEN. SLOSSBERG, 14<sup>th</sup> Dist.

To: Subst. Senate Bill No. 104

File No. 604

Cal. No. 483

(As Amended by Senate Amendment Schedule "A")

**"AN ACT PROVIDING FINANCIAL RELIEF TO NURSING HOMES  
FOR UNCOMPENSATED CARE."**

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- 1 Change the effective date of section 1 to "Effective April 1, 2015"
- 2 After the last section, add the following and renumber sections and
- 3 internal references accordingly:
- 4 "Sec. 501. Section 4-68aa of the general statutes is repealed and the
- 5 following is substituted in lieu thereof (*Effective July 1, 2014*):
- 6 (a) As used in this section:
- 7 (1) "Savings" means a reduction in state expenditures, as such
- 8 expenditures are defined in an outcome-based performance contract;
- 9 ~~[(1)]~~ (2) "Secretary" means the Secretary of the Office of Policy and
- 10 Management, or the secretary's designee;

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

16 [(3)] (4) "Social investment vehicle" means an investment product  
17 established by a social innovation investment enterprise to raise  
18 private investment capital; and

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

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

42 (c) Any outcome-based performance contract authorized by the

43 secretary, pursuant to the provisions of this section, shall include, but  
44 not be limited to: (1) Payment conditioned on the achievement of  
45 specific, quantifiable outcomes based on defined performance  
46 benchmarks; (2) an objective determination by an independent  
47 evaluator that the performance benchmarks have been achieved; (3) a  
48 calculation of the amount and timing of payments that would be  
49 earned by the providers of capital in the social investment vehicle  
50 established in this section during each year of the agreement if  
51 performance targets are achieved as determined by the independent  
52 evaluator; (4) a provision stating that the budget document submitted  
53 to the General Assembly pursuant to section 4-71 shall include an  
54 appropriation request for each fiscal year that the contract is in effect,  
55 in an amount equal to the expected payments that the state would  
56 ultimately be obligated to pay based upon service provided during  
57 that fiscal year if performance targets were achieved, for the non-  
58 lapsing social innovation account created pursuant to this section; and  
59 (5) a fiscal analysis by the secretary or any agency authorized by the  
60 secretary as to projected savings in specific governmental service areas  
61 related to achievement of specific, quantifiable performance  
62 benchmarks.

63 (d) When considering entering into an outcome-based performance  
64 contract with a social innovation investment enterprise, the secretary,  
65 or any agency authorized by the secretary, shall present, for  
66 informational purposes, a summary statement that shall include policy  
67 areas to be addressed by such contract, the preventive social program  
68 to be delivered, a general description of performance metrics and a  
69 general estimate of savings to the joint standing committees of the  
70 General Assembly having cognizance over the subject matter of the  
71 preventive social program and the joint standing committee on  
72 appropriations.

73 (e) After entering into such contract, the secretary, or any agency  
74 authorized by the secretary, shall present to said committees the terms  
75 and conditions of the contract, along with an executive summary of the

76 agreement, detailing: (1) The social innovation investment for which  
77 the contract is being entered into; (2) the performance measures being  
78 used; (3) a calculation of the amount and timing of payments that  
79 would be earned by the providers of capital in the social investment  
80 vehicle established in this section during each year of the agreement if  
81 performance targets are achieved as determined by the independent  
82 evaluator; (4) projected savings in specific governmental service areas  
83 related to achievement of specific, quantifiable performance  
84 benchmarks; and (5) projected appropriations necessary for fiscal years  
85 subsequent to the current biennium to fund the social innovation  
86 account established pursuant to this section. For each outcome-based  
87 performance contract entered into pursuant to this section, the  
88 secretary, or any agency authorized by the secretary, shall report  
89 annually during the contract period and not later than six months after  
90 the conclusion of the contract period on the status of such contracts to  
91 said joint standing committees. Such reports shall include information  
92 on (A) the achievement by the nonprofit service provider of specific,  
93 quantifiable outcomes based on defined performance benchmarks as  
94 determined by an independent evaluator, (B) returns on investment for  
95 the social innovation investment enterprise, and (C) fiscal analyses of  
96 savings achieved in specific governmental service areas related to the  
97 achievement of specific, quantifiable performance benchmarks.

98 [(c)] (f) The secretary or any agency authorized by the secretary  
99 pursuant to subsection (b) of this section shall comply with the  
100 provisions of section 4e-16 relating to privatization contracts when  
101 entering into an outcome-based performance contract with a social  
102 innovation investment enterprise pursuant to this section.

103 [(d)] (g) There is established an account to be known as the "social  
104 innovation account" which shall be a separate, nonlapsing account  
105 within the General Fund. The account shall contain any moneys  
106 required by law to be deposited in the account. Any interest accruing  
107 to the account shall be credited to the account. Moneys may be  
108 transferred to the account from the General Fund. Moneys in the

109 account shall be expended by the [Secretary of the Office of Policy and  
110 Management for the purposes of facilitating the reentry of moderate  
111 and high-risk offenders into the community] secretary, or any agency  
112 authorized by the secretary, solely to provide payments to the social  
113 innovation enterprise, investors or both, and related administrative  
114 costs, in accordance with the terms of an outcome-based performance  
115 contract. The secretary, or any agency authorized by the secretary, may  
116 apply for and accept gifts, grants or donations from public or private  
117 sources to enable the account to be a source of payments to investors  
118 purchasing interests in a social investment vehicle."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	July 1, 2014	4-68aa