



General Assembly

**Proposed Substitute
Bill No. 6609**

January Session, 2009

LCO No. 4800

**AN ACT ESTABLISHING A COMMUNITY PROVIDER RESCUE FUND
ACCOUNT AND COMMUNITY-BASED SERVICES COMMISSION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2009*) There is established an
2 account to be known as the "community provider rescue fund" which
3 shall be a separate, nonlapsing account within the General Fund. The
4 State Treasurer shall administer the account. The Secretary of the
5 Office of Policy and Management shall make funds available in the
6 account to other state agencies, including the Department of
7 Developmental Services, the Department of Children and Families, the
8 Department of Mental Health and Addiction Services, the Judicial
9 Department, the Department of Social Services, the Department of
10 Correction, the Department of Public Health and the Children's Trust
11 Fund, for grants to community providers under purchase of service
12 contracts. Such grants may be used to: (1) Provide an immediate
13 remedy to budget shortfalls for community providers under purchase
14 of service contracts; (2) establish a stable funding system for such
15 community providers; and (3) establish a consistent cost-of-service

16 adjustment to avoid budget shortfalls in the future. The secretary may
17 receive private donations to said account and any such donation shall
18 be deposited in the account. As used in this section, "purchase of
19 service contract" means a contract between a state agency and a private
20 provider organization for the purchase of ongoing direct health and
21 human services for agency clients.

22 Sec. 2. (NEW) (*Effective from passage*) (a) There is established a
23 commission on community-based services. The commission shall
24 consist of (1) the Secretary of the Office of Policy and Management or
25 the secretary's designee; the Commissioners of Developmental
26 Services, Mental Health and Addiction Services, Children and
27 Families, Social Services, Higher Education and Economic and
28 Community Development, and the Labor Commissioner or the
29 commissioners' designees; (2) the cochairpersons of each of the joint
30 standing committees of the General Assembly having cognizance of
31 matters relating to appropriations, finance, human services, public
32 health, government administration and elections, and labor, or the
33 cochairpersons' designees; (3) two members appointed by the
34 Governor, one of whom is a provider of social services for children or
35 adults with disabilities, and one of whom is a parent of a child or adult
36 with disabilities; (4) one member appointed by the speaker of the
37 House of Representatives who has knowledge in the area of social
38 services for individuals with disabilities; (5) one member appointed by
39 the president pro tempore of the Senate who has knowledge of the
40 labor market; (6) one member appointed by the majority leader of the
41 House of Representatives who has knowledge of economics; (7) one
42 member appointed by the majority leader of the Senate who has
43 knowledge of Medicaid policy; (8) one member appointed by the
44 minority leader of the House of Representatives who has knowledge of
45 bonding; (9) one member appointed by the minority leader of the
46 Senate who has knowledge of purchase of service agreements or
47 education; (10) two members appointed by the chief executive officer
48 of the Connecticut Community Providers Association; (11) two
49 members appointed by the executive director of the Connecticut
50 Association of Nonprofits; and (12) two members appointed by the

51 executive director of The Arc of Connecticut.

52 (b) All appointments to the commission shall be made no later than
53 June 1, 2009. Any vacancy shall be filled by the appointing authority.
54 The speaker of the House of Representatives and the president pro
55 tempore of the Senate shall select the chairpersons of the commission
56 from among the members of the commission. Such chairpersons shall
57 schedule the first meeting of the commission, which shall be held no
58 later than July 1, 2009. The commission may, within available
59 appropriations, contract consultants with expertise in the areas of
60 economics, the labor market, higher education or accounting to assist
61 in carrying out its duties. The commission may receive funds from any
62 public or private sources to carry out its activities.

63 (c) (1) The purpose of the commission shall be to study and make
64 recommendations pursuant to subsection (d) of this section concerning
65 a long-term funding solution for community providers under purchase
66 of service contracts. The commission shall make recommendations
67 concerning: (A) The development of a state-wide strategic plan for the
68 funding of services under purchase of service contracts that includes (i)
69 consistent funding for the provision of such services; and (ii) cost-of-
70 living and other fiscal adjustments in payments to community
71 providers of such services using an indexing option such as the
72 consumer price index, the medical consumer price index, the home
73 health market basket administered by the federal Centers for Medicare
74 and Medicaid Services, or any other indexing option used in this state
75 or other states; (B) a budget to implement the indexing option
76 pursuant to subparagraph (A) of this subdivision; and (C) a budget
77 and plan for stabilizing the service delivery system until indexed
78 payments are allocated.

79 (2) The commission shall conduct studies, research and analyses and
80 make reports and recommendations pursuant to subsection (d) of this
81 section to address the problem of the funding of services provided by
82 community providers under purchase of service contracts. Such
83 research shall include (A) an analysis of the comparative cost of

84 providing such services in the private and public sectors, including an
85 analysis of the wages and benefits of private sector unionized and
86 nonunionized employees and public sector employees in the human
87 services field; (B) the impact of standard wage legislation in the state;
88 (C) a comparison of the compounded Medical Consumer Price Index
89 to the cost-of-living allocations made to providers of services over a
90 twenty-year period; (D) an analysis of the percentage increase in the
91 cost of health insurance, workers' compensation insurance, property
92 casualty insurance and energy costs since 2000, and a projection of the
93 percentage increase of such costs to 2013; (E) projected labor market
94 trends to 2013; (F) a calculation of the projected savings that could be
95 generated by serving individuals in communities rather than in
96 institutions; (G) a review of financial mechanisms for establishing an
97 ongoing source of revenue such as a dedicated fund; and (H) any other
98 study, research and analysis the commission deems necessary to
99 accomplish the purpose of the commission. As used in this subsection,
100 "purchase of service contract" means a contract between a state agency
101 and a private provider organization for the purchase of ongoing direct
102 health and human services for agency clients.

103 (d) Not later than October 1, 2009, the commission shall submit a
104 report on proposed budget recommendations and policy and statutory
105 changes to the Governor and to the General Assembly, in accordance
106 with the provisions of section 11-4a of the general statutes.

107 Sec. 3. (*Effective July 1, 2009*) (a) For the purposes described in
108 subsection (b) of this section, the State Bond Commission shall have
109 the power, from time to time, to authorize the issuance of bonds of the
110 state in one or more series and in principal amounts not exceeding in
111 the aggregate sixty-five million dollars. All provisions of section 3-20
112 of the general statutes, or the exercise of any right or power granted
113 thereby, which are not inconsistent with the provisions of this section
114 are hereby adopted and shall apply to all bonds authorized by the
115 State Bond Commission pursuant to this section, and temporary notes
116 in anticipation of the money to be derived from the sale of any such
117 bonds so authorized may be issued in accordance with said section 3-

118 20 and from time to time renewed. Such bonds shall mature at such
119 time or times not exceeding twenty years from their respective dates as
120 may be provided in or pursuant to the resolution or resolutions of the
121 State Bond Commission authorizing such bonds. None of said bonds
122 shall be authorized except upon a finding by the State Bond
123 Commission that there has been filed with it a request for such
124 authorization which is signed by or on behalf of the Secretary of the
125 Office of Policy and Management and states such terms and conditions
126 as said commission, in its discretion, may require. Said bonds issued
127 pursuant to this section shall be general obligations of the state and the
128 full faith and credit of the state of Connecticut are pledged for the
129 payment of the principal of and interest on said bonds as the same
130 become due, and accordingly and as part of the contract of the state
131 with the holders of said bonds, appropriation of all amounts necessary
132 for punctual payment of such principal and interest is hereby made,
133 and the State Treasurer shall pay such principal and interest as the
134 same become due.

135 (b) The proceeds of the sale of said bonds, to the extent hereinafter
136 stated, shall be used, subject to the provisions of subsection (c) of this
137 section, for capital improvement projects for community providers
138 under purchase of service contracts as hereinafter stated: (1) For the
139 Department of Developmental Services for grants-in-aid, not
140 exceeding twenty-nine million two hundred fifteen thousand eight
141 hundred twenty-nine dollars; (2) for the Department of Children and
142 Families for grants-in-aid, not exceeding thirteen million nine hundred
143 twelve thousand nine hundred thirty-eight dollars; (3) for the
144 Department of Mental Health and Addiction Services for grants-in-aid,
145 not exceeding nine million five hundred fifty-three thousand three
146 hundred five dollars; (4) for the Judicial Department for grants-in-aid,
147 not exceeding four million fifty-eight thousand five hundred ninety-
148 two dollars; (5) for the Department of Social Services for grants-in-aid,
149 not exceeding four million four hundred fifteen thousand seven
150 hundred ninety-four dollars; (6) for the Department of Correction for
151 grants-in-aid, not exceeding one million six hundred eighty thousand
152 eight hundred eighty-six dollars; (7) for the Department of Public

153 Health for grants-in-aid, not exceeding one million four hundred
154 eighty-five thousand nine hundred ninety-five dollars; and (8) for the
155 Children's Trust Fund, not exceeding six hundred seventy-six
156 thousand six hundred sixty dollars.

157 (c) Grants-in-aid authorized under subsection (b) of this section
158 shall be made available to community providers through a request for
159 proposal process by each department for improvements or expansion
160 of treatment and service facilities, administrative office locations, fire
161 and code compliance and upgrades, physical plant maintenance and
162 upgrades, energy and conservation upgrades, replacement of heating
163 and cooling systems, generators, communication systems, billing
164 software, accounting software, quality assurance software, medical
165 records, HIPAA compliance, hardware systems and other technology
166 improvements. Any grant-in-aid shall be in an amount not in excess of
167 the cost of the project for which the grant is made. As used in this
168 section "purchase of service contract" means a contract between a state
169 agency and a private provider organization for the purchase of
170 ongoing direct health and human services for agency clients.

171 Sec. 4. (NEW) (*Effective July 1, 2009*) (a) The Office of Policy and
172 Management shall, within available appropriations, establish a grant
173 program to assist nonprofit organizations that receive state funding in
174 consolidating the organizations' programs and services. Grants
175 awarded pursuant to this subsection to such nonprofit organizations
176 may be used for: (1) Facility purchases and improvements; (2)
177 refinancing facility loans; (3) equipment purchases; (4) program
178 administration; (5) energy conservation projects; (6) transportation;
179 and (7) technology.

180 (b) Not later than October 1, 2009, the Secretary of the Office of
181 Policy and Management, in collaboration with the joint standing
182 committee of the General Assembly having cognizance of matters
183 relating to appropriations and representatives of nonprofit
184 organizations that receive state funding, shall develop guidelines for

185 the administration and distribution of grants pursuant to this section.

186 (c) The secretary shall publish a notice of grant availability and
187 solicit competitive proposals under the program for the fiscal year
188 ending June 30, 2010, and each fiscal year thereafter. Eligible nonprofit
189 agencies may file a grant application with the Office of Policy and
190 Management on such forms and at such times as the secretary
191 prescribes.

192 (d) The secretary shall review all grant applications received under
193 the program and determine which grant applications shall be funded
194 and at what funding levels. Criteria for such determinations
195 established by the secretary, in collaboration with the joint standing
196 committee of the General Assembly having cognizance of matters
197 relating to appropriations and representatives of nonprofit
198 organizations that receive state funding pursuant to subsection (b) of
199 this section, shall be included in the notice of grant availability.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2009</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2009</i>	New section
Sec. 4	<i>July 1, 2009</i>	New section