****

**Governor’s Cabinet on Nonprofit Health and Human Services**

**Report on Status of 12/1/13 Report**

**&**

**Governor Malloy’s Charge for 2014**

**Terry Edelstein, Nonprofit Liaison**

**2/19/14**

The Governor's Cabinet on Nonprofit Health and Human Services was established in September of 2011 to analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability.

The Cabinet serves as a vehicle for providing critical, up-to-date information for nonprofit health and human service providers and a venue to promote “best practices.”

For 2013 Governor charged the Cabinet with focusing on Jobs, Population Results and Contract Procurement & Administration.

The Cabinet made numerous, complex recommendations relating to the Purchase of Service of health and human services by the State of Connecticut. This report summarizes the status of key recommendations and includes the Governor’s charge to the Cabinet for 2014.

For a complete list of recommendations, see the Final Report to the Governor 12/1/13 [**Final Report to the Governor -** December 1, 2013](http://www.ct.gov/opm/lib/opm/secretary/hhs_cabinet/12-1-13_final_report_-_governors_cabinet_on_nonprofit_health_and_human_services.pdf)

**The 2013 Cabinet endorsed recommendations from the Jobs Work Group**. Building on many of these recommendations, the Governor has charged the Cabinet with fact finding and making recommendations through a Nonprofit Employment Data Work Group and a Training Work Group.

|  |
| --- |
| **Nonprofit Employment Data Work Group**  |
| 1. Work with DOL, OPM and relevant state agencies to collect data on the Purchase of Service and the Judicial Branch CSSD’s contracted workforce in the nonprofit sector.

|  |
| --- |
| * Categories of standard positions
 |
| * Average numbers of those employed
 |
| * Weekly average wages
 |
| * Current average wages based on job categories
 |
| * Hourly wages, trends and benefits
 |
| * Skill level gap
 |
| * Rate and reason for turnover of staff
 |

 |
| 1. Assess and report on a process to develop and implement a statewide data system that captures nonprofit sector workforce needs and trends.
 |
| 1. Assess the impact of wage/ pay equity – linked to the predominantly female workforce employed by nonprofit organizations building on work of Gender Wage Gap Task Force <http://www.governor.ct.gov/malloy/lib/malloy/2013.11.19_gender_wage_gap_in_ct.pdf>
 |
| 1. Coordinate linkage between the Cabinet and other venues that relate to the nonprofit workforce including:
* the State Innovation Model Grant (SIM) and its Workforce Task Force
* the Veteran’s Cabinet
 |
| 1. Provide recommendations to the Cabinet about the current workforce and areas for future enhancement
 |

|  |
| --- |
| **Training Work Group** |
| 1. Collect and analyze data on training resources to support the nonprofit workforce.

|  |
| --- |
| Gather information on the current resources for meeting training needs |
| * Resources within Connecticut educational institutions, including online options, designed to meet the needs of the nonprofit workforce
 |
| * Training resources available through the various state agencies that contract with nonprofit providers
* Training resources provided by state and national trade associations
 |

 |
| 1. Coordinate with SDE, the Office of Higher Education, the Board of Regents for Higher Education and the University of Connecticut.
 |
| 1. Identify gaps in training resources.
 |
| 1. Provide recommendations to the Cabinet about ways to strengthen training opportunities.
 |

**The 2013 Cabinet supported recommendations from the Contract Procurement and Administration Work Group in the areas of:**

* Retention of Unexpended Funds
* RPF and Procurement Process
* Cost Standards

The Governor included a pilot for retention of unexpended funds for organizations that contract with DMHAS as a part of his proposed modifications to the FY15 budget. His proposal mirrors current cost settlement language affecting DDS contractors. See section 15 of H.B. 5030. <http://www.cga.ct.gov/2014/TOB/h/pdf/2014HB-05030-R00-HB.pdf>

The Governor has charged OPM with continuing its work in modifying the state’s Purchase of Service procurement process utilizing most of the recommendations of the Work Group. RFP thresholds for “sole source contracting” will remain the same.

The Governor also charged OPM with reviewing the Work Group’s proposed changes to the Cost Standards. The OPM Secretary is responsible for issuing modifications to the Cost Standards.

The Governor has charged the 2014 Cabinet with additional tasks:

|  |
| --- |
| **Contract Procurement and Administration Work Group** |
| 1. Recommend language changes to the Cost Standards regarding:
* fair rental for agency owned property, including costs of ongoing property management and the need for capital improvement reserves
* to clarify that taxes or penalties incurred under the Affordable Care Act are not reimbursable expenses under the Cost Standards
 |
| 1. Review status of OPM Efficiency Project and make recommendations regarding future areas of focus
 |
| 1. Review status of recommendations transmitted to OPM relating to the RFP and procurement process per the 2013 Report to the Governor
 |
| 1. Review status of recommendations transmitted to OPM relating to modifications to the OPM Cost Standards per the 2013 Report to the Governor
 |
| 1. Identify additional areas of focus such as:
* Payment reform
* Strategies for strengthening and supporting POS contractors in the POS system
* Unfunded mandates
 |

**The Cabinet supported recommendations from the Population Work Group.** The Governor’s Nonprofit Liaison explored options for establishing a policy-level “coordinating entity” to “lead the effort to ensure the development of program-relevant performance measures that demonstrate program-specific contributions to the population indicators and results as developed” by the Cabinet. Implementing these recommendations will require significant staff support among the state agencies, and funding isn’t available to manage this project for FY15. Individual state agencies and individual Purchase of Service contractors may continue their work in developing and utilizing population measures, based on the work of the 2013 Cabinet.

The Business Practices Work Group described below is charged with making “recommendations on the technical resources that nonprofit organizations need in order to collect and analyze data that will drive performance delivery and budget decisions.” This may further work in the Population Results arena.

In addition, the Governor’s new “open data portal” will provide an opportunity for Purchase of Service contractors and state agencies to post and analyze data. <http://www.governor.ct.gov/malloy/cwp/view.asp?A=4010&Q=540174>

In addition to charging the Cabinet with convening the three Work Groups described above, the Governor has asked the Cabinet to convene a Business Practice Work Group and to make recommendations about enhanced business practices for Purchase of Service contractors going forward.

|  |
| --- |
| **Business Practice Work Group** |
| 1. Identify models, best practices and incentives for collaboration and partnership among nonprofit organizations
 |
| 1. Identify process for streamlining nonprofit provider business practices utilizing tools such as the Lean business improvement process principles
 |
| 1. Evaluate the potential for engaging in innovative or emerging business practices such as:
* Social Impact Bonds
* Social Enterprise
 |
| 1. Make recommendations on the technical resources that nonprofit organizations need in order to collect and analyze data that will drive performance delivery and budget decisions
 |

To volunteer to serve on a 2014 Work Group, contact Meg Riding at OPM at meg.riding@ct.gov

For questions, please email Terry Edelstein, Nonprofit Liaison at terry.edelstein@ct.gov