



2023

LEGISLATIVE BRIEFING BOOK

COVERING ISSUES IMPORTANT TO
NONPROFITS AND THE PEOPLE
THEY SERVE

The **Alliance**
Voice of Community Nonprofits

TABLE OF CONTENTS



- 01 Community Nonprofits Save the State Money
- 02 CT Nonprofits are Economic Engines
- 03 Implement the Innovation Incentive Program
- 04 Invest in The Nonprofit Grant Program
- 05 CT Needs More Services for People with Intellectual/
Developmental Disabilities
- 06 It's Time to Repeal Zoning Statutes that Discriminate Against
People with Disabilities
- 07 About The Alliance



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COMMUNITY NONPROFITS SAVE THE STATE MONEY

Community nonprofits provide high-quality, cost-effective and efficient services to people who need them. Their work saves the state considerable amounts of money which, in turn, allows nonprofits to serve more Connecticut residents. More use of nonprofits would allow the State to expand the availability of services to all who need them and make these services more affordable in the short- and long-term.

The recent wave of state employee retirements underscores that the state has an opportunity to remake the service-delivery system as it faces a growing demand for human services. To prepare for the state employee retirement wave, Governor Lamont commissioned a study from the well-regarded Boston Consulting Group for an “extensive analysis of opportunities to improve efficiency within state government and maintain continuity of critical services.” After analyzing the state’s own internal data, the group’s 2021 report included recommendations to convert services for people with Intellectual/Developmental Disabilities and the Local Mental Health Authority system of care to nonprofit providers.

MILLIONS IN POTENTIAL SAVINGS

The Report found savings, compared to the cost of state operation, of “more than \$250,000 annually” for each Community Living Arrangement (group home) for people with intellectual or developmental disabilities with “additional savings potential from ICF conversions” (ICFs are Intermediate Care Facilities that provide comprehensive health and rehabilitation services).

The Report found even more savings available from conversion of state-run “Local Mental Health Authorities” (LMHAs). There are 13 LMHAs and seven are already operated by nonprofits. The Report said, “Analysis based on 2016 costs suggests savings of just over 55%, or roughly \$7,000 per client, when non-profit providers perform services compared to state-provided services. The actual ceiling for savings depends on the extent of conversion and the State’s ability to attract bids from non-profit providers at cost-efficient rates but could be \$50m to \$75m with potential for additional upside.”

NONPROFITS PROVIDE HIGH QUALITY SERVICES

The Report also looked at program quality. Looking at DDS programs it found, “Privately operated facilities provide similar or greater service quality compared to state-operated facilities. A 2011 study conducted by the Connecticut General Assembly Program Review and Investigations Committee found that privately-

operated facilities had fewer deficiencies per facility based on inspections conducted by DDS and the Department of Public Health (DPH)...

“DMHAS’ Evaluation, Quality Management & Improvement (EQMI) Division conducts annual provider quality reports for both state- and privately operated LMHAs, and consistently finds that non-profit providers meet quality and overall performance targets. Current indicators suggest non-profit providers offer service quality which is more than comparable to that of the State, and continued monitoring will ensure ongoing quality of service.”[1]

RECOMMENDATION

High quality, lower cost and more people served: community nonprofits are a valuable Connecticut resource that the state should fund adequately and use more.

A STUDY CONDUCTED BY THE CONNECTICUT PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE FOUND THAT PRIVATELY-OPERATED FACILITIES HAD FEWER DEFICIENCIES PER FACILITY BASED ON INSPECTIONS CONDUCTED BY DDS AND DPH.



CT NONPROFITS ARE ECONOMIC ENGINES

In addition to serving people in need, nonprofits are significant contributors to Connecticut's economy. Funding nonprofits doesn't just help the people they serve, it helps the state as a whole.

Some 115,000 people work for community nonprofits in Connecticut – this comprises most types of nonprofits, including nursing homes, but does not include hospitals or colleges.

Put another way, nonprofit employees are 7% of the state's workforce.

These hard-working employees are paid some \$4 billion in wages that they, in turn, spend in our economy. They buy groceries, pay taxes and more. Moreover, many facilities are in Connecticut's urban centers; when the organizations and their employees purchase goods and services, it helps make their neighborhoods vibrant.

NONPROFITS BUY GOODS AND SERVICES

Like other businesses, nonprofits buy goods and services – food, paper goods, health-care supplies, gasoline, heating oil and more.

For example, last year a nonprofit provider in Manchester calculated the annual economic impact of fifteen group homes the organization operates. The nonprofit found that combined, their group homes spent almost \$1 million annually in the local economy; \$336,000 on groceries, \$213,000 on utilities, \$88,000 on gas for vehicles, and \$80,000 on snow removal/landscaping. Of the almost 100 residents who live in the homes, they spent \$192,000 locally.



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\$515.3M

ANNUAL
SPENDING BY
NONPROFITS

23,114

FULL TIME
EQUIVALENT
JOBS CREATED

\$524.9M

HOUSEHOLD
INCOME
GENERATED

A study done in 2017 on the impact of the arts on Connecticut's economy found "\$515.3 million [was spent by] nonprofit arts and cultural organizations and an additional \$281.9 million in event-related spending by their audiences— supports 23,114 full-time equivalent jobs, generates \$524.9 million in household income to local residents, and delivers \$72.3 million in local and state government revenue." ¹

KEEPING CONNECTICUT DESIRABLE

One of Connecticut's selling points is its fine quality-of-life. This is a key consideration for people and businesses when deciding where to live or work. Community nonprofits are one of reasons. Picture Connecticut without them: families with loved ones who need services for intellectual disabilities or behavioral health care

would not want to stay in a state where those services are inadequate or don't exist. Many business leaders won't want to locate in a state without arts and cultural institutions, which Connecticut has in abundance.

In addition to serving our residents, community nonprofits and their staffs are significant contributors to Connecticut's economy. Funding nonprofits doesn't just help the people they serve, it helps the state as a whole.

¹ https://portal.ct.gov/-/media/DECD/Arts_Culture/Creative-Economy/CT_StateOfConnecticut_AEP5_CustomizedReport.pdf

IT'S TIME TO IMPLEMENT THE INNOVATION INCENTIVE PROGRAM

Despite the passage of 4 laws and ongoing support from the legislature and the nonprofit community since 2017, the practice of clawbacks by State Agencies continues.

In 2021 the legislature passed the Innovation Incentive Program which allows community nonprofits to retain savings realized at the end of a contract term if they are in compliance with state contractual provisions and regulatory standards. These savings would be applied towards innovations and improving the health and human service delivery system.

However, despite ongoing support from the legislature and the nonprofit community since 2017, including passing four laws, the Innovation Program has yet to be implemented as the legislature intended and the practice of clawbacks by State Agencies continues. Further, the Judicial Branch has concluded that their interpretation of the law does not apply to their nonprofit contracts.

To realize the full benefits of the Program, the legislature should (1) explicitly prohibit clawbacks and (2) clarify that the Program applies to nonprofit contracts under the Judicial Branch.

The Innovation Incentive Program can help support nonprofits through Connecticut's fiscal challenges. For years, community nonprofits have struggled to maintain service levels amid budget reductions. If nonprofits can retain savings while still meeting contractual obligations, they could work towards being adequately capitalized and be more able to adjust to turbulence in the State budget.

The Program also promotes efficiency. Without the ability to retain unspent funds, State contracting processes encourage "spending to the line," or spending all allocated funds, rather than encourage efforts to realize efficiencies or economies of practice. An efficient or innovative agency that succeeds in meeting every contractual expectation should be able to apply any savings to furthering its charitable mission. Purchase of service contracts have built-in disincentives for efficiency, as savings generated must be returned to the State rather than reinvested in community programs and services.

INVEST IN THE NONPROFIT GRANT PROGRAM

ENHANCING SERVICE DELIVERY, EFFICIENCY AND EFFECTIVENESS

The Nonprofit Grant Program provides bond-funded grants-in-aid to community nonprofits to enhance service delivery and address health, safety and accessibility issues. Every time a new Request for Proposals (RFP) is posted, an overwhelming number of applications are submitted, highlighting the urgent need to support nonprofit missions.

Nonprofit Grant Program funds allow community nonprofits to make capital and infrastructure improvements, such as renovations to facilities and telehealth systems critical to service delivery and continuity. Inflation, pandemic response and the workforce crisis drained many nonprofits of resources, with specific erosion of funding saved for capital and infrastructure projects to increase the efficiency of their investments in these capital and infrastructure projects – one-time expenditures – frees up nonprofit dollars that can be used for services which will benefit the community in which they work.

The Nonprofit Grant Program is a smart fiscal investment, ensuring that community nonprofits continue to meet demand for all their services. Below are a few examples of projects that have had a positive impact in communities across the state:

Reducing Service Interruptions

The installment of a Voice Over Internet Protocol (VOIP) telephone platform that has helped more than 30,000 patients, professionals and community members served each year. The VOIP system has reduced service interruptions due to equipment failures, increased patient and staff safety and reduced operating costs.

Repair of emergency shelter

The repair of an emergency shelter for female victims of domestic violence and their children. The shelter operated over capacity for each of the past five years and a lack of funding prevented much needed renovations necessary for making the space a safe and welcoming environment.

New training and conference center

The development of a new training and conference center to train individuals and families struggling with mental illness, substance abuse, HIV/AIDS, release from incarceration and homelessness with job trainings and preparation for careers in the trades and other highly employable fields.

RECOMMENDATION

THE STATE SHOULD CONTINUE INVESTING \$25 MILLION IN EACH YEAR OF THE BIENNIUM TO THE NONPROFIT GRANT PROGRAM WHICH SUPPORTS THE NONPROFIT WORKFORCE AND CONTINUITY OF CARE FOR PEOPLE IN NEED.



CT NEEDS MORE SERVICES FOR PEOPLE WITH INTELLECTUAL/ DEVELOPMENTAL DISABILITIES

"Parents call our agency and weep about the desperation they feel at not knowing how their child will fare after they die." – CT Nonprofit Provider



Several thousand people with an intellectual/developmental disability (I/DD) are currently languishing on a waiting list for residential services in Connecticut. This is because the state has not allocated resources to provide enough programming to serve everyone who is entitled to receive care.

For each of these individuals, this means remaining in the care of their parents, grandparents, siblings, or other guardians, many of whom must alter or eliminate their own work schedules to provide support. Often, this forces families to seek additional state-funded social services, as they are not able to provide their own insurance, medical benefits, or even funding for food.

With supports tailored to their needs, people with intellectual and developmental disabilities can thrive in their communities, and families who have left the workforce to care for their children can return knowing their loved ones are being supported in the most appropriate environment possible.

NONPROFITS STAND READY TO HELP

Community providers are ready and willing to offer new programs in a wide range of categories needed -- however, as the waiting list for services continues to grow, providers struggle to cope with increasing costs. They stand ready to support people with I/DD, pulling from their deep expertise, infrastructure, and community ties -- but the state must provide them adequate resources to do so.

Nonprofits are critical partners with the State serving people with I/DD. Through nonprofit private providers, the Department of Developmental Services (DDS) provides individuals with I/DD the services and supports necessary to develop relationships, exercise personal choice, develop competence and participate in community life. Across Connecticut, 17,206 individuals with I/DD currently receive services funded by the Department of Developmental Services (DDS). Thousands more, while eligible, unfortunately remain on the waiting list for services due to lack of adequate state funding.

THE LEGISLATURE CAN MAKE MEANINGFUL CHANGES FOR PEOPLE WITH I/DD, NOW

01. Increase funding for current services

Despite their invaluable contributions to our communities, nonprofit providers have been underfunded by the State for decades. The State should increase funding for nonprofits to cover the true cost of inflation, raising funding levels by nine percent (\$261 million) in Fiscal Year 2023-2024 and by seven percent (\$221 million) in Fiscal Year 2024-2025.

02. Implement the Innovation Incentive Program

The program promotes efficiency. The State's contracting process encourages "spending to the line," or spending all allocated funds, rather than encouraging efforts to realize efficiencies or economies of practice. An efficient or innovative agency that succeeds in meeting every contractual expectation experiences no net benefit, compared to a less efficient agency that spends all allocated funds. Purchase of service contracts had essentially built-in disincentives for efficiency, as savings generated must be returned to the State rather than reinvested in community programs and services.

03. Provide sustainable funding for the waiting list

There are thousands of people who need services but who do not have services available due to lack of state funding. Providing sustainable funding to stand up new programs to serve them is imperative. But it's important that the funding is sufficient to pay for services at their actual cost, not at the same under-funded levels that current services are funded, and that they include sufficient start-up costs.

04. Convert state-operated services to the community

Nonprofits already provide services to more than 90% of the people in the I/DD system, and there are fewer than 30 state-operated group homes that have not been converted. Finally eliminating the bifurcated service system will allow the state to focus solely on its primary role: oversight and quality assurance rather than dedicating significant resources to providing its own direct care.

05. Ensure legislative oversight for systems-level change

With significant systems changes being promoted by DDS, it's important to establish renewed legislative oversight over the service-system, including voices from families, advocates, consumers and providers. This oversight should include the state-operated system, as that system is where the most-restrictive institutional settings are currently operating.

06. Eliminate unnecessary contracting requirements

Nonprofit providers waste valuable time and resources on contract requirements that do not add much or any value to the quality of the services they deliver to people with I/DD. The legislature should work to streamline contracting requirements so nonprofits can focus more on service-delivery and less on paperwork.

OVERVIEW:

TYPES OF I/DD SERVICES

More than 90% of people in the DDS system are supported by community providers. Services for people with I/DD fall into two categories: (1) residential services or (2) day and employment services. Nonprofits offer a wide array of residential supports, including Community Living Arrangements and Continuous Residential Supports—commonly known as group homes, individual home supports, Community Companion Homes, and more. About half of people receiving supports and services through DDS receive residential services, Community Living Arrangements, or CLAs. Nonprofits also offer support for people with I/DD during the day.

RESIDENTIAL SERVICES

- **Community Living Arrangements (CLAs)**

Commonly referred to as group homes – offer individuals opportunities to live in typical community housing. Homes generally serve six or fewer individuals and are part of neighborhoods and communities across the State and are meant to provide people with disabilities the ability to live in the community while still receiving the 24-hour supports they need to live safe and productive lives. To capture federal reimbursement, CLA residents are enrolled under the Medicaid Home and Community Based Waiver.

- **Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)**

These homes provide support for individuals who would otherwise need to reside in a more restrictive or institutional setting. They operate much like specialty group homes for people with very significant needs. Private ICF/IID services are not part of a Waiver and are funded directly through Medicaid.

- **Continuous Residential Supports (CRS)**

A shared living arrangement for three or fewer DDS individuals that often provides 24-hour staff support.

- **Community Companion Homes (CCH)**

In this arrangement, a family shares their home with an individual who is eligible for services from DDS. The family accepts the responsibility for caring for one to three individuals with I/DD.

- **Individualized Residential Supports**

A tailored package of services and supports that best meet the individual's needs, goals and preferences to live in the community in a home of their choosing. These services and supports may be delivered in a family or an individual's own home.

“Francis lives in a real home in a real neighborhood where he gets all the attention he needs and loving supportive care from a wonderful staff. He is content, happy, and calm. We could not be more pleased with his excellent personal and medical care.” – Patrick and Marjorie Johnson, family members

EMPLOYMENT SERVICES

- **Competitive Integrated Employment (CIE)**

Employment at minimum wage or higher, in a fully integrated setting. Job coaching support if needed based upon each individual's level of need.

- **Individualized Supported Employment (ISE)**

An employment specialist (job coach) helps an individual find competitive employment through a job discovery process, provides training and support, and then gradually reduces time and assistance at the worksite.

- **Customized Employment (CE)**

This is an alternative method of finding competitive integrated employment, highly structured, focusing on each individual's strengths, skills, and abilities and the unmet needs of employers.

- **Group Supported Employment (GSE)**

Supported employment in a competitive employment environment in which a group of individuals with I/DD work together at a particular work setting under the supervision of an employment specialist.

PRE-EMPLOYMENT SERVICES

- **Employment Transition Services (ETS)**

Community-based, occupational service that is time limited up to 3 years (with some exceptions). Activities occur in integrated settings and may include unpaid career exploration, financial management, networking, building skills leading to employment and health and fitness activities that lead to better employment outcomes.

- **Project Search**

Nine-month internship training program, available to school-transition-age students and young adults eligible for DDS services, who need more intensive employment skills training.

DAY SERVICES

- **Group Day Supports (DSO)**

If an individual with I/DD chooses not to work, they can participate in facility-based group day services with other people with I/DD and support staff. Program activities can occur in both community and facility-based settings.

- **Individualized Day Supports – Vocational (IDV)**

An individualized day service that enables someone to overcome barriers to accessing, maintaining, or returning to employment. This service is provided within the community or with a community partner and is not provided at a facility or home.

- **Individualized Day Supports Non – Vocational (IDN)**

An individualized day service centered around community participation and/or meaningful retirement activities. This service is provided within the community or with a community partner and is not provided at a facility or home.

- **Senior Supports**

Pre-retirement service designed to prevent isolation, assist in maintaining skills, and stimulate social interaction with others.

REPEAL ZONING STATUTES THAT DISCRIMINATE AGAINST PEOPLE WITH DISABILITIES

Connecticut's community-based system of care and support for people with disabilities relies on the ability for programs to be located across Connecticut, fully integrated within each and every community. People with disabilities are afforded the same rights as everyone else – the right to live wherever they choose and to not be discriminated against.

Yet state law currently allows for discriminatory practices by municipalities against people with disabilities that live in residential programs managed by community nonprofits. The legislature should repeal such discriminatory laws and require municipalities to treat people with disabilities equally, as is required by federal law.

CT STATUTES CURRENTLY VIOLATE STATE AND FEDERAL LAWS AGAINST DISCRIMINATION

The 14th Amendment's Equal Protection Clause prohibits states from denying a person equal protection of the law. This and three federal laws — section 504 of the Rehabilitation Act of 1973; Title II of the Americans with Disabilities Act (ADA); and the Fair Housing Act, especially its 1988 amendments (FHAA) — limit local control over group home siting.

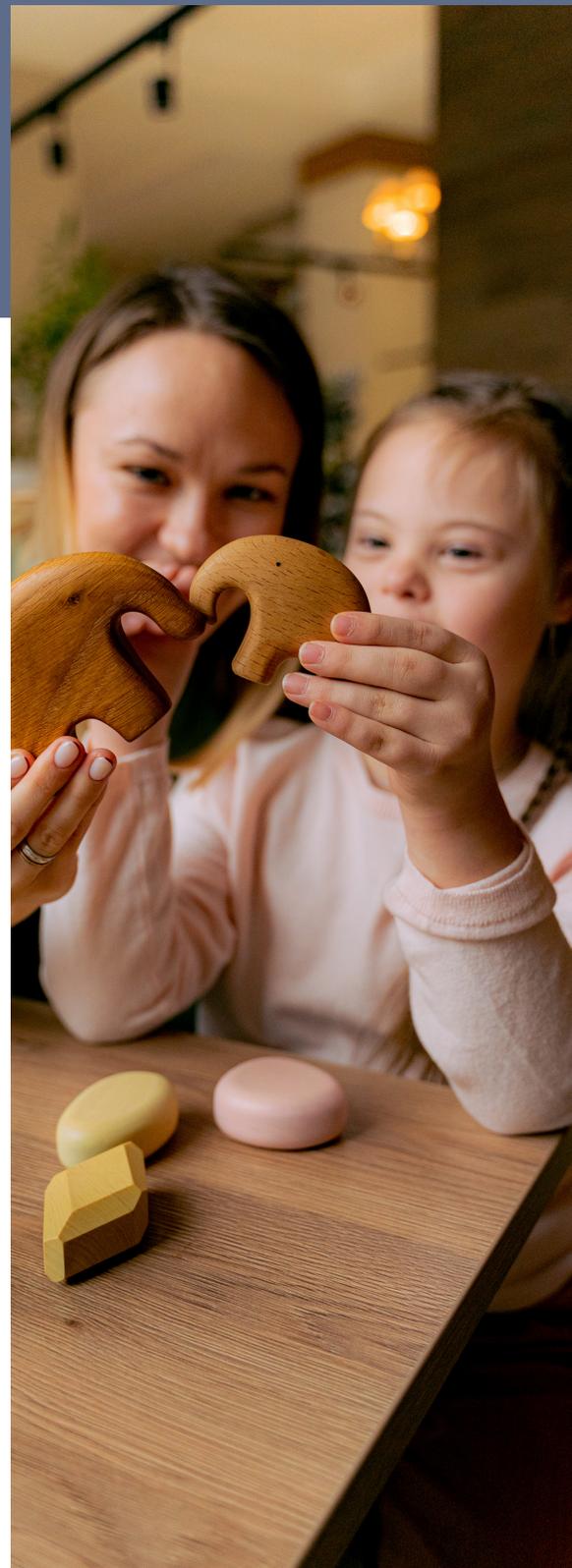
All three laws protect people with disabilities. A local ordinance or state law can be discriminatory under federal law if it:

- Is discriminatory on its face;
- Has unjustified discriminatory effects; or
- As applied, fails to make accommodations for people with disabilities

Article XXI of the Connecticut state Constitution also prohibits discrimination against people on the basis of physical or mental disability, and other state statutes mirror the FHAA by making it illegal to (1) discriminate against people with physical or mental disabilities in housing sales or rentals or to otherwise make housing unavailable to them and (2) refuse to make reasonable accommodations in rules, practices, or services. It defines disability to include intellectual or physical disability and any disability covered by the FHAA. Language in current state statute is in violation of these principals.

RECOMMENDATION

The legislature should change state law to require municipalities treat residential programs for people with disabilities the same as single-family homes.



CURRENT STATE LAWS REGARDING GROUP HOMES

State statute currently only requires municipalities treat group homes and other residential programs the same as single-family homes only if the facilities meet a number of restrictions.

- Section 8-3e prohibits municipalities from treating “community residences” different from single family homes but allow any resident of the municipality to petition the state to revoke the license of the facility with approval of the municipality's legislative body.
- Section 8-3f restricts the protections of 8-3e, only allowing as-of-right construction of community residences outside of 1,000 feet of another.
- Section 19a-507b prohibits development of community residences when such establishment would raise the percentage of the population of people served in such residences to more than 0.1% of the total population of the municipality and reiterates the 1,000-foot language from 8-3f. It further allows any resident, through the mayor, first selectman, or local legislative body, to petition the state to revoke a home's license if its population rises above this threshold.

HOW CURRENT STATE STATUES DISCRIMINATORY

First, 8-3f and 19a-507b are discriminatory on their face. The spacing restrictions in statute serve no purpose other than to limit the number of people with disabilities in communities across the state. They were both passed into law before the federal government passed the Americans with Disabilities Act, which was intended to end government discrimination against people with disabilities.

Current law says that homes for people with disabilities are only allowed to be treated the same as a single-family homes if they are more than 1,000 feet apart and if cumulatively they don't make up more than 0.1% of the population. We do not allow proximity restrictions through local zoning for any other protected class, including race, color, ethnicity, national origin, gender, sexual identity, age or familial status.

Second, existing law has unjustified discriminatory effects. Even in communities where people with disabilities are welcomed with open arms by neighbors and local government, forcing a new group home to get special approval rather than being allowed by right, as any other conforming use of a house would be, has an underlying negative effect on the creation of new residences for people with a disability. The prospect of a local petition to revoke a group home license is a deterrent to the development of new group homes in certain communities. The mere existence of these state laws limits housing for people with disabilities. When nonprofits or the people they serve are seeking locations to open a new residence, they shy away from a location within 1,000 feet of another such home or in a community where people with disabilities served in community residences make up more than 0.1% of the population for fear of a local petition.

Finally, third, the law fails to make accommodations for people with disabilities and gives municipalities express permission to do the same. When people with disabilities or a nonprofit approaches a municipality about partnering to open a residence, municipalities should be required by federal law to make reasonable accommodations for people with disabilities. But the existing state law does the opposite and gives municipalities an excuse to do the same. To address this issue, the legislature should change state law to require municipalities treat residential programs for people with disabilities the same as single-family homes.

The legislature should change discriminatory state law to require municipalities treat residential programs for people with disabilities the same as single-family homes.



The CT Community Nonprofit Alliance (The Alliance) is the statewide association of community nonprofits in Connecticut. Our mission is to advance excellence in community-based nonprofits through advocacy and capacity building. We share the passion and purpose behind each and every nonprofit's mission and channel that purpose into a powerful, collective voice. We advance strategies and public policies that make it possible for nonprofits to thrive as they continue to fulfill their missions.

CONTACT US

Gian-Carl Casa, President & CEO
gcasa@ctnonprofitalliance.org

Ben Shaiken, Director of Government Relations
bshaiken@ctnonprofitalliance.org

Jeff Shaw, Senior Public Policy Advisor
jshaw@ctnonprofitalliance.org

Julia Wilcox, Senior Public Policy Advisor
jwilcox@ctnonprofitalliance.org

Pete Smith, Rome, Rome, Smith, Lutz & Kowalski
pete@consult-ct.com

Spencer Cain, Cain Associates, Consultant to The Alliance
spencer.cain@att.net