

# How a Public/Private Partnership Brought \$30 Million and 6,650 Jobs to Connecticut

*It could have been a missed opportunity to bring millions in federal stimulus funds to needy Connecticut families. But, in 2010, deep into a recession, the state's philanthropic community – guided by the Connecticut Council for Philanthropy – worked with government representatives assembled by then-governor M. Jodi Rell and nonprofit advocates to orchestrate a coordinated public/private partnership to help bring extra relief to ease the suffering for their low-income families. The funds were available through the Emergency Contingency Fund of the Temporary Assistance for Needy Families program. The deadline was tight, but it was met. Work started in January; funds were approved in July 2010. The results are impressive. One example: 36,500 families received more than \$18 million in emergency benefits and aid. The full story is a blueprint for future partnerships.*

## SEIZING THE OPPORTUNITY - ESTABLISHING A PUBLIC / PRIVATE PARTNERSHIP

### Overview

In the more than 400 pages of the American Recovery and Reinvestment Act (ARRA), or the federal stimulus package as most Americans know it, there was a small, often overlooked section. This section allowed a state to apply for federal funding for nonprofits and municipalities that were responding to the rising needs of families during the recession.

Quick work was needed to take advantage of this time-limited opportunity and to put all the pieces in place to move forward rapidly.

In Connecticut, government, philanthropy and nonprofit advocates went to work.

The resulting public/private partnership produced an initiative that was unique among all the states and brought nearly \$30 million new dollars to Connecticut.

### Background

Connecticut, like other states, was suffering in the recession. Families were losing jobs and poverty was deepening. Connecticut's unemployment rate in 2010 was 9%, but when



*TANF funds also provided food for needy families.*

those who are discouraged from looking for work or are involuntarily working part-time were included, real unemployment and underemployment topped 15%. In Connecticut's cities, the "real" unemployment/underemployment rate was as high as 26%. Across the state, thousands of families faced a grim situation.

This was further compounded by the state's looming budget deficits. Its rainy day fund had already been tapped out. In 2010, Connecticut was facing a state budget deficit of \$600 million and a projected deficit for the next year of \$3.4 billion. So, there were few resources at the state level to help the state's poorest families survive the recession.

### The opportunity

The federal stimulus package included a fund called the TANF Emergency Contingency Fund (ECF). (TANF is Temporary Assistance for Needy Families, the new name for welfare programs after changes in 1996.) The temporary fund was established primarily to help states that were experiencing an increase in their welfare caseloads or were spending more for emergency benefits or subsidized jobs for needy families as a result of the recession. But there was more this fund could do.

The emergency fund would reimburse

*We wanted to make sure that legislators, state officials and nonprofit advocates were looking at how Connecticut could maximize its use of this TANF Fund. We knew that if foundations and nonprofits could move quickly to take advantage of this unique opportunity, we could bring millions of additional dollars to Connecticut to help needy families and create subsidized jobs.*

**John E. Padilla**

*The Annie E. Casey Foundation*

## PLANNING TOGETHER - WORKING TOWARDS A SIGNIFICANT GOAL

80% of any increased expenditures by states in federal fiscal years (FFYs) 2009 and 2010 over earlier years (FFYs 2007 and 2008). Increases based on federal funding were not eligible for reimbursement. But the emergency fund allowed states to include in their TANF plans and submissions for federal reimbursement increased “third party expenditures” for emergency benefits or subsidized employment for needy families. These third party expenditures are spending by non-governmental entities – nonprofits, municipalities and

*Our ability to secure these funds for these important purposes is the result of a strong partnership and collaboration between a number of state agencies, community nonprofit organizations, foundations and workforce boards. Families throughout the state in serious need of assistance will be the direct beneficiaries of this unprecedented partnership.*

**Governor M. Jodi Rell**  
News Release July 5, 2010

businesses. Such emergency benefits could include emergency shelter, food and clothing, housing, fuel, utility assistance, baby and back-to-school supplies, recreation programs for children, and job training.

### Advocacy and the political process

Alerted to this opportunity by the Annie E. Casey Foundation, a group of state-wide advocates met with Connecticut’s Department of Social Services and representatives of the Governor’s Office. They advocated for inclusion of increased third party expenditures in the state’s TANF plan and submission for TANF ECF federal reimbursement. Their advocacy resulted in the creation of the Governor’s TANF Working Group.

### TANF working group

The Working Group was composed of 33 members. Its effectiveness was ensured by its broad membership, which included representatives of two foundations plus the Connecticut Council for Philanthropy, four statewide coalitions of nonprofit organizations, community

*The TANF ECF offered an unprecedented, creative way to partner with state government and nonprofits to help our communities’ neediest families. The 4:1 federal match was simply too good – and too important – an opportunity to pass up. Our board felt that, as the largest community foundation in the state, it was our responsibility to step forward to support the families most affected by the economic downturn.*

**Linda J. Kelly**  
Hartford Foundation for  
Public Giving

colleges, Workforce Investment Boards, the State Departments of Social Services and Labor, and the Office of Policy and Management. It was chaired by the Governor’s Chief Legal Counsel and ARRA Coordinator. Its charge was to develop a statewide subsidized jobs program and a way to include third parties in the state’s TANF plan so they could access funding.

## HIGHLIGHTS: MAKING A DIFFERENCE ONE LIFE AT A TIME

**90 homeless children** were able to go to summer camp and participate in summer recreation programs.

**2 million diapers** were distributed to nearly 5,000 families.

**1,100 families** received \$500 grants to help pay for fuel and utilities.

**4,300 low-income children** received back-to-school backpacks, school supplies, and school uniform vouchers.

**200 unemployed low-income parents** received job training in medical billing, certified nursing assistant training, utility work and solar photovoltaic installation.

**275 families** received emergency shelter.

**975 families** were kept from becoming homeless.

## TACKLING DIFFICULT CHALLENGES - DEVISING INNOVATIVE SOLUTIONS

## Significant challenges yield to innovative solutions

### Challenge #1

Time was the first challenge. The TANF Emergency Contingency Fund was set to expire on September 30, at the end of FFY 2010. The ability to bring new funding to the state was substantial – and it was a race to beat the clock.

The faster the initiative and its programs could be developed and launched, the longer subsidized jobs could continue helping needy families get paychecks.

A quick start-up also had a direct impact on how much additional funding a nonprofit or municipality could get to provide needy families with short-term emergency benefits. This was because the 80% reimbursement worked in two ways.

Retroactively, the reimbursement was a straight 80% federal reimbursement of increased spending on qualifying programs. This federal reimbursement could be spent on the same program through FFY 2011.

Proactively, a nonprofit or municipality could project its spending on a program going forward, so that its 20% local share could gain an 80% federal share, or a 4:1 match. However, all the funding, local and federal, had to be spent by the end of FFY 2010.

**Solution** - *A tight schedule of bi-weekly meetings over three months was established for the Working Group and its two subcommittees to plan the initiative and report its recommendations back to the Governor. Without the public/private partnership and leadership from the private funding community and the State Departments of Social Service and Labor, this effort could not have succeeded.*

*We knew the formidable time constraints. But we all just cleared our calendars, rolled up our sleeves and got to work.*

**Nancy Roberts**  
*Connecticut Council for Philanthropy*

### Challenge #2

Another challenge was how to quickly identify employers who could employ and supervise thousands of new employees hired through this effort.

**Solution** - *This was solved by using the network developed by the state's workforce investment boards for the Summer Youth Employment Program in 2009.*

### Challenge #3

The state could provide some, but not all the funding needed to cover planning and administrative costs for the workforce investment boards.

**Solution** - *The Hartford Foundation for Public Giving stepped in with a grant to hire a consultant to develop detailed cost and outcome analysis for subsidized jobs. It later committed nearly \$420,000 to the effort.*

### Challenge #4

The sheer complexity of the initiative presented real challenges to the State of Connecticut. No other state had undertaken a similar effort to include so many third party expenditures in its TANF plan.

**Solution** - *The Working Group developed incentives through a three-part revenue-sharing formula. These incentives enabled the State to bring additional federal funding through the TANF ECF to nonprofits and municipalities that were helping needy families.*

### Challenge #5

The next challenge was how to identify and reach out to the nonprofits and municipalities that might have qualifying programs as well as increased expenditures – and to do it quickly.

**Solution** - *Here again private funders stepped in to help. The Annie E. Casey Foundation provided a grant to hire a consultant to spearhead the outreach process and the Connecticut Association for Human Services contributed additional funding.*

*The Connecticut Council for Philanthropy and United Way of Connecticut alerted their members to this unique opportunity for their grantees. More than 20 foundations and 3 regional United Ways responded within the ten-day deadline. From their own grant-making, they identified nonprofits that were likely to have increased expenditures in qualifying programs. This resulted in a list of more than 400 nonprofits to be used for outreach.*

### Challenge #6

The last significant challenge was how to administer the private and federal money received, disburse it to nearly 100 nonprofit programs, collect and track all the client and financial data for each program, and prepare the data for federal reporting.

**Solution** - *To assist in the financial management of this complex project, the State selected a statewide nonprofit to serve as a fiscal intermediary between the State and nearly 100 nonprofits programs. Legislation detailing the revenue-sharing for nonprofit and municipal TANF ECF reimbursements and enabling the state to contract with an intermediary was quickly passed by the state legislature.*

**MOVING QUICKLY - MOBILIZING RESOURCES - HELPING NEEDY FAMILIES**

**A unique opportunity for foundations to leverage funding 4:1**

Foundations and United Ways were very interested in providing new funding that could be leveraged 4:1 through the TANF ECF to help needy families.

After municipalities and nonprofits were approved by the State, it provided the list to the Connecticut Council for Philanthropy and United Way of Connecticut for distribution to their members who wanted to make new grants. These new grants either supported state-approved programs or new start-up programs during the last quarter of FFY 2010.

**Moving forward with lightning speed**

Quickly, the state and its partners coordinated three informational sessions: one for nonprofits and municipalities to find out more about federal reimbursement for emergency benefits for needy families; one for business, workforce investment boards and community colleges to find out more about subsidized jobs; and one for private funders to find out more about providing the leverage for the 4:1 federal match for new grants to help needy families.

The State quickly developed both a screening and application process for nonprofits and municipalities to determine if they had qualifying programs and increased expenditures.

Nonprofits and municipalities were provided technical assistance to help them complete their screening eligibility forms within the ten-day deadline.

Those who met preliminary eligibility requirements had another ten days to complete final applications. State officials worked long hours to qualify programs and submit them to the U.S. Department of Health and Human Services, Administration for Children and Families, for approval.

Meanwhile, the state's five Workforce Investment Boards contacted hundreds of employers to alert them to the opportunity for subsidized workers.

Private funders worked with their boards to identify and quickly grant new funding to qualify for the 4:1 match to help needy families.

This effort succeeded because of the deep commitment and collaboration of the three partners – private funders, the public sector and the nonprofit sector. Their shared recognition of the need to move rapidly to seize this opportunity, combined with their collective problem-solving that produced innovative solutions, brought \$29 million in new

federal funding to Connecticut to help needy families during the recession. We hope this establishes a pattern for future collaborative action.

**PARTICIPATING FUNDERS**

- American Savings Foundation
- Annie E. Casey Foundation
- Charter Oak Federal Credit Union
- Community Foundation of Eastern Connecticut
- Community Foundation of Greater New Britain
- Connecticut Community Foundation
- Connecticut Health and Educational Facilities Authority (CHEFA)
- Connecticut Clean Energy Fund
- Dominion Nuclear Connecticut, Inc.
- Fairfield County Community Foundation
- Hartford Foundation for Public Giving
- Knox Foundation
- Liberty Bank Foundation
- Newman's Own Foundation
- Northeast Utilities
- People's United Community Foundation
- Perrin Family Foundation
- Pfizer
- The Community Foundation for Greater New Haven
- The Fund for Greater Hartford
- United Way of Coastal Fairfield County
- United Way of Greater New Haven
- United Way of Greater Waterbury
- Multiple businesses

**THE RESULTS: \$30 MILLION TO HELP NEEDY FAMILIES**

**\$18.4 million** dollars in federal TANF ECF funding provided emergency benefits and services to more than 36,500 needy Connecticut families

**\$10.6 million** from the TANF ECF provided subsidized jobs for 6,650 Connecticut youth and adults with more than 800 employers

**\$1 million** from more than 23 private funders leveraged support for subsidized jobs and emergency benefits and services

**95 nonprofits and municipalities** across Connecticut received TANF ECF funding to help their low-income clients