
OFA Bill Analysis

SB 1547

AN ACT CONCERNING FUNDING FOR NONPROFITS.

SUMMARY:

The bill establishes annual inflationary increases for rates paid to nonprofit human services providers that contract with the state. It also requires the Office of Policy and Management (OPM) to report every two years on appropriations needed to make these increases. Under the bill, a nonprofit human services provider includes nonprofit organizations that perform (1) services for people with physical, intellectual, or developmental disabilities (including autism spectrum disorder) or (2) behavioral health services.

Specifically, the bill requires any state agency contracting with a nonprofit human services provider to annually increase salary or payment rates for the employees of such providers by July 1 for recurring contracts by the percentage increase in the consumer price index (CPI) for urban wage earners and clerical workers in the previous calendar year (a measure of inflation).

The bill similarly requires the Department of Social Services (DSS) commissioner to adjust Medicaid rates annually on July 1 for nonprofit human services providers contracting with DSS. The increase is the same percentage increase, if any, for state agency contracts described above. DSS must make the adjustment unless federal Medicaid laws do not allow it.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 51 Nay 2 (04/24/2025)