



General Assembly

February Session, 2026

Substitute Bill No. 514



AN ACT CONCERNING COMMUNITY PARTNERSHIP OPPORTUNITY AGREEMENTS.

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Certified community development corporation" has the same
3 meaning as provided in section 32-7s of the general statutes;
- 4 (2) "Community partnership opportunity agreement" means a
5 written agreement entered into pursuant to this section among the
6 Department of Economic and Community Development, participating
7 investors, certified community development corporations and
8 implementing organizations and independent evaluators to implement
9 the provisions of this section;
- 10 (3) "Early childhood implementing organization" means any school
11 or for-profit or nonprofit organization, with the professional capacity to
12 provide preschool or early childhood instruction designed to increase
13 kindergarten-readiness;
- 14 (4) "Implementing organization" means an early childhood
15 implementing organization, a literacy implementing organization or a
16 workforce implementing organization, as applicable, that is responsible
17 for delivering services or interventions to achieve the performance
18 metrics set forth in a community opportunity partnership agreement;

19 (5) "Independent evaluator" means an individual or entity that is
20 responsible for measuring performance metrics and progress milestones
21 using methodologies set forth in a community opportunity partnership
22 agreement and verifying that such metrics and milestones have been
23 met and (A) is an academic institution, a professional evaluative
24 consultant or an organization with a documented history of verifying
25 performance-based program outcomes, (B) possesses expertise in the
26 specific subject matter of the community opportunity partnership
27 agreement, including educational assessment metrics or workforce
28 development metrics or both, and (C) has no financial interest in the
29 outcome of the agreement other than the fee for evaluation services;

30 (6) "Literacy implementing organization" means any school or for-
31 profit or nonprofit organization, with the professional capacity to
32 provide intensive tutoring or reading interventions designed to ensure
33 grade-level reading proficiency by grade three;

34 (7) "Participating investor" means a private, philanthropic or mission-
35 driven investor that provides the necessary capital to fund the initiatives
36 set forth in a community opportunity partnership agreement; and

37 (8) "Workforce implementing organization" means an institution of
38 higher education or a for-profit or nonprofit organization, with the
39 capacity to provide training in specialized skills, such as in health care,
40 manufacturing or other high-demand fields.

41 (b) (1) There is established a program under which the Department
42 of Economic and Community Development shall enter into community
43 partnership opportunity agreements to expand, in communities in the
44 state that are experiencing persistent economic disadvantages, (A)
45 educational achievement, pursuant to an educational outcome
46 community partnership opportunity agreement, or (B) workforce skills,
47 pursuant to a workforce outcome community partnership opportunity
48 agreement, or both. Upon verification by the independent evaluator that
49 all the performance metrics set forth in the community partnership
50 opportunity agreement have been met, each participating investor shall

51 receive a repayment of the amount of invested capital, plus a
52 performance-based premium in accordance with the terms of the
53 community partnership opportunity agreement.

54 (2) Each community partnership opportunity agreement shall
55 include, at a minimum:

56 (A) A five-year performance period from the date such agreement is
57 executed that includes an implementation period during which
58 interventions are delivered, an outcome measurement period during
59 which performance metrics are evaluated by an independent evaluator
60 and the timing of baseline and performance progress measurements;

61 (B) Performance metrics and progress milestones, evaluation
62 methodologies to measure such metrics and milestones and the timing
63 of the conduct of evaluations;

64 (C) The participating investors and the amount of capital committed
65 by such investors;

66 (D) The certified community development corporation that will serve
67 as the coordinator of the initiatives undertaken to achieve the
68 performance metrics and progress milestones and the fee for such
69 services;

70 (E) The implementing organization or organizations that will carry
71 out such initiatives and the fee for such services;

72 (F) The independent evaluator that will conduct evaluations of
73 performance metrics and progress milestones and verify that the
74 performance metrics have been met and the fee for such services; and

75 (G) A success payment contract that sets forth a schedule of success
76 payments to participating investors, contingent on achievement of the
77 performance metrics set forth in the agreement, including repayment of
78 the amount of invested capital, a performance-based premium on such
79 amount and the maximum success payment obligation under the
80 agreement. Success payments shall be recognition of the acquisition of

81 a high-yield economic asset upon the achievement of the performance
82 metrics and of the projected lifetime value of such achievements to the
83 state. Any success payment shall be made by the Commissioner of
84 Economic and Community Development as an authorized capital
85 expenditure.

86 (3) In addition to the requirements set forth in subdivision (2) of this
87 subsection:

88 (A) An education outcome community partnership opportunity
89 agreement shall focus on achieving measurable improvements in
90 kindergarten-readiness and grade three reading proficiency for children
91 residing in the community serviced by the certified community
92 development corporation. Such agreement shall include (i) for
93 kindergarten-readiness, performance metrics based on an increase in
94 the percentage of such children who meet the state's standard for
95 kindergarten-readiness upon enrollment, and (ii) for grade three
96 literacy-proficiency, performance metrics based on an increase in the
97 percentage of such children, regardless of the specific school attended,
98 who achieve grade-level reading proficiency by grade three; and

99 (B) A workforce outcome community partnership opportunity
100 agreement shall focus on increasing workforce skills attainment and
101 career-linked employment for working-age residents of the community
102 serviced by the certified community development corporation. Such
103 agreement shall include performance metrics such as industry-
104 recognized credential attainment and placement in career-path
105 employment with specific wage and retention milestones.

106 (4) Any community partnership opportunity agreement executed
107 pursuant to this section may be amended only by written agreement by
108 all parties to the community partnership opportunity agreement.

109 (c) (1) Each certified community development corporation shall
110 submit a proposal to the Commissioner of Economic and Community
111 Development to enter into a community partnership opportunity
112 agreement. The commissioner shall assist the certified community

113 development corporation in the preparation of such proposal, which
114 shall include the names and contact information of the other parties
115 required for a community partnership opportunity agreement and
116 sufficient information to demonstrate the following to the
117 commissioner's satisfaction:

118 (A) The implementing organizations possess the necessary
119 experience in delivering evidence-based interventions in early
120 childhood education, literacy or workforce development, as applicable,
121 in distressed municipalities, as defined in section 32-9p of the general
122 statutes;

123 (B) The proposed intervention model is designed to reach a minimum
124 participation threshold of not less than (i) twenty per cent of children
125 grade three and younger residing in the community serviced by the
126 certified community development corporation, and (ii) twenty per cent
127 of the working-age residents of such community;

128 (C) The proposed intervention model demonstrates a reasonable
129 probability of achieving the applicable agreed-upon performance
130 metrics;

131 (D) Verified commitments of sufficient capital from participating
132 investors to fund the full five-year duration of the performance period
133 without reliance on state appropriations; and

134 (E) The proposed outcomes for kindergarten-readiness, grade three
135 literacy and workforce employment are clearly linked to the
136 longitudinal success of the resident populations in the community
137 serviced by the certified community development corporation.

138 (2) If the commissioner finds that the proposal meets the criteria set
139 forth in subdivision (1) of this subsection, the commissioner shall
140 execute a community partnership opportunity agreement not later than
141 ninety days after the commissioner receives the proposal. If the
142 commissioner determines such requirements have not been met, the
143 commissioner shall provide a written notice to the person submitting

144 the proposal, identifying the specific requirements that were not met.

145 (d) Upon the execution of a community partnership opportunity
146 agreement, the certified community development corporation may do
147 all things necessary to meet the performance metrics and progress
148 milestones set forth in the agreement, including, but not limited to,
149 collaborating with the implementing organization, independent
150 evaluator and state agencies to measure achievement of such metrics
151 and milestones; collaborating with early childhood education providers,
152 schools and other educational institutions, employers, workforce
153 development organizations and any other entities necessary to help
154 achieve such metrics and milestones; and engaging with participating
155 investors.

156 (e) There is established an account to be known as the "community
157 partnership opportunity account", which shall be a separate, nonlapsing
158 account. The account shall contain any moneys required by law to be
159 deposited in the account. Moneys in the account shall be expended by
160 the Commissioner of Economic and Community Development for the
161 purposes of making payments for the necessary expenses related to the
162 initiatives implemented to achieve the performance metrics and
163 progress milestones set forth in a community opportunity partnership
164 agreement and evaluation of such metrics and milestones and making
165 success payments in accordance with the provisions of a community
166 opportunity partnership agreement. Any moneys provided by a
167 participating investor pursuant to a community opportunity
168 partnership program under this section shall be deposited in the
169 account. The Treasurer shall invest the moneys in the account, subject
170 to use for purposes of the program.

171 (f) The commissioner shall submit a report, in accordance with the
172 provisions of section 11-4a of the general statutes, to the joint standing
173 committees of the General Assembly having cognizance of matters
174 relating to commerce and finance, revenue and bonding for each
175 community opportunity partnership agreement executed. Such report
176 shall be submitted for each year of the five-year period of the agreement,

177 describing the results of any performance metrics or performance
178 progress evaluations conducted in such year and a summary by the
179 certified community development corporation of the initiatives
180 undertaken in such year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Subsec. (a)(1), "32-7z" was changed to "32-7s" for accuracy; in Subsec. (b)(1), "participation investor" was changed to "participating investor" for accuracy; and in Subsec. (b)(3)(A), "literacy-readiness" was changed to "literacy-proficiency" for accuracy.

FIN *Joint Favorable Subst. -LCO*