

THE CONNECTICUT
NEGOTIATED INVESTMENT STRATEGY EXPERIMENT:
THE USES OF MEDIATION IN
INTERGOVERNMENTAL NEGOTIATIONS

by

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B. A. University of South Carolina
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Submitted to the Department of
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in Partial Fulfillment of the
Requirements of the Degree of

MASTER IN CITY PLANNING

at the

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ABSTRACT

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Mediation is a process of dispute settlement involving an impartial facilitator. A mediator must be invited or selected by the disputing parties to assist them in maximizing joint gains. Mediators do not dictate solutions. They rarely offer their own views about the fairness of proposed solutions. While a neutral third party can be extremely helpful in dispute resolution, an extraneous third party can exacerbate a conflict.

This thesis is about the Connecticut Negotiated Investment Strategy (NIS) experiment which involved teams representing state agencies, municipalities, and private, non-profit providers of human services and a mediator. The hypothesis is that mediation can help to improve intergovernmental decision-making. My analysis shows that if the parties had engaged in more integrative bargaining, seeking to maximize common interests, the negotiations would have produced a better agreement. I present my analysis in the following forms: Chapter I provides the context; Chapter II describes what happened in the joint sessions; Chapter III analyzes the gains and losses as a result of the distributive bargaining; Chapter IV evaluates the performance of the mediator; and Chapter V concludes the thesis by offering suggestions for future applications of mediated approaches.

Thesis Supervisor: Dr. Lawrence E. Susskind

Title: Professor of Urban Studies
and Planning

DEDICATION

This thesis is dedicated with love
and respect to my parents

BERNICE AND HORACE WATTS

and my mentors,

ROSA NELUMS

and

LARRY SUSSKIND

who believed in me and made it possible.

PREFACE

This thesis represents a long, sometimes tedious, and often frustrating year of hard work and determination to make a substantive contribution to the growing and complex field of dispute resolution. My observation of the Connecticut Negotiated Investment Strategy was not an easy task but the experiment was very instructive. I have done my best to represent in this thesis the invaluable learning experience. This analysis should be of value to many interested in improving the state-of-the-art of negotiation and mediation.

I have studied theories of dispute resolution while at both MIT and Harvard. I have been under the instruction of diverse teaching experiences, one of which attending the only mediation course taught in an American Law School.

Yet, the thoughts and ideas of this thesis are not mine alone. I have many acknowledgements to make. I thank the participants in the Connecticut NIS who provided me with the information which helped me to document this first-time negotiation regarding resource allocation on a state-wide level. I thank the staff at the Harvard Negotiation Project (now Program on Negotiation) especially Bruce Patton, Jody Bailey and Anita Moulton for their moral support and encouragement.

I thank Imani Thompson (and her family), Jean Christensen (and her family), Tanya Iatridis Cvek, Beverly and Ray Miyares, Jane Bowers, Leona Morris, Jean Winsbush, Hoda Sakr, Patricia Bell-Scott and Jacquelyn Miles for helping this "South Carolinian" adjust to urban life. In addition, I thank my two best friends who very patiently listen to my unique experiences in Boston and in Connecticut, Gael Caution and Anna Rueben.

To the professors who influence my thoughts, I thank Len and Susie Buckle, David Knechle, Roger Fisher, Bill Ury, Frank Sander, Larry Bacow, and Mick Wheeler.

Special Thanks are extended to Ann Hauge who serve many roles -- friend, listener, editor, critic, and confidant.

Very special Thanks are extended to Laura Blackburne who really helped me to integrate theory in practice. Her support and strength will never be forgotten.

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CHAPTER ONE INTRODUCTION

Conflicts among parties can be defined as discrepancies among their preferences for the distribution of limited resources. Conflicts occur when competing parties have different expectations. Parties in conflict become disputants when they are strongly motivated to achieve their most desired outcome under conditions that appear to permit only one outcome to be realized.

In various kinds of group conflict, two outcomes are possible: the conflict can destroy or disrupt whatever bonds of unity among the disputants previously existed, or the conflict can strengthen pre-existing ties and contribute to the establishment of unifying bonds where none existed before. Negotiation, bargaining, and mediation are mechanisms for encouraging the latter result.

Negotiation

Negotiation is a problem solving process -- one in which the parties attempt to reach a joint decision on matters of common concern in situations where they are in disagreement. [1] Negotiation allows face-to-face interaction and encourages the parties to assist each

other. If each understands the problems of the other and tries to help solve them, the parties can maximize joint gains.[2]

In the process of seeking to maximize joint gains, the primary concern of the disputing parties should be to influence rather than coerce each other. The course of negotiation would involve an exchange of information that will permit a process of learning by each party about their preferences, expectations, perceptions, attitudes, feelings, and weaknesses. Initially, a disputant may be vague about his or her real preferences and aims and about the possibilities available. What disputants learn from and about each other typically compels reconsideration, clarification, and adjustment of expectations. The exchange of information is used to change perceptions. As learning occurs, modifications and possibly reinforcement of preferences and demands are made. Interaction continues until sufficient coordination has been attained to achieve a joint decision on the issues in dispute. The alternative, which is always available, is not to negotiate and to accept the status quo, ". . . , (which is also in effect a joint decision), as preferable to anything else that appears possible." [3]

Bargaining

Bargaining occurs within the context of negotiation. Fred C. Ikle in How Nations Negotiate, defines bargaining as "a process in which representatives of various individual and divergent positions interact to reach common interests and agreement." [4] Bertram Spector in "A Social Psychological Model of Position Modification: ASWAN" emphasizes that "if the bargaining is successful, the process involves a convergence of interests." [5] He adds that "[n]egotiators respond to their counterparts' actions such that their mutual constraint of interest results in an outcome in which there is a maximization of interest for both sides in a positive nonzero-sum agreement." [6] Every bargaining situation, therefore, offers the possibility of mutual benefit and exchange.

Bargaining also occurs on other matters, for instance, on the selection of a site for the negotiation to take place, on a variety of procedural arrangements, on groundrules, on definitions, and in fact, on any matter that arises when a joint decision is required for negotiations to continue. Bargaining on such interim matters can be just as competitive as bargaining on particular issues comprising the dispute itself.

Bargaining should always involve joint consideration of

options. Options decided upon collectively provide greater joint benefits to the bargainers. Integrative bargaining occurs when bargainers locate and adopt options for joint gains. A process is considered more integrative if it helps to locate the best among the options available to the bargainers.

Integrative bargaining is different from compromise.

Compromise, according to Harold Lasswell, is:

... that mode of resolving conflicts in which all parties agree to renounce or reduce some of their demands. A compromise, in contrast to a dictated solution such as involved in coercion and conformity, implies some degree of equality of bargaining power. The agreement involved in compromise is also to be distinguished from that involved in integration. In the former case each party is able to identify the precise extent of his/her losses and gains; in the latter, new alternatives are accepted of such a kind as to render it extremely difficult to discern the balance between concessions made and concessions received.[7]

Integration depends on freely conceived, freely initiated efforts and not on domination by one party over the other.

Mediation

Mediation is a process of dispute settlement involving an impartial facilitator.[8] A mediator must be invited or selected by the disputing parties to assist them in maximizing joint gains. Mediators do not dictate solutions. They rarely offer their own views about the

fairness of proposed solutions. While a neutral third party can be extremely helpful in dispute resolution, an extraneous third party can exacerbate a conflict.

Mediators can be passive or active. They may just be a convenors of meetings or discussion leaders or may do nothing more than maintain a civilized debate or occasionally give reticent speakers a chance to interject a comment. Sometimes mediators may attempt to synthesize or restate points of agreement that appear to have been reached.

Mediators usually refuse to become involved in the substance of a negotiation, although they may help to prepare public statements explaining the necessity for compromise, attesting to the fact that both sides negotiated in good faith.

Some mediators are willing to do more. They may try to improve the ambiance in which the negotiations are taking place, assist in stabilizing and controlling interpersonal flare ups, and assist disputants in understanding that conflict is not a contest to be won but a series of problems to be solved. Most mediators in the collective bargaining field tend toward passive behavior.

The Focus Of This Thesis

This thesis is about mediated negotiation. It examines an experiment involving teams representing state agencies, municipalities and private non-profit providers of human services and a mediator.

This thesis offers a theoretical examination of the mediation process as well as the outcome of the Connecticut Negotiated Investment experiment. My hypothesis is that mediation can help to improve intergovernmental decision-making. My analysis of the Connecticut experiment shows that if the parties had engaged in more integrative bargaining, seeking to maximize joint gains, the negotiation would have produced a better agreement. There are a number of things the mediator could have done to better facilitate the search for agreement.

THE NEGOTIATED INVESTMENT STRATEGY IDEA

A Negotiated Investment Strategy (NIS) is an implementation plan that sets forth coordinated strategies aimed at targeting public and private investments of time and resources to achieve specific goals. The concept, developed by the Charles F. Kettering Foundation[9], involves carefully structured bargaining sessions and the assistance of an impartial

mediator. James Kunde, Director of the Urban Affairs Program of the Foundation, describes the NIS as follows:

NIS is an approach to urban planning policy making that starts 'from the bottom up,' and recognizes that federal policies and programs often cannot respond either to regional diversity or changing conditions. Setting public policy within the local area, as NIS proposes, provides for increased flexibility and stronger commitment. Local needs and national and regional objectives are addressed as package rather than as hundreds of separate projects and programs.

NIS provides for intergovernmental negotiations based on broadly defined objectives, negotiations that will lead to specific, coordinated commitments to actions and programs. NIS differs from other national coordination experiments in that it requires neither reorganization of the federal system nor new urban programs. Rather, the successful use of NIS depends on the capability of governments at all levels to reach urban policy agreements within the intergovernmental structure. A major challenge in this area is more effective use of available grants.[10]

Assumptions of the NIS

According to Daniel E. Berry and Evans Rogers in "Negotiated Investment Strategy: An Alternative Approach," they suggest that four major assumptions should guide the development of on NIS:

First, that there will be fewer shares of new program money to go around in the future and that any real progress in dealing with social concerns will have to come from a better use of existing programs and appropriations. The growing movement to limit government spending at all levels, and the pressure for a balanced federal budget is likely to increase conflict levels in the system as available resources diminish.[11]

Second, that efforts to reform the intergovernmental system have been hampered by the delusion that those reforms can be carried out in a 'cooperative' mode. Robert Bish, among others, has pointed out that cooperation is only one of several relationships which occur among independent political units. Others include collusion, competition, and coercion.[12] Within the intergovernmental system all these relationships can occur simultaneously. Thus processes which recognize the complex and varied nature of intergovernmental relations must be developed and applied.[13]

Third, that the intergovernmental system is already a bargaining system, but one in which agencies negotiate among themselves. Often these negotiations occur without a shared community of interests or compatible objectives.[14] Thus achieving coordination among organizations, says Robert D. Thomas, must be preceded by consensus building: achieving an agreement among the various participants about what objectives should be attained and what means to use.[15]

Fourth, that major reorganizations, both national and local, require substantial political strength and frequently are followed by such bureaucratic trauma that the initial targets are obscured and often delayed for many years. Furthermore, reorganization may be premature unless intergovernmental consensus has been reached on what it should accomplish. Thus, it may be more expedient to rigorously test the existing system.[16]

Six Major Elements

To make the NIS concept operational, six major elements must be brought together: (1) negotiating teams each of which is initially small but which can be expanded to assure representation of important interests; (2) an impartial mediator to manage the process and facilitate negotiating sessions; (3) opportunities for the teams

to meet in face-to-face negotiating sessions; (4) development of a comprehensive local investment strategy to guide negotiations concerning policy decisions and program choices; (5) a signed document specifying mutual policy objectives and commitments of resources, both financial and non-financial; and (6) public review and adoption of the agreement, with monitoring of subsequent performance by each party.

Past NIS Experiments

NIS experiments have been successful in three cities: St. Paul, Minnesota; Columbus, Ohio; and Gary, Indiana. In St. Paul and Gary, the focus was on complex redevelopment projects requiring substantial resource commitments from federal, local and private interests. In Columbus, negotiations were focused on improving day-to-day working relations among local, state, and federal agencies. The primary focus of all three experiments was to coordinate public and private investments of money and manpower aimed at improving economic and social conditions.

The Negotiated Investment Strategy Idea recognizes that the coordinated use of public and private resources in a city is unlikely to be achieved through existing mechanisms. Generally speaking, the system of intergovernmental and public-private interaction does

not provide sufficient incentives to produce coordination in the face of competing interests. The NIS idea starts from the premise that competing objectives and differing responsibilities of various levels of government are likely to be a continuing feature of the intergovernmental scene. These continuing differences suggest that the levels of government are more likely to relate to each other as parties to a negotiation than as parties in a common enterprise. In a negotiation, interests and objectives are not congruent among the parties. A negotiation is successful when agreements are reached in spite of continuing differences, not necessarily because they have been eliminated.

Revitalized Federalism:
A New Context For NIS[17]

In President Reagan's inaugural address, he stated:

It is my intention to curb the size and influence of the federal establishment and to demand recognition of the distinction between the powers granted to the federal government and those reserved to the states or to the people. All of us need to be reminded that the federal government did not create the states; the states created the federal government.[18]

In March, 1981, President Reagan announced his "Economic Recovery Plan" which proposed drastic political and fiscal reform aimed at shifting revenue-raising and allocation responsibilities from the federal to state and local governments. The plan proposed budget cuts

reflecting more than fiscal conservatism; the President sought to reduce or end federal support for certain programmatic activities. The plan also proposed a consolidation of ninety-seven categorical programs (with programmatic and administrative strings removed) into seven block grants as well as a twenty-five percent funding reduction in the ninety-seven programs involved. Responsibilities for planning, monitoring, and funding human services would be shifted to states and localities.

The President's proposals did not win Congressional approval. With the passage of the Omnibus Budget Reconciliation Act of 1981 on July 29, 1981, however, fifty-eight categorical programs were combined into nine block grants with a budget of 7.5 billion.[19] The nine block grants encumbered by limitations and restrictions and involved funding reductions ranging from five to thirty percent were (1) Alcohol, Drug Abuse and Mental Health Services, (2) Community Development -- The Small Cities, (3) Community Services, (4) Education, (5) Low Income Energy Assistance, (6) Maternal and Child Health Services, (7) Preventative Health and Health Services, (8) Primary Care, and (9) Social Services.

The Act, as passed, is likely to have profound effect

on social services in subsequent years by linking the many fragmented categorical programs into block grants with a major reduction in federal funding. It is obvious that the reductions in funding for health, education, and social services, will have a detrimental effect on people needing help.

THE NEGOTIATED INVESTMENT STRATEGY IDEA COMES TO CONNECTICUT

The Governor's Interagency Task Force on Block Grants

On March 26, 1981, the Governor of Connecticut, William O'Neill, assembled the heads of all state agencies to examine the impact of President Reagan's "Economic Recovery Plan". As a result of this meeting, three interagency task forces were created, including an Interagency Task Force on Block Grants, led by Stephen Heintz, Under Secretary of the Office of Policy and Management(OPM).[20] The Task Force on Block Grants was responsible for designing a process to ensure equitable and effective administration of block grants and to explore opportunities for the use of innovative allocation and priority-setting techniques. After the Task Force studied various options and alternatives to determine how to allocate the funds in the best way, they chose to test a negotiated approach to decide on how to allocate the Social Services Block Grant (SSBG)

funds.

Because of the complexity, flexibility, and scope of the new block grant regulations and because the SSBG represented the largest federal block grant to Connecticut affecting some 18 state agencies, 169 municipalities, and an estimated 800 to 1000 private service agencies, the SSBG was deemed appropriate for testing a negotiated approach to making allocation decisions. At stake were 33 million dollars for federal fiscal year 1984, a decrease from 45 million received for federal fiscal year 1981.

SSBG dollars were derived by consolidating Title XX Social Service and Child Day Care Training (Federal Catalog numbers 13.642 and 13.644). Services eligible for support included: child care, protective services, information and referral, adult day care, family planning, employment services, counseling, training, transportation of program clients, and services for children and adults in foster care arrangements. Ineligible for support were: medical care, purchase or improvement of buildings, wage payments (except for welfare recipients in day care jobs), educational services, long term room and board costs and services in the form of cash payments. The block grant regulations eliminated income eligibility and state matching fund

requirements and allowed the state discretion in providing a wide variety of services aimed at achieving several broadly-based goals: (1) achieving or maintaining economic self support to prevent, reduce, or eliminate dependency; (2) achieving and maintaining self-sufficiency including reductions or prevention of dependency; (3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families; (4) preventing or reducing inappropriate institutional care by providing for community-based care, or other forms of less intensive care when other forms of care are not appropriate, or providing services to individuals in institutions. [For more extensive review of the block grant guidelines, see Appendix 1 -- "Subtitle C -- Block Grant For Social Services" (Omnibus Reconciliation Act of 1981).]

Application of the NIS

As recommended by the Task Force, the Governor designated OPM under the direction of Stephen Heintz to serve as secretariat. Meetings between OPM and Kettering resulted in a preliminary design of a negotiated strategy. The goal of the proposed experiment was "to improve the techniques of intra- and intergovernmental decision-making." The objectives

included design and testing of an innovative approach to the allocation of limited block grant funds which would:

1. Demonstrate the ability of state government to make effective use of the authority delegated to the states and provide a model process which can be replicated by other states;
2. Provide an opportunity to place an array of human services delivery issues on the table and obtain agreement on the relative importance of each;
3. Provide an opportunity to place individual agency and grantee program requests in the context of overall needs and subject those requests to scrutiny by peer agencies or claimants;
4. Permit those claimants to see and understand all of the other claims on the same limited funding;
5. Provide an opportunity for municipal and private, nonprofit service providers to participate in the decision-making process and to make their concerns and priorities known to State agencies;
6. Develop a block grant allocation process which permits all or most of the funding claimants to agree to the result;
7. Develop a more effective allocation of block grant funding than can be achieved through more conventional procedures. ("Effectiveness" in this case must be judged in terms of the amount of service to be provided, the extent to which that service is consistent with the needs which the participants identify to be the most important, and the level of consensus achieved through the negotiating process); and
8. Provide a mechanism for agreement on changes in policy, procedure or agency roles which will improve the effectiveness of SSBG use in Connecticut.

Although the immediate purpose of the negotiated

approach was the allocation of SSBG funds, the designers hoped that the negotiations would focus attention on the broader and deeper problems of human service delivery. Governor O'Neill endorsed the use of the NIS approach for determining SSBG allocations and pledged that the product of the NIS discussions would be the plan he would submit to the Connecticut State Legislature in January 1983 [See Appendix 2 -- "State Legislation Regarding General Assembly Review of Block Grant Allocation Plans" (P. A. 81-449).]

Prior to the formal negotiations, four essential tasks had to be completed; (1) the teams needed to be identified; (2) a mediator/facilitator needed to be selected; (3) the participants needed to be educated about negotiating techniques; and (4) groundrules needed to be established.

Identifying the Teams

Even though it was difficult to define all the stakeholding interests, three distinct teams did emerge: a state team representing the state agencies eligible for SSBG funds, a team representing the municipalities and a team representing non-profit service providers.

The State Team

OPM decided that all eligible state agencies should

participate in developing state agency priorities and state-level positions on other issues. The selection of agencies was complicated in three ways: (1) many of the agencies identified with the program in reports to the federal government did not consider themselves social service agencies; (2) a number of agencies had moved in and out of the programs over the years; and (3) a number of agencies still identified with the program expressed interest in disassociating themselves from Title XX funding. Each agency, however, that was to participate was encouraged to designate either its commissioner or deputy commissioner as its representative so that there would be no question about each participating individual's authority to make commitments. A core of eighteen agencies finally emerged.

After the core of state agencies was determined, there was a problem of how to select the five member negotiating team. Two agencies, OPM and the Department of Human Resources (DHR), were obvious choices. OPM was appropriate because it was the initiator of the NIS process and because it represented the Governor's interests. OPM also had the advantage of not representing a particular client group. DHR was also essential because it had administered the Title XX program in the past and was, therefore, the agency with

the most knowledge and experience. Since the rationale to be used in selecting the other three teams members was not clear, the remaining three members could be selected on the basis of financial stake, choosing those with the greatest SSBG related expenditures, or they could be selected to represent the greatest number of state clients.

The state negotiating team was eventually composed of a combination of large and small agencies, with corresponding SSBG budgets, but the selection process was much slower than anticipated. A tentative negotiating team was selected to participate in the groundrules meeting on September 20th. The state negotiating team emerged after September 20th.

The Municipal Team

On May 4, 1982, OPM asked the Connecticut Conference of Municipalities (CCM) and the Council of Small Towns (COST) to develop a representative municipal negotiating teams and insure that non-member towns were represented. Although the Directors of CCM and COST were immediately drawn to the NIS and recommended to their boards of directors that CCM and COST participate, they could not unilaterally commit their organizations to the process. The decision was delayed because of the difficulty of gaining agreement on the mix of small town/big city

representation on the team. After these problems were resolved, on August 16, the municipal negotiating team was organized. The team was composed of three members from CCM and two from COST, representing the full range of small, medium and large towns in Connecticut. CCM and COST objected, however, to representing municipalities and towns that were not members of either one of these organizations.

The Private Non-Profit Team

A third team was the Private, Non-Profit Service Providers Team (the Non-Profit Team). There were both a large number and considerably variety of non-profit service providers eligible for SSBG funds. In addition, there was not an existing network of statewide organizations that the service providers were likely to consider adequate to represent their interests. OPM surveyed all appropriate state agencies and assembled a list of about 30 primary associations representing non-profit service providers. In the event that this approach to organizing a team did not succeed, two other primary options were considered: (1) appointment by the Governor; or (2) no non-profit team with reliance on the state agencies to represent the concerns of the non-profit service providers they work with and through.

The leadership of those 30 primary associations was

invited to a briefing on June 3, 1982. Following the briefing, upon the suggestion of those present, the representatives of OPM and DHR left the meeting. A temporary chairperson chosen by the associations conducted the remainder of the meeting. Then, the number of non-profit agencies to be involved was expanded; a steering committee was formed, and a negotiating team was selected from the steering committee on July 14, 1982.

Selecting A Mediation/Facilitation Team

After the first three sectors were organized, representatives from each team met to select a mediator. In July, 1982, they selected Joseph Stulberg, (J.D., Ph.D., Founder and President of Conflict Management Resources, Inc., Associate Professor of Baruch College of the City of New York), an experienced labor and community dispute mediator. In September 1982, with the approval of the negotiating teams, he designated Ernest L. Osborne, President of the Greater Hartford Process, Inc., and former Under Secretary for Intergovernmental Affairs in the U.S. Department of Health and Human Services as his associate mediator. In August, 1982, he also designated J. Michael Keating, an arbitrator and mediator, also of Conflict Management Resources, Inc., to head the mediators' secretariat.

Educating Participants About Negotiating Techniques

Kettering sponsored briefing sessions to educate the participants regarding the NIS process and negotiating techniques. In these sessions, printed materials and video tapes were used to help participants prepare for the negotiating sessions. According to Benson Cohn, Assistant Director for Plan Development, Comprehensive Planning Division, OPM, "the training in negotiating techniques, per se, was not necessary." "The people selected for the teams had a great deal of negotiating experience." The lead spokespersons for each team (the mediator asked each team to select a spokesperson prior to the first formal negotiating session) were especially experienced. The Municipal Team's spokesperson had an undergraduate degree in labor relations. One of the Non-Profit co-spokespersons had courtroom experience and the other had served as a mediator, arbitrator and factfinder in labor-management disputes. The State Team's spokesperson had experience in negotiations between and among state agencies.[21]

Establishing Groundrules

On September 20, 1982, the teams met and established groundrules by which the future sessions would be conducted. The groundrules addressed a variety of questions, such as, the number of team members that

could participate, rules for direct involvement of the public, the role of legislators and official evaluators. In addition, the groundrules defined the mediators' function (which was to facilitate the process. [See Appendix 3 -- Groundrules.]

KEY ASSUMPTIONS BEHIND THE MEDIATED APPROACH TO STATE RESOURCE ALLOCATION

A number of assumptions give rise to the notion of using mediated negotiation to allocate state resources: (1) mediated negotiation will presumably reduce competition during times of fiscal constraints; (2) mediated negotiation might help to generate **comprehensive framework** within which to address human service decision-making; (3) mediated negotiation should **increase communication** among service providers; (4) mediated negotiation should lead to agreements about how best to **reduce duplication of services** and counterproductive expenditures of public funds; (5) the use of an **impartial mediator/facilitator** should encourage the **resolution of impasses**; (6) mediated negotiation should encourage the **private sector** to participate; and (7) mediated negotiation should allow **stakeholders to be more accountable** to their respective constituencies.

FOCUS OF ANALYSIS

This thesis offers a comprehensive and critical examination of the fourth NIS, (Connecticut) experiment and is based on first-hand observations of all negotiating sessions as well as interviews with the participants. The remainder of this thesis focuses on the use of mediated negotiation in the public sector. Chapter Two offers a chronology of events in the Connecticut experiment. The chronology is provided to help readers understand key terms and events examined in the analysis that follows. Chapter Three examines the gains and losses resulting from the distributive bargaining engaged in by the participants. The gains and losses are analyzed in terms of the distribution of SSBG funds as well as in terms of intangible gains and losses such as position and image of the parties. Chapter Four reviews the performance of the mediator who in this negotiation chose a rather passive role. Chapter Five examines possible future applications of mediated approaches to state-wide decision making.

NOTES

[1] P. H. Gulliver, Disputes and Negotiations: A Cross Cultural Perspectives, (New York: Academic Press) 1979, p. viii.

Gulliver distinguishes between "disagreement" and "dispute." He writes that "disagreements are resolvable (and/or tolerated) within the relationship and no dispute arises."

His definition states "a dispute becomes imminent only when two parties are unable and/or unwilling to resolve their disagreement; that is, when one or both are not prepared to accept the status quo (should that any longer be a possibility) or to accede to the demand or denial of demand by the other. A dispute is precipitated by a crisis in the relationship. That crisis comes from the realization by at least one party that dyadic adjustment is unsatisfactory or impossible and that the continued disagreement cannot be solved. That person therefore attempts to take the disagreement out of the private, dyadic context and to put it into public domain with the intent that 'something must be done.' Going into a public domain offers the possibility of appealing to other people and to the interest and norms of the community, which, it is thought, maybe advantages to, and supportive of, the party's demands. Sometimes going public is an attempt to avoid further deterioration of the relationship and of the situation, including perhaps a threat of violence or some other unpleasant result." (pp. 75 - 76)

[2] See Howard Raiffa, The Art and Science of Negotiation, (Cambridge, Massachusetts: Harvard University Press, 1982). Professor Raiffa offers a systematic and sequential analysis of pertinent dispute characteristics. He also offers evidence, as opposed to mere theory and speculation, on specific effects of various bargaining positions, processes, and tactics. He suggests the many roles of a third-party intervenor might play in a negotiation. Finally, he integrates realistic consideration of ethical issues with questions about strategic choice.

[3] Gulliver, pp. 5-6.

[4] Fred C. Ikle, How Nations Negotiate (New York: Harper and Row, 1964), p. 34.

[5] Bertram I. Spector, "A Social Psychological Model of Position Modification: ASWAN" in I. William Zartman,

The 50% Solution, (New York: Anchor Press, 1976), p. 347.

[6] Ibid.

[7] Harold Lasswell, "Compromise" in Encyclopaedia of the Social Sciences, Volume 6, pp. 147-49.

[8] An impartial mediator is one who is not compensated by any of the parties and one who is not directly related to either disputing party.

[9] The Charles F. Kettering Foundation is a non-profit, research oriented foundation established in 1927. The foundation undertakes research on a wider range of issues. Its prime areas of interests are science and technology, education, international affairs, government and basic agricultural research.

[10] James Kunde, "Negotiating the Cities Future," in Nation's Cities, (November 26, 1979).

[11] Daniel E. Berry and Evan Rogers, "Negotiated Investment Strategy: An Alternative Approach." Paper presented to the Midwest Political Science Association Panel on "Alternative Structures for Urban Service Delivery," Chicago, Illinois (April 26, 1980), p. 6.

[12] Kenneth Hanf and Fritz W. Scharpf (editors), Interorganizational Policy Making (London: Sage Publications, Ltd., 1978) p. 22-23, quoted by Berry and Rogers, p. 6.

[13] Berry and Rogers, p. 6.

[14] Harold Siedman, Politics, Position, and Power: The Dynamics of Federal Organization, 2nd Edition, (New York: Oxford Press, 1975), p. 195, quoted by Berry and Rogers, p. 6.

[15] Robert D. Thomas, "Federal Programs at the Local Level" Political Science Quarterly (Fall, 1979), p. 430, quoted by Berry and Rogers, pp. 6 - 7.

[16] Berry and Rogers, p. 7.

[17] In 1971, the philosophy of the Nixon administration was that locally elected government officials have a greater knowledge of local problems than do federal officials in Washington and that they should be given the freedom to allocate grant funds according to their own priorities. This philosophy culminated in the Nixon administration's proposal for

specific revenue sharing in which categorical grants in specific areas such as community development, education, and manpower training would be consolidated. Funds for each of these broad areas would be allocated to communities by statutory formula. Local governments would then be free to make their own decisions about expenditures on projects within these broad programs areas. There would be no matching requirement under special revenue sharing. President Nixon coined the phrase "New Federalism" to describe his conception of intergovernmental relations.

President Reagan employs the same philosophy but applies it with greater fervor and enlarges and updates the Nixonian concept of which I have entitled "Revitalized Federalism."

[18] Richard S. Williamson (Assistant to the President for Intergovernmental Affairs), "The Shape of 'Reagan Federalism'," State Legislatures, Volume 7, Number 7 (July/August 1981), pp. 37-39.

[19] Richard S. Williamson, "Block Grants -- A Federalist Tool," State Government, Volume 54, Number 4, (1981), p. 115.

[20] OPM is the central management, budget-making and policy coordination agency of Connecticut State Government and is a direct extension of the Governor's Office. It is roughly analogous to OMB and the Executive Office of the President.

[21] Telephone conversation with Benson Cohn (January 26, 1983)

**CHAPTER TWO
CONNECTICUT NEGOTIATED INVESTMENT STRATEGY:
ACTUAL CONTENT OF THE JOINT SESSIONS**

From August to December, five formal, joint sessions involving the full membership of the negotiating teams and their respective support personnel were held. Two sessions lasted two days each and the other three sessions lasted one day each, respectively: October 12; November 3 - 4; November 23; December 6 - 7 ; and December 23. In addition to the mediation team, the formal negotiating teams and their support staffs, an observer team representing the private sector was invited to be present at the negotiating sessions. The observer team consisted of two representatives of community foundations, two representatives of the United Way, and two representatives from the corporate sector. The corporate sector was represented by the Connecticut Business and Industry Association and the Greater Hartford Chamber of Commerce. The purpose of the observer team was to improve coordination between public and private services funding.

JOINT SESSIONS

All sessions were conducted in the Hartford,

Connecticut area and were open to the public. Segments of the various negotiating sessions were videotaped for future informational and educational purposes. Numerous private meetings were held before, during, and after the formal sessions.[1] The main events of each formal session are summarized below.

First Joint Session: October 12, 1982

Before the joint session, Dr. Stulberg instructed the teams to prepare what they felt should be the guiding principles for the allocation of the SSBG funds and the components of a final agreement.

At the session, OPM and DHR distributed to the parties for their review an analysis showing how SSBG funds had been allocated in the past. Each team then offered its suggestions regarding guiding principles and the components of a final agreement. Some of the principles and components were relatively similar and agreement on these was easy to achieve but because of wide differences other matters required extensive discussion.

The participants eventually agreed that the final document should contain the following components:

1. Narrative preamble including a statement of the purpose and scope of SSBG;
2. Definition of services and target population;

3. Service priorities based on needs, with identification of criteria;
4. Allocation mechanism(s) for full funds estimated to be available in federal fiscal year 1984. Specific allocation should be identified.
5. Multi-year implementation plan and process;
6. Evaluation standards, instruments and processes;
7. Criteria for evaluating and selection of service providers; and
8. General or operating principles.

The participants settled on the following guiding principles:

1. Avoid duplication of services and oversight activities;[2]
2. Performance criteria should be established for selection and evaluation of service providers;
3. Development of a consistent, comprehensive data base;
4. Funding decisions should minimize adverse impacts on people receiving services;
5. All applicable civil rights statutes and regulations should be observed; and
6. Funding decisions shall be based on:
 - a. Agreed-to service priorities based, in turn, on need and identified criteria; and
 - b. Agreed-to criteria for evaluation and selection of service providers.[3]

The participants concluded their first meeting by agreeing to perform the following tasks for the second

session scheduled for November 3:

1. The Non-Profit Team would draft a preamble and circulate it to the other teams ten days prior to the next joint session.
2. Using the definitions of services and target populations provided in the State Team's SSBG Data For Use In NIS Sessions, [4] as modified by teams after their review of those definitions, each team would develop tentative service priorities which should be ranked in three broad categories, that is, high, medium, and low. A draft statement of these priorities would be sent to the other teams by close of business, October 28, 1982.
3. The Mediator would prepare a draft set of guiding principles which should be circulated to all teams for review prior to the next joint session.
4. The State Team would provide whatever information it has available on current evaluation standards, instruments, and process. The Non-profit Team would add whatever it possesses in the way of relevant evaluation data, which, together with the State Team's materials, would be shared at the next joint session.
5. Each team would develop a draft set of criteria for evaluation and selection of service providers, which would be sent to the other teams by close of business, October 28, 1982.

Second Joint Session: November 3, 1982
Day One

The head mediator asked each team to describe the proposals and documents it had prepared and offered for consideration. The Non-Profit Team discussed its proposals regarding (1) a preamble, (2) a priority list [6], (3) a revision of service definitions, (4) definitions for final agreement, (5) definitions of

vulnerable populations, and (6) rebuttals to the other two teams' materials that had been mailed to the Non-Profit Team before this meeting. In addition, the Non-Profit Team asked for the inclusion of the following stipulations in the final agreement:

1. The State of Connecticut should develop an appropriate mechanism to ensure that all service providers are reimbursed or paid on time in accordance with the stipulations of their contracts.

2. SSBG funds may be used to assist in the financing costs for any short term borrowing associated with the implementation of item one.

3. All service providers should be able to maintain their SSBG funds in interest, generating instruments, such as: money market funds, bonds, or saving accounts. All interests generated can be maintained by the service providers and will not reduce their SSBG funds.

4. Funding from the SSBG should be directed towards the establishment of a Grants Resource Center.

5. Funds from the SSBG should be made available to each sector to provide them with the resources that will be required to continue their involvement in the NIS process.

Next, the Municipal Team briefly explained its proposals which had been mailed beforehand. These included: (1) "Service Priorities by Applying Criteria to Social Services Needs";[7] (2) "Conditions of Vulnerability Related to Service Needs"; (3) "Suggested Changes in the State Team's Definitions of Social Services (Preliminary)";[8] and (4) "Characteristics of An Ideal Service Provider (Criteria for Selection) -- Draft".[9]

At this time, the Municipal Team introduced a new concept called "Client-centered Coordination of Services" [10], which would seek to minimize the costs of services provided to clients through increased coordination efforts.

After presentations by the Municipal Team, the State Team discussed the importance of priority-setting. To help focus on block grant service objectives, the State Team proposed a "swap agreement" by which six agencies would agree to relinquish their participation in the federal fiscal year 1984 SSBG in return for State General fund money to cover the functions for which they had been receiving SSBG money. The State Team's reasons for the swap were described as follows:

For the past two block grant years, the allocation of SSBG funds was based largely on past practice. Funding reduction from prior Title XX levels were generally shared in proportion to the overall reduction in SSBG funding. The main policy shift which did occur was placement of higher priority on services rather than training. Thus, the first two SSBG 'intended use plans' continued to reflect a mix State agency participants and uses based in part upon past ability to generate Title XX billings.

The current Negotiated Investment Strategy experiment is premised on the need to comprehensively examine SSBG priority-setting and to focus the allocation of funds more directly on the five broad service goals enumerated in the federal authorizing legislation. As a consequence, the first major issue tackled by the SSBG agencies was which agencies provide services most appropriate to the goals and should remain

part of the block grant and how others which are not clearly and directly linked might withdraw without major damage to important programs which the SSBG had been funding (emphasis added). The difficulty of the issues lay in the fact that the functions involved are of unquestioned importance, but the relationship of those functions to the five block grant goals is far less direct than for the remaining programs and agencies.[11]

The result of the negotiations among the State agencies involved the Commission on Human Rights and Opportunities, the Department of Corrections, the Office of Chief Public Defender, the Judicial Department, the Department of Consumer Protection and OPM. They agreed to exchange any SSBG funds to which they might be entitled in federal fiscal year 1984 for discounted (12 to 15 percent) dollars from the State General Fund. As a result of the swap, SSBG funds formerly received by six agencies would be turned over to those agencies participating in the NIS process, who would in exchange, be required to contribute to the General Fund an amount equal to the SSBG funds given up by the six agencies (less than the negotiated amount). The net benefit of the funding swap was that the teams could focus directly on setting SSBG priorities without being encumbered by complexities resulting from past arrangements.

The State Team proceeded to explain its method for setting priorities for allocation of SSBG funds. The team (1) described its priority-setting process; (2)

proposed vulnerable populations; (3) proposed service definitions; and (4) indicated service importance. The State Team concluded with a response to positions taken by the Non-Profit and Municipal negotiation teams.

Following the presentations, discussion focused primarily on the tentative swap agreement worked out internally by the State Team. Particular concern was expressed by the Non-Profit Team. They caucused for an hour to consider the potential impact of the swap. At the time, the Non-Profit Team did not accept the swap. Discussion then turned to service definitions.

After extensive discussions, several definitions were still in dispute. The Non-Profit Team withheld approval of the definitions of the following services:

Community-Based Residential Services: To avoid, forestall, or shorten the length of institutionalization for individuals who are unable to function in the community without arrangements (e.g., halfway houses, group houses, etc.). This service focuses on the treatment, habilitative or rehabilitative care through the provision of supportive living experiences to enable individuals to return home, if possible, as soon as personal, social adjustment, and development permit.

Residential Treatment Services: Provides a 24-hour supervised care and treatment in an institutional setting under the direction of professional staff to impact significant levels of dysfunction. Residential care may be long term.

The State and Non-Profit Teams withheld approval of the following definition:

Client-oriented Coordination of Services:
Function of assessing an individual's needs, developing a plan to insure that the needs are met, linking the individual to the providers that can meet the identified needs, supporting the client in his or her receipt of services, and follow-up to insure service plan is fulfilled.

It was suggested that Community-Based Non-Residential Services (which included Adult Day Care and Community Care for the Elderly and Disabled) and definitions of Day Treatment and Home Management-Maintenance Services be merged. The Non-Profit and State Team agreed to the new definitions, but not to complete merger.

No agreement was reached on administrative costs. The Non-Profit Team proposed a definition of administrative costs:

those costs associated with operating a direct service program. They may include administrative personnel costs, supportive staff costs, and indirect costs associated with organizational operation. Administrative costs shall be responsible proportion to total monies received by the agency for direct services.

The State Team accepted the language proposed by the Non-Profit Team with the last sentence deleted. In lieu of this language, the State Team reiterated its view that a specific limit (by percent) on administrative expenditures be included in the "Guiding Principles." The Municipal Team stated that it was not prepared to

discuss a definition for administrative costs.

Second Joint Session: November 4, 1982
Day Two

The mediator distributed a draft of definitions emerging from the previous day. The teams proceeded to consider, amend and revise the mediator's draft. The Non-Profit and State Teams continued to withhold approval of the definition of client-oriented coordination of services. The three teams did, however, agree on a definition of administrative costs:

Those costs associated with managing a direct service program such as supervisory personnel costs and the indirect costs of organizational operation.[12]

Following the agreement on definitions, the session focused on the established of service priorities and criteria for the selection of priorities. Once again, the impact of the swap agreement on the NIS process and federal fiscal year 1984 social services funding emerged as an item of concern. The State Team promised to clarify the details of the swap and assured the participants that all SSBG funds generated by the swap agreement would be subject to the allocation mechanisms and priority criteria developed through the NIS process. Furthermore, according to the State Team, the agencies involved in the swap that were relinquishing SSBG funds would continue to operate those programs presently being

funded with SSBG dollars.

The Non-Profit Team, while acknowledging that the NIS process offered an opportunity for creative review of social service programming in the State, cautioned the participants that existing programs had been operating effectively and that talk of "zero-based budgeting and program review," would disrupt present delivery arrangements. The State Team responded with a commitment to continued sensitivity to the non-profit sector's need for operational continuity.

Turning to service priorities, the Non-Profit Team proposed that services presently provided by non-profit agencies be continued because those agencies already were providing effective services as mandated by the statutory language of the SSBG regulations. The Municipal and State Teams countered that priorities should be set on the basis of needed services rather than with regard to who the service providers happened to be. Following a caucus, the Non-Profit Team agreed to review and revise its proposals for service priorities and to circulate a fresh proposal that afternoon.

The Non-Profit Team sought clarification of the State Team's three categories of priority. The State Team

responded that "high priority" services would be eligible for increased funding, if any was available; "medium priority" services would receive funds sufficient to maintain the status quo; and "low priority" services would face reduced or redirected funding if cuts were required. The Non-Profit and Municipal Team accepted these priority definitions as operative during the negotiation process.

Third Joint Session: November 23, 1982

This meeting was devoted to ranking service priorities. The teams agreed to the following criteria as indicators of service importance:[13]

- (1) abuse curtailment (Does the service provide intervention and/or shelter from physical and sexual abuse?);
- (2) emergency intervention (Does the service provide intervention in acute, emergency and potentially life-threatening situations requiring immediate action?);
- (3) avoid/prevent greater expenditures for service (Does the provision of this service prevent or delay the provision of more expensive services? If this services were not available, would the needs of the recipient require State expenditures for higher levels of service, such as hospitalization, nursing care and/or other types of institutionalization?);
- (4) annual agenda (Does the service address one or more of the categories delineated in the 1983-84 Human Services Annual Agenda?);
- (5) prevent inappropriate institutionalization (Does this service provide a humane, appropriate and cost-effective alternative to institutionalization?); and

(6) reduce dependency (Does the provision of this service reduce the dependence on institutional supportive services, thereby increasing one's self sufficiency?).

In addition, the following were agreed to as representing potential allocation criteria or indicators for selection of service providers: (1) legislative mandates, (2) serves poor or near poor, (3) no other funding available, (4) prevents or ameliorates handicapping conditions, and (5) increases service assessability.

The categories of priority ranking were also identified for the purposes of discussion: high, meaning those services that might receive a cost-of-living adjustment; medium, meaning those services that would remain at their present level of funding or possible receive a cost-of-living adjustment; and low, meaning those that might remain at their present level of funding or receive a decrease in level of support. The teams agreed to the following list of service priorities:

High Priority Services(listed in alphabetical order)

Adoption services
Child day care services
Community-based non-residential treatment services
Community-based residential treatment services
Client-oriented coordination of services[14]
Day treatment services
Emergency shelter services
Safeguarding or protective services

Medium Priority Services(listed in
alphabetical order)

Employability services
Family planning services
Foster family care services
Legal services[15]
Home management-maintenance services[15]

Low Priority Services(listed in
alphabetical order)

Counseling services[15]
Information and Referral[16]
Recreation services
Residential treatment services
Transportation services

Fourth Joint Session: December 6, 1982
Day One

The mediator distributed copies of a draft agreement dated December 7, 1982 that he had prepared incorporating the definitions and service priorities agreed to by the parties. Participants discussed the criteria for the evaluation and election of service providers. Several differences were identified and defined more sharply during the morning sessions: (1) the structure and authority of the tripartite body that would apply the criteria to the actual selection of service providers; (2) the concept of "leverage", a criterion that would examine an applicant's ability to generate matching municipal and/or private funds; and (3) the adoption and structure of a point system for grading applications for funds. In addition, a process

generating requests for proposals (RFP's), cost-benefit language, and administrative decrease [17] were lingering matters of contention. Despite the differences, however, substantial agreement on criteria to use in selecting service providers emerged.

After discussion of proposals and counter proposals and lengthy team caucuses, a consensus on a revised allocation formula emerged based on the State Team's comprehensive proposal on allocation and cost-of-living adjustments. The teams agreed:

High Priority Services	\$22,742,900
Medium Priority Services[18]	3,518,981
Low Priority Services[19]	5,346,456
Set Asides[20]	1,368,488
Central Administration Department of Human Resources	164,060
	<hr/>
	\$33,140,885[21]

Fourth Joint Session: December 7, 1982
Day Two

The mediator divided the participants into three working groups to work on areas where full consensus had not been secured:

Group I

Conditions of vulnerability
Eligibility criteria
Fees and administrative costs

Group II

Criteria for evaluation
Criteria for selection

Group III

Guiding Principles

Each group was directed to identify areas of agreement and disagreement and, in case of disagreement, to suggest appropriate solutions. The negotiators broke into their assigned groups and worked diligently.

Full agreement on conditions of vulnerability and guiding principles was obtained relatively quickly. Consensus on the evaluation and selection criteria emerged slowly. Critical to final acceptance of the criteria was some sort of shared understanding regarding the structure, powers, and functions of a new tripartite structure to implement the agreement.

The Non-Profit Team proposed a statute for a Tripartite Commission and suggested that:

Said commission shall be responsible for all oversight and implementation of the Final Agreement relating to the Social Services Block Grant process. The duties of the commission shall include but not be limited to: (1) to carry forward the tripartite process established under the NIS to distribute SSBG dollars; (2) to continue to communicate with the three sectors for purpose of continued input for decision making concerning the SSBG; (3) to take such action as will in the opinion of said commission to

perpetuate the NIS process; (4) to educate the public through public hearings; (5) to advise the Governor concerning the submission of the annual draft social services block grant allocation plans; and (6) to submit an annual report to the general assembly. The report shall include proposed legislation, if needed, a description of the activities of the commission for the year with comments, and an itemized list of expenditures made by the commission during the preceding year. The commission may also whenever it considers it appropriate submit other recommendations and legislative proposals to the general assembly and its committee.

The commission may apply for and receive assistance from many sources, including grants of money and services from national and state bodies and foundations. The commission may procure information, advice, and assistance from any agency, department, legislative committee, or other instrumentality of the state, with the consent of the head thereof. All state agencies, other official state organizations and all persons connected with them shall give the commission relevant information and reasonable assistance on any matters of research requiring recourse to them or any date within their knowledge or control. The commission shall have the power to adopt such regulations, in accordance with the provisions of chapter 54 for the conduct of its business as are necessary to carry out the purposes of this chapter.[22]

There was general agreement that a statutorily created commission was not responsive to the needs and desires of all parties. The State Team labeled the Non-Profit's proposal "presumptuous" in that it defined in detail the responsibilities of a new commission.

The discussion between the State and Non-Profit Teams revolved around the powers that would be reserved to the

Governor and DHR. The State Team felt that the Governor should tell the commission what to do and not the other way around. The State also felt that the responsibilities outlined in the Non-Profit's proposal would interfere with the responsibilities of DHR[23], as the SSBG lead agency. After considerable discussion and some caucusing, the State Team introduced a counter-proposal for a Tripartite SSBG Committee:

The three teams agree to establish a Tripartite Social Services Block Grant Committee. The Committee shall be made up of three members designated by each of the teams plus a chairperson appointed by the Governor. In addition to such other functions as the Governor may charge the committee with performing, the committee shall have the following review and appeal role: After an agency of cognizance[24] has made its preliminary grant determination and has given notice to the affected service provider of that preliminary action, the action will be reviewed by the Committee. If the provider seeks an appeal of the action, the Committee will review the concerns of the provider and make its recommendations. If deemed appropriate, the members of the Committee representing the sector of which the appellant provider is a member may appeal to the Commissioner of Human Resources and the Secretary of the Office of Policy and Management for final action. This function shall be carried out in the spirit of cooperation engendered by the NIS process, but in a manner consistent with all state and federal laws and regulations.[25]

While there was agreement on the need for and basic structure of the committee, the parties could not agree on all the particulars. These were left to another session (with no specified date set).

At the end of the joint session, the parties addressed the subject of state administration of contracts. Eventually all agreed to the need for a contractual relationship between service providers and cognizant State agencies whether in the form of letters of agreement or contracts. Questions on the permissible investment and use of SSBG funds were put aside for consideration at another future, then unscheduled, joint session.

Finally, there was discussion on the concept of cost/benefit analysis, which all agreed needed to be incorporated in the criteria for evaluation and selection of service providers. The Municipal Team offered proposed a definition:

For purposes of evaluating and selecting service providers, 'cost/benefit analysis' shall mean:

a. For programs with goals not expressible in monetary terms, cost-outcome (or cost effectiveness) analysis, in which the program goals are reviewed in relation to (1) degree attainment (or, for new programs, projected degree of attainment) and (2) the costs of existing or proposed alternative programs and strategies to achieve the same goals.

b. For programs with goals expressible in monetary terms, cost/benefit analysis, in which the program's costs are reviewed (1) in relation to the program's goals and (2) in relation to the costs of existing or proposed alternative programs to achieve the same goals. [26]

No agreement was reached.

Since consensus on these essential issues was vital to the success of the process, the participants agreed to reconvene on December 23, 1982 to finalize the agreement and to resolve all remaining issues. These remaining issues were: the preamble, the tripartite committee, investment of SSBG funds by service providers, the definition of cost/benefit analysis and strategies for decreasing administrative costs.

Fifth Joint Session: December 23, 1982

At this session, the teams turned immediately to proposals for a tripartite committee to implement the results of the NIS process. After extensive questioning and clarification of counter-proposals submitted by both the State and Non-Profit Teams, the following points were agreed:

(1) Structure: The tripartite committee shall consist of ten members with three members designated by each of the three teams and a non-voting chairperson, appointed by the Governor, who shall serve as the committee's convenor, facilitator and documentator. The committee may enlist at its discretion the services of a mediator who shall be paid for out of the SSBG contingency fund if no alternative funding is available.

(2) Powers: The tripartite committee shall be empowered to deal with all issues pertinent to the final agreement, including (but not limited to) the following: (1) training, (2) strategic planning and the development of a data base, (3) fees and eligibility standards, (4) payments, (5) paperwork reduction, and (6) review of the evaluation mechanism to ensure that performance is emphasized in the assessment process.

(3) Procedures: The tripartite committee shall shall establish its own rules of procedure and shall initiate activities as soon as possible with support from SSBG monies, if no alternative funding is available.

(4) Amendments: Amendments may be either changes to help implement the existing agreement or modifications of the substance of the substance of the agreement. Amendments shall require the consensus of all three teams. Upon the motion of any two teams, any issue may be placed before the tripartite committee, but the agreement of all teams is required to resolve issues.

(5) Communication: State agencies shall reply in writing with reasons in a timely manner to all written communication from the tripartite committee.

The Tripartite SSBG Committee was charged with the responsibility for developing an acceptable definition of cost/benefit analysis. This would be included in the enumerated criteria for the evaluation and selection of service providers. The Municipal Team's proposal regarding appropriate cost effectiveness language was referred to the Tripartite SSBG Committee.

All three teams accepted and approved the revised preamble prepared by the State Team.

The Teams next considered the issues of investment of grant, of contracting and administrative costs. The State Team expressed its strong convictions that the SSBG dollars should be directed toward services to people rather than administrative costs and urged the

adoption of a fifteen percent cap on administrative costs that could be applied with flexibility. The Municipal Team countered the notion of a cap arguing that increased administrative costs might well result in improved and expanded services, as in, for example, a largely volunteer organization.

The Non-Profit Team urged the teams to address the critical need for policy decisions relative to the investment of SSBG contract funds and the timely payment of bills by state agencies. The State Team acknowledged the importance of these issues and asked for time to improve its management capacity.

After discussions, the three teams agreed to refer the three issues of investment of funds, payment of bills, and a possible cap on administrative costs to the Tripartite Committee with directions to develop an appropriate plan for resolution by October 1, 1983.

The State Team placed before the participants a specific proposal for distribution of the \$200,000 allocation set aside for the combined services of adoption, foster care, and day treatment. The proposal suggested the designation of \$120,000 of SSBG funds for foster care; \$60,000 for day treatment; and \$20,000 for adoption. After some discussion of the proposal, the teams adopted

it and incorporated it into the final agreement. The parties secured a final agreement at 1:16 that afternoon.

FINAL AGREEMENT

The final agreement is divided into six sections with a preamble and an historical perspective (that was written by the mediator and approved by the three teams). Each section is preceded by a statement of guiding principles. The six sections are: (1) definitions of services; (2) service priorities; (3) allocation mechanisms; (4) criteria for evaluation and selection of service providers; (5) multi-year plans and processes; and (6) contracts and letters of agreement statements.

Definitions of Services

The first section identifies and defines 18 block grant eligible services and four pertinent definitions related to delivery of services.[27] In addition, under this section, vulnerable population[28] and eligibility criteria[29] are defined.

Service Priorities

The second section focuses on service priorities for SSBG funds. The criteria for selection stress service

importance.[30] Three priority groupings of services are defined.[31]

Allocation Mechanisms

The third section suggests specific allocations of SSBG funds to state agencies of cognizance which provide the identified service.[32] The allocation plan does not include the amount of money to be distributed to current programs. The allocation of funds is based on (1) priority needs for social services, (2) service providers' performance in meeting such needs, and (3) cost-efficiency in service delivery. This section also identifies the responsibility of the Tripartite SSBG Committee in reviewing applications for service delivery or management innovation.

Criteria for Evaluation and Selection of Service Providers

Section four defines criteria for evaluation and selection of service providers. The process agreed on for such selection involves the following steps:

Step 1. Three teams agree on general criteria to judge the management, service delivery capabilities and performance of specific service providers.

Step 2. State Team identifies specific state agency with cognizance responsibilities for each of the services as defined by the tripartite committee.

Step 3. For each service category, a notice of availability of funding shall be developed and disseminated. Said notice shall identify

goals and objectives for the service and those criteria used to assess and evaluate pertinent service providers, if any, and shall identify, for information purposes only, present contract recipients.

Step 4. Cognizant state agencies apply criteria to service providers and make selection. Each state agency has standards for the services it provides. Those standards shall be used in applying the criteria. Applications from service providers not under contract/letter of agreement will not be considered along with evaluations of those service providers which are currently under contract/letter of agreement. Wherever appropriate, multi-year (indefinite) funding contracts/letter of agreement, subject to a 30-day notice cancellation provision, will be provided, subject to the continued availability of funding.

Step 5. The Tripartite Committee reviews selection decisions.

In addition, in this section, the final agreement stipulates the criteria by which each application will be ranked:

A. Program and Management
Performance (60 points[34])

Demonstrated capacity or evidence of capacity for delivering client-effective services in a cost-effective manner to one or more of the vulnerable populations.

Ability to meet the goals and objectives of the agency's work plan.

Demonstrated capacity or evidence of capacity to serve the maximum possible number of targeted clients within budgetary limitations.

Demonstrated capacity or evidence of capacity for coordinating with or utilizing other available resources for the particular targeted clients and networking with other agencies.

Demonstrated capacity or evidence of capacity for adequate client follow-up.

Documented client/staff ratio that permits an adequate standard of care.

Demonstrated capacity or evidence of capacity that staff has appropriate training, education and experience necessary to perform in their respective positions as well as evidence of performance competency on an ongoing basis.

Demonstrated capacity or evidence to provide an integrated approach to serving the needs of individual clients.

Demonstrated capacity or evidence of capacity for complying with all federal, state, and municipal regulations, statutes and auditing requirements.

Cost effectiveness.

B. Service Delivery

Potential (40 points[34])

Presentation of a comprehensive work plan to achieve stated goals and objectives.

Evidence that program design meets the needs of the targeted population.

Evidence of service accessibility (e.g., in terms of geographical and transportation constraints; cultural and linguistic needs; requirements to meet the needs of the physically disabled; service availability within minimal waiting time and beyond normal working hours, geared to clients' developmental needs and time frames).

Evidence of explicit client entry systems which include referral and intake procedures and client eligibility requirements.

Clear definition of the services offered. Demonstrated knowledge and understand of clientele.

C. Management Systems[35]

Evidence of a plan for multi-year operation.

Presentation of a workable, service-oriented, cost-effective budget indicating all sources of revenue.

Evidence of fiscal and general management capacity, including timely and accurate fiscal and program reporting.

Evidence of quality control.

Independent audits or financial reports.

Evidence that the organization is duly constituted under the laws of the State of Connecticut.

Evidence of potential for assessing additional resources by service providers.

To ensure accurate ratings, it is important that proposed budgets include and identify all sources of revenue and support. Such identification is a basic requirement which must be met before the selection criteria are applied.[36] The Tripartite Committee is charged with developing by April 25, 1983 standards and principles for the application of the criteria of cost effectiveness under "Program and Management Performance." The Committee is supposed to pay close attention to the complexity of the services being provided and to the various measurement strategies appropriate to the respective services.

Moreover, a comprehensive automated human service data

base is suggested in this section. The goal is to provide a common source of reliable data and to assist the Tripartite SSBG Committee in timely policy, management and fiscal allocation decisions. The objective is to expand computer capacity to develop and maintain common service definitions, fiscal allocations, client characteristics, and related types of data. OPM and DHR are responsible for developing the system and the necessary tools to implement the system which includes maintaining the data base and coordinating the programmatic and fiscal data.

Multi-Year Plans and Processes

Section five introduces the Tripartite SSBG Committee. The Committee will be made up of three members designated by each of the three negotiating teams plus a chairperson appointed by the Governor. The Committee will be convened by the chairperson or at the request of representatives from two or more sectors. The Committee will establish its own rules of procedure. All actions of the Committee will be by consensus. The Committee may, if it deems appropriate, enlist the services of a mediator, with expenses charged to a contingency fund.[37] In addition to whatever functions the Governor may charge the Committee with performing, the Committee has the following duties:[38]

1. Oversight. The Tripartite Committee will

have responsibility for overseeing and evaluating the implementation of this agreement, for monitoring the impact of this agreement and for assuring the continuance of the positive working relations established among the three sectors.

2. Interpretation. Should there be elements of the final agreement that are unclear, the Committee will be responsible for providing clarification.

3. Duties.

a. In the event that the actual funding level of the SSBG dollars available in Federal Year 1984 is different from the amount allocated under this agreement, the Committee will be the forum for the negotiation of any necessary adjustments to the agreement.

b. The Tripartite Committee will evaluate and advise on the selection of projects to be funded through the set-asides for Innovative Projects and Training and on all activities undertaken using the Data Base, Strategic Planning and Evaluation Set-aside.

c. In those cases where this agreement allocates additional funding to certain high priority services, but does not indicate the specific state agency state agency of program cognizance, the Committee will review the designation of the agency or agencies of cognizance.

d. Each state agency of program cognizance, follow its selection of specific providers, will inform DHR and OPM regarding its decisions. DHR and OPM will then prepare a draft detailed aggregate allocation plan indicating for each service category the specific allocations to providers (state agencies, municipalities, and nonprofit agencies). There shall be a public review and comment period after ample notice. After the review and comment period, agencies of cognizance will be responsible for informing DHR and OPM of any revisions to the draft allocation plan. The final

draft will then be submitted to the Tripartite Committee for its review. Any recommendations or proposed modifications to the plan shall be specified in writing and sent to the Commissioner of DHR and/or Secretary of OPM for final determination.[39] The Commissioner and/or Secretary will respond in writing to the Committee's recommendations or proposed modifications and shall state his or her rationale for accepting or rejecting each of the Tripartite Committee's recommendations or proposed modifications.[40]

e. The Committee will be the forum for the negotiations of any amendments deemed necessary in order to implement the terms of this agreement.

f. The Committee, upon the initiation of the representatives from any two sectors, shall reconvene to consider any amendments to the agreement. The adoption of any proposed amendments shall require the negotiated consensus of all sectors.

4. Future NIS. The Committee will begin preparation for future negotiations on the SSBg and will advise the Governor regarding the application of the NIS process for Federal Fiscal Year 1986 and for future years. Its functions shall be carried out in the spirit of cooperation engendered by the NIS process and in a manner consistent with all state and federal laws and regulations.

Contracts and Letters of Agreements

The last section discusses contracts or letters of agreement. All teams agreed that service providers should be paid on time. The Tripartite Committee is supposed to examine practices and performances regarding the allocation of SSBG funds. It is also supposed to prepare, adopt, and publish by October 1, 1983

appropriate guidelines and practices to ensure the most effective program performance possible by service providers.

In addition, the Tripartite Committee is charged with examining practices regarding the payment of SSBG funds to service providers and the practices of investing these funds. The Committee is supposed to prepare, adopt, and publish by October 1, 1983 appropriate guidelines.

ASSESSMENT

The NIS experiment worked in Connecticut, that is an agreement was reached. By the end of the process, the participants were basically pleased that they had participated (even though some had been hesitant at the outset). The Non-Profit Team has commented on the trust that was generated during the process and highlighted the "long distance" covered by the teams in the course of the negotiations. The Municipal Team described the process as a "quantum leap" forward in intergovernmental relations, citing the formation of the Tripartite SSBG Committee to carry forward the achievements of the negotiation process. The Municipal Team praised the "bright and dedicated people on all four sides of the table" and noted that the process transformed negative

into positive attitudes. The State Team described the teams' experience as "tiptoeing into the wilderness" in October and emerging with both a final agreement and fruitful relationships.

The Governor accepted the final agreement on January 25, 1983. He announced an Executive Order No. 5 declaring the acceptance of the agreement and the formation of the Tripartite SSBG Committee. The Governor defined the role of the Committee in overseeing and evaluating the implementation of the NIS agreement, monitoring its impact and assuring the continuance of the positive working relations established among the representatives of three sectors. According to the order, "The Committee shall be responsible for providing clarification and interpretation of any elements of the final agreement that may prove unclear." [41] Also, his order stated that the Committee will be "the forum for the negotiations of any necessary adjustments, amendments, or modifications to the Negotiated Investment Strategy." [42] In addition, it is to "begin preparation for future negotiations on SSBG and advise the Governor regarding the application of the negotiated investment strategy process for future years." [43] The Governor has not submitted the final agreement to the legislative committees at the time of this writing.

The next chapter discusses the gains and losses associated with the agreement that was reached.

NOTES

[1] The three teams met separately to discuss issues and developed positions. During the sessions, team caucuses were held. From time to time during joint sessions, spokespersons from the teams conversed to help reach compromises when the resolution of impasse appeared uncertain.

[2] The State Team withheld approval of "oversight activities," pending review of applicable federal and state statutory requirements.

[3] The Non-Profit Team withheld approval of this entire principle pending review by its steering committee.

[4] The State Team made available to negotiators its SSBG Data For Use In NIS Sessions, a compilation and comprehensive analysis of SSBG expenditures by state agency, municipal, and private participants. The volume was described by the State Team as containing materials from diverse sources, and negotiators were cautioned that the figures in some instances were best guesses. The book was made available for their review with the suggestion that its contents, including definitions of services and target populations, be adopted as the data base for the negotiations.

[5] The physical setting in which the negotiations occurred was unsuitable because (1) the room was too small to accommodate the negotiators, advisors, officials and unofficial observers, and (2) it was difficult to hear the discussions at the negotiating table. Microphones that were provided for videotapping purposes were not (and were not intended to do so) amplifying voices for the audience to hear what was being said.

[6] The Non-Profit Team offered service priorities which was ranked in three broad categories: first (increased funding); second (status quo funding of SSBG dollars, all lost funds would be made up from non-SSBG sources); third (elimination from receiving SSBG funds). The Non-Profit Team proposed that funds from the third category should be made available for reallocation and distributed in accordance with the first priority category as part of the NIS process. Further, they proposed that the reallocated funds should be used to target new programs, to expand new services, and/or supplant existing state dollars.

[7] Criteria applied were (1) meeting the needs of the most vulnerable; (2) reducing dependency; and (3) most

likely to minimize the need for other services.

[8] The Municipal Team stated that they and their advisors were hampered in reviewing the proposed definitions (in SSBG Data For Use In NIS Sessions) because (1) there had not been sufficient time for thorough review, and (2) in many cases the wording of the definitions was not sufficiently communicative. As a minimum, the Municipal Team proposed that all of the definitions be reviewed carefully, and that they be clarified whenever and to the extent necessary.

[9] Criteria would fit into three groups: Performance-related (demonstrated prior performance; demonstrated capability of potential performance; cost/benefit), management-related (strong management system; workplan to achieve goals and objectives; fiscal integrity/accountability), and service delivery-related (accessibility; knowledge of clientele; multi-service orientation).

The Municipal Team proposed that performance-related criteria be determinative, but the applicability of management -related criteria and service delivery-related criteria would be reviewed prior to final selection.

[10] Later, this new concept was called "Client-oriented Coordination of Services." The Municipal Team proposed this service as a function of assessing an individual's needs, developing a plan to insure that the needs are met, linking the individual to the providers that can meet the identified needs, supporting the client in his or her receipt of services, and follow-up to insure service plan is fulfilled.

[11] "SSBG Priority-Setting -- State Position" (October 28, 1982), p. 1.

[12] Direct program staff, contractual services and capital outlays (furniture and equipment) are separate budget categories although administrative costs for grantees could, where appropriate, be reflected.

[13] The specific questions or questions accompanying the statement of each criterion will be used to measure or evaluate service importance.

[14] The State Team agreed to accept client-oriented coordination of services both as a service definition and as a criterion for the selection of service providers and pledged itself to the establishment of a pilot project to implement and test the concept. The

Non-Profit also endorsed such a pilot project but urged that considerable client-oriented coordination of services existed already and within final approval of such coordination as a distinct category of service.

[15] To the extent these services are part of a service with a higher priority, they would retain the priority of that other higher-ranking service.

[16] According to the Final Agreement, "it was agreed to study this service category to see if a unitary statewide system can be established."

[17] The discussion on how to decrease administrative costs was based on the State Team wanting to decrease costs, while the Municipal Team stressed that administrative costs must be examined along with the quality of the service.

[18] The teams agreed that the providers would be eligible to receive, on a competitive basis, a cost-of-living increase not to exceed 5.8 percent.

[19] As a result of this funding decision, counseling programs, information and referral services, recreation programs for inner city youths, and transportation services received sharp funding cuts.

[20] Category includes "infrastructure" items (as proposed by the Municipal Team) such as strategic planning, an automated information system, evaluation, training, technical assistance and a statewide information and referral services. The Municipal Team stated that these items must be done before you can anything else. The State Team added to the Municipal Team's list "contingencies," which would provide the cost-of-living adjustment pool for medium priority services.

[21] There is potentially another \$836,998 as listed in the November 22, 1982 Federal Register. This, plus any carryover, will be apportioned as follows: first, the contingency fund will be restored to one percent of the present block grant total (\$331,000). Second, an additional \$250,000 will be reserved for Client-oriented Coordination of Services and will be released for that purpose after six months with that service and a Tripartite evaluation. The Municipal Team wanted \$1,000,000 to fund the pilot program. The Municipal Team was quite insistent and would not agree unless the received this amount. So, finally, they agreed to \$500,000 with receiving the additional \$250,000. Third, \$125,000 will be reserved for Transportation services.

The Non-Profit Team requested that another look be taken at this program and the teams decided to give \$125,000 to this area. Specific service was the transportation of inner city youths (under 18) to recreational facilities. Any additional funding will be allocated through a Tripartite agreement.

[22] "An Act Concerning A Social Services Block Grant Commission," Non-Profit Team Proposal, (December 6, 1982).

[23] The Department of Human Resources (DHR), the SSBG lead agency, working with OPM, central responsibilities are (1) liaison with the United States Department of Health and Human Services; (2) executing letters of agreement with State agencies of cognizance for the funds allocated by the SSBG service definitions; (3) coordinating on-going data base, grant administration reform, need assessments, and other on-going planning and administrative functions; (4) maintaining appropriate audit records (state/federal); (5) liaison with the General Assembly; and (6) providing technical assistance to State agencies of cognizance and other service providers.

[24] Identified State agencies of cognizance in coordination with OPM and DHR shall responsibility for: (1) reviewing current and potential service providers utilizing the accepted Criteria for Evaluation and Selection of Service Providers; (2) executing appropriate contracts with service providers; (3) maintaining programs; (4) maintaining appropriate audit trails for provider contracts; (5) performing impact assessments; and (6) participating in on-going data base, grant administration reform, dynamic needs assessments and other on-going planning and administrative functions.

[25] "Proposed Tripartite Committee," State Team Position (December 7, 1982).

[26] "Add to 'Performance and Management Performance Criteria,'" Municipal Team (December 7, 1982).

[27] These services are (1) adoption, (2) child day care, (3) client-oriented coordination of services, (4) community-based non-residential (include adult day care and community care for the elderly and disabled), (5) community-based residential, (6) counseling, (7) day treatment, (8) emergency shelter, (9) employability, (10) family planning, (11) foster care, (12) home management-maintenance, (13) information and referral, (14) legal, (15) recreation, social development, and

enrichment, (16) residential treatment, (17) safeguarding or protective, and (18) transportation. Pertinent definitions related to delivery of services are (1) administrative costs, (2) direct services, (3) service providers, and (4) training.

[28] Vulnerable persons or families are those which exhibit one or more of the following conditions (not present in any ranked order): (a) economically disadvantaged (unemployed, underemployed, or low income); (b) physically, mentally, neurologically, or developmentally disable; (c) in need of language and cultural awareness assistance and/or technical immigration assistance; (d) abused/neglected (for example, sexual assault victims, abused and/or exploited children and elderly); (e) in need of drug and alcohol services; (f) in need of family planning services; (g) in need of mental health support services (for example, distressed families or persons who may be at risk of institutionalization); (h) in need of supportive services in order to remain in the community; and (i) in need of shelter assistance.

[29] Eligibility criteria for the resources of the SSBG include:

(1) Recipients of services shall have incomes no higher than 150 percent of federal poverty income guidelines, except that certain services (safeguarding, family planning, information and referral and emergency shelter) will be provided without regard to income.

(2) Criminal offenders or ex-offenders may be eligible for SSBG services, but SSBG funds cannot be used to support services provided directly by staff of a correctional facility (per federal law and regulations).

(3) The Connecticut General Statutes, Section 8-210(b) requires the State to provide day care centers for children disadvantaged by economic, social, or environmental conditions. Potential recipients of service from State child day care centers shall have incomes no higher than 80 percent of State median income.

(4) Recipients of purchased child day care services, (for example, employed AFDC and low income) shall have incomes no higher than 45 percent of State median income.

(5) Recipients of legal services shall have incomes no higher than 125 percent of the federal poverty income guidelines.

(6) Recipients of home management-maintenance services and the DHR Essential Services Program shall incomes no higher than 45 percent of State median income.

(7) Fee schedules are being, or will be, used for day care centers, purchased day care, family planning, and home management-maintenance services, which will be based on family size and income.

[30] See pages 12 - 13 of this chapter.

[31] See pages 13 - 14 of this chapter.

[32] State Agencies of Cognizance are: Department of Human Resources (DHR), Department of Mental Retardations (DMR), Department of Children and Youth Services (DCYS), Department of Mental Health (DMH), Connecticut Alcohol and Drug Abuse Commission (CADAC), State Department of Aging (SDA), Board of Education and Services for the Blind, Commission on the Deaf and Hearing Impaired, and the Office of Protection and Advocacy.

[33] A Negotiated Investment Strategy -- Joint Agreement on Principles, Priorities, Allocations and Plans For The Social Services Block Grant, (October 1, 1983 - September 30, 1984), prepared by the Teams represneting the Executive Branch of the State of Connecticut, Connecticut Municipal Governmenta, and Connecticut Non-Profit Social Services Provides, pp. 18 - 19.

[34] The maximum point total for each category reflects the relative weight attached to each category of criteria.

[35] Management systems criteria are essential to any provider; thus no points are attached to this section. The items noted constitute minimum requirements for the selection of any service provider.

[36] Assuming all of the listed criteria are met, preference will be given to existing providers in order to maintain continuity of services.

[37] According to the Final Agreement, the teams agreed to set aside \$138,488 (plus other funding which may become available as described in note #20). The funds may become available for activities that are liable to occur during the year but cannot be fully anticipated in advance of the start of the program year. The contingency fund would be used to: (1) funding new, unanticipated priority programs; (2) meetings unanticipated emergency program situations and needs

(for example, floods, etc.); (3) funding unanticipated time-limited activities: studie, consultants, etc., which will enhance SSBG management and/or service delivery.

[38] Final Agreement, pp. 22 - 23 (including notes #39 and #40).

[39] The Tripartite Committee, in discharging its responsibilities, has the authority to make written or oral requests of appropriate State Agencies or subdivisions thereof. Said agencies or subdivisions shall respond to siad requests in a timely manner.

[40] Any modifications will be sent to the Commissioner of DHR and the Secretary of OPM except in those cases in which DHR is the agency of cognizance. For those cases, proposed modifications will be sent directly to the Secretary of OPM for final determination.

[41] William O'Neill, Governor of Connecticut, "Executive Order No. Five," p. 2.

[42] Ibid., p. 3.

[43] Ibid.

**CHAPTER THREE
GAINS AND LOSSES AS A RESULT
OF THE NEGOTIATIONS**

"... equality as we have dreamed of it does not require the repression of persons. We have to understand and control social goods; we do not have to stretch or shrink human beings." [1]

The negotiators in the Connecticut NIS experiment secured agreement on how to allocate SSBG funds. They reached agreement on: (1) definitions of services; (2) categorization of service need (high, medium, and low) according to agreed upon criteria; (3) allocation of block grant funds by service area; (4) procedures and criteria for selecting individual service providers; and (5) a process for implementing their agreements. Important areas that the negotiators did not reach consensus on, such as standards and principles for the application of a cost effectiveness criterion (to evaluate applications for SSBG funds), investment of funds, timely payment of bills, and a cap on administrative costs, were referred to a Tripartite Committee. In other words, the process concluded with an agreement which (1) is a politically acceptable one-year allocation plan, (2) identifies key issues requiring resolution through a Tripartite Committee, and (3) provides a framework for future decision-making

regarding SSBG allocation (see Appendix 4 -- A Negotiated Investment Strategy -- A Joint Agreement On Principles, Priorities, Allocations, and Plans For The Social Services Block Grant).

The agreement became the Governor's proposed plan for administration of the SSBG and the allocation of SSBG funding for federal fiscal year 1984. The agreement specified how much funding was to be available for each eligible service and how much each state agencies would receive for each appropriate service. It did not specify the amount of funding to be allocated to municipalities or private, non-profit service providers. While it did not spell out in detail how much will be received by individual municipalities or individual non-profit service providers, it did establish a process for making final allocations to non-state grantees.

The mediated negotiation was conducted in an environment in which individuals and institutions likely to be affected by the process of negotiation took steps to enhance their own positions. Each sought to receive the largest sum of money or to obtain the desired objectives at the lowest cost. "Lowest cost" to the negotiators did not necessarily mean a proposed plan would result in "lowest cost" to society. The allocation plan emerged from negotiations in which

information was being continuously generated and fed back to the participants. They realized that once the allocation plan was determined, it would set an important precedent. This situation intensified the complexity of and tension in the negotiations.

This chapter examines the outcomes of the Connecticut NIS process and assesses the gains and losses that resulted. I make a distinction between "position" losses and "image" losses, and then I offer my view of what the Connecticut NIS was supposed to do and why the process was less than ideal.

WHAT WERE THE GAINS AND LOSSES

In order to understand the gains and losses associated with Connecticut NIS experiment, it is important to measure both the tangible (monetary) and intangible (non-monetary) outcomes.

Dean G. Pruitt has suggested that we ought to distinguish between tangible and intangible concerns, that is between position loss and image loss in bargaining. Bargainers, he wrote, are constrained from making concessions because of their concern about actual or anticipated loss of both position and image. [2] Since bargaining typically proceeds along a one-way path

from extreme opening offers to a settlement somewhere in between, to make a concession is to give up ground that cannot be recovered later and that may have been unnecessary to surrender in the first place. Perhaps, if one held out long enough, one's demand might have been met without making concessions. At another level, to make a concession is to behave in a way that may signal weakness to one's adversary and to various audiences or constituencies. To concede is therefore to run the risk of being made to look weak, foolish, or incompetent -- in short, to lose face -- and, in so doing, to set a dangerous precedent that invites exploitation and humiliation in the future.

The importance of the issues at stake can be calculated in terms of the costs that can result from a failure to make concessions. These costs may be calculated in terms of (1) the time that will be lost trying to persuade the other party to make the next move (time is usually money; (2) the danger that the other party will become discouraged and end the negotiation prematurely; (3) the danger that one side or the other will become so committed to an impractical position that agreement is impossible; (4) the danger that further maneuvering will leave too little time in the future to work out agreement; and (5) in a continuing relationship, the danger of antagonizing the other parties and losing

goodwill that is needed for future negotiations. Tangible and intangible gains and losses can be identified if the costs of conceding are recognized.

Tangible Gains

The tangible gains in the Connecticut NIS include the swap and the set asides.

The Swap

The State Team sought to determine which agencies should be eligible for block grant funds and which should not. The State's major concern was how to maintain the programs whose functions had only indirect relevance to the block grant.

Six agencies agreed to relinquish their claims on 1984 SSBG funds in return for new allocations of State General Fund money. Because the General Fund money is more likely to continue to be available, the "withdrawing" agencies agreed to a 13.5 percent reduction in state funds. The six withdrawing agencies were the Commission on Human Rights and Opportunities(CHRO), the Department of Consumer Protection(CONS), the Department of Correction (COR), the Office of Chief Public Defender (PD), the Judicial Department(JUD.), and the Office of Policy and Management(OPM):

AGENCIES SWAPPING SSBG DOLLARS
FOR STATE GENERAL FUNDS

Agency	SSBG Allocation	Direct Personal Services, Operating Expenses, Grant	Dollar Reduction	Percent Reduction	General Fund Replace- ment
CHRO	284,180	202,768	(27,573)	(13.598)	175,595
CONS	86,234	59,197	(7,992)	(13.500)	51,205
COR	977,970	868,118	(130,218)	(15.000)	737,900
JUD.	1,430,698	1,107,089	(166,063)	(14.999)	941,026
PD	1,023,047	729,996	(63,325)	(8.675)	666,641
OPM	332,396	237,172	(35,576)	(15.000)	201,596
TOTAL	4,134,525	3,204,310	(430,747)	(13.443)	2,773,963

The General Fund replacement funding needed was \$2,733,963 had to be replaced by the state agencies remaining in the negotiations. The major concern to the agencies which considered giving up "hard" General Fund money for "soft" SSBG money was not only the gross dollar amount that they would receive, but also what it could purchase after fringe benefits and indirect costs were deducted. When agencies received General Fund money, the funding for fringe benefits was appropriated directly to the Comptroller and indirect cost rate was applied. When federal funding was received, fringe

benefits and indirect costs must be paid directly from federal funds. The fringe rates is a standard 40.15 percent of direct personal services payments. Fringe benefits and indirect costs deductions do not apply to funding which agencies grant or contract out.

Therefore, there were three basic groundrules used in defining the programs to be the vehicles for the swap:

1. The programs and services selected must be consistent with the priorities defined by the negotiators, for example, service categories agreed to as either eligible for increases or status quo funding;
2. The swap should not involve a decrease in any individual contact which is switched from General Fund to SSBG funding;
3. The swap should not involve use of SSBG money to pick up or add any State positions.

The agencies who swap general funds for SSBG dollars were the State Department of Aging(SDA), the Connecticut Alcohol and Drug Abuse Commission (CADAC), the Department of Human Resources (DHR), and the Department of Mental Retardation (DMR):

AGENCIES SWAPPING STATE GENERAL FUNDS
FOR SSBG DOLLARS

Agency Program	General Fund State Fiscal Year 1984	Swap Amount 13.5% Cut General Fund Reduction	SSBG Replac- ment Funds 13.5% Increase
SDA Promotion of Independent Living	1,000,000	(162,132)	187,436
CADAC Grants to Community & Municipal- ities for Alcohol and Drug Dependency Services	4,374,000	(709,167)	819,846
DHR Child Day Care	2,224,295 (local)	(360,630)	416,913
	2,053,705 (other than local)	(332,972)	384,939
Shelter Services for Victims of Household Abuse	360,000	(58,368)	67,477
DMR Community Sheltered Workshops	7,097,244	(1,150,693)	1,330,281
TOTAL	17,109,244	(2,773,963)	3,206,892

Analysis

The gains to the agencies swapping SSBG funds for General Funds are (1) they would not have to deduct the overhead (personal services and operating expenses); (2) they would have "hard" money which is more reliable than SSBG funds; and (3) they would most likely receive cost of living increases (which was not in prospect under the SSBG program).

The gains to the agencies swapping General Funds for SSBG are (1) they received a 13.5% increase in their SSBG; (2) their service was redefined so that they were placed in either high or medium service priorities; and (3) they would most likely receive cost of living increases.

The gain to the municipal and non-profit sectors is that they will have more money to compete for since the agencies (who participated in the swap) agreed not use the additional funds for personal services and/or for operating services (this is, however, not recorded in the final agreement, so compliance rest on the good faith of those state agencies).

Set Asides

All three sectors share gains in the development of the set asides items: training; innovative projects; data

base, strategic planning, evaluation and technical assistance; and a contingency fund.

Training

In this area, the teams agreed to set aside \$600,000 (this was an \$100,000 decrease from last year). The money would be administered by DHR, with planning by a committee of involved agencies in order to preserve the integrity and provision of generic training of staff and service providers. Hopefully this will transfer in providing better services to clients.

Innovative Projects

The three sectors agreed to set aside \$250,000 for the purpose of encouraging new and innovative requests for proposals (RFP's) which fall under the purview of priorities established under the SSBG. This effort will be to encourage better management techniques for all service providers.

Data Base, Strategic Planning, Evaluation and Technical Assistance

The teams agreed to set aside \$380,000 for the development of an automated human service data base/management information system, for strategic planning related to the SSBG, for evaluation, and for technical assistance to SSBG service providers.

The maintenance of this data and the coordination of the programmatic and fiscal data will rest with OPM and DHR. The State would develop the planning and evaluation of data into an overall management information system which would strive for computer compatibility throughout the State, initially among grantor and service provider agencies with automated capacity. The State has agreed to develop these systems and the necessary tools for implementation of the system (manuals, forms, etc.). The initial objective would be an expanded capacity to develop and maintain common service definitions, fiscal allocations, client characteristics, and other related types of data. The goal was set to provide a common source of reliable data and to assist the proposed Tripartite Committee in making timely policy, management and fiscal allocation decisions.

In the area of evaluation, the teams agreed to hire a consultant to review current State administration requirements, including audit, reporting and evaluating requirements and to offer recommendations to reduce administrative burdens on all service providers.

Contingency Fund

The teams agreed to make \$138,488[3] available for activities that are necessary but cannot be fully anticipated in advance. Use of contingency funds would

be limited to (1) funding new, unanticipated priority programs; (2) meeting unanticipated emergencies (for example, floods, etc.); and (3) funding unanticipated time-limited activities, studies, consultants, etc., which will enhance SSBG management and/or service delivery.

Tangible Losses

The tangible losses are the loss of jobs (as a result of the swap), services in the low priority and omission of group eligibility.

Loss of Jobs

The agencies who swapped SSBG fund for General Funds agreed that with 13.5% reduction in funding, that they would also eliminate some job positions. To ameliorate and/or reduce job losses, the agencies may request additional funds, and the Connecticut taxpayers would have to assume this burden as an additional expenditure.

Low Priority Services

Services in the low priority are likely to continue to receive reductions in funds. These services are counseling[4], information and referral, recreation, residential treatment, and transportation.

Group Eligibility

This criteria, group eligibility, is omitted from the Final Agreement. Group eligibility is determined on the basis that a persons is an eligible member of any one or more of the following groups: AFDC (Aid to Families with Dependent Children), MEDICAID, SSI (Supplemental Security Income), General Assistance, Food Stamp Program and Children receiving aid under the Foster Care and Adoption Assistance programs. This omission could have serious implications if the final document is relied upon to make funding decisions. It appears that this exclusion will push the funds to support the "middle income" instead of the disadvantaged and low income. The agreement should somehow state why this omission occurred or state in the preamble the commitment to the low income. I hope that this neglect does not translate in not providing adequate services to those who are most in need.

Intangible Gains

The intangible gain is that the non-profit and municipalities were very pleased to have participated in this process, in large part because of the increased communication that has occurred as a result of the process.

Intangible Losses

The formation of the Tripartite Committee represents two kinds of intangible loss. First, the items left unresolved and referred to the committee represent losses to all parties: timely payment of bills, financial investment of SSBG, and the cost effectiveness criterion. Secondly, the very existence of the Committee was a concession by the Non-Profit and Municipal Teams in order that agreement could be secured by the unrealistic deadline. This concession represented a loss to these two groups in terms of their positions and images. They appeared weak because they did not wish to offend the State. In part, they felt they had gained a good deal by being given the opportunity to participate but they also did not want to be seen as holding up the negotiations. They wanted to look good to the public, and holding up negotiations on these issues could have resulted in unpleasant reactions from the State.

The Tripartite Committee and The Formalization of the NIS Process

The Tripartite SSBG Committee is the continuing embodiment of the negotiation, implementation and evaluation of the SSBG program. According to the agreement, its membership is composed of three members designated by each of the three teams, plus a

chairperson appointed by the Governor. The Committee is supposed to convene at the call of the Chairperson or at the request of the representatives from two or more sectors. The Committee is supposed to establish its own rules of procedure except for those specified in the final agreement. All actions of the Committee is supposed to be decided by consensus with the exceptions as identified in the final agreement. The Committee may enlist the services of a mediator, with expenses to be charged, if no other funding can be secured, to the contingency fund.

Gains

There are several gains by establishing the Tripartite Committee. These are that the Committee is empowered to (1) oversee the implementation of the agreement; (2) clarify conflictual interpretations of the agreement; (3) adjust allocations if Congress changes Connecticut's allotment; (4) evaluate and advise the selection of projects funded through set asides; (5) designate state agencies of cognizance; (6) review and/or modify the allocation plan (that designate funds specifically to service providers); (7) negotiate any further agreements that is necessary to implement the terms of this agreement; and (8) insure participation of the three sectors in future negotiations.

Losses

There are two reasons why establishing the Tripartite Committee may be a loss. First, the role of the Committee is not detailed enough. The final agreement defines why the Committee was to be created, but it is not specific in terms of what it is to accomplish. There is no way to evaluate the effectiveness of the Committee because its tasks are not measurable. Second, the proposed Tripartite Committee will probably function as a "second fiddle" to the Governor and the legislature. Consensus within the Committee will be reached according to how the Governor and the legislature will respond.

ANALYSIS

What Was The Connecticut NIS Supposed To Do In Regard To Gains and Losses

In 1977, Connecticut adopted a seemingly strong policy planning process for human services. The General Assembly required reorganization of human services in the State which required the Governor to prepare and hold public hearings on an "Annual Agenda." An "Annual Agenda" is a policy document which would guide funding and priorities for human services for the subsequent year. That policy document was, however, largely unsuccessful in meeting its intended purpose. Organized providers dominated the public review process and State

agencies most likely ignored that guidance in preparing their budget requests. Thus, a negotiated approach offered a more effective framework of participative decision-making. A more sensitive allocation plan would likely be produced than compared to the traditional budget making process.

Rationale

The enactment of the block grant intensified competition among all the service providers. From FY 1981 to FY 1982, Connecticut experienced a reduction in social services of 30.6 percent. The total amount available for social services in FY 1982 was \$33,140,885. That money was divided among the State agencies, municipalities, and non-profit service providers. Fourteen state agencies were involved in administering the SSBG in federal fiscal year 1982, with DHR responsible for \$20,478,840. [5]

Of the \$33,140,885, two thirds of the SSBG went to private, non-profit service providers in 1982, despite the extensive service delivery structure maintained by the State and municipalities. The bulk of money went to providers responsible for child care (\$9,815,115), counseling (\$4,837,434), safeguarding (\$2,385,479), day treatment (\$2,416,721), information and referral (\$2,157,912), and legal (\$2,031,895) services. Money

going to municipalities for services was for counseling (\$998,608), information and referral (\$1,406,378), home management (\$1,299,600), and recreational and social development (\$403,620) services. [6].

A mediated approach appeared to be the most practical approach because it would (1) encourage more extensive networking, (2) increase sensitivity (between and among service providers) to their competing interests and needs, and (3) encourage the maximization of joint gains for all interests.

Encouraging Networking

The Connecticut NIS process would allow public participation by stakeholding interests in deciding the allocation of SSBG funds. For the first time, the municipal and private, non-profit sectors would articulate the concerns of their constituencies regarding the allocation of these funds. In order to express the sentiments of their respective constituencies, municipalities and private, non-profit sectors would have to organize. It would be particularly difficult for the non-profit sector because of the numerous private, non-profit service providers. Yet, these networks would represent the interests of the less aggressive, the less verbal, or any other minority to be heard. All would have a potential veto, making it

more likely that each point of view would be heard.

Increase Sensitivity

The face-to-face interaction would allow the parties to understand that they were sharing a similar dilemma -- increasing demands with diminishing resources. A negotiated approach could increase sensitivity to similarities and common interests while minimizing the salience of differences. It could stimulate a convergence and conformity of beliefs and values. Increased sensitivity would encourage the willingness of interests to help each other maximize joint gains.

Maximize Joint Gains

The negotiated approach could enable the parties to approach the mutually acknowledged problem in a way that would utilize their areas of expertise, to reduce duplication of effort. It could lead to the defining of incompatible interests as creative, collaborative problem-solving. It could facilitate the recognition of the legitimacy of each other's interests and of the necessity of searching for a solution that would be responsive to the needs of all. The enhancement of mutual power and resources could thus become the objective.

Why Was The Process Less Than Ideal

Whereas the evaluation of the formal structure necessarily compares with what now exists with a preconceived ideal, it is also important to compare what now exists with previous conditions. That is, even if the negotiations had not done all that was envisioned, that improvements in the decision-making process could have occurred. Could the objectives of the SSBG program been made more precise? Could there have been an improvement in the structure, quality, and relevance of information on which resource allocation decisions are based? Can the information in the agreement be used by the people making the decisions? Could tradeoffs between and among negotiators been recognized so that the scope of decisions is better suited to the dimension of the problem? Could realistic alternatives been developed and considered during the process?

Connecticut NIS experiment outcome was less than ideal for several reasons in part because the process did not include all the interested parties and mostly because parties engaged throughout in positional bargaining and never fully explored the opportunities for joint gain.

Excluded Parties

Three distinct groups were excluded from direct

involvement in the process: The legislative branch, consumer interests, and Hispanic concerns.

Legislative Interests

The rationale for the exclusion of legislative staff and committee members was explicit. The final agreement would eventually be put before the Legislature by the Governor; therefore, it was assumed that the legislators need not be represented in the negotiation process. On the other hand, the legislators would not have given up statutory powers had they participated; and if the process were unsuccessful, the legislators would still be in a position to act.

Since the legislative committees were not directly involved in the bargaining process, they were under little or no pressure to accept the settlement. Modifications proposed by the legislature would have upset the delicate balance that the parties themselves had constructed; the legislature was left in a "take it or leave it" position. Direct involvement might have avoided this.

According to Benson Cohn,

The legislative role was considered at length in the design process and it was concluded that the best that could be done was to invite legislators to observe the process. There were a couple of reasons for this: 1) The

entire General Assembly was up for election in November. All four co-chairpersons of the relevant committees were for various reasons not expected to be co-chairpersons in the next session. It was not known until December who would replace them. 2) Legislators simply could not be expected to delegate constitutional authority to other legislators nor could they be expected to delegate authority to staff. In short, although legislative participation was considered highly desirable, it was not practical. The assumption that legislators could negotiate at the table and then do what they pleased once the agreement came to the General Assembly without doing in the process is questionable. Legislators are very sensitive to constituency views and do not appear eager to upset an agreement supported by so many constituencies.[7]

The decision about the legislature involvement in the NIS process was, in my opinion, a mistake.

Consumers

Consumer interests were not directly represented either.

Mr. Cohn pointed out:

That consumer interests were not directly represented is a valid criticism. There are estimated 200,000 of them receiving block grant services. We were at a loss as to how to determine which 5 could best represent them all or who could select and empower them.[8]

Raymond Norko, co-spokesperson of the Non-Profit Team also wrote:

Consumer interests were discussed by our sector at the beginning of the process. As [Mr. Cohn] has stated, it would be very difficult, to determine who would represent the consumer and, quite frankly, I think it would have thrown the balance of the process out of wack. I believe that consumers would probably have been viewed initially as a second non-profit team. However, experience

shows me that they would have introduced a wild card and possibly jammed up the process for the future. I think the concept of a consumer team sounds good, but very difficult to field and has questionable merits.[9]

If the Non-Profit were using this opportunity to build a strong political base, a consumer team might have ruptured this effort. For example, as a tool in the Non-Profit constituency development, there was an election in November 1982. Meetings could have been sponsored by the non-profit sector with and between the gubernatorial, senatorial, congressional, and key State House candidates. The reasons candidates would come would be simple -- the Non-Profit membership is astronomical. Not only do they employ thousands of people in their organizations, but they serve tens of thousands. This process could allow Non-Profit membership to be brought together and be identified with closeness to political power. So, the development a consumer team might have threatened the Non-Profit political base.

I believe that feedback from affected consumers at various points in the process might have assisted the teams in making wiser decisions regarding targeting of services. Direct participation by consumers might also have brought additional pressure on the legislature to

support the settlement that was worked out.

Hispanics

The Non-Profit and Municipal Team did not adequately represent all the key interests. Leaders representing Hispanic organizations (attending the December 6, 1982 joint session) indicated that they felt that their interests had not been adequately represented. The process began in June but their representative was not asked until October to serve on the Non-Profit Team. They also pointed out that financial cutbacks would increase the serious social problems already plaguing the Hispanic community.[10]

Raymond Norko replied:

I think the words 'did not adequately represent all interested constituencies' is a misstatement. The issue is whether the municipal and non-profit team was representative or had input from all interested constituencies. In fact, the example you use (the Hispanic organizations) receive SSBG funds, from CAP's. They throughout the state tie into CAP's, are members of the CAP's groups, and quite frankly were represented by the CAP person on the negotiating team. We tiered the negotiation team based upon service areas. If you went to Hispanic and Black, I think that we would have a breakdown in relations to representatives. Certainly, all through the minutes, minority representatives was foremost at each and every outreach session. The Hispanic example is also somewhat questionable, because Hector, who is on the state team, if you look at the money filtering through NIS process, is a very strong figure and advocate for Hispanic causes within the

state. I would concede that it would be better to have a Hispanic member on the non-profit negotiating team, however, I think its a cut of the deck, not an attempt to say which cards should be included.[11]

The implications of not involving the Hispanic populations could mean that funds for this constituency could diminish as are denied access to the process. The advertent exclusion of the Hispanic population could lead to adverse publicity which will frustrate future implementation efforts.

Positional Bargaining

According to Roger Fisher and William Ury, in positional bargaining, parties "try to improve the chance that any settlement reached is favorable . . . by starting with an extreme position, by stubbornly holding to it, by deceiving the other party as to [their] true views, and by making small concessions only as necessary to keep the negotiation going." [12] In addition, they write that "the more extreme the opening positions and smaller the concessions, the more time and effort it will take to discover whether or not agreement is possible." [13] The discussion of the client-oriented coordination of service proposal put forward by the local team is a good example of positional bargaining.

Negotiators did little to generate alternatives or

options; therefore, they spent less time estimating probabilities of possible outcomes. The negotiators, I think, were inhibited to make such decisions because of their reluctance to base actions on estimates of an uncertain future. They avoided making decisions under uncertainty. The requirement that events in the distant future be anticipated is avoided by using decision rules that emphasize short-run feedback. Therefore, they solved pressing problems rather than developed long-range strategies. Thus, this process relied on relatively prompt corrective action to eliminate deviations on a short-term basis rather than on a long-term basis.

ASSESSMENT

In the negotiations, the problems were perceived to be so complex that a Tripartite Committee was needed not only to implement the agreement but also to negotiate over issues that were left in disagreement in the joint sessions. Issues that were not referred to the Tripartite Committee were simply ignored.

Throughout the process, participants engaged mostly in positional bargaining. That is, they took positions, argued for them, made concessions and sought to reach compromise. This approach to bargaining tended to

ignore the underlying interests of the parties. In addition, the parties assumed a "fixed or diminishing pie" in deciding how to meet essential needs in the face of cutbacks. They spent little time exploring ways in which the overall amount of money available to support social services might have been increased. They did not try to invent options through which mutual gain might have been maximized, instead each competed for limited funds in a way that ignored the legitimacy of the needs expressed by his/her counterparts.[14]

Was the proposed allocation plan developed through the NIS process different from the traditional budget-making practices? I would answer, yes, for the process provided an environment where selected stakeholders determined the allocation plan for the SSBG funds. The Tripartite Committee and other gains would not have been possible without the process.

Nevertheless, the process did not do enough. I do not underestimate the moral and political forces in Connecticut to assure implementation of the agreement and/or efforts. I, however, am advocating for the negotiations to be clear, more direct and more representative of the people who participate in the process rather than having an external force determine how and what kinds of decisions should be made. The

next chapter analyzes the role the mediator could have played in assisting the parties in developing a better final agreement.

NOTES

[1] Michael Walzer, Spheres of Justice (New York: Basic Books, Inc., 1983), p. xiii. Professor Walzer offers a new and radically different concept of distributive justice that starts from an entirely different beginning point, the meanings of the goods themselves which are distributed. Walzer's sensitive and insightful examination of the goods we exchange and desire qualifies as one of the most significant formulations of distributive justice.

[2] D.G. Pruitt, "Indirect Communication and the Search for Agreement In Negotiation," Journal of Applied Social Psychology, Volume 1, pp. 205 - 239.

[3] According to the Final Agreement, the total amount allocated is \$33,140,885, the same amount available in the current year. Data published in the Federal Register on November 26, 1982 indicated that an additional \$836,998 may be available in FY 1984, if appropriated by Congress. It is agreed that this sum, plus any carryover funding, will be allocated as follows: First, the Contingency Fund would be restored to \$331,400 (1 percent of the present block grant total). Second, an additional \$250,000 will be reserved for Client-Oriented Coordination of Services and will be released for that purpose after six months' experience with that service and a review by the Tripartite SSBG Committee. Third, \$125,000 will be reserved for Transportation. Any additional funding would be allocated by the Tripartite Committee.

[4] To the extent this service is part of a service with a higher priority ranking, it would retain the priority of that other higher-ranking service.

[5] See SSBG Data For Use In NIS Sessions, Prepared by the Department of Human Resources, (Revised October, 1982)

[6] Ibid.

[7] Letter to Sylvia L. Watts from Benson Cohn (March 23, 1982), p. 3.

[8] Ibid.

[9] Letter to Sylvia L. Watts from Raymond Norko, (April 7, 1983), p. 4.

[10] Telephone conversation with Ms. Luz Gonzalez, Executive Director, Centro De La Comunidad, (January

31, 1983). She served on the Non-Profit Steering Committee in October.

[11] Letter to Sylvia L. Watts from Raymond Norko, (April 7, 1983), p. 4.

[12] Roger Fisher and William Ury, Getting To Yes -- Negotiating Agreement Without Giving In (Boston: Houghton Mifflin Company, 1981), p. 6.

[13] Ibid.

[14] See Fisher and Ury. The authors write "that to invent creative options, then you need (1) to separate the act of inventing; (2) to broaden the options on the table rather than look for a single answer; (3) to search for mutual gains; and (4) to invent ways of making decisions easy." (p. 62).

CHAPTER FOUR MEDIATOR AS PUBLIC POLICY MAKER

To reach an agreement, two or more parties often need to bring in a third party, specifically a mediator. A mediator can have an impact on bargaining behavior during two different phases in the negotiation process. The anticipation of intervention by the mediator can affect bargaining behavior prior to intervention, and the information supplied and the demands by the third party can structure the situation after intervention.

There are many techniques used by mediators in facilitating negotiations, including, for example, setting up the negotiations (i.e., arranging the meeting sites), separating the parties, providing training in substantive and process issues to inexperienced negotiators, offering proposals, serving as a sounding board for all sides, protecting the negotiators from outside parties, or simply staying out of the way. Appendix 5 provides an extensive, but not exhaustive, list of mediation techniques.

All of these techniques suggest the diverse roles a mediator can play. A mediator determines which techniques are suitable to the needs of the negotiations after he/she has understood the political,

social, and institutional context in which the negotiations take place. The mediator may understand these complexities by assessing the relative experience of the negotiators; whom the negotiators represent; the nature of the negotiations (are they one shot, repeated, sequential, serial, multiple or linked?); the relative balance of power exhibited by the respective negotiators and constituents; the nature of their respective stakes in the negotiations; the visibility of the negotiations; the number and complexity of the issues to be negotiated; the clarity of legitimate boundaries of the negotiated issues; and the options to avoiding or discontinuing negotiations.

The chapter concentrates on the performance of the mediator in the Connecticut NIS experiment. The representatives of the three sectors who interviewed and selected the mediator made an informed and conscious decision that they wanted a non-activist style of mediation.[1] The argument of the chapter is not that the mediator should have played an active role; however, the argument is that he should have been more assertive. First, I shall offer criteria to evaluate a mediator's effectiveness. Second, I shall discuss what the mediator in the Connecticut NIS did. Third, applying my proposed criteria, I shall evaluate the mediator's performance. Finally, I shall examine the

factors which may have prevented the mediator from performing more effectively.

CRITERIA FOR EVALUATING MEDIATOR'S EFFECTIVENESS

I have developed seven criteria to assess a mediator's performance on the basis that he assists the parties to in the following ways: (1) establish the context; (2) clarify the issues; (3) generate and evaluate possible solutions; (4) predict consequences; (5) determine the best solutions; (6) value the outcome; and (7) examine implementation.

Establish the Context

The mediator should assist the parties to establish the context of the negotiations. This allows the mediator and the parties to explore the underlying problems that must be addressed. In addition, they can jointly develop objectives in order to confront the problem to be solved.

Clarify the Issues

The mediator should help the parties to clarify the issues in conflict. In this way, the mediator can understand where the parties stand on issues. The mediator can assess whether they see the issues in

similar ways or if they see them in equal importance. As part of clarification, the mediator should help parties develop criteria to determine the reasons for the choices being made. The mediator could request that when parties submit proposals, they should indicate the criteria they used to determine the selection of their choices. This effort provides a rationalization for the issues being sought.

Generate and Evaluate Possible Solutions

The mediator should encourage each party to identify what it thinks are practical solutions. The mediator encourages the parties to participate in brainstorming sessions. This can help pinpoint or develop appropriate solutions. At the same time, each party must work with the other to evaluate solutions by estimating probabilities of possible outcomes. They should be concerned not only on the short-term outcomes but also of long-range implications. This can help to ensure that all points of contention can surface.

Predict the Consequences

The mediator should encourage the parties to examine the consequences of each of alternatives solutions. The parties and mediator should explore techniques that are relevant for predicting consequences. If outcomes

appear uncertain, they should estimate the likelihood of each consequence. Where possible funds can be set aside for consultants or technical assistance. In this way, parties can receive the necessary expertise to determine consequences.

Value the Outcomes

The mediator should encourage measureable criteria to determine success in pursuing each objective. The parties should recognize that some alternatives will be superior with respect to certain objectives and inferior with respect to others. In such a case, the mediator should encourage the combination of valued objectives be compared to another.

Determine the Best Solution

The mediator should insist that the parties select the alternative that will produce the best consequences. Choosing the alternatives that is "good enough" is not sufficient. So, the process should involve settling on the solutions most acceptable to all interests -- one that has as much merit as possible, and one that might provide lasting results through the life of an agreement. The agreement should not only reflect the parties' best interest but also as the parties understand society's best interests.

Examine Implementation

The mediator should urge the parties to examine implementation. They should calculate how the alternatives will be carried out, identify potential problems, and include steps to deal with these problems in the final agreement. This may also include stipulating incentives and compliance mechanism in the agreement.

THE MEDIATOR'S PERFORMANCE

According to the groundrules (that the mediator assisted in developing) the mediator was designated to assume a process-oriented role. According to the groundrules, the mediator was to perform the following duties:

The mediator may designate "official observers" for joint sessions, who shall be seated at a separate table but who shall not otherwise participate in deliberations except that they may communicate through the mediator. Observers may be appointed from organizations that have provided funds for the negotiating process, as well as other private and public bodies involved directly or indirectly in the funding or promotion of human services in Connecticut.[2]

The teams agree that the public shall be fully informed about the negotiating process. Therefore, representatives of the media shall be free to attend all joint sessions and shall be treated as members of the general public. Following joint sessions and at other appropriate times at the discretion of the mediator, the mediator and selected representatives from each team shall make

themselves jointly available for media interviews or conferences. Team members may, with the permission of their teams, make individual statements or comments to the media.[3]

During joint sessions, the mediator or any team may call for a caucus at any time. Each caucus shall be limited to a maximum of fifteen minutes, although the parties may extend a caucus beyond that period with permission of the mediator. Caucuses shall not be considered public meetings.[4]

The mediator shall prepare minutes of all joint sessions and distribute copies of these minutes within then working days of the respective joint sessions (or earlier, if another joint session is scheduled to occur before the time period elapses). The teams shall review the minutes promptly and inform the mediator of any errors or omissions. Each team shall keep minutes of separate team meetings and records of any other inter- and intra-team activities of importance to the negotiating process. Each team shall have a "documentor" who shall maintain an individual team journal containing all materials prepared, presented and received by the teams, as well as records of pertinent meetings and communications.[5]

The teams are encouraged to communicate with each other between formal negotiating sessions. Teams shall provide the mediator with copies of all inter- and intra-team written communications that occur between joint sessions.[6]

The mediator shall coordinate meetings times and places, develop agenda, control the flow of sessions and assist the teams in writing a formal proposal.[7]

Even though the groundrules were specific about the mediator role regarding the process, the groundrules did not imply that he was to play a non-assertive role. He performed the following tasks: (1) kept communication

going; (2) chose appropriate sites; (3) worked within the given time frame; (4) kept perceptions clear; (5) modified issues structure (so that agreement can be easily reached; and (6) kept parties motivated to reach agreement.

Communication

The mediator controlled the communication among and within the parties in several ways. He communicated with parties separately. Such intervention allowed him to relay or modify communication for the sake of the negotiations.

He called upon the negotiators to obtain their perception of the situation and an outline of their positions. In his search, the mediator attempted to obtain valid perceptions and positions to determine bluffs, rally calling or face saving gestures. He was able to identify the negotiators' real issues, the particular dispute that might underlie impasses, the concessions that the team could make under given conditions and the level at which the dispute could be resolved.

In addition, when the mediator felt that relaying accurate information between negotiators would facilitate the negotiations, he simply kept the lines

open and transmitted information in a neutral fashion. For example, the mediator could inform the parties of each other's motives and intentions. He pointedly informed negotiators that their perceptions might be incorrect, that they might have misunderstood the other's intentions, strengths, and probable behavior, or that a certain position is too costly for the other parties to sell to their constituencies. He believed that if he encouraged communication between and among the teams, thereby giving their mutual grievances a full airing, their conflict would surely resolve itself. In this situation, the increased communication among disputants expedited conflict resolution.

Site Neutrality

Since the participants expressed reluctance about public participation in the process, the mediator chose the sites that would most likely minimize the pressure experienced by the parties. Therefore, the mediator chose sites that would shielded negotiators from various publics. For example, many of the joint sessions were the suburbs of Hartford. Apart from regulating the access of the disputants' exchange to various audiences, the mediator selected a neutral site for the negotiations. Since the level of distrust was so terrible high initially, it was in the best interest of the mediator and the negotiators to negotiate in a

setting that appeared to be neutral, rather than a location comprising the home turf of one party or the other. A neutral site, moreover, gave the appearance that neither party had a tactical advantage over the other.

Motivation

In order to function effectively, the mediator was able to modify the conflict's psychological climate that enhanced the disputants' mutual motivation to reach agreement. The mediator helped the parties make concessions without loss of face, built trust, reduced irrationality, and ensured autonomy.

Concession Making Without Loss of Face

The mediator believed that as a catalyst, his presence reduced the negotiators' concerns with loss of face and increase their motivation to work toward agreement.

Trust

The mediator sought the negotiators' trust by behaving in clearly trustworthy ways: that is, by personifying norms of fairness and impartiality and by never acting in an assertive fashion that may inhibit the parties sense of control.

Even though, the situation with respect to the disputants' trust of each other was considerably more complex, the mediator did move the disputants away from a position of shared suspicion and hostility, in the direction of increased understanding. After all, the negotiators were in the midst of conflict, and the services of a mediator were deemed necessary at least partially because the parties were unable or unwilling to trust each other to resolve this conflict.

Irrationality

The disputants would not be motivated to reach agreement so long as they harbor irrational feelings, particularly anger, and/or distrust toward each other. This mediator encouraged the negotiators to vent their feelings, preferably not in the presence of the other parties. Further, he volunteered to be the target for the disputants' angry displays, thereby deflecting the anger away from the other parties.

Autonomy

The mediator insured that the negotiators understood the importance of their autonomy. He emphasized that it was their set of decisions to make and their dispute to resolve. It was important for him to be sensitive to the autonomy needs of the disputants and to have sufficient insight to understand that the interest of

the parties might be best served with his help serving as a catalyst.

The parties praised the mediator for his role in enabling them to reach agreement. The mediator contributed by performing the tasks specified in the groundrules. He designated official observers for the joint sessions, prepared minutes of all joint sessions, coordinated meeting times and places, developed agenda, controlled the pace of bargaining sessions, and assisted the teams in writing formal statements. He was primarily concerned with the process of negotiation and sought to ensure that the negotiations progressed in a timely fashion, remained focused, and that groundrules were observed. He assisted in securing a set of commitments that all participants could live with.

EVALUATING THE MEDIATOR'S PERFORMANCE

There are several things that the mediator did not do which could have made the negotiations a better process and produced a better outcome. They are the following: he failed to provide the necessary training and orientation; (2) he failed to involve all interests adequately; (3) he aligned with the party that appeared most powerful; (4) he failed to use appropriate facilitative skills; (5) he failed to utilize other

intervention strategies; (6) he failed to employ his mediation team in a more constructive manner; and (7) he failed to develop a final agreement which is fair, efficient, and implementable.

Training and Orientation

If the mediator had provided training in procedural and substantive areas, I feel, the participants would have had a better sense of how the negotiations were to proceed. Procedural training could have been focussed on more effective negotiation techniques. Appropriate training could have suggested alternatives to the win/lose orientation. The mediator could have geared their thinking toward a win/win orientation.

Substantive training that could have been provided prior to the opening negotiation sessions could have been focussed on existing service delivery structures, contract services, service definitions, allocations of the SSBG (both past and present), and current laws and regulations relevant to the SSBG program. Municipal and private, non-profit sectors were at a disadvantage in that they were ill-prepared in these areas. The inadequacy of data contributed to the parties reluctance to participate in the process. The uncertainty of the data and the inability to interpret the information made it difficult for the non-state teams to develop

effective proposals.

Involvement of all Interests

The mediator should have assured that all interests were adequately represented. For example, municipal and localities who were not members of CCM and COST were not represented in the negotiation at all. In addition, the Hispanic concerns were brought in after the negotiations had started. Even though the State Team had a Hispanic member, he was there to represent the interests of DHR. He could not have the responsibility to assume the dual role of representing DHR and Hispanic concerns. It was up to the mediator to resolve these internal issues of representation. The exclusion of these interests caused problems in ensuring smooth implementation of the agreement.

The Most Powerful Party

It appeared to me that the mediator aligned closely to the party with the most power. This intensified the power imbalance in the negotiations. For example, the mediator was so passive that the State spokesperson had to mediate the sessions. The mediator did not intervene to establish himself. He, instead, allowed the State spokesperson to continue. He relied on the State Team to prepare the workbook, data, and other materials. This responsibility gave the State the advantage of

controlling the data by which decisions were based. By supporting the State Team, he was assured that any publicity would make him appear that he did an adequate job, especially since the State supervised all publications about the process.

Lack of Facilitative Skills

It appeared that the mediator lacked facilitative skills. He was unable to bridge compromises. For example, when the local team asked for \$2,000,000 for the new service, the mediator was unable to intervene in an effective way. In fact, he did not intervene at all. Therefore, pointless and futile discussions dominated the several of the joint sessions.

Even though the mediator used newprints, he could have used them in a more effective way. Newsprints allow a meeting to preserve all its discussions for later recording. It keeps a visual display in front of members at all times so that the results of their work can be seen. The newsprint record provides a basis for reviewing the sessions at the end of the meetings. Having a visible agenda promotes group efficiency and prevents hidden agenda items from surfacing in the discussion. Particularly, he could have used newsprints on complex negotiation issues such as on discussions regarding the swap and client-oriented coordination of

services.

He could have used the newsprints to assist him to brainstorm about developing alternatives, assessing the consequences of alternatives and recording agreements. The use of the newsprint could have protected his neutrality for he could have focussed feedback on behavior rather than on the persons; on observations rather than inferences; and description rather than judgement; on the sharing of ideas and information rather than giving advice; on exploration of alternatives rather than answers or solutions; and on what is being said rather than why it was said. He could have better managed the extraneous comments which reflected the personal philosophy of the negotiators. This would have orchestrated the consensus-building process.

Intervention Strategies

As an alternative to conventional bargaining, the mediator could have used other types of intervention strategies, such as the one-text negotiating procedure suggested by Fisher and Ury.[8] Rather than encourage the negotiators to draw up separate, extreme positions from which concessions are made until a common position is developed, the mediator could have listened to the parties, attempted to understand their basic

interests, and then made a preliminary draft. The draft would have been criticized, revised by each party, and finally accepted or not. The essence of this strategy is that it is much easier for a party to criticize a draft than it is to make concession(s). The negotiators could then explore positions without commitment.

The mediator had the opportunity to employ the one-text negotiating technique when he presented a draft of the final agreement (on December 6, 1982). If the technique had been used, I think the agreement would have been more representative of the combined interests of the parties especially since many changes were made to the final agreement outside of the joint sessions.

Issues and Alternatives

Because the parties chose a non-activist mediator, they limited him from devising creative alternatives based from his analysis of their joint problem. Apart from assisting the negotiators to identifying issues, and recommending that these issues be packaged and ordered in particular ways, the mediator could have introduced alternative solutions. The effect of such intervention could have changed the size of the conflictual pie not by increasing the tangible resources at stake, but by modifying the negotiators' perceptions of their conflict and the ways in which it could be

managed. For example, when the municipal team proposed the vague service, client-coordinated of services, the mediator could have encouraged the parties to probe the underlying reasons for the service. In fact, he may have even suggested that each member of each team meet to develop mutual language about this service.

Inadequate Use of Mediation Team

The mediator composed his mediation team of persons who had (1) professional knowledge of social services, (2) prior arbitration experience, and (3) knowledge of Connecticut politics. His team was to act as resources to him and were not "friends" to all.

The mediation team included a Human Resources Assistant and another assistant, an arbitrator, who helped with logistics and taking the minutes of the meetings. The Human Resources Assistant was expected to provide technical advice on major human service issues as they arose during the process. His skills were not used. He spoke occasionally during small group meetings, but was quiet until around the December 7th session. According to the evaluators of the process, "when he did give advice, the teams seemed to resent his giving the advice and ignored it." [9] The second assistant made no comments during the general or small team meetings.

He could have used his mediation team more effectively. He could have delegated more of the work load, made the opportunity for diverse skills to be available to the teams, and facilitated close and consistent contact with the participants. However, the mediator did not employ his team in the most effective or efficient way for notices of sessions were not timely and minutes of meetings were not disseminated more quickly and in a more meaningful format.

If they had been used, his resource team could have provided summaries (or perhaps an internal newsletter) of the agreements reached. This would have made the process appear more open rather than suspicious. The newsletter or summaries could have reflected on how his team interpreted the issues. The parties could respond to the newsletter, and accurate documentation could have occurred. I think that this would have helped the process tremendously, employing his team in the best possible way.

The Final Agreement

The final agreement does not seem to be fair, efficient or readily implementable for three major reasons: (1) the language of the agreement is vague, and (2) the agreement offers no incentives, and (3) it fails to include compliance mechanisms.

The language of the agreement is ambiguous in spots. Key terms are not always defined clearly. For example, it was agreed to study information and referral service "to see if an unitary statewide system can be established". [10] The final agreement does not define what an "unitary statewide system" or who will establish it, why is it to be established, when is it to be established, or how will it be established. The mediator should have had these questions answered during the negotiations and explained in the agreement. In another example, it was agreed in the negotiations that COLA's would be given out on a competitive basis, but the agreement does not state this. The ambiguity, lack of continuity, and missing definitions will lead to conflicts in interpretation later on, especially since some agreements are not recorded and "side bar understandings" are not documented properly.

The agreement offers no incentives to any of the parties to keep to their agreement. The negotiators made little effort to build compliance mechanisms. Mr. Cohn seems to suggest that incentives and compliance mechanisms, in this case, are implicit and should be so:

The incentives and compliance mechanisms may be more explicit than explicit, but they are exceptionally strong. The Governor has repeatedly made his interest and stake in the outcome of this process a matter of public record. No State official would consider or dare to consciously compromise the Governor by

inattention to implementation, nor is there much real possibility if that occurring inadvertently since the continuing role of the municipal and non-profit sectors through the Tripartite Committee subjects every decisions.[11]

Compliance may be an issue if certain assumptions upon which the agreement hinges turn out to be incorrect or misinterpreted. For example, agencies who swapped General Funds for SSBG funds agreed not to use any of the funds for personal services. This is not written in the agreement. There should have been some compliance or penalty if the State agencies should not abide by the written agreement. The mediator should have taken the responsibility to see that such mechanisms were included.

MITIGATING FACTORS IN THE MEDIATOR'S PERFORMANCE

Two factors may have prohibited a better performance by the mediator: (1) the strong personalities of the negotiators; and (2) the unreasonable time constraint.

Strong Personalities

The parties in this negotiation purposely selected a mediator with a passive style. They purposely rejected more active candidates for the position. They recognized that an active mediator would have clashed with the strong personalities of each team. I am

criticizing the mediator because he played a passive role. I am criticizing the mediator because he was not effective in his passive role. He could have been a better intervenor. Unfortunately, this non-activist form of mediation led to a weak and ineffectual way of resolving this dispute.

Time Constraint

I saw that the inflexible timeframe hindered the the mediator from being more effective. Even though he was able to continue the process, criticisms of him stem from his rushing the participants to make decisions on very important issues. Important items that were excluded in the final agreement could have been avoided under a more realistic timeframe. Since this mediator experience was in labor/management disputes, he probably used the time constraint as a strategy to get the parties to come to agreement. I feel that this strategy in this case was not appropriate for it neglected to deal with the underlying concerns of the parties.

ASSESSMENT

The mediator played a rather passive role in the Connecticut NIS negotiations. He was accused of allowing the some of the sessions "to drag." While the

teams were relatively unequal in their ability to influence the process, the mediator made little effort to counteract the unequal strengths of the parties.

If the mediator had encouraged the participants to focus on their underlying interests and to invent alternatives that maximized joint gains, the participants might have produced a more impressive agreement. For example, the teams could have suggested legislative steps by which funds for social services could have been increased through new fees and charges. This would have generated more funds to allocate for other vital services.

It is sometimes possible to reduce the cost of negotiations by using mediators. This, of course, is a common practice in the private sector, where there is a specialized professional skilled in "mediation." The use of mediation in the public sector is haphazard by contrast. One reason is that public section negotiations are generally more multidimensional and political and, therefore, lends themselves less readily to mediation; a second reason is that there is usually a scarcity of third parties who carry the requisite moral authority and who are willing to assume the politically unrewarding role of go-between.

Notes

- [1] Letter to Sylvia L. Watts from Benson Cohn, (March 23, 1983), p. 3.
- [2] Groundrule #4
- [3] Groundrule #6
- [4] Groundrule #7
- [5] Groundrule #9
- [6] Groundrule #11
- [7] Groundrule #12
- [8] See Fisher and Ury, Getting to Yes -- Negotiating Agreement Without Giving In, pp. 118 - 122.
- [9] Armentrout and Associates, "Evaluation of the Connecticut Negotiated Investment Strategy," DRAFT, (February 1983), p. 53.
- [10] Final Agreement, p. 8.
- [11] Letter to Sylvia L. Watts from Benson Cohn, (March 23, 1983), p. 2.

CHAPTER FIVE
CONCLUSION AND CAVEATS:
APPLICATION OF A MEDIATED APPROACH
TO STATE-WIDE DECISION MAKING

The Connecticut NIS experiment demonstrated that mediation can work in state-wide decision making. The process provided face-to-face interaction that encouraged innovation in the management of SSBG funds. In addition, the process enhanced communication among service providers; this will ensure better coordination in the long run. Most importantly, the creation of a Tripartite Committee ensures that this particular reform will remain in place for some time to come.

Even though the benefits resulting from the process are substantial, the outcome could have been better. Several important concerns emerge from the Connecticut experience for states to consider if they are planning to use an NIS approach to resources allocation. These concerns should guide further analysis of the current problems using this approach and potential resolution. In addition, these concerns may allow other problems to surface that were not realized in the analysis of this thesis. The implications of various problems and alternative solution should be understood and addressed in a coordinated manner when applying mediated negotiation to resource allocation decisions in the

future.

The Role of Government

If the state government is to play an active role in mediated negotiation, a great deal of thought needs to be given to the scope and the means for insuring that the state's discretion is not abused. There is room for concern if the state is to initiate the process without input from various other interests. The problem with the state's discretionary power is that it may be exercised to control the process even under the guise of greater concern for consensus. It is important that the process does not appear as if it has coopted interest groups to legitimize cutbacks in diminishing resources.

Orientation and Training

It is vital that orientation and training be provided regarding the process, improving the negotiating skills and technical ability of the parties. Training, an intensified form of learning, can be used to prepare the participants to develop the necessary tools to produce an effective agreement. Parties should receive necessary data prior to the negotiation, for example, past allocation of resources. Parties may then find out that they need to learn how to interpret the budgetary process. If the vital training is conducted, proposals would reflect the needs of the client groups. With less

training, the process is most likely to reflect the personal desires of the negotiators.

Problems of Representation

Contending parties with vitally opposed interests should be included in the process and their legitimate concerns should be addressed before settlement can be achieved. This can, however, provide a strong disincentive to the state, since the state is accustomed to fulfilling its responsibilities as enforcing established rules and regulations, not negotiating them. There should be a checklist to insure that the necessary representation of diverse interests are present. If not, the process may include a few hand-picked parties who attempt to claim the settlement represents a consensus of all interests. This makes the process self-defeating. Agreements would invariably be attacked by excluded parties and the process and outcome would lose all the advantages of informal bargaining.

Accountability of the Mediator

The mediator should be concerned about the following four issues: (1) the impacts of negotiated agreements on underrepresented or unrepresentable groups; (2) the possibility that joint net gains have not been maximized; (3) the consequences of the settlements that the parties reached; and (4) the precedents that they

set upon which agreements are based. To be effective, the mediator needs to be knowledgeable about the substance of disputes. A mediator in this capacity should be committed to procedural fairness -- all parties should have an opportunity to be represented by individuals with the technical sophistication to bargain effectively on their behalf. The mediator also should be concerned that the agreements that the parties reached are just and stable. To fulfill these responsibilities, the mediator will have to intervene often and assertively. In my opinion, the mediator cannot fulfill his/her responsibilities if he/she plays a passive role.

Problems of Linking
the Informal Negotiation Process
to the Formal Statutory
Procedures for Budgeting

Since in this situation the parties did not have the legal authority to implement their agreement, novel agreements may pose difficult problems of interpretation when challenged, and disappointed members of participating organizations may act to frustrate implementation.

Legislative participation can ensure implementation. It can add to the bargaining process a sense of truly serving the "public" rather than a particular interest

group. Legislators would not give up statutory or legal rights if they agree to participate. If the process were unsuccessful, the legislators would run the risk of being held responsible for an unpopular agreement or being blamed if negotiations had broken down. On the other hand, legislative participation could minimize the risks of extended conflict, adverse publicity, and severe emotional drain on their resources.

INSTITUTIONALIZATION OF MEDIATED NEGOTIATION

The Connecticut NIS commands attention for those interested in institutionalizing mediated negotiation. The benefit of the negotiated approach is that it enhances the communication between interest groups. It increases group solidarity, strengthening internal group cohesion. The parties must stay alert, while anti-social feelings -- hostility, animosity, and jealousy -- are vented in a controlled fashion. In short, the process is therapeutic.

The mediator can help the parties become more cohesive. Indeed, his or her participation is crucial. The full potential of mediated negotiation will not be reached if the mediator plays a passive role. The mediator ought to suggest possible solutions and try to persuade the

bargainers to move in helpful directions. The mediator can help parties look beyond the "fixed pie." Howard Raiffa in The Art of Science of Negotiation writes that " . . . joint gains could be realized if only the contending parties were willing to yield up enough sovereignty to allow the mediator to help them devise creative alternatives and to help them analyze their joint gains." [1]

States considering a mediated approach to allocating SSBG resources must be creative in involving the private sector. The goals of the public and private sectors are often dissimilar but not incompatible. Long-range benefits accruing to the private sector for participating in the process include an expanded consumer market, improve business climate, and perhaps tax reductions. The participants in the Connecticut NIS process failed to involve the private sector which could have increased resources and options by which participants might have maximized joint gains.

CONCLUSION

We are in a time of resource scarcity. The prevailing view is that, in periods of cutbacks, competitive approaches will override consensual approaches. This assumption, in my view, does not take account of the

advantages of mediated negotiation, if appropriately designed. Mediated negotiation, based on the lessons learned from the Connecticut NIS experiment, can create opportunities for maximizing joint gains in periods of scarcity. What the Connecticut NIS teaches is: (1) the process must involve all interested parties (any party or parties excluded may stifle the implementation of the agreement); (2) participants must be thoroughly trained about negotiating techniques and given access to technical information (inadequate training or education can lead to unorganized and time consuming discussions which may make the process unduly costly); (3) the mediator must assume an assertive role in the negotiations (he or she can regulate interaction, sharpen issues, and assist parties in developing a wise agreement); (4) the final agreement must not only contain specific commitments but also include incentives and penalties designed to insure that the agreement is implemented; (5) the timetable for the negotiations must be flexible and realistic (bargainers should not be pressed to decide on important issues if they are exhausted from long bargaining sessions); and (6) the process must be consensual -- no one party should dominate or manipulate the process. A consensual approach will permit an integrative process to occur so that all participants can maximize their joint gains. A more meaningful negotiation can be produced if everyone

is working to help everyone else win.

NOTE

[1] Howard Raiffa, The Art and Science of Negotiation,
(Cambridge, Massachusetts: Harvard University Press,
1982), p. 219.

APPENDICES

APPENDIX 1

Subtitle C—Block Grants for Social Services

SHORT TITLE

SEC. 2351. This subtitle may be cited as the “Social Services Block Grant Act”.

TITLE XX BLOCK GRANTS

SEC. 2352. (a) Title XX of the Social Security Act is amended to read as follows:

“TITLE XX—BLOCK GRANTS TO STATES FOR SOCIAL SERVICES

“PURPOSES OF TITLE; AUTHORIZATION OF APPROPRIATIONS

“SEC. 2001. For the purposes of consolidating Federal assistance to States for social services into a single grant, increasing State flexibility in using social service grants, and encouraging each State, as far as practicable under the conditions in that State, to furnish services directed at the goals of—

“(1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;

“(2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency;

“(3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;

“(4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and

“(5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions,

there are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this title.

“PAYMENTS TO STATES

“SEC. 2002. (a)(1) Each State shall be entitled to payment under this title for each fiscal year in an amount equal to its allotment for such

fiscal year, to be used by such State for services directed at the goals set forth in section 2001, subject to the requirements of this title.

“(2) For purposes of paragraph (1)—

“(A) services which are directed at the goals set forth in section 2001 include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, family planning services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts; and

“(B) expenditures for such services may include expenditures for—

“(i) administration (including planning and evaluation);

“(ii) personnel training and retraining directly related to the provision of those services (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions); and

“(iii) conferences or workshops, and training or retraining through grants to nonprofit organizations within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or to individuals with social services expertise, or through financial assistance to individuals participating in such conferences, workshops, and training or retraining (and this clause shall apply with respect to all persons involved in the delivery of such services).

“(b) The Secretary shall make payments in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213) to each State from its allotment for use under this title.

“(c) Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

“(d) A State may transfer up to 10 percent of its allotment under section 2003 for any fiscal year for its use for that year under other provisions of Federal law providing block grants for support of health services, health promotion and disease prevention activities, or low-income home energy assistance (or any combination of those activities). Amounts allotted to a State under any provisions of Federal law referred to in the preceding sentence and transferred by a State for use in carrying out the purposes of this title shall be treated as if they were paid to the State under this title but shall not affect the computation of the State's allotment under this title. The State shall inform the Secretary of any such transfer of funds.

“(e) A State may use a portion of the amounts described in subsection (a) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering programs funded under this title.

“ALLOTMENTS

“Sec. 2003. (a) The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, and the Northern Mariana Islands shall be an amount which bears the same

ratio to the amount specified in subsection (c) as the amount which was specified for allocation to the particular jurisdiction involved for the fiscal year 1981 under section 2002(a)(2)(C) of this Act (as in effect prior to the enactment of this section) bore to \$2,900,000,000.

“(b) The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

“(1) the amount specified in subsection (c), reduced by

“(2) the total amount allotted to those jurisdictions for that fiscal year under subsection (a),

as the population of that State bears to the population of all the States as determined by the Secretary (on the basis of the most recent data available from the Department of Commerce) and promulgated (subject to subsection (d)) prior to the first day of the third month of the preceding fiscal year.

“(c) The amount specified for purposes of subsections (a) and (b) shall be—

“(1) \$2,400,000,000 for the fiscal year 1982;

“(2) \$2,450,000,000 for the fiscal year 1983;

“(3) \$2,500,000,000 for the fiscal year 1984;

“(4) \$2,600,000,000 for the fiscal year 1985; and

“(5) \$2,700,000,000 for the fiscal year 1986 or any succeeding fiscal year.

“(d) The determination and promulgation required by subsection (b) with respect to the fiscal year 1982 shall be made as soon as possible after the enactment of the Omnibus Budget Reconciliation Act of 1981.

“STATE ADMINISTRATION

“Sec. 2004. Prior to expenditure by a State of payments made to it under section 2002 for any fiscal year, the State shall report on the intended use of the payments the State is to receive under this title, including information on the types of activities to be supported and the categories or characteristics of individuals to be served. The report shall be transmitted to the Secretary and made public within the State in such manner as to facilitate comment by any person (including any Federal or other public agency) during development of the report and after its completion. The report shall be revised throughout the year as may be necessary to reflect substantial changes in the activities assisted under this title, and any revision shall be subject to the requirements of the previous sentence.

“LIMITATIONS ON USE OF GRANTS

“Sec. 2005. (a) Except as provided in subsection (b), grants made under this title may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this title—

“(1) for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility;

“(2) for the provision of cash payments for costs of subsistence or for the provision of room and board (other than costs of subsistence during rehabilitation, room and board provided for a short term as an integral but subordinate part of a social service, or temporary emergency shelter provided as a protective service);

“(3) for payment of the wages of any individual as a social service (other than payment of the wages of welfare recipients employed in the provision of child day care services);

“(4) for the provision of medical care (other than family planning services, rehabilitation services, or initial detoxification of an alcoholic or drug dependent individual) unless it is an integral but subordinate part of a social service for which grants may be used under this title;

“(5) for social services (except services to an alcoholic or drug dependent individual or rehabilitation services) provided in and by employees of any hospital, skilled nursing facility, intermediate care facility, or prison, to any individual living in such institution;

“(6) for the provision of any educational service which the State makes generally available to its residents without cost and without regard to their income;

“(7) for any child day care services unless such services meet applicable standards of State and local law; or

“(8) for the provision of cash payments as a service (except as otherwise provided in this section).

“(b) The Secretary may waive the limitation contained in subsection (a) (1) and (4) upon the State’s request for such a waiver if he finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State’s ability to carry out the purposes of this title.

“REPORTS AND AUDITS

“SEC. 2006. (a) Each State shall prepare reports on its activities carried out with funds made available (or transferred for use) under this title. Reports shall be in such form, contain such information, and be of such frequency (but not less often than every two years) as the State finds necessary to provide an accurate description of such activities, to secure a complete record of the purposes for which funds were spent, and to determine the extent to which funds were spent in a manner consistent with the reports required by section 2004. The State shall make copies of the reports required by this section available for public inspection within the State and shall transmit a copy to the Secretary. Copies shall also be provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

“(b) Each State shall, not less often than every two years, audit its expenditures from amounts received (or transferred for use) under this title. Such State audits shall be conducted by an entity independent of any agency administering activities funded under this title, in accordance with generally accepted auditing principles. Within 30 days following the completion of each audit, the State shall submit a copy of that audit to the legislature of the State and to the Secretary. Each State shall repay to the United States amounts ultimately found not to have been expended in accordance with this title, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this title.

“(c) For other provisions requiring States to account for Federal grants, see section 202 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4212).

"CHILD DAY CARE SERVICES

"Sec. 2007. (a) Subject to subsection (b), sums granted by a State to a qualified provider of child day care services (as defined in subsection (c)) to assist such provider in meeting its work incentive program expenses (as defined in subsection (c)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed for purposes of section 2002 to constitute expenditures made by the State in accordance with the provisions of this title for the provision of child day care services.

"(b) The provisions of subsection (a) shall not be applicable with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used to pay wages to any employee at an annual rate in excess of \$6,000, in the case of a public or nonprofit private provider, or at an annual rate in excess of \$5,000, or to pay more than 80 percent of the wages of any employee, in the case of any other provider.

"(c) For purposes of this subsection—

"(1) the term 'qualified provider of child day care services', when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 percent thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under a program conducted pursuant to this title; and

"(2) the term 'work incentive program expenses' means expenses of a qualified provider of child day care services which constitute work incentive program expenses as defined in section 50B(a)(1) of the Internal Revenue Code of 1954, or which would constitute work incentive program expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code."

(b) Section 1101(a)(1) of such Act is amended by adding at the end thereof the following new sentence: "Such term when used in title XX also includes the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands."

CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT

Sec. 2353. (a)(1) Section 3(a) of the Social Security Act is amended—

(A) by amending paragraph (4) to read as follows:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."; and **(B)** by striking out paragraph (5).

- (2) Section 3(c) of such Act is repealed.
- (b)(1) Sections 402(a)(5), 402(a)(13), 402(a)(14), 402(a)(15) 403(a)(3), 403(e), and 406(d) of such Act as in effect with respect to Puerto Rico, Guam, and the Virgin Islands are repealed.
- (2) Sections 402(a)(5), 402(a)(15), and 403(a)(3) of such Act as they apply to the fifty States and the District of Columbia shall be applicable to Puerto Rico, Guam, and the Virgin Islands.
- (3) Section 248(b) of the Social Security Amendments of 1967 (Public Law 90-248) is repealed.
- (c) Section 402(a)(15) of such Act is amended—
- (1) by striking out “as part of the program of the State for the provision of services under title XX”; and
 - (2) by striking out “or clause (14)”.
- (d) Section 403(a)(3) of such Act is amended by striking out “service described in section 2002(a)(1)” and inserting in lieu thereof “service described in section 2002(a)”.
- (e)(1) Section 1003(a) of such Act is amended—
- (A) by amending paragraph (3) to read as follows:
“(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the State plan—
“(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus
“(B) one-half of the remainder of such expenditures.”; and
 - (B) by striking out paragraph (4).
- (2) Section 1003(c) of such Act is repealed.
- (f) Section 1108(a) of such Act is amended in the matter preceding paragraph (1) to read as follows:
“(a) The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, and under parts A and E of title IV (exclusive of any amounts on account of services and items to which subsection (b) applies)—”.
- (g) Section 1115(a) of such Act is amended—
- (1) in the matter preceding paragraph (1), by striking out “XIX, or XX” and inserting in lieu thereof “or XIX”;
 - (2) in paragraph (1), by striking out “1902, 2002, 2003, or 2004” and inserting in lieu thereof “or 1902”; and
 - (3) in paragraph (2)—
 - (A) by striking out “1903, or 2002” and inserting in lieu thereof “or 1903”, and
 - (B) by striking out “or expenditures with respect to which payment shall be made under section 2002,”.
- (h) Section 1116 of such Act is amended—
- (1) in subsections (a)(1) and (b), by striking out “XIX, or XX” and inserting in lieu thereof “or XIX”;
 - (2) in subsection (a)(3), by striking out “1904, or 2003” and inserting in lieu thereof “or 1904”; and
 - (3) in subsection (d), by striking out “XIX, XX” and inserting in lieu thereof “or XIX”.
- (i) Section 1124(a) of such Act is amended—

- (1) in paragraph (1), by striking out "XIX and XX" each place it appears and inserting in lieu thereof "and XIX"; and
- (2) in paragraph (2)—
 - (A) by inserting "or" after the semicolon at the end of subparagraph (B);
 - (B) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a period; and
 - (C) by striking out subparagraph (D).
- (j) Section 1126(a) of such Act is amended by striking out "XIX, and XX" and inserting in lieu thereof "and XIX".
- (k) Section 1128(a) of such Act is amended—
 - (1) in paragraph (2)(A), by striking out "or title XX,"; and
 - (2) in paragraph (2)(B), by striking out "or title XX".
- (l)(1) Section 1403(a) of such Act is amended—
 - (A) by amending paragraph (3) to read as follows:
 - "(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and official administration of the State plan—
 - "(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus
 - "(B) one-half of the remainder of such expenditures."; and
 - (B) by striking out paragraph (4).
- (2) Section 1403(c) of such Act is repealed.
- (m)(1) Section 1601 of such Act is amended—
 - (A) by inserting "and" before "(b)" the first time it appears; and
 - (B) by striking out "and (c)" and all that follows through "self-care,".
- (2) Section 1603(a) of such Act is amended—
 - (A) by inserting "and" after the semicolon at the end of paragraph (2)(B);
 - (B) by amending paragraph (4) to read as follows:
 - "(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the State plan—
 - "(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus
 - "(B) one-half of the remainder of such expenditures."; and
 - (C) by striking out paragraph (5).
- (3) Section 1603(c) of such Act is repealed.
- (n) Section 1616(e)(2) of such Act is amended by striking out ", as a part of the services program planning procedures established pursuant to section 2004 of this Act,".
- (o) Section 1619 of such Act is amended—

(1) by striking out "titles XIX and XX" each place it appears and inserting in lieu thereof "title XIX", and

(2) by striking out "title XIX or XX" and inserting in lieu thereof "title XIX".

(p) Section 1620(c) of such Act is amended by striking out the matter following the end of paragraph (7).

(q) Section 407(d)(1) of such Act is amended by striking out "a community work and training program under section 409 or any other work and training program subject to the limitations in section 409, or" and inserting in lieu thereof "a community work experience program under section 409, or".

(r) Section 471(a)(10) of such Act is amended by striking out "standards referred to in section 2003(d)(1)(F)" and inserting in lieu thereof "standards in effect in the State with respect to child day care services under title XX".

(s) Section 3(f) of the Social Security Amendments of 1974 (Public Law 93-647) is repealed.

EFFECTIVE DATE

SEC. 2354. Except as otherwise explicitly provided, the provisions of this subtitle, and the repeals and amendments made by this subtitle, shall become effective on October 1, 1981.

STUDY OF STATE SOCIAL SERVICE PROGRAMS

SEC. 2355. The Secretary of Health and Human Services shall conduct a study to identify criteria and mechanisms which may be useful for the States in assessing the effectiveness and efficiency of the State social service programs carried out with funds made available under title XX of the Social Security Act. The study shall include consideration of Federal incentive payments as an option in rewarding States having high performance social service programs. The Secretary shall report the results of such study to the Congress within one year after the date of the enactment of this Act.

Source: U.S. Code and Congressional and Administrative News, Omnibus Budget Reconciliation Act of 1981 (Approved August 13, 1981).

APPENDIX 2

State Legislation Regarding General Assembly Review of Block Grant Allocation Plans

(Excerpt From P. A. 81-449)

Sec. 9. (NEW) Notwithstanding any provisions of the general statutes: (1) If, during the period from July 1, 1981, to June 30, 1982, inclusive, any federal categorical grant, or other grant, anticipated to fund or reimburse any state function, activity, project or program is reduced or eliminated, "no state funds shall be expended to replace the federal grant without action of the general assembly, except that the governor, with the approval of the finance advisory committee, may authorize the expenditure of such funds for a period not to exceed sixty days from the date such grant is reduced or eliminated; (2) if the state receives federal block grant funds in lieu of categorical grant funds for the fiscal year ending June 30, 1982, the governor shall submit his recommendations for the allocation of such funds to the joint standing committee of the general assembly having cognizance of the subject matter relating to such recommendations, as determined by the speaker of the house of representatives and the president pro tempore of the senate. Within thirty days of receipt of the governor's concurrence with the committee of cognizance, shall advise the governor of their approval or modifications, if any, of his recommendations, provided if the committees do not act within thirty days, the recommendations shall be deemed approved. Disbursement of such funds shall be in accordance with the governor's recommendations as approved or modified by the committees; (3) if federal funding for programs financed by state appropriations with federal reimbursements is reduced below the amounts estimated under the provisions of section 2-35 of the general statutes for the fiscal year ending June 30, 1982, the governor shall submit his recommendations to the joint standing committee on appropriations and to the committee of cognizance, for legislation necessary to modify funding for such programs consistent with such reductions in federal funding.

APPENDIX 3

GROUND RULES

1. Each negotiating team shall consist of five permanent representatives who shall be identified prior to the first joint session. In the event of illness or some similar and serious cause, a team may replace a permanent representative after notifying other teams and the mediator. The teams, aware of the importance of continuity in the negotiating process, pledge themselves to regular attendance and participation in all separate and joint meetings. Any member of the negotiating team who speaks during the joint session shall be understood to be speaking on behalf of the entire team. Each negotiating team shall designate representatives to execute the team's procedural and ceremonial responsibilities during the joint sessions.

2. At joint negotiating sessions, each team may have up to a total of five additional resource people, advisers, or alternates who may speak or make presentations during a session only through permanent team representatives. These additional personnel on each team may vary from session to session, although each team shall, when possible, provide the mediator in advance with a list of individuals included in the team's delegation for a specific joint meeting.

3. All joint sessions shall be considered open or public meetings and shall be held in facilities that permit observation by members of the general public.

4. The mediator may designate "official observers" for joint sessions, who shall be seated at a separate table but who shall not otherwise participate in deliberations except that they may communicate through the mediator. Observers may be appointed from organizations that have provided funds for the negotiating process, as well as other private and public bodies involved directly or indirectly in the funding or promotion of human services in

Connecticut.

5. Selected legislators and the Connecticut U.S. congressional delegation shall be notified of joint sessions and invited to attend. They shall not be permitted to participate in the deliberations of the teams or to address meetings.

6. The teams agree that the public shall be fully informed about the negotiating process. Therefore, representatives of the media shall be free to attend all joint sessions and shall be treated as members of the general public. Following joint sessions and at other appropriate times at the discretion of the mediator, the mediator and selected representatives from each team shall make themselves jointly available for media interviews or conferences. Team members may, with the permission of their team, make individual statements or comments to the media.

7. During joint sessions, the mediator or any team may call for a caucus at any time. Each caucus shall be limited to a maximum of fifteen minutes, although the parties may extend a caucus beyond that period with the permission of the mediator. Caucuses shall not be considered public meetings.

8. The teams pledge that all requests for information shall be honored fully and as rapidly as possible. Each team shall identify one representative through whom all requests for information shall be routed. Whenever possible, each team shall submit proposals in writing to other teams and the mediator prior to joint sessions. Written draft proposals and position papers shall be considered confidential pursuant to Connecticut General Statutes 1-19 (b) (1).

9. The mediator shall prepare minutes of all joint sessions and distribute copies of these minutes within ten working days of the respective joint sessions (or earlier, if another joint session is scheduled to occur before the time period elapses). The teams shall review the minutes promptly and inform the mediator of any errors or omissions. Each team shall keep minutes of separate team meetings and records of any other inter- and intra-team activities of importance to the negotiating process. Each team shall have a "documentor" who shall maintain an

individual team journal containing all materials prepared, presented and received by the teams, as well as records of pertinent meetings and communications.

10. All team members, as well as the "documentor", commit themselves to full, reasonable cooperation with the officially designated program evaluators. Any team member shall apprise and obtain the consent of all permanent team members prior to initiating, responding to, or agreeing to any formal request regarding the Negotiated Investment Strategy project if such a request will require the full, reasonable participation of all negotiating team members.

11. The teams are encouraged to communicate with each other between formal negotiating sessions. Teams shall provide the mediator with copies of all inter- and intra-team written communications that occur between joint sessions.

12. The mediator shall coordinate meeting times and places, develop agenda, control the flow of sessions and assist the teams in writing a formal proposal.

(Dated: October 12, 1982)

APPENDIX 4

STATE OF CONNECTICUT

A NEGOTIATED INVESTMENT STRATEGY

**A Joint Agreement on Principles
Priorities, Allocations, and Plans for the
Social Services Block Grant**

October 1, 1983 to September 30, 1984

Prepared by Teams Representing the Executive Branch
of the State of Connecticut, Connecticut Municipal Governments
and Connecticut Non-Profit Social Service Providers

PREAMBLE

The Social Services Block Grant (SSBG), which amends Title XX of the Social Security Act, is an important source of money for the provision of human services for Connecticut's citizens. For federal fiscal year 1984 (beginning October 1, 1983), it is likely that Connecticut will receive approximately 33 million dollars. This amount represents a significant decrease from the 47 million dollars received in federal fiscal year 1981.

Connecticut, through the Negotiated Investment Strategy (NIS) process, has accepted the challenge and opportunity to re-examine its past and current policies and programs supported by Title XX and to design a rational course for the future.

Historically, state policies and procedures have evolved through a wide array of mechanisms and influences, including multi-level planning efforts, guidance from legislative intent, tradition, needs assessments, federal requirements and fiscal constraints. The flexibility of the SSBG and of the NIS process has offered a unique and valuable opportunity to review, revise and improve upon past practices.

The NIS process has allowed the three sectors which provide direct services - the state, municipalities and non-profit organizations - to take part in an open and participatory dialogue regarding service priorities, the allocation of block grant monies, reduction of service duplication and increases in inter- and intra-sector communication. The process has also facilitated the integration of state and federal funding and improvements in monitoring and evaluation mechanisms.

The healthy balance among state, municipal and non-profit service providers which the NIS has provided will help ensure that we do not return to a narrow categorical perspective when allocating funds for social service programs and when actually providing services. This cooperative interaction should be the norm in the future for the Social Services Block Grant.

The agreement which follows represents the joint conclusions of the State, Connecticut's municipalities and the non-profit sector regarding which services should be funded by the SSBG, how those services should be defined, what criteria should be used in setting priorities among services, how much funding should be allocated to each and what procedures and criteria should be used in judging applications from individual service providers. It also reflects the conclusion and determination of the three sectors that the type of cooperation established in the NIS process should be maintained through the period of the agreement's implementation and beyond. The establishment of the Tripartite Social Services Block Grant Committee will assist the implementation of this agreement and will help assure that flexibility can be maintained so that effective responses to decreasing fiscal resources and increased human services needs can occur.

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This volume contains the terms of agreement as negotiated by the signatories on behalf of their respective sectors. A copy of the technical assistance manual, which contains copies of all documents exchanged among the participants during the course of the negotiations, is on file with the respective secretariat from each sector.

ACKNOWLEDGEMENT

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Section I
DEFINITIONS

STATEMENT OF GUIDING PRINCIPLES

Conditions of vulnerability, uniform service definitions and budget categories shall apply to all activities funded by SSBG dollars.

RESOLUTION I-1

The following definitions for services and pertinent budget categories shall govern all activities supported in whole or in part by SSBG allocations:

A. Services

1. Adoption Services: To enable children and youth¹ with special needs (e.g., physically, developmentally, neurologically or mentally disabled, minority, and abused/neglected) who cannot remain with their families to be adopted by individuals or families through a formal legal process.
2. Child Day Care Services: To protect and meet the developmental needs of infants, children, and youth, or to assist families by providing direct care to children in licensed family or group day care programs.
3. Client-Oriented Coordination of Services: Assessment of an individual's needs, development of a plan to ensure that the needs are met, connection of the individual to the providers that can meet the identified needs, support of the client in his or her receipt of services, follow up to ensure the service plan is fulfilled, and avoidance of duplication in the provision of services.
4. Community-Based Non-Residential Services: Community-based non-residential services consist of:
 - (a) Adult Day Care Services: Provides for direct care and protection of adults during a portion of a 24-hour day inside or outside the individual's own home. The direct care and protection activities are designed to meet the physical, social, emotional and intellectual needs of the individual, including physically, developmentally, neurologically or mentally disabled individuals. Services are geared to provide caring for an individual's needs for food, activity, rest and other necessities of physical care, including minor medical care, for a portion of the 24-hour day in a setting approved by the administering agency; and

¹ "Youth" is defined throughout as those persons under 18 years of age.

- (b) Community Care for the Elderly and Disabled: Includes services that provide elderly and/or disabled persons in danger of inappropriate institutionalization with a service system to strengthen their ability for independent living, enable them to live safely in their own homes or to return to their homes or communities after deinstitutionalization. Services may be provided to the aged and/or disabled person, relatives or other interested community members in order to avoid inappropriate institutionalization of the service client.
5. Community-Based Residential Services: To avoid, forestall or shorten the length of institutionalization for individuals who are unable to function fully in the community without some level of intermediate care or alternative living arrangements (e.g., halfway houses, group houses, etc.). This service focuses on treatment, habilitative or rehabilitative care through the provision of supportive living experiences to enable individuals to return home, if possible, as soon as personal, social adjustment and development permit.
 6. Counseling Services: To assess, modify, or resolve problems (e.g., psychological, emotional, or behavioral) through individual, group or family counseling or guidance. (Although most human services include some type of counseling activities, counseling as here defined is limited to those situations in which counseling is the major service provided.)
 7. Day Treatment Services: To habilitate or rehabilitate seriously impaired individuals in order that they can remain in their families and communities. Day treatment services are available in a planned program with individuals returning home in the evening.
 8. Emergency Shelter Services: To arrange or provide the minimum necessities of life on a limited and short-term basis for individuals or families during periods of dislocation, crisis or emergency, pending formulation of longer-term plans.
 9. Employability Services: To develop employability and training opportunities for vulnerable populations.
 10. Family Planning Services: Social, educational and medical services to enable individuals of child-bearing age (including minors) to limit their family size, space their children, or resolve fertility problems.
 11. Foster Family Care Services: To protect or support abused and/or physically, developmentally, neurologically or mentally disabled children, youth and adults and meet their developmental needs in a licensed foster family home when the individual's own family cannot provide necessary care.
 12. Home Management-Maintenance Services: To enable individuals and families to function adequately in their own homes by providing, when necessary, services for and on behalf of children, youth

and adults by professionals and para-professionals, aimed at supplementing the clients' efforts to maintain an independent living arrangement when unable to perform such tasks themselves, or to prevent family disruption through helping to maintain or improve family functioning.

13. Information and Referral Services: A broad range of services to impart information to clients and potential clients regarding the availability and relevance of social service resources in the State and referral and follow-up when appropriate.
14. Legal Services: The provision of legal services to individuals and families in civil and administrative proceedings.
15. Recreation, Social Development, and Enrichment Services: To provide access to recreational and cultural opportunities and encourage the acquisition of recreation and leisure-time skills to prevent or minimize psychological, social or economic isolation.
16. Residential Treatment Services: Provide 24-hour supervised care and treatment in an appropriate residential setting under the direction of professional staff to impact significant levels of dysfunction. Placement for these services may be up to 24 months.
17. Safeguarding or Protective Services: To protect individuals from physical or sexual abuse, neglect, abandonment or harm. Safeguarding services consist of assessment, counseling, referral for treatment, placement (when necessary) and reunification.
18. Transportation Services: Assisting individuals and families in obtaining adequate means of transportation to access needed community services and activities and, when required by a case plan, to actually provide transportation and escort.

B. Pertinent Definitions Related to Delivery of Services

1. Administrative Costs: Those costs associated with managing a direct service program such as supervisory personnel costs and the indirect costs of organizational operations such as supplies, rent, utilities, maintenance, insurance, telephone, and travel.²
2. Direct Services: Those services rendered to individuals eligible under the vulnerable population categories as established by SSBG eligibility criteria.
3. Service Provider: Service Provider shall include State of Connecticut, Municipal and Non-Profit service providers.
4. Training: Educational programs, conferences, workshops and training materials to enhance the competence and assure an appropriate supply of service staff to deliver direct, humane and effective services.

² These costs do not include those expenditures for direct program staff, contractual services, or capital outlay.

RESOLUTION I-2

The Social Services Block Grant will be used to provide needed social services to vulnerable persons or families in Connecticut, with special emphasis on those groups which are less able than others to care for themselves (e.g., special needs children, youth and elderly). Vulnerable persons or families are those which exhibit one or more of the following conditions (not presented in any ranked order):

- Economically disadvantaged (unemployed, under-employed, or low income).
- Physically, mentally, neurologically, or developmentally disabled.
- In need of language and cultural awareness assistance and/or technical immigration assistance.
- Abused/neglected (e.g., sexual assault victims, abused and/or exploited children and elderly).
- In need of drug or alcohol services.
- In need of family planning services.
- In need of mental health support services (e.g., distressed families or persons who may be at risk of institutionalization).
- In need of supportive services in order to remain in the community.
- In need of shelter assistance.

RESOLUTION I-3

In addition to the criteria of conditions of vulnerability, the provision of social services from the resources of the Social Services Block Grant will be subject to the following eligibility criteria:

- Recipients of services shall have incomes no higher than 150 percent of federal poverty income guidelines, except that certain services (safeguarding, family planning, information and referral and emergency shelter) will be provided without regard to income.
- Criminal offenders or ex-offenders may be eligible for SSBG services, but SSBG funds cannot be used to support services provided directly by staff of a correctional facility (per federal law and regulations).
- The Connecticut General Statutes, Section 8-210(b) requires the State to provide day care centers for children disadvantaged by economic, social or environmental conditions. Potential recipients of service from State child day care centers shall have incomes no higher than 80 percent of State median income.
- Recipients of purchased child day care services (e.g., employed AFDC and low income) shall have incomes no higher than 45 percent of State median income.

- Recipients of legal services shall have incomes no higher than 125 percent of the federal poverty income guidelines.
- Recipients of home management-maintenance services and the DHR Essential Services Program shall have incomes no higher than 45 percent of State median income.
- Fee schedules are being, or will be, used for day care centers, purchased day care, family planning, and home management-maintenance services, which will be based on family size and income³.

³ Currently, a fee schedule is used for day care centers and has begun to be used for purchased day care services. This fee schedule is based on the concept of free service for low income people up to a certain level, roughly equivalent to the maximum welfare flat grant. Beyond that point, service recipients pay fees on a sliding scale, which gradually increases to the point of the full cost of providing the service. The same principles will be followed in the implementation of a fee schedule for home management- maintenance services and may be followed for other services as determined by the Tripartite Social Services Block Grant Committee (see Section V). Projected fees, based on fee schedules, are budgeted as income to the programs financed by the SSBG, thus reducing the net State cost, or can be applied to an expansion of the service if need has been substantiated. Determinations of fees and the accounting of fee revenues shall be part of the contractual relationship between the State and appropriate service providers. Finally, the Planned Parenthood League of Connecticut applies a fee schedule to recipients of family planning services, which is based on income and family size, the proceeds of which are used to defray the cost of providing the service.

Section II

SERVICE PRIORITIES FOR SSBG FUNDS

STATEMENT OF GUIDING PRINCIPLES

1. Service priorities shall be based on social service needs.
2. Criteria utilized for identifying and ranking social service needs shall be explicit.
3. Adverse impacts on service recipients should be minimized.

RESOLUTION II-1

In order to establish the priorities among the SSBG-supported services, the following criteria are adopted as indicators of service importance. The specific question or questions accompanying the statement of each criterion identifies the way in which each criterion is used to measure or evaluate service importance. The criteria are:

Abuse curtailment

Does the service provide intervention and/or shelter from physical or sexual abuse?

Emergency intervention

Does the service provide intervention in acute, emergency and potentially life-threatening situations requiring immediate action?

Avoids/prevents greater expenditures for service

Does the provision of this service prevent or delay the provision of more expensive services? If this service were not available, would the needs of the recipient require State expenditures for higher, (i.e., more expensive) levels of service, such as hospitalization, nursing home care and/or other types of institutionalization?

Human Services Annual Agenda

Does the service address one or more of the categories delineated in the 1983-84 Human Services Annual Agenda (Connecticut General Statutes Sections 4-85b and 4-85c)?

Prevent inappropriate institutionalization

Does the service provide a humane, appropriate and cost-effective alternative to institutionalization?

Reduce dependency

Does the provision of this service reduce the dependency on institutional support services, thereby increasing one's self-sufficiency?

RESOLUTION II-2

Social services, as defined in Section I of this Agreement, are divided into three priority groupings. In addition to identifying service priorities based upon social service needs, these three priority groupings also outline the general principles on which allocation formulas are predicated. Those principles are defined as follows:

High Priority Services

Services within this category shall be eligible for a cost-of-living adjustment or a cost-of-living adjustment plus additional financial allocations. Those high priority services for which funding is not being currently provided shall be financially supported at a level commensurate with their status as high priority services.

Medium Priority Services

Services within this category shall remain at their present level of funding or remain at their present level and receive a cost-of-living adjustment.

Low Priority Services

Services within this category shall remain at their present level of funding or receive a decrease in funding.

RESOLUTION II-3

Utilizing the service definitions contained in Resolution I-1 of this Agreement and the principles contained in Resolution II-1 and Resolution II-2, the service priorities are:

High Priority Services (listed in alphabetical order)

Adoption services
Child day care services
Client-oriented coordination of services
Community-based non-residential services
Community-based residential services
Day treatment services
Emergency shelter services
Safeguarding or protective services

Medium Priority Services (listed in alphabetical order)

Employability services
Family planning services
Foster family care services

Medium Priority Services (continued)

Home management - maintenance services⁴
Legal services⁴

Low Priority Services (listed in alphabetical order)

Counseling⁴
Information and referral⁵
Recreation
Residential treatment services
Transportation services

⁴ To the extent these services are part of a service with a higher priority ranking, they would retain the priority of that other higher-ranking service.

⁵ It was agreed to study this service category to see if a unitary statewide system can be established.

Section III

ALLOCATION MECHANISMS

STATEMENT OF GUIDING PRINCIPLES

1. Mechanisms shall be developed for allocating to social service needs and providers the full amount of SSBG funds available each federal fiscal year. Specific allocations shall be identified by budget category (service categories, set-asides, etc.)
2. Innovative programming efforts shall be encouraged. Whenever appropriate, funding shall be available on a competitive basis for service delivery or management innovations.
3. SSBG funds shall be used to support those services as agreed to in the NIS process and in accordance with federal and state law. SSBG dollars shall directly support human services and shall not supplant general funds within any agency except in accordance with the agreement reached in the NIS process. SSBG funds shall be accounted for under generally accepted accounting principles.

RESOLUTION III-1

There shall be no transfer of SSBG dollars to other block grants.

RESOLUTION III-2

A specific set-aside of money shall be available on a competitive basis for service delivery or management innovations. The Tripartite Social Services Block Grant Committee established pursuant to this process shall review such innovative applications and programs.

RESOLUTION III-3

Funding shall be based on (a) priority needs for social services, (b) service providers' performance in meeting such needs and (c) cost-efficiency in service delivery.

RESOLUTION III-4

Allocations of SSBG funds in federal fiscal year 1984 shall be made in accordance with the attached allocation schedule and its accompanying explanation, with the provision that "medium priority services" identified in Resolution II-2 shall be eligible to receive, on a competitive basis, a cost-of-living increase not to exceed 5.8 percent.

SOCIAL SERVICES BLOCK GRANT ALLOCATIONS FOR FEDERAL FISCAL YEAR 1984

A	B	C	D	E	F	G	H
SERVICE/AGENCY OF PROGRAM COGNIZANCE	FEDERAL FY 1983 ALLOCATION	CHANGES TO ACCOMPLISH SWAP	ALLOCATION AFTER SWAP	CHANGES TO REORDER PER DEFINITIONS	ALLOCATION AFTER SWAP & REORDERING	REALLOCATIONS	PROPOSED FFY 1984 ALLOCATIONS
1 HIGH PRIORITY SERVICES							
2							
3 Adoption	0	0	0	0	0	+20,000	20,000
4							
5 Dept. of Children & Youth Services	0	0	0	0	0	+20,000	20,000
6							
7 Child Day Care	9,815,115	+801,852	10,616,967	0	10,616,967	0	10,616,967
8							
9 Dept. of Human Resources	9,815,115	+801,852	10,616,967	0	10,616,967	0	10,616,967
10							
11 Client-Oriented Coordination	0	0	0	0	0	+500,000 ⁶	500,000
12							
13 Agency to be determined	0	0	0	0	0	+500,000 ⁶	500,000
14							
15 Community Based Non-Residential	1,502,401	+187,436	1,689,837	+989,639	2,679,476	+400,000	3,079,476
16							
17 Dept. of Human Resources	142,349	0	142,349	+972,000	1,114,349	0	1,114,349
18 Dept. on Aging	1,360,052	+187,436	1,547,488	0	1,547,488	+360,000	1,907,488
19 Brd. of Ed. & Services for Blind	0	0	0	+17,639	17,639	+40,000	57,639
20							
21 Community Based Residential	319,065	+663,371	982,436	+612,021	1,594,457	0	1,594,457
22							
23 Alcohol & Drug Abuse Commission	162,590	+819,846	982,436	+612,021	1,594,457	0	1,594,457
24 Dept. of Correction	156,475	-156,457	0	0	0	0	0
25							
26 Day Treatment	2,416,721	+1,330,281	3,747,002	0	3,747,002	+260,000	4,007,002
27							
28 Dept. of Human Resources	6,094	0	6,094	0	6,094	0	6,094
29 Dept. of Mental Retardation	2,410,627	+1,330,281	3,740,908	0	3,740,908	+200,000	3,940,908
30 Dept. of Children & Youth Services	0	0	0	0	0	+60,000	60,000
31							
32 Emergency Shelters	894,000	+67,477	961,477	+51,800	1,013,277	+251,066	1,264,343
33							
34 Dept. of Human Resources	210,000	+67,477	277,477	0	277,477	0	277,477
35 Dept. of Children & Youth Services	684,000	0	684,000	0	684,000	0	684,000
36 Alcohol & Drug Abuse Commission	0	0	0	+51,800	51,800	0	51,800
37 Agency to be Determined	0	0	0	0	0	+251,066	251,066
38							
39 Safeguarding	1,245,027	-170,508	1,074,519	+366,136	1,440,655	+100,000	1,540,655
40							
41 Dept. of Children & Youth Services	445,302	0	445,302	0	445,302	0	445,302
42 Human Rights & Opportunities	170,508	-170,508	0	0	0	0	0
43 Dept. of Human Resources	578,422	0	578,422	+108,000	686,422	0	686,422
44 Protection & Advocacy - Handicapped	50,795	0	50,795	+13,300	63,995	0	63,995
45 Commission on the Deaf	0	0	0	+244,936	244,936	0	244,936
46 Agency to be Determined	0	0	0	0	0	+100,000	100,000
47							
48 SUBTOTAL - HIGH PRIORITIES	16,192,329	+2,879,909	19,072,238	+2,019,596	21,091,834	+1,531,066	22,622,900
49							

⁶ See note on line 132.

A	B	C	D	E	F	G	H
SERVICE/AGENCY OF PROGRAM COGNIZANCE	FEDERAL FY 1983 ALLOCATION	CHANGES TO ACCOMPLISH SWAP	ALLOCATION AFTER SWAP	CHANGES TO REORDER PER DEFINITIONS	ALLOCATION AFTER SWAP & REORDERING	REALLOCATIONS	PROPOSED FFY 1984 ALLOCATIONS
50	MEDIUM PRIORITIES						
51	-----						
52	Employability	1,081,198	0	1,081,198	0	1,081,198	0
53							
54	Dept. of Human Resources	1,081,198	0	1,081,198	0	1,081,198	0
55							
56	Family Planning	1,132,701	0	1,132,701	0	1,132,701	0
57							
58	Dept. of Human Resources	1,132,701	0	1,132,701	0	1,132,701	0
59							
60	Foster Care	0	0	0	0	+120,000	120,000
61							
62	Dept. of Children & Youth Services	0	0	0	0	+120,000	120,000
63							
64	Home Management ⁷	1,183,322	0	1,183,322	-1,080,000	103,322	0
65							
66	Dept. of Human Resources	1,183,322	0	1,183,322	-1,080,000	103,322	0
67							
68	Legal Services ⁷	2,031,895	-1,023,047	1,008,848	0	1,008,848	0
69							
70	Dept. of Human Resources	980,276	0	980,276	0	980,276	0
71	Protection & Advocacy - Handicapped	28,572	0	28,572	0	28,572	0
72	Public Defender	1,023,047	-1,023,047	0	0	0	0
73							
74	Cost of Living Reserve (5.8 %) ⁸					+192,912	192,912
75							
76	MEDIUM PRIORITY SUBTOTAL	5,429,116	-1,023,047	4,406,069	-1,080,000	3,326,069	+312,912
77							
78	LOW PRIORITIES						
79	-----						
80	Counseling ⁷	4,847,434	-2,338,427	2,509,007	-586,795	1,922,212	-100,000
81							
82	Alcohol & Drug Abuse Commission	640,795	0	640,795	-586,795	54,000	0
83	Dept. of Consumer Protection	86,234	-86,234	0	0	0	0
84	Dept. of Correction	821,495	-821,495	0	0	0	0
85	Judicial Dept.	1,430,698	-1,430,698	0	0	0	0
86	Dept. of Human Resources	1,868,212	0	1,868,212	0	1,868,212	-100,000
87							
88	Info and Referral	2,157,912	-113,672	2,044,240	-352,801	1,691,439	-800,000
89							
90	Dept. of Human Resources	1,602,183	0	1,602,183	0	1,602,183	-800,000
91	Alcohol & Drug Abuse Commission	153,026	0	153,026	-77,026	76,000	0
92	Brd. of Ed. & Services for Blind	17,639	0	17,639	-17,639	0	0
93	Commission on the Deaf	244,936	0	244,936	-244,936	0	0
94	Protection & Advocacy - Handicapped	26,456	0	26,456	-13,200	13,256	0
95	Human Rights & Opportunities	113,672	-113,672	0	0	0	0
96							
97	Recreation	660,075	0	660,075	0	660,075	-330,000
98							
99	Dept. of Human Resources	660,075	0	660,075	0	660,075	-330,000
100							

⁷ Counseling, home management-maintenance and legal services which are part of another service rather than freestanding are ranked with the services of which they are a part.

⁸ A cost of living increase will be considered upon an individual review of each service provider.

A	B	C	D	E	F	G	H
SERVICE/AGENCY OF PROGRAM COGNIZANCE	FEDERAL FY 1983 ALLOCATION	CHANGES TO ACCOMPLISH SWAP	ALLOCATION AFTER SWAP	CHANGES TO REORDER PER DEFINITIONS	ALLOCATION AFTER SWAP & REORDERING	REALLOCATIONS	PROPOSED FFY 1984 ALLOCATIONS
101 LOW PRIORITIES (continued)							
102							
103 Residential Treatment	2,302,730	0	2,302,730	0	2,302,730	0	2,302,730
104							
105 Dept. of Children & Youth Services	2,302,730	0	2,302,730	0	2,302,730	0	2,302,730
106							
107 Transportation	196,764	0	196,764	0	196,764	-196,764	0
108							
109 Dept. of Human Resources	196,764	0	196,764	0	196,764	-196,764	0
110							
111 LOW PRIORITY SUBTOTAL	10,164,915	-2,452,099	7,712,816	-939,596	6,773,220	-1,426,764	5,346,456
112							
113 SET-ASIDES							
114							
115 Training	858,069	0	858,069	0	858,069	-258,069	600,000
116 Innovative Projects	0	0	0	0	0	+250,000	250,000
117 Data Base, Strategic Planning,							
118 Evaluation & Technical Assist.	0	0	0	0	0	+380,000	380,000
119 Contingencies	0	0	0	0	0	+138,488	138,488
120							
121 SET-ASIDES SUBTOTAL	858,069	0	858,069	0	858,069	+510,419	1,368,488
122							
123 CENTRAL ADMINISTRATION	496,456	-332,396	164,060	0	164,060	0	164,060
124							
125 Dept. of Human Resources	164,060	0	164,060	0	164,060	0	164,060
126 Office of Policy & Management	332,396	-332,396	0	0	0	0	0
127							
128 BALANCE FOR REALLOCATION	0	927,633	927,633	0	927,633	-927,633	0
129							
130 TOTAL	33,140,885	0	33,140,885 ⁹	0	33,140,885 ⁹	0	33,140,885 ⁹
131							

132 ⁹ There is potentially another \$836,998 as listed in the 11/26/82 Federal Register. This, plus any carryover funding, will be apportioned as follows:
133 First, the contingency fund will be restored to 1 percent of the present block grant total (\$331,400). Second, an additional \$250,000 will be
134 reserved for Client-Oriented Coordination of Services and will be released for that purpose after six months experience with the service in the
135 fiscal year and a Tripartite evaluation. Third, \$125,000 will be reserved for Transportation. Any additional funding will be allocated through a
136 Tripartite agreement.

EXPLANATION OF ALLOCATION SCHEDULE

I. DESCRIPTION OF COLUMNS ON THE ALLOCATION SCHEDULE

- A. Column A lists the service categories and the State agencies of program cognizance under each. The services are grouped according to the agreed-upon priority rankings.
- B. Column B shows the SSBG allocation for the current fiscal year based upon the service definitions in effect prior to the negotiations.
- C. Column C reflects all of the pluses and minuses in SSBG funding necessary to accomplish the swap of SSBG and General Fund money. The swap was negotiated in order to permit agencies and important services not directly related to the statutory Block Grant goals to withdraw from the Block Grant. Those services affected as a result of the agencies' withdrawal are: Community Based Residential (Department of Correction - line 24), Safeguarding (Human Rights and Opportunities - line 42), Legal Services (Public Defender - line 85), Counseling (Consumer Protection, Correction, Judicial - lines 83 to 85), Information and Referral (Human Rights and Opportunities - line 95), Administration (OPM - line 126).

The services and agencies which contributed General Fund dollars and are to receive SSBG dollars in their place are: Child Day Care (Department of Human Resources - line 9), Community Based Non-Residential (Department on Aging - line 18), Community Based Residential (Alcohol and Drug Abuse Commission - line 23), Day Treatment (Department of Mental Retardation - line 29) and Emergency Shelter (Department of Human Resources - line 34).

- D. Column D is the total of column B plus column C. It is an intermediate step which shows the allocation after the swap. All other allocations remain the same. In each instance, swap dollars were placed in high priority services.
- E. Column E reflects changes in classification of existing services to reflect the newly negotiated service definitions. For example, it is agreed that counseling, home management-maintenance services and legal services which are part of another service rather than free standing will be classified with the service of which they are a part. Each plus indicates an activity moved from somewhere else in the column. Each minus indicates an activity moved to another classification. There is no net change in funding in the column; each plus is balanced by a minus. The changes include:
 1. Movement of \$972,000 from DHR - Home Management (line 66) to Community Based Non-Residential (line 17).
 2. Movement of \$17,639 from the Board of Education and Services for the Blind - Information & Referral (line 92) to Community Based Non-Residential (line 19).
 3. Movement of \$534,995 CADAC - Counseling (line 82) and \$77,026 CADAC - Information & Referral (line 91) to CADAC - Community Based Residential (line 23).
 4. Movement of \$51,800 from CADAC - Counseling (line 82) to CADAC - Emergency Shelter (line 36).

5. Movement of \$108,000 from DHR - Home Management (line 66) to DHR - Safeguarding (line 43).
6. Movement of \$13,200 from Protection and Advocacy - Information & Referral (line 94) to Protection and Advocacy - Safeguarding (line 44).
7. Movement of \$244,036 from Deaf and Hearing Impaired - Information and Referral (line 93) to Deaf and Hearing Impaired - Safeguarding (line 45).

F. Column F summarizes the net effect of the swap changes and the definitional changes.

G. Column G presents all of the negotiated reallocations of funding. The minuses are program reductions and the pluses are program increases. The reductions are as follows:

1. The \$927,613 balance available for reallocation in Column F (line 128)
2. Transportation - Department of Human Resources (line 109) - \$196,764
3. Counseling - Department of Human Resources (line 86) - \$100,000
4. Information and Referral - Department of Human Resources (line 90) - \$800,000
5. Recreation - Department of Human Resources (line 99) - \$330,000
6. Training (line 115) - \$258,069

The increases are:

1. Adoption - \$20,000 - Department of Children and Youth Services (line 5)
2. Client-Oriented Coordination of Services - \$500,000 - agency to be determined (line 13)
3. Community Based Non-Residential - \$400,000, including \$360,000 through the Department on Aging (line 18) and \$40,000 for the Board of Education and Services for the Blind (line 19)
4. Day Treatment - \$200,000 - Department of Mental Retardation (line 29); \$60,000 - Department of Children and Youth Services (line 30)
5. Emergency Shelter - \$251,066 - agency to be determined (line 37)
6. Safeguarding - \$100,000 - agency to be determined (line 46)
7. Foster Care - \$120,000 - Department of Children and Youth Services (line 62)

It is also agreed that funds will be set aside for the following purposes:

1. Innovative Projects - \$250,000 (line 116)
2. Data Base, Strategic Planning and Evaluation - \$380,000 (line 117)
3. Contingencies - \$138,488 (line 119)

A reserve is set aside (line 74) for cost of living increases in medium priority programs. Eligibility for increases will be determined based upon a review of each provider. Any leftover money will revert to the Contingency Fund (line 119)

The total amount allocated is \$33,140,885, the same amount available in the current year. Data published in the Federal Register on November 26, 1982 indicated that an additional \$836,998 may be available in FY 1984, if appropriated by Congress. It is agreed that this sum, plus any carryover funding, will be allocated as follows: First, the Contingency Fund would be restored to \$331,400 (1 percent of the present block grant total). Second, an additional \$250,000 will be reserved for Client-Oriented Coordination of Services and will be released for that purpose after six months' experience with that service and a review by the Tripartite SSBG Committee. Third, \$125,000 will be reserved for Transportation. Any additional funding would be allocated by the Tripartite Committee.

II. DESCRIPTION OF SET ASIDES

A. Training (line 115)

The teams agree to set aside \$600,000 in training dollars. This money would be administered by the Department of Human Resources, with planning by a committee of involved agencies in order to preserve the integrity and provision of generic training of staff and service providers.

B. Innovative Projects (line 116)

There shall be a set aside of \$250,000 for the purpose of encouraging and entertaining new and innovative requests for proposals (RFP's) which fall under the purview of priorities established under the Social Services Block Grant. RFP's will be reviewed pursuant to the procedures established in Section V of this Agreement.

C. Data Base, Strategic Planning, Evaluation and Technical Assistance (line 117)

The teams agree to set aside \$380,000 for the tripartite development of an automated human service data base/management information system, for strategic planning related to the SSBG, for evaluation, and for technical assistance to SSBG service providers.

The maintenance of this data base and the coordination of the programmatic and fiscal data will rest with OPM and DHR. The State will develop the planning and evaluation of data into an overall management information system which will strive for computer compatibility throughout the State, initially among grantor and service provider agencies with automated capacity. It will develop these systems and the necessary tools for implementation of the system (manuals, forms, etc.). The initial objective will be an expanded capacity to develop and maintain common service definitions, fiscal allocations, client characteristics, and related types of data. The goal will be to provide a common source of reliable data and to assist the Tripartite Social Services Block Grant Committee in timely policy, management and fiscal allocation decisions.

In the area of evaluation, the teams agree to hire a consultant to review current State grant administration requirements, including audit, reporting

and evaluating requirements and to offer recommendations to simplify and reduce administrative burdens on all service providers.

D. Contingency Fund (line 119)

The teams agree to set aside \$138,488 (plus other funding which may become available as described in the final paragraph of Part I, above) The fund will be available for activities that are liable to occur during the year but cannot be fully anticipated in advance of the start of the program year.

Contingency uses would be limited to:

1. Funding new, unanticipated priority programs
2. Meeting unanticipated emergency program situations and needs (e.g., flood, etc.)
3. Funding unanticipated time-limited activities: studies, consultants, etc., which will enhance SSBG management and/or service delivery.

III. STATE AGENCY RESPONSIBILITIES

A. SSBG Lead Agency: Department of Human Resources

Working with OPM, the Lead Agency has central responsibility for:

1. Liaison with the U.S. Department of Health and Human Services
2. Executing letters of agreement with the State agencies of cognizance for the funds allocated by SSBG service definitions
3. Coordinating ongoing data base, grant administration reform, needs assessments and other ongoing planning and administrative functions
4. Maintaining appropriate audit records (State/federal)
5. Liaison with the General Assembly
6. Providing technical assistance to State agencies of cognizance and other service providers.

B. State Agencies of Program Cognizance

Identified State agencies of cognizance¹⁰, in coordination with OPM and the lead agency, shall have responsibility for:

1. Reviewing current and potential service providers, utilizing the accepted Criteria For Evaluation and Selection of Service Providers as agreed in Section IV of this Agreement.
2. Executing contracts or letters of agreement with service providers

¹⁰ State Agencies of Cognizance include: DHR, DMR, DCYS, DMH, CADAC, SDA, Board of Education and Services for the Blind, Commission on the Deaf and Hearing Impaired, and Office of Protection and Advocacy.

3. Monitoring programs
4. Maintaining appropriate audit records for provider contracts
5. Performing impact assessments
6. Participating in ongoing data base, grant administration reform, needs assessments and other planning and administrative functions

Section IV

CRITERIA FOR EVALUATION AND SELECTION OF SERVICE PROVIDERS

STATEMENT OF GUIDING PRINCIPLES

1. Performance criteria shall be established for the selection and evaluation of service providers.
2. Service providers must be accountable for the services they provide.
3. Reporting and evaluation instruments shall be minimized to the extent compatible with service provider accountability.
4. A consistent, comprehensive data base shall be developed. The three parties agree to develop an automated SSBG data base and shall set aside funds for its development.
5. SSBG funds shall be distributed in accordance with the allocation criteria on the basis of the service provider's ability to meet social service needs, rather than on the level of government, public or private sector, or previous funding.
6. Selection and evaluation processes shall be implemented in a manner compatible with principles of procedural due process.

RESOLUTION IV-1

The process for selecting a service provider for the delivery of SSBG-supported services shall be as follows:

- Step 1. The three negotiating teams agree on general criteria to judge program and management performance, service delivery potential and the management systems of specific service providers.
- Step 2. The State team identifies specific State agencies with cognizance responsibilities for each of the services as defined by the Tripartite Social Services Block Grant Committee.
- Step 3. For each service category, a notice of availability of funding shall be developed and disseminated. Said notice shall identify goals and objectives for the service and those criteria used to assess and evaluate pertinent service providers, if any, and shall identify, for information purposes only, present recipients of SSBG funding.
- Step 4. The State agencies of cognizance apply criteria to service providers and make selections. Applications from service providers not under contract/letter of agreement will be considered along with evaluations of those service providers which are currently under contract/letter of agreement. Wherever appropriate, multi-year (indefinite) funding contracts/letter of agreement, subject to a

30-day notice of cancellation provision, will be provided, subject to the continued availability of funding.

Step 5. Tripartite Committee reviews selection decisions.

RESOLUTION IV-2

In order that the criteria below may be fairly applied, it is important that each application submitted by a service provider be complete enough to permit an accurate rating for each criterion. Further, for an accurate rating of any application and determination of the financial soundness of the applicant, it is important that the provider submit a budget for that service which includes and identifies for the service all sources of revenue and support. Such identification is a basic requirement which must be met before the criteria listed below are applied.¹¹

- A. Program and Management Performance (60 points¹²)
- Demonstrated capacity or evidence of capacity for delivering client-effective services in a cost-effective manner to one or more of the vulnerable populations.
 - Ability to meet the goals and objectives of the agency's work plan.
 - Demonstrated capacity or evidence of capacity to serve the maximum possible number of targeted clients within budgetary limitations.
 - Demonstrated capacity or evidence of capacity to live within budget.
 - Demonstrated capacity or evidence of capacity for coordinating with or utilizing other available resources for the particular targeted clients and networking with other agencies.
 - Demonstrated capacity or evidence of capacity for adequate client follow-up.
 - Documented client/staff ratio that permits an adequate standard of care.
 - Demonstrated capacity or evidence of capacity that staff has appropriate training, education and experience necessary to perform in their respective positions as well as evidence of performance competency on an ongoing basis.
 - Demonstrated capacity or evidence of capacity to provide an integrated approach to serving the needs of individual clients.
 - Demonstrated capacity or evidence of capacity for complying with all federal, state and municipal regulations, statutes and auditing requirements.

¹¹ Assuming all the listed criteria are met, preference will be given to existing providers in order to maintain continuity of services.

¹² The maximum point total for each category reflects the relative weight attached to each category of criteria.

- Cost effectiveness.¹³

B. Service Delivery Potential (40 points¹⁴)

- Presentation of a comprehensive work plan to achieve stated goals and objectives.
- Evidence that program design meets the needs of the targeted population.
- Evidence of service accessibility (e.g., in terms of geographic and transportation constraints; cultural and linguistic needs; requirements to meet the needs of the physically disabled; service availability within minimal waiting time and beyond normal working hours, geared to clients' developmental needs and time frames).
- Evidence of explicit client entry systems which include referral and intake procedures and client eligibility requirements.
- Clear definition of the services offered.
- Demonstrated knowledge and understanding of clientele.

C. Management Systems

Management systems criteria are essential to any provider; thus, no points are attached to this section. The items noted below constitute minimum requirements for the selection of any service provider.

- Evidence of a plan for multi-year operation.
- Presentation of a workable, service-oriented, cost-effective budget indicating all sources of revenue.
- Evidence of fiscal and general management capacity, including timely and accurate fiscal and program reporting.
- Evidence of quality control.
- Independent audits or financial reports.
- Evidence that the organization is duly constituted under the laws of the State of Connecticut.
- Evidence of potential for accessing additional resources by service providers.

¹³ The Tripartite Committee shall develop, by April 25, 1983, standards and principles for the application of this criterion. In so doing, the Committee shall pay due attention to the complexity of the services being provided and to the various types of measurement appropriate to the respective services.

¹⁴ The maximum point total for each category reflects the relative weight attached to each category of criteria.

RESOLUTION IV-3

The negotiating teams agree to develop a comprehensive, automated human services data base/management information system and shall set aside funds for its development.

Section V

MULTI-YEAR PLANS AND PROCESSES

STATEMENT OF GUIDING PRINCIPLES

A continuing process for the negotiation, implementation and evaluation of the SSBG shall be the responsibility of a Tripartite Committee which will be constituted in the same manner as the original process.

RESOLUTION V-1

A Tripartite Social Services Block Grant Committee shall be established. The Committee, reflecting the three sectors represented in the Negotiated Investment Strategy process, shall be made up of three members designated by each of the three negotiating teams plus a chairperson appointed by the Governor. The Committee shall convene at the call of the chairperson or at the request of the representatives from two or more sectors. Subject to those exceptions noted in this Resolution, the Committee shall establish its own rules of procedure. All actions of the Committee shall be by consensus save for the exceptions identified herein. The chairperson shall not have voting power. The Committee may, if it deems appropriate, enlist the services of a mediator, with expenses for said services to be charged to the contingency fund. In addition to such other functions as the Governor may charge the Committee with performing, the Committee shall have the following responsibilities and powers:

1. Oversight. The Tripartite Committee will have responsibility for overseeing and evaluating the implementation of this Agreement, for monitoring the impact of this Agreement and for assuring the continuance of the positive working relations established among the representatives of the three sectors. Its oversight responsibilities will include, but not be limited to, training, strategic planning and the development of the SSBG data base, fees and eligibility standards, and paperwork reduction.
2. Interpretation. Should there be elements of the final Agreement that are unclear, the Committee will be responsible for providing clarification.
3. Duties.
 - a. In the event that the actual funding level of SSBG dollars available in federal fiscal year 1984 is different from the amount allocated under this Agreement, the Committee will be the forum for the negotiation of any necessary adjustments to the Agreement.
 - b. The Tripartite Committee will evaluate and advise on the selection of projects to be funded through the set-asides for Innovative Projects and Training and on all activities undertaken using the Data Base, Strategic Planning, Evaluation, and Technical Assistance Set-aside.
 - c. In those cases where this Agreement allocates additional funding to certain high priority services but does not indicate the specific State agency of program cognizance, the Committee will review the designation of the agency or agencies of cognizance.

- d. Each State agency of program cognizance, following its selection of specific providers, will inform DHR and OPM regarding its decisions. DHR and OPM will then prepare a draft detailed aggregate allocation plan indicating for each service category the specific allocations to providers (State agencies, municipalities, and non-profit agencies). There shall be a public review and comment period with opportunity for a public hearing after ample notice. After the review and comment period, agencies of cognizance will be responsible for informing DHR and OPM of any revisions to the draft allocation plan. The final draft will then be submitted to the Tripartite Committee for its review. Any recommendations or proposed modifications to the plan shall be specified in writing and sent to the Commissioner of DHR and/or the Secretary of OPM for final determination.¹⁵ The Commissioner and/or Secretary will respond in writing to the Committee's recommendations or proposed modifications and shall state his or her rationale for accepting or rejecting each of the Tripartite Committee's recommendations or proposed modifications.¹⁶
 - e. The Committee will be the forum for the negotiation of any amendments deemed necessary in order to implement the terms of this Agreement.
 - f. The Committee, upon the initiation of the chairperson or representatives from any two sectors, shall reconvene to consider any amendments to the Agreement. The adoption of any proposed amendments shall require the negotiated consensus of all sectors.
4. Future NIS. The Committee will begin preparation for future negotiations on the SSBG and will advise the Governor regarding the application of the NIS process for federal fiscal year 1986 and for future years.

The Tripartite Social Services Block Grant Committee shall carry out its functions in the spirit of cooperation engendered by the NIS process and in a manner consistent with all State and federal laws and regulations.

¹⁵ The Tripartite Committee, in discharging its responsibilities, is authorized by the agreement to make written or oral requests of appropriate State agencies, municipalities or non-profit agencies. Said agencies or subdivisions shall respond to said requests in a timely manner.

¹⁶ Any modifications will be sent to the Commissioner of DHR and the Secretary of OPM except in those cases in which DHR is the agency of cognizance. For those cases, proposed modifications will be sent directly to the Secretary of OPM for final determination.

Section VI

CONTRACTS OR LETTERS OF AGREEMENT

STATEMENT OF GUIDING PRINCIPLES

1. Contracts/letters of agreement appropriate to the service shall be the basis for the distribution of all SSBG funds.
2. A funding instrument pursuant to a contract/letter of agreement shall be signed with each provider. Every effort will be made, subject to Congressional or State legislative funding decisions, to provide funds to providers by the start of each fiscal period.
3. Contractual agreements/letters of agreement shall ensure that all service providers are paid for services on a timely basis.

RESOLUTION VI-1

Service providers shall be paid on a timely basis.

RESOLUTION VI-2

The Tripartite Committee shall examine practices and performance regarding the allocation of SSBG funds among administrative and direct service categories. The Committee shall prepare, adopt and publish a report no later than October 1, 1983 which reflects its findings and contains recommendations, if any, for appropriate guidelines and practices to govern these fiscal allocations so as to ensure the most effective program performance possible by a service provider.

RESOLUTION VI-3

The Tripartite Committee shall examine practices and performance regarding the payment of SSBG funds to SSBG service providers and the manner of investing said SSBG funds by various State agencies and SSBG service providers. The Committee shall prepare, adopt and publish a report no later than October 1, 1983 which reflects its findings and contains recommendations, if any, for appropriate guidelines and practices to govern the financial investment options that both maximize the use of SSBG funds and are consistent with all State and federal laws and regulations.

We hereby accept and affirm the foregoing statements, data, and obligations as constituting the terms and conditions of our agreement.

Dated December 23, 1982

For the State:

Barbara B. Brasel
Barbara Brasel
Executive Director
Comm. on the Deaf & Hearing Impaired

Donald M. McConnell
Donald McConnell
Executive Director
Ct. Alcohol and Drug Abuse Commission

Stephen B. Heintz
Hon. Stephen B. Heintz
Under Secretary
Office of Policy and Management

Hector A. Rivera
Hon. Hector A. Rivera
Deputy Commissioner
Department of Human Resources

Amy Wheaton
Hon. Amy Wheaton
Deputy Commissioner
Dept. of Children and Youth Services

For the Non-Profit Sector:

Robert Burgess
Robert Burgess
President
Ct. Association for Community Action

Susan Halperin
Susan Halperin
Attorney-at-Law

Raymond Norko
Raymond Norko
Executive Director
Legal Aid Society of Hartford County

Joan Quinn
Joan Quinn
Executive Director
Connecticut Community Care, Inc.

John R. Quinn
John R. Quinn
Executive Director
Easter Seal Society of Connecticut

For the Municipalities:

Rudolph Arnold
Hon. Rudolph Arnold
Deputy Mayor
City of Hartford

Joel Cogen
Joel Cogen
Executive Director
Connecticut Conference of Municipalities

Albert Ilg
Albert Ilg
Town Manager
Town of Windsor

Anthony Maiorano
Hon. Anthony Maiorano
First Selectman
Town of Marlborough

David Russell
David Russell
Executive Director
Council of Small Towns

For the Mediation Team:

Joseph B. Stulberg
Joseph B. Stulberg
Mediator

Ernest L. Osborne
Ernest L. Osborne
Associate Mediator

J. Michael Keating
J. Michael Keating
Secretariat

APPENDIX I. NIS PARTICIPATING AGENCIES, ORGANIZATIONS AND PERSONNEL

NON-PROFIT SERVICE PROVIDER TEAM

Negotiating Team:

Robert Burgess
President
Connecticut Association for Community Action

Susan Halperin
Attorney-at-Law

Raymond Richard Norko
Executive Director
Legal Aid Society of Hartford County, Inc.

Joan Quinn
President
Connecticut Community Care, Inc.

John Quinn
Executive Director
Easter Seal Society of Connecticut

Resource and Advisory Personnel:

Matthew Melmed, Esq.
Connecticut Association of Human Services

Allison Mitchell
Connecticut Council of Y.W.C.A.'s

Michael Rohde
Connecticut Association of
Child Caring Agencies, Inc.

Cinda Cash
Connecticut Association of
Substance Abuse Agencies, Inc.

Mark Masselli
Connecticut Association for
Prevention & Treatment of
Child Abuse

Myra Oliver
International Institute
of Connecticut, Inc.

Sherry Haller
Criminal Justice Education
Center/PREP Council

Kathryn Katz
Connecticut Association of
Adult Day Care Centers

Jan VanTassel
Legal Services Training &
Advocacy Project

Greg Paleologos
Connecticut Council of
Family Service Agencies

Elaine Andersen
Greater Norwalk Community Council

Robert Charles
Low Income Planning Agency

Charles Shur
Connecticut Council of Community
Mental Health Centers

Beverly Walton
Connecticut Mental Health
Association

Ron Cretaro
Connecticut Association of
Residential Facilities

Terry Edelstein
Connecticut Association of
Rehabilitation Facilities

Charlotte Kinlock
Connecticut Task Force on
Abused Women

Elizabeth Daubert
Association of Community
Health Service Agencies

Luz Gonzalez
Centro De La Comunidad

Ann Horne
Connecticut Association for
the Education of Young Children

Dennis Keenan
Connecticut Association of
Private Special Education Facilities

Suellen Wood
Planned Parenthood

Catherine Graham
Connecticut Association for Human Services

MUNICIPAL TEAM MEMBERS:

Negotiating Team:

Hon. Rudolph Arnold, Deputy Mayor
City of Hartford

Joel Cogen, Executive Director
Connecticut Conference of Municipalities

Albert Ilg, Town Manager
Town of Windsor

Hon. Anthony Maiorano, First Selectman
Town of Marlborough

David Russell, Executive Director
Council of Small Towns

Resource and Advisory Personnel:

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Associate Director
Connecticut Conference of
Municipalities

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Director of Social Services
City of Newington

Ann Sadowsky
Grants Researcher
City of Stamford

Arthur Teal
Director of Social Services
City of Hartford

Dorothy Mascola
Staff Associate for Administration
Connecticut Conference of
Municipalities

Dr. Ruth Gonchar, Director
Human Resources Development
City of Bridgeport

Norman Lucas
Administrative Officer
City of Darien

Peter Lowenstein Chairman,
Board of Social Services
City of Greenwich

Edwin Bradley
Deputy Commissioner
Department of Social Services
City of Greenwich

Phyllis McHenry
Administrative Assistant for
Human Services
City of Hamden

Frank Cole, Director
Grants and Management
City of Hartford

Hanna Marcus
Director of Human Services
City of Manchester

Mary Peczynski
Social Services Director
City of Meriden

Carla Hayes, Director
Human Resources Development
City of Milford

Paul S. Vayer
Executive Aide to Mayor
City of New Britain

Carlton Boyd
Human Resources Administrator
City of New Haven

Karyn Gilvarg
Executive Assistant
City of New Haven

Dorothy Giannini
Director of Social Services
City of Norwalk

Raymond Allard
Welfare Director
City of Norwich

Paul Mazzaccaro
Assistant to Town Manager
City of Plainville

Joseph Carrah
Assistant to Mayor
City of Waterbury

Barbara Butler
Selectman
City of Westport

Francis Maloney
Director of Social Services
City of Winchester

STATE TEAM MEMBERS:

Negotiating Team:

Barbara Brasel, Executive Director
Commission on the Deaf and Hearing Impaired

Hon. Stephen Heintz, Under Secretary
Office of Policy and Management

Donald McConnell, Executive Director
Connecticut Alcohol and Drug Abuse Commission

Hon. Hector Rivera, Deputy Commissioner
Department of Human Resources

Hon. Amy Wheaton, Deputy Commissioner
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APPENDIX II. HISTORICAL PERSPECTIVE

On August 13, 1981, the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) was signed into law. Section 2351 of the Act constitutes the Social Services Block Grant Act.

The Social Services Block Grant is an amendment to Title XX of the Social Security Act. It includes Title XX social services, child day care and training. The block grant gives the State discretion in providing a wide variety of services aimed at achieving the following goals:

- Achieving or maintaining economic self-support to prevent, reduce or eliminate dependency;
- Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
- Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Some of the services which can be supported are child day care, protective services, information and referral, adult day care, family planning, employability services, legal services, counseling, training, transportation of program clients, community-based residential services, community-based non-residential services, and services for children, youth, and adults in foster care arrangements. Previously existing income eligibility and State matching fund requirements have been revised. Restrictions on the use of SSBG funds disallow expenditures for medical care, purchase or improvement of buildings, wage payments for clients (except for income maintenance recipients in day care jobs), educational services, long-term room and board costs, and services in the form of cash payments.

In March, 1981, anticipating the adoption of Block Grant payments by the U.S. Congress, Governor William A. O'Neill established an Interagency Task Force on Block Grants. The Task Force was asked to recommend methods for administering the anticipated federal block grants and also to explore innovative allocation and priority-setting techniques. The Task Force issued its report in early September, 1981 and recommended that a negotiated process be used to augment the standard State budget process for block grants involving multiple State agencies. Because of its complexity, flexibility and scope, the Social Services Block Grant (SSBG), which involved multiple State agencies and a host of municipal and private human service agency providers, was singled out as most appropriate for a test of the negotiated approach.

The Task Force identified several advantages in using a negotiated approach: (1) It provides an open, participatory process leading to an acceptable outcome. (2) It subjects service providers to a critical peer review and enhances the possibility for setting priorities by a broad cross-section of service providers. (3) It helps decrease duplication

of services while increasing intergovernmental and interagency communication. (4) It helps integrate federal funds and priorities with State funds and priorities. (5) It promotes public confidence through an open, innovative process that directly involves the service providers.

The Task Force's recommendation was due largely to its familiarity with the Negotiated Investment Strategy (NIS) developed by the Charles F. Kettering Foundation of Dayton, Ohio to implement urban policy. The NIS concept involved direct negotiations among federal, state and local government teams regarding investment decisions and regulatory actions by each sector to service the needs of a particular city. The process is supervised by an impartial mediator and results in a written agreement. The Foundation's NIS experiments in the cities of St. Paul, Minnesota, Columbus, Ohio, and Gary, Indiana dealt successfully with a wide array of complex issues and interested agencies and parties.

Although the NIS focused on urban policy implementation in individual cities, the techniques involved are applicable to many intra- and intergovernmental issues. The Foundation explicitly recognized block grant implementation as a potential application of the NIS and thus was receptive to providing technical assistance and support in the design and implementation of a negotiated allocation of Connecticut's Social Services Block Grant. Funding for the NIS negotiations has been provided by Connecticut community foundations.

Governor William A. O'Neill, in endorsing the use of the NIS approach for determining SSBG allocation and administrative guidelines for federal fiscal year 1984, pledged that the product resulting from the NIS discussions would constitute the plan that he would submit to the Connecticut State Legislature in January, 1983 for approval and adoption. Although direct legislative participation in the negotiations was not feasible, NIS participants scheduled briefings and appropriate consultation sessions with designated legislators to keep them fully apprised of both the procedural and substantive aspects of the NIS discussions.

Three negotiating teams, each representing a distinct sector, joined the NIS discussions. Selected by their respective constituencies, representatives of those State agencies which currently receive or are eligible to receive SSBG funds included: Barbara Brasel, Executive Director, Commission on the Deaf and Hearing Impaired; Stephen B. Heintz, Under Secretary, Office of Policy and Management; Donald McConnell, Executive Director, Connecticut Alcohol and Drug Abuse Commission; Hector A. Rivera, Deputy Commissioner, Department of Human Resources; and Amy Wheaton, Deputy Commissioner, Department of Children and Youth Services.

A large majority of Connecticut municipalities belong to the Connecticut Conference of Municipalities (CCM) or the Council of Small Towns (COST) and some are members of both organizations. CCM and COST designated the following persons to represent municipal interests in the NIS discussions: Rudolph Arnold, Deputy Mayor, City of Hartford; Joel Cogen, Executive Director, CCM; Albert Ilg, Town Manager of Windsor; Anthony Maiorano, First Selectman, Town of Marlborough; and David Russell, Executive Director, COST.

Both the number and range of nonprofit service providers eligible for SSBG funds are large. In addition, no network of statewide organizations existed that could naturally represent the varied interests of nonprofit service providers in the NIS negotiations. Hence, at the invitation of the Office of Policy and Management, the leadership of approximately 30 primary human service organizations which represent nonprofit SSBG service providers convened. They formed a committee to participate in the selection of a

mediator and began the arduous organizational task of developing a structure that could represent adequately the nonprofit interests. A twenty-five person steering committee was created, with representation from each SSBG-funded service. The steering committee is responsible for maintaining direct contact with SSBG nonprofit service providers and for providing direction to and ratification of the negotiating team's efforts. Those individuals who comprised the negotiating team for the nonprofit organizations were: Robert Burgess, President, Connecticut Association for Community Action; Susan Halperin, Attorney-at-Law; Raymond Richard Norko, Executive Director, Legal Aid Society of Hartford County, Inc.; Joan Quinn, President, Connecticut Community Care, Inc.; and John Quinn, Executive Director, Easter Seal Society of Connecticut.

The spokespersons for the respective negotiating teams were: Stephen B. Heintz; Joel Cogen; and Susan Halperin and Raymond R. Norko. Each team had resource personnel and advisors who assisted it during the negotiations.

In June, 1982, representatives of the negotiating teams interviewed selected applicants to serve as mediator for the NIS process. Joseph B. Stulberg, J.D., Ph.D., founder and president of Conflict Management Resources, Inc., Associate Professor of Management at Baruch College of the City University of New York and an experienced mediator of various community, environmental and labor-management disputes, was selected to be the lead mediator. In September, 1982, with the approval of the negotiating teams, Dr. Stulberg designated Ernest L. Osborne, President of the Greater Hartford Process, Inc. and former Deputy Under Secretary for Intergovernmental Affairs in the U.S. Department of Health and Human Services, to join him as his associate mediator. J. Michael Keating, Jr., also of Conflict Management Resources, Inc., headed the mediators' secretariat.

In addition to the formal negotiating teams, their respective resource personnel and advisors, and the mediation team, an observer team representing the private sector was designated to be present at negotiating sessions. Representing the private foundation, charitable and business sectors were: William Connelly, the Hartford Foundation for Public Giving; Richard O. Dietrich, United Way of Eastern Fairfield County; Dale Gray, United Way, Hartford; Joseph Ierna, Greater Hartford Chamber of Commerce; Craig LeRoy, Connecticut Business and Industry Association; and Parker Lansdale, Bridgeport Area Foundation, Inc.

The Agreement is a result of the discussions and negotiations which took place among the parties and the mediating team during the five-month period from August to December, 1982. A formal negotiating session was held on September 20, 1982 to establish the ground rules by which the substantive sessions would be conducted. Five formal, joint negotiating sessions involving the full membership of each negotiating team and their respective five-person resource personnel were held thereafter on: October 12, 1982; November 3-4, 1982; November 23, 1982; December 6-7, 1982; and December 23, 1982. All sessions were open to the public. A number of General Assembly members observed the negotiating sessions. Segments of the various negotiating sessions were videotaped for future informational and educational purposes. Numerous meetings of the respective teams surrounded each of the formal negotiating sessions. A separate technical assistance manual which contains all of the documents that were developed and exchanged among the participants during the negotiation process is on file with the designated secretariat for each of the three teams.

When the SSBG Act was adopted in August, 1981, it was accompanied by a thirty percent funding reduction. Since the State was required to assume responsibility for the SSBG on October 1, 1981, there was little time for careful program evaluation and priority-setting.

Funding for training of providers was cut further than funding for services for federal fiscal year 1982 in order to protect as many direct services as possible. The remaining cut in appropriations was allocated among agencies on a proportional basis. The negotiating teams in the NIS process have accepted, and have tried meet, the challenge of re-examining past and current policies and programs in order to design a rational, effective course for the future that responds to increasing human service needs in an era of diminishing fiscal resources.

APPENDIX 5

MEDIATION TECHNIQUES

Mediation Techniques
(categorized by relationship
in the mediated negotiation
paradigm)

References

INTERNEGOTIATOR RELATIONSHIP

Clarifies situation	Jackson, 1952
Deliberately misrepresents situation	Stevens, 1963
Establishes protocol	Jackson, 1952
Lays out own perceptions	Jackson, 1952
Interprets complexity of issues	Stevens, 1963
Informs negotiators as to how similar problems have been handled previously	Jackson, 1952
Makes negotiators aware of relevant information	Young, 1970
Finds and supplies missing information	Taylor, 1948; Jackson, 1952
Suggests basic negotiation procedures	Young, 1970
Delineates forthcoming agenda	Douglas, 1972
Informs each negotiator of other's probable behavior	Douglas, 1972

Rehearses each negotiator in appropriate behavior	Douglas, 1972
Channels initial discussion towards areas of agreement	Jackson, 1952; Maggiolo, 1971
Does not allow demands to be raised above initial proposal	Stevens, 1963
Rules against reneging on offers	Peters, 1958
Separates negotiators	Stevens, 1963; Pruitt, 1971
Allows no communication	Stevens, 1963; Fisher, 1972; Young, 1972
Clarifies what negotiators intend to communicate	Burton, 1969
Convinces negotiators to suspend disbelief and distrust in other	Eiseman, 1977
Deciphers each negotiator's strategy	Burton, 1969
Picks up hints of what each negotiator might concede	Burton, 1969
Filters information	Pruitt, 1971
Claims to be source of information	Pruitt, 1971
Distorts information	Pruitt, 1971
Allows misunderstandings to slip by	Douglas, 1972
Passes along a portion of information	Stevens, 1963
Role reversal	Johnson, 1967; Walton, 1969
Requests paraphrasing of other negotiator's position	Bartunek et al., 1975
Requires negotiator to discuss other's position	Douglas, 1972

Identifies the real issues	Peters, 1952; Simkin, 1971
Finds dispute underlying a deadlock	Burton, 1969
Determines concessions the negotiators can make	Pruitt, 1971
Finds levels at which the dispute can be resolved	Burton, 1969
Delineates other negotiator's intentions	Jackson, 1952
Convinces negotiator that his[her] perceptions are distorted	Burton, 1969 Douglas, 1972
Converts negotiation from explicit to tacit bargaining; from concrete to abstract	Schelling, 1960; Burton, 1969
Informs negotiator that other cannot sell a position to his constituents	Simkin, 1971
Uses abstract terminology that obscures disagreements	Burton, 1969
Strikes a power balance	Walton, 1969; Young, 1972; Douglas, 1972
Provides direction and acts as spokes[person] for weaker side	Perez, 1959
Strengthens weaker side	White, 1978
Exploits weaker side	Douglas, 1972
Tenders agreement points to negotiators	Perez, 1959; Stevens, 1963; Berkowitz et al., 1964

Highlights negotiators' common interests	Young, 1972 Barunek et al., 1975 *Fisher and Ury, 1981 *Raiffa, 1982
Expands the agenda	Lall, 1966 *Fisher and Ury, 1981 *Raiffa, 1982
Convinces negotiator that his high demands will lead to opponent recalcitrance	Ellsberg, 1965
Allows face-to-face communication	Lall, 1966; Baldwin, 1976
Helps negotiator undo a commitment	Stevens, 1963; Kelman, 1965; Douglas, 1972
Tenders concessions to negotiators	Podell and Knapp, 1969
Restructures the negotiation (e.g., from individual negotiators to committees)	Jackson, 1952
Arranges informal conferences	Pruitt, 1971
Reduces internegotiator tension	
(a) Moves discussion to uncontroversial subject	Jackson, 1952
(b) Controls emotional issues	Walton, 1969 Burton, 1969
(c) Tells stories	Douglas, 1972
(d) Calls for a break	Douglas, 1972
Creates anticipation that mediator or arbitrator will enter the negotiation	Johnson and Tullar, 1972

Summarizes the agreement	Peters, 1958
Guarantees compliance to an agreement	Pruitt, 1971; Kissinger, 1979
Supervises and verifies implementation of an agreement	Young, 1972
Conducts prenegotiation conference to learn of negotiators' initial proposal	Stevens, 1963
Creates an audience effect with his[her] presence	Bauer, 1958

MEDIATOR-NEGOTIATOR RELATIONSHIPS

Rewards negotiator concessions	Young, 1972
Supplies skills that negotiator lacks	Stevens, 1963
Educates inexperienced negotiator	Pruitt, 1971
Offers negotiator advice and information about other negotiator	Jackson, 1952; Pruitt, 1971
Acts as sounding board for negotiator's position; reality testing	Peters, 1958 Pruitt, 1971
Acts as sounding board for negotiator's tactics	Mackraz, 1960
Recommends improvements in negotiator's strategy	Jackson, 1952; Douglas, 1972
Shares burden of initiating proposals	Young, 1972

Assumes some responsibility for the agreement	Stevens, 1963
Claims authorship of negotiator's proposal	Schelling and Halperin, 1961; Maggiolo, 1971
Offers convincing rationalization for negotiator's concession	Stevens, 1963
Inhibits comparisons between negotiator's present and past position	Young, 1972
Obfuscates negotiator's position	Schelling, 1960
Threatens compulsory arbitration	Jackson, 1952
Attacks or raises doubts about negotiator's position; "factual deflation"	Jackson, 1952
Avoids negotiators' bluffs, threats, appeals to precedence, conscience, etc.	Burton, 1969
Sends negotiation back to negotiator; refuse to mediate	Stevens, 1963
Indicts negotiators for their recalcitrance	Douglas, 1972
Threatens to quit if negotiators do not agree	Stevens, 1963 Shapiro, 1970
Creates commissions with combined mediating and reporting functions	Jackson, 1952

NEGOTIATOR-CONSTITUENCY RELATIONSHIPS

Convinces negotiator's constituents that negotiator is defending their interests	Kerr, 1954
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Publicly indicts negotiator for being too tough	Shapiro, 1970
Intentionally prolongs the bargaining process	Shapiro, 1970
Convinces negotiator that proposal is salable to the constituents	Stevens, 1963
Convinces negotiator that proposal is to his[her] benefit	Burton, 1969
Identifies whether or not constituency is united	Burton, 1969
Appeals directly to the constituency for concessions	Shapiro, 1970; Douglas, 1972
Asks negotiators to point out their constituents' misperceptions and excessive demands	Burton, 1969

THIRD PARTY-NEGOTIATION SYSTEM RELATIONSHIP

Brings third party ultimata to the negotiators	Douglas, 1972
Identifies pressure a third party could or will bring	Lovell, 1952
Opens records on negotiator's former behavior	Steven, 1963; Raskin, 1976
Fends off outside intervention	Northrup, 1962; Simkin, 1971
Alters and establishes preferences and actions of third parties	Stevens, 1963
Obtains power from third party to issue recommendation if mediation fails	Jackson, 1952

Resolves the dispute by
negotiating a settlement
with powerful third parties

Young, 1967

MEDIATOR-MEDIATOR'S CONSTITUENT RELATIONSHIP

Points out constituent's
misperception and excess
expectation

Burton, 1969

Argues that constituents's
demands are not salable

Stevens, 1963

Misrepresents and distorts
information

Pruitt, 1971

Exaggerates extent of
disagreement

Burton, 1969

Threatens to quit

Stevens, 1963;
Shapiro, 1970

Argues that support
is needed

Stevens, 1963

Exaggerates cost of
disagreement

Stevens, 1963

SOURCE: James A. Wall, "Mediation --
An Analysis, Review, and Proposed
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