



House of Representatives

General Assembly

File No. 683

January Session, 2015

Substitute House Bill No. 6999

House of Representatives, April 16, 2015

The Committee on Government Administration and Elections reported through REP. JUTILA of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS.

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

1 Section 1. Subsection (e) of section 2-90 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (e) If the Auditors of Public Accounts discover, or if it should come
5 to their knowledge, that any unauthorized, illegal, irregular or unsafe
6 handling or expenditure of state funds or any breakdown in the
7 safekeeping of any resources of the state has occurred or is
8 contemplated, they shall forthwith present the facts to the Governor,
9 the State Comptroller, the clerk of each house of the General Assembly,
10 the Legislative Program Review and Investigations Committee and the
11 Attorney General, except if the matter to be reported is still under
12 investigation by a state agency, the Auditors of Public Accounts shall
13 forthwith present the facts to the Attorney General and, in consultation

14 with the Attorney General, may allow the agency reasonable time to
15 conduct such investigation prior to reporting the matter to said
16 persons and committee. Any Auditor of Public Accounts neglecting to
17 make such a report, or any agent of the auditors neglecting to report to
18 the Auditors of Public Accounts any such matter discovered by him or
19 coming to his knowledge shall be fined not more than one hundred
20 dollars or imprisoned not more than six months or both.

21 Sec. 2. Section 4-33a of the general statutes is repealed and the
22 following is substituted in lieu thereof (*Effective from passage*):

23 (a) All boards of trustees of state institutions, state department
24 heads, boards, commissions, other state agencies responsible for state
25 property and funds and quasi-public agencies, as defined in section 1-
26 120, shall promptly notify the Auditors of Public Accounts and the
27 Comptroller of any unauthorized, illegal, irregular or unsafe handling
28 or expenditure of state or quasi-public agency funds or breakdowns in
29 the safekeeping of any other resources of the state or quasi-public
30 agencies or contemplated action to do the same within their
31 knowledge. In the case of such notification to the Auditors of Public
32 Accounts, the auditors may permit aggregate reporting in a manner
33 and at a schedule determined by the auditors.

34 (b) If the Auditors of Public Accounts determine that any such state
35 agency or quasi-public agency has failed to notify them as required
36 under subsection (a) of this section, the auditors shall report such
37 failure to the joint standing committee of the General Assembly having
38 cognizance of matters relating to government administration in
39 accordance with the provisions of section 11-4a not later than thirty
40 days after the auditors discover such failure. Said committee may hold
41 a public hearing on such report and require the head of any such state
42 agency or quasi-public agency to appear before the committee at such
43 hearing to explain the reasons for the agency's failure to comply with
44 the requirement to notify the Auditors of Public Accounts in
45 accordance with this section.

46 Sec. 3. Section 4-215 of the general statutes is repealed and the

47 following is substituted in lieu thereof (*Effective July 1, 2015*):

48 Each personal service agreement [executed on or after July 1, 1994,
49 and] having a cost of more than twenty thousand dollars but not more
50 than fifty thousand dollars and a term of not more than one year shall
51 be based on competitive negotiation or competitive quotations, unless
52 the state agency purchasing the personal services determines that a
53 sole source purchase is required and applies to the secretary for a
54 waiver from such requirement and the secretary grants the waiver.
55 Not later than March 1, 1994, the secretary shall adopt guidelines for
56 determining the types of services that may qualify for such waivers.
57 The qualifying services shall [include, but not] be limited to [,] (1)
58 services for which the cost to the state of a competitive selection
59 procedure would outweigh the benefits of such procedure, as
60 documented by the state agency, (2) proprietary services, (3) services
61 to be provided by a contractor mandated by the general statutes or a
62 public or special act, and (4) emergency services, including services
63 needed for the protection of life or health. The secretary shall
64 immediately notify the Auditors of Public Accounts of any application
65 that the secretary receives for approval of a sole source purchase of
66 audit services and give the auditors an opportunity to review the
67 application and advise the secretary as to whether such audit services
68 are necessary and, if so, could be provided by said auditors.

69 Sec. 4. Section 1-101pp of the general statutes is repealed and the
70 following is substituted in lieu thereof (*Effective October 1, 2015*):

71 Any commissioner, deputy commissioner, state agency or quasi-
72 public agency head or deputy, or person in charge of state agency
73 procurement, [and] contracting or human resources who has
74 reasonable cause to believe that a person has violated the provisions of
75 the Code of Ethics for Public Officials set forth in part I of this chapter
76 or any law or regulation concerning ethics in state contracting shall
77 report such belief to the Office of State Ethics, which may further
78 report such information to the [Auditor] Auditors of Public Accounts,
79 the Chief State's Attorney or the Attorney General.

80 Sec. 5. Subdivision (8) of section 4-37f of the general statutes is
81 repealed and the following is substituted in lieu thereof (*Effective*
82 *October 1, 2015*):

83 (8) A foundation which has in any of its fiscal years receipts and
84 earnings from investments totaling one hundred thousand dollars per
85 year or more, or a foundation established for the principal purpose of
86 coordinated emergency recovery that operated in response to an
87 eligible incident, as defined in section 4-37r, during the fiscal year or
88 with funds that exceeded one hundred thousand dollars in the
89 aggregate, shall have completed on its behalf for such fiscal year a full
90 audit of the books and accounts of the foundation. A foundation which
91 has receipts and earnings from investments totaling less than one
92 hundred thousand dollars in each fiscal year during any three of its
93 consecutive fiscal years beginning October 1, 1986, shall have
94 completed on its behalf for the third fiscal year in any such three-year
95 period a full audit of the books and accounts of the foundation, unless
96 such foundation was established for the principal purpose of
97 coordinated emergency recovery and had completed on its behalf such
98 an audit for any year in any such three-year period. For each fiscal year
99 in which an audit is not required pursuant to this subdivision financial
100 statements shall be provided by the foundation to the executive
101 authority of the state agency. Each audit under this subdivision shall
102 be (A) conducted [(A)] by an independent certified public accountant
103 or, if requested by the state agency with the consent of the foundation,
104 the Auditors of Public Accounts, [and] (B) conducted in accordance
105 with generally accepted auditing standards, and (C) completed and a
106 copy of such audit submitted in accordance with this section not later
107 than six months after the end of the applicable fiscal year. The audit
108 report shall include financial statements, a management letter and an
109 audit opinion which address the conformance of the operating
110 procedures of the foundation with the provisions of sections 4-37e to 4-
111 37i, inclusive, and recommend any corrective actions needed to ensure
112 such conformance. Each audit report shall disclose the receipt or use
113 by the foundation of any public funds in violation of said sections or
114 any other provision of the general statutes. The foundation shall

115 provide a copy of each audit report completed pursuant to this
116 subdivision to the executive authority of the state agency and the
117 Attorney General. Each financial statement required under this
118 subdivision shall include, for the fiscal year to which the statement
119 applies, the total receipts and earnings from investments of the
120 foundation and the amount and purpose of each receipt of funds by
121 the state agency from the foundation. As used in this subdivision,
122 "fiscal year" means any twelve-month period adopted by a foundation
123 as its accounting year;

124 Sec. 6. Subsection (b) of section 4-37g of the general statutes is
125 repealed and the following is substituted in lieu thereof (*Effective*
126 *October 1, 2015*):

127 (b) In the case of an audit required pursuant to section 4-37f, as
128 amended by this act, that was not conducted by the Auditors of Public
129 Accounts, the executive authority and chief financial official of the
130 state agency shall review the audit report received pursuant to said
131 section and, upon such review, the executive authority shall sign a
132 letter indicating that he has reviewed the audit report and transmit a
133 copy of the letter and report to the Auditors of Public Accounts. If such
134 audit report indicates that (1) funds for deposit and retention in state
135 accounts have been deposited and retained in foundation accounts or
136 (2) state funds, personnel, services or facilities may have been used in
137 violation of sections 4-37e to 4-37i, inclusive, or any other provision of
138 the general statutes, the Auditors of Public Accounts may conduct a
139 full audit of the books and accounts of the foundation pertaining to
140 such funds, personnel, services or facilities, in accordance with the
141 provisions of section 2-90, as amended by this act. For the purposes of
142 such audit, the Auditors of Public Accounts shall have access to the
143 working papers compiled by the certified public accountant in the
144 preparation of the audit conducted pursuant to section 4-37f, as
145 amended by this act, which are relevant to such use of state funds,
146 personnel, services or facilities in violation of the provisions of sections
147 4-37e to 4-37i, inclusive, or any other provision of the general statutes.
148 If the audit required pursuant to section 4-37f, as amended by this act,

149 was not conducted, the Auditors of Public Accounts may conduct a
150 full audit of the books and accounts of the foundation, in accordance
151 with the provisions of section 2-90, as amended by this act.

152 Sec. 7. Subdivision (3) of subsection (c) of section 10a-109n of the
153 general statutes is repealed and the following is substituted in lieu
154 thereof (*Effective from passage*):

155 (3) The university shall thereafter give notice to those so
156 prequalified by the university pursuant to subdivision (2) of this
157 section of the time and place where the public letting shall occur and
158 shall include in such notice such information of the work required as
159 appropriate. Each bid or proposal shall be kept sealed until opened
160 publicly at the time and place as set forth in the notice soliciting such
161 bid or proposal. The university shall not award any construction
162 contract, including, but not limited to, any total cost basis contract,
163 after public letting, except to the responsible qualified contractor,
164 submitting the lowest bid or proposal in compliance with the bid or
165 proposal requirements of the solicitation document, [The] except the
166 university may [, however,] (A) waive any informality in a bid or
167 proposal, and [may] (B) either reject all bids or proposals and again
168 advertise for bids or proposals or interview at least three responsible
169 qualified contractors and negotiate and enter into with any one of such
170 contractors that construction contract which is both fair and reasonable
171 to the university.

172 Sec. 8. Section 2-90b of the general statutes is repealed and the
173 following is substituted in lieu thereof (*Effective from passage*):

174 The Auditors of Public Accounts shall [annually] biennially conduct
175 an audit of reimbursements made from the Bradley Enterprise Fund to
176 the Department of Emergency Services and Public Protection to cover
177 the cost of Troop W operations carried out in accordance with the
178 memorandum of understanding between the Department of
179 Emergency Services and Public Protection and the Department of
180 Transportation.

181 Sec. 9. Section 4a-50 of the general statutes is repealed and the
182 following is substituted in lieu thereof (*Effective October 1, 2015*):

183 When used in this chapter, unless the context indicates a different
184 meaning:

185 (1) "State agency" includes any officer, department, board, council,
186 commission, institution or other agency of the Executive Department
187 of the state government;

188 (2) "Supplies", "materials" and "equipment" mean any and all
189 articles of personal property furnished to or used by any state agency,
190 including all printing, binding, publication of laws, stationery, forms,
191 and reports;

192 (3) "Contractual services" means any and all laundry and cleaning
193 service, pest control service, janitorial service, security service, the
194 rental and repair, or maintenance, of equipment, machinery and other
195 state-owned personal property, advertising and photostating,
196 mimeographing, and other similar service arrangements where the
197 services are provided by persons other than state employees but
198 excluding consultant services;

199 (4) "Consultant" has the same meaning as provided in section 4e-1,
200 except "consultant" does not include a consultant as such term is
201 defined in section 4b-51, 4b-55 or 13b-20b;

202 (5) "Consultant services" has the same meaning as provided in
203 section 4e-1;

204 [(4)] (6) "Competitive bidding" means the submission of prices by
205 persons, firms or corporations competing for a contract to provide
206 supplies, materials, equipment or contractual services, under a
207 procedure in which the contracting authority does not negotiate prices;

208 [(5)] (7) "Competitive negotiation" means a procedure for
209 contracting for supplies, materials, equipment or contractual services,
210 in which (A) proposals are solicited from qualified suppliers by a

211 request for proposals, and (B) changes may be negotiated in proposals
212 and prices after being submitted;

213 [(6)] (8) "Bidder" means a person, firm or corporation submitting a
214 competitive bid in response to a solicitation; and

215 [(7)] (9) "Proposer" means a person, firm or corporation submitting a
216 proposal in response to a request for proposals.

217 Sec. 10. Section 4a-51 of the general statutes is repealed and the
218 following is substituted in lieu thereof (*Effective October 1, 2015*):

219 (a) The Commissioner of Administrative Services shall: (1) Purchase,
220 lease or contract for all supplies, materials, equipment and contractual
221 services required by any state agency, except as provided in sections 4-
222 98 and 4a-57; (2) enforce standard specifications established in
223 accordance with section 4a-56; (3) establish and operate a central
224 duplicating and mailing room for state agencies located in or near the
225 city of Hartford and such other places as he deems practical; and (4)
226 establish and operate or have supervisory control over other central
227 supply services in such locations as may best serve the requirements of
228 the state agencies.

229 (b) Any contract for consultant services shall be deemed a personal
230 service agreement for purposes of sections 4-212 to 4-219, inclusive.

231 [(b)] (c) The Commissioner of Administrative Services, when
232 purchasing or contracting for the purchase of dairy products, poultry,
233 eggs, beef, pork, lamb, farm-raised fish, fruits or vegetables pursuant
234 to subsection (a) of this section, shall give preference to dairy products,
235 poultry, eggs, beef, pork, lamb, farm-raised fish, fruits or vegetables
236 grown or produced in this state, when such products, poultry, eggs,
237 beef, pork, lamb, farm-raised fish, fruits or vegetables are comparable
238 in cost to other dairy products, poultry, eggs, beef, pork, lamb, farm-
239 raised fish, fruits or vegetables being considered for purchase by the
240 commissioner that have not been grown or produced in this state.

241 Sec. 11. Section 4-61dd of the general statutes is repealed and the

242 following is substituted in lieu thereof (*Effective October 1, 2015*):

243 (a) Any person having knowledge of any matter involving
244 corruption, unethical practices, violation of state laws or regulations,
245 mismanagement, gross waste of funds, abuse of authority or danger to
246 the public safety occurring in any state department or agency, [or] any
247 quasi-public agency, as defined in section 1-120, or any probate court,
248 or any person having knowledge of any matter involving corruption,
249 violation of state or federal laws or regulations, gross waste of funds,
250 abuse of authority or danger to the public safety occurring in any large
251 state contract, may transmit all facts and information in such person's
252 possession concerning such matter to the Auditors of Public Accounts.
253 The Auditors of Public Accounts shall review such matter and report
254 their findings and any recommendations to the Attorney General.
255 Upon receiving such a report, the Attorney General shall make such
256 investigation as the Attorney General deems proper regarding such
257 report and any other information that may be reasonably derived from
258 such report. Prior to conducting an investigation of any information
259 that may be reasonably derived from such report, the Attorney
260 General shall consult with the Auditors of Public Accounts concerning
261 the relationship of such additional information to the report that has
262 been issued pursuant to this subsection. Any such subsequent
263 investigation deemed appropriate by the Attorney General shall only
264 be conducted with the concurrence and assistance of the Auditors of
265 Public Accounts. At the request of the Attorney General or on their
266 own initiative, the auditors shall assist in the investigation.

267 (b) (1) The Auditors of Public Accounts may reject any complaint
268 received pursuant to subsection (a) of this section if the Auditors of
269 Public Accounts determine one or more of the following:

270 (A) There are other available remedies that the complainant can
271 reasonably be expected to pursue;

272 (B) The complaint is better suited for investigation or enforcement
273 by another state agency;

274 (C) The complaint is trivial, frivolous, vexatious or not made in
275 good faith;

276 (D) Other complaints have greater priority in terms of serving the
277 public good;

278 (E) The complaint is not timely or is too long delayed to justify
279 further investigation; or

280 (F) The complaint could be handled more appropriately as part of
281 an ongoing or scheduled regular audit.

282 (2) If the Auditors of Public Accounts reject a complaint pursuant to
283 subdivision (1) of this subsection, the Auditors of Public Accounts
284 shall provide a report to the Attorney General setting out the basis for
285 the rejection.

286 (3) If at any time the Auditors of Public Accounts determine that a
287 complaint is more appropriately investigated by another state agency,
288 the Auditors of Public Accounts shall refer the complaint to such
289 agency. The investigating agency shall provide a status report
290 regarding the referred complaint to the Auditors of Public Accounts
291 upon request.

292 (c) Notwithstanding the provisions of section 12-15, the
293 Commissioner of Revenue Services may, upon written request by the
294 Auditors of Public Accounts, disclose return or return information, as
295 defined in section 12-15, to the Auditors of Public Accounts for
296 purposes of preparing a report under subsection (a) or (b) of this
297 section. Such return or return information shall not be published in
298 any report prepared in accordance with subsection (a) or (b) of this
299 section, and shall not otherwise be redisclosed, except that such
300 information may be redisclosed to the Attorney General for purposes
301 of an investigation authorized by subsection (a) of this section. Any
302 person who violates the provisions of this subsection shall be subject to
303 the provisions of subsection (g) of section 12-15.

304 (d) The Attorney General may summon witnesses, require the

305 production of any necessary books, papers or other documents and
306 administer oaths to witnesses, where necessary, for the purpose of an
307 investigation pursuant to this section or for the purpose of
308 investigating a suspected violation of subsection (a) of section 4-275
309 until such time as the Attorney General files a civil action pursuant to
310 section 4-276. Upon the conclusion of the investigation, the Attorney
311 General shall where necessary, report any findings to the Governor, or
312 in matters involving a probate court, to the Probate Court
313 Administrator, or in matters involving criminal activity, to the Chief
314 State's Attorney. In addition to the exempt records provision of section
315 1-210, the Auditors of Public Accounts and the Attorney General shall
316 not, after receipt of any information from a person under the
317 provisions of this section or sections 4-276 to 4-280, inclusive, disclose
318 the identity of such person without such person's consent unless the
319 Auditors of Public Accounts or the Attorney General determines that
320 such disclosure is unavoidable, and may withhold records of such
321 investigation, during the pendency of the investigation.

322 (e) (1) No state officer or employee, as defined in section 4-141, no
323 quasi-public agency officer or employee, no probate officer or
324 employee, no officer or employee of a large state contractor and no
325 appointing authority shall take or threaten to take any personnel
326 action against any state or quasi-public agency employee, any probate
327 court employee or any employee of a large state contractor in
328 retaliation for (A) such employee's or contractor's disclosure of
329 information to (i) an employee of the Auditors of Public Accounts or
330 the Attorney General under the provisions of subsection (a) of this
331 section; (ii) an employee of the state agency or quasi-public agency
332 where such state officer or employee is employed; (iii) an employee of
333 a state agency pursuant to a mandated reporter statute or pursuant to
334 subsection (b) of section 17a-28; (iv) an employee of the probate court
335 where such employee is employed; or ~~[(iv)]~~ (v) in the case of a large
336 state contractor, an employee of the contracting state agency
337 concerning information involving the large state contract; or (B) such
338 employee's testimony or assistance in any proceeding under this
339 section.

340 (2) (A) Not later than ninety days after learning of the specific
341 incident giving rise to a claim that a personnel action has been
342 threatened or has occurred in violation of subdivision (1) of this
343 subsection, a state or quasi-public agency employee, a probate court
344 employee, an employee of a large state contractor or the employee's
345 attorney may file a complaint against the state agency, quasi-public
346 agency, probate court, large state contractor or appointing authority
347 concerning such personnel action with the Chief Human Rights
348 Referee designated under section 46a-57. Such complaint may be
349 amended if an additional incident giving rise to a claim under this
350 subdivision occurs subsequent to the filing of the original complaint.
351 The Chief Human Rights Referee shall assign the complaint to a
352 human rights referee appointed under section 46a-57, who shall
353 conduct a hearing and issue a decision concerning whether the officer
354 or employee taking or threatening to take the personnel action violated
355 any provision of this section. The human rights referee may order a
356 state agency or quasi-public agency to produce (i) an employee of such
357 agency or quasi-public agency to testify as a witness in any proceeding
358 under this subdivision, or (ii) books, papers or other documents
359 relevant to the complaint, without issuing a subpoena. If such agency
360 or quasi-public agency fails to produce such witness, books, papers or
361 documents, not later than thirty days after such order, the human
362 rights referee may consider such failure as supporting evidence for the
363 complainant. If, after the hearing, the human rights referee finds a
364 violation, the referee may award the aggrieved employee
365 reinstatement to the employee's former position, back pay and
366 reestablishment of any employee benefits for which the employee
367 would otherwise have been eligible if such violation had not occurred,
368 reasonable attorneys' fees, and any other damages. For the purposes of
369 this subsection, such human rights referee shall act as an independent
370 hearing officer. The decision of a human rights referee under this
371 subsection may be appealed by any person who was a party at such
372 hearing, in accordance with the provisions of section 4-183.

373 (B) The Chief Human Rights Referee shall adopt regulations, in
374 accordance with the provisions of chapter 54, establishing the

375 procedure for filing complaints and noticing and conducting hearings
376 under subparagraph (A) of this subdivision.

377 (3) As an alternative to the provisions of subdivision (2) of this
378 subsection: (A) A state or quasi-public agency employee who alleges
379 that a personnel action has been threatened or taken may file an appeal
380 not later than ninety days after learning of the specific incident giving
381 rise to such claim with the Employees' Review Board under section 5-
382 202, or, in the case of a state or quasi-public agency employee covered
383 by a collective bargaining contract, in accordance with the procedure
384 provided by such contract; or (B) an employee of a probate court or of
385 a large state contractor alleging that such action has been threatened or
386 taken may, after exhausting all available administrative remedies,
387 bring a civil action in accordance with the provisions of subsection (c)
388 of section 31-51m.

389 (4) In any proceeding under subdivision (2) or (3) of this subsection
390 concerning a personnel action taken or threatened against any state or
391 quasi-public agency employee, probate court employee or any
392 employee of a large state contractor, which personnel action occurs not
393 later than two years after the employee first transmits facts and
394 information concerning a matter under subsection (a) of this section or
395 discloses information under subdivision (1) of this subsection to the
396 Auditors of Public Accounts, the Attorney General or an employee of a
397 state agency, [or] quasi-public agency or probate court, as applicable,
398 there shall be a rebuttable presumption that the personnel action is in
399 retaliation for the action taken by the employee under subsection (a) of
400 this section or subdivision (1) of this subsection.

401 (5) If a state officer or employee, as defined in section 4-141, a quasi-
402 public agency officer or employee, an officer or employee of a large
403 state contractor or an appointing authority takes or threatens to take
404 any action to impede, fail to renew or cancel a contract between a state
405 agency and a large state contractor, or between a large state contractor
406 and its subcontractor, in retaliation for the disclosure of information
407 pursuant to subsection (a) of this section or subdivision (1) of this

408 subsection to any agency listed in subdivision (1) of this subsection,
409 such affected agency, contractor or subcontractor may, not later than
410 ninety days after learning of such action, threat or failure to renew,
411 bring a civil action in the superior court for the judicial district of
412 Hartford to recover damages, attorney's fees and costs.

413 (f) Any employee of a state or quasi-public agency, probate court or
414 large state contractor, who is found by the Auditors of Public
415 Accounts, the Attorney General, a human rights referee or the
416 Employees' Review Board to have knowingly and maliciously made
417 false charges under subsection (a) of this section, shall be subject to
418 disciplinary action by such employee's appointing authority up to and
419 including dismissal. In the case of a state or quasi-public agency
420 employee, such action shall be subject to appeal to the Employees'
421 Review Board in accordance with section 5-202, or in the case of state
422 or quasi-public agency employees included in collective bargaining
423 contracts, the procedure provided by such contracts.

424 (g) On or before September first, annually, the Auditors of Public
425 Accounts shall submit, in accordance with the provisions of section 11-
426 4a, to the clerk of each house of the General Assembly a report
427 indicating the number of matters for which facts and information were
428 transmitted to the auditors pursuant to this section during the
429 preceding state fiscal year and the disposition of each such matter.

430 (h) Each contract between a state or quasi-public agency and a large
431 state contractor shall provide that, if an officer, employee or
432 appointing authority of a large state contractor takes or threatens to
433 take any personnel action against any employee of the contractor in
434 retaliation for such employee's disclosure of information to any
435 employee of the contracting state or quasi-public agency or the
436 Auditors of Public Accounts or the Attorney General under the
437 provisions of subsection (a) or subdivision (1) of subsection (e) of this
438 section, the contractor shall be liable for a civil penalty of not more
439 than five thousand dollars for each offense, up to a maximum of
440 twenty per cent of the value of the contract. Each violation shall be a

441 separate and distinct offense and in the case of a continuing violation
442 each calendar day's continuance of the violation shall be deemed to be
443 a separate and distinct offense. The executive head of the state or
444 quasi-public agency may request the Attorney General to bring a civil
445 action in the superior court for the judicial district of Hartford to seek
446 imposition and recovery of such civil penalty.

447 (i) Each state agency or quasi-public agency shall post a notice of the
448 provisions of this section relating to state employees and quasi-public
449 agency employees in a conspicuous place that is readily available for
450 viewing by employees of such agency or quasi-public agency. Each
451 probate court shall post a notice of the provisions of this section
452 relating to probate court employees in a conspicuous place that is
453 readily available for viewing by employees of such court. Each large
454 state contractor shall post a notice of the provisions of this section
455 relating to large state contractors in a conspicuous place which is
456 readily available for viewing by the employees of the contractor.

457 (j) No person who, in good faith, discloses information in
458 accordance with the provisions of this section shall be liable for any
459 civil damages resulting from such good faith disclosure.

460 (k) As used in this section:

461 (1) "Large state contract" means a contract between an entity and a
462 state or quasi-public agency, having a value of five million dollars or
463 more; and

464 (2) "Large state contractor" means an entity that has entered into a
465 large state contract with a state or quasi-public agency.

466 Sec. 12. Subsection (a) of section 1-123 of the general statutes is
467 repealed and the following is substituted in lieu thereof (*Effective from*
468 *passage*):

469 (a) The board of directors of each quasi-public agency shall annually
470 submit a report to the Governor and the Auditors of Public Accounts
471 and two copies of such report to the Legislative Program Review and

472 Investigations Committee. Such report shall include, but not be limited
473 to, the following: (1) A list of all bond issues for the preceding fiscal
474 year, including, for each such issue, the financial advisor and
475 underwriters, whether the issue was competitive, negotiated or
476 privately placed, and the issue's face value and net proceeds; (2) a list
477 of all projects other than those pertaining to owner-occupied housing
478 or student loans receiving financial assistance during the preceding
479 fiscal year, including each project's purpose, location, and the amount
480 of funds provided by the agency; (3) a list of all outside individuals
481 and firms receiving in excess of five thousand dollars in the form of
482 loans, grants or payments for services, except for individuals receiving
483 loans for owner-occupied housing and education; (4) a balance sheet
484 and operating statement showing all revenues and expenditures; (5)
485 the cumulative value of all bonds issued, the value of outstanding
486 bonds, and the amount of the state's contingent liability; (6) the
487 affirmative action policy statement, a description of the composition of
488 the agency's work force by race, sex, and occupation and a description
489 of the agency's affirmative action efforts; and (7) a description of
490 planned activities for the current fiscal year. Not later than thirty days
491 after receiving copies of such report from the board of a quasi-public
492 agency, the Legislative Program Review and Investigations Committee
493 shall prepare an assessment of whether the report complies with the
494 requirements of this section and shall submit the assessment and a
495 copy of the report to the joint standing committee of the General
496 Assembly having cognizance of matters relating to the quasi-public
497 agency.

498 Sec. 13. Subsection (h) of section 38a-1051 of the general statutes is
499 repealed and the following is substituted in lieu thereof (*Effective from*
500 *passage*):

501 (h) The commission shall be within the [Office of the Healthcare
502 Advocate] Insurance Department for administrative purposes only.

503 Sec. 14. Sections 6-33, 6-33a, 6-36, 6-38j and 6-38l of the general
504 statutes are repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	2-90(e)
Sec. 2	<i>from passage</i>	4-33a
Sec. 3	<i>July 1, 2015</i>	4-215
Sec. 4	<i>October 1, 2015</i>	1-101pp
Sec. 5	<i>October 1, 2015</i>	4-37f(8)
Sec. 6	<i>October 1, 2015</i>	4-37g(b)
Sec. 7	<i>from passage</i>	10a-109n(c)(3)
Sec. 8	<i>from passage</i>	2-90b
Sec. 9	<i>October 1, 2015</i>	4a-50
Sec. 10	<i>October 1, 2015</i>	4a-51
Sec. 11	<i>October 1, 2015</i>	4-61dd
Sec. 12	<i>from passage</i>	1-123(a)
Sec. 13	<i>from passage</i>	38a-1051(h)
Sec. 14	<i>from passage</i>	Repealer section

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Comptroller- Fringe Benefits ¹	GF - Cost	Potential	Potential
Various State Agencies	All Funds - Cost	Potential	Potential

Note: All Funds=All Funds; GF=General Fund

Municipal Impact: None

Explanation

This bill defines most consultant agreements as personal services agreements. This change in definition would shift the administrative burden of procuring consultant services from the Department of Administrative Services (DAS) to individual agencies. This could end statewide consulting agreements which various agencies share.

Decentralizing these contracts may increase state costs to the extent that (1) contract costs increase from the decrease in bulk purchasing, and (2) agencies may have to hire staff (estimated at \$89,130 for salary and fringe benefits) to negotiate and draft their own agreements. Current consultant agreements, which would be affected by this bill, total more than \$63 million. The bill also makes technical changes to the reporting responsibilities of the State Auditors, which would have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Department of Administrative Services

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 38.65% of payroll in FY 16 and FY 17.

OLR Bill Analysis**sHB 6999*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS.*****SUMMARY:**

This bill makes numerous changes to statutes concerning government administration. Among other things, it:

1. allows the auditors of public accounts to (a) delay a full report of certain misuses of state funds until the subject state agency completes its investigation into those activities and (b) permit aggregate reporting by state and quasi-public agencies to the auditors of these activities;
2. requires the auditors to notify the Government Administration and Elections (GAE) Committee whenever agencies fail to notify them of certain misuses of state funds;
3. expands who must report certain suspected ethics violations to the Office of State Ethics (OSE) to include state and quasi-public agencies' human resources directors;
4. subjects the Department of Administrative Services (DAS) to oversight by the Office of Policy and Management (OPM) when entering into certain personal services agreements (PSA);
5. limits the circumstances under which the OPM secretary may waive competitive bidding requirements for certain personal services agreements;
6. requires the OPM secretary to notify the auditors whenever he receives a request from a state agency for a sole source procurement of certain audit services;

7. allows the auditors of public accounts to conduct a full audit of a state agency foundation that did not have its own audit completed; and
8. subjects probate courts to the state's whistleblower law.

The bill also requires the auditors to audit biennially, rather than annually, reimbursements from the Bradley Enterprise Fund to the Department of Emergency Services and Public Protection. The reimbursements support State Police patrols at Bradley Airport (§ 8).

The bill requires quasi-public agencies to include an operating statement in their annual report to the governor, auditors of public accounts, and the Program Review and Investigations (PRI) Committee. Current law requires that they include a balance sheet only (§ 12).

The bill places the Commission on Health Equity within the Insurance Department for administrative purposes only. Under current law, the commission is within the Office of the Healthcare Advocate for administrative purposes only (§ 13).

Lastly, the bill (1) makes technical changes to a statute concerning UConn's awarding of construction contracts (§ 7) and (2) repeals obsolete statutes concerning sheriffs (§ 14).

EFFECTIVE DATE: Upon passage, except that provisions affecting (1) DAS PSAs, whistleblowers, foundation audits, and ethics reporting are effective October 1, 2015 and (2) PSA waivers and audit services procurements are effective July 1, 2015.

§§ 1-2, 4 — REPORTS OF CERTAIN ACTIVITIES

Misuse of State Funds

Under current law, the auditors of public accounts must immediately report, to the governor, comptroller, House and Senate clerks, PRI Committee, and attorney general, any actual or contemplated (1) unauthorized, illegal, irregular, or unsafe handling or

expenditure of state or quasi-public agency funds or (2) breakdowns in the safekeeping of any other state or quasi-public agency resources. The bill instead requires the auditors, in cases where a state agency is still investigating such a matter, to immediately report the matter to the attorney general only. It allows the auditors, in consultation with the attorney general, to permit the agency a reasonable period of time to conduct the investigation before notifying the other entities.

By law, boards of trustees of state institutions, state agency heads, boards, commissions, other state agencies responsible for state property and funds, and quasi-public agencies must promptly notify the auditors of public accounts and the comptroller of any misuses of state funds described above. The bill allows the auditors to permit aggregate reporting of these matters in a manner and schedule determined by the auditors.

The bill requires the auditors to notify the GAE Committee whenever state or quasi-public agencies fail to notify them of the misuses of state funds described above. The auditors must notify the committee within 30 days after discovering the failure. The committee may hold a public hearing and require the agency or quasi-public agency head to appear at the hearing to explain the reasons for failing to notify the auditors.

§ 4 — Reports of Suspected Ethics Violations

The bill requires any person in charge of state agency human resources to report to OSE when he or she has a reasonable belief that a person has violated the Code of Ethics for Public Officials or any law or regulation concerning ethics in state contracting. Existing law requires commissioners, deputy commissioners, state or quasi-public agency heads or deputies, and state agency procurement and contracting heads to make such a report to OSE.

§§ 3, 9-10 — PERSONAL SERVICES AGREEMENTS

§§ 9-10 — DAS Consultant Services Contracts

The bill subjects DAS to oversight by OPM when entering into PSAs

for certain “consultant services.” It defines consultant services as professional services rendered by an environmental or management specialist, or someone who performs professional work such as educational and medical services, information technology, and real estate appraisals.

By law, PSAs costing more than \$20,000 or lasting for more than one year must be based on competitive negotiation or competitive quotations unless the purchasing agency applies to the OPM secretary for a waiver and the secretary grants the waiver. Additionally, PSAs that are expected to (1) last for more than one year or (2) cost more than \$50,000 must be approved by the OPM secretary before the agency begins the solicitation process. Agencies must also (1) follow OPM standards when entering into a PSA and (2) receive the secretary's approval for certain amendments to PSAs.

The bill makes a conforming change by limiting the types of contractual services for which DAS may contract under its own contracting authority. By law, “contractual services” are laundry and cleaning, pest control, janitorial, and security services; the rental and repair, or maintenance, of equipment, machinery, and other state-owned personal property; advertising and photostating; mimeographing; and other services provided by people other than state employees. The bill specifies that the “other services” must be similar to the services listed in the definition.

§ 3 — Waivers

The bill limits the services for which the OPM secretary may waive competitive bidding requirements for personal services agreements (i.e., “qualifying services”). It limits qualifying services to (1) those for which the cost of a competitive selection outweighs the benefits, as documented by the agency; (2) proprietary services; (3) services to be provided by a contractor mandated by the general statutes or a public or special act; and (4) emergency services. Under current law, qualifying services may include other types of services beyond these four categories, as determined by the secretary.

§ 3 — Audit Services

The bill requires the OPM secretary to notify the auditors of public accounts whenever he receives a request for a sole source purchase for audit services that cost more than \$20,000, but do not exceed \$50,000. He must allow the auditors 15 days to review the application and advise him on whether the services are necessary and, if so, could be provided by the auditors. Under existing law, the secretary must allow the auditors to review requests for audit services PSAs that cost more than \$50,000.

§§ 5-6 — FOUNDATION AUDITS

The bill requires that audits of state agency foundations (i.e., nonprofit entities established for fundraising purposes) be completed and submitted to the auditors of public accounts within six months after the audited fiscal year ends. It allows the auditors of public accounts to conduct a full audit of a foundation that did not have its own audit completed by the six-month deadline. By law, foundations generally must have an annual audit conducted by an independent certified public accountant.

§ 11 — WHISTLEBLOWING

The bill subjects probate courts to the state's whistleblower law. Under current law, the whistleblower provisions apply to the Office of Probate Court Administration, but not individual probate courts.

Generally, the bill:

1. requires the auditors of public accounts to review whistleblower complaints made against probate courts and report any findings or recommendations to the attorney general;
2. requires the attorney general to conduct any investigation he deems proper and report any findings to the probate court administrator;
3. prohibits probate court officers and employees from retaliating against a probate court employee who files a whistleblower

complaint;

4. allows a probate court employee who believes he or she was retaliated against to either (a) file a retaliation complaint with the Commission on Human Rights and Opportunities or (b) bring a civil action; and
5. requires each probate court to post a notice of the whistleblower law in a conspicuous location.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 15 Nay 0 (03/30/2015)