



House of Representatives

General Assembly

File No. 595

February Session, 2024

Substitute House Bill No. 5047

House of Representatives, April 22, 2024

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATIONS FOR GENERAL GOVERNMENT.

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

1 Section 1. (NEW) (*Effective from passage*) Not later than January 1,
2 2025, and quarterly thereafter, the Connecticut Port Authority shall
3 submit a report, in accordance with the provisions of section 11-4a of the
4 general statutes, to the joint standing committees of the General
5 Assembly having cognizance of matters relating to transportation and
6 appropriations and the budgets of state agencies that shall include the
7 following: (1) A description of the authority's work to support grants
8 under the Small Harbor Improvement Projects Program; (2) a
9 description of the authority's dredging activities and the needs
10 concerning dredging in harbors in the state; and (3) a description of the
11 authority's marketing activities on behalf of maritime communities in
12 the state.

13 Sec. 2. Section 23 of public act 23-170 is repealed and the following is
14 substituted in lieu thereof (*Effective from passage*):

15 Not later than July 1, [2024] 2025, the Secretary of the Office of Policy
16 and Management, in consultation with the Commissioner of Energy and

17 Environmental Protection, shall submit recommendations to the joint
18 standing committees of the General Assembly having cognizance of
19 matters relating to the environment and energy and technology, in
20 accordance with section 11-4a of the general statutes, regarding the
21 feasibility and advisability of creating a new quasi-public state agency,
22 state waste authority or other entity for purposes that include, but are
23 not limited to, the development of new solid waste infrastructure and
24 the operation and maintenance of new or existing solid waste
25 infrastructure. Such recommendations shall be made in consultation
26 with any municipalities, municipal authorities, regional waste
27 authorities or private sector operators of solid waste companies
28 participating in a request for proposals pursuant to section [2 of this act]
29 22a-268h of the general statutes.

30 Sec. 3. Subsection (b) of section 4-66g of the 2024 supplement to the
31 general statutes is repealed and the following is substituted in lieu
32 thereof (*Effective July 1, 2024*):

33 (b) The proceeds of the sale of said bonds, to the extent of the amount
34 stated in subsection (a) of this section, shall be used by the Office of
35 Policy and Management for a small town economic assistance program
36 the purpose of which shall be to provide grants-in-aid to any
37 municipality or group of municipalities, provided the municipality and
38 each municipality that is part of a group of municipalities is not
39 economically distressed within the meaning of subsection (b) of section
40 32-9p, does not have an urban center in any plan adopted by the General
41 Assembly pursuant to section 16a-30 and is not a public investment
42 community within the meaning of subdivision (9) of subsection (a) of
43 section 7-545. Such grants shall be used for purposes for which funds
44 would be available under section 4-66c. No group of municipalities may
45 receive an amount exceeding in the aggregate [five hundred thousand]
46 one million dollars per municipality in such group in any one fiscal year
47 under said program. No individual municipality may receive more than
48 [five hundred thousand] one million dollars in any one fiscal year under
49 said program, except that any municipality that receives a grant under
50 said program as a member of a group of municipalities shall continue to

51 be eligible to receive an amount equal to [five hundred thousand] one
52 million dollars less the amount of such municipality's proportionate
53 share of such grant. Notwithstanding the provisions of this subsection
54 and section 4-66c, a municipality that is (1) a distressed municipality
55 within the meaning of subsection (b) of section 32-9p or a public
56 investment community within the meaning of subdivision (9) of
57 subsection (a) of section 7-545, and (2) otherwise eligible under this
58 subsection for the small town economic assistance program may elect to
59 be eligible for said program individually or as part of a group of
60 municipalities in lieu of being eligible for financial assistance under
61 section 4-66c, by a vote of its legislative body or, in the case of a
62 municipality in which the legislative body is a town meeting, its board
63 of selectmen, and submitting a written notice of such vote to the
64 Secretary of the Office of Policy and Management. Any such election
65 shall be for the four-year period following submission of such notice to
66 the secretary and may be extended for additional four-year periods in
67 accordance with the same procedure for the initial election.

68 Sec. 4. Subsection (a) of section 4-9d of the general statutes is repealed
69 and the following is substituted in lieu thereof (*Effective from passage*):

70 (a) [Unless otherwise provided by law, an] An elected or appointed
71 officer of the executive or judicial branch who, as such officer, is
72 required to serve on a board, commission, council, authority, task force
73 or other body, and is unable or chooses not to so serve, may designate
74 [a person] an employee of such officer's agency to serve on such body in
75 [his] such officer's place. [, provided (1) an officer may only designate
76 another officer of his agency and (2) an officer who is required by law to
77 serve as a chairperson or presiding officer of such body shall not
78 designate a person to serve on such body in his place.] The authority to
79 designate a replacement, as provided in this subsection, shall be in
80 addition to any other designation authority provided in the general
81 statutes.

82 Sec. 5. Section 5-250 of the general statutes is repealed and the
83 following is substituted in lieu thereof (*Effective January 1, 2025*):

84 (a) Each appointing authority shall grant to (1) each full-time
85 employee in a permanent position in the state service, who has worked
86 at least one full calendar year, and (2) each full-time employee in a
87 permanent position in the state service during such employee's initial
88 working test period an annual vacation with pay of twenty-one
89 consecutive calendar days or its equivalent. Each such employee who
90 has completed twenty years of service shall be entitled to one day for
91 each additional year up to twenty-five years of service, and each such
92 employee with twenty-five or more years of service shall be entitled to
93 not more than twenty days' vacation, subject to regulations issued by
94 the Commissioner of Administrative Services. The Commissioner of
95 Administrative Services may adopt regulations, in accordance with the
96 provisions of chapter 54, concerning the accrual, prorating and granting
97 of vacation leave with pay as required. Computation of such vacation
98 leave may be made on an hourly basis. Hourly computation of vacation
99 leave shall not diminish benefit entitlement.

100 (b) An appointing authority may permit a full-time permanent
101 employee in the state service to accumulate vacation days with pay up
102 to a maximum of one hundred twenty vacation days, subject to
103 regulations issued by the Commissioner of Administrative Services.

104 (c) In addition to annual vacation, each appointing authority shall
105 grant to (1) each full-time permanent employee in the state service, and
106 (2) each full-time permanent employee in the state service during such
107 employee's initial working test period three days of personal leave of
108 absence with pay in each calendar year. Personal leave of absence shall
109 be for the purpose of conducting private affairs, including observance
110 of religious holidays, and shall not be deducted from vacation or sick
111 leave credits. Personal leave of absence days not taken in a calendar year
112 shall not be accumulated. For full-time permanent employees within
113 such employees' working test period that began employment on or after
114 July first of a calendar year, the number of personal leave of absence
115 days shall be prorated during such employee's first calendar year of
116 employment. Such proration shall be based on the number of full
117 calendar months remaining in the calendar year after such employee

118 began employment divided by six.

119 (d) Vacation accruals earned by employees in the unclassified service,
120 in accordance with administrative practice or internal departmental
121 policy, which accrual practice or policy was included, by the appointing
122 authority, in the terms of employment on the basis of which such
123 employees were employed prior to July 1, 1972, and which accruals have
124 not been used and which can be verified by written attendance records,
125 remain to the credit of such employees for use as vacation time or for
126 payment as provided in section 5-252, as the case may be.

127 (e) Notwithstanding the provisions of this section, a general worker
128 employed in a position by the Department of Developmental Services
129 as a self-advocate, not to exceed eleven such general workers, shall be
130 eligible for prorated vacation and personal leave.

131 (f) Not later than June 30, 2025, the Commissioner of Administrative
132 Services shall adopt or amend regulations, as applicable, in accordance
133 with chapter 54, to implement the provisions of subsections (a) and (c)
134 of this section relating to the granting of vacation and personal leave to
135 full-time permanent employees during such employees' initial working
136 test periods. Notwithstanding the provisions of sections 4-168 to 4-172,
137 inclusive, in order to effectuate the purposes of subsections (a) and (c)
138 of this section, prior to adopting or amending such regulations and not
139 later than January 1, 2025, the commissioner shall adopt policies and
140 procedures to implement the provisions of subsections (a) and (c) of this
141 section that shall have the force and effect of law. The commissioner
142 shall post all policies and procedures on the department's Internet web
143 site, and submit such policies and procedures to the Secretary of the
144 State for posting on the eRegulations System, at least fifteen days prior
145 to the effective date of any policy or procedure. Any such policy or
146 procedure shall no longer be effective upon the adoption of such policies
147 and procedures as a final regulation pursuant to section 4-172.

148 Sec. 6. Subsection (b) of section 10a-173 of the 2024 supplement to the
149 general statutes is repealed and the following is substituted in lieu
150 thereof (*Effective from passage*):

151 (b) The Office of Higher Education shall establish the Roberta B.
152 Willis Scholarship program to annually make need-based financial aid
153 available for eligible educational costs to eligible students enrolled at
154 Connecticut's public and independent institutions of higher education.
155 Within available funds, the Roberta B. Willis Scholarship program shall
156 include a need and merit-based grant, a need-based grant and a Charter
157 Oak grant. The need and merit-based grant shall be funded at not less
158 than twenty per cent but not more than thirty per cent of available funds
159 or ten million dollars, whichever is greater. The need-based grant shall
160 be funded at up to eighty per cent of available funds. The Charter Oak
161 grant shall be not less than one hundred thousand dollars of available
162 funds. There shall be an administrative allowance based on one-quarter
163 of one per cent of the available funds, but not less than one hundred
164 thousand dollars annually. The Office of Higher Education shall [use]
165 disburse the funds appropriated or allocated for the Roberta B. Willis
166 Scholarship program for the fiscal [year] years ending June 30, 2024, and
167 June 30, 2025, to make awards pursuant to subsection (c) of this section
168 and allocate funds pursuant to subsections (d) and (f) of this section [for
169 the academic years commencing July 1, 2023, and July 1, 2024] in
170 accordance with a plan developed by the office, provided the office shall
171 [use] disburse all funds allocated for the Roberta B. Willis Scholarship
172 program from the federal funds designated for the state pursuant to the
173 provisions of Section 602 of Subtitle M of Title IX of the American Rescue
174 Plan Act of 2021, P.L. 117-2, as amended from time to time, on or before
175 December 31, 2024.

176 Sec. 7. Subsections (c) and (d) of section 51-49d of the general statutes
177 are repealed and the following is substituted in lieu thereof (*Effective*
178 *from passage*):

179 (c) The Retirement Commission shall determine on an actuarial basis
180 (1) a normal rate of contribution which the state shall be required to
181 make into the retirement fund in order to meet the actuarial cost of
182 current service, and (2) the unfunded past service liability. Effective July
183 1, 1991, the unfunded past service liability shall be funded as a level
184 percentage of payroll. [The] On and after July 1, 2024, the state

185 contribution shall be the sum of the normal cost and the amount
186 required for a [forty-year] fifteen-year layered amortization of
187 unfunded liabilities. The [forty-year] fifteen-year period for such
188 amortization shall commence [July 1, 1991] with the valuation for the
189 fiscal year ending June 30, 2023.

190 (d) No act liberalizing the benefits of the retirement system shall be
191 enacted by the General Assembly until the assembly has requested and
192 received from the Retirement Commission a certification of the
193 unfunded liability created by such change and the cost of such change
194 under the actuarial funding basis adopted by this section using full
195 normal cost plus [thirty-year] fifteen-year layered amortization. Any
196 unfunded liability created by such change shall be amortized over a
197 period of [thirty] fifteen years.

198 Sec. 8. (*Effective from passage*) Notwithstanding the provisions of
199 section 51-49d of the general statutes, as amended by this act, not later
200 than June 30, 2024, the State Employees Retirement Commission shall
201 prepare and submit a revised actuarial valuation as of June 30, 2023, for
202 the retirement system for judges, family support magistrates and
203 administrative law judges that incorporates the change to fifteen-year
204 layered amortization, as described in section 51-49d of the general
205 statutes, as amended by this act.

206 Sec. 9. Subdivision (5) of section 1-79 of the 2024 supplement to the
207 general statutes is repealed and the following is substituted in lieu
208 thereof (*Effective July 1, 2024*):

209 (5) "Gift" means anything of value, which is directly and personally
210 received, unless consideration of equal or greater value is given in
211 return. "Gift" does not include:

212 (A) A political contribution otherwise reported as required by law or
213 a donation or payment as described in subdivision (9) or (10) of
214 subsection (b) of section 9-601a;

215 (B) Services provided by persons volunteering their time, if provided

216 to aid or promote the success or defeat of any political party, any
217 candidate or candidates for public office or the position of convention
218 delegate or town committee member or any referendum question;

219 (C) A commercially reasonable loan made on terms not more
220 favorable than loans made in the ordinary course of business;

221 (D) A gift received from (i) an individual's spouse, fiancé or fiancée,
222 (ii) the parent, grandparent, brother or sister of such spouse or such
223 individual, or (iii) the child of such individual or the spouse of such
224 child;

225 (E) Goods or services (i) that are provided to a state agency or quasi-
226 public agency (I) for use on state or quasi-public agency property, or (II)
227 that support an event or the participation by a public official or state
228 employee at an event, and (ii) that facilitate state or quasi-public agency
229 action or functions. As used in this subparagraph, "state property"
230 means property owned by the state or a quasi-public agency or property
231 leased to a state agency or quasi-public agency;

232 (F) A certificate, plaque or other ceremonial award costing less than
233 one hundred dollars;

234 (G) A rebate, discount or promotional item available to the general
235 public;

236 (H) Printed or recorded informational material germane to state
237 action or functions;

238 (I) Food or beverage or both, costing less than fifty dollars in the
239 aggregate per recipient in a calendar year, and consumed on an occasion
240 or occasions at which the person paying, directly or indirectly, for the
241 food or beverage, or his representative, is in attendance;

242 (J) Food or beverage or both, costing less than fifty dollars per person
243 and consumed at a publicly noticed legislative reception to which all
244 members of the General Assembly are invited and which is hosted not
245 more than once in any calendar year by a lobbyist or business

246 organization. For the purposes of such limit, (i) a reception hosted by a
247 lobbyist who is an individual shall be deemed to have also been hosted
248 by the business organization which such lobbyist owns or is employed
249 by, and (ii) a reception hosted by a business organization shall be
250 deemed to have also been hosted by all owners and employees of the
251 business organization who are lobbyists. In making the calculation for
252 the purposes of such fifty-dollar limit, the donor shall divide the amount
253 spent on food and beverage by the number of persons whom the donor
254 reasonably expects to attend the reception;

255 (K) Food or beverage or both, costing less than fifty dollars per person
256 and consumed at a publicly noticed reception to which all members of
257 the General Assembly from a region of the state are invited and which
258 is hosted not more than once in any calendar year by a lobbyist or
259 business organization. For the purposes of such limit, (i) a reception
260 hosted by a lobbyist who is an individual shall be deemed to have also
261 been hosted by the business organization which such lobbyist owns or
262 is employed by, and (ii) a reception hosted by a business organization
263 shall be deemed to have also been hosted by all owners and employees
264 of the business organization who are lobbyists. In making the
265 calculation for the purposes of such fifty-dollar limit, the donor shall
266 divide the amount spent on food and beverage by the number of
267 persons whom the donor reasonably expects to attend the reception. As
268 used in this subparagraph, "region of the state" means the established
269 geographic service area of the organization hosting the reception;

270 (L) A gift, including, but not limited to, food or beverage or both,
271 provided by an individual for the celebration of a major life event,
272 provided any such gift provided by an individual who is not a member
273 of the family of the recipient does not exceed one thousand dollars in
274 value;

275 (M) Gifts costing less than one hundred dollars in the aggregate or
276 food or beverage provided at a hospitality suite at a meeting or
277 conference of an interstate legislative association, by a person who is not
278 a registrant or is not doing business with the state of Connecticut;

279 (N) Admission to a charitable or civic event, including food and
280 beverage provided at such event, but excluding lodging or travel
281 expenses, at which a public official or state employee participates in his
282 or her official capacity, provided such admission is provided by the
283 primary sponsoring entity;

284 (O) Anything of value provided by an employer of (i) a public official,
285 (ii) a state employee, or (iii) a spouse of a public official or state
286 employee, to such official, employee or spouse, provided such benefits
287 are customarily and ordinarily provided to others in similar
288 circumstances;

289 (P) Anything having a value of not more than ten dollars, provided
290 the aggregate value of all things provided by a donor to a recipient
291 under this subdivision in any calendar year does not exceed fifty dollars;

292 (Q) Training that is provided by a vendor for a product purchased by
293 a state or quasi-public agency that is offered to all customers of such
294 vendor;

295 (R) Travel expenses, lodging, food, beverage and other benefits
296 customarily provided by a prospective employer, when provided to a
297 student at a public institution of higher education whose employment
298 is derived from such student's status as a student at such institution, in
299 connection with bona fide employment discussions; [or]

300 (S) Expenses of a public official, paid by the party committee of which
301 party such official is a member, for the purpose of accomplishing the
302 lawful purposes of the committee. As used in this subparagraph, "party
303 committee" has the same meaning as provided in subdivision (2) of
304 section 9-601 and "lawful purposes of the committee" has the same
305 meaning as provided in subsection (g) of section 9-607; or

306 (T) Travel expenses, lodging, food, beverage and other benefits
307 customarily provided in the course of employment, when provided to a
308 public member of the Investment Advisory Council established under
309 section 3-13b.

310 Sec. 10. (*Effective from passage*) The Secretary of the Office of Policy
311 and Management, in consultation with the Commissioner of
312 Administrative Services and the Attorney General, shall conduct a
313 review of the state contracting process for all state agency contracts and
314 payment policies concerning state agency contracts with service
315 providers and nonprofit organizations, and shall examine ways to
316 streamline and expedite such process and policies. Such review and
317 examination shall include, but need not be limited to: (1) A
318 determination of whether state agency staffing levels are adequate to
319 draft and process such contracts, and, if not, what staffing levels would
320 be adequate; (2) an identification of complications that result from the
321 tiered process of procurement that may require multiple agencies and
322 the Attorney General to review such contracts; (3) an identification of
323 complications that result from payment policies concerning state agency
324 contracts with service providers and nonprofit organizations that may
325 prevent such payments from being processed in a timely manner after
326 contracts are approved; (4) the feasibility of utilizing master contracts
327 that may be amended as needed; and (5) the feasibility of allocating
328 funds carried forward from the previous fiscal year to such service
329 providers or nonprofit organizations to sustain the operation of existing
330 programs when state agency contracts with such providers or nonprofit
331 organizations are delayed. The secretary shall report, in accordance with
332 the provisions of section 11-4a of the general statutes, the results and
333 findings of such review and examination, including the secretary's
334 recommendations for streamlining the state contracting process and
335 payment policies, to the joint standing committee of the General
336 Assembly having cognizance of matters relating to appropriations and
337 the budgets of state agencies not later than January 1, 2025.

338 Sec. 11. (NEW) (*Effective from passage*) (a) There is established a Higher
339 Education Financial Oversight Committee. The committee shall be an
340 independent body within the Legislative Department for administrative
341 purposes only.

342 (b) The committee shall consist of the following members:

- 343 (1) One appointed by the speaker of the House of Representatives;
- 344 (2) One appointed by the president pro tempore of the Senate;
- 345 (3) One appointed by the majority leader of the House of
346 Representatives;
- 347 (4) One appointed by the majority leader of the Senate;
- 348 (5) One appointed by the minority leader of the House of
349 Representatives;
- 350 (6) One appointed by the minority leader of the Senate;
- 351 (7) The chairpersons and ranking members of the joint standing
352 committee of the General Assembly having cognizance of matters
353 relating to appropriations and the budgets of state agencies;
- 354 (8) The chairpersons and ranking members of the joint standing
355 committee of the General Assembly having cognizance of matters
356 relating to higher education; and
- 357 (9) Two appointed by the Governor, one of whom shall have
358 experience in higher education operations and one of whom shall have
359 experience in higher education financial management.
- 360 (c) Any member of the committee appointed under subdivisions (1)
361 to (8), inclusive, of subsection (b) of this section may be a member of the
362 General Assembly.
- 363 (d) All initial appointments to the committee shall be made not later
364 than thirty days after the effective date of this section. Any vacancy shall
365 be filled by the appointing authority.
- 366 (e) The members of the committee shall serve without compensation,
367 but shall be reimbursed for expenses necessarily incurred in the
368 performance of their duties.
- 369 (f) The members of the committee shall select the chairperson of the

370 committee from among the members of the committee. Until such
371 selection, the speaker of the House of Representatives and the president
372 pro tempore of the Senate shall select an acting chairperson of the
373 committee from among the members of the committee. Such acting
374 chairperson shall schedule the first meeting of the committee, which
375 shall be held not later than sixty days after the effective date of this
376 section.

377 (g) The committee shall have the following powers and duties: To (1)
378 review and evaluate the financial status of the constituent units of the
379 state system of higher education, as defined in section 10a-1 of the
380 general statutes, and The University of Connecticut Health Center; (2)
381 assess the future financial needs and financial challenges for such
382 constituent units of the state system of higher education and The
383 University of Connecticut Health Center, and make recommendations
384 concerning fiscal constraints and budget priorities for any such
385 constituent unit or The University of Connecticut Health Center; (3)
386 request and obtain financial information and documents from any such
387 constituent unit or The University of Connecticut Health Center; and (4)
388 conduct public hearings and meetings with officials from any such
389 constituent unit or The University of Connecticut Health Center. The
390 review and evaluation conducted pursuant to subdivision (1) of this
391 subsection shall be the committee's primary duty.

392 (h) The committee may, with the approval of the Joint Committee on
393 Legislative Management, retain such staff as may be necessary for the
394 discharge of its duties.

395 (i) The committee is authorized to accept gifts, donations and grants
396 from the federal government or other public or private sources, for the
397 purpose of funding the operations of the committee, as approved by the
398 Governor and the Joint Committee on Legislative Management.

399 (j) Not later than January 1, 2025, and at least annually thereafter, the
400 committee shall submit a report that sets forth its findings and
401 recommendations for improving the financial management of the
402 constituent units of the state system of higher education and The

403 University of Connecticut Health Center to the Governor and to the joint
 404 standing committees of the General Assembly having cognizance of
 405 matters relating to appropriations and the budgets of state agencies and
 406 higher education, in accordance with the provisions of section 11-4a of
 407 the general statutes. Each such report shall contain recommendations
 408 for cost-saving measures, strategies to increase revenue and any other
 409 strategies and recommendations for ensuring the long-term financial
 410 stability of the state system of higher education and The University of
 411 Connecticut Health Center. Such report may include recommendations
 412 for legislation and any other policy recommendations to address issues
 413 or challenges identified by the committee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	PA 23-170, Sec. 23
Sec. 3	<i>July 1, 2024</i>	4-66g(b)
Sec. 4	<i>from passage</i>	4-9d(a)
Sec. 5	<i>January 1, 2025</i>	5-250
Sec. 6	<i>from passage</i>	10a-173(b)
Sec. 7	<i>from passage</i>	51-49d(c) and (d)
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>July 1, 2024</i>	1-79(5)
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Sections 1, 10, 11(b)(7) and 11(j), "cognizance of matters relating to appropriations" was changed to "cognizance of matters relating to appropriations and the budgets of state agencies" for accuracy; in Section 11(c), "subdivisions (1) to (6)" was changed to "subdivisions (1) to (8)", for accuracy; and in Section 10, "nonprofits" was changed to "nonprofit organizations" in four places for clarity.

APP *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 25 \$	FY 26 \$
Policy & Mgmt., Off.	GF - Cost	950,000	None
Legislative Mgmt.	GF - Potential Cost	See Below	See Below
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below
State Comptroller - Fringe Benefits ¹	GF - Savings	14,300,000	14,700,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Revenue Gain/Loss	See Below	See Below

Explanation

The bill results in various impacts described below.

Section 1, which does not have a fiscal impact, requires the Connecticut Port Authority to submit a report, by January 1, 2025, and quarterly thereafter, to the Transportation and Appropriations Committees on various agency activities.

Section 2 moves out the date by one year for a report required from the Office of Policy and Management (OPM) and the Department of Energy and Environmental Protection regarding certain

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 41.25% of payroll in FY 25.

recommendations. This does not result in a fiscal impact as the agencies have the expertise necessary for this report.

Section 3 increases the annual municipal grant limit under the Small Town Economic Assistance Program (STEAP), which could result in increased or more rapid use of funds authorized for the program. The program is funded through General Obligation (GO) bond funds. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been. As of March 1, 2024, the unallocated bond balance available under the relevant authorization is \$35 million. An additional \$35 million of GO bonds become effective on July 1, 2024, under current law. The bill does not change GO bond authorizations relevant to the program. Additionally, this could result in changes to revenue gains to municipalities that qualify for STEAP grants, to the extent some towns are awarded grants greater than \$500,000 and/or other towns are not awarded grants because available funding was used for larger grant amounts elsewhere.

Section 4 allows certain elected or appointed officers of the executive or judicial branch to designate an employee of that agency to serve in their place for a board, commission, council, authority, task force or other body. This does not result in a fiscal impact as it does not change the required number of individuals to serve.

Section 5, which allows full-time state employees to take accrued vacation or personal leave while still within their working test periods, results in no cost to the state. Currently certain positions do not permit an employee to take vacation or personal leave during the first six months of employment. The section also requires the Department of Administrative Services (DAS) to adopt policy and procedures to implement this change which results in no cost to the state.

Section 6 makes procedural and technical changes for the disbursement of Willis Scholarship funds, which are not expected to result in a fiscal impact.

Section 7 changes the amortization methodology for the judges, family support magistrates and compensation commissioners' retirement system (JRS) to a fifteen-year layered approach beginning on July 1, 2024, resulting in reduced unfunded liability contributions of approximately \$14.3 million in FY 25 and \$14.7 million in FY 26.²

Section 8 requires the State Employees Retirement Commission to prepare and submit a revised actuarial valuation which results in no fiscal impact to the state as the fund will bear the actuarial costs.

Section 9 expands what qualifies as a gift under statute to include travel expenses, lodging, food and benefits when applied to a member of the Investment Advisory Council and results in no fiscal impact to the state or municipalities.

Section 10 requires OPM to conduct a review of the state contracting process for all state agencies and submit a report by January 1, 2025.³ This results in a cost of \$950,000 to OPM in FY 25 for a consultant as OPM does not have the staff necessary to meet these requirements in the specified time frame.

Section 11 establishes a Higher Education Financial Oversight Committee to evaluate the financial status of the state colleges and universities resulting in a potential cost to the Office of Legislative Management (OLM). This section allows the committee to be reimbursed for necessary expenses and to retain staff if necessary, resulting in a potential cost to OLM to the extent expenses occur and staff are hired.

The Out Years

Agency Affected	Fund-Effect		FY 27 \$	FY 28 \$	FY 29 \$
State Comptroller - Fringe Benefits	GF - Savings		15,200,000	15,600,000	16,100,000

Note: GF=General Fund

² Estimates are sourced from Cavanaugh Macdonald Consulting, LLC and the Office of Policy and Management.

³ It is estimated a review will be needed of approximately 36 agencies.

The revised methodology associated with Section 7 is anticipated to lower the unfunded actuarial accrued liability (UAAL) payments by approximately \$127 million between FY 2025 - 2032 but increase payments by approximately \$210 million over the FY 2033 - FY 2039 period resulting in a net increase in UAAL payments by \$83 million over the total fifteen-year period. Any additional changes to the UAAL will result in future payments with their own 15 year closed period base associated with the change to a layered approach.

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

OFA Bill Analysis**HB 5047*****AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATIONS FOR GENERAL GOVERNMENT.*****SUMMARY:**

The bill makes various changes described below by section.

EFFECTIVE DATE: Upon passage, unless otherwise noted below.

§ 1 – Connecticut Port Authority

The bill requires the Connecticut Port Authority to submit a report, by January 1, 2025, and quarterly thereafter, to the Transportation and Appropriations Committee on the following agency activities: (1) its work to support grants under the Small Harbor Improvement Projects Program, (2) its dredging activities and the needs concerning dredging in harbors in the state, and (3) its marketing activities on behalf of maritime activities in the state.

§ 2 – Recommendations on Creating a New Solid Waste Related Quasi-Public State Agency

The bill moves out the date by one year for a report containing the recommendations from the Office of Policy and Management (OPM) and the Department of Energy and Environmental Protection on the feasibility and advisability of creating a new quasi-public state agency, waste authority, or other entity for developing new solid waste infrastructure, operating, and maintaining new or existing solid waste infrastructure and for other purposes.

§ 3 – Small Town Economic Assistance

The bill increases the annual municipal grant limit under the Small Town Economic Assistance Program (STEAP) from \$500,000 to \$1,000,000.

Under existing law unchanged by the bill, STEAP funds economic development, community conservation and quality of life projects for localities that are ineligible to receive Urban Action bonds.

Examples of projects that can be funded through this program include: (1) economic development projects such as constructing or rehabilitating buildings, or repairing roads; (2) recreation and solid waste disposal projects; (3) social service-related projects, including day care centers, elderly centers, domestic violence and emergency homeless shelters, multipurpose human resource centers, and food distribution facilities; (4) housing projects; and (5) pilot historic preservation and redevelopment programs that leverage private funds.

EFFECTIVE DATE: July 1, 2024.

§ 4 – Designation of Replacing Members on Governmental Bodies

The bill permits an elected or appointed officer of the executive or judicial branch who is required to serve on a board, commission, council, authority, task force, or any other body and is unable, to designate an employee of that agency to serve in their place. This replacement will be considered an addition to another designated authority.

§ 5 – Vacation and Personal Leave for New Employees

The bill allows full-time state employees to take accrued vacation or personal leave while still within their working test periods. To accommodate this provision the bill provides a process in which personal days are accrued throughout the first year of employment.

The bill requires the Department of Administrative Services (DAS) to adopt policies and procedures to implement the provisions of the bill. DAS is required to post all policies and procedures to their website and submit them to the Secretary of State (SOS) for posting on the eRegulation System, fifteen days prior to the effective date of such policies and procedures. Before June 30, 2025, DAS is required to adopt or amend regulations to implement the provisions of the bill.

EFFECTIVE DATE: January 1, 2025.

§ 6 – Willis Scholarship

The bill requires that the Office of Higher Education disburse Willis Scholarship appropriations and allocations for FY 24 and FY 25 according to a plan developed by the office. The bill also removes a requirement that Willis Scholarship appropriations or allocations for FY 24 are used to make awards for the 2023-24 and 2024-25 academic years.

§ 7 – Connecticut Judges, Family Support Magistrates and Compensation Commissioners Retirement System

The bill amends the amortization methodology for the Connecticut Judges, Family Support Magistrates, and Compensation Commissioners Retirement System (JRS) beginning July 1, 2024, to a fifteen-year layered approach from a forty-year schedule of unfunded liability payments. The current unfunded actuarial accrued liability (UAAL) is set to be paid off in eight years, 2032. Under the proposed layered approach, the UAAL is amortized over fifteen years, with the final payment in 2039, and any additional changes to the UAAL would establish its own fifteen year closed period base.

§ 8 – State Employees Retirement Commission

Section 8 requires the State Employees Retirement Commission to prepare and submit a revised actuarial valuation for the JRS as of June 30, 2023, by June 30, 2024, to reflect the change to a fifteen-year layered amortization.

§ 9 – Gifts

Section 9 expands what qualifies as a gift under the state code of ethics for public officials to include travel expenses, lodging, food and benefits when applied to a member of the Investment Advisory Council under 3-13(b). This section also makes conforming changes in the definition.

EFFECTIVE DATE: July 1, 2024.

§ 10 – Review of the State Contracting Process

The bill requires OPM to (1) consult with DAS and the Attorney General in conducting a review of the state contracting process for all state agency contracts and payment policies and (2) provide a report to the Connecticut General Assembly by January 1, 2025. This includes all state agency contracts with service providers and nonprofit organizations.

The review and report must contain the following:

- A determination if staffing levels are adequate for the draft and process of the contract and if not, what the staffing levels should be.
- An identification of any complications that are a result of a tiered process or procurement.
- An identification of any complications regarding payment policies that prevent payments from being processed on time.
- A determination if it is feasible to allocate funds to service provider or nonprofits from a previous fiscal year to sustain operation of existing programs.

§ 11 Establishing a Higher Education Financial Oversight Committee

The bill establishes a Higher Education Financial Oversight Committee within the Legislative Department for administrative purposes only.

The committee shall (1) review and evaluate the financial status of the constituent units and the University of Connecticut Health center, (2) assess the future financial needs and challenges and make recommendations concerning the fiscal constraints and budget priorities, (3) request and obtain financial information and documents,

and (4) conduct public hearings and meetings with officials from the constituent units and the University of Connecticut Health Center.

Beginning January 1, 2025, and at least annually thereafter, the committee shall submit a report on its findings to the Appropriations and Higher Education Committees of the General Assembly.

Membership and Appointments:

The following members must be appointed to the council:

1. One by the speaker of the House of Representatives;
2. One by the President Pro Tempore of the Senate;
3. One by the majority leader of the House of Representatives;
4. One by the majority leader of the Senate;
5. One by the minority leader of the House of Representatives;
6. One by the minority leader of the Senate;
7. The chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and state agency budgets;
8. The chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to higher education;
9. Two appointed by the Governor, one with experience in higher education operations and one with experience in higher education financial management.

Initial appointments must be made within 30 days after the bill becomes effective and the appointing authority must fill any vacancies.

The House speaker and the Senate president must select a chairperson from among the committee's members, who must schedule

the first meeting within 60 days after the bill's effective date. The members of the committee shall then select a chairperson from the membership of the committee.

The members of the committee will serve without compensation but can be reimbursed for necessary expenses. The committee may retain staff upon the approval of the Joint Committee on Legislative Management.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 45 Nay 7 (04/04/2024)