



House of Representatives

General Assembly

File No. 371

February Session, 2024

House Bill No. 5444

House of Representatives, April 9, 2024

The Committee on Energy and Technology reported through REP. STEINBERG of the 136th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT ESTABLISHING A TEST BED TECHNOLOGIES PROGRAM.

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

1 Section 1. (NEW) (*Effective July 1, 2024*) (a) (1) There is established a
2 test bed technologies advisory board, which shall, within available
3 appropriations, meet not less than twice a year to undertake the
4 advisory board's powers and duties pursuant to this section. The
5 advisory board shall be an independent body within the Office of Policy
6 and Management for administrative purposes only. The advisory board
7 shall consist of the following members, who shall have experience
8 working in private sector businesses or in state agencies: (A) One
9 appointed by the Governor; (B) one appointed by the Secretary of the
10 Office of Policy and Management; (C) one appointed by the Treasurer;
11 and (D) one appointed by the Comptroller.

12 (2) If, in the exercise of the advisory board's powers and duties
13 pursuant to this section, the advisory board finds that (A) the use of a
14 certain technology, product or process would promote operational cost
15 reduction, and (B) the use of such technology, product or process would
16 be feasible in the operations of a state agency and would not have any
17 detrimental effect on such operations, the advisory board shall
18 recommend that such agency undertake a pilot test program during

19 which such agency shall use such technology, product or process in the
20 operations of such agency on a temporary basis. The purpose of such
21 pilot test program shall be to validate the effectiveness of such
22 technology, product or process in reducing operational costs.

23 (3) The advisory board shall not recommend a pilot test program by
24 a state agency for any such technology, product or process unless the
25 business that manufactures or markets the technology, product or
26 process demonstrates that (1) the use of such technology, product or
27 process by such agency will not adversely affect safety, (2) the
28 technology, product or process is presently available for commercial
29 sale and distribution or has potential for commercialization not later
30 than two years following the completion of such pilot test program by
31 such agency pursuant to this section, and (3) such technology, product
32 or process was not developed by a business that is eligible to participate
33 in the test program established pursuant to section 32-39e of the general
34 statutes.

35 (b) (1) The commissioner of each state agency shall administer pilot
36 test programs at state agencies for the use of technologies, products or
37 processes that promote operational cost reduction. The purpose of such
38 pilot test programs shall be to validate the effectiveness of such
39 technologies, products or processes in reducing operational costs.

40 (2) (A) An applicant interested in participating in such a program
41 shall submit an application to the commissioner of the state agency that
42 administers such program.

43 (B) Each applicant shall pay to the Office of Policy and Management
44 a fee of five thousand dollars for each application, at the time of making
45 such application.

46 (C) Such application shall include an assessment of the potential
47 viability of a pilot test program of such technology, product or process
48 at such agency conducted by an independent consulting firm or a
49 market research firm that specializes in market research for similar
50 technologies, products or processes.

51 (D) Such commissioner shall review such application for
52 completeness not later than thirty days after receipt of such application.

53 (E) Not later than ninety days after receipt of such application, such
54 commissioner shall determine whether to file a request to the advisory
55 board for a recommendation to test any such technology, product or
56 process that is the subject of such application. Any such request shall
57 include the assessment that such applicant submitted pursuant to
58 subparagraph (C) of this subdivision.

59 (c) Not later than thirty days after receipt of any request filed by the
60 commissioner of a state agency pursuant to subdivision (2) of subsection
61 (b) of this section, the advisory board shall evaluate any technology,
62 product or process that is the subject of such request and make a
63 recommendation pursuant to subdivision (2) of subsection (a) of this
64 section.

65 (d) If the advisory board recommends that a state agency undertake
66 a pilot test program, such agency, notwithstanding the requirements of
67 chapter 58 of the general statutes, shall accept delivery of such
68 technology, product or process and undertake such a pilot test program
69 during which such agency shall use such technology, product or process
70 in the operations of such agency on a temporary basis. The duration of
71 such pilot test program shall be not less than thirty days and not more
72 than sixty days.

73 (e) Any costs associated with the acquisition and use of such
74 technology, product or process by a state agency for a pilot test program
75 pursuant to this section shall be borne by the applicant. The acquisition
76 of any technology, product or process for a pilot test program pursuant
77 to this section shall not be deemed to be a purchase under the provisions
78 of state procurement law. The applicant shall maintain records related
79 to any such pilot test program, as required by the advisory board. All
80 proprietary information derived from such test program shall be
81 exempt from the provisions of subsection (a) of section 1-210 of the
82 general statutes.

83 (f) If the commissioner of the state agency that tested such
 84 technology, product or process determines that the pilot test program
 85 sufficiently demonstrates that the technology, product or process
 86 promotes operational cost reduction, such testing agency may request
 87 that the Commissioner of Administrative Services (1) procure such
 88 technology for use by such state agency, and (2) make such procurement
 89 pursuant to subsection (b) of section 4a-58 of the general statutes. If the
 90 Commissioner of Administrative Services grants a request to procure
 91 such technology for any state agency, the Commissioner of
 92 Administrative Services shall make information regarding such
 93 procurement available to all state agencies on the Internet web site of
 94 the Department of Administrative Services.

95 (g) The commissioner of a state agency may identify a technology,
 96 product or process that is procured, installed and tested by a
 97 municipality that promotes operational cost reduction. Such
 98 commissioner may file a request to the advisory board for a
 99 recommendation to test such technology, product or process. Not later
 100 than thirty days after receipt of such request, the advisory board shall
 101 evaluate the technology, product or process and make a
 102 recommendation pursuant to subdivision (2) of subsection (a) of this
 103 section. If the advisory board recommends such technology, product or
 104 process, such agency shall undertake a pilot test program in accordance
 105 with the provisions of subsections (d) to (f), inclusive, of this section.

106 (h) Any fees collected by the Office of Policy and Management under
 107 this section shall be paid to the State Treasurer and credited to the
 108 General Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2024	New section

ET Joint Favorable

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	Up to \$344,000	Up to \$337,000
State Comptroller - Fringe Benefits ¹	GF - Cost	Up to 138,500	Up to 138,500
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a cost to the Office of Policy and Management (OPM) and a potential revenue gain to the resources of the General Fund beginning in FY 25 associated with the establishment of a Test Bed Technologies program and the requirements associated with the program.

The cost to OPM will be up to \$344,000 in FY 25 and up to \$337,000 in FY 26.² This cost is associated with any additional staff that are required to complete the requirements of the program. There would also be a corresponding cost of up to \$138,500 in FY 25 and FY 26 to Office of the State Comptroller for associated fringe benefits.

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.

²These costs are for four additional staff: one staff attorney 2, one associate accountant, and two processing technicians. The costs also include training and supplies.

There is a potential revenue gain to the resources of the General Fund associated with a \$5,000 fee that applicants to the program must pay. The bill requires the fee to be paid to OPM, then passed to the State Treasurer's Office, then deposited into the General Fund.

The bill also establishes a Test Bed Technologies Advisory Board and requires each state agency to administer pilot test programs for using certain technologies beginning in FY 25. Any fiscal impact is dependent on how the agencies use this pilot program and is therefore uncertain.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of program applicants.

OLR Bill Analysis**HB 5444*****AN ACT ESTABLISHING A TEST BED TECHNOLOGIES PROGRAM.*****SUMMARY**

This bill requires each state agency's commissioner to administer pilot test programs for using technologies, products, or processes ("test subjects") that promote operational cost reduction at the agency to validate the test subjects' effectiveness in reducing operational costs. Relatedly, the bill creates a Test Bed Technologies Advisory Board to recommend test subjects to be used in the operations of state agencies on a temporary basis during a pilot test program.

The bill also establishes a process for the state to procure for state agencies test subjects that had been successfully shown to promote operational cost reduction. This process allows certain competitive bid or proposal requirements in existing law to be waived.

EFFECTIVE DATE: July 1, 2024

TEST BED TECHNOLOGIES ADVISORY BOARD

The bill creates the board as an independent body within the Office of Policy and Management (OPM) for administrative purposes only. Under the bill, the board has four members: one each appointed by the governor, the OPM secretary, the state treasurer, and the state comptroller. All must have experience working in private sector businesses or state agencies. Within available appropriations, the board must meet at least twice each year to exercise its powers and duties.

OPERATIONAL COST REDUCTION PILOT PROGRAMS***Applications and Recommendations***

Under the bill, applicants interested in participating in a pilot program must submit an application to the commissioner of the agency

that administers the program and, when applying, pay a \$5,000 fee to OPM, which must be paid to the state treasurer and credited to the General Fund. The application must include an assessment of the potential viability of the test subject to be used in the program that must be done by an independent consulting firm or a market research firm specializing in market research for similar test subjects. (Although the bill does not define “applicant,” it presumably includes businesses that manufacture or market test subjects.)

The commissioner must review the application for completeness within 30 days after receiving it. Then, within 90 days after receiving the application, the commissioner must decide whether to request from the Test Bed Technologies Advisory Board a recommendation to test the application’s test subject. If a request is made, it must include the viability assessment described above.

Within 30 days after receiving a commissioner’s request for a recommendation, the advisory board must evaluate the applicable test subject and make a recommendation as required by the bill. More specifically, the board must recommend that the agency undertake a pilot test program using the test subject in the agency’s operation on a temporary basis if it finds that doing so would promote operational cost reduction, be feasible in the state agency’s operations, and not have any detrimental effect on the operations. However, the bill expressly prohibits the board from making a recommendation unless the business that manufactures or markets the test subject shows that:

1. using it will not adversely affect safety;
2. it is presently available for commercial sale and distribution, or it has potential for commercialization within two years after the pilot test program’s completion; and
3. it was not developed by a business that is eligible to participate in a separate state program in existing law, administered by Connecticut Innovations, Incorporated, for testing new or experimental technologies, products, or processes.

Test Program Implementation

If the advisory board recommends that a state agency initiate a pilot test program, the bill requires the agency to accept delivery of the test subject and begin the program, regardless of the laws regulating state purchases. The agency must use the test subject in the agency's operations on a temporary basis for 30 to 60 days.

The bill requires the program's applicant to pay any costs associated with the agency acquiring and using the test subject. Under the bill, acquiring the test subject for the program must not be deemed a purchase under the state procurement law's provisions. The applicant must maintain records related to the test program as required by the advisory board. All proprietary information derived from the test program is exempt from the state's Freedom of Information Act.

Post-Testing Procurement

Under the bill, if the agency's commissioner determines that the pilot test program sufficiently shows that the test subject promotes operational cost reduction, then the agency may ask the Department of Administrative Services (DAS) commissioner to (1) procure the test subject for the agency to use and (2) make the procurement under the law that allows certain competitive bid or proposal requirements to be waived (subject to approval by the Standardization Committee if the procurement will cost at least \$100,000). If the DAS commissioner grants a request to procure a test subject for an agency, she must make information about the procurement available to all state agencies on the DAS website.

Municipal Test Subjects

The bill also allows a state agency commissioner to identify a test subject that promotes operational cost reduction that a municipality has procured, installed, and tested. The commissioner may file with the advisory board a request for a recommendation to test the test subject. Within 30 days after receiving the request, the board must evaluate the test subject and make a recommendation using the same criteria described above. If the board recommends the test subject, the agency

must begin a pilot test program under the same implementation and procurement provisions described above.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 18 Nay 2 (03/21/2024)