



# House of Representatives

General Assembly

**File No. 521**

January Session, 2025

Substitute House Bill No. 7184

*House of Representatives, April 3, 2025*

The Committee on Government Oversight reported through REP. DATHAN of the 142nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING GOVERNMENT OVERSIGHT, INCLUDING A REVIEW OF STATE PURCHASE OF SERVICE CONTRACTS WITH NONPROFIT PROVIDERS, STATE AGENCY CONTRACTS FOR CONSULTING SERVICES, MUNICIPAL GRANTS AND CERTAIN NONRESIDENT BIDDER CONTRACT AWARDS.***

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

1      Section 1. (*Effective from passage*) The Office of Legislative  
2      Management shall conduct a study regarding the feasibility of  
3      reestablishing the duties, responsibilities and staffing of the former  
4      Legislative Program Review and Investigations Committee within the  
5      joint standing committee of the General Assembly having cognizance of  
6      matters relating to government oversight, including, but not limited to,  
7      what additional staffing it would require, what costs would be  
8      associated with providing additional resources for the committee and  
9      any potential benefits of such reestablishment. Not later than February  
10     1, 2026, the executive director of the Office of Legislative Management  
11     shall submit a report, in accordance with the provisions of section 11-4a

12 of the general statutes, to the joint standing committee of the General  
13 Assembly having cognizance of matters relating to government  
14 oversight. Such report shall include any findings of such study and any  
15 recommendations for legislation to implement such findings.

16 Sec. 2. (NEW) (*Effective from passage*) (a) As used in this section and  
17 section 3 of this act, (1) "nonprofit human services provider" means a  
18 nonprofit entity that contracts with the state to provide health and  
19 human services that may include, but need not be limited to: (A)  
20 Services for persons with a physical disability, (B) services for persons  
21 with intellectual disability or developmental disabilities, including, but  
22 not limited to, autism spectrum disorder, and (C) behavioral health  
23 services; and (2) "purchase of service contract" and "state agency" have  
24 the same meanings as provided in section 4-70b of the general statutes,  
25 as amended by this act.

26 (b) Not later than January 1, 2026, and every five years thereafter, the  
27 Secretary of the Office of Policy and Management shall, in consultation  
28 with representatives of nonprofit human services providers, complete a  
29 review of the state's purchase of service contracts with nonprofit human  
30 services providers to determine whether the rates such providers are  
31 paid to deliver health and human services pursuant to such contracts  
32 adequately compensate such providers for providing the level of  
33 services expected by the state agency contracting with such provider.  
34 For any review conducted after July 1, 2026, the secretary shall examine  
35 the contracts and agreements for such services of not less than two state  
36 agencies each year.

37 (c) Not later than February 1, 2027, and every five years thereafter,  
38 the secretary shall submit a report, in accordance with the provisions of  
39 section 11-4a of the general statutes, to the joint standing committees of  
40 the General Assembly having cognizance of matters relating to human  
41 services, government administration, government oversight and  
42 appropriations and the budgets of state agencies. Such report shall  
43 include (1) a summary of the results of the review conducted under  
44 subsection (b) of this section, (2) any applicable recommendations

45 concerning requiring contracting state agencies to reduce contractual  
46 expectations if those expectations are not adequately funded by the  
47 contract or agreement, and (3) any recommended legislation necessary  
48 to implement such recommendations.

49       Sec. 3. (NEW) (*Effective from passage*) (a) Not later than January 1, 2026,  
50 and triennially thereafter, the Secretary of the Office of Policy and  
51 Management shall conduct a review of any reports that nonprofit  
52 human services providers are required to file with various state  
53 agencies, including requirements for program licensure or certification.  
54 Such review shall include, but not be limited to, the number of reports  
55 that are required to be filed, the amount of overlapping information in  
56 such reports, the time and resources needed for providers to prepare  
57 and file the reports, the reasons for requiring such reports and an  
58 analysis of how the reports are utilized by the state agency receiving  
59 such reports. State agencies and nonprofit human services providers  
60 shall provide any information requested by the secretary for purposes  
61 of such review.

62       (b) The secretary shall eliminate or consolidate any reporting  
63 required by a state agency that the secretary identifies under subsection  
64 (a) of this section as unduly burdensome or duplicative, unless such  
65 reporting is (1) necessary to prevent fraud or misuse of funds, (2)  
66 prescribed under federal law or regulation for the use of federal funds,  
67 or (3) required under any provision of state law.

68       (c) Not later than February 1, 2027, and triennially thereafter, the  
69 secretary shall submit a report, in accordance with the provisions of  
70 section 11-4a of the general statutes, to the joint standing committees of  
71 the General Assembly having cognizance of matters relating to human  
72 services, government administration, government oversight and  
73 appropriations and the budgets of state agencies. Such report shall  
74 include a summary of the results of the review conducted under  
75 subsection (a) of this section, any reporting eliminated or consolidated  
76 under subsection (b) of this section and any recommendations for any  
77 legislation necessary to eliminate burdensome or duplicative reporting

78 requirements required under state law.

79 Sec. 4. Subsection (d) of section 4-70b of the general statutes is  
80 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
81 *2025*):

82 (d) The secretary shall establish uniform policies and procedures for  
83 obtaining, managing and evaluating the quality and cost effectiveness  
84 of direct health and human services purchased from a private provider  
85 organization or municipality. To the extent permissible under federal  
86 law, such policies and procedures shall include, but not be limited to, a  
87 requirement that a private provider organization receive payment for  
88 any services provided pursuant to a purchase of service contract not  
89 later than forty-five days after the receipt of a properly completed claim  
90 or the receipt of such services, whichever is later, in accordance with  
91 section 4a-71. The secretary shall require all state agencies which  
92 purchase direct health and human services to comply with such policies  
93 and procedures.

94 Sec. 5. (NEW) (*Effective from passage*) (a) As used in this section:

95 (1) "Consultant" means any professional who (A) is registered or  
96 licensed to practice such profession in accordance with the applicable  
97 provisions of the general statutes or any planner or any environmental,  
98 management or financial specialist, and (B) provides consultant services  
99 to a state agency pursuant to a contract with such state agency,  
100 including, but not limited to, any architect, professional engineer,  
101 accountant, planner or environmental, management or financial  
102 specialist;

103 (2) "Consultant services" includes administrative, planning, analysis,  
104 statistical or research services rendered by any architect, professional  
105 engineer, accountant, planner or environmental, management or  
106 financial specialist as well as incidental services that members of such  
107 professions and those in their employ are authorized to perform, for  
108 purposes of recommending a state agency course of action;

109 (3) "Firm" means any individual, partnership, corporation, joint  
110 venture, association or other legal entity authorized by law to offer  
111 consultant services; and

112 (4) "State agency" means any office, department, board, council,  
113 commission, institution, constituent unit of the state system of higher  
114 education, technical education and career school or other agency in the  
115 executive branch of state government.

116 (b) Any state agency that contracts with a firm to provide consulting  
117 services at a cost of one hundred thousand dollars or more for purposes  
118 of producing a study or other report with recommendations for future  
119 actions for the state agency to undertake shall, not later than one year  
120 after receiving the results of such study or a final report from such firm,  
121 submit a report, in accordance with the provisions of section 11-4a of the  
122 general statutes, to the joint standing committee of the General  
123 Assembly having cognizance of matters relating to government  
124 oversight, summarizing the findings of the entity's report, whether any  
125 recommendations have been implemented by the agency, whether the  
126 state agency intends to implement any such recommendations in the  
127 future and, if applicable, by what date.

128 Sec. 6. Section 2-90 of the general statutes is amended by adding  
129 subsection (j) as follows (*Effective October 1, 2025*):

130 (NEW) (j) Said auditors shall audit, in accordance with the provisions  
131 of section 7 of this act, the records and accounts of any municipality that  
132 received a grant, as described in section 7 of this act, to the extent  
133 necessary to determine how the funds of such grant were used. Any  
134 municipality being audited by said auditors shall provide any  
135 information said auditors deem necessary to conduct such audit.

136 Sec. 7. (NEW) (*Effective October 1, 2025*) (a) On and after October 1,  
137 2025, any municipality, as defined in section 4-66l of the general statutes,  
138 that receives a grant of funds from the state for purposes of conducting  
139 a study shall report (1) the completion of such study to the Auditors of  
140 Public Accounts for potential audit of any funds provided for such

141 study, and (2) the findings of any such study to the Office of Policy and  
142 Management for posting on the Municipal Grant Portal established  
143 under section 4-68dd of the general statutes, as amended by this act, on  
144 a form prescribed by the Secretary of the Office of Policy and  
145 Management. A municipality shall not be eligible to receive more than  
146 one such state grant from a state agency through the same grant  
147 program for purposes of the same study within a three-year period.

148 (b) The auditors shall submit, in accordance with the provisions of  
149 section 11-4a of the general statutes, a report with the results of any such  
150 audit to the joint standing committee of the General Assembly having  
151 cognizance of matters relating to government oversight. The auditors  
152 may consolidate such reports, provided such reports shall be submitted  
153 to the committee not less than annually.

154 Sec. 8. Section 4-68dd of the general statutes is repealed and the  
155 following is substituted in lieu thereof (*Effective October 1, 2025*):

156 (a) [The] Not later than January 1, 2026, the Secretary of the Office of  
157 Policy and Management shall, within available appropriations,  
158 establish and maintain a single electronic portal available on the Internet  
159 and located on the Office of Policy and Management's Internet web site  
160 for the purpose of posting all state-funded municipal grant applications.  
161 Such electronic portal shall be known as the Municipal Grant Portal.

162 (b) The Municipal Grant Portal shall include, but not be limited to: (1)  
163 All state-funded municipal grant applications and municipal  
164 reimbursement request forms, (2) a searchable database for locating  
165 information regarding state-funded municipal grants, [and] (3) not later  
166 than July 1, 2026, a searchable database of the reported findings of any  
167 study funded by a state grant, as described in section 7 of this act, and  
168 (4) features to encourage the active recruitment and participation of  
169 municipalities in the state-funded municipal grant application process.

170 Sec. 9. Section 4a-57d of the general statutes is repealed and the  
171 following is substituted in lieu thereof (*Effective October 1, 2025*):

172 (a) On or before January 1, 2012, the Commissioner of Administrative  
173 Services, in consultation with the Labor Commissioner, the president of  
174 The University of Connecticut and the Commissioner of Transportation,  
175 or their designees, shall submit a report, in accordance with the  
176 provisions of section 11-4a, to the Governor and the joint standing  
177 committee of the General Assembly having cognizance of matters  
178 relating to labor. Such report shall include (1) an analysis of any law or  
179 economic factor that results in a resident bidder being at a disadvantage  
180 to a nonresident bidder in submitting the lowest responsible qualified  
181 bid, (2) the reason any enacted law designed to give preference to state  
182 citizens for employment on public works projects is not being enforced,  
183 and (3) recommendations for administrative or legislative action, within  
184 the confines of clause 3 of section 8 of article 1 of the United States  
185 Constitution, to increase the number of state contracts awarded to  
186 resident bidders through an in-state contract preference or otherwise.

187 (b) On or before July 1, 2012, the Commissioner of Administrative  
188 Services shall develop and implement a program to increase the number  
189 of state contracts awarded to resident bidders through an in-state  
190 contract preference or other method selected by the commissioner,  
191 provided such program shall not violate clause 3 of section 8 of article 1  
192 of the United States Constitution. In developing such program, the  
193 commissioner shall consider the findings contained in the report made  
194 in accordance with subsection (a) of this section.

195 (c) On or before February 1, 2026, and annually thereafter, the  
196 Commissioner of Administrative Services shall submit a report, in  
197 accordance with the provisions of section 11-4a, to the joint standing  
198 committee of the General Assembly having cognizance of matters  
199 relating to government administration on the number of state contracts  
200 in excess of fifty thousand dollars that the Department of  
201 Administrative Services awarded to nonresident bidders during the  
202 calendar year immediately preceding such report, including a  
203 description of the goods or services provided pursuant to such contract,  
204 the term and cost of the contract and the method of selecting the  
205 nonresident bidder. The commissioner may consolidate such report

206 with any other report required to be submitted to such committee.

207       Sec. 10. (NEW) (*Effective October 1, 2025*) On or before February 1,  
 208 2026, and annually thereafter, the Commissioner of Transportation shall  
 209 submit a report, in accordance with the provisions of section 11-4a of the  
 210 general statutes, to the joint standing committee of the General  
 211 Assembly having cognizance of matters relating to transportation on the  
 212 number of state contracts in excess of fifty thousand dollars that the  
 213 Department of Transportation awarded to nonresident bidders during  
 214 the calendar year immediately preceding such report, including a  
 215 description of the goods or services provided pursuant to such contract,  
 216 the term and cost of the contract and the method of selecting the  
 217 nonresident bidder. The commissioner may consolidate such report  
 218 with any other report required to be submitted to such 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>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2025</i>	4-70b(d)
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2025</i>	2-90(j)
Sec. 7	<i>October 1, 2025</i>	New section
Sec. 8	<i>October 1, 2025</i>	4-68dd
Sec. 9	<i>October 1, 2025</i>	4a-57d
Sec. 10	<i>October 1, 2025</i>	New section

**GOS**       *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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 26 \$</b>	<b>FY 27 \$</b>
Policy & Mgmt., Off.	GF - Cost	Up to \$3.5 million	425,000
Auditors	GF - Cost	138,314 to 276,627	179,218 to 358,436
Department of Administrative Services	GF - Cost	79,000	79,000
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	258,782 to 312,402	276,655 to 348,149
Various State Agencies	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill makes various changes regarding government oversight resulting in impacts described below.

**Section 1** requires the Office of Legislative Management (OLM) to study the feasibility of reestablishing the Program Review and Investigations Committee resulting in no fiscal impact to the state because OLM has the resources and expertise to meet the requirements of the bill.

**Sections 2-4** results in a cost of up to \$3.4 million in FY 26 and

<sup>1</sup>The 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 40.71% of payroll in FY 26.

approximately \$425,000 in FY 26 to the Office of Policy and Management (OPM) for various requirements including reviews and reports related to nonprofit human service providers.

The cost to OPM consists of four new positions and associated training and supplies at approximately \$425,000 in FY 26 and FY 27.<sup>2</sup> There is a corresponding cost of \$173,000 in FY 26 and FY 27 to the Office of the State Comptroller (OSC) for associated fringe benefits.

These sections also result in a one-time cost of approximately \$2 million to OPM in FY 26 for vendor costs to meet the January 1, 2026, review deadline. This includes a consultant to conduct research on the existing purchase of service contracts and reporting requirements.<sup>3</sup> There is also a potential cost of \$1 million to the extent Core-CT requires any changes or upgrades.

The sections also require state agencies contracting for direct human services to pay providers within 45 days of service delivery. While the new parameters may shift the timing of payments to providers, they do not alter the overall value of the contracts. State agencies may incur administrative costs to the extent they are required to modify their payment structure and hire additional staff to satisfy the 45-day payment deadline, as outlined in the bill. For context, the starting salaries for related fiscal staff range from approximately \$65,000 to \$100,000 annually.

**Section 5** requires any state agency who contracts for a study for at least \$100,000 to submit a report to the Government Oversight Committee resulting in no fiscal impact to the state because state agencies have the resources to submit the required report.

**Sections 6 to 7** require the Auditors of Public Accounts (APA) to audit the records and accounts of any municipality that received a state

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<sup>2</sup> The four positions in OPM consist of two account examiners, one grants and contract specialist, and one staff attorney.

<sup>3</sup> OPM estimates there are more than 1,500 existing purchase of service contracts that would have to be reviewed.

grant to conduct a study resulting in a cost to the state. To meet the requirements of the bill the APA will need to hire two to four additional auditors for a cost of \$138,314 to \$276,627 in FY 26<sup>4</sup> and \$179,218 to \$358,436 in FY 27, along with associated fringe benefit costs of \$53,621 to \$107,241 in FY 26 and \$71,494 to \$142,988 in FY 27. The exact number of new auditors is dependent on the number of municipalities that receive state funding for studies each year.

**Section 8** expands the information that must be available on the Municipal Grant Portal on OPM's website to include a searchable database of the reported findings of any study funded by a state grant. This may result in a cost of \$100,000 in FY 26 for a consultant to complete this work and meet the January 1, 2026, deadline.

**Section 9** requires the Department of Administrative Services (DAS) to produce a report annually for state contracts over \$50,000 detailing the residency status of the bidder, the goods and services provided under the contract, the terms and cost of the contract, and the method used in selecting the bidder. This will require DAS to hire an additional contract analyst to administer these provisions with a total cost of \$111,161 in FY 26 and FY 27 (\$79,000 for salary in DAS and \$32,161 for fringe benefits in the State Comptroller – Fringe Benefits).

**Section 10**, which is not expected to result in a fiscal impact, requires DOT to submit a report by February 1, 2026, and annually thereafter, on the number of DOT contracts over \$50,000 awarded to non-resident bidders, as described in the bill.

### ***The Out Years***

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

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<sup>4</sup>FY 26 costs reflect 9 months of expenditures due to the sections October 1, 2025 effective date.

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**OLR Bill Analysis****sHB 7184*****AN ACT CONCERNING GOVERNMENT OVERSIGHT, INCLUDING A REVIEW OF STATE PURCHASE OF SERVICE CONTRACTS WITH NONPROFIT PROVIDERS, STATE AGENCY CONTRACTS FOR CONSULTING SERVICES, MUNICIPAL GRANTS AND CERTAIN NONRESIDENT BIDDER CONTRACT AWARDS.*****TABLE OF CONTENTS:****[§ 1 — PRI STUDY](#)**

Requires OLM to study the feasibility of reestablishing PRI within the Government Oversight Committee

**[§ 2 — ADEQUATE COMPENSATION FOR NONPROFIT HUMAN SERVICES PROVIDERS](#)**

Requires the OPM secretary to report every five years on whether state contracts with nonprofit human services providers adequately compensate the providers

**[§ 3 — BURDENSOME AND DUPLICATIVE REPORTING REQUIREMENTS](#)**

Requires the OPM secretary, every three years, to report on burdensome or duplicative reporting requirements for nonprofit human services providers

**[§ 4 — TIMELY PAYMENTS TO NONPROFIT HUMAN SERVICES PROVIDERS](#)**

Requires the OPM secretary, to the extent allowed under federal law, to require that state agencies pay the providers within 45 days after they deliver their contracted services or submit a properly completed claim

**[§ 5 — CONSULTANT REPORTS](#)**

Requires each state agency that contracts for certain consultant services to give the Government Oversight Committee a report on the agency's implementation of the consultant's recommendations

**[§§ 6-8 — STATE GRANTS FOR MUNICIPAL STUDIES](#)**

Requires APA to audit municipalities that receive state grants to conduct studies; requires OPM's Municipal Grant Portal to include a database of the studies' results

### §§ 9 & 10 — DAS AND DOT OUT-OF-STATE CONTRACTING REPORTS

Requires DAS and DOT to each annually report on their contracts over \$50,000 awarded to nonresident bidders

### **SUMMARY**

This bill makes various unrelated changes to the general statutes, as described in the section-by-section analysis below.

EFFECTIVE DATE: Various; see below.

### **§ 1 — PRI STUDY**

*Requires OLM to study the feasibility of reestablishing PRI within the Government Oversight Committee*

The bill requires the Office of Legislative Management (OLM) to study the feasibility of reestablishing the duties, responsibilities, and staffing of the former Legislative Program Review and Investigations Committee (PRI) within the Government Oversight Committee. The study must at least cover (1) what additional staffing it would require, (2) the costs associated with giving the committee additional resources, and (3) any potential benefits to reestablishing PRI. OLM's executive director must submit the study, including any findings and recommendations for legislation, to the Government Oversight Committee by February 1, 2026.

EFFECTIVE DATE: Upon passage

### ***Background — Related Bill***

sHB 5422, favorably reported by the Government Administration and Elections (GAE) Committee, statutorily reestablishes PRI.

### **§ 2 — ADEQUATE COMPENSATION FOR NONPROFIT HUMAN SERVICES PROVIDERS**

*Requires the OPM secretary to report every five years on whether state contracts with nonprofit human services providers adequately compensate the providers*

The bill requires the Office of Policy and Management (OPM)

secretary to complete a review of the state's purchase of service contracts and personal service agreements with nonprofit human services providers to determine whether their pay rates adequately compensate the providers for the level of service expected by their contracting state agency. The review must be done in consultation with the providers' representatives. The bill requires the first review to be finished by January 1, 2026, followed by another review every five years. For reviews done after July 1, 2026, OPM must review the contracts and agreements of at least two state agencies each year.

Then, starting by February 1, 2027, the secretary must submit a report to the Human Services, GAE, Government Oversight, and Appropriations committees every five years. The report must include (1) a summary of the review, (2) any applicable recommendations on requiring contracting state agencies to reduce their contractual expectations if they are not adequately funded by the contract or agreement, and (3) any recommended legislation needed to implement the recommendations.

Under the bill, a "nonprofit human services provider" is a nonprofit entity that contracts with the state to provide health and human services such as (1) services for people with a physical disability; (2) services for people with intellectual or developmental disabilities, including autism spectrum disorder; and (3) behavioral health services. A "state agency" is any department, board, council, commission, institution, or other executive branch agency. A "purchase of service contract" is a contract between a state agency and a private provider organization or municipality (but not an individual) to obtain direct health and human services for agency clients, but generally not for material goods or administrative, clerical, training, or consulting services.

EFFECTIVE DATE: Upon passage

### ***Background — Related Bill***

SB 1231 (File 130), favorably reported by the GAE Committee, includes a substantially similar provision.

### **§ 3 — BURDENSOME AND DUPLICATIVE REPORTING REQUIREMENTS**

*Requires the OPM secretary, every three years, to report on burdensome or duplicative reporting requirements for nonprofit human services providers*

The bill requires the OPM secretary, starting by January 1, 2026, to triennially review any reports that nonprofit human services providers must file with state agencies, including those for program licensure or certification. The review must at least look at (1) how many reports must be filed, (2) the amount of overlapping information in them, (3) the time and resources needed to prepare and file them, (4) why the reports are required, and (5) how state agencies use them. State agencies and the providers must give the secretary any information he requests for the review.

The bill requires the secretary to eliminate or consolidate any reporting requirement that he identifies in the review as unduly burdensome or duplicative, unless it is (1) needed to prevent fraud or misuse of funds, (2) required by federal law or regulations to use federal funds, or (3) required by state law.

Starting by February 1, 2027, the secretary must triennially submit a report to the Human Services, GAE, Government Oversight, and Appropriations committees. The report must include a summary of the review's results, any reporting eliminated or consolidated as required by the bill, and any recommendations for legislation needed to eliminate burdensome or duplicative reporting requirements under state law.

EFFECTIVE DATE: Upon passage

#### ***Background — Related Bill***

SB 1231 (File 130), favorably reported by the GAE Committee, includes a substantially similar provision.

### **§ 4 — TIMELY PAYMENTS TO NONPROFIT HUMAN SERVICES PROVIDERS**

*Requires the OPM secretary, to the extent allowed under federal law, to require that state agencies pay the providers within 45 days after they deliver their contracted services or submit a properly completed claim*

By law, the OPM secretary must set uniform policies and procedures for obtaining, managing, and evaluating the quality and cost effectiveness of direct health and human services purchased from private provider organizations or municipalities. Under the bill, these policies and procedures must include, to the extent allowed under federal law, a requirement that a private provider organization be paid for services it delivers under a purchase of service contract within 45 days after receipt of the services or a properly completed claim, whichever is later. In addition, the payments must comply with the law on prompt payment by state departments and agencies, which generally requires state agencies to pay interest on amounts due when they fail to make timely payments.

As under existing law, the secretary must require all state agencies that purchase direct health and human services to follow these policies and procedures.

EFFECTIVE DATE: July 1, 2025

### ***Background — Related Bill***

SB 1231 (File 130), favorably reported by the GAE Committee, includes an identical provision.

### **§ 5 — CONSULTANT REPORTS**

*Requires each state agency that contracts for certain consultant services to give the Government Oversight Committee a report on the agency's implementation of the consultant's recommendations*

The bill requires any state agency that contracts for at least \$100,000 in consulting services for a study with recommendations for future actions by the agency to submit a report to the Government Oversight Committee. The report must summarize the findings of the consultant's report and whether the agency has implemented or intends to implement any of its recommendations, and if so, by what date. The agency must submit the report to the committee within one year after receiving the study results or final report from the consulting service.

For this provision, a "state agency" is any office, department, board,



council, commission, institution, constituent unit of the state higher education system, technical education and career school, or other executive branch agency.

“Consultant services” include administrative, planning, analysis, statistical, or research services rendered by an architect; professional engineer; accountant; planner; or environmental, management, or financial specialist (including incidental services that those professions and their employees are authorized to perform) to recommend a state agency’s course of action.

EFFECTIVE DATE: Upon passage

## **§§ 6-8 — STATE GRANTS FOR MUNICIPAL STUDIES**

*Requires APA to audit municipalities that receive state grants to conduct studies; requires OPM’s Municipal Grant Portal to include a database of the studies’ results*

The bill requires any municipality that receives a state grant to conduct a study to report the study’s (1) completion to the Auditors of Public Accounts (APA) for potential audit of any funds provided for the study and (2) findings to OPM for posting on the Municipal Grant Portal on a form set by the OPM secretary. The bill prohibits a municipality from receiving more than one state grant for the same study, through the same grant program, within a three-year period.

The bill correspondingly requires APA to audit the records and accounts of any municipality that received a state grant to conduct a study to the extent needed to determine how the grant funds were used. Any municipality being audited by APA must provide any information APA needs for the audit.

Under the bill, APA must submit a report with the audit’s results to the Government Oversight Committee. APA may consolidate these reports as long as they are submitted to the committee at least annually.

Current law requires the OPM secretary to establish the Municipal Grant Portal on OPM’s website for posting all state-funded municipal grant applications. The bill sets a January 1, 2026, deadline for this to

occur. It also expands the information that must be available on the portal to include, by July 1, 2026, a searchable database of the reported findings of any study funded by a state grant as described above.

EFFECTIVE DATE: October 1, 2025

## **§§ 9 & 10 — DAS AND DOT OUT-OF-STATE CONTRACTING REPORTS**

*Requires DAS and DOT to each annually report on their contracts over \$50,000 awarded to nonresident bidders*

The bill requires the Department of Administrative Services (DAS) and Department of Transportation (DOT) commissioners, starting by February 1, 2026, to each annually report on the number of state contracts over \$50,000 that their respective agency awarded to nonresident bidders over the preceding calendar year. The reports must include a description of the goods or services provided under each contract, its terms and cost, and how the nonresident bidder was selected. The DAS commissioner must submit her report to the GAE Committee, and the DOT commissioner must submit his report to the Transportation Committee. Each may consolidate the report with any other report their department must submit to the respective committee.

EFFECTIVE DATE: October 1, 2025

## **COMMITTEE ACTION**

Government Oversight Committee

Joint Favorable Substitute

Yea 12    Nay 0    (03/18/2025)