

Government Oversight Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7184

Title: AN ACT CONCERNING GOVERNMENT OVERSIGHT.

Vote Date: 3/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/11/2025

File No.:

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SPONSORS OF BILL:

Government Oversight Committee

REASONS FOR BILL:

This bill requires OLM to conduct a study regarding the feasibility of reestablishing the duties, responsibilities and staffing of the former Legislative Program Review and Investigations Committee within the government oversight committee by February 1, 2026, including any findings of study and any recommendations for legislation to implement its findings. Section 2 requires OPM, in consultation with nonprofit human services providers, to complete a review by January 1, 2026, of the state's purchase of service contracts with providers to determine whether the rates that providers are paid adequately compensate them for delivering a level of expected services. OPM is required to examine contracts and agreements for services of at least two state agencies each year. Section 3 requires OPM to conduct a review of any reports that nonprofit human services providers are required to file. OPM is required to submit a report by February 1, 2027, and triennially thereafter, to the Human Services, GAE, Government Oversight, and Appropriations Committees. This report is required to include a summary of the results of the review with various state agencies, including requirements for program licensure or certification. Section 4 amends the statute regarding OPM's uniform policies and procedures for evaluating the effectiveness of direct health and human services purchased from towns or private providers. It clarifies policies and procedures which include a requirement that a private provider organization receive payment for any services not later than 45 days after the receipt of a claim, or after the receipt of services.

This bill also requires any state agency that contracts with a firm for consulting services costing more than \$100,000 for purposes of producing a study, to submit a report to the Government Oversight Committee within a year of receiving results of the study.

Section 6 requires the Auditors of Public Accounts to audit the records and amounts of any municipality that received a grant from the state for the purposes of conducting a study to determine how the funds were used. Sec 7 requires any municipality that receives a grant from the state for the purposes of conducting a study to report on or after October 1, 2025 to the Auditors of Public Accounts and the findings of such study to OPM. This bill also requires

OPM to include in its Municipal Grant Portal a searchable database regarding the reported findings of any study funded by a state grant. Section 9 requires DAS to submit an annual report to the Government Oversight Committee on the number of state contracts exceeding \$50,000 that DAS awarded to nonresident bidders during the previous calendar year. Section 10 requires DOT to submit an annual report, by February 1, 2026, to the Transportation Committee, on the number of state contracts over \$50,000 that DOT awarded to nonresident bidders during the previous calendar year.

Substitute Language:

Changed Sec. 1 from study reestablishing PRI to study adding duties and staffing to GOS.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michelle Gilman: Commissioner, CT Department of Administrative Services:

Opposes section 5 of this bill because as an acting agent for another agency, they lack insight on potential courses of action said agency it acts on behalf of will take, therefore making it nearly impossible for DAS to file certain administrative reports in regards to fees in excess of \$100,000. Opposes section 9 of this bill because it would require them to potentially award certain contracts to nonresident bidders, which puts state bidders at a disadvantage.

Jeffrey Beckham: Secretary, CT office of Policy Management:

Opposes Sections 2-4 because they feel some of the language revolving around the requirement of research done by OPM is redundant of language in sections 1-3 of SB1231. Additionally, they foresee upwards of \$3 million in startup and staffing costs up front, as well as hundreds of thousands of dollars per year of operation.

Craig Miner, John Geragosian: CT Auditors of Public Accounts:

Opposes this bill because it leaves them with questions regarding the scope and objective of audits, they'll be tasked with performing under this legislation. They feel in the dark when it comes to the number of grants and the complexity of them, and they are left with the impression that this legislation would raise costs drastically.

Garrett Eucalitto: Commissioner, CT Department of Transportation:

Opposes this bill because they foresee a drastic rise in operational and administrative costs which are not accounted for in the bill as it is written. They routinely enter contracts for consulting services with engineering firms greater than the \$100,000 threshold requiring them to produce a report on the expenditures.

NATURE AND SOURCES OF SUPPORT:

Laurie Bartholic: Reliance Health Inc., Service Director:

Supports this bill because it will address numerous gaps that currently exist when it comes to funding of non-profits. Many are struggling to stay afloat and fulfil their mission due to lack of government aid, which leaves countless people throughout the state dependent on non-profit services in the dark.

Laura Shulman Cordeira: Director of Community Health and Wellness, RVNAhealth:

Supports this bill because it will enable them to execute state contracts in a much more timely manner, making care more efficient and accessible to those who need it most, as well as improve working conditions and terms of employment for employees of the non-profit industry.

Carrie Dyer: CEO, Reliance Health:

Supports this bill because it provides much needed support to non-profits in an economy struggling with inflation and an industry with increasing compliance expectations. They strongly support taking steps that would help the industry function more efficiently and seamlessly and they believe this bill will do so.

Rick Sebastian: President and CEO, The Kennedy Collective:

Supports this bill because it would address the issue of the rate reimbursement structure by the state. States that the non-profit sector should work in tandem with the state, as opposed to subsidizing it which is not sustainable long term.

Ari Rosenberg: Executive Director, Association of Religious Communities:

Supports this bill because it would help them improve many issues they face in delivering essential health and human services to residents of the state. Specifically, they support the measure that would require an evaluation of the rate reimbursement structure, which is the biggest issue in their operation expenditures. They feel this could lead to talented individuals passing over employment within the industry.

Ben Shaiken: Director of Government Relations, CT Community Nonprofit Alliance:

Supports this bill for the reestablishment of Legislative Program Review and Investigations Committee, which would provide crucial oversight in the nonprofit/government relationship that can help increase efficiency and keep guardrails in place. He attributes a lack of oversight to many of the issues faced in the sector.

NATURE AND SOURCES OF OPPOSITION:

None Provided

Reported by: Greg Wolff, Griffin Olshan

Date: 3/24/25