OLR Bill Analysis
sHB 7092

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

SUMMARY

This bill makes various changes in the government administration statutes. It generally:

1. prohibits state agencies from entering, without the attorney general's or governor's approval, certain settlement agreements that prohibit an employee from working while requiring that the employee continue to be paid;

2. specifies a process for determining when a foundation that supports a state agency must reimburse the agency for the services of state employees;

3. makes several changes related to the Auditors of Public Accounts' (APA) involvement in audits conducted by other state agencies;

4. removes a requirement for the comptroller to be part of an annual audit that APA must conduct on the treasurer's books and accounts (§ 3); and

5. requires a quasi-public agency to submit the required annual report with certain agency administrative and financial information to the governor and APA within six months after its fiscal year ends (current law does not set a specific deadline) (§ 7).

EFFECTIVE DATE: October 1, 2025

§ 1 — SETTLEMENT AGREEMENTS

Current law generally prohibits state agencies (including the higher education constituent units and institutions) from paying a resigning or retiring employee more than $50,000 to avoid potential litigation or under a nondisparagement agreement, unless the payment is (1) for a settlement agreement entered into by the attorney general for the agency or (2) authorized by the governor. The bill extends this prohibition to also cover any other types of these agreements that prohibit an employee from working while continuing to be paid his or her regular salary and benefits.

§ 2 — FOUNDATION REIMBURSEMENTS FOR STATE EMPLOYEES

Current law generally requires foundations that support state agencies (e.g., the UConn Foundation) to ensure that they pay the salaries, benefits, and expenses of their officers and employees. The bill specifies that this does not apply to those officers or employees who are state employees paid by the state under an agreement with the foundation.

Existing law relatedly requires a state agency and its foundation to have a written agreement that requires the foundation to reimburse the agency for the expenses the agency incurs for the foundation's operations that it otherwise would not have incurred. The bill requires this agreement to include whether the foundation must reimburse the agency for any portion of the expenses, salaries, or benefits of state employees providing services to the foundation, and if so, in what amount.

§§ 4-6 — APA INVOLVEMENT IN OTHER AGENCIES' AUDITS

The law requires the State Contracting Standards Board to triennially audit state contracting agencies. The bill removes a provision that allows the board to enter into an agreement with APA to do these audits.

Current law also generally requires a state agency proposing to contract for auditing services to wait until APA advises the agency on whether it could perform the services. The bill removes this limitation and instead requires the agency to (1) ensure that the contract requires the auditor to give APA any information related to the audit's findings upon request and (2) report the audit's results to APA within 15 days after receiving the audit report.

BACKGROUND

Legislative History

The House referred the bill (File 515) to the Appropriations Committee, which favorably reported a substitute that removes a requirement for state agencies to adopt and implement a complaint policy and the Department of Administrative Services to create a model policy for them to use.

COMMITTEE ACTION

Government Oversight Committee

Joint Favorable Substitute
Yea 12 Nay 0 (03/18/2025)

Appropriations Committee

Joint Favorable Substitute
Yea 43 Nay 6 (05/05/2025)