
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.

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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)