



General Assembly

February Session, 2004

Raised Bill No. 366

LCO No. 1529

01529_____PRI

Referred to Committee on Program Review and Investigations

Introduced by:
(PRI)

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING THE BUDGET PROCESS IN CONNECTICUT.**

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

1 Section 1. Section 2-36a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) On or before November 15, 1991, and annually thereafter, the
4 joint standing committee of the General Assembly having cognizance
5 of matters relating to appropriations and the budgets of state agencies
6 shall hold a public hearing and shall meet concerning any state agency
7 which has a potential deficiency in an appropriated account included
8 on the list submitted to said committee pursuant to section 2-36.

9 (b) On or before November 15, 2004, and annually thereafter, the
10 joint standing committees of the General Assembly having cognizance
11 of matters relating to appropriations and the budgets of state agencies
12 and finance, revenue and bonding shall hold a joint informational
13 meeting to consider the current and future balance of the state budget.
14 The legislative Office of Fiscal Analysis shall provide the committees

15 with information concerning: Trends in revenues and expenditures;
16 potential deficiencies and new spending requirements; assumptions
17 for revenue forecasting; tax expenditures; federal funding; mandatory
18 versus discretionary funding; spending cap calculation and
19 considerations; possible uses for surplus funds, including, but not
20 limited to, the Budget Reserve Fund, debt retirement and pension
21 liabilities, and such other information as the committees may request
22 or as the office may deem appropriate. The committees may request
23 the Secretary of the Office of Policy and Management, the Comptroller
24 and the Treasurer to provide information and to participate in the
25 meeting.

26 Sec. 2. Section 2-35 of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective July 1, 2004*):

28 All bills carrying or requiring appropriations and favorably
29 reported by any other committee, except for payment of claims against
30 the state, shall, before passage, be referred to the joint standing
31 committee of the General Assembly having cognizance of matters
32 relating to appropriations and the budgets of state agencies, unless
33 such reference is dispensed with by a vote of at least two-thirds of each
34 house of the General Assembly. Resolutions paying the contingent
35 expenses of the Senate and House of Representatives shall be referred
36 to said committee. Said committee may originate and report any bill
37 which it deems necessary and shall, in each odd-numbered year,
38 report such appropriation bills as it deems necessary for carrying on
39 the departments of the state government and for providing for such
40 institutions or persons as are proper subjects for state aid under the
41 provisions of the statutes, for the ensuing biennium. In any odd-
42 numbered year, if a state budget has not been enacted seven calendar
43 days prior to the date of adjournment of the regular session of the
44 General Assembly, no further action may be taken by the General
45 Assembly during the remainder of such session on any bill except the
46 state budget bill. In each even-numbered year, the committee shall
47 originate and report at least one bill which adjusts expenditures for the

48 ensuing fiscal year in such manner as it deems appropriate. Each
49 appropriation bill shall specify the particular purpose for which
50 appropriation is made and shall be itemized as far as practicable. The
51 state budget act may contain any legislation necessary to implement its
52 appropriations provisions, provided no other general legislation shall
53 be made a part of such act. The state budget act passed by the
54 [legislature] General Assembly for funding the expenses of operations
55 of the state government in the ensuing biennium shall contain a
56 statement of estimated revenue, itemized by major source, for each
57 appropriated fund. The statement of estimated revenue applicable to
58 each such fund shall include, for any fiscal year, an estimate of total
59 revenue with respect to such fund, which amount shall be reduced by
60 (1) an estimate of total refunds of taxes to be paid from such revenue in
61 accordance with the authorization in section 12-39f, and (2) an estimate
62 of total refunds of payments to be paid from such revenue in
63 accordance with the provisions of section 4-37. Such statement of
64 estimated revenue, including the estimated refunds of taxes to be
65 offset against such revenue, shall be supplied by the joint standing
66 committee of the General Assembly having cognizance of matters
67 relating to state finance, revenue and bonding. The total estimated
68 revenue for each fund, as adjusted in accordance with this section,
69 shall not be less than the total net appropriations made from each
70 fund. On or before July first of each fiscal year said committee shall, if
71 any revisions in such estimates are required by virtue of legislative
72 amendments to the revenue measures proposed by said committee,
73 changes in conditions or receipt of new information since the original
74 estimate was supplied, meet and revise such estimates and, through its
75 cochairpersons, report to the Comptroller any such revisions.

76 Sec. 3. Section 2-71c of the general statutes is repealed and the
77 following is substituted in lieu thereof (*Effective July 1, 2004*):

78 (a) The Joint Committee on Legislative Management shall create a
79 legislative Office of Legislative Research and a legislative Office of
80 Fiscal Analysis.

81 (b) The legislative Office of Legislative Research shall assist the
82 General Assembly and the Legislative Department, legislative
83 commissions and legislative committees in a research and advisory
84 capacity as follows: (1) Assisting the development of legislative
85 programs; (2) analyzing the long-range implications of the several
86 alternative programs; (3) preparing abstracts, summaries, explanations
87 of state executive agency and federal government reports; (4)
88 informing the legislative leaders of action taken by the federal
89 government with regard to problems of their particular concern and
90 federal law; (5) assisting in the research and writing of interim reports;
91 (6) preparing bill analyses and summaries; (7) assisting in hearings by
92 preparing agendas, contacting potential witnesses, scheduling their
93 appearances and analyzing testimonies; and (8) performing such other
94 research and analysis services as may be determined by the Joint
95 Committee on Legislative Management.

96 (c) The legislative Office of Fiscal Analysis shall assist the General
97 Assembly and the Legislative Department, legislative commissions
98 and legislative committees in a research and advisory capacity as
99 follows: (1) Reviewing department and program operating budget
100 requests; (2) analyzing and helping to establish priorities with regard
101 to capital programs; (3) checking executive revenue estimates for
102 accuracy; (4) recommending potential untapped sources of revenue; (5)
103 assisting in legislative hearings and helping to schedule and prepare
104 the agenda of such hearings; (6) assisting in the development of means
105 by which budgeted programs can be periodically reviewed; (7)
106 preparing short analyses of the costs and long-range projections of
107 executive programs and proposed agency regulations; (8) keeping
108 track of federal aid programs to make sure that Connecticut is taking
109 full advantage of opportunities for assistance; (9) reviewing, on a
110 continuous basis, departmental budgets and programs; (10) analyzing
111 and preparing critiques of the Governor's proposed budget; (11)
112 studying, in depth, selected executive programs during the interim;
113 (12) performing such other services in the field of finance as may be
114 requested by the Joint Committee on Legislative Management; (13)

115 preparing the fiscal notes, required under section 2-24, upon favorably
116 reported bills which require expenditure of state or municipal funds or
117 affect state or municipal revenue; and (14) preparing at the end of each
118 fiscal year a compilation of all fiscal notes on legislation and agency
119 regulations taking effect in the next fiscal year, including the total
120 costs, savings and revenue effects estimated in such notes. The
121 governing body of any municipality, if requested, shall provide the
122 Office of Fiscal Analysis, within two working days, with any
123 information that may be necessary for analysis in preparation of such
124 fiscal notes. Each officer, board, commission or department of the state
125 government shall assist the Office of Fiscal Analysis in carrying out its
126 duties and, if requested, shall make its records and accounts available
127 to the office in a timely manner, except that where there are statutory
128 requirements of confidentiality with regard to such records and
129 accounts, the identity of any person to whom such records or accounts
130 relate shall not be disclosed.

131 (d) The legislative Office of Fiscal Analysis shall publish an annual
132 report on the state budget. The report shall contain an overview of
133 appropriations, tax and revenue changes, financial schedules, agency
134 budgets, the capital budget and the state budget act. The report shall
135 be published not later than sixty days following final action by the
136 General Assembly on the budget for the ensuing biennium in the odd-
137 numbered years or the budget adjustments for the second year of the
138 biennium in the even-numbered years. In addition, the report shall
139 contain a concise summary and guide to key budget issues for use by
140 the general public. The summary shall: Summarize major changes in
141 priorities and the factors leading to those changes; articulate priorities
142 and key issues for the new budget period; identify and summarize
143 major financial factors and trends affecting the budget; provide
144 financial summary data on revenues, other resources and expenditures
145 for a multiyear period; and define a balanced budget, determine
146 whether or not the budget is balanced and provide an explanation for
147 such determination.

148 [(d)] (e) Such legislative offices shall undertake research
149 assignments as they may be assigned and in accordance with
150 procedures established by the Joint Committee on Legislative
151 Management.

152 [(e)] (f) The Joint Committee on Legislative Management shall
153 appoint an executive director of the Joint Committee on Legislative
154 Management, a director of the legislative Office of Legislative Research
155 and a director of the legislative Office of Fiscal Analysis and may
156 employ professional and research staff, clerical assistants and other
157 personnel as may be required to staff such offices, and the Comptroller
158 is directed to draw his order on the Treasurer in payment of any sum
159 approved by such committee from the appropriation to the Joint
160 Committee on Legislative Management and legislative appropriations
161 for the current and subsequent fiscal year.

162 Sec. 4. (NEW) (*Effective July 1, 2004*) The Secretary of the Office of
163 Policy and Management shall establish a program for the purpose of
164 measuring the performance of all budgeted state agencies. The
165 secretary shall: (1) Assure that each budgeted state agency develops
166 biennially a strategic business plan that (A) identifies the relevant
167 benchmarks defined by the Connecticut Progress Council pursuant to
168 section 4-67r of the general statutes, and (B) includes goals, objectives
169 and performance measures for each program, service and state grant
170 administered or provided by the agency; (2) assure that the goals,
171 objectives and performance measures included in each budgeted state
172 agency's strategic business plan address performance information
173 needs identified pursuant to section 7 of this act; (3) assure that each
174 budgeted state agency collects data on the performance measures and
175 benchmarks included in the agency's strategic business plan; (4) assure
176 that an annual report is prepared by each budgeted state agency on the
177 programs, services and state grants administered or provided by the
178 agency based on an analysis of the benchmark and performance
179 measurement data included in the agency's strategic business plan
180 and, beginning September 1, 2007, and annually thereafter, assure that

181 such report is submitted to the Legislative Program Review and
182 Investigations Committee in accordance with section 11-4a of the
183 general statutes; and (5) assure that the Legislative Program Review
184 and Investigations Committee and the joint standing committees of the
185 General Assembly having cognizance of matters relating to
186 appropriations and government administration and elections, and the
187 joint standing committee of the General Assembly having cognizance
188 of matters relating to the agency have access to the benchmark and
189 performance measurement data.

190 Sec. 5. Subsection (a) of section 2-53g of the general statutes is
191 repealed and the following is substituted in lieu thereof (*Effective July*
192 *1, 2004*):

193 (a) The Legislative Program Review and Investigations Committee
194 shall: (1) Direct its staff and other legislative staff available to the
195 committee to conduct program reviews and investigations to assist the
196 General Assembly in the proper discharge of its duties; (2) establish
197 policies and procedures regarding the printing, reproduction and
198 distribution of its reports; (3) review staff reports submitted to the
199 committee and, when necessary, confer with representatives of the
200 state departments and agencies reviewed in order to obtain full and
201 complete information in regard to programs, other activities and
202 operations of the state, and may request and shall be given access to
203 and copies of, by all public officers, departments, agencies and
204 authorities of the state and its political subdivisions, such public
205 records, data and other information and given such assistance as the
206 committee determines it needs to fulfill its duties. Any statutory
207 requirements of confidentiality regarding such records, data and other
208 information, including penalties for violating such requirements, shall
209 apply to the committee, its staff and its other authorized
210 representatives in the same manner and to the same extent as such
211 requirements and penalties apply to any public officer, department,
212 agency or authority of the state or its political subdivisions. The
213 committee shall act on staff reports and recommend in its report, or

214 propose, in the form of a raised committee bill, such legislation as may
215 be necessary to modify current operations and agency practices; (4)
216 consider and act on requests by legislators, legislative committees,
217 elected officials of state government and state department and agency
218 heads for program reviews. The request shall be submitted in writing
219 to the Program Review and Investigations Committee and shall state
220 reasons to support the request. The decision of the committee to grant
221 or deny such a request shall be final; (5) conduct investigations
222 requested by joint resolution of the General Assembly, or, when the
223 General Assembly is not in session, (A) requested by a joint standing
224 committee of the General Assembly or initiated by a majority vote of
225 the Program Review and Investigations Committee and approved by
226 the Joint Committee on Legislative Management, or (B) requested by
227 the Joint Standing Committee on Legislative Management. In the event
228 two or more investigations are requested, the order of priority shall be
229 determined by the Legislative Program Review and Investigations
230 Committee; (6) retain, within available appropriations, the services of
231 consultants, technical assistants, research and other personnel
232 necessary to assist in the conduct of program reviews and
233 investigations; (7) originate, and report to the General Assembly, any
234 bill it deems necessary concerning a program, department or other
235 matter under review or investigation by the committee, in the same
236 manner as is prescribed by rule for joint standing committees of the
237 General Assembly; [and] (8) review audit reports after issuance by the
238 Auditors of Public Accounts, evaluate and sponsor new or revised
239 legislation based on audit findings, provide means to determine
240 compliance with audit recommendations and receive facts concerning
241 any unauthorized, illegal, irregular or unsafe handling or expenditures
242 of state funds under the provisions of section 2-90, as amended; (9)
243 direct its staff and other legislative staff available to the committee to
244 analyze and comment on the annual reports submitted to the
245 committee pursuant to section 4 of this act; (10) direct such staff to
246 analyze and comment on the performance and benchmark data
247 obtained pursuant to section 4 of this act; and (11) beginning January 1,

248 2006, and annually thereafter, direct such staff to distribute reports and
249 data submitted by the Secretary of the Office of Policy and
250 Management with the committee's comments on the reports and data
251 to the joint standing committees of the General Assembly having
252 cognizance of matters relating to appropriations and government
253 administration and elections, and the joint standing committee of the
254 General Assembly having cognizance of matters relating to the agency.

255 Sec. 6. (NEW) (*Effective July 1, 2004*) Whenever the Auditors of
256 Public Accounts conduct an audit pursuant to section 2-90 of the
257 general statutes, the auditors shall determine if: (1) The strategic
258 business plan required under section 4 of this act is current; (2) the
259 strategic business plan required under section 4 of this act contains all
260 the required elements; (3) the data pertaining to the performance
261 measures and benchmarks required by section 4 of this act are being
262 collected; and (4) the data being collected are reliable and valid.

263 Sec. 7. (NEW) (*Effective July 1, 2004*) Not later than January 1, 2005,
264 and annually thereafter, the joint standing committees of the General
265 Assembly having cognizance of matters relating to appropriations and
266 government administration and elections, and the joint standing
267 committee of the General Assembly having cognizance of matters
268 relating to each state agency, shall identify their performance
269 information needs with respect to the state agency for purposes of the
270 strategic business plan established pursuant to section 4 of this act.

271 Sec. 8. (*Effective from passage*) Not later than one hundred eighty
272 days after the effective date of this section, the Secretary of the Office
273 of Policy and Management shall establish a schedule whereby each
274 budgeted state agency shall biennially develop a strategic business
275 plan pursuant to section 4 of this act. The schedule established by the
276 Secretary of the Office of Policy and Management shall require (1) the
277 Connecticut workforce development plan developed by the
278 Connecticut Employment and Training Commission under section 31-
279 11p of the general statutes to develop such a plan by July 1, 2005, (2) at

280 least twenty per cent of the budgeted state agencies to develop such a
281 plan by July 1, 2006, and (3) that not later than July 1, 2009, all
282 budgeted state agencies are biennially developing such strategic
283 business plans.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2004</i>
Sec. 5	<i>July 1, 2004</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>July 1, 2004</i>
Sec. 8	<i>from passage</i>

Statement of Purpose:

To implement the recommendations of the Legislative Program Review and Investigations Committee concerning the budget process.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]