



General Assembly

Substitute Bill No. 366

February Session, 2004

* SB00366PRI 030504 *

**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 Section 2-36a of the general statutes is repealed and the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 Section 2-35 of the general statutes is repealed and the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 is not enacted on or before the
43 seventh calendar day prior to the date of adjournment of the regular
44 session of the General Assembly, no further action may be taken by the
45 General Assembly during the remainder of such session on any bill
46 except the state budget act. In each even-numbered year, the
47 committee shall originate and report at least one bill which adjusts
48 expenditures for the ensuing fiscal year in such manner as it deems
49 appropriate. Each appropriation bill shall specify the particular
50 purpose for which appropriation is made and shall be itemized as far
51 as practicable. The state budget act may contain any legislation
52 necessary to implement its appropriations provisions, provided no

53 other general legislation shall be made a part of such act. The state
54 budget act passed by the [legislature] General Assembly for funding
55 the expenses of operations of the state government in the ensuing
56 biennium shall contain a statement of estimated revenue, itemized by
57 major source, for each appropriated fund. The statement of estimated
58 revenue applicable to each such fund shall include, for any fiscal year,
59 an estimate of total revenue with respect to such fund, which amount
60 shall be reduced by (1) an estimate of total refunds of taxes to be paid
61 from such revenue in accordance with the authorization in section 12-
62 39f, and (2) an estimate of total refunds of payments to be paid from
63 such revenue in accordance with the provisions of section 4-37. Such
64 statement of estimated revenue, including the estimated refunds of
65 taxes to be offset against such revenue, shall be supplied by the joint
66 standing committee of the General Assembly having cognizance of
67 matters relating to state finance, revenue and bonding. The total
68 estimated revenue for each fund, as adjusted in accordance with this
69 section, shall not be less than the total net appropriations made from
70 each fund. On or before July first of each fiscal year said committee
71 shall, if any revisions in such estimates are required by virtue of
72 legislative amendments to the revenue measures proposed by said
73 committee, changes in conditions or receipt of new information since
74 the original estimate was supplied, meet and revise such estimates
75 and, through its cochairpersons, report to the Comptroller any such
76 revisions.

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

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

82 (b) The legislative Office of Legislative Research shall assist the
83 General Assembly and the Legislative Department, legislative
84 commissions and legislative committees in a research and advisory
85 capacity as follows: (1) Assisting the development of legislative

86 programs; (2) analyzing the long-range implications of the several
87 alternative programs; (3) preparing abstracts, summaries, explanations
88 of state executive agency and federal government reports; (4)
89 informing the legislative leaders of action taken by the federal
90 government with regard to problems of their particular concern and
91 federal law; (5) assisting in the research and writing of interim reports;
92 (6) preparing bill analyses and summaries; (7) assisting in hearings by
93 preparing agendas, contacting potential witnesses, scheduling their
94 appearances and analyzing testimonies; and (8) performing such other
95 research and analysis services as may be determined by the Joint
96 Committee on Legislative Management.

97 (c) The legislative Office of Fiscal Analysis shall assist the General
98 Assembly and the Legislative Department, legislative commissions
99 and legislative committees in a research and advisory capacity as
100 follows: (1) Reviewing department and program operating budget
101 requests; (2) analyzing and helping to establish priorities with regard
102 to capital programs; (3) checking executive revenue estimates for
103 accuracy; (4) recommending potential untapped sources of revenue; (5)
104 assisting in legislative hearings and helping to schedule and prepare
105 the agenda of such hearings; (6) assisting in the development of means
106 by which budgeted programs can be periodically reviewed; (7)
107 preparing short analyses of the costs and long-range projections of
108 executive programs and proposed agency regulations; (8) keeping
109 track of federal aid programs to make sure that Connecticut is taking
110 full advantage of opportunities for assistance; (9) reviewing, on a
111 continuous basis, departmental budgets and programs; (10) analyzing
112 and preparing critiques of the Governor's proposed budget; (11)
113 studying, in depth, selected executive programs during the interim;
114 (12) performing such other services in the field of finance as may be
115 requested by the Joint Committee on Legislative Management; (13)
116 preparing the fiscal notes, required under section 2-24, upon favorably
117 reported bills which require expenditure of state or municipal funds or
118 affect state or municipal revenue; and (14) preparing at the end of each
119 fiscal year a compilation of all fiscal notes on legislation and agency

120 regulations taking effect in the next fiscal year, including the total
121 costs, savings and revenue effects estimated in such notes. The
122 governing body of any municipality, if requested, shall provide the
123 Office of Fiscal Analysis, within two working days, with any
124 information that may be necessary for analysis in preparation of such
125 fiscal notes. Each officer, board, commission or department of the state
126 government shall assist the Office of Fiscal Analysis in carrying out its
127 duties and, if requested, shall make its records and accounts available
128 to the office in a timely manner, except that where there are statutory
129 requirements of confidentiality with regard to such records and
130 accounts, the identity of any person to whom such records or accounts
131 relate shall not be disclosed.

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

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

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

163 Sec. 4. (NEW) (*Effective July 1, 2004*) The Secretary of the Office of
164 Policy and Management shall establish a program for the purpose of
165 measuring the performance of all budgeted state agencies. The
166 secretary shall: (1) Assure that each budgeted state agency develops
167 biennially a strategic business plan that (A) identifies the relevant
168 benchmarks defined by the Connecticut Progress Council pursuant to
169 section 4-67r of the general statutes, and (B) includes goals, objectives
170 and performance measures for each program, service and state grant
171 administered or provided by the agency; (2) assure that the goals,
172 objectives and performance measures included in each budgeted state
173 agency's strategic business plan address performance information
174 needs identified pursuant to section 7 of this act; (3) assure that each
175 budgeted state agency collects data on the performance measures and
176 benchmarks included in the agency's strategic business plan; (4) assure
177 that an annual report is prepared by each budgeted state agency on the
178 programs, services and state grants administered or provided by the
179 agency based on an analysis of the benchmark and performance
180 measurement data included in the agency's strategic business plan
181 and, beginning September 1, 2007, and annually thereafter, assure that
182 such report is submitted to the Legislative Program Review and
183 Investigations Committee in accordance with section 11-4a of the
184 general statutes; and (5) assure that the Legislative Program Review
185 and Investigations Committee and the joint standing committees of the
186 General Assembly having cognizance of matters relating to

187 appropriations and government administration and elections, and the
188 joint standing committee of the General Assembly having cognizance
189 of matters relating to the agency have access to the benchmark and
190 performance measurement data.

191 Sec. 5. Subsection (a) of section 2-53g of the general statutes is
192 repealed and the following is substituted in lieu thereof (*Effective July*
193 *1, 2004*):

194 (a) The Legislative Program Review and Investigations Committee
195 shall: (1) Direct its staff and other legislative staff available to the
196 committee to conduct program reviews and investigations to assist the
197 General Assembly in the proper discharge of its duties; (2) establish
198 policies and procedures regarding the printing, reproduction and
199 distribution of its reports; (3) review staff reports submitted to the
200 committee and, when necessary, confer with representatives of the
201 state departments and agencies reviewed in order to obtain full and
202 complete information in regard to programs, other activities and
203 operations of the state, and may request and shall be given access to
204 and copies of, by all public officers, departments, agencies and
205 authorities of the state and its political subdivisions, such public
206 records, data and other information and given such assistance as the
207 committee determines it needs to fulfill its duties. Any statutory
208 requirements of confidentiality regarding such records, data and other
209 information, including penalties for violating such requirements, shall
210 apply to the committee, its staff and its other authorized
211 representatives in the same manner and to the same extent as such
212 requirements and penalties apply to any public officer, department,
213 agency or authority of the state or its political subdivisions. The
214 committee shall act on staff reports and recommend in its report, or
215 propose, in the form of a raised committee bill, such legislation as may
216 be necessary to modify current operations and agency practices; (4)
217 consider and act on requests by legislators, legislative committees,
218 elected officials of state government and state department and agency
219 heads for program reviews. The request shall be submitted in writing
220 to the Program Review and Investigations Committee and shall state

221 reasons to support the request. The decision of the committee to grant
222 or deny such a request shall be final; (5) conduct investigations
223 requested by joint resolution of the General Assembly, or, when the
224 General Assembly is not in session, (A) requested by a joint standing
225 committee of the General Assembly or initiated by a majority vote of
226 the Program Review and Investigations Committee and approved by
227 the Joint Committee on Legislative Management, or (B) requested by
228 the Joint Standing Committee on Legislative Management. In the event
229 two or more investigations are requested, the order of priority shall be
230 determined by the Legislative Program Review and Investigations
231 Committee; (6) retain, within available appropriations, the services of
232 consultants, technical assistants, research and other personnel
233 necessary to assist in the conduct of program reviews and
234 investigations; (7) originate, and report to the General Assembly, any
235 bill it deems necessary concerning a program, department or other
236 matter under review or investigation by the committee, in the same
237 manner as is prescribed by rule for joint standing committees of the
238 General Assembly; [and] (8) review audit reports after issuance by the
239 Auditors of Public Accounts, evaluate and sponsor new or revised
240 legislation based on audit findings, provide means to determine
241 compliance with audit recommendations and receive facts concerning
242 any unauthorized, illegal, irregular or unsafe handling or expenditures
243 of state funds under the provisions of section 2-90, as amended; (9)
244 direct its staff and other legislative staff available to the committee to
245 analyze and comment on the annual reports submitted to the
246 committee pursuant to section 4 of this act; (10) direct such staff to
247 analyze and comment on the performance and benchmark data
248 obtained pursuant to section 4 of this act; and (11) beginning January 1,
249 2006, and annually thereafter, direct such staff to distribute reports and
250 data submitted by the Secretary of the Office of Policy and
251 Management with the committee's comments on the reports and data
252 to the joint standing committees of the General Assembly having
253 cognizance of matters relating to appropriations and government
254 administration and elections, and the joint standing committee of the
255 General Assembly having cognizance of matters relating to the agency.

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

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

272 Sec. 8. (*Effective from passage*) Not later than one hundred eighty
273 days after the effective date of this section, the Secretary of the Office
274 of Policy and Management shall establish a schedule whereby each
275 budgeted state agency shall biennially develop a strategic business
276 plan pursuant to section 4 of this act. The schedule established by the
277 Secretary of the Office of Policy and Management shall require (1) the
278 Connecticut workforce development plan developed by the
279 Connecticut Employment and Training Commission under section 31-
280 11p of the general statutes to develop such a plan by July 1, 2005, (2) at
281 least twenty per cent of the budgeted state agencies to develop such a
282 plan by July 1, 2006, and (3) that not later than July 1, 2009, all
283 budgeted state agencies are biennially developing such strategic
284 business plans.

285 Sec. 9. (*Effective from passage*) (a) There is established a Commission
286 on Government Accountability, Creativity and Efficiency which shall
287 consist of twenty-nine members as follows: (1) The chairpersons and
288 ranking members of the Legislative Program Review and

289 Investigations Committee and the joint standing committee on
 290 Appropriations; (2) three appointed by the speaker of the House of
 291 Representatives; (3) three appointed by the president pro tempore of
 292 the Senate; (4) three appointed by the majority leader of the House of
 293 Representatives; (5) three appointed by the majority leader of the
 294 Senate; (6) three appointed by the minority leader of the House of
 295 Representatives; (7) three appointed by the minority leader of the
 296 Senate; and (8) three appointed by the Governor. Any member of the
 297 commission appointed under subdivisions (2) to (7), inclusive, of this
 298 subsection may be a member of the General Assembly. All
 299 appointments to the commission shall be made on or before June 11,
 300 2004. The members of the commission shall elect a chairperson.

301 (b) The purpose of the commission shall be to review the report of
 302 the Task Force on Accountability, Creativity and Efficiency, determine
 303 which areas recommended for further study will be reviewed and
 304 conduct such reviews.

305 (c) The commission shall begin its work not later than June 11, 2004,
 306 and, not later than January 5, 2005, shall submit a report on its findings
 307 and recommendations to the Governor and the joint standing
 308 committees of the General Assembly having cognizance of matters
 309 relating to such findings and recommendations, in accordance with the
 310 provisions of section 11-4a of the general statutes. The task force shall
 311 terminate on the date that it submits such report or January 5, 2005,
 312 whichever is earlier.

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>

Sec. 9	<i>from passage</i>
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PRI *Joint Favorable Subst.*