



House of Representatives

General Assembly

File No. 469

February Session, 2006

Substitute House Bill No. 5772

House of Representatives, April 10, 2006

The Committee on Government Administration and Elections reported through REP. CARUSO of the 126th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ACCOUNTABILITY IN CONTRACTING WITH STATE AGENCIES.

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

1 Section 1. Section 1-218 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2007*):

3 Each contract in excess of [two million five hundred] two hundred
4 fifty thousand dollars between a public agency and a person for the
5 performance of a governmental function and any subcontract between
6 such person and any other person that is related to the performance of
7 such governmental function shall (1) provide that the public agency is
8 entitled to receive a copy of records and files, including, but not
9 limited to, the titles and salaries of the employees of such person,
10 related to the performance of the governmental function, and (2)
11 indicate that such records and files are subject to the Freedom of
12 Information Act and may be disclosed by the public agency pursuant
13 to the Freedom of Information Act. No request to inspect or copy such

14 records or files shall be valid unless the request is made to the public
15 agency in accordance with the Freedom of Information Act. Any
16 complaint by a person who is denied the right to inspect or copy such
17 records or files shall be brought to the Freedom of Information
18 Commission in accordance with the provisions of sections 1-205 and 1-
19 206.

20 Sec. 2. (NEW) (*Effective January 1, 2007*) (a) Notwithstanding any
21 provision of the general statutes, on or before March thirty-first of each
22 calendar year, any for-profit or nonprofit agency that has a contract,
23 subcontract, personal service agreement or purchase of service
24 agreement with the state to provide services to any state agency and
25 which constitutes the performance of a governmental function, as
26 defined in section 1-200 of the general statutes, as a condition of such
27 contract, subcontract, personal service agreement or purchase of
28 service agreement, shall provide, in a format determined by the
29 commissioner of such state agency, the following information to such
30 state agency: (1) Such for-profit or nonprofit agency's identifying
31 information, including the official name of such for-profit or nonprofit
32 agency, (2) any applicable provider state identification number, (3) the
33 name, business address and telephone number of the executive
34 responsible for such contract, subcontract, personal service agreement
35 or purchase of service agreement, (4) financial information including
36 the total annual operating budget that shall set forth annual
37 expenditures for personnel and administrative expenses, in addition to
38 any independently conducted audits within the possession of such for-
39 profit or nonprofit agency that relate to the performance of such
40 governmental function, (5) personnel compensation information that
41 shall include the average annual wages or salaries of employees and
42 professional staff engaged in such contracted for services, (6) the
43 names and salaries of the three highest paid officials of such for-profit
44 or nonprofit agency, (7) health care information that shall include the
45 percentage of employees and professional and managerial personnel
46 who receive health care insurance through such for-profit or nonprofit
47 agency, and (8) any performance assessments conducted by such for-
48 profit or nonprofit agency in connection with such contract,

49 subcontract, personal service agreement or purchase of service
50 agreement.

51 (b) Any information submitted pursuant to the provisions of
52 subsection (a) of this section shall be subject to disclosure in
53 accordance with the provisions of chapter 14 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2007	1-218
Sec. 2	January 1, 2007	New section

Statement of Legislative Commissioners:

In Subdiv. (8) of Subsec. (a) of section 2, ", personal service agreement or purchase of service agreement" was added after "subcontract" for the purpose of consistency.

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill lowers the threshold on the dollar value of certain state contracts that are subject to the Freedom of Information Act, from \$2.5 million to \$250,000. It requires that the public agency contracting for the services be provided salary and job title information relating to the employees performing the work under such contracts.

The bill also requires any for-profit or non-profit agency that has a contract, subcontract, personal service agreement, or purchase of service agreement with the state to provide certain information as outlined in the bill.

These provisions will have no fiscal impact to the state.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5772*****AN ACT CONCERNING ACCOUNTABILITY IN CONTRACTING WITH STATE AGENCIES.*****SUMMARY:**

This bill extends the requirements that apply to contracts between state agencies and contractors who perform a government function by requiring any related subcontract between the state contractor and a third person to have the same provisions.

It also lowers the dollar threshold for contracts that must adhere to the requirements. Specifically, the bill requires contracts above \$250,000, instead of \$2.5 million, to (1) provide that the public agency is entitled to a copy of the records and files related to the contract and (2) indicate that the records are subject to disclosure under the Freedom of Information Act. The bill specifies that the records and files include the titles and salaries of the contractor's employees.

Lastly, by March 31st of each calendar year the bill requires any for-profit or nonprofit agency that performs a governmental function on behalf of a state agency to provide the state agency with certain information as a condition of its contract, subcontract, personal service agreement, or purchase of service agreement (hereafter "contract").

EFFECTIVE DATE: January 1, 2007

NONPROFIT AND FOR-PROFIT AGENCY INFORMATION

The bill requires each for-profit or nonprofit agency performing a government function to provide the contracting state agency with:

1. its identifying information, including its official name;
2. any applicable provider state identification number;

3. the name, business address, and telephone number of the executive responsible for the state contract;
4. financial information, including the total annual operating budget with annual expenditures for personnel and administrative expenses and any independently conducted audits that relate to the state contract;
5. personnel compensation information that includes the average annual wages or salaries of employees and professional staff working on the state contract;
6. the names and salaries of the three highest paid officials;
7. health care information, including the percentage of employees who receive agency-provided health care insurance; and
8. any performance assessments the agency conducted in connection with the state contract.

The information must be provided in a format the commissioner of the state agency determines. The bill specifies that the information is subject to disclosure under the Freedom of Information Act.

BACKGROUND

Governmental Function

“Governmental function” means the administration or management of a public agency's program authorized by law to be performed by an entity (1) receiving public agency funding; (2) participating in policy formation and decisions connected to the program that binds the agency; and (3) where the public agency is significantly, but not necessarily directly or continuously, involved in or regulating the entity's administration or management.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 18 Nay 1 (03/24/2006)