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Government Administration & Elections Committee Testimony Submitted By State Comptroller Nancy S. Wyman March 16, 2007

Good afternoon Senator Slossberg, Representative Caruso and distinguished members of the Government Administration & Elections Committee. Thank you for the opportunity to testify today. I would like to address a number of bills on your agenda.

I am here today to testify with all due respect to the Governor, in opposition to *Senate Bill 1123, "An Act Concerning Core-CT"* because I do not believe this legislation is necessary. When the CORE-CT system was in the design and implementation stages, employees from across many state agencies were assigned to work on the CORE-CT project. In addition, in order to make decisions related to the design, implementation and scope of the project, a steering committee was formed to address issues surrounding the implementation.

We are no longer in the project implementation stage. CORE-CT is an operating system that performs the state's key business processes of human resources, payroll, accounting, accounts payable and purchasing. For years prior to CORE-CT, agencies across state government worked together to resolve problems that affect more than one agency. This is done without legislation.

CORE-CT was designed as an integrated system to eliminate redundant and outdated legacy systems and it has increased to a certain extent our level of interdependence. But it has not changed our essential business goals.

The Governor has recommended the bill that is before you today. I have concerns with respect to the manner in which the legislation is crafted, but understand the issues it seeks to address. There are several areas of concern. As the legislation is currently drafted it raises constitutional issues because it places oversight of the Comptroller with a policy board comprised of appointed heads of executive branch agencies. Subparagraph (c) of Section 1 indicates that the policy board's primary responsibility shall be to "oversee and advise the State Comptroller as to the operation and functional capabilities of the CORE-CT system." It also provides for the Policy Board to establish policy and procedures for all executive branch agencies. I believe that this legislation as it is drafted oversteps the boundaries established by our Constitution as it relates to the Office of the State

Comptroller. We have discussed Senate Bill 1123 with the Office of Policy and Management and are available to continue to address concerns.

As I stated earlier, while I do not believe that any legislation is necessary to ensure interagency cooperation, I am proposing substitute language that recognizes the authority and critical functions of the Department of Administrative Services and provides a mechanism for executive branch agencies to discuss needs, priorities and improvements that can be achieved through the CORE-CT system.

My proposed substitute language preserves the existing policy board but adds the Commissioner of the Department of Administrative Services. The original policy board was established at the request of the Judicial Branch to address issues related to security of the information in the system for three independent branches of government. The original policy board was intended to meet to address issues that could arise during the implementation affecting their operations. The policy board has not met because problems related to the specific issues with which the board was charged did not arise.

My proposal establishes a new Advisory Council that would be chaired by the Commissioner of the Department of Administrative Services and includes the Secretary of the Office of Policy and Management, the Chief Information Officer and three other user agencies at least one of whom must be an agency with twenty-four operations. The Advisory Council would provide a formal process to advise the Comptroller on how the functionality of the system is meeting the operational needs of the agencies. The Advisory Council would work with the Comptroller to reach an agreement on how best to meet those identified agency needs and provide for conflict resolution. The Advisory Council would have the authority to enter into written agreements on behalf of agencies on issues of data security, sharing and access related to that agency's statutory authority.

My proposal also requires the Commissioner of the Department of Administrative Services and the Comptroller to enter into written agreements to address issues related to the system to specifically address operational and business process functions of the Department of Administrative Services with regard to human resources and purchasing. The proposal further makes clear that these agreements would not diminish or infringe the constitutional or statutory authority of either the Office of the Comptroller or any other agency.

It is in the best interest of the key agencies to continue to work in the cooperative fashion that has been demonstrated through the years.

I support *House Bill 7373, "An Act Concerning Certain Grant Payments to Municipalities & The Creation of Assistant Comptroller Positions"*.

Sections 1-4 are a follow-up to legislation passed by the General Assembly in 2005 to shorten the statutory time frame for processing payments to various entities including municipalities. This request is to build upon the 2005 changes. My staff has reviewed the entire set of statutorily directed payments to determine if other statutes needed similar

revisions. This proposal includes those additional identified statutory payments and brings those statutes into conformity with current business practices utilizing paperless processing and the streamlined budget approval aspects of the CORE system. Both the Office of Policy and Management, and Treasurer's Office have reviewed this legislation and have no objection.

Section 5 of House Bill 7373 is a request for the creation the statutory classification of "*Assistant Comptroller*" in the unclassified service and persons appointed to the position would serve at the pleasure of the Comptroller. This would bring my office in line with the authority that the Treasurer (C.G.S. 3-13) has to appoint assistant treasurers and the Attorney General (C.G.S. 3-125) to appoint associate attorneys general. This provision will provide my office with greater flexibility to meet our business needs.

I would briefly like to comment on *Committee Senate Bill 43 "An Act Concerning The Revocation of State Pensions For State Employees & Public Officials Convicted of Crimes Related to State Service"* and *Raised Senate Bill 1183 "An Act Concerning The Pensions of State Employees or Public Officials Convicted of Fraud or Corruption"*.

We are all too aware of the deplorable actions of certain individuals over the past few years. I was and remain outraged and disgusted by these violations of the public trust. I believe that there needs to be a balance between punishment of the employee and protection of an innocent spouse and children.

I understand that you will be presented with some proposed substitute language on pension revocation today. As you may be aware, I have testified on previous proposals regarding "pension revocation" and I would like to thank the Committee for incorporating some of the changes I recommended.

I would just like to request the Committee include in any bill that moves forward on pension revocation that language be included to protect prior court orders related to divorced spouses for Qualified Domestic Relations Orders. A Qualified Domestic Relations Order segregates out a portion of the pension benefit of a retiree for the divorced spouse. A divorced spouse cannot access that pension benefit until the state employee is in retirement status.

Both bills before you today place the court as the determining body for pension revocation; and outlines standards and criteria in making the final determination on matters of revocation. I believe a Judge is the appropriate decision making authority and can assure that the employees' due process rights are protected.

Also both bills acknowledge and provide for existing state policy, which obligates the State to return the employee's portion of the retirement contributions made to the plan during the course of the individual's employment. Both Tier 1 and Tier IIa require contributions from the employee and the State. Current law permits an employee leaving state service prior to vesting to receive a refund of their pension contributions.

I would be remiss if I did not mention a few of the concerns I have about "total revocation". Pension benefits generally are eligible to be payable to retirees beginning at age 55 and pursuant to C.G.S. 5-259, individuals receiving retirement benefits are also granted health insurance benefits. The pension and health care benefit is not just a planning tool for the employee, but also many times a retirement planning for the spouse as well. A total revocation of the pension benefit would also result in an elimination of the health care benefit for not only the retiree, but also a spouse or dependent. The legislation permits the innocent spouse and dependents to be taken into consideration when determining whether to revoke or reduce a pension benefit. I believe that it is important to note that a loss of health care can result in additional financial burden for the state if the spouse and dependents are left uninsured as a result of a total revocation of the pension.

I would be happy to work with the Committee and the Attorney General as this concept moves forward. Thank you for the opportunity to comment.

Please feel free to contact my staff or myself if you have additional questions.

Section 1. Section 3-115d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) There is established a CORE-CT policy board which shall be within the office of the State Comptroller for administrative purposes only. The policy board shall be composed of the State Comptroller, who shall serve as chairperson, the Chief Justice of the Supreme Court, the Secretary of the Office of Policy and Management, the Commissioner of Administrative Services, the speaker of the House of Representatives and the president pro tempore of the Senate, or their designees.

(b) The CORE-CT policy board shall meet [at least once during] at the request of a member, but not more than once each calendar quarter and at such other times as the chairperson deems necessary. A majority of the members shall constitute a quorum for the transaction of business.

(c) The policy board's primary responsibility shall be to ensure and maintain the constitutional and statutory independence of the three branches of state government with respect to [the implementation and] operation of the CORE-CT system. In no event shall any interagency or interdepartmental policy, procedure or protocol be deemed to authorize the policy board to infringe or diminish the constitutional or statutory authority of any constitutional officer or branch of government.

(d) The policy board shall: (1) Establish[, implement and oversee] interagency and interdepartmental policies, procedures and protocols and enter into written agreements that assure that appropriate controls are in place within the CORE-CT system with respect to data access, data sharing and data security; (2) resolve any interagency or interdepartmental conflicts and concerns that arise with respect to the operation or sharing of data within the CORE-CT system; and (3) advise the State Comptroller on the operation and administration of the CORE-CT system with respect to data access, data sharing and data security.

[(e) Each member of the policy board, member of a permanent or an ad hoc committee established by the policy board, or person operating or administering the CORE-CT system shall be deemed to be a state officer or employee for the purposes of chapter 53 and section 5-141d.]

(f) There is established a CORE-CT advisory council which shall be within the office of the State Comptroller for administrative purposes only. The advisory council shall be composed of the Commissioner of Administrative Services, who shall serve as chairperson, the Secretary of the Office of Policy and Management, the Chief Information Officer and up to three additional state agency heads as

appointed by the chairperson, at least one of whom shall be from an agency that has operational needs on a twenty-four hour seven day a week schedule.

(g) The advisory council's primary responsibility shall be to advise the Comptroller of the functionality and operational needs of the agencies that are served by the CORE-CT system and to work with the State Comptroller to reach agreement to address agency needs in the operation of the CORE-CT system.

(h) The advisory council may (1) enter into written agreements with the State Comptroller that assure data access, data sharing and data security with respect to specific agency statutory authority; and (2) work with the State Comptroller to resolve any interagency or interdepartmental conflicts and concerns that arise with respect to the operation or sharing of data within the CORE-CT system.

(i) The State Comptroller and the Commissioner of the Department of Administrative Services shall establish and implement interagency and interdepartmental written agreements that assure that the Department of Administrative Services operational and business process needs are met. In no event shall any interagency or interdepartmental policy, procedure or protocol be deemed to infringe or diminish the constitutional or statutory authority of any constitutional officer or agency head.