House of Representatives

General Assembly

File No. 484

February Session, 2008

Substitute House Bill No. 5325

House of Representatives, April 7, 2008

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 THE SUNSET LAW.

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

Section 1. Section 2c-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The Legislative Program Review and Investigations Committee, established by the provisions of section 2-53e, shall conduct a performance audit of each governmental entity and program scheduled for termination under section 2c-2b <u>of the 2008 supplement to the general statutes, through the application of results-based accountability</u>. The Legislative Program Review and Investigations Committee shall complete its performance audit by January first of the year in which the governmental entity and program are scheduled for termination under section 2c-2b <u>of the 2008 supplement to the general statutes</u>. In conducting the audit, the committee shall take into consideration, but not be limited to considering, the factors set forth in sections 2c-7<u>, as amended by this act,</u> and 2c-8<u>, as amended by this act</u>.

The entities enumerated in section 2c-2b of the 2008 supplement to the general statutes shall cooperate with the Legislative Program Review and Investigations Committee in carrying out the purposes of sections 2c-1 to 2c-12, inclusive, and shall provide such information, books, records and documents as said committee may require to conduct its performance audit. Each governmental entity or program scheduled for termination pursuant to section 2c-2b of the 2008 supplement to the general statutes shall provide at the request of the Program Review and Investigations Committee an analysis of its activities which specifically addresses the factors enumerated in sections 2c-7, as amended by this act, and 2c-8, as amended by this act. For the purposes of this section and chapter 28, "results-based accountability" means the method of planning, budgeting and performance measurement for state entities and programs that focuses on the quality of life results the state desires for its citizens and that identifies program performance measures and indicators of the progress the state makes in achieving such quality of life results in addition to the programs and partners that make a significant contribution to such quality of life results.

Sec. 2. Section 2c-7 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

In determining whether there is a public need for the continued existence of an entity or program, the General Assembly shall consider, among other things:

[(a) Whether termination of the entity or program would significantly endanger the public health, safety or welfare;

(b) Whether the public could be adequately protected by another statute, entity or program, or by a less restrictive method of regulation;

(c) Whether the governmental entity or program produces any direct or indirect increase in the cost of goods or services, and if it does, whether the public benefits attributable to the entity or program outweigh the public burden of the increase in cost, and

(d) Whether the effective operation of the governmental entity or program is impeded by existing statutes, regulations or policies, including budgetary and personnel policies.]

(1) The extent to which the entity or program contributes to the relevant quality of life results according to the relevant indicators of results-based accountability; and

(2) How well the entity or program works, as shown by performance measures of results-based accountability.

Sec. 3. Section 2c-8 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

In determining whether a regulatory entity or program has served the general public, and not merely the persons regulated, the General Assembly shall consider, among other things:

[(a) The extent to which qualified applicants have been permitted to engage in any profession, occupation, trade or activity regulated by the entity or program;

(b) The extent to which the governmental entity involved has complied with federal and state affirmative action requirements;

(c) The extent to which the governmental entity involved has recommended statutory changes which would benefit the public as opposed to the persons regulated;

(d) The extent to which the governmental entity involved has encouraged public participation in the formulation of its regulations and policies, and

(e) The manner in which the governmental entity involved has processed and resolved public complaints concerning persons subject to regulation.]

(1) The extent to which the entity or program contributes to the relevant quality of life results according to the relevant indicators of

76 results-based accountability; and

77 (2) How well the entity or program works, as shown by
78 performance measures of results-based accountability.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	2c-3
Sec. 2	*from passage*	2c-7
Sec. 3	*from passage*	2c-8

PRI *Joint Favorable Subst.-LCO C/R* GAE

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 $	FY 10 $
Legislative Management	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Legislative Program Review and Investigations Committee to apply results-based accountability (RBA) to its sunset reviews of government agencies and programs.

Under Connecticut's sunset law, certain agencies and programs are terminated, unless the legislature takes affirmative actions to authorize their continuation. Currently, there are 78 entities that are subject to termination over a five-year period, beginning in FY 10. By law, Program Review must conduct a performance audit of each entity in the year before its scheduled termination. However, the sunset law has been repeatedly postponed since 1985; which means that Program Review has not conducted a sunset law performance audit in over 20 years.

If the sunset law is postponed again before FY 10, the bill will have no fiscal impact because there will be no sunset law performance audits to conduct. However, if the sunset law is reactivated, Program Review will need to hire at least one new Legislative Analyst position ($55,000 annualized salary) to handle the bill's RBA requirements.

The Out Years

The ongoing fiscal impact identified above depends on whether the sunset law is postponed again before FY 10.

OLR Bill Analysis
sHB 5325

AN ACT CONCERNING THE SUNSET LAW.

SUMMARY:

This bill requires the Legislative Program Review and Investigations Committee (PRI) to apply results-based accountability (RBA) to its sunset reviews of government agencies and programs. It replaces a series of criteria PRI and the General Assembly must consider that are currently based on an assessment of public need and the public good with others based on results-based accountability indicators and measures that address quality of life results.

As applied to sunset review under the bill, RBA means the method of planning, budgeting, and performance measurement for state entities and programs that focuses on quality of life results that "the state desires for its citizens." Under RBA, program performance measures and indicators show progress in achieving quality of life results.

EFFECTIVE DATE: Upon passage

EVALUATION CRITERIA

The bill replaces the criteria PRI must use in its evaluation of entities and programs subject to its review, but does not make a corresponding change to the law requiring each government agency to assume the burden of demonstrating the need for and interest in its own reestablishment (CGS § 2c-6).

Public Need

Current law requires the legislature to consider, among other things, public protection, cost-benefit analyses, and the effective operation of each entity to determine the public need for each entity or

program subject to termination. The bill repeals these criteria and replaces them with an evaluation of the extent to which the entity or program works well and contributes to the relevant "quality of life results," as measured by results-based accountability indicators.

Service to the General Public

Similarly, the bill replaces criteria aimed generally at regulatory agencies that focus on the extent to which the entity opens the regulated activity to qualified applicants, complies with affirmative action requirements, recommends statutory changes, opens its regulations adoption process, and resolves complaints.

The bill, instead, requires the legislature to consider the extent to which the entity works well and contributes to RBA indicators showing the relevant quality of life results.

BACKGROUND

Sunset Review Schedule

Under Connecticut's sunset law, state licensing, regulatory, and other agencies and programs are terminated, unless the legislature takes affirmative actions to authorize their continuation. PRI is charged with conducting a performance audit of each listed entity or program in the year before its scheduled termination. Current termination dates, as set by PA 07-33, and the number of entities subject to review each year are:

July 1, 2010	28
July 1, 2011	10
July 1, 2012	11
July 1, 2013	20
July 1, 2014	9

COMMITTEE ACTION

Program Review and Investigations Committee

Joint Favorable Change of Reference
Yea 8 Nay 1 (03/06/2008)

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 11 Nay 0 (03/19/2008)