



STATE OF CONNECTICUT

PROPERTIES REVIEW BOARD

PASQUALE A. PEPE, ~~CHAIRMAN~~
LISA A. MUSUMECI, VICE CHAIRMAN
EDWIN S. GREENBERG, ~~SECRETARY~~ Chairman
PAUL F. CRAMER, JR.
BENNETT MILLSTEIN, Secretary
BRUCE JOSEPHY

165 CAPITOL AVENUE, RM# 123
HARTFORD, CONNECTICUT 06106
TELEPHONE: (860) 713-6400
FAX: (860) 713-7391

STAN T. BABIARZ
EXECUTIVE DIRECTOR

February 10, 2009

The Honorable Edwin A. Gomes, Senate Chairman
The Honorable Deborah Heinrich, House Chairman
General Government A, Subcommittee of the Appropriations Committee
Legislative Office Building
Hartford, Connecticut 06106

Dear Senator Gomes and Representative Heinrich:

We appreciate the opportunity to make a brief presentation to you.

Through proposed revisions to Sections 4b-3(c) and 4b-3(e)¹ of the General Statutes, the State Properties Review Board's budget and staff would be merged and consolidated within the Department of Administrative Services (DAS), ending the Board's independent review of State agency contracts.

In 1975, the Appropriations Committee determined that the competitive setting for purchasing land and leasing buildings had been "**utterly destroyed by the actions of state employees, appointed or elected officials, or high placed political persons.**" The system broke down because "the people working it in seized upon this means of real estate acquisition as a vehicle by which political patronage, cronyism, personal spoils systems and friendship were substituted for the real system."²

The General Assembly, to ensure compliance with State Statute and prudent business practices, established the State Properties Review Board (the Board) as a six (6) member bi-partisan board appointed by the leaders of both parties of the legislature whose mission is to review real estate and consultant proposals from nine (9) State agencies. The purpose was to create an oversight board, independent of and free from influence.

An independent staff and a budget within the control of the Board are absolutely essential to maintain the independent review of State agency contracts. A conflict of interest would be created by the proposed statutory change. As an example, in FY 2007-08, the Board and its staff reviewed 45 lease proposals directly affecting DAS. Self-policing has not proven effective.

¹ Governor's Bill No. 839 (LCO 3084), lines 190 through 194, and lines 245 through 247.

² Final Report of the Sub-Committee on Leasing of the Connecticut General Assembly's Joint Committee on Appropriations, January 1975.

The Honorable Edwin A. Gomes
The Honorable Deborah Heinrich
February 10, 2009
Page 2

The table on the attached page shows that since its inception **the quantified savings realized by the Board's independent review of agency proposals have always exceeded its annual expenditures. This accomplishment is attributable to the General Assembly's foresight to create a board, independently budgeted and staffed by personnel unaffiliated with the State agencies it oversees.**

Therefore, we are recommending that the Board staff and budget remain under the control of the Board members, who are appointees of the leadership of the General Assembly, to insure the continuity of this independence and the integrity of the review process.

Again, thank you very much for your consideration.

Sincerely,



Edwin S. Greenberg, Chairman

Lisa A. Musumeci, Vice Chairman



Bennett Millstein, Secretary



CC: Senator Dan DeBicella, Ranking Member
Senator Gayle S. Slossberg
Representative John Hetherington, Ranking Member
Representative Terry Backer
Representative Patricia Billie Miller
Linda Miller, Principal Economic Analyst

STATE PROPERTIES REVIEW BOARD

SAVINGS

The following is a list by fiscal year of the total number of transactions reviewed, the average review time per transaction, and the calculable savings realized by the State as a result of Board's actions compared with budget expended to date.

<u>FISCAL YEAR</u>	<u>NUMBER OF TRANSACTIONS</u>	<u>REVIEW TIME (DAYS)¹</u>	<u>SAVINGS</u>	<u>BUDGET EXPENDED</u>
1975-1976	No Records Kept	No Records Kept	No Records Kept	\$ 48,183.00
1976-1977	467	"	\$ 274,862.61	85,333.00
1977-1978	591	"	1,271,948.94	128,930.00
1978-1979	580	"	282,083.22	131,269.00
1979-1980	636	"	1,865,227.18	149,820.00
1980-1981	432	"	1,379,432.96	166,664.00
1981-1982	565	"	5,765,518.06	164,461.00
1982-1983	552	"	291,858.96	187,329.00
1983-1984	552	"	528,025.57	197,919.00
1984-1985	571	"	933,614.09	211,242.00
1985-1986	542	"	3,887,739.68	244,932.00
1986-1987	515	"	2,112,558.76	295,753.00
1987-1988	553	"	178,003.12	313,768.00
1988-1989	559	11.00	1,251,410.00	297,926.00
1989-1990	545	14.00	2,310,078.00	315,801.00
1990-1991	674	25.00	1,018,197.99	265,320.00
1991-1992	598	12.00	4,010,157.28	260,436.00
1992-1993	640	13.50	2,305,368.00	307,926.00
1993-1994	514	12.90	10,428,139.07	348,893.00
1994-1995	489	11.30	2,150,337.56	323,592.00
1995-1996	380	10.40	1,412,446.50	342,995.00
1996-1997	544	10.56	736,347.54	357,559.00
1997-1998	611	11.47	1,224,877.00	384,379.00
1998-1999	631	11.46	981,993.28	441,332.00
1999-2000	644	11.61	1,619,238.50	481,484.00
2000-2001	672	10.69	3,143,291.93	491,416.00
2001-2002	635	7.62	1,617,272.00	518,968.00
2002-2003	517	8.33	14,675,146.84	439,088.00
2003-2004	449	10.30	797,391.40	391,169.00
2004-2005	399	9.73	1,236,714.80	435,571.00
2005-2006	364	11.60	914,362.34	435,025.00
2006-2007	436	18.70	909,525.52	447,402.00
2007-2008	351	13.18	794,968.20	458,480.00
2008-2009 ²	237	13.32	5,018,981.00	251,434.00
TOTAL	17,445		\$77,327,117.90	\$10,321,799.00

¹ Average review time includes weekends and State holidays.

² Reflects the first seven (7) months of the current fiscal year.