



STATE OF CONNECTICUT  
OFFICE OF POLICY AND MANAGEMENT

**TESTIMONY PRESENTED TO THE GOVERNMENT ADMINISTRATION AND  
ELECTIONS COMMITTEE**

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Testimony Opposing

**House Bill 5376: An Act Requiring the Performance of a Cost-Benefit Analysis  
Prior to the Sale of Surplus State Property.**

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Senator Slossberg, Representative Spallone and distinguished members of the GAE committee, I appreciate the opportunity to offer testimony in opposition to HB 5376, An Act Requiring The Performance of a Cost-Benefit Analysis Prior to The Sale of Surplus of State Property.

Section 1(c) of the bill would require that a cost/ benefit analysis be done before the State disposed of surplus real estate. OPM has a number of fundamental and logistic problems with the proposed language.

Fundamentally, the existing process allows each agency to submit reuse proposals for properties. It is the responsibility of each agency to look at their current and future property needs and to assess whether the surplus property can be used to efficiently and efficiently meet those needs.

The proposed language would have DPW do the study and submit it to the legislature but there is no provision for OPM to weigh in on whether or not the state can afford to continue to retain property for which it has already determined that there is no potential reuse. Example, a property is declared surplus, OPM finds no feasible state reuse and we direct DPW to sell. DPW then performs the cost/benefit analysis and finds that it would cost \$500,000 annually to continue to retain the property; the report goes to the legislature who then says "lets keep it" – but there is no discussion as to whether the state can afford the \$500,000.

The bill would have DPW perform the cost/benefit analysis even if the state were to decide to reuse the property; this is clearly OPM's function when it solicits reuse proposals. The proposed language would essentially take OPM out of the decision

making with regard to surplus property. If such a cost/benefit were to be done, it should be done through OPM.

Logistically, there are no existing appropriations for such studies. Since DOT properties would now fall under CGS 4b-21 – this would be a very large number of properties to perform cost/benefit on and would involve DPW in DOT processes for the first time.

Costs associated with environmental remediation should be limited to only those environmental remediation issues which the state is legally required to remediate prior to selling.

The bill refers to possible mothballing but does not indicate a time frame. 1 year? 5 years? Forever?

The bill requires identification of direct & indirect costs and qualitative & quantitative benefits of sale vs. retention– but since the report would come before we offered the property for sale, we would have no true identification of the benefits of sale – just an appraisal – which is only a general guide to the value of property.

We do not believe that the State can afford to retain vacant, surplus properties for an indefinite period of time, for some unknown future use, when the agencies that would presumably put these properties to such future unknown use have already said they do not want or need the properties.

Section 1(d) of the bill would allow each committee of cognizance to “...make recommendations to the Commission of Public Works concerning such proposed action” (i.e. sale). This is of some concern – who would potential buyers be negotiating with? DPW? The legislature? Both?

If the intent is to get at some of the larger or more high profile properties, some sort of acreage/value threshold may be called for in order to would send larger, more valuable properties through a different process with more legislative input while leaving the small properties (which are the vast majority) to move through the process as normal.

Thank you for the opportunity to submit testimony. OPM stands ready to work with you on this issue and we hope that we could improve on this legislation should the committee decide to move forward.