



# House of Representatives

General Assembly

**File No. 460**

*February Session, 2010*

House Bill No. 5516

*House of Representatives, April 12, 2010*

The Committee on Government Administration and Elections reported through REP. SPALLONE of the 36th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING ADMINISTRATIVE EFFICIENCY.***

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

1 Section 1. Section 4-70b of the 2010 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2010*):

4 (a) For purposes of this section:

5 (1) "Purchase of service contract" (A) means a contract between a  
6 state agency and a private provider organization or municipality for  
7 the purpose of obtaining direct health and human services for agency  
8 clients and generally not for administrative or clerical services,  
9 material goods, training or consulting services, and (B) does not  
10 include a contract with an individual;

11 (2) "Secretary" means the Secretary of the Office of Policy and  
12 Management;

13 (3) "State agency" means any department, board, council,  
14 commission, institution or other executive branch agency of state  
15 government;

16 (4) "Municipality" means a town or any other political subdivision  
17 of the state, including any local or regional board of education or  
18 health district that is created or designated by the town to act on behalf  
19 of the town; and

20 (5) "Private provider organization" means a nonstate entity that is  
21 either a nonprofit or proprietary corporation or partnership [which]  
22 that receives funds from the state, and may receive federal or other  
23 funds, to provide direct health or human services to agency clients.

24 (b) The Secretary of the Office of Policy and Management shall  
25 establish an Office of Finance under the direction of an executive  
26 financial officer. The secretary shall assist the Governor in his or her  
27 duties respecting the formulation of the budget and the correlating and  
28 revising of estimates and requests for appropriations of all budgeted  
29 agencies and shall also assist the Governor in his or her duties  
30 respecting the investigation, supervision and coordination of the  
31 expenditures and other fiscal operations of such budgeted agencies.

32 (c) [Said] The secretary shall direct internal management consultant  
33 services to state agencies in such areas as administrative management,  
34 facility planning and review, management systems and program  
35 evaluation and such other special studies and analyses as [he] the  
36 secretary deems necessary. Such direction shall include, but not be  
37 limited to, recommendations for achieving greater administrative  
38 efficiency.

39 (d) The secretary shall establish uniform policies and procedures for  
40 obtaining, managing and evaluating the quality and cost effectiveness  
41 of direct health and human services purchased from a private provider  
42 organization or municipality. The secretary shall require all state  
43 agencies which purchase direct health and human services to comply  
44 with such policies and procedures.

45 (e) Purchase of service contracts shall be subject to the competitive  
 46 procurement provisions of sections 4-212 to 4-219, inclusive. The  
 47 secretary may waive the competitive procurement requirements set  
 48 forth in chapter 55a with respect to any purchase of service contract  
 49 between a state agency and a private provider of human services.

50 (f) In order to ensure continuity of care in the delivery of health and  
 51 human services, on or before January 1, 2008, the secretary shall, in  
 52 consultation with the Connecticut Nonprofit Human Services Cabinet  
 53 and representatives of state agencies which provide health and human  
 54 services, develop a plan for the competitive procurement of such  
 55 services. On or before February 1, 2008, the secretary shall submit such  
 56 plan to the joint standing committees of the General Assembly having  
 57 cognizance of matters relating to human services and public health. In  
 58 developing the plan the secretary shall give consideration to the  
 59 following factors: (1) The current market rate for the services provided,  
 60 (2) whether services provided by a new private provider assure the  
 61 health, safety and well-being of service recipients, (3) whether services  
 62 provided by a new private provider assure that community-based  
 63 services are conveniently located and readily accessible for service  
 64 recipients, (4) whether selection of a new private provider can avoid  
 65 unnecessary challenges of local zoning law, and (5) whether selection  
 66 of a new private provider can avoid creating a conflict with the current  
 67 service provider's existing bonding contracts or placing the current  
 68 service provider at risk for losing bonding investment. The secretary  
 69 may implement such plan on or after July 1, 2008.

70 (g) No state agency may hire a private provider organization or  
 71 municipality to provide direct health or human services to agency  
 72 clients without executing a purchase of service contract with such  
 73 private provider organization or municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2010	4-70b

**GAE**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which requires the Office of Finance, within the Office of Policy and Management, to make recommendations for achieving greater administrative efficiency, results in no fiscal impact.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****HB 5516*****AN ACT CONCERNING ADMINISTRATIVE EFFICIENCY.*****SUMMARY:**

The law requires the Office of Policy and Management secretary to direct internal management consultant services, through the Office of Finance, to state agencies. The services cover administrative management, facility planning and review, management systems, and program evaluation, among others.

This bill requires the direction to include recommendations for achieving greater administrative efficiency.

EFFECTIVE DATE: October 1, 2010

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 15    Nay 0    (03/22/2010)