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Ray Rossomando
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*Before the
Education Committee*

**Re: SB 1096 AAC Governance of the State Education Resource
Center**

March 15, 2013

Good afternoon Senator Stillman, Representative Fleischmann, and members of the Education Committee. My name is Ray Rossomando, Research and Policy Development Specialist for the Connecticut Education Association. CEA represents 43,000 members who are active and retired teachers across the state.

We testify today in opposition to SB 1096, which would establish the State Education Resource Center (SERC) as a quasi-governmental agency.

SERC was established in legislation as an entity of the state under CGS 10-4q (PA 05-245, Sec. 24). The SERC entity created in 2005 apparently replaced or subsumed an entity formerly known as the Special Education Resource Center. A recent State Auditors' interim report noted that SERC operates within a rather ambiguous organizational structural, having inherited a cumbersome and costly relationship with Rensselaer Hartford Graduate Center.

We support clarifying the organizational structure of SERC. We support the good people of SERC and the Department of Education who, we believe, are people of integrity and whose intentions appear to be to improve education in our state. But we urge lawmakers to reject SB 1096 and consider the alternative noted below to better protect the public's right to know, restore SERC's reputation, and avoid potential future perceptions of undue influence.

SERC's Recent Pattern of No-bid Contracts and Unaccountable Outsiders' Influence

While SERC is respected for providing education support to school districts, its more recent involvement in the drafting of the Education Reform bill last year has compromised its reputation. Materials from a Freedom of Information request last year uncovered instances of contracts being executed without bidding and SERC serving as a conduit for influence over legislation that violated the public's right to know.

For example, one email thread released in the FOI request shows:

1. The no-bid contracting of services to a private firm (Education First) to "help Connecticut policymakers draft human capital legislation that tie new evaluation results to reforms in tenure, certification/licensure, layoff, dismissal, and professional development policies."
 - *Shouldn't the public have a right to know who is drafting legislation affecting our children's education?*
2. Outside sources (Council of Chief State School Officers) being tapped to pay for consultants to influence policies under development by the state's Performance Evaluation and Assessment Council (PEAC).
 - *Shouldn't the public have a right to know that the state sought to have CCSSO fund the development of policies affecting schools? Who else funded these efforts?*
3. A state contract to institute education reform policies being influenced, orchestrated, screened, approved, and practically executed by DSA Capital's William Cox, who is not an employee of the state.
 - *Shouldn't the public have a right to know who William Cox is, what interests he represents, and how he was able to orchestrate and approve a no-bid state contract and have it executed by SERC?*

The Legislature's Options

To resolve this ambiguity and address transparency, there appear to be two options. The legislature could reconstitute SERC as a quasi-governmental agency an arms-length away from the oversight, transparency, accountability, and other protections of the public good that apply to state agencies. SB 1096 seeks to do this.

Alternatively, the legislature could make it crystal clear that SERC is in fact an entity of the state, subject to laws ensuring transparency, competitive bidding, and other measures of accountability that are in the public interest. It is this latter approach that we support. To this end, we wish to draw your attention to HB 5900 An Act Requiring More Transparency in Education, which is a related bill that we do support and is under consideration in the GAE committee (see attached). Whatever the legislative vehicle, we urge legislators to enact legislation similar to HB 5900 that:

- Clarifies that SERC is a public agency subject to Connecticut's fair and open contracting laws.
- Clarifies that non-profit organizations operating as state agents are also subject to fair contracting laws.
- Requires SDE to report all state contracts awarded by SERC.
- Requires SERC to report all costs of salaries, fringe benefits, and other compensation expenses.

An Argument Against Reconstituting SERC as a Quasi-Governmental Agency

Quasi-governmental agencies operate an arm’s length away from state government oversight and public transparency. Consequently, their operations have a spotted history in Connecticut. Over the past 10 years, quasi-governmental agencies in Connecticut have too often failed the public good. From unsecured investments of public dollars in Enron and outrageous executive bonuses to no-bid contracts and accusations of cronyism, the good work of quasi-agencies in Connecticut have been marred by well documented failings and perceptions of wrong doing.

According to OLR (2005-R-0772): “The major reason for establishing quasi-public agencies here was their organizational location outside the structure of state government, which meant they could avoid many of the requirements and controls imposed on governmental agencies.” The state’s 11 quasi-governmental agencies fall primarily into 3 categories: Complex financing, waste-to-energy, and targeted economic development. By putting a quasi-governmental agency in charge of education policies affecting Connecticut children, we would be setting a troubling precedent.

The Table prepared by OLR shows the public protections absent from quasi-governmental operations. While good arguments could be made for using a quasi-governmental structure to carry-out certain complex public functions, the oversight of our public schools is not one of them.

TABLE 1: Applicability of State Government Controls to Quasi-Public Authorities

<i>Control</i>	<i>CDA</i>	<i>CII</i>	<i>CHEFA</i>	<i>CHESLA</i>	<i>CHFA</i>	<i>CHA</i>	<i>CRRA</i>	<i>CHWMS</i>	<i>CCEDA</i>	<i>CLC</i>	<i>LFCCEA</i>
Budget	No	No	No	No	No	No	No	No	No	No	No
Bonding	No *	Yes	No	No	No	Yes	No	Yes	Yes	Yes	No
Personnel	No	No	No	No	No	No	No	No	No	No	No
Purchasing	No	No	No	No	No	No	No	No	No	No	No
Contracting	No	No	No	No	No	No	No	No	No	No	No
Affirmative Action	No	No	No	No	No	No	No	No	No	No	No
UAPA **	No	No	No	No	No	No	No	No	No	No	No
Code of Ethics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FOI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State Auditors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: LPRIC’s report entitled *Connecticut Resources Recovery Authority and other Quasi-Public Agencies*

UAPA= Uniform Administrative Procedure Act

FOI= Freedom of Information

*Under insurance mortgage program the State Bond Commission issues bonds, the proceeds of which are funneled through the Department of Economic and Community Development to CDA.

**The law requires all quasi-public agencies to follow certain guidelines when adopting its procedures (similar to the UAPA’s notice, publication, and approval requirements but without the need for legislative approval) (CGS § 1-121)

We strongly urge committee members to reject SB 1096 and clarify SERC’s status as an entity of the state subject to laws that apply to state agencies and ensure oversight, transparency, accountability, and other protections of the public’s right to know.

Thank you.

