



# Senate

General Assembly

**File No. 438**

January Session, 2013

Senate Bill No. 899

*Senate, April 11, 2013*

The Committee on Government Administration and Elections reported through SEN. MUSTO of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING REVISIONS TO STATUTES CONCERNING THE COMPTROLLER.**

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

1 Section 1. Section 3-115e of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 The State Comptroller shall report [, on an annual basis] not later  
4 than October 1, 2013, and every two years thereafter, to the Governor  
5 and the General Assembly, in accordance with the provisions of  
6 section 11-4a, on the CORE-CT system. Such reports shall include, but  
7 not be limited to, the status of [the implementation of] the system, [the  
8 anticipated completion date,] the total cost to date and projected costs  
9 for the next three fiscal years, other required software or hardware,  
10 [necessary for successful implementation and any associated costs,] the  
11 date and costs of future upgrades, the level of cooperation from  
12 vendors and state agencies [, any administrative or legislative obstacles  
13 to implementation,] and any other issues surrounding the CORE-CT

14 system.

15 Sec. 2. Section 4-36 of the general statutes is repealed and the  
16 following is substituted in lieu thereof (*Effective July 1, 2013*):

17 Each state agency shall establish and keep an inventory account in  
18 the form prescribed by the Comptroller, and shall, annually, on or  
19 before October first, transmit to the Comptroller a detailed inventory,  
20 as of June thirtieth, of all of the following property owned by the state  
21 and in the custody of such agency: (1) Real property, and (2) personal  
22 property having a value of [one] five thousand dollars or more. For  
23 audit purposes, each state agency shall establish and keep a list of  
24 personal property having a value of less than [one] five thousand  
25 dollars and defined as "controllable property" in the property control  
26 manual published by the Comptroller.

27 Sec. 3. Subsection (d) of section 4-158 of the general statutes is  
28 repealed and the following is substituted in lieu thereof (*Effective July*  
29 *1, 2013*):

30 (d) If the Claims Commissioner orders immediate payment of a just  
31 claim in an amount not exceeding seven thousand five hundred dollars  
32 pursuant to subdivision (2) of subsection (a) of this section and a  
33 request for review is not timely filed pursuant to subsection (b) of this  
34 section, the Office of the Claims Commissioner shall deliver to the  
35 [Comptroller] Department of Administrative Services a certified copy  
36 of the Claims Commissioner's order and the [Comptroller] Department  
37 of Administrative Services shall make payment from such  
38 appropriation as the General Assembly may have made for the  
39 payment of claims or, in the case of contractual claims for goods or  
40 services furnished or for property leased, from the appropriation of the  
41 agency [which] that received such goods or services or occupied such  
42 property.

43 Sec. 4. Section 4a-20 of the general statutes is repealed and the  
44 following is substituted in lieu thereof (*Effective from passage*):

45 The State Insurance and Risk Management Board shall determine  
46 the method by which the state shall insure itself against losses by the  
47 purchase of insurance governed by the provisions of title 38a to obtain  
48 the broadest coverage at the most reasonable cost. It shall direct the  
49 negotiations for purchase of such insurance and determine whether  
50 deductible or other risk retention provisions should be included in the  
51 insurance contract. Wherever appropriate it shall determine that the  
52 state shall act as a self-insurer and may request funds from the  
53 contingency fund to establish reserves and carry out such practices as  
54 are necessary to safeguard the self-insurance activity. Said board may  
55 develop and implement risk management and loss prevention  
56 programs related to insurance plans established pursuant to the  
57 provisions of sections 4a-19 to 4a-21, inclusive, and may recommend to  
58 the Governor and the General Assembly the enactment of policies  
59 designed to reduce risks and hazards that may result in state liability  
60 for tortious conduct. It shall designate the agent or agents of record  
61 and shall select the companies from whom insurance coverage and  
62 surety bonds shall be purchased. Notwithstanding any other provision  
63 of the general statutes, including without limitation sections 38a-707  
64 and 38a-825, it shall have full authority to negotiate either a  
65 commission or fee structure to compensate the agent or agents of  
66 record for services performed. It shall also have full authority to retain  
67 consulting firms and to negotiate their fee compensation for services  
68 performed. Any refund, dividend or other payment from any  
69 insurance company in connection with insurance for the state shall be  
70 returned to the [Comptroller] Department of Administrative Services  
71 for deposit in the General Fund. The board shall establish  
72 specifications for each contract of insurance and shall request bids for  
73 each such contract through the agent of record. Each such contract  
74 shall be for a specified period of time.

75 Sec. 5. Subsection (a) of section 5-155a of the general statutes is  
76 repealed and the following is substituted in lieu thereof (*Effective from*  
77 *passage*):

78 (a) The general administration and responsibility for the proper

79 operation of the state employees retirement system is vested in a single  
80 board of trustees to be known as the Connecticut State Employees  
81 Retirement Commission. Notwithstanding the provisions of section 4-  
82 9a, the Retirement Commission shall consist of the following: (1) The  
83 Treasurer or a designee, who shall be a nonvoting, ex-officio member;  
84 (2) the Comptroller or a designee, who shall be a nonvoting, ex-officio  
85 member; (3) six trustees representing employees who shall serve three-  
86 year terms and be appointed by the bargaining agents in accordance  
87 with the provisions of applicable collective bargaining agreements.  
88 The trustees representing employees shall not be members of the same  
89 bargaining unit; [. The trustees representing employees shall serve  
90 three-year terms; (3)] (4) six management trustees who are members of  
91 the state employees retirement system, who shall serve three-year  
92 terms [. The management trustees shall] and be appointed by the  
93 Governor; [(4)] (5) two actuarial trustees who are enrolled actuaries  
94 and Fellows of the Society of Actuaries. One actuarial trustee shall be  
95 nominated by the management trustees and one shall be nominated by  
96 the trustees representing employees. The Governor shall appoint the  
97 actuarial trustees for three-year terms; and [(5)] (6) one neutral trustee  
98 who shall be chairman of the State Employees Retirement  
99 Commission. Such neutral trustee shall be enrolled in the National  
100 Academy of Arbitrators and shall be nominated by the employee and  
101 management trustees and appointed by the Governor. The neutral  
102 trustee shall serve a two-year term. If a vacancy occurs in the office of a  
103 trustee, the vacancy shall be filled for the unexpired term in the same  
104 manner as the office was previously filled. The trustees, with the  
105 exception of the chairman and the actuarial trustees, shall serve  
106 without compensation but shall be reimbursed in accordance with the  
107 standard travel regulations for all necessary expenses that they may  
108 incur through service on the commission. The chairman and the  
109 actuarial trustees shall be compensated at their normal and usual per  
110 diem fee, plus travel expenses, from the funds of the retirement system  
111 for each day of service to the commission. Each trustee shall, within  
112 ten days after appointment or election, take an oath of office that so far  
113 as it devolves upon the trustee, the trustee will diligently and honestly

114 administer the affairs of the commission, and will not knowingly  
115 violate or willingly permit to be violated any of the provisions of law  
116 applicable to the state retirement system. Each trustee's term shall  
117 begin from the date the trustee takes such an oath. The trustees shall  
118 appoint a representative from among the municipalities that have  
119 accepted the provisions of part II of chapter 113, who shall serve as a  
120 municipal liaison to the commission, at the commission's pleasure and  
121 under such terms and conditions as the commission may prescribe.  
122 Each trustee shall be entitled to one vote on the commission. A  
123 majority of the commission shall constitute a quorum for the  
124 transaction of any business, the exercise of any power or the  
125 performance of any duty authorized or imposed by law. The  
126 Retirement Commission shall be within the Retirement Division of the  
127 office of the Comptroller for administrative purposes only. The  
128 Comptroller [, ex officio,] shall be the [nonvoting] secretary of the  
129 commission and shall provide secretariat support to the commission.

130 Sec. 6. Subsection (a) of section 32-6 of the general statutes is  
131 repealed and the following is substituted in lieu thereof (*Effective July*  
132 *1, 2013*):

133 (a) The management and control of the operation and affairs of the  
134 Connecticut building at the Eastern States Exposition at West  
135 Springfield shall be in the charge of the Department of Economic and  
136 Community Development. Maintenance of the land and building shall  
137 be the responsibility of the Department of Administrative Services.  
138 Coverage by fire and casualty insurance shall be the responsibility of  
139 the [Comptroller] State Insurance and Risk Management Board in  
140 accordance with the provisions of section 4a-20, as amended by this  
141 act. The building and land shall be used by the Department of  
142 Economic and Community Development, in cooperation with public  
143 and private agencies, to conduct an educational exhibit which will  
144 promote the agricultural, industrial, recreational and other physical  
145 and natural resources of this state.

146 Sec. 7. Subsection (c) of section 3-123h of the general statutes is

147 repealed and the following is substituted in lieu thereof (*Effective July*  
148 *1, 2013*):

149 (c) On or before [March 30, 2012] April 30, 2014, and annually  
150 thereafter, the State Comptroller shall report, in accordance with the  
151 provisions of section 11-4a, to the joint standing committee of the  
152 General Assembly having cognizance of matters relating to  
153 appropriations and the budgets of state agencies and the Secretary of  
154 the Office of Policy and Management on the status of the flexible  
155 spending account programs. Each such report shall include, but not be  
156 limited to: (1) The number of employees enrolled in such programs, (2)  
157 the administrative costs of such programs, (3) the amount of forfeitures  
158 in such programs, and (4) the effect of the transfers permitted under  
159 subsections (a) and (b) of this section on the Employers Social Security  
160 Tax account.

161 Sec. 8. Subsection (a) of section 4a-71 of the general statutes is  
162 repealed and the following is substituted in lieu thereof (*Effective from*  
163 *passage*):

164 (a) Except as provided in section [4a-73] 4a-72, each state  
165 department and agency shall pay interest at a rate equal to the  
166 monthly effective yield for the Short Term Investment Fund  
167 administered by the Treasurer pursuant to sections 3-27a to 3-27f,  
168 inclusive, on amounts due on written contracts for public works,  
169 personal services, goods and services, equipment and travel, whenever  
170 such department or agency fails to make timely payment.

171 Sec. 9. Section 3-115d of the general statutes is repealed. (*Effective*  
172 *from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-115e
Sec. 2	<i>July 1, 2013</i>	4-36
Sec. 3	<i>July 1, 2013</i>	4-158(d)
Sec. 4	<i>from passage</i>	4a-20

Sec. 5	<i>from passage</i>	5-155a(a)
Sec. 6	<i>July 1, 2013</i>	32-6(a)
Sec. 7	<i>July 1, 2013</i>	3-123h(c)
Sec. 8	<i>from passage</i>	4a-71(a)
Sec. 9	<i>from passage</i>	Repealer section

**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.

---

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

The bill does not result in a fiscal impact to the Office of the State Comptroller or to the Department of Administrative Services (DAS) as it eliminates a policy board, modifies various monitoring and reporting requirements and transfers certain responsibilities to DAS.

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

**OLR Bill Analysis****SB 899*****AN ACT CONCERNING REVISIONS TO STATUTES CONCERNING THE COMPTROLLER.*****SUMMARY:**

This bill makes unrelated changes affecting the statewide accounting and personnel system (CORE-CT) and the comptroller. Concerning CORE-CT, the bill requires the comptroller to report biennially, rather than annually, by October 1, 2013, on its status to the governor and General Assembly. It also eliminates the CORE-CT policy board, which is responsible for maintaining the constitutional and statutory independence of the legislative, executive, and judicial branches with respect to system implementation and operation.

The bill transfers, from the comptroller to the Department of Administrative Services, responsibility for (1) making payments of \$7,500 or less that the claims commissioner orders for immediate disbursement, thus codifying current practice, and (2) receiving and depositing in the General Fund refunds, dividends, and other payments the state gets from insurance companies in connection with state insurance. It also transfers, from the comptroller to the State Insurance and Risk Management Board, responsibility for covering fire and casualty insurance for the Connecticut building at the Eastern States Exposition (Big E).

The bill:

1. increases, from \$1,000 to \$5,000, the threshold value of personal property in an agency's custody (a) at which it must annually inventory and report to the comptroller and (b) under which it must keep a keep a list for audit purposes;

2. makes it clear that the comptroller is a nonvoting, ex-officio member of the Connecticut State Employees Retirement Commission, thus codifying existing practice, and authorizes him to have a designee; and
3. requires the comptroller to annually report by April 30 rather than March 30, on the state employee flexible spending account (FSA) programs.

Finally, the bill makes technical changes.

EFFECTIVE DATE: Upon passage, except the provisions on claims commissioner payments, the Big E, the state personal property inventory, and FSA program reporting are effective July 1, 2013.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 14    Nay 0    (03/27/2013)