
OLR Bill Analysis

sSB 508

AN ACT RESTRICTING THE USE OF NONDISPARAGEMENT AND SETTLEMENT AGREEMENTS BY STATE AGENCIES AND QUASI-PUBLIC AGENCIES.

SUMMARY

This bill limits the circumstances in which state agencies may pay an employee to resign or retire (1) in order to avoid costs related to potential litigation or (2) under a nondisparagement agreement. It also prohibits quasi-public agencies from making such payments.

Under the bill, a state agency may only make such a payment under a (1) settlement agreement the attorney general entered on the agency's behalf or (2) compromise the governor authorized related to a disputed claim by or against the state or a state department or agency.

Under the bill, no nondisparagement or settlement agreement between an employee and a state or quasi-public agency may prohibit an employee from making a complaint or providing information in accordance with the state's whistleblower laws. Additionally, no such agreement between an employee and state agency may prohibit the employee from making a complaint or providing information related to the attorney general's investigation into false claims for benefits from state-administered health or human services programs.

EFFECTIVE DATE: October 1, 2018

STATE AND QUASI-PUBLIC AGENCIES

For the bill's purposes, "state agencies" include any department, board, council, commission, institution, or other executive branch agency, including each constituent unit and higher education institution.

Under the bill, "quasi-public agencies" include Connecticut

Innovations, Inc. and the:

1. Connecticut Health and Educational Facilities Authority,
2. Connecticut Higher Education Supplemental Loan Authority,
3. Connecticut Student Loan Foundation,
4. Connecticut Housing Finance Authority,
5. Connecticut Housing Authority,
6. Materials Innovation and Recycling Authority,
7. Capital Region Development Authority,
8. Connecticut Lottery Corporation,
9. Connecticut Airport Authority,
10. Connecticut Health Insurance Exchange,
11. Connecticut Green Bank,
12. Connecticut Retirement Security Authority,
13. Connecticut Port Authority, and
14. State Education Resource Center.

BACKGROUND

Related Bill

sSB 175 (File 90), reported favorably by the Government Administration and Elections Committee, contains a provision that also prohibits state agencies from making a payment to a departing employee that is intended to avoid litigation costs or is part of a non-disparagement agreement.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 38 Nay 0 (04/02/2018)