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The Government Administration and Elections Committee February 26, 2018

Testimony in Support of SB 180: AN ACT REQUIRING EXECUTIVE AND LEGISLATIVE REVIEW OF CERTAIN QUASI-PUBLIC AGENCY CONTRACTS

Chairpersons Representative Fox, Senator McLachlan, Senator Flexer, Ranking Member Devlin, and other distinguished members of the Government Administration and Elections Committee. Thank you for allowing me the opportunity to offer written testimony in support of SB 180: AN ACT REQUIRING EXECUTIVE AND LEGISLATIVE REVIEW OF CERTAIN QUASI-PUBLIC AGENCY CONTRACTS.

Connecticut is currently in the midst of a fiscal crisis due to overly generous employee contracts and poor management of said contracts. Folks throughout this state are feeling the pinch of higher taxes and poorer state services while at the same time reading about quasi-public agencies giving away six-figure salaries and bonuses without any oversight from the General Assembly. It is time to change that culture and this legislation, if passed, would allow the people to have a voice before contracts over \$100,00 are approved.

I point to two examples of this in the Connecticut Airport Authority and the CT Lottery.

I direct your attention to two articles from 2017 written by *Hartford Courant* columnist Jon Lender.

Regarding the CAA, Lender writes:

“The CAA’s seeming immunity to the widespread budget turmoil is the latest example of how different life is at some of Connecticut’s “quasi-public” agencies, created by the legislature to perform specialized tasks with unusual autonomy and, often, eye-catching salaries.

How eye-catching? Check it out:

- The airport authority’s executive director and CEO, [Kevin Dillon](#), was paid more than \$350,000 last year under a contract that offers him a performance bonus of up to 20 percent of his \$306,000 base salary to run the agency with annual operating budget revenues approaching \$75 million. He has two deputy executive directors, Sharon Traficante and Michael Shea, who are paid \$202,900 each.
- Meanwhile, Commissioner James Redeker of the state Department of Transportation, which ran Bradley and other smaller airports until the CAA took them over in 2013, is paid about \$191,000 a year. He runs an

executive-branch department with a fiscal-2017 operating budget of \$611 million, and a capital budget of \$2 billion for construction and renovation projects. Redeker has one deputy commissioner, Anna Barry, who's paid \$159,000.”ⁱ

Regarding CT Lottery, former CEO Anne Noble received a generous six-figure salary during her tenure. Lender writes about the 5-Card Cash scandal, which occurred under Noble's tenure, and the resulting generous pay-out despite this incident.

“Noble's decision to step down on Sept. 22, 2016, came during a Department of Consumer Protection investigation of lottery officials' handling of a 2015 fraud scheme in which employees at lottery retail outlets managed to print out winning tickets for themselves in the 5 Card Cash game. The probe resulted in 15 arrests of employees at retail lottery outlets such as convenience stores.

Noble remained on the payroll until Jan. 31, when she reached a 10-year employment threshold to qualify for lifetime retirement benefits, and then, after that, she got \$25,000 a month under a consulting arrangement that expired this past July 31.”ⁱⁱ

Currently, the CT Lottery is in a search for a new CEO, which includes a candidate currently embroiled in another scandal involving the New Year's Super Draw, potentially looking at a salary over \$200,000, more than all the justices on the CT Supreme Court.

With Connecticut residents feeling the burden of the state budget and, at times, asked to pay more, I ask this committee to review this legislation and consider this proposal, which will allow for more transparency and oversight. There is no reason these quasi-public agencies are allowed to avoid tough questions about their practices and provide answers surrounding bloated pay and benefits while others are asked to cut and save wherever possible.

Thank you for your consideration.

ⁱ <http://www.courant.com/politics/government-watch/hc-pol-airport-pay-raises-20170905-story.html>

ⁱⁱ <http://www.courant.com/politics/government-watch/hc-pol-lottery-rehab-20170918-story.html>