

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5178

AN ACT REQUIRING EXECUTIVE AND LEGISLATIVE REVIEW OF CERTAIN QUASI-PUBLIC AGENCY CONTRACTS AND AN ANNUAL REVIEW OF EACH

Title: QUASI-PUBLIC AGENCY.

Vote Date: 3/9/2018

Vote Action: Joint Favorable Substitute

PH Date: 2/26/2018

File No.: 56

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SPONSORS OF BILL:

Government Administration and Elections Committee

Rep. Craig C. Fishbein, 90th Dist.

REASONS FOR BILL:

This bill provides a greater oversight for quasi-public agencies. Quasi-public agencies in the past have made financial requests that have concerned citizens. This bill suggests that the Attorney General's office will be able to aid in determining the need of cost increases by quasi-public agencies. Unlike SB 180, this bill requires submission of the quasi-public agency's annual report to its committee of cognizance.

RESPONSE FROM ADMINISTRATION/AGENCY:

NATURE AND SOURCES OF SUPPORT:

Christie Carpino, State Representative, Connecticut General Assembly: Rep. Carpino supports HB 5178 because this bill holds quasi-public agencies accountable to the taxpayers. Rep. Carpino provided examples including a \$50,000 bonus to a Connecticut Airport Authority employee and questionable severance packages to demonstrate certain instances that might require greater oversight to ensure stronger accountability.

NATURE AND SOURCES OF OPPOSITION:

Kevin Dillon, Executive Director, Connecticut Airport Authority (CAA): The CAA opposes Section 1 of HB 5178. The concern is that subjecting contracts to review of the Attorney General will tax the Attorney General's office staff and hamper the ability of all quasi-public agencies. Quasi-public agencies function "efficiently and autonomously" by avoiding "bureaucratic" processes. They have had concerns about legislative proposals in the past that restrict wage requirements and apply state agency privatization processes to their operations.

Matt McCooe, CEO, Connecticut Innovations (CI): CI is not in support of HB 5178 but share the committee's desire for transparent government. They are concerned that HB 5178 could seriously inhibit their ability to operate effectively. By subjecting CI contracts to the review of the AG's office, this counters the rationale of establish CI as a quasi-public agency in the first place. The fear is if HB 5178 reduces the flexibility of CI, it will inhibit their ability to take advantage of "important opportunities" and reduce chance for continued success.

Karl Kilduff, Executive Director, Connecticut Housing Finance Authority (CHFA): The CHFA is not in support of HB 5178 as written. They ask that Proposed Bill No. 5178 "mirror the same exemption provided for in the Proposed Senate Bill". The CHFA is concerned that the financial service requirements of the bill restrict the agency's flexibility and competitiveness. The unintended consequences of the bill will leave the agency "without a necessary consultant" which, in turn, can affect the agency's necessary AAA bond rating.

Reported by: Christian Tynan

Date: 4/3/2018