

# Government Administration and Elections Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-503

AN ACT REQUIRING APPROVAL OF STATE AGENCY SETTLEMENT AND

**Title:** NONDISCLOSURE AGREEMENTS.

**Vote Date:** 3/23/2018

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/19/2018

**File No.:** 409

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

### SPONSORS OF BILL:

Government Administration and Elections Committee

### REASONS FOR BILL:

The bill prohibits executive branch agencies, boards and commissions, including the constituent units of higher education, from making a payment of more than \$100,000 to a departing employee that is intended to avoid litigation costs or is part of a non-disparagement agreement (unless it was approved by the General Assembly).

**\*\*Proposed Substitute language:** The language is in regards to nondisclosure agreements and it requires the Attorney General's approval rather than legislative approval. It also requires notification of the legislative leaders, GAE and the committee of cognizance.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

### NATURE AND SOURCES OF SUPPORT:

#### **Leonard A. Fasano, State Senator, 34<sup>th</sup> District**

Senator Fasano believes that the state needs greater transparency when it comes to approving separation and nondisclosure agreements so that taxpayer dollars are protected. He is concerned that during the current fiscal crisis in Connecticut, that some employees are receiving six figure payments without oversight. He is particularly concerned about the state's quasi-public organizations that he argues has distributed some very controversial settlement agreements without consulting the Attorney General or any other authority.

Finally, he suggests some modifications to the bill to improve oversight. He recommends that the bill require the Office of the Attorney General, rather than the General Assembly, to be responsible for reviewing the agreements and settlements. And that they be filed 30 days before their effective date to allow for such review. Additionally, he recommends the bill apply to a separation or nondisclosure agreement of any monetary amount. He believes that the bills requirement that the agreement be over \$100,000 is limiting. Senator Fasano also states that it would be helpful for the Attorney General to review not only the payment but also the actual settlement agreement. And finally, he would like the bill to involve the General Assembly by requiring the Attorney General to submit a summary of any agreement and the findings to the legislative leaders of the four caucuses and the co-chairs of the committee of cognizance.

**Holly Cheeseman, State Representative, 37<sup>th</sup> District**

Rep. Cheeseman supports the bill and the oversight of certain separation and non-disparagement agreements to former employees over six figures. She cites the Auditors of Public Accounts recommendation in their report. Ms. Cheeseman is especially concerned about the University of Connecticut, the UCONN Health Center and the Connecticut Lottery Corporation having made such payments.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Susan Tufts**

**Date: 4/9/18**