

**Government Administration and Elections Committee  
JOINT FAVORABLE REPORT**

**Bill No.:** SB-878

**Title:** AN ACT ENHANCING PUBLIC-PRIVATE PARTNERSHIPS.

**Vote Date:** 4/1/2019

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/25/2019

**File No.:**

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**SPONSORS OF BILL:**

Government Administration and Elections Committee

**Co-Sponsors**

Rep. Terrie E. Wood, 141st Dist.

**REASONS FOR BILL:**

The bill aims to make improvements and expand the executive branch and quasi-public agencies to enter into private partnerships with private entities to contract to design, develop, finance, construct, operate, or maintain state projects.

**Substitute Language LCO No.6757- creates the language that states the Governor shall approve not more than [five] seven projects to be implemented as public-private partnership projects. The Governor shall not approve any such project unless the Governor finds that the project will result in job creation and economic growth. Any agency seeking to establish a public-private partnership shall, after consultation with the Commissioners of Economic and Community Development, Administrative Services and Transportation, the State Treasurer and the Secretary of the Office of Policy and Management, submit one or more projects to the Governor for approval**

**RESPONSE FROM ADMINISTRATION/AGENCY:**

**Josh Geballe, Commissioner, Department of Administrative Services(DAS):**

Commissioner Geballe testified that the Department of Administrative Services (DAS) believes that the reforms made to SB 878 will help the state achieve economic development and job creation as well as maintaining the key provisions of Chapter 55d. The public-private partnerships (PPP) statutes, enacted in 2011 with the goal of promoting economic growth and job creation will be able to overcome the many restrictions and stipulations that initially stifled the intended outcomes of the legislation.

**David Lehman, Commissioner, Department of Economic and Community**

**Development(DECD):** This testimony was submitted by the Commissioner of the Department of Economic and Community Development (DECD) in support of SB 878. DECD supports SB 878 because it allows for executive branch agencies and quasi-public agencies the authority to enter into public-private partnerships (PPP) with entities and offer the state the ability to maximize our reach and economic impact while minimizing public investment. Additionally, these PPPs may be leveraged to create cost and time efficiencies, share risk with the private sector, create jobs, and boost economic output.

**NATURE AND SOURCES OF SUPPORT:**

**Kevin A. Dillon, Executive Director, Connecticut Airport Authority (CAA):** Kevin Dillon on behalf of the Connecticut Airport Authority (CAA) presented testimony in support of SB 878 as a former co-chair of the Lamont-Bysiewicz transition team's Transportation Policy Committee. This bill will be effective will transportation projects in the future and will allow for attractive opportunities to be offered for certain projects.

**Michael Freimuth, Executive Director, Capital Region Development Authority:** This testimony was submitted by Capital Region Development Authority (CRDA) in support of SB 878 because public-private partnerships open the door to attract private capital to meet public facility demands. This will result in transportation projects such as airport developments, train station complexes, and toll roads. Other public needs and interests can be met such as public arenas and stadiums with the implementation of this bill. SB 878 goes a long way in removing many of the hurdles such as limits in private investment, and the length of time they can exist.

**Chris Fryxell, President, Associated Builders and Contractors of Connecticut:**

This testimony was submitted in support of SB 878 as it makes statutory changes to encourage the use of public-private partnerships for certain infrastructure projects that will allow for much needed investments. With the implementation of SB 878 it will be possible to make the necessary infrastructure and technological advances that would position our state for sustained economic growth.

**Also in support of SB 878:**

- The Surety and Fidelity Association of America (SFAA)
- The American Property Casualty Insurance Association (APCIA), with amendments to Section 7.

**NATURE AND SOURCES OF OPPOSITION:**

**Jody Barr, Executive Director, Council 4 AFSCME:** Jody Barr, on behalf of Council 4 AFSCME opposed SB 878 as it would remove the limits on what government services and agencies could enter into a privatization contract. The concern is with the language, especially as it pertains to the term public-private partnership which is just another term for outsourcing of public services. This language is very open-ended and does not guarantee

any public process or guidelines by which the legislature and public would be able to judge the public-private partnerships. Additionally, this language would eliminate the need for a cost-benefit and approval by the Contracting Standards Board.

**David Glidden, Executive Director, CSEA SEIU Local 2001:** This testimony was submitted in opposition to SB 878 as it seeks to strip from current law all of the existing limits, transparency, and due diligence relating to the state's use of public-private partnerships. The public-private partnerships (PPP) projects that are not properly vetted or scrutinized or do not have government oversight is likely to be long-lasting failures. This proposed legislation would exempt PPPs from the scrutiny of the Contracting Standards Board which limits transparency and accountability.

**Sal Luciano, President, Connecticut AFL-CIO:** This testimony was submitted on behalf of the Connecticut AFL-CIO in opposition to SB 878 as it contains language that would roll back the steps put in place to guarantee transparency and oversight into state contracting and procurement protocols. By allowing agencies to bypass the State Contracting Standards Board agencies can become reckless and allow corruption to come back to the state. There must be oversight that will perform the due diligence and fulfill its capacity as a government watchdog. For this reason opposition that Connecticut AFL-CIO rejects SB 878.

**Also in opposition of SB 878:**

- Shar Habibi, Research and Policy Director, In the Public Interest.
- Jan Hochadel, President, AFT Connecticut
- Rick Melita, Director, Connecticut Service Employees International Union
- Scott Shepard, Policy & Research Director, The Yankee Institute for Public Policy
- Tom Swan, Executive Director, Connecticut Citizen Action Group
- Travis Woodward, President, CSEA SEIU Local 2001
- William Garrity, RN, President University Health Professionals , Local 3837

**Reported by: Nicholas Rogers  
Assistant Clerk**

**Date: 4/15/19**