AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD AND REQUIREMENTS FOR PRIVATIZATION CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subdivision (21) of section 4e-1 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(21) "Privatization contract" means (A) an agreement or series of agreements between a state contracting agency and a person or entity in which such person or entity agrees to provide services that are substantially similar to and in lieu of services provided, in whole or in part, by state employees, other than contracts with a nonprofit agency, which are in effect as of January 1, 2009, and which through a renewal, modification, extension or rebidding of contracts continue to be provided by a nonprofit agency; or (B) a procurement contract entered into on or after July 1, 2019, for which subsequent related services, the total cost of which exceed fifty thousand dollars per year, will be required;

Sec. 2. Subdivision (28) of section 4e-1 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(28) "State contracting agency" means any executive branch agency, board, commission, department, office, institution or council. "State contracting agency" does not include the judicial branch, the legislative
branch, the offices of the Secretary of the State, the State Comptroller,
the Attorney General, the State Treasurer, with respect to their
constitutional functions, any state agency with respect to contracts
specific to the constitutional and statutory functions of the office of the
State Treasurer. For the purposes of section 4e-16, as amended by this
act, "state contracting agency" includes any constituent unit of the state
system of higher education and, [for] notwithstanding any provision of
the general statutes, any quasi-public agency created to provide
financing for any such constituent unit and any quasi-public agency
not specifically excluded under this chapter. For the purposes of
section 4e-19, "state contracting agency" includes the State Education
Resource Center, established under section 10-4q;

Sec. 3. Subsection (m) of section 4e-2 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2019):

(m) [Eight] The lesser of eight members of the board, or a majority
of the appointed members of the board, including, [not less than] in
either case, at least one member appointed by a legislative leader, shall
constitute a quorum which shall be required for the transaction of
business by the board.

Sec. 4. Subsection (c) of section 4e-13 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2019):

(c) All state agencies in the executive branch, the constituent units of
the state system of higher education and quasi-public agencies shall
post all bids, requests for proposals and all resulting contracts and
agreements on the State Contracting Portal and shall, with the
assistance of the Department of Administrative Services as needed,
develop the infrastructure and capability to electronically
communicate with the State Contracting Portal. No privatization
contract shall be valid unless, at least thirty days prior to the execution
of such contract, all certifications required by section 4e-16, as
amended by this act, have been posted on the State Contracting Portal.

Sec. 5. Subsection (p) of section 4e-16 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(p) Prior to entering into or renewing any privatization contract that is not subject to the provisions of subsection (a) of this section, the state contracting agency shall evaluate such contract to determine if entering into or renewing such contract is the most cost-effective method of delivering the service, by determining the costs, as defined in subsection (b) of this section, of such service. If the privatization contract is for a total amount of more than one million dollars, the state contracting agency shall also develop a business case for such privatization contract in accordance with the provisions of subsection (d) of this section. The state contracting agency shall perform such evaluation of cost-effectiveness in accordance with a template prescribed by the Secretary of the Office of Policy and Management and such evaluation shall be subject to verification by the secretary. Such template shall require a certification by the state contracting agency that it has complied with all requirements of this subsection and an explanation for the basis of such agency's determination that the provisions of subsection (a) of this section do not apply. If such evaluation of cost-effectiveness includes a determination by the state contracting agency that there are no savings to the state if the contract is performed by the contractor, such agency shall not enter into such contract without (1) providing a written report to the secretary concerning the reason such agency seeks to enter into such contract despite a lack of savings, and (2) receiving written authorization from the secretary to enter into such contract. If such contract is not a renewal, the state contracting agency shall also consider and report, in writing, to the secretary on whether the quality of services could be diminished by the privatization contract and any risks associated with the termination or rescission of such contract. The secretary may waive the requirement for an evaluation of cost-effectiveness under this
subsection upon a written finding by the secretary that exigent or emergent circumstances necessitate such waiver.

Sec. 6. Section 4e-16 of the general statutes is amended by adding subsections (r) to (t), inclusive, as follows (Effective July 1, 2019):

(NEW) (r) A state contracting agency that seeks to enter into or renew a privatization contract shall, not less than sixty days before entering into or renewing such contract, provide written notice to any collective bargaining agent that represents state employees performing work of the type and nature required by the privatization contract. Such notice shall include the information required under subsections (a) to (d), inclusive, of this section or subsection (p) of this section, as applicable, and shall offer the collective bargaining agent the opportunity to meet with the agency to discuss such information and discuss whether the work could more appropriately be performed by state employees, prior to the contract being entered into or renewed by the agency.

(NEW) (s) Any state contracting agency that seeks approval of a contract that could be done at a lesser cost by state employees but determines there is an insufficient number of state employees within such agency to perform the contract shall, not later than sixty days after making such determination, submit a plan to the Secretary of the Office of Policy and Management for preventing a recurrence of such insufficiency by requesting authorization for the hiring of additional state employees. The secretary shall, upon the submission of any proposed budget or budget adjustment by the Governor, report to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and government administration, in accordance with the provisions of section 11-4a, on whether and to what extent such agency plans are included in such submission and the rationale for determining whether and to what extent to include such plans in the budget or budget adjustment.
(NEW) (t) No state contracting agency may enter into a privatization contract without obtaining the formal approval of the contract from the Attorney General. Prior to entering into any such contract, the agency shall submit to the Attorney General (1) a copy of the proposed contract, (2) any certifications required by this section attached to the contract, and (3) either a certification that the contract is not subject to the provisions of subsection (a) of this section, a certification that the contract was approved by the State Contracting Standards Board or a copy of the written exemption from the requirements of subsection (a) of this section signed by the Governor pursuant to subsection (o) of this section. Any privatization contract entered into on or after July 1, 2019, shall not be binding upon the state unless such privatization contract conforms with the requirements of this subsection.

Sec. 7. Section 4e-47 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

On or after January 1, 2011, before January 1, 2020, each constituent unit of the state system of higher education shall propose regulations concerning its contracting procedures to the State Contracting Standards Board to be adopted by the board. The board shall adopt regulations, in accordance with the provisions of chapter 54, [to apply the contracting procedures, as described in sections 4e-18 to 4e-45, inclusive, to each constituent unit of the state system of higher education.] with any modifications to the proposed regulations the board deems appropriate. Such regulations shall take into consideration circumstances and factors that are unique to such constituent units. Until such regulations are adopted by the State Contracting Standards Board, the provisions of sections 4e-18 to 4e-46, inclusive, shall apply to every expenditure of public funds by any constituent unit of the state system of higher education, irrespective of the source of such funds.

Sec. 8. (NEW) (Effective July 1, 2019) (a) Not later than ninety days
after the adjournment sine die of each regular session of the General
Assembly, the Secretary of the Office of Policy and Management shall
determine the appropriate staffing levels at the State Contracting
Standards Board sufficient for the board to carry out its statutory
duties. In any year during which the secretary determines that the
board is staffed at substantially lower levels than is sufficient, the
secretary shall notify the Auditors of Public Accounts of such
determination and the auditors may issue the compliance report for
each state contracting agency as required under section 4e-6 of the
general statutes. If such a compliance report has not been issued for an
agency for three years or more as of December thirty-first of any
calendar year, the auditors shall issue such report not later than April
first of the following calendar year.

(b) To the extent the State Contracting Standards Board remains
below the appropriate staffing level determined by the secretary, each
state contracting agency shall designate an employee to serve as a
liaison with the State Contracting Standards Board. Such liaison shall
notify the board of any privatization contract valued at over fifty
thousand dollars and shall provide the board any evaluation or
analysis of such contract not later than ten days after the agency
completes such evaluation or analysis. An electronic communication to
the board that directs the staff of the board to a posting on the State
Contracting Portal shall constitute sufficient notice under this
subsection. Each state contracting agency shall inform its liaison that
any such reporting is an essential part of such employee's duties.

Sec. 9. (NEW) (Effective July 1, 2019) The administrative head of each
budgeted agency shall include in its estimates of expenditure
requirements transmitted to the Secretary of the Office of Policy and
Management pursuant to section 4-77 of the general statutes and the
Governor may include in the Governor's recommended appropriations
in the budget document transmitted to the General Assembly pursuant
to section 4-71 of the general statutes, an estimate of the amount
required by such agency for expenditures related to hiring additional
employees pursuant to subsection (s) of section 4e-16 of the general statutes, as amended by this act.

Sec. 10. Subsection (a) of section 4-73 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) The budget document shall present in detail for each fiscal year of the ensuing biennium the Governor's recommendation for appropriations to meet the expenditure needs of the state from the General Fund and from all special and agency funds classified by budgeted agencies and showing for each budgeted agency and its subdivisions: (1) A narrative summary describing the agency, the Governor's recommendations for appropriations for the agency, and a list of agency programs, the actual expenditure for the last-completed fiscal year, the estimated expenditure for the current fiscal year, the amount requested by the agency and the Governor's recommendations for appropriations for each fiscal year of the ensuing biennium; (2) a summary of permanent full-time positions by fund, setting forth the number filled and the number vacant as of the end of the last-completed fiscal year, the total number intended to be funded by appropriations without reduction for turnover for the fiscal year in progress, the total number requested and the total number recommended for each fiscal year of the biennium to which the budget relates, including the rationale for determining to what extent to fund additional positions within a budgeted agency if requested under section 9 of this act.

This act shall take effect as follows and shall amend the following sections:

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