



Testimony of

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Government Administration & Elections Committee  
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***SB 1076 An Act Concerning Public Private Partnerships and Privatization of State Services at the University of Connecticut Health Center***

***HB 6194 An Act Concerning the Competitive Bidding and Oversight of Quasi-Public Agency Contracts***

***HB 6664 An Act Concerning Quasi-Public Agency Transparency***

Good morning Senator Flexer, Representative Fox and members of the Government Administration & Elections Committee. My name is Sal Luciano, and I am proud to serve as the President of the Connecticut AFL-CIO, a federation of hundreds of local unions representing more than 220,000 members in the private sector, public sector, and building trades. Our members live and work in every city and town in our state and reflect the diversity that makes Connecticut great. Thank you for the opportunity to testify today.

***SB 1076 An Act Concerning Public Private Partnerships and Privatization of State Services at the University of Connecticut Health Center - SUPPORT***

UConn Health Center is the state's only public academic medical center, housing the University of Connecticut's medical and dental schools and premier academic research facilities. It brings in more than \$100 million in research grants and provides nearly \$2.2 billion in positive economic impact for the state and the region. UConn Health is also home to John Dempsey Hospital, the state's only public hospital, serving over one million patients, 25% of whom are Medicaid patients. We can be very proud of UConn Health and the dedicated professionals who make it work. These are significant state assets that contribute to our quality of life, our economy and to our state overall.

UConn Health has inherited challenging legacy costs from administrations that refused to save in order to keep the promises they made. The fringe benefit costs, together with years of flat funding, have increasingly hampered the organization's ability to secure grant dollars and remain financially competitive. In 2018, the General Assembly ordered UConn Health to secure a public-private partnership to strengthen its financial footing. After a nationwide search, no proposal was deemed viable. But we should not turn our backs on UConn Health and those who depend upon it.

We thank the Committee for raising SB 1076. It allows UConn Health to continue searching for a mutually beneficial partnership, but it would make the General Assembly a central party to that process. By requiring legislative approval for the issuance of bid solicitations and requiring the General Assembly to formally authorize any proposed partnership, SB 1076 protects the mission of the state's only public hospital, medical school and dental school. It enables the General Assembly to protect the taxpayer-funded investments made in UConn Health and the essential services it provides. We urge the Committee to support this bill.

***HB 6194 An Act Concerning the Competitive Bidding and Oversight of Quasi-Public Agency Contracts - SUPPORT***

The State Contracting Standards Board (SCSB) was enacted in 2007 as an independent Executive Branch agency after Governor Rowland pled guilty to accepting vacations, airfare and home improvements from contractors who did business with the state. The SCSB is charged with ensuring the effectiveness and integrity of the state contracting and procurement processes and has authority over acquisition and management of supplies, services, and construction; state contracting and procurement processes and practices; and contracts for the construction, reconstruction, alteration, remodeling, repair, or demolition of public buildings. It also has significant authority to oversee the outsourcing of state services. Since 2010, if a state agency seeks to enter into a contract that privatizes services performed by state employees, it must conduct a cost-benefit analysis on the privatization contract.

Unfortunately, quasi-public agencies were excluded from oversight of the SCSB when the statute was enacted. HB 6194 appropriately adds quasi-public agencies to the definition of “state contracting agency.”

The need for HB 6194 has been highlighted by controversy and ongoing investigation at the Connecticut Port Authority, a quasi-public agency. The Connecticut Port Authority contracted with Seabury Capital for work that included finding an operator for the State Pier in New London. Seabury Capital was paid more than \$700,000. The size of the contract, together with previous allegations of misuse of funds and mismanagement led to legislative hearings, an audit and state financial oversight of the Connecticut Port Authority. Now the quasi-public is being investigated by Attorney General William Tong.

If the Connecticut Port Authority had been subject to the oversight of the SCSB, controversy over its contracting procedures may have been avoided. The SCSB is charged with key government oversight responsibilities to enhance transparency and prevent corruption, but it also has tremendous potential to identify significant cost savings and efficiencies throughout state agencies.

Attorney General Tong issued a formal opinion last month, stating that the SCSB did not have authority over the Connecticut Port Authority.<sup>1</sup> HB 6194 would fix that shortcoming. We urge the Committee to support this bill.

***HB 6664 An Act Concerning Quasi-Public Agency Transparency - SUPPORT***

Connecticut’s quasi-public agencies provide vital government functions and deliver important services. They are partially funded by taxpayer dollars to employ hundreds of people and control multi-million-dollar budgets. Because they are not directly accountable to the General Assembly, these agencies should make their decisions and budgets as transparent as possible. Detailed information should be made public about expenditures, revenue and debt, as well as outside contracts and internal governance. HB 6664 mandates these essential levels of transparency.

Without the transparency requirements contained in HB 6664, quasi-public agencies may struggle with mismanagement and potential corruption like the situations mentioned in my testimony on HB 6194. Taxpayers need to have certainty that public dollars are being spent appropriately and effectively. We urge the Committee to support this bill.

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<sup>1</sup> [https://portal.ct.gov/-/media/AG/Opinions/2021/2021\\_01\\_SCSB.pdf](https://portal.ct.gov/-/media/AG/Opinions/2021/2021_01_SCSB.pdf)