

Senate, April 6, 1998. The Committee on Government Administration and Elections reported through SEN. LEBEAU, 3rd DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING WHISTLEBLOWER PROTECTION FOR EMPLOYEES OF FOUNDATIONS ESTABLISHED TO SUPPORT OR IMPROVE STATE AGENCIES.

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

1 Section 1. Section 4-37e of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 As used in this section, [and] sections 4-37f
5 to 4-37i, inclusive, AND SECTION 2 OF THIS ACT:

6 (1) "State agency" means each state board,
7 authority, commission, department, office,
8 institution, council or other agency of the state
9 including, but not limited to, each constituent
10 unit and each public institution of higher
11 education.

12 (2) "Foundation" means an organization, fund
13 or any other legal entity which is (A) exempt from
14 taxation pursuant to Section 501 (c)(3) of the
15 Internal Revenue Code of 1986, as amended, and (B)
16 established for the principal purpose of receiving
17 or using private funds for charitable, scientific,
18 cultural, educational or related purposes that
19 support or improve a state agency. Such an
20 organization, fund or other legal entity shall not

21 be deemed to be a state agency as defined in
22 section 1-18a.

23 (3) "Executive authority" means (A) a
24 department head, as defined in section 4-5, AS
25 AMENDED, (B) the executive secretary or president
26 of a constituent unit, (C) the chief executive
27 officer of a public institution of higher
28 education and (D) the chief executive officer of
29 any other state agency.

30 (4) "Constituent unit" means a constituent
31 unit as defined in section 10a-1.

32 (5) "Public institution of higher education"
33 means a public college or university in the state
34 system of higher education or The University of
35 Connecticut School of Law.

36 Sec. 2. (NEW) Each foundation shall develop,
37 in conjunction with the Auditors of Public
38 Accounts, and implement a written policy (1) for
39 the investigation of any matter involving
40 corruption, unethical practices, violation of
41 state laws or regulations, mismanagement, gross
42 waste of funds, abuse of authority or danger to
43 the public safety occurring in such foundation,
44 when a foundation employee transmits information
45 concerning the matter, (2) prohibiting any officer
46 or employee of the foundation from taking or
47 threatening to take any personnel action against
48 any foundation employee who transmits information
49 concerning any such matter, (3) providing that any
50 foundation employee who is found to have knowingly
51 and maliciously made false charges concerning any
52 such matter under subdivision (1) of this section
53 shall be subject to disciplinary action by the
54 employee's appointing authority, up to and
55 including dismissal and (4) requiring the
56 foundation to provide a copy of such policy to its
57 employees and to periodically notify the employees
58 of the existence of the policy.

59 Sec. 3. This act shall take effect July 1,
60 1998.

61 GAE COMMITTEE VOTE: YEA 17 NAY 0 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 459

STATE IMPACT	Workload Increase, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Auditors of Public Accounts, Constituent Units of Higher Education

EXPLANATION OF ESTIMATES:

The bill requires foundations to develop and implement, in conjunction with the state auditors, a written policy for the following:

- 1) Investigating of employee complaints of corruption, unethical practices mismanagement, and the gross waste of funds;
- 2) Prohibiting foundation officers and employees from taking personnel actions against an employee who makes a complaint; and
- 3) Informing its employees that they will be subject to disciplinary action for maliciously making false complaints. The foundation is required to provide a copy of its policy to employees.

It is expected that the development and implementation of a written policy can be handled within the anticipated budgetary resources of the Auditors of Public Accounts.

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OLR BILL ANALYSIS

sSB 459

AN ACT CONCERNING WHISTLEBLOWER PROTECTION FOR EMPLOYEES OF FOUNDATIONS ESTABLISHED TO SUPPORT OR IMPROVE STATE AGENCIES

SUMMARY: This bill requires each foundation related to a state agency to develop, in conjunction with the state auditors, and implement a written policy:

1. for investigating employee complaints of corruption, unethical practices, state law or regulation violations, mismanagement, gross waste of funds, abuse of authority, or public endangerment by the foundation;
2. prohibiting foundation officers and employees from taking or threatening to take any personnel action against an employee who makes such a complaint;
3. informing its employees that they will be subject to disciplinary action, including dismissal, by their appointing authority for knowingly and maliciously making false complaints; and
4. requiring it to provide a copy of the policy to its employees and to periodically notify the employees of the policy's existence.

A foundation is a tax-exempt organization, fund, or other legal entity established mainly to receive or use private funds for charitable, scientific, cultural, educational, or related purposes that support or improve a state agency. There are currently at least 25 of these foundations, which primarily support educational institutions. For example, the University of Connecticut Law School Foundation, Inc., Connecticut State University System Foundation, Inc., and Central Connecticut State University Foundation, Inc.

EFFECTIVE DATE: July 1, 1998

BACKGROUND

Related Bill

sSB 457 extends the whistleblower laws that currently apply to state or quasi-public agencies to entities that enter large state contracts with such agencies.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 17 Nay 0