File No. 5

Substitute House Bill No. 5041

House of Representatives, March 4, 1998. The Committee on Government Administration and Elections reported through REP. BYSIEWICZ, 100th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING INVENTORIES OF STATE PROPERTY AND ACTIVITY AND WELFARE FUNDS.

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

1 Section. 1. Section 4-36 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:
4 Each state [department and state institution]
5 AGENCY shall establish and keep an inventory
6 account in the form prescribed by the Comptroller,
7 and shall, annually, on or before August first,
8 transmit to him a detailed inventory, as of June
9 thirtieth, of all property, real or personal,
10 EXCLUDING NONCAPITALIZED FURNISHINGS AND
11 EQUIPMENT, owned by the state and in the custody
12 of such [department or institution] AGENCY.
13 Sec. 2. Section 4-52 of the general statutes
14 is repealed and the following is substituted in
15 lieu thereof:
16 As used in sections 4-53 to 4-55, inclusive,
17 AS AMENDED BY SECTIONS 3, 4 AND 5 OF THIS ACT,
18 "activity fund" means any fund operated in any
19 state educational [,] INSTITUTION OR welfare or
20 medical [institution] AGENCY for the benefit of
21 the employees or students of such [institutions]
22 INSTITUTION OR AGENCY, including so-called

23 [patients'] CLIENTS' funds in state hospitals, the
24 revenue of which is derived from the operation of
25 canteens, vending machines, dramatics, recitals,
26 student activity fees, membership fees, deposits
27 or any other legal source compatible with the good
28 government of such [institutions] INSTITUTION OR
29 AGENCY.
30 Sec. 3. Section 4-53 of the general statutes
31 is repealed and the following is substituted in
32 lieu thereof:
33 The administrative head of any such
34 institution OR AGENCY may, with the approval of
35 the Comptroller and in accordance with procedures
36 prescribed by the Comptroller, establish one or
37 more activity funds. The Governor may allot from
38 the funds appropriated to any such institution OR
39 AGENCY any amount needed in his judgment for the
40 establishment of any such activity fund, and the
41 Comptroller shall provide in such procedures for
42 the reimbursement of such appropriation. The use
43 of such state facilities as space, fixtures, heat
44 and light to obtain revenue from the sources
45 designated in section 4-52, AS AMENDED BY SECTION
46 2 OF THIS ACT, is authorized. At the end of each
47 fiscal year any cash balance in such fund not
48 needed for the maintenance and continuance of its
49 activities may, with the approval of the
50 Comptroller, be transferred to the ["institutional
51 general welfare fund"] "GENERAL WELFARE FUND" of
52 such institution OR AGENCY if such a fund has been
53 established and, if not, shall remain in such
54 activity fund.
55 Sec. 4. Section 4-54 of the general statutes
56 is repealed and the following is substituted in
57 lieu thereof:
58 (a) The management of such funds may be under
59 the control of students or employees other than
60 those adjudged mentally ill but shall be under the
61 supervision of the administrative head of the
62 institution OR AGENCY, except that such funds
63 shall be under the total control of students under
64 conditions hereinafter provided. The person acting
65 as treasurer of any such fund shall be bonded in
66 an amount determined by the State Insurance
67 Purchasing Board.
68 (b) Where the duly constituted student
69 government at any public institution of higher
70 education or where by petition five per cent of

71 the students enrolled at such institution and
72 paying activity fees seeks to establish total
73 control and administration of the student activity
74 fund at such institution, a referendum shall be
75 held on the question. Said referendum shall be
76 conducted by secret ballot and notice of said
77 referendum shall be given to the students at such
78 institution at least fourteen days prior to said
79 referendum. Upon approval by a majority of at
80 least forty per cent of all students enrolled in
81 the institution and paying activity fees, the duly
82 constituted student government of such institution
83 shall become responsible for the control and
84 administration of said fund. Pursuant to this
85 subsection any student government controlling
86 student activity funds shall establish a finance
87 committee whose duty it shall be to hold hearings
88 on budget requests and expenditures of said funds
89 and to recommend the allocation of said funds to
90 the student government. Such student government
91 shall have as one of its officers a duly elected
92 treasurer who shall be accountable for such funds
93 and be bonded in accordance with the provisions of
94 subsection (a) of this section.
95 (c) A referendum on whether to continue
96 student control of said fund shall be held upon
97 the petition by five per cent of the students
98 enrolled at such institution and paying activity
99 fees. Such referendum shall be held in accordance
100 with the provisions of subsection (b) of this
101 section. Where a majority of those voting in such
102 referendum disapprove of the continuation of
103 student control over such funds, supervision of
104 such funds shall be vested in the administrative
105 head of the institution OR AGENCY in accordance
106 with subsection (a) of this section.
107 (d) Notwithstanding any provisions of this
108 section, a referendum on whether to continue
109 student control of said fund shall be held at
110 least every four years in accordance with the
111 provisions of subsection (b) of this section. Such
112 referendum shall require approval by a majority of
113 at least forty per cent of all students enrolled
114 in the institution and paying activity fees.
115 Sec. 5. Section 4-55 of the general statutes
116 is repealed and the following is substituted in
117 lieu thereof:

118 The administrative head of any institution OR
119 AGENCY operating an activity fund, the
120 Commissioner of Correction operating an activity
121 fund in accordance with the provisions of section
122 4-57a or the treasurer of a student government
123 organization at a public institution of higher
124 education in control of an activity fund, in
125 accordance with the provisions of subsection (b)
126 of section 4-54, AS AMENDED BY SECTION 4 OF THIS
127 ACT, shall file, or cause to be filed, a balance
128 sheet and statement of operations with the
129 Secretary of the Office of Policy and Management
130 at such times as said secretary orders. A copy of
131 such statements shall be [filed with the Auditors
132 of Public Accounts, who shall determine the
133 frequency with which the accounts of such activity
134 funds shall be audited] RETAINED FOR AUDITING
135 PURPOSES.
136 Sec. 6. Section 4-56 of the general statutes
137 is repealed and the following is substituted in
138 lieu thereof:
139 Unless otherwise provided by the donor, all
140 gifts, donations or bequests made to the students
141 or [patients] CLIENTS of any state educational [,]
142 INSTITUTION OR medical or welfare [institution]
143 AGENCY as a group, unclaimed funds accumulated
144 from money deposited for the use of students or
145 [patients] CLIENTS in any such state institution
146 OR AGENCY, and the interest on any such money,
147 shall be placed in a separate fund at such
148 institution OR AGENCY which may be known as the
149 ["institutional general welfare fund"] "GENERAL
150 WELFARE FUND" and shall be used in accordance with
151 procedures prescribed by the Comptroller, for the
152 benefit of the students or [patients] CLIENTS of
153 such institution OR AGENCY in any manner which the
154 governing board of such institution OR AGENCY
155 deems suitable.
156 Sec. 7. Section 4-57 of the general statutes
157 is repealed and the following is substituted in
158 lieu thereof:
159 The administrative head of any institution OR
160 AGENCY operating such a fund or the Commissioner
161 of Correction operating a general welfare fund in
162 accordance with the provisions of section 4-57a
163 shall file a financial report with the Secretary
164 of the Office of Policy and Management at such
165 times as said secretary orders. A copy of such

166 statement shall be [filed with the Auditors of
167 Public Accounts, who shall determine the frequency
168 with which the accounts of such fund shall be
169 audited] RETAINED FOR AUDITING PURPOSES.
170 Sec. 8. This act shall take effect July 1,
171 1998.

172 STATEMENT OF LEGISLATIVE COMMISSIONERS: In section
173 3, "institutional general welfare fund" was
174 changed to "GENERAL WELFARE FUND" for consistency
175 with the change in section 6.

176 GAE COMMITTEE VOTE: YEA 16 NAY 0 JFS-LCO

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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 sHB 5041

STATE IMPACT	None, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	State Comptroller

EXPLANATION OF ESTIMATES:

STATE IMPACT: The bill eliminates state agencies' duty to inventory state furnishing and equipment valued at under $1,000, except controllable items, which must be inventoried regardless of their value. While this change will result in administrative efficiencies to all state agencies, it is not anticipated to have any budgetary impact. The bill also makes a number of technical changes to the statutes governing Activity and Welfare Funds which have no fiscal impact.

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OLR BILL ANALYSIS

sHB 5041

AN ACT CONCERNING INVENTORIES OF STATE PROPERTY AND ACTIVITY AND WELFARE FUNDS

SUMMARY: This bill eliminates state agencies' duty to inventory most state furnishings and equipment valued at under $1,000. It does not apply to so-called controllable items, including computers, cellular telephones, and other portable items, which must be inventoried regardless of their value. Agencies will still have to inventory all property valued at $1,000 or more.

The bill eliminates a requirement that agencies operating an activity fund file with the state auditors a copy of the balance sheet and statement of operations they must file with the Office of Policy and Management secretary. The agencies must instead retain the statements for auditing purposes.

Lastly, the bill makes technical changes in, and deletes obsolete language from, the activity fund statutes.

EFFECTIVE DATE: July 1, 1998

BACKGROUND

Property Inventories

Each agency must (1) inventory the state property in its custody on a form prescribed by the comptroller and (2) give her a copy of the inventory by August 1 annually showing all state property within its control on the previous June 30.

Activity Funds

An "activity fund" is operated in a state educational institution or medical or welfare agency for the benefit of its employees (or students in the case of state educational institutions). It derives its revenue from agency-operated canteens, vending machines, dramatics, recitals, student activity fees, membership fees, deposits, or any other legal source compatible with good government.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report
Yea 16 Nay 0