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Testimony
Senator Kevin Kelly
Appropriations Committee
March 25, 2022
Raised S.B. No. 398

Senator Osten, Representative Walker, Senator Miner, Representative France, and members of the Appropriations Committee, thank you for the opportunity to submit testimony in support of Senate Bill 398 AN ACT CONCERNING ACCOUNTABILITY FOR THE EXPENDITURE OF FUNDS RECEIVED BY THE STATE.

As our state faces some of its most challenging times, Connecticut has an obligation to ensure every taxpayer dollar entrusted to our state is spent wisely and with full transparency. As Connecticut receives a historic amount of federal funding intended to provide relief and investment in our state, we must work to establish proper safeguards, openness, and accountability.

Senate Bill 398 will establish greater transparency and accountability of COVID-19 relief funds, federal infrastructure dollars, and opioid settlement funds, all proposals outlined in our plan, A Better Way to an Accountable Connecticut (Read it in full here: <https://ctsenaterepublicans.com/wp-content/uploads/2022/01/Accountable-Connecticut-2022.pdf>)

COVID-19 Relief Funding Transparency and Oversight

In 2021, public trust was severely damaged when allegations surfaced that COVID-19 relief dollars were allegedly stolen and misused in one of the state's already struggling communities. The pandemic created unprecedented challenges for our families. It is infuriating that relief funds meant to help those who were sick, hungry, and in need were allegedly misdirected. These allegations raise serious questions about the need to strengthen safeguards to ensure all funds are helping the most people during these difficult times.

In addition to reports of alleged misuse, members of the public and the legislature have repeatedly raised questions about when, where, and how federal COVID-19 relief dollars have been spent, and if the executive branch decisions are best represented to fulfill the needs of the public. Connecticut must do better to inform the public about how federal funds are being used so that government can be held accountable to the people it serves.

To move forward, Connecticut must take strong action to restore public trust and enhance accountability across the board.

We propose the following legislative actions to ensure greater transparency and oversight of COVID-19 relief funds.

Municipal Funds:

- Require quarterly reports from municipalities to the Office of Policy and Management. The state's municipal COVID-19 relief fund program only established an interim reporting period 14 months in length (July 2020 – September 2021). Quarterly reports will provide timely information and transparency to ensure the state is properly safeguarding relief funds.
- Require these quarterly reports be released publicly, an important step in strengthening transparency and rebuilding public trust.
- Establish a threshold at which aggregate payments to any one vendor must be reviewed by the Office of Policy and Management. Currently, there are no controls in place to review CARES Act expenditures to vendors by the state. Expenditures in excess of determined thresholds must trigger additional oversight by the state to ensure no funds are misused in the manner alleged to have occurred in West Haven.

State Funds:

- Enhance disclosure of executive branch spending of all COVID-19 related funds by requiring enhanced reporting to the legislature including but not limited to a full accounting by the Office of Policy and Management of every expenditure, vendor, and source within 90 days of passage.
- Give the public full access to the enhanced disclosure of information. Post all information regarding expenditures, vendors, and source of funds on a publicly accessible website so that every resident can see exactly how and when relief dollars were spent and the amount of remaining relief dollars as well as any plans for future allocations. We propose the following legislative actions to ensure greater transparency and oversight of COVID-19 relief funds.

Federal Infrastructure Funding Accountability

Following the passage of the Congressional infrastructure bill, it has been estimated that Connecticut will receive nearly \$5.38 billion federal investment in our state over the next five years. This significant investment requires government accountability and transparency to ensure the federal funds will be best utilized to achieve better, safer, and greener transportation. The legislative branch must have a role in holding the executive branch accountable in staying on task with meeting the state's most urgent transportation needs and greenhouse gas reduction plans eligible for federal investment. We must ensure that these funds are invested wisely to achieve our goals for improved infrastructure, cleaner air, and more accessible travel for everyone.

Our proposal recommends quarterly reporting on federal infrastructure funds by the executive branch to specified General Assembly Committees followed by a quarterly public hearing. Our proposal also would require the executive branch to report to the legislature on progress of specific projects and construction dates to ensure anticipated projects remain on track. The Department of Transportation must specifically make clear how the funds are being used to augment, and not replace, the state's already planned for investments in transportation. In addition, we propose requiring the Department of Transportation make available to the public in the form of a website the information shared with the legislature including but not limited to: how much funding has been received; what has been spent; the cost of each project; the progress on spending for each project; the completion date for each project; the status of each project as either being on schedule or behind; why the project is behind schedule or why the cost overage; and if behind schedule details on what actions are being taken to address any delays.

Safeguarding Opioid Settlement Funds

The opioid epidemic touched the lives of countless families across our state. We have all watched people struggle. We have all experienced loss, pain, and suffering. We have seen people rise up, fall back, and strive to achieve recovery. We have worked together for years to combat this epidemic striving to break the stigma, provide needed support and programs, and save lives.

The national settlement with the country's largest pharmaceutical distributors and drug maker provides an opportunity to expand upon Connecticut's bipartisan efforts to tackle the opioid crisis. The settlement is estimated to bring in \$300 million for Connecticut programs over the next 18 years, an investment that has the potential to support a long-term strategy to make a significant difference and save lives.

These funds must be used to respond to the opioid crisis and not for other purposes. We must not repeat the infamous misuse of the state's tobacco settlement funds. In Connecticut, funds promised to curb smoking have far too often been relied upon as a budgetary escape hatch. We must learn from the past and do better because people's lives are in the balance.

We propose establishing protections to ensure these funds are used to combat the opioid epidemic, prevent addiction, and help people on the long road to recovery.

The Office of National Drug Control Policy (ONDCP) released a model law for state legislatures that includes recommendations to help ensure opioid litigation settlement funds are directed to addressing addiction and the overdose epidemic in impacted communities and with public accountability. Recommendations range from establishing a separate dedicated fund, measures to ensure funds are used to supplement and not supplant or replace investments in the fight against opioids, and steps to include public input and transparency in overseeing the funds. We propose that the Connecticut General Assembly examine the recommendations offered by the ONDCP to develop a strong protection plan with safeguards tailored to Connecticut's management of the funds.

In closing, we must establish accountability through the checks and balances of our democracy. We must safeguard funds, especially when receiving historic investments from the federal government. We must implement oversight as needed. And above all, we must enhance transparency and public access. Thank you for raising this bill and considering our proposals to achieve our shared goal of accountability when it comes to this historic federal investment in Connecticut.