



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2020 Legislative Session

**HOUSE BILL 5021
*AN ACT CONCERNING THE CONNECTICUT PORT AUTHORITY***

Summary of Proposal: This bill proposes changes to the Connecticut Port Authority (CPA) including:

1. Making the chair of the board a gubernatorial appointment and eliminating a two-year term limit. Currently, the CPA Board selects its Chairperson from among its members for a two-year period. Making the Chair a Governor's appointment is consistent with other quasi-public agencies such as CHEFA, Connecticut Innovations, Green Bank, the Connecticut Lottery Corporation, Connecticut Airport Authority, and the Connecticut Health Exchange.
2. Adding the chief elected official of the City of New London to the board.
3. Adding language that indicates that Executive Director, in supervising administrative affairs and approving expenses, would have to do so in accordance with applicable laws and regulations and CPA policies.
4. Requiring that an annual independent audit of the CPA be conducted. It is currently done voluntarily.
5. Including in the CPA statute the policies and procedures that each State quasi-public Board is required to adopt (see subdivision (16) of section 15-31b(a), C.G.S.). These policies are enumerated in the individual statutes of several of the other State quasi-public agencies. There was some question as to whether these requirements applied to the CPA. This proposal removes any questions in this regard.

Reason for Proposal: In August 2019, in response to serious audit findings and reports of financial and operational deficiencies at the Connecticut Port Authority, Governor Lamont directed that OPM take a direct and active role in the financial decisions and operations of the CPA. As a result, the Office of Policy and Management (OPM) entered into an MOU with the CPA. Among the MOU's provisions were those requiring OPM to: 1) Review CPA's statutory authority and make recommendations for improvement and 2) hire an independent firm (Whittlesey Advisers selected) to evaluate the CPA's governance, organization and financial and administrative policies and practices. Based on the reviews by OPM and Whittlesey, which included a review of other State quasi-public agencies, the need for a number of changes in CPA's statute were identified related to the Governor's goal to ensure transparency, accountability and best fiscal and administrative practices at the CPA. In addition, the City of

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New London hosts the State Pier, which will be the site of significant new economic activity in the coming years and inclusion of the city chief elected official on the board is therefore warranted.

Significant Impacts: This will bring substantially more fiscal and operational accountability. The proposal will have no fiscal impact to the State or the CPA, however it will substantially mitigate a variety of risks of loss due to a lack of financial and operational controls that was apparent in the authority prior to this last year.