

Legislative History for Connecticut Act

**PA 14-106**

SB182

House	6959-6962	4
Senate	984-987	4
Higher	300-313, 354-355	16
<u>Education</u>		<hr/>
		<b>24</b>

**H – 1201**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2014**

**VOL.57  
PART 21  
6912 – 7260**

Those absent and not voting 6

DEPUTY SPEAKER GODFREY:

The bill, as amended, is passed.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Thank you very much, Mr. Speaker.

Mr. Speaker, I move that we immediately transmit to the Senate any items waiting further action.

DEPUTY SPEAKER GODFREY:

Without objection, so ordered.

Representative Aresimowicz, I understand we have another Consent Calendar.

REP. ARESIMOWICZ (30th):

Thank you very much, Mr. Speaker.

We are. We are about to list off the bills that will be included in our second Consent Calendar for the evening, sir.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. ARESIMOWICZ (30th):

Thank you very much, Mr. Speaker.

I move -- I'd to add the following to the Consent Calendar. Calendar 426, Calendar 308, Calendar 438, Calendar 488 --

SB 281  
SB 19  
SB 182  
SB 330

DEPUTY SPEAKER GODFREY:

Whoa, whoa, whoa.

REP. ARESIMOWICZ (30th):

I apologize, Mr. Speaker. The first number was  
427.

DEPUTY SPEAKER GODFREY:

So 427, thank you, sir. Proceed.

REP. ARESIMOWICZ (30th):

Calendar 476, as amended by Senate "A"; Calendar  
445, Calendar 514, Calendar 505, as amended by Senate  
"A"; Calendar 455, Calendar 456, as amended by Senate  
"A"; Calendar 322, Calendar 536, as amended by Senate  
"A" and Senate "B"; Calendar 430, Calendar 520, as  
amended by Senate "A" and Senate "B"; Calendar 538, as  
amended by Senate "A"; Calendar 424, as amended by  
Senate "A"; Calendar 439, as amended by Senate "A";  
Calendar 482, as amended by Senate "A"; Calendar 325,  
as amended by Senate "A."

Calendar 526, as amended by Senate "A"; Calendar  
509, as amended by Senate "A"; Calendar 532, Calendar  
502, as amended by Senate "A"; Calendar 421, as  
amended by Senate "A"; Calendar 431, as amended by  
Senate "A"; and Calendar 539, as amended by Senate  
"A."

- SB 194
- SB 402
- SB 324
- SB 45
- SB 221
- SB 257
- SB 201
- SB 389
- SB 418
- SB 438
- SB 427
- SB 260
- SB 208
- SB 424
- SB 241
- SB 14
- SB 106
- SB 322
- SB 410
- SB 217
- SB 477
- SB 429

DEPUTY SPEAKER GODFREY:

Is there objection to any of these items being placed on the Consent Calendar? If not, Representative Aresimowicz, would you like to move passage of the Consent Calendar?

REP. ARESIMOWICZ (30th):

Mr. Speaker, I want to remove Calendar 539.

SB429

DEPUTY SPEAKER GODFREY:

Please remove Calendar 539, Mr. Clerk.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I move passage of the bills on the second Consent Calendar of the day.

DEPUTY SPEAKER GODFREY:

The question is on passage of the items on Consent Calendar Number 2.

Staff and guests please come to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll on the second Consent Calendar of the day, House Consent 2. Please report to the Chamber immediately.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members  
voted?

If all the members have voted, the machine will  
be locked.

The Clerk will take a tally.

And the Clerk will announce the tally.

THE CLERK:

Consent Calendar Number 2.

Total Number Voting            147

Necessary for Passage            74

Those voting Yea                147

Those voting Nay                 0

Those absent and not voting      4

DEPUTY SPEAKER GODFREY:

The items on the Consent Calendar are passed.

(Speaker Sharkey in the Chair.)

SPEAKER SHARKEY:

The House will please come back to order.

Will the Clerk please call Emergency Certified  
Bill 5597.

THE CLERK:

**S - 671**

**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2014**

**VOL. 57  
PART 3  
703 – 1013**

jmf/gbr  
SENATE

76  
April 22, 2014

THE CHAIR:

Will you remark? Will you remark?

Seeing none, Senator Slossberg.

SENATOR SLOSSBERG:

Yes, thank you, Madam President.

If there is no objection, I'd ask that this item be placed on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered.

SENATOR SLOSSBERG:

Thank you, Madam President.

THE CHAIR:

It's time, Senator Looney, do you want to go for -- maybe we should keep Senator Slossberg going right now. We can get through very quickly.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if we might call as the next go item from Calendar page 33, Calendar 61, Senate Bill 182.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 33, Calendar 61, Substitute for Senate Bill Number 182, AN ACT CONFORMING PUBLIC HIGHER EDUCATION PURCHASING STATUTES WITH DEPARTMENT OF ADMINISTRATIVE

jmf/gbr  
SENATE

77  
April 22, 2014

SERVICES PURCHASING STATUTES AND PRACTICE, favorable report of the Committee on Higher Education.

THE CHAIR:

Senator Cassano. Good afternoon, sir.

SENATOR CASSANO:

Good afternoon, Madam President. I would move acceptance of the Joint Committee's favorable report and move passage of the bill.

THE CHAIR:

The motion is on acceptance and passage. Will you remark, sir?

SENATOR CASSANO:

This is a rather routine bill from the Higher Education Committee. It has no fiscal impact. What it does is it conforms higher education purchasing statutes with current practice. Current practice now is established by the Department of Administrative Services. This very simply makes the higher ed consistent with administrative services for purposes of purchasing.

THE CHAIR:

Will you remark? Will you remark?

Senator Boucher.

SENATOR CASSANO:

Madam Chair, if there is no remark --

THE CHAIR:

Wait. Excuse me, Senator Boucher, is standing, sir.

SENATOR CASSANO:

Oh, I'm sorry.

jmf/gbr  
SENATE

78  
April 22, 2014

SENATOR BOUCHER:

Hi there.

SENATOR CASSANO:

My established Ranking Member.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, I rise to support the bill. And it is, in fact, an effort to streamline and make the purchasing process better for everyone concerned. And if there is no objection, I would also suggest that we might be able to put this on Consent as well.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark?

If not -- Senator Cassano is remarking.

SENATOR CASSANO:

I'd like to remark, Madam. I request that a roll call vote be taken on this particular item.

THE CHAIR:

Okay. A roll call vote will be taken on the bill.

SENATOR CASSANO:

Thank you.

THE CHAIR:

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

jmf/gbr  
SENATE

79  
April 22, 2014

Immediate roll call ordered in the Senate. Immediate roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine is going to be closed. Mr. Clerk, will you please call the tally.

THE CLERK:

Senate Bill Number 182.

Total Number Voting	34
Necessary for Adoption	18
Those voting Yea	34
Those voting Nay	0
Those absent and not voting	2

THE CHAIR:

The bill passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

For the next two item to be called, first would be Calendar page 23, Calendar 389, Senate Bill 52, and then Calendar page 14, Calendar 311, Senate Bill 332, both from the Planning and Development Committee.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 23, Calendar 389, Substitute for Senate Bill Number 52, AN ACT CONCERNING THE POSSESSIONS OF DECEASED TENANTS, favorable report of the Committee on Planning and Development.

THE CHAIR:

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**HIGHER EDUCATION  
AND  
EMPLOYMENT ADVANCEMENT  
PART 1  
1 - 358**

**2014  
INDEX**

1  
 tmd/gbr HIGHER EDUCATION AND February 25, 2014  
 EMPLOYMENT ADVANCEMENT COMMITTEE 1:00 P.M.

CHAIRMEN: Senator Cassano  
 Representative Willis

MEMBERS PRESENT:

SENATORS: Boucher

REPRESENTATIVES: LeGeyt, Haddad, Ackert,  
 Alberts, Bacchiochi,  
 Candelaria, Janowski,  
 Lavielle, Maroney,  
 Sanchez, Sawyer, Sayers,  
 Smith

SENATOR CASSANO: Welcome. This is the Public Hearing agenda. Public Hearing for Tuesday February 25, 2014 for the Higher Ed Committee. I'm going to ask the first of speakers, Richard Gray to come forward followed by Jane Ciarlegio and then Victor Cuevas. If you have -- by the way of written testimony, we appreciate that. It'd be great if you don't read your written testimony. Much rather hear what you feel about as opposed to read it. Thank you.

RICHARD GRAY: Good afternoon. My name is Richard Gray. I'm the Executive Vice President for Administration and Chief Financial Officer of the University of Connecticut. Co-chairs, ranking members and members of the Higher Education and Employment Advancement Committee, thank you for allowing me to testify on three bills currently under your consideration.

SB181  
SB183

And first and foremost in general, I -- I want to thank the Committee for its very long term and very robust support of the University over many years. And for raising the following three bills. Raised Bill 182, An Act Conforming Public Education Purchasing Statutes with the Department of Administrative Services Purchasing Statutes and Practice -- excuse me. Conforms public higher interest purchasing statutes with the current Department of Administrative Services, DAS,

practice.

And statutory framework regarding accessing better prices for goods and commodities through purchasing consortia. Participation and purchasing consortia, also known as Group Purchasing Organizations or GPO's, is a long standing practice that is regularly utilized by institutions of higher education, including academic medical centers, to get the best value in purchasing.

In 2008, the Department of Administrative Services changed their statutes, now codified as 4a-53, to allow DAS to utilize the -- utilize purchasing consortia to access more competitive pricing. The University currently utilizes consortia. And this statutory change would conform statutes with our current practice. The bill also makes it clear that constituent units can utilize consortia form by subdivisions in other states when the best interest of Connecticut would be served.

In addition to utilizing public consortia, especially at the UCONN Health Center, a variety of clinical supplies and pharmaceuticals are procured through clinical GPO's. The pharmaceutical pricing we're able to access through a national GPO is also made available to other state agencies. In some cases, these GPO's may include private entities.

We would like to respectfully request that language be inserted in the bill as drafted and would make it clear that constituent units can utilize private consortia as well as public consortia when it's in the best interest of Connecticut would be -- would be served by doing so and -- and following in my written testimony there are a couple of language changes which inserts the word private.

Moving on to the next bill, Raised Bill 183,

3 February 25, 2014  
tmd/gbr HIGHER EDUCATION AND 1:00 P.M.  
EMPLOYMENT ADVANCEMENT COMMITTEE

An Act Concerning --

SENATOR CASSANO: Before you move onto that bill -- because this is a major change. I want to see if there are questions of committee members at this particular time on this particular bill.

RICHARD GRAY: Okay.

SENATOR CASSANO: I know that what it does is it helps UCONN become consistent with what DAS is asking for. But there -- may need some details. Questions?

Representative Willis.

REP. WILLIS: Hi. How are you?

RICHARD GRAY: Good.

REP. WILLIS: Thank you, Mr. Chair.

My question really is -- I -- I almost need a translation, Rich, on this. Because I'm not familiar with this process. And I'm not familiar with the change that was enacted and why it was enacted in 2008. So, if you could give us sort of a tutorial on what's happening here. That might be really helpful.

RICHARD GRAY: What I'm going to ask with your permission is to have Matt Larson, who is my Director of Procurement, who knows a million times more about the history and the practice of this, address those questions.

REP. WILLIS: Yes, because it's -- it's a lot of jargon. And --

RICHARD GRAY: I know.

REP. WILLIS: -- and if you're not familiar with it, it's tough.

MATT LARSON: Can you hear me? It's -- my name again is Matt Larson, Director of Procurement

Services for the University of Connecticut. Prior to my appointment at the Storrs and regional responsibilities, I was at the Health Center for five years as well. So I can kind of tie into the conversation their needs as well. In the term -- of the use of consortia.

So overall what had changed a couple of -- a few years ago with DAS is authorization, was it allowed that entity to enter into consortia agreements -- agreements which previously they did not have the ability to do that. So the concept of consortia through purchasing organization cooperative is to some extent allows organizations and entities to pool the buying power of those -- of the members, the leverage lower costs. Or -- and or take advantage of technologies or offerings that may not have been able to achieve going out singly for bid.

So, when you look at the concept -- you know -- when you look at the state enterprise through DAS, they participate an organization called Western States Contracting Alliance, which is a consortia of states that get together and pull resources to leverage one human resource in terms of bidding and contracting. But also, the buying powers of the membership that they represent.

So what we -- what we are asking for again, is to become consistent with that authorization and apply it to the higher ed procurement, which is under the 10a-151 series. And for the higher eds, which is a little different in the -- we'll talk about the health center as well. We look for consortia in terms of goods and services that we may not as we go out to bid as the University of Connecticut may not have as much leverage unless we pool with other universities or institutions of higher education.

In terms of the health center, with the health systems consortia that we participate in, it

-- it allows the University of Connecticut Health Center's operation to pool it's spend with other institutions, again to leverage suppliers to get better pricing, services again that we may not be able to go out individually and secure. So again, hopefully that kind of gives some flavor in terms of the concept.

But again, for cooperatives is another terminology you may hear. If you think about farming cooperatives what farmers will do is pool their produce together, for example, and -- and represent that as -- I'm sorry. And combine as one entity to offer their various products to customers. And again that's an opportunity that the University has taken advantage of. Of with their dining operations to utilize local produce through Connecticut Grown is the farming side.

REP. WILLIS: A follow up to that if I might?

MATT LARSON: Sure.

REP. WILLIS: So, this would apply to the CSU system?

MATT LARSON: Correct.

REP. WILLIS: Okay. And they're in full agreement I assume? I don't know if they submitted testimony. But this is --

MATT LARSON: I don't believe they have. From my perspective we converse frequently with members of the CSU system through CCPT, which is the Connecticut Colleges Purchasing Group. That again is a consortia that we had formed to make sure that as the University of Connecticut looks and seeks out opportunities and contracts for goods and services, that we are able to extend those on to other members, such as Central, Eastern, Western as well as the community and technical college system, and i.e. now the Board of Regents.

So, the concept of GPO's and consortia is already established, especially in higher education. We look to leverage -- you know -- whether it's my resources at UCONN, with -- you know -- Tom Bredore at Central or others. We do that actively. We meet monthly to make sure that everyone's aware of what's going on.

This clarification will help a long standing question, I would say, that's out there, that we do utilize the consortia. But we want to be consistent with DAS within the higher right authority. And that's the whole purpose of what we are -- what we're asking for today.

REP. HADDAD: Your last comment kind of anticipated my question which was -- you know -- so -- so, you currently do this?

MATT LARSON: Right.

REP. HADDAD: And probably when we change the law and affirmatively stated that DAS had the authority to -- to enter into purchasing consortia. This created an inconsistency with the purchasing requirement --

MATT LARSON: Correct.

REP. HADDAD: -- authority for the University? And this is recently -- I guess, come to your attention and so that's why the bill is front of us. Is there -- is there a time -- when did you first start using the purchasing consortia?

MATT LARSON: This -- this goes back years. And if you think about -- and this is again, to clarify where we are today -- you know -- going 20 plus years ago, these -- these relationships have been affected -- you know -- whether it's the library sourcing, journal articles -- you know -- the health center itself, when utilizing the UAC consortia, that goes way back in -- in terms of auditing and

trying to find the source documents to do this.

You know -- there are letters issued from DAS so that everyone was aware of what was going on in -- at that time clarified what the -- the ability to utilize and access the -- the consortia among the health center side. But it's been a practice that's been in place years.

REP. HADDAD: Right. So there's not likely to be any cost savings as a result of passing the bill? But -- but someone could perhaps argue that -- that we risk is having higher costs if we don't pass the bill?

MATT LARSON: Absolutely.

REP. HADDAD: Okay. And -- and do you have sort of -- sort of an example of how much money we might be talking about here? What are your -- what are your -- what's the total purchasing power of the University as sort of an -- as an institution? Or is there a good example that you could give us of that how -- how much money might be on the line?

MATT LARSON: Sure. So, what -- what we -- in terms of -- let's look at -- look at the Health Center and look at the library operation for example -- you know -- for the journals and again what we do at the University is leverage one operation, which would be the Storrs library, and extend the pricing onto the Health Center and those as well.

But we have \$6 million that goes through those consortia relationships. You know -- a recent example, I -- I had spoken to Martha Bedard, who is the Vice President for the library operations, with the Boston library consortia. They had gotten together as a membership leverage to spend -- to get higher discounts, which would be an additional 45% off of list

price. Which goes through there. So you're talking a few hundred thousand dollars over all in terms of savings -- you know -- the real world example -- another tangible example is -- you know -- UPS shipping fees are cut in half -- you know -- through pooling of the resources.

When you look at overall spend -- you know -- part of it is you have a hard dollar savings that you must consider when you have these entities that exist. You also have to look at the soft dollar, and the processing and the bidding where the result may not justify the end. A good example is -- you know -- for telecommunications with mobile phone contracts. I think DAS had recognized a few years ago that it's the same concept where technology is changing so fast -- you know -- the process to get bids out -- it's so cost prohibitive when you can tap into one of these consortia. In that case was publically bid, leveraged.

And that again, saves thousands and thousands of dollars to the -- to the tax payers. But it's also -- it's the technology availability to tie to those opportunities.

REP. LAVIELLE: Thank you, Mr. Chair. Good afternoon. Thank you for your testimony. I recognize I may be missing the obvious. But could you possibly explain why the statute ever did not allow for purchasing? What was -- what was the thinking up until now and what were they -- what were they attempting to prevent?

MATT LARSON: I'm -- I'm not sure as the intent why it was never included in -- in the original legislation of the -- you're talking about the 10a-151 series? As why it's not in ours when DAS had it modified? Or -- so, I can't -- I don't know why they would not have included it. I think the sense is that it was a practice that was in place -- you know --

since the onset of the -- of the higher ed being granted the authority to procure goods and services.

And I think as we had gone through, we've got enough documentation and enough historical context to -- you know -- provide the position that we have the ability to do it. So I don't think it really came to for wishing as an issue or something to consider until DAS had obtained it's -- it's authority.

And typically what happens is if you look at a few years ago, we had the requirement to advertise bids in the newspaper, the local major newspaper. That was something again that had hit first, I think, through DAS's authority. And then, I think, if you recall that hat was chewed up subsequently after for the Higher Ed's, as well, to make sure we were consistent.

So, there's a pattern that -- that sometimes comes up like that. But to get back to your question. I can't recall why it was never included within the authority. I think those are viewed as participatory agreements that we -- we enter into. But technically -- you know -- probably doesn't miss in terms of establishing the authority for Higher Ed.

RICHARD GRAY: And let me just -- we are very careful about procurement. So any even minor question that can (inaudible) cause our process to be questioned. We're going to want to fix as soon as we know it.

MATT LARSON: Right.

REP. WILLIS: I apologize. I have to find it. I'm sorry. Forgive me.

RICHARD GRAY: Again, we're very careful with procurement. We want to just make -- make sure these two statutes are trued up. And it reflects the current practice. So that's part

of motivation.

REP. LAVIELLE: Thank you. I -- I -- if I understand properly, you're feeling as I was trying to get it whether there is a down side to doing this. And what I'm hearing from you is that it looks to you, likely without knowing that it's probably an omission?

MATT LARSON: Correct.

REP. LAVIELLE: Okay.

MATT LARSON: And I -- I think again -- I -- it's important to recognize that -- you know -- a standard practice, this is not -- you know -- we fully are involved with and support the public bidding. That's not -- you know -- what this portfolio -- portfolio typically represents. There are areas that either are high volume transactions within let's say the Health Center's needs that -- you know -- don't necessarily fall within or make sense to make bids go out for that to leverage our spend relative to other institutions.

You want to pool that together. But again, I think -- you know -- as we go through this to Richard's point, we're very cognizant of -- you know -- our responsibility -- you know -- in terms of state's funding as well as the obligations of public entity to make sure opportunities exist. Some of these consortia as well we connect with small minority businesses to see if there's an opportunity to get them registered within some of the portfolio.

Not just at the Connecticut level, but also regionally and nationally. So that they have access -- you know -- to spend outside of the state. So, again it's important to understand that these are typically unique and specific needs that you're utilizing, GPO's and or consortia. It's not viewed as cart blanch where all of a sudden everything goes through

these types of organizations -- you know -- again, I want to focus -- you know -- the conversation is on library acquisitions.

You've got the clinical enterprise that definitely needs to have the ability to utilize consortia. And -- and the entities so forth. We've got research and technology affiliations that also help advance some of the research that's going on up at both campuses. But again, it's unique enough that the University can't leverage -- or the University does not have enough buying power per say, to go out on the market and achieve the savings and or the capabilities that some of these organizations offer.

REP. LAVIELLE: Thank you very much.

REP. LEGEYT: Thank you, Mr. Chairman. And good afternoon. I -- I'm trying to get a sense of what the landscape is with or without this added language to the bill. I think I heard you say that you're already doing what this language would encourage or allow you to do. And that the addition of this language is just giving you some reassurance that there's not a pitfall coming up down the line that would cause you to have to back track on your plans to purchase with consortia.

MATT LARSON: Correct.

REP. LEGEYT: So, my question is how is this going to change what you're doing already? And specifically is it going to result in greater savings? Or are you already enjoying those greater savings notwithstanding this language?

MATT LARSON: I -- to -- regarding savings, the -- the ability for us to utilize this as a piece in our portfolio is key. So as we go through and look at opportunities -- you know -- the language clarification itself is more to codify the practices that are obtained now.

If you look at the statutory requirements in terms of how this relates to DAS and our authority, it gets a little gray.

What we do as a practice is you look at metrics and analysis as we go into each endeavor. So when we look to utilize or access a consortia versus either bidding and or existing contracts that we have, we look to leverage and analyze what the pricing is out through these. As well as we look at and talk to -- to our peers within the CSU and Board of Regents, but also with Carol Wilson and DAS as well to look at joint opportunities as we assess -- you know -- whether it's cost avoidance or cost savings in some of those -- those metrics.

One of the things that you're seeing now is there is across the country an increase in use of consortia which we've been managing and utilizing already. And the reason is you're getting into constraints, whether it's the resources within purchasing organizations, whether it's the state or the Higher Education level. But also just a concept of folks want better value for the relationships that they want to utilize and -- and capitalize on within their own institutions.

So the savings piece of this on the impact if -- you know -- theoretically if we did not have access to consortia GPO's, you would have serious implication in terms of cost and terms of the bid process, in terms of timing and delays also is a factor -- you know -- the University itself and -- you know -- the Higher Ed system within the state capitalizes on the spend so that we do get differences in pricing that -- that benefits us.

But price wise and that impact would be huge in terms of just operationally in terms of supporting the clinical, the research, the academic missions -- you know -- from the Health Center to researchers who need journal

articles -- you know -- to technology, whether it's internet or high tech cabling that we -- we access through different groups.

So, it's a huge impact on the educational -- you know -- the research missions, the clinical missions. The cost perspective would be -- you know -- I don't want to -- you know -- just sit up here and be over dramatic, but in terms of the day to day for a low dollar transactions that occur would be very problematic and it would definitely put not only -- you know -- the Health Center's operation but the University at a competitive disadvantage.

REP. LEGEYT: Thank you for that answer. But I thought I heard you say that you're doing this already? So, for purposes of my question about whether this particular language is going to enable you to go further down the line towards this cooperative purchasing arrangement. You're already doing that. You just want some reassurance that you're on the right track?

RICHARD GRAY: Yes.

MATT LARSON: Yes.

REP. LEGEYT: Thank you.

SENATOR BOUCHER: Thank you, Mr. Chairman. Most of my questions really had to do with the next Raised Bill going through the three. But just as a note, in your explanation for this current bill that we are discussing. It seems like a lot of your emphasis is in the medical and pharmaceutical area. If that's a place where you can see the -- the most savings by going the private route? Is that -- has been your experience?

MATT LARSON: Absolutely. So, for -- just for context to spend. We're looking probably \$55 million a year through the Health Center's

piece. And we're looking -- you know -- maybe ten to twelve in terms of the Storrs and regional impact. But and you bring up, Senator Boucher, a very good point regarding the pharmaceutical piece. That was one opportunity that the University of Connecticut Health Center had taken that negotiating opportunity. And that has also been extended onto the state as well for the pharmaceutical contracts.

And again -- you know -- through a competitive process within the GPO got to a point where we -- we were able to leverage significant savings and -- and extend that further to other agencies that could benefit.

Sure. Thank you.

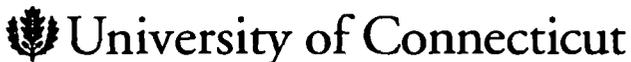
SENATOR CASSANO: No other questions on this bill? All right. First of all, I want to thank Chairman Willis for -- for focusing on the discussion on this particular bill. Because it was something that we needed clarified. And it would have been probably last since we did three. Appreciate that.

Mr. Gray, if you want to continue with the other two bills?

RICHARD GRAY: Thank you.

SENATOR CASSANO: I'll start five minutes all over again.

RICHARD GRAY: Raised Bill 183 is An Act Concerning Financing Transactions for Revisions to Revenue Bond Projects Under UCONN 2000. This legislation is requested to distinguish UCONN 2000 projects financed by the state through the state's debt service commitment on any portions of projects financed by University revenues. Current law, 10a-109g, caps the maximum amount of bonds issued annually by the state in order to limit the state's annual debt service commitment.



Pg 1 of 6 - <sup>then</sup> 7 of 6  
 Line 2 - Richard Gray  
 Line 7 - Matt Larson

**Higher Education and Employment Advancement Committee**

February 25, 2014

Public Hearing

Testimony

By

**Richard Gray**  
**Executive Vice-President for Administration & Chief Financial Officer**  
**University of Connecticut**

Co-Chairs, Ranking Members, and Members of the Higher Education and Employment Advancement Committee, thank you for allowing me to testify today on three bills currently under consideration by the Committee.

First and foremost, I would like to thank the Committee for its long-term support of the University of Connecticut and for raising the following three bills.

**Raised Bill 182, An Act Conforming Public Higher Education Purchasing Statutes with Department of Administrative Services Purchasing Statutes and Practice**

Raised Bill 182, *An Act Conforming Public Higher Education Purchasing Statutes with Department of Administrative Services Purchasing Statutes and Practice*, conforms public higher education's purchasing statutes with the current Department of Administrative Services' (DAS) practice and statutory framework regarding accessing better prices for goods and commodities through purchasing consortia. Participation in purchasing consortia (also known as Group Purchasing Organizations or GPOs) is a long standing practice that is regularly utilized by institutions of higher education, including academic medical centers, to get the best value in purchasing. In 2008, the Department of Administrative Services changed their statutes, now codified as 4a-53, to allow DAS to utilize purchasing consortia to access more competitive pricing. The University currently utilizes consortia and this statutory change would conform the statutes to our current practice. The bill also makes it clear that the constituent units can utilize consortia formed by subdivisions in other states when the best interest of Connecticut would be served by doing so

In addition to utilizing public consortia, especially at the UConn Health Center, a variety of clinical supplies and pharmaceuticals are procured through clinical GPOs. The pharmaceutical pricing we are able to access through a national GPO is also made available to other state agencies. In some cases these GPO's may include private entities.

SB181  
 SB183

We would like to request a small language change to the legislation, however. In order for it to accomplish our goal, we would like the phrase "and subject to the limitations in the authorized funding amount" be bracketed and deleted as indicated in yellow in my testimony.

Proposed language change to Raised Bill 183:

***AN ACT CONCERNING FINANCING TRANSACTIONS FOR REVENUE BOND PROJECTS UNDER UCONN 2000.***

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

Section 1. Subsection (a) of section 10a-109f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The university may, when directed by vote of its board of trustees [and subject to the limitations in the authorized funding amount,] borrow money and enter into financing transactions proceedings in anticipation of assured revenues, [or] project revenue or other funding sources in the name of the university, on behalf of the state, and issue securities in connection with such proceedings, as follows: (1) To finance the cost of UConn 2000 or any one project thereof, or more than one, or any combination of projects thereof; (2) to refund securities issued pursuant to sections 10a-109a to 10a-109y, inclusive; and (3) to refund any such refunding borrowings. All securities issued in connection with assured revenues, [or] project revenues or other funding sources that will be financing transaction proceedings entered into pursuant to this section shall be authorized by a resolution approved by not less than a majority vote of its board of trustees. Nothing in this subsection shall increase the annual or aggregate cap on the amount of securities, the special debt service requirements of which are secured by the state debt service commitment pursuant to section 10a-109g.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10a-109f(a)

*Raised Bill 181, An Act Concerning UConn Leases with State Agencies and Quasi Public Agencies*

Raised Bill 181, *An Act Concerning UConn Leases with State Agencies and Quasi Public Agencies* clarifies that UConn can enter into leases for space with another state agency or quasi-agency in excess of \$50,000. This change merely deletes obsolete language which prohibited these leases and is being requested by UCONN 2000 bond counsel

In conclusion, I would like to again thank you for your continued support of the University of Connecticut. I would be happy to answer any questions.