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MEMORANDUM

TO: All House Members

FROM: Rep. Mark B. Cohen, Chair *Mark B. Cohen*
Democratic Human Services Committee

DATE: January 25, 2011

RE: Co-sponsorship of Legislation Statutorily Controlling Settlement Agreements

Your co-sponsorship is requested of legislation that would place in statute when settlement agreements may appropriately be awarded.

Settlement agreements are state contracts awarded when emergencies arise. There has been a sharp rise in this type of contract being issued. Settlement agreements get around usual contract restrictions and often are charged at emergency rather than regular rates. Unfortunately, it is feared, as mentioned in Auditor General audits, that some administrators have abused awarding settlement agreements. They do this to get around contracting procedures and policies.

This legislation would place the existing Budget Bureau policies on settlement agreements into statutory law. Thus, any administrator woefully abusing settlement agreement requirements would be violating the law and thus subject to stricter administration actions.

This bill is the same as HB 2602 from last session. The co-sponsors then were JOSEPHS , KILLION , CALTAGIRONE , SIPTROTH , WAGNER , YOUNGBLOOD and PASHINSKI.

To co-sponsor this proposal, please contact Linda Huntington in my office at lhunting@pahouse.net or at 787-3085 (x-6055).