



Governor Ned Lamont

Fact Sheet: 2026 Legislative Proposal

HOUSE BILL 5039

*AN ACT REQUIRING TRANSPARENCY AND ADDITIONAL
OVERSIGHT OF THE DISTRIBUTION OF CERTAIN LEGISLATIVELY
DIRECTED FUNDS*

The Current Situation

The Lamont administration has steadily tightened controls across state government, from strengthening procurement rules, to expanding risk-based monitoring of grants, modernizing financial systems and improving transparency in how public dollars are spent. Efforts continue to root out fraud wherever it exists, hold bad actors accountable, and ensure that appropriated state funding reaches the communities it is intended to serve, while helping those in need.

Governor Lamont's Solution

Require the Secretary of the Office of Policy and Management (OPM) establish policies and procedures regarding the administration of legislatively directed funds by state agencies. These policies will guide Executive Branch agency procedures for issuing legislatively directed funds (LDF) to their intended recipients, ensuring appropriate use and administration of funds, and providing for annual reporting of these funds with a database posted on the OPM website.

When the General Assembly appropriates LDFs, the identity of the organization, a description of the fund use, and whether funding can be directed to sub awardees must be specified in the legislation.

Legislatively directed funds are defined as an appropriation by the General Assembly that authorizes a set amount of funding for a specific entity. LDFs do



not include items funded within the following: in response to a disaster or emergency; to state agencies or municipalities; formula-driven or competitive awards; or authorized by the bond commission.

OPM will establish LDF administration policies for state agencies:

- LDFs will be distributed on a reimbursement basis unless approved by OPM
- Recipients must have a plan and capacity to utilize funding, as well as sufficient financial security protections
- Subaward transfers must be approved by administering agency
- Recipient and administering agency reporting requirements

LDFs cannot be administered unless the following information is specified in enacted legislation: identification information on the LDF recipient such as legal or “doing business as” name or address; a description of purpose for the use of funds; whether a subawardee is permitted.