



Connecticut **Business & Industry** Association Service Corp.

**Testimony Of
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Labor and Public Employees Committee
Legislative Office Building
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My name is Kevin Hennessy. I am a staff attorney for the Connecticut Business and Industry Association (hereinafter "CBIA"). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. The vast majority of our member companies have fewer than 50 employees.

CBIA **opposes** **SB 1290**, An Act Concerning Accountability in Contracting with State Agencies. Specifically, CBIA is concerned about both **Sections 1 and 2** of the proposed bill.

Section 1 gives state agencies soliciting privatization contract bids in excess of \$250,000 the authority, among other things, to obtain the titles and salaries for each employee related to the performance of the governmental function. Moreover, this inherently private information will become subject to the Freedom of Information Act and may be disclosed to any inquiring party. Collecting and releasing private information will deter companies from bidding on state contracts. Fewer bids on state contracts will inevitably drive up the cost of obtaining such goods or services. Adopting **Section 1** of **SB 1290** will likely increase the burden on Connecticut taxpayers.

Similarly, **Section 2** also deals with the required disclosure of inherently private information. Specifically, this section calls for all companies involved in state privatization contracts to disclose annually, among other things, the company's State ID number, the name and contact information of the executive overseeing the contract, the companies annual operating budget, compensation of the company's personnel and the names and salaries of the companies three highest paid officials. Again, implementing such stringent reporting requirements will ensure that fewer companies will bid on state contracts. Rather than exposing themselves or their employees to potential identity theft, threats and/or harassment, Connecticut companies will instead likely opt out of bidding on state contracts. Inevitably, less bidding for these contracts will drive up the cost for the state. Eventually, this increased cost for the state will negatively impact all Connecticut taxpayers.

The rationale behind **SB 1290** is not stated. However, one may reasonably speculate that the reasoning is based on the ubiquitous buzz word "transparency." Unfortunately, such drastic measures will not open the state contracting process. Instead, **SB 1290** will deter potential state

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10,000 businesses working for a competitive Connecticut

contractors from bidding on contracts. Employers will rightfully not want to subject themselves or their employees to the potential harassment and/or threats that will follow making inherently private information accessible to the public. Reducing the number of bids on state contracts will ultimately increase their dollar amounts. This harmful consequence will negatively impact all Connecticut taxpayers.

SB 1290 will negatively affect every Connecticut taxpayer. Therefore, CBIA urges the committee to reject SB 1290.