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Testimony before the Planning and Development Committee

Monday, March 9th, 2009

11:30 AM in Room 1A of the LOB

Good morning Senator Coleman, Representative Sharkey and members of the Planning and Development Committee. My name is Frank Sykes and I am the Legislative Analyst with the African-American Affairs Commission (AAAC). The Commission is an independent, non-partisan state agency and represents a voice for the African-American community. I am here today to speak in support of

Raised Bill 1035 – An act concerning equal access to opportunities for subcontractors

In its most recent annual report to the Connecticut state legislature on contract compliance, the Commission on Human Rights and Opportunities reported that 25 state agencies achieved their set-aside goals; whereas 23 state agencies missed the target¹ Since then there hasn't been a study assessing contract compliance in any comprehensive way. Minority contractors in general start out as subcontractors and as small businesses owners can be the engines for job growth in their communities. With unemployment rates hovering around 7

¹, CHRO, *Contract Compliance of Small and Minority Women Business Utilization*

percent in our state² it's essential that these businesses are able to realize their full potential to be an integral component in reviving our state's ailing economy. Unfortunately certain barriers continue to prevent subcontractors from firstly procuring state contracts and secondly expanding. For example the \$107 million Hartford Trinity Learning Corridor had only three of Hartford's 68 registered minority contractors working on the job and half of the contractors were hired from out of state.³ While some of the challenges these businesses face can be attributed to lack of technical expertise, business acumen etc. other barriers are regulatory in nature. Issues such as bonding requirements, restrictive application procedures regarding licensing for demolition projects and the lack of a fair mediation process for contracting disputes with the Department of Transportation are a number of problems facing this community.

Connecticut has received its share of federal money from the stimulus package recently passed in Washington. It is estimated that \$378 million of these funds will be targeted for construction purposes, roads, bridges etc.⁴ Unfortunately with such restrictions in place it's uncertain how construction businesses in the minority community will benefit from this infusion of critical dollars. Supporting this bill removes some of the barriers that may be obstacles for small and emerging businesses in the construction industry from generating new business opportunities and growing.

This Commission is working in partnership with the Minority Construction Council to present these issues to the legislature. We are prepared to continue working with this Committee to strengthen this legislation to achieve the parity that will make a difference in the lives of members of the subcontracting community and the state as a whole.

Thank you for the opportunity to testify and we urge your support.

² U.S. Bureau of Labor Statistics, *State Unemployment Rates*

³ Policylink, *Minority Contracting*

⁴ Associated Press, *Article on federal stimulus money*