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TO: Appropriations Committee

FROM: Valerie Kennedy, Coventry, CT
HRO Representative CHRO

DATE: February 23, 2011

SUBJECT: Budget Proposal 2011-2012 Restructuring Government

I am here to provide an answer to the question raised this morning regarding the impact of moving the Affirmative Action function of CHRO to the Department of Administrative Services.

The Affirmative Action function at CHRO is to monitor and enforce compliance with Affirmative Action Regulations of State Agencies. In other words we analyze affirmative action plans to determine if the human resource activities in all state agencies are in compliance and, if they are not, we make recommendations to bring the agency into compliance. DAS is an administrative agency with no enforcement powers. DAS is also the agency responsible for centralized state Human Resources. This creates a gross conflict of interest by giving DAS to power to review its own Human Resources activity and determine if it is in compliance. Finally there appear to be no actual cost savings in recommending this move because the analysis of affirmative action plans requires a trained staff

To move the enforcement component of Affirmative Action to DAS will effectively eliminate Affirmative Action as a mandated requirement of state agencies. CHRO's experience with the Contractor Set-Aside program has clearly demonstrated that without CHRO oversight, there is no effort to meet state Set-Aside requirements on municipal and school building projects.

Another factor that should be considered is that CHRO's enforcement of Affirmative Action regulations in state agencies acts as a deterrent to discriminatory activity because agencies know that CHRO will review their Human Resources activity annually. The end result is fewer complaints of discrimination are filed against state agencies and fewer findings of probable cause are made against state agencies. The cost saving of this is difficult to measure but still important to consider.

My second reason to speaking is to ask the committee to look at some of the successful restructuring that has occurred in the private sector. The increased use of technology to improve services to the public has played an important cost saving role. It seems counter-productive to take the Department of Information Technology and merge it with DAS. We'd be better served to spend more to improve our use of technology by acquiring more experts and developing better systems for our state that will ultimately save money while providing better service. Finally, most companies find a significant amount of cost savings when

they streamline their administrative functions but it appears that no one is looking at DAS with the idea of cutting or moving some of their functions to other agencies. One example that comes to mind is that it takes **three (3)** agencies to decide if a position should be filled – the agency that requests the position, DAS, and OPM. I think this is one example of excessive overlap of functions. Another example is refusing to allow the Executive Director to hire an Executive Secretary (or replace any other managers or professional staff). Is it really cost effective to have an Executive Director at his salary doing other functions that should be done by support staff?