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**Senate Bill 455, An Act Concerning the Commission on Human Rights  
And Opportunities  
Judiciary Committee  
March 29, 2012**

Connecticut Construction Industries Association, Inc. (CCIA) represents various sectors of the commercial construction industry in Connecticut and is comprised of members who have a long history of providing quality work for the public benefit. CCIA seeks to advance and promote a better quality of life for all citizens in the state. Formed over 40 years ago, CCIA is an organization of associations, where all sectors of the commercial construction industry work together to advance and promote their shared interests. CCIA is comprised of more than 300 members, including contractors, subcontractors, suppliers and affiliated organizations representing many sectors of the construction industry.

Associated General Contractors of Connecticut is the building division of CCIA, representing 150 commercial, industrial, and institutional construction contractors, subcontractors, material suppliers and professionals serving the Connecticut construction industry. AGC of Connecticut is a chapter of AGC of America, a national contractors trade association.

Senate Bill 455, An Act Concerning the Commission on Human Rights and Opportunities, would increase the state's withholding for a contractor's failure to develop an acceptable affirmative action plan from 2% to 5%, and extend state set-aside requirements to state-funded municipal projects.

AGC of Connecticut understands the need for contractors to develop affirmative action plans and promotes compliance of CHRO regulations. CCIA has hosted a number of contract compliance programs with the Connecticut Commission on Human Rights and Opportunities, the state Department of Transportation and the U.S. Office of Federal Contract Compliance Programs. AGC members regularly participate in those programs and seek opportunities to employ qualified workers on the jobsite.

Pursuant to state law and regulations, affirmative action plans must be filed with CHRO within 30 days of the contract award. A plan is not valid unless and until it is approved by the commission. The plans must contain information such as a policy statement, analyses and hiring and promotion goals and timetables. The commission is required to review affirmative action plans within 60 days of receipt from the contractor and it may approve, disapprove, or approve in part and disapprove in part any plan. An approved plan must, among other things, demonstrate that the contractor's work force favorably reflects the composition of workers in the relevant labor market area or that the goals and timetables contained in the plan are likely to achieve that result. If it does, the commission issues a certificate of compliance.



While AGC of Connecticut actively supports the goals of the program, we ask that the committee and the legislature consider current economic conditions in the construction industry and the impact of increasing the state's withholding for delays in developing such plans.

In the current economy, when many contractors are doing everything they can just to survive, to withhold an additional 3% on top of the current 2% for affirmative action submittals – in addition to the 10% retainage that public owners withhold for certain public works projects – would add to the financial pressures facing contractors and subcontractors performing covered work. In many cases, particularly in public construction where competition is especially intense, most contractors are bidding on extremely tight margins, meaning the amount withheld for lack of an approved affirmative action plan on top of retainage will further deplete the vital cash flow on the job. State contractors are required to develop these plans and most make a good faith effort to do so. To increase this withholding across the board could harm good construction contractors and have an adverse effect on state contracting and construction in general.

Please contact John Butts, Executive Director of AGC of Connecticut, or Matthew Hallisey, Director of Government Relations and Legislative Counsel for CCIA, at 860-529-6855, if you have any questions or if you need additional information.