



FOUNDATION FOR FAIR CONTRACTING OF CONNECTICUT, INC.

81 Market Square, Room 2, Newington, CT 06111

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Re: Testimony - HB 6468

The Foundation for Fair Contracting opposes HB 6468, "An Act Repealing High Performance Work Organization Programs and Threshold Project Requirements in the Provision of Financial Assistance by the Department of Economic and Community Development and Connecticut Innovations, Incorporated".

The High Performance Work Organization statute was passed in 1994 with bipartisan support as a way to incentivize the hiring of displaced workers. The statute lays out 12 characteristics as to what is defined to be a High Performance Work Organization. Of the characteristics identified, number 11 is critically important in identifying an entity that should receive financial assistance.

Number 11 is defined as a corporation or firm that provides wages and benefits that meet or exceed industry averages.

Though we recognize that the High Performance Work Organization statute is not a mandate or requirement, it is a guideline that provides definitions as to what an entity receiving financial assistance should look like. We believe that any business that receives financial assistance from the Department of Economic and Community Development should provide its employees wages and benefits that meet or exceed industry averages.

Instead of repealing this statute, we would like to see it strengthened and modernized. And we would ultimately like to see some of these guidelines changed into requirements. We would additionally like to see these guidelines, specifically the wage and benefit guideline extended to capture those businesses that are contracted out for services by the entity receiving financial assistance from the state.

I hope we can look productively at standards for wages and benefits to those businesses that receive financial assistance from DECD. Additionally, we would applaud any efforts undertaken by DECD to strengthen their reporting of wages and benefits paid to the employees of a business, corporation or firm receiving financial assistance, as well as the reporting of the wages and benefits paid to those employees who are contracted out for service work (i.e. construction, janitorial, security and cafeteria services).

We understand that DECD is already trying to strengthen their reporting of numbers of jobs created from the use of financial assistance (i.e. grants, loan guarantees, tax credits). However, we believe that wages and benefits should be reported as well so that DECD can appropriately

determine whether or not the jobs being created with the use of financial assistance from the state is actually helping to curb poverty, and is actually helping to reduce the number of Connecticut residents enrolling in Medicaid, Husky and other state programs. Of course, this is also the reason why we support and encourage DECD to take wage and benefit standards into consideration when approving an application for financial assistance to a business, corporation or firm.

If the state is going to hand out financial assistance in the form of a grant, loan or tax subsidy to an entity with the promise that jobs will be created, let's ensure that those jobs are good jobs, which provide a pathway for our residents to become more independent, and to rebuild a solid middle class.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly Glassman". The signature is written in black ink and has a long, sweeping underline that extends to the right.

Kimberly Glassman
Director