



March 10, 2014

General Assembly  
Government Administration and Elections Committee  
Room 2200, Legislative Office Building  
Hartford, CT 06106

**RE: S.B. 351 – AN ACT CONCERNING THE ASSESSMENT OF PROPOSED  
PRIVATIZATION CONTRACTS.**

Senator Musto, Representative Jutila, and members of the Government Administration and Elections Committee:

My name is Robert Rinker, I am a resident of South Windsor, and I am the Executive Director of CSEA SEIU Local 2001 and a member of the State Contracting Standards Board.

State Employees, both in their official positions and as residents/tax payers in Connecticut hate to see our State waste money. One of the most common complaints I hear is that outside contractors are being wildly overused for work that should be done in-house by state employees. I am submitting this testimony in support of **SB 351: An Act Concerning the Assessment of Proposed Privatization Contracts.**

SB 351 seeks to expand the requirement that a cost benefit analysis be conducted by the State before entering into contracts with non-state entities. When the State does a cost benefit analysis, it compares the cost of utilizing state employees to complete a project against the cost of using an outside contractor. This is an incredibly important evaluation that should be done on as many contracts as possible.

While the State currently requires that cost benefit analysis be completed in many instances, under Sec. 2. Section 4e-16(a) of the general statutes, this requirement does not apply to contracts for services currently provided, in whole or in part, by a non-state entity. SB 351 removes this exemption. Just because we are currently doing things inefficiently and wastefully does not mean we should continue to do so going forward. When services were privatized in the past, there were frequently no analysis completed to see whether the privatization of that work resulted in any savings. Our belief is that by expanding the use of cost benefit analysis, we can limit wasteful use of outside contractors and utilize state employees where it makes financial sense to do so.

SB 351 also seeks to nullify any privatization contracts entered into or renewed without complying with the provisions of section 4e-16 of the general statutes, which lays out requirements for performing cost benefit analysis. This is common sense legislation that seeks to reduce wasteful spending and ensures the state follows its own rules.

The General Assembly should make every effort to maximize the value of each tax dollar spent, and while a straightforward cost benefit analysis often demonstrates the value and efficiency of state employees, there are broader economic benefits gained from our state workforce not captured in these evaluations. When we  
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utilize our state work force to complete projects, we are also contributing to solving the unfunded liability issue, which thanks to proactive decisions by the Malloy administration, is on track to being fully funded by 2032. This is especially relevant when the State of Connecticut participates in projects funded in whole and in part from non-general funds, like the Federal government. This is especially true in the Department of Transportation wherein most projects have an 80% funding from the Federal government and a 20% match from the State. When we pay for state employees with those funds, we are also using these federal dollars to invest in our future. When we use outside contractors, those potential investments are lost, which is not captured in any cost benefit analysis.

Finally, our state employees live and work here in Connecticut. When the State spends money on its own workforce, not only is it frequently more cost effective, that money goes back into Connecticut's economy. That's a good thing. When the state hires contractors, there is no guarantee that those workers even live in this state.

Connecticut wants to ensure our tax dollars are being spent wisely: **Support SB 351.**

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