

SEBAC

State Employees Bargaining Agent Coalition

Clean Contracting – SB 351- March 10, 2014

Co-Chairs Senator Musto and Representative Jutila, thank you for giving me the opportunity to testify in favor of S.B. No. 351 AN ACT CONCERNING THE ASSESSMENT OF PROPOSED PRIVATIZATION CONTRACTS. My name is Paul Filson and I am Director of the Service Employees International Union Connecticut State Council. SEIU locals are members of the State Employees Bargaining Agreement Coalition (SEBAC) which represents over 40,000 state employees.

SB 351 with some changes, would be an important update to the Clean Contracting legislation that passed in 2005. That legislation passed to insure that public dollars spent doing work for Connecticut would be spent prudently and be free from the temptations to award contracts based on political expediency. Under the Rowland administration a bureaucratic culture had developed in which it was easier to contract out work rather than develop a stable and efficient work force. Some contracts were even awarded as political favors.

The Clean Contracting legislation passed in 2005 was step forward, but it was a compromise bill with the Rell administration which left large loopholes. The SEBAC agreement from 2011 committed the state to start the process of removing some of the bureaucratic obstacles to hiring state employees. In 2013, Secretary Barnes issued a directive designed to mitigate some of the loopholes that were left in clean contracting laws.

The biggest loophole left in the 2005 legislation -- at least as it's been interpreted -- is that work that has been contracted out any time in the past, anywhere in the state, never requires a cost benefit analysis nor business case justification to see if it makes financial sense. This is true even if the contracting is 2 or 3 times more expensive than doing the work in house, even if it provides poorer services, or even if it involves core government functions.

The State Contracting Standards Board has a right but not a requirement to conduct a functional review of such contracted services, as it did with bridge safety inspections in the Department of Transportation, but only after the work has already been contracted out. It is a very good thing that Secretary Barnes took action to address the loophole administratively -- but this issue is too important for the General Assembly to remain reliant on purely administrative action. The legislation before you is designed to close that loophole as a matter of law.

Discussions are taking place this week between the administration and SEBAC to craft consensus language so that it can be submitted to this committee. This will help move this bill forward, and allow the General Assembly to put itself squarely on the side of progress in this critical area. We thank this committee for raising this bill and giving us the opportunity to be part of the solution.