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HB-6934 - AN ACT CONCERNING WAGES PAID TO INDIVIDUALS PROVIDING FOOD, BUILDING, PROPERTY OR EQUIPMENT SERVICES TO MUNICIPALITIES.

The Connecticut Council of Small Towns (COST) opposes HB-6934, which would significantly increase the cost of municipal contracts for food, building, property, equipment and maintenance services.

According to OPM, Connecticut is in a state of "permanent fiscal crisis". For Connecticut's small towns, state aid to municipalities has been largely flat funded for several years now, shifting more of the burden to fund education, public safety and other critical programs onto the backs of property taxpayers. Given the ongoing budgetary challenges facing the state and municipalities, it's time to get serious about refraining from imposing any new unfunded mandates on our towns and cities. COST therefore urges rejection of HB-6934.

Under current law, the state Department of Labor sets a standard rate of wages applicable to the employees of contractors that provide food, building, property, equipment and maintenance services to the state. This includes an hourly rate plus a 30% surcharge to cover the cost of any health and retirement benefits. When the state adopted this legislation in 1999, the fiscal note, not surprisingly, indicated that this would significantly increase contract costs to the state.

HB-6934 would extend these same provisions to municipal contracts. Under the bill, all employees working for businesses that have service contracts with municipalities would have to be paid at least the standard wage rate, plus the 30% benefit surcharge. To the extent that vendors would have to increase employee wages and benefits to the standard wage rate, those costs would most likely be passed on to the municipalities, significantly increasing the costs to the municipality to contract out these services.

Moreover, most of the services covered under the bill are provided to school districts. School districts are already struggling to fund programs to implement the Common Core curriculum and other education mandates. As a result, towns and school districts across the state are making difficult decisions about which programs and services can be cut or reduced. Passage of HB-6934 will exacerbate this situation by driving up the cost of providing school lunches, of keeping our schools clean and our athletic fields safe.

With local budgets stretched so thin, this bill would most likely harm the very employees it purports to help by driving up local property taxes and/or forcing cuts or reductions in service contracts.