



Testimony
Betsy Gara, Executive Director
Connecticut Council of Small Towns
Before the GAE Committee
February 25, 2015

The Connecticut Council of Small Towns (COST) *opposes* the provisions in **6086 AN ACT EXPANDING THE SET-ASIDE PROGRAM TO INCLUDE MUNICIPALITIES AND STATE GRANT PROGRAMS**, which would require municipalities to establish set aside programs for minority and women-owned enterprises.

Although we support efforts to support minority and women-owned enterprises, the bill opens the door for more mandated reporting requirements on towns and cities.

Under current law, municipalities may, by ordinance, set aside municipal contracts or portions of municipal contracts for award to small and/or minority contractors, on the basis of a competitive bidding procedure. This provides towns with the flexibility to craft a policy that supports small and minority contractors without imposing burdensome reporting requirements or higher costs on small rural and suburban towns that have little in the way of administrative support staff.

As proposed, HB-6086 would impose another layer of regulatory oversight onto municipal projects and impose additional reporting requirements on municipalities. Although the language of the bill is not fully drafted, previous iterations of this bill would have required municipalities to notify DAS regarding the contracts set aside at the time the bid documents are available and enforce compliance with the requirements. The legislation would have also required municipalities to accept letters of credit from small and minority contractors rather than performance bonds, which could create concerns.

According to a report by the state Department of Administrative Services that referenced the state Set-Aside program, prices paid for certain commodities and services may be higher under the program because Set-Aside program contractors are not competing against larger companies, who have the purchasing power to negotiate lower prices.

COST is therefore concerned that the bill will add to the overall cost of projects in addition to imposing administrative burdens on towns.

Given that state aid to municipalities has been flat funded for several years while costs for providing education and other services has increased significantly, every new mandate will take money right out of the pockets of our taxpayers. COST urges lawmakers to reject this bill.