



State of Connecticut

HOUSE OF REPRESENTATIVES
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MEMBER
APPROPRIATIONS COMMITTEE
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Government Administration and Elections Committee
Public Testimony
March 18, 2016

TESTIMONY IN SUPPORT OF SENATE BILL 441
AN ACT REQUIRING CERTAIN STATE PAYMENTS TO VENDORS BE MADE BY CHECK OR
ELECTRONIC TRANSFER

Good Afternoon Co-Chairs Senator Cassano, Representative Jutila; Vice Chairs Senator Gerratana, Representative Alexander; Ranking Members Senator McLachlan, Representative Smith; and esteemed members of the Committee. My name is Gayle Mulligan and I am proud to represent the 55th District, which encompasses Andover, Bolton, Hebron and Marlborough. I am testifying in support of the proposed bill SB 441.

The Purchasing Card Program (P-Card) is designed to allow for state agencies to quickly and easily procure items from vendors. In theory, this is also beneficial to the vendors since they do not have to wait for payment from the state. Moreover, the state also receives an addition benefit in the form of rebate checks. For example, in 2014 the state obtained a rebate check of \$885,000 for purchases using P-Cards. While this is a plus for the state the same cannot be said for businesses.

As with all credit card transactions, the business must pay a fee to the company. Unfortunately, by relying on the P-Card's, the state is passing along this additional cost to our businesses. They are effectively paying for this transaction fee while the state benefits through the rebates. I believe there should be some alternative and it is for this reason why SB 441 must be passed.

I am not advocating the elimination of the P-Cards, far from it. If a business wants to be paid with one, that is their preference. Instead I believe we should be allowing the electronic transfer of funds to be an option since it is free and virtually immediate. Yes, the state may lose some of the rebates it receives with the P-Cards, but it will not incur the front end cost of the transaction. Considering all which businesses must endure in Connecticut, I believe it is imperative we do everything possible to alleviate needless fiscal strain on their operations and ensure they get paid in a timely fashion for their services.

A handwritten signature in cursive script that reads "Gayle Mulligan".

Gayle Mulligan
State Representative, 55th District