

Government Administration and Elections Committee

March 18, 2016

Senate Bill 439: An Act Concerning the State Contracting Standards Board and Requirements for Privatization Contracts

Senator Cassano, Representative Jutila, Ranking Members, and members of the Government Administration and Elections Committee:

My name is Dawn McKay. I work for the State of Connecticut as an Environmental Analyst in the Department of Energy and Environmental Protection and I am testifying today as a member of CSEA SEIU Local 2001 in support of Senate Bill 439: An Act Concerning the State Contracting Standards Board and Requirements for Privatization Contracts.

I have worked for the state of Connecticut for 28 years. I have seen this legislative body invest in clean water, clean air and protect some of the most pristine and fragile areas of the state. These investments are paying dividends with cleaner air, more drinkable water, green renewable energy and the protection of unique and important conservation lands. But our agency has lost nearly a third of its employees over the last decade. When an employee leaves, that individual rarely, if ever is replaced, but the work still needs to be completed. Because it has become much easier to “outsource” the work than to hire a replacement state worker, when an employee leaves work is often given to consultants or vendors. This creates two problems:

- The first problem is that the contractors almost always cost more than state employees, sometimes doubling or tripling the cost of doing the work because the contracting company must also turn a profit while getting the work done. Sometimes the workers sit side by side with contractors doing the same work, but the vendor does his/her work at a much higher cost to the state. There is a “shadow government” of employees, but we can’t really see it because the costs are hidden within the budgets and are not reflected as personnel costs. In many cases the hourly rates of these consultants exceed what would be paid to a top-step state employee with fringe benefit costs included. The managers don’t care if consultants cost more money because it takes so long, and is sometimes impossible to re-fill lost positions. It is “convenient” rather than “cost effective”.
- The second problem is that the contractor doesn’t have the same regard for the public service work. For the company it is a way to make a profit for their shareholders or CEO. For state employees it is about service to the public. Public service to keep air, water and land protected and safe.

This bill in my opinion will safe guard the public from excessive outsourcing which threatens our commitment to public service and in almost all cases is not cost-effective. This bill will keep an eye out for excessive costs of these outsourcing debacles. Just one recent example (not from DEEP) involves the company hired at excessive costs at DMV. The state employees working in the information technology section held multiple meetings with then Commissioner Melody Curry to tell her that the “modernization” was going to fail. They told her that the contractor was not delivering on its promises and that the system was not going to work, but she moved forward and spent more than ever on the vendor who promised so much and delivered so little. Who knows just how much this debacle will end up costing us as citizens, as public servants, as taxpayers?

A stronger and better functioning Contracts Standards Board will help ensure that contracts with outside vendors are held to better standards of service to the public. It will help by ensuring that we only “outsource” with vendors when it is really necessary rather than it just being more convenient. I urge you to pass this common sense bill SB 439.

Dawn McKay