

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: SB-1052

Title: AN ACT CONCERNING A DISPARITY STUDY.

Vote Date: 3/29/2021

Vote Action: Joint Favorable

PH Date: 3/19/2021

File No.:

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SPONSORS OF BILL:

The Government Administration and Elections Committee

REASONS FOR BILL:

This bill requires that the Commission on Human Rights and Opportunities (CHRO) and Department of Administrative Services (DAS) issue a request for proposal for conducting a disparity study within 90 days of the bill's passage. The study will seek to determine whether the state's Set-Aside Program is achieving its goals of facilitating the inclusion of small contractors and minority businesses in terms of state contracts.

RESPONSE FROM ADMINISTRATION/AGENCY:

The Commission on Women, Children, Seniors, Equity & Opportunity, Connecticut General Assembly (CWCSEO): CWCSEO supports the bill as a means for addressing social and economic disparities in Connecticut. By making disaggregated data regarding these disparities accessible, CWCSEO believes that actions can be taken to ensure that policy, planning and budgeting is equitable. The pandemic has exacerbated disparities in education, public health, economic development, housing and basic needs. CWCSEO contends that this bill promotes the expansion of workforce development opportunities, which would have a direct impact on communities most impacted by social and economic disparities. CWCSEO recommends that the bill be amended to ensure that the study has proper funding, data is collected accurately, the study has a clearly defined deadline, and that a diverse and inclusive committee is convened for the purpose of oversight.

Department of Administrative Services (DAS): DAS expressed their strong support for the bill. With an up-to-date disparity study, essential data will be collected to help develop new goals and definitions that can withstand legal scrutiny. Since DAS oversees the Set-Aside Program, DAS requests that they be designated as the lead agency responsible for

administering the proposal request and the subsequent disparity study. DAS stated their intent to consult with the Office of Policy & Management and the Commission on Human Rights and Opportunities in regards to the study.

Kostantinos Diamantis, Deputy Secretary, Office of Policy and Management (OPM):

OPM supports the use of a disparity study as a means to strengthen the Constitutional foundation for the Set-Aside Program. In the testimony provided to the committee, OPM recommended conducting a disparity study in a series of chronological phases. OPM listed vertical and horizontal construction contracts as first in terms of priority. State agency goods and service contracts, including IT services and facilities-related services, was listed as the second phase. For the third phase, OPM recommends that state agency health and human services contracts, including Personal Service Agreements, be evaluated via disparity study. The last type of contract to be evaluated by disparity study should be quasi-public agency contracts. Considering the fact that his bill will have a fiscal impact, OPM justifies these phases as a means to help the General Assembly during budget deliberations. OPM recommends that the bill be amended to include language that specifies that DAS, in consultation with OPM and CHRO, develop and issue the RFP for the disparity study.

David Lehman, Commissioner, Department of Economic and Community Development

(DECD): DECD believes that a disparity study will help the agency better understand state contract utilization and availability to minority groups, women, veterans and those with disabilities. Additionally, DECD contends that the study is necessary in terms of updating statutes relating to the Set-Aside Program. Lastly, DECD asks that the bill be amended to specify that DAS, in consultation with OPM and CHRO, be designated as the lean agency administering the proposal and subsequent study.

State of Connecticut Commission on Human Rights and Opportunities (CHRO):

CHRO emphasized the need for the Connecticut Set-Aside Program to be able to withstand legal scrutiny. In order to withstand scrutiny, CHRO contends that the allocations made by the Set-Aside Program must be rooted in strong evidence that proves past or present discrimination against each of the protected classes that the program seeks to assist. The last disparity study in Connecticut was conducted in 1992. In almost 30 years, CHRO finds that Connecticut's economy and diversity has changed dramatically. That being said, CHRO believes that a disparity study would provide a more accurate picture of the pool of availability for small contractors owned by women, minorities and individuals with disabilities. The study would provide for equity and equality in state contracting.

NATURE AND SOURCES OF SUPPORT:

Connecticut Construction Industries Association (CCIA): CCIA supports the bill, viewing it as an opportunity to give Connecticut's set-aside program a solid legal foundation. Due to the fact that Connecticut's minority owned business enterprise is not narrowly tailored, it does not warrant strict scrutiny to justify the use of a race-based program. By conducting this disparity study, Connecticut will be able to prove that race-based discrimination does in fact exist in state contracting, adding further credibility to the set-aside program.

Jennifer Little-Greer, Executive Director, Minority Construction Council (MCC): In an effort to most accurately reflect minority, women and disabled business enterprises, MCC emphasized the importance of conducting a disparity study in Connecticut. In their testimony,

MCC cites that \$637 million budget in grants to 15 school projects just this year. MCC believes that these public projects should be accompanied by a disparity study to ensure that qualified, underutilized minority and disabled contractors are partaking in public construction projects.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Trevor Hoffman

Date: 03/29/2021