



State of Connecticut
Department of Developmental Services

Dannel P. Malloy
Governor

Jordan A. Scheff
Commissioner

Peter Mason
Deputy Commissioner

**DEPARTMENT OF DEVELOPMENTAL SERVICES TESTIMONY
BEFORE THE GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE**

March 5, 2018

Senators Flexer and McLachlan, Representatives Fox and Devlin and members of the Government Administration and Elections Committee. I am Jordan A. Scheff, Commissioner of the Department of Developmental Services (DDS). Thank you for the opportunity to provide you with written testimony to express concerns regarding **H.B. No. 5267 AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD AND REQUIREMENTS FOR PRIVATIZATION CONTRACTS.**

This bill proposes to redefine "privatization contract" and "state contracting agency", modify the quorum requirement of the State Contracting Standards Board, impose additional requirements on proposed privatization contracts and require the Auditors of Public Accounts to issue compliance reports regarding staffing levels of the State Contracting Standards Board.

The proposed changes to existing law seem to run contrary to many initiatives and expectations of both the executive and legislative branches of Connecticut's state government. The threshold for privatizing current state-run programs and services is already high. This will raise the bar higher, increase demands on a diminishing public labor force, inhibit agencies from responding in a timely fashion to the frequent changes in the Connecticut economy and workforce, increase administrative burdens and bureaucracy, and decrease the ability for agencies to manage within appropriations.

As background, under current law, the only DDS contracts that are exempt from this are those awarded to non-profit providers prior to January 1, 2009. Additionally, any contract awarded after that date, or to a for-profit provider, has required DDS to complete a cost effectiveness form. In addition to continuing to complete the cost effectiveness form, the proposed amended language would also require DDS to:

- develop a business case for such privatization contract,
- provide certification that the Department has complied with all the requirements, and
- obtain formal approval from the Attorney General for the privatization contract.

These requirements would increase the cost of operating government and delay its ability to respond in a timely manner thus jeopardizing budgetary savings targets.

While sensitive to the concerns of public sector employees regarding the considerations the department may give to further privatization, we believe that the existing SEBAC agreement and underlying Collective Bargaining agreements, combined with current law provide a high degree of surety to those employees. Further, given that more than 90 percent of all of our supports and services are provided by private providers, there exists a proven track record for success in these efforts.

While we oppose the changes to the existing law as written, we would ask for consideration that the language within the existing law be changed to exclude non-profit and for-profit contracts executed prior to June 30, 2017 from completing the cost effectiveness forms. By adding for-profit provider contracts, it eliminates a dual standard imposed by this law based on the corporate status of an entity for services that have been provided by both public and private staff for more than 30 years.

Thank you again for the opportunity to offer testimony regarding our concerns with [H.B. No. 5267](#) **AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD AND REQUIREMENTS FOR PRIVATIZATION CONTRACTS**. You may contact Christine Pollio Cooney, DDS Director of Legislative and Executive Affairs at (860) 418-6066 with any questions.