

Testimony Supporting:

**S.B. No. 1396, An Act Concerning the State Purchase of Service Contracts
for Health and Human Services**

Peg Oliveira, Ph.D.
Mary A. Glassman, J.D.

Human Services Committee Public Hearing

March 13, 2007

Dear Senator Harris, Representative Villano and Members of the Human Services Committee:

Peg Oliveira is a Senior Policy Fellow, and Mary Glassman is Director of Legislative Affairs with Connecticut Voices for Children, a research-based public education and advocacy organization working statewide to promote the well being of Connecticut's children, youth and families. We are here today to testify on behalf of the sister lobbying organization – Advocates for Connecticut's Children and Youth (ACCY), a statewide, independent, citizen-based organization dedicated to speaking up for children, youth and families.

We strongly support Raised Bill No. 1396, An Act Concerning the State Purchase of Service Contracts for Health and Human Services

This bill would provide the Secretary of the Office of Policy and Management with discretion to waive the competitive procurement requirements set forth in chapter 55a of the general statutes with respect to any contract between a state agency and a private provider of human services.

In 1993, Public Act 93-336 – “An act implementing the recommendations of the legislative program review and investigations committee concerning personal service agreements” was passed requiring that future contracts be based on a competitive negotiation process.

For over a decade, human service agencies serving clients that were ongoing and routine (for example, the DSS State Funded Early Care and Education Development Centers) were not considered a “personal service agreement” and as such not required to submit an annual RFP for their program funding, as the legislation suggested for other personal service agreements.

Despite no change in the language of the statute, a new *interpretation* of the definition of “personal service contractor” has been adopted and all human service contracts are being required to enter into an annual bidding process. As such, each time the “personal service contracts” go out to bid statewide, contractors for these services may change. Programs that have previously relied on a consistent grant may lose funding.

State Funded Early Care and Education Centers are one of the many effected programs. Child care centers, already struggling with a depressed market and instability of funds from parents and from Care4Kids, would suffer additional challenges to their fiscal stability. No center would be able to rely on this base of funding from one year to the next. The impact on the workforce of these child care centers will be devastating because centers may close and jobs will be lost. Importantly, a family could potentially have to move their child from one early care center to another annually in search of funding assistance, should their center not succeed in renewing their funding through the RFP process from one year to the next. The ripple effect touches the whole community.

In sum, the new interpretation of the existing statute could create:

- A loss of consistency of care for families;
- A loss of subsidized funds to centers;
- A loss of financial stability for child care programs;
- A loss of staff stability;
- A loss of quality of care as fiscal instability is related to teacher wages and turnover; and
- A loss of financial support and collaboration from the community and municipalities that currently receive the DSS grants.

We recommend providing the Secretary of the Office of Policy and Management with discretion to waive the competitive procurement requirements set forth in chapter 55a of the general statutes with respect to contracts between DSS and the State Funded Early Care and Education Centers.

Thank you for this opportunity to testify in support of Raised Bill No. 1335.