

OFFICE OF FISCAL ANALYSIS

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sSB-469

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
STATE CONTRACTING STANDARDS BOARD.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Administrative Services	GF - Cost	424,075	224,075
State Comptroller - Fringe Benefits ¹	GF - Cost	66,075	66,075
Various State Agencies	GF - Cost	See Below	See Below
State Contracting Standards Board	GF - Potential Cost	Minimal	Minimal
State Contracting Standards Board	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes a variety of changes to state contracting law, including adjusting business case requirements and expanding disqualification for contractors and subcontractors. This results in a cost of \$424,075 to the Department of Administrative Services (DAS), with an associated annual fringe cost of \$66,075, in FY 27 and an annual cost of \$224,075 to DAS beginning in FY 28. The bill also results in potential costs for various state agencies and a minimal potential cost to the State Contracting Standards Board (SCSB) beginning in FY 27.

Section 1 prohibits the Governor from reducing SCSB allotments,

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

which precludes any General Fund savings that would have resulted from the existing process.

Section 2 establishes a minimum staffing threshold, resulting in no fiscal impact. There is no fiscal impact because SCSB² currently exceeds the staffing threshold set by the bill.

Section 4 makes a variety of changes to the existing business case requirements under the privatization law, to include: (1) quality of services under privatization; (2) a risk assessment including service continuity and accountability; (3) a transition plan; (4) an impact analysis of the privatization on protected classes and historical inequalities; and (5) an analysis of qualitative impact on the state workforce. This results in costs for various state agencies beginning in FY 27, to the extent that additional staff time and resources are required to meet the bill's requirements.

It is anticipated that many of these additional responsibilities will impact the Department of Administrative Services (DAS) and will result in a cost of \$424,075 in FY 27 and \$224,075 annually thereafter. The costs include: (1) a one-time cost of \$200,000 in FY 27 to update systems and documentation to accommodate adjustments to procurement processes across state agencies; (2) \$158,000 in salary and \$66,075 in fringe annually beginning in FY 27 to hire two new employees within DAS.

Section 6 expands the reasons that SCSB can disqualify³ a contractor or subcontractor to include entities that are substantially the same entity, resulting in a potential minimal cost to SCSB beginning in FY 27. There may be a minimal cost if additional staff time is required to handle the additional disqualifications that may result from this section.

The Out Years

The annualized ongoing fiscal impact identified above would

² SCSB currently has seven positions, and the bill requires five.

³ The SCSB Disqualification Subcommittee did not hold a meeting in 2025.

continue into the future subject to inflation.