

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sSB-1518

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
STATE DISPARITY STUDY.

---

## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 26 \$</b>	<b>FY 27 \$</b>
Department of Administrative Services	GF - Cost	1,385,341	1,135,341
Human Rights & Opportunities, Com.	GF - Cost	290,470 to 690,470	290,470 to 690,470
Human Rights & Opportunities, Com.	GF - Potential Cost	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Impact	See Below	See Below
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	417,607	417,607

Note: GF=General Fund

### ***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 26 \$</b>	<b>FY 27 \$</b>
Various Municipalities	STATE MANDATE <sup>2</sup> - Cost	See Below	See Below

### ***Explanation***

This bill makes changes and adds additional requirements to the

---

<sup>1</sup>The 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.

<sup>2</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

contract procurement process for public works projects related to non-discrimination compliance, the Small and Minority Owned Business Set-Aside Program, and affirmative action plans for certain state contractors.

The additional requirements added to the procurement process require nine additional employees<sup>3</sup> within the Department of Administrative Services (DAS) and technical and technological changes to the procurement process resulting in a cost of \$1,745,763 in FY 26 and \$1,495,763 in FY 27. The costs include \$885,341 in salary within DAS, \$360,341 in fringe benefits and \$500,000 in FY 26 and \$250,000 in FY 27 in other expenses related to technical and technological changes to DAS procurements processes and systems.

The additional requirements include changes to the certification process for contracts, the inclusion of the Commission on Human Rights and Opportunities (CHRO) who have an expanded role in the procurement process, a joint venture program, and a project-by-project goal system.

The additional requirements also impact certain municipal public work projects resulting in a cost to municipalities related to increased administrative burden.

There is a potential cost to the state and municipalities related to increased contract costs to the extent the additional requirements result in any delays in the procurement process.

**Sections 3 and 4** shift most of the enforcement responsibility for enforcing violations of the Set-Aside Law to the Commission on Human Rights and Opportunities (CHRO) which will require two additional employees<sup>4</sup> and resulting in a cost of \$140,470 in FY 26 and FY 27, with an associated fringe cost of \$57,185. These positions will help to facilitate

---

<sup>3</sup> These positions include a Lead Planning Analyst, three Contract Analysts, two Research Analysts, two Construction Services Selection and Bidding Specialists, and a Staff Attorney.

<sup>4</sup> These positions include a Human Rights Attorney I, and an HRO Trainee.

the additional investigations and potential litigation, and oversight responsibilities created by the legislation.

**Sections 5-7** require applicable contractors to submit a set-aside plan to CHRO for review resulting in a cost to CHRO of either \$150,000, or \$550,000<sup>5</sup> in FY 26 and either \$50,00, or \$150,000 in FY 27 to purchase software to implement this section of legislation. CHRO will require a new project planning and tracking system to facilitate additional oversight responsibilities.

**Section 14** of the bill makes failure to pay small contractors within a certain timeframe under the set-aside program a discriminatory practice subject to CHRO investigation and enforcement resulting in a potential cost to CHRO and potential revenue to the General Fund. The exact cost will depend on if additional investigations are undertaken by CHRO as a result of this section. The exact revenue will depend on the number of additional penalties imposed as a result of the bill.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

---

<sup>5</sup> The difference in price is due to different functions of each system. One system will only provide internal tracking system for use within CHRO at an estimated one-time cost of \$100,000 and an ongoing cost of \$50,000 per year. The other system will allow CHRO and contractors to submit plans externally and provide updates through the review process at an estimated one-time cost of \$400,000 and an ongoing cost of \$150,000 per year.