



**Testimony on House Bill 5945 (an act concerning a study regarding public-private partnerships)**

Submitted by Scott Shepard, Policy Director

March 4, 2019

Good afternoon. My name is Scott Shepard. I am the Policy & Research Director for the Yankee Institute for Public Policy, Connecticut's free-market think tank. I submit this note in favor of **House Bill 5945**.

Public-private partnerships have in many states proven effective ways to reduce the costs of transportation and other capital projects in meaningful ways. At a time when the state's finances are pressed from every side, we entirely support a look into a possible way of reducing the costs of government services to taxpayers while improving quality.

As this study proceeds, we urge the state to keep in mind that the benefits from public-private partnerships often arise in large part from the fact that the partnerships are able to proceed free of some of the costs and constraints that beset solely public projects and maintenance programs, such as antiquated prevailing-wage rules and poorly designed set-aside programs. We hope and trust that this study will look into the savings that can arise from reforming, suspending or eliminating these and similar programs and allowing government projects and services to proceed on a basis more consistent with the efficiencies of the private sector and less beholden to the shibboleths and inefficiencies of government work.

The careful consideration of public-private partnerships evinced by this proposal is particularly timely. As a number of elected Connecticut officials have noted, the state expects a significant wave of government-employee retirement in the new few years in the face of modest efforts to begin to control the run-away costs of government worker pensions and other retirement benefits. If these workers go, the state simply cannot afford to replace them under current pay and benefit structures. This will make public-private partnerships vital. A study now will help to prepare for that necessary shift.