

HOUSE BILL No. 4704

June 9, 2015, Introduced by Reps. Faris, Kivela, McBroom, Howrylak, Dianda and Lucido and referred to the Committee on Government Operations.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 280.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 280. (1) BEFORE SEEKING APPROVAL FROM THE CIVIL SERVICE
2 COMMISSION FOR PRIVATIZING ANY SERVICES THAT REPLACE SERVICES
3 PERFORMED BY STATE EMPLOYEES, A STATE AGENCY SHALL SUBMIT A
4 DETAILED PREPRIVATIZATION COST-BENEFIT ANALYSIS TO THE
5 APPROPRIATIONS COMMITTEES OF THE SENATE AND HOUSE OF
6 REPRESENTATIVES. THE ANALYSIS SHALL BE PREPARED UTILIZING ACCURATE,
7 RELIABLE, AND OBJECTIVE DATA AND SHALL USE THE SOUNDEST ACTUARIAL
8 TECHNIQUES THAT ARE AVAILABLE TO THE STATE AGENCY. THE ANALYSIS
9 SHALL INCLUDE A DETAILED COMPARATIVE ESTIMATE OF THE COSTS THAT
10 THIS STATE WOULD INCUR FOR THE PERIOD OF THE PROPOSED CONTRACT

1 UNDER THE FOLLOWING CIRCUMSTANCES:

2 (A) IF STATE EMPLOYEES WERE TO CONTINUE TO PROVIDE THE
3 SERVICES.

4 (B) IF A PRIVATE CONTRACTOR WERE TO PROVIDE THE SERVICES. THE
5 COST ANALYSIS OF PRIVATIZING THE SERVICES SHALL INCLUDE ALL OF THE
6 FOLLOWING COSTS:

7 (i) ALL NECESSARY MONITORING AND OVERSIGHT OF THE PRIVATE
8 ENTITY BY THE STATE.

9 (ii) UP-TO-DATE COST ESTIMATES FOR USING COMPANIES THAT HAVE A
10 PREVIOUS HISTORY OR REPUTATION FOR PROVIDING QUALITY SERVICES AND
11 THAT WILL PROVIDE SERVICES COVERED BY PERFORMANCE BONDS.

12 (2) A STATE AGENCY SHALL NOT PROCEED WITH PRIVATIZATION OF
13 SERVICES UNDER THIS SECTION UNTIL IT RECEIVES COST ESTIMATES AND
14 RECOMMENDATIONS FOR CHANGES IN WORK PROCESSES FROM THE STATE
15 EMPLOYEES WHO ARE PERFORMING THE SERVICES OR THEIR REPRESENTATIVES
16 AND GIVES FULL AND FAIR CONSIDERATION OF THE REVISED COST ESTIMATES
17 AND RECOMMENDATIONS FOR CHANGES IN WORK PROCESSES.

18 (3) THE STATE AGENCY SHALL PUBLISH A COPY OF THE DETAILED
19 PREPRIVATIZATION COST-BENEFIT ANALYSIS ON THE STATE AGENCY'S
20 WEBSITE.