

HOUSE BILL No. 4271

February 23, 2017, Introduced by Reps. Jones, Green, Durhal, Love, Pagan, Scott, Gay-Dagnogo, Phelps, Peterson, Dianda, Liberati, Chirkun, Zemke, Greig, Schor and Lasinski and referred to the Committee on Appropriations.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 282a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 282A. (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 MUST BE PREPARED UTILIZING ACCURATE,**
7 **RELIABLE, AND OBJECTIVE DATA AND MUST USE THE SOUNDEST ACTUARIAL**
8 **TECHNIQUES THAT ARE AVAILABLE TO THE STATE AGENCY. THE ANALYSIS**
9 **MUST INCLUDE A DETAILED COMPARATIVE ESTIMATE OF THE COSTS THAT THIS**
10 **STATE WOULD INCUR FOR THE PERIOD OF THE PROPOSED CONTRACT UNDER THE**
11 **FOLLOWING CIRCUMSTANCES:**

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

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

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

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

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

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