

# HOUSE BILL No. 6212

September 24, 1998, Introduced by Rep. Cherry and referred to the Committee on House Oversight and Ethics.

A bill to amend 1984 PA 431, entitled  
"The management and budget act,"  
(MCL 18.1101 to 18.1594) by adding section 261c.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 261C. (1) A STATE AGENCY SHALL NOT PRIVATIZE OR BEGIN  
2 ANY INITIATIVE TO PRIVATIZE STATE SERVICES UNTIL A PILOT PROGRAM  
3 OF THE PRIVATIZATION OF THOSE SERVICES IS COMPLETED. THE PILOT  
4 PROGRAM SHALL BE CONDUCTED FOR A DURATION OF NOT MORE THAN 36  
5 MONTHS.  
6        (2) NOT LESS THAN 60 DAYS BEFORE COMMENCING A PILOT PROGRAM  
7 TO PRIVATIZE STATE SERVICES UNDER THIS SECTION, A STATE AGENCY  
8 SHALL SUBMIT A COMPLETE PROJECT PLAN OF THE PILOT PROGRAM TO THE  
9 APPROPRIATE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES AND THE  
10 SENATE AND HOUSE FISCAL AGENCIES. THE PROJECT PLAN SHALL CONTAIN

1 A COMPLETE SET OF BASELINE DATA AND A BENCHMARK FOR THAT DATA TO  
2 MEASURE AND EVALUATE THE PILOT PROGRAM AT ITS CONCLUSION.

3 (3) AT THE CONCLUSION OF A PILOT PROGRAM UNDER THIS SECTION,  
4 THE DEPARTMENT SHALL IN WRITING EVALUATE THE PILOT PROGRAM USING  
5 THE BASELINE DATA AND BENCHMARK IDENTIFIED IN THE PROJECT PLAN.  
6 THE DEPARTMENT SHALL SUBMIT A COPY OF THE COMPLETED WRITTEN EVAL-  
7 UATION TO THE APPROPRIATE SENATE AND HOUSE APPROPRIATIONS SUBCOM-  
8 MITTEES AND THE SENATE AND HOUSE FISCAL AGENCIES. THE DEPARTMENT  
9 SHALL INCLUDE THE ADMINISTRATIVE COSTS OF PRIVATIZING THE STATE  
10 SERVICES IN THE PROGRAM EVALUATION.

11 (4) A STATE AGENCY SHALL NOT CONTINUE A PRIVATIZATION PILOT  
12 PROGRAM UNDER THIS SECTION BEYOND ITS ORIGINAL TERM NOT TO EXCEED  
13 36 MONTHS OR ENTER INTO A CONTRACT TO PRIVATIZE A STATE SERVICE  
14 UNLESS THE DEPARTMENT HAS DETERMINED IN WRITING THAT THE PILOT  
15 PROGRAM HAS CONCLUSIVELY DEMONSTRATED A SAVINGS OF 5% OR MORE AND  
16 IMPROVED SERVICE QUALITY.

17 (5) THE STATE AGENCY THAT PRIVATIZED STATE SERVICES SHALL  
18 MONITOR THE PILOT PROGRAM, AND IF A CONTRACT IS ENTERED INTO TO  
19 PRIVATIZE THOSE STATE SERVICES, THE STATE AGENCY SHALL MONITOR  
20 THE CONTRACT OR COMPLIANCE WITH THE CONTRACT.

21 (6) AS USED IN THIS SECTION, "PRIVATIZATION" MEANS THE DELE-  
22 GATION TO A VENDOR OR CONTRACTOR OF PERFORMANCE OF A SERVICE OR  
23 FUNCTION CURRENTLY PROVIDED BY STATE EMPLOYEES OR OTHER SERVICE  
24 OR FUNCTION NOT CURRENTLY PROVIDED BY STATE EMPLOYEES THAT WAS  
25 FORMERLY PERFORMED BY STATE EMPLOYEES BUT ELIMINATED AFTER  
26 JANUARY 1, 1990 UNDER WHICH 1 OR MORE OF THE FOLLOWING APPLY:

1 (A) THIS STATE COMPENSATES THE VENDOR OR CONTRACTOR FOR ANY  
2 SERVICE RENDERED.

3 (B) THE STATE RETAINS FINANCIAL INTEREST OR AUTHORITY FOR  
4 DIRECTION OR OVERSIGHT.

5 (C) THIS STATE IS CONSTITUTIONALLY REQUIRED TO REGULATE,  
6 DIRECT, OR OVERSEE.

7 (D) THIS STATE RECEIVES REVENUE.