



Senate Fiscal Agency
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Senate Bill 1055 (Substitute S-2 as passed by the Senate)
Sponsor: Senator Tom Casperson
Committee: Reforms, Restructuring and Reinventing

Date Completed: 11-17-14

RATIONALE

Public Act 153 of 1937 pertains to State printing, and prescribes requirements for responsible bidders on those contracts, subject to certain exceptions. The Act also establishes a requirement that printing paid for by the State be printed within Michigan. Some have suggested that relaxing the in-State printing requirement could decrease costs and increase the number of vendors with which the State can contract for printing.

CONTENT

The bill would amend Public Act 153 of 1937 to eliminate a requirement that all printing for which the State is chargeable, or that is paid for with money appropriated by the State, be printed within Michigan.

The Act provides that all printing for which this State is chargeable, or that is paid for with funds appropriated wholly or in part by this State, with the exception of printing for school districts, counties, townships, villages, cities, or legal publications ordered for or by elective State officers, must be printed within this State. The bill would eliminate this requirement.

The Act also requires that printing that is chargeable to or paid for by the State bear the label of the branch of the allied printing trades council of the locality in which it is printed. The Act makes an exception to this requirement for printing firms that do not have the use of that union label and wish to submit bids for State printing, if they establish consideration as a responsible bidder as provided in the Act. Under the bill, the exception would apply to printing firms that did not have use of the union label in the locality in which the printing was done.

Currently, the State-owned printing operation in the G. Robert Cotton Correctional Facility (which is one of four facilities that comprise what was formerly known as the State Prison of Southern Michigan) is exempt from the Act, provided that it does not perform printing other than the requirements of that institution. The bill would instead limit printing operations to the needs and requirements of the Department of Corrections.

MCL 24.61

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The Act is a 77-year old law that allows only print shops in Michigan to offer bids for government printing. According to committee testimony, no other state in the country requires this. By opening up the bidding process, the State could obtain a fair price for its printing work, which would save taxpayer money. The State also would benefit from increased production capabilities

and would be able to use an expanded network of specialized production facilities. At the same time, the bill would not prevent the Department of Technology, Management, and Budget from awarding points in the bidding process to keep business in Michigan.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill could result in cost savings to the State; however, the figure is indeterminate. Based on FY 2013-14 estimates, the Department of Technology, Management, and Budget (DTMB) expects to spend \$10.2 million on "in-house" printing and an additional \$2.0 million on printing jobs on behalf of other agencies that are outsourced. All of those outsourced jobs contracted for by DTMB are with Michigan-based companies. There are additional printing jobs done by other agencies, such as the Bureau of Lottery, that they outsource themselves and DTMB does not control. For this reason, the amount of savings that could result is indeterminate. It would depend on how many of these printing jobs were ultimately outsourced to non-Michigan-based companies and how much less expensive, if at all, these printing jobs would ultimately be.

Fiscal Analyst: Joe Carrasco

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