

HB 383 -- Privatization Contracts

Sponsor: Green

This bill creates the Public Service Accountability Act, which requires state agencies to analyze costs and benefits of privatizing their services for any service valued at \$500,000 or more, other than legal or management consulting services. If the agency determines that it is cost effective to privatize a service, it must prepare a statement of services that includes standards of quality and quantity and an estimate of the costs of regular agency employees providing the service, which will be used to solicit sealed bids. A contract can only be granted when the cost differential is more than a 10% savings, and contracts cannot exceed five years. Contractors must offer positions to agency employees whose jobs are eliminated as a result of the contract when those employees satisfy the private contractor's hiring criteria. The agency, contractor, and any subcontractors must abide by federal records law. Contractors and subcontractors may be prosecuted if they seek to avoid compliance. Contracts must be sent to the State Auditor for review and returned within 30 days. The Auditor's objection will preclude implementation of the contract. Proposed contractors must supply information on their qualifications and disclose their state-level political contributions for the past four years and their record of legal complaints and workplace violations. No state funds can be used to oppose or promote union activity among the contractor's employees.