

# HOUSE BILL No. 6270

June 19, 2008, Introduced by Reps. Bennett, Polidori, Donigan, Espinoza, Constan, Johnson, Hopgood, Condino, Valentine, Miller and Simpson and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1245.

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

1           SEC. 1245. (1) BEFORE PRIVATIZING ANY SERVICES THAT REPLACE  
2 SERVICES PERFORMED BY SCHOOL EMPLOYEES, THE BOARD OF A SCHOOL  
3 DISTRICT OR INTERMEDIATE SCHOOL BOARD OF AN INTERMEDIATE SCHOOL  
4 DISTRICT SHALL PREPARE AND MAKE AVAILABLE TO THE PUBLIC A DETAILED  
5 PREPRIVATIZATION COST-BENEFIT ANALYSIS. THE ANALYSIS SHALL BE  
6 PREPARED UTILIZING ACCURATE, RELIABLE, AND OBJECTIVE DATA AND SHALL  
7 USE THE SOUNDEST ACTUARIAL TECHNIQUES THAT ARE AVAILABLE TO THE  
8 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT. THE ANALYSIS SHALL  
9 INCLUDE A DETAILED COMPARATIVE ESTIMATE OF THE COSTS THAT THE  
10 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT WOULD INCUR FOR THE

1 PERIOD OF THE PROPOSED CONTRACT UNDER THE FOLLOWING CIRCUMSTANCES:

2 (A) IF SCHOOL 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 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT.

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

13 (2) A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL  
14 NOT PROCEED WITH PRIVATIZATION OF SERVICES UNDER THIS SECTION  
15 UNLESS THE PREPRIVATIZATION ANALYSIS UNDER SUBSECTION (1) INDICATES  
16 A COST SAVINGS OF AT LEAST 10% OF THE COST OF USING SCHOOL  
17 EMPLOYEES TO PROVIDE THE SERVICES.

18 (3) A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL  
19 FOLLOW THE PROCEDURE SET FORTH IN SUBSECTIONS (1) AND (2) FOR ANY  
20 EXPANSION OF A PRIVATIZATION CONTRACT THAT WOULD FURTHER REPLACE  
21 SERVICES PERFORMED BY SCHOOL EMPLOYEES.

22 (4) BEFORE RENEWING OR REBIDDING A CONTRACT FOR PRIVATIZED  
23 SERVICES THAT REPLACED SERVICES PROVIDED BY SCHOOL EMPLOYEES, THE  
24 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL CONDUCT AN  
25 ANALYSIS TO DETERMINE WHETHER THE CONTRACT ACTUALLY PROVIDED THE  
26 REQUIRED QUALITY OF SERVICES AND PRODUCED THE SAVINGS THAT WERE  
27 PROJECTED IN THE PREPRIVATIZATION ANALYSIS. IF THE ANALYSIS

1 INDICATES THAT THE PRIVATIZATION DID NOT PRODUCE THE SAVINGS OR  
2 PROVIDED SERVICES THAT DID NOT MEET REQUIRED STANDARDS OF  
3 PERFORMANCE, THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT  
4 SHALL REASSUME THE RESPONSIBILITY OF PROVIDING THE SERVICES THROUGH  
5 SCHOOL EMPLOYEES.

6 (5) IF A BOARD OR INTERMEDIATE SCHOOL BOARD CONTRACTS FOR  
7 SERVICES TO REPLACE SERVICES PERFORMED BY SCHOOL EMPLOYEES, THE  
8 CONTRACT FOR PROCURING THOSE SERVICES SHALL INCLUDE A REQUIREMENT  
9 THAT THE CONTRACTOR MAKE ITS RECORDS CONCERNING THE PERFORMANCE OF  
10 THE CONTRACT AVAILABLE FOR INSPECTION OR COPYING ON REQUEST OF THE  
11 BOARD OR INTERMEDIATE SCHOOL BOARD AND THAT THOSE RECORDS SHALL BE  
12 CONSIDERED RECORDS OF THE DISTRICT OR INTERMEDIATE SCHOOL DISTRICT  
13 FOR PURPOSES OF DISCLOSURE UPON A REQUEST MADE UNDER THE FREEDOM OF  
14 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. THE CONTRACTOR  
15 SHALL INCLUDE IN ANY SUBCONTRACT IN RELATION TO THE CONTRACT THAT  
16 THE SUBCONTRACTOR HAS THE SAME OBLIGATION TO DISCLOSE RECORDS  
17 CONCERNING PERFORMANCE OF THE DUTIES REQUIRED UNDER THE  
18 SUBCONTRACT. THE CONTRACTOR AND ANY SUBCONTRACTOR SHALL RETAIN  
19 RECORDS CONCERNING THE PERFORMANCE OF THE CONTRACT FOR AT LEAST 3  
20 YEARS AFTER THE COMPLETION OF THE CONTRACT.