

# HOUSE BILL NO. 4151

February 06, 2019, Introduced by Reps. Pohutsky, Rabhi, Koleszar, Liberati, Ellison, Kennedy, Chirkun, Hertel, Gay-Dagnogo, Elder, Brixie, Lasinski, Hammoud, Love, Sowerby, LaGrand and Hood 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 280.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 280. (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 must submit a detailed  
4       preprivatization cost-benefit analysis to the appropriations

committees of the senate and house of representatives. The analysis must be prepared utilizing accurate, reliable, and objective data and must use the soundest actuarial techniques that are available to the state agency. The analysis must include a detailed comparative estimate of the costs that this state would incur for the period of the proposed contract under the following circumstances:

(a) If state employees were to continue to provide the services.

(b) If a private contractor were to provide the services. The cost analysis of privatizing the services must include all of the following costs:

(i) All necessary monitoring and oversight of the private entity by the state.

(ii) Up-to-date cost estimates for using companies that have a previous history or reputation for providing quality services and that will provide services covered by performance bonds.

(2) A state agency shall not proceed with privatization of services under this section until it receives cost estimates and recommendations for changes in work processes from the state employees who are performing the services or their representatives and gives full and fair consideration of the revised cost estimates and recommendations for changes in work processes.

(3) The state agency shall publish a copy of the detailed preprivatization cost-benefit analysis on the state agency's website.