

Senate Bill 225

By: Senators Grant of the 25th, Unterman of the 45th, Bulloch of the 11th, Hill of the 4th and Goggans of the 7th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 4 of Title 50 of the Official Code of Georgia Annotated, relating to the
2 organization of the executive branch generally, so as to require state agencies to develop a
3 privatization plan before privatizing any state program; to establish the Privatization Review
4 Committee; to provide for review by the committee of privatization plans; to provide for
5 related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 style="text-align:center">**SECTION 1.**

8 Chapter 4 of Title 50 of the Official Code of Georgia Annotated, relating to the organization
9 of the executive branch generally, is amended by adding new Code sections to read as
10 follows:

11 "50-4-5.1.

12 (a) As used in this Code section, the term:

13 (1) 'Committee' means the Privatization Review Committee established pursuant to Code
14 Section 50-4-5.2.

15 (2) 'Privatization' means the transfer to the private sector of a program currently provided
16 or performed directly by the employees of a state agency.

17 (3) 'Privatization contract' means a contract entered into by a state agency for the
18 privatization of a program at a cost in excess of \$10 million.

19 (4) 'Program' means any program operated by a state agency.

20 (5) 'State agency' means a department, agency, authority, or other unit of the executive
21 branch of this state.

22 (b) Prior to entering into a privatization contract, a state agency shall prepare a
23 privatization plan that includes the following:

24 (1) A description of the program to be privatized, including a reference to the legal
25 authority under which the program was created;

- 26 (2) Detailed budget information that includes a list of revenues and expenditures for the
27 two most recent fiscal years;
- 28 (3) A list of:
- 29 (A) All state employees currently employed by the state agency to administer the
30 program; and
- 31 (B) The estimated effect of the privatization on the employment status of each state
32 employee employed by the state agency;
- 33 (4) A list of the assets of the program and proposed disposition of the assets;
- 34 (5) An estimate of cost savings or additional costs resulting from privatizing the program
35 compared to the costs of the existing program. Cost estimates shall include the estimated
36 cost to the state for inspection, supervision, and monitoring of the program if the
37 privatization is implemented. The estimate shall also include an estimate of any costs that
38 would be incurred if the privatization contract is discontinued;
- 39 (6) An estimate of the changes in individual wages and benefits that will result from the
40 privatization;
- 41 (7) Descriptions and plans for ways the privatization will deliver the same or better
42 services at a lower cost; and
- 43 (8) Information on whether the contract will be awarded to an out-of-state business.
- 44 (c) Not less than 60 days before a privatization plan is intended to become effective, the
45 state agency shall submit the plan to the committee.
- 46 (d) The committee shall hold a hearing on the privatization plan not less than 30 days
47 before the date on which the privatization plan is intended to become effective.
- 48 (e) The committee shall make an advisory recommendation concerning the privatization
49 plan to the Governor not later than five days after the hearing held pursuant to
50 subsection (d) of this Code section.
- 51 50-4-5.2.
- 52 (a) There is established the Privatization Review Committee to review privatization plans
53 pursuant to Code Section 50-4-5.1.
- 54 (b) The committee shall consist of the following members:
- 55 (1) Three members of the House of Representatives, appointed by the Speaker of the
56 House of Representatives;
- 57 (2) Three members of the House of Representatives, appointed by the minority leader
58 of the House of Representatives;
- 59 (3) Three members of the Senate, appointed by the President of the Senate;
- 60 (4) Three members of the Senate, appointed by the minority leader of the Senate; and

- 61 (5) Three members of the public, appointed by mutual agreement of the President of the
62 Senate and the Speaker of the House of Representatives as follows:
- 63 (A) One representative of labor;
64 (B) One representative of the business community; and
65 (C) One representative of a public university of the state.
- 66 (c) The term of each member shall be four years. If a legislative member of the committee
67 ceases to be a member of the chamber from which the member was appointed, the member
68 shall also cease to be a member of the committee. A legislative member of the committee
69 may be removed at any time by the appointing authority who appointed the legislative member.
- 70 (d) If a vacancy exists on the committee, the appointing authority who appointed the
71 former member whose position has become vacant shall appoint an individual to fill the
72 vacancy.
- 73 (e) The legislative members of the committee shall receive the allowances provided for in
74 Code Section 28-1-8. Citizen members shall receive a daily expense allowance in the
75 amount specified in subsection (b) of Code Section 45-7-21 as well as the mileage or
76 transportation allowance authorized for state employees. The funds necessary to carry out
77 the provisions of this Code section shall come from the funds appropriated to the House
78 of Representatives and Senate.
- 79 (f) The committee shall elect a chairperson from among its membership. The committee
80 may meet at any time during the year upon the call of the chairperson. The affirmative
81 votes of a majority of the members of the committee are required for the committee to take
82 action on any recommendation.
- 83 (g) The committee shall hold hearings pursuant to Code Section 50-4-5.1 to:
- 84 (1) Review the plan of a state agency that proposes to enter into a privatization contract
85 that has a total value greater than \$10 million; and
86 (2) Make advisory recommendations to the Governor regarding a state agency's
87 privatization plan."

88 **SECTION 2.**

89 All laws and parts of laws in conflict with this Act are repealed.