

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 **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.