

Critical Legislative Developments

HB 76 Meeting Rescheduled

On **Monday, January 28, 2008, at 8:30 a.m.**, the House Government Operations Standing Committee will consider HB 76, "Government Competition and Privatization Act," by Rep. Craig Frank.

This bill is based on the premise that government provision of services and goods is inherently less efficient than private enterprise, and that privatization will reduce government's costs and provide a better product.

This bill will create a process by which any service provided by a government entity must be privatized unless the government entity can show it can do the work for less cost. However, the bill mandates a method for determining the government entity's cost that virtually ensures a private entity will be able to quote a lower price. The bill does not require that the private entity provide similarly qualified and paid employees, or that the private entity make a long-term commitment to the government entity. Quality and other factors are not considered.

USEA strongly opposes this bill.

We need all USEA members to immediately contact their representatives, particularly those representatives on the Government Operations Committee:

Glenn Donnelson	Keith Grover
John Mathis	Neil Hansen
Douglas Aagard	Neal Hendrickson
Bud Bowman	Eric Hutchings
Ron Bigelow	Curtis Oda
Lorie Fowlke	Larry Wiley

You can email your legislators as follows:

Senate: www.utahsenate.org/perl/spage/roster2007.pl

House: www.le.state.ut.us/house/members2005/membertable1add.asp

Tell these representatives you oppose this bill and why, and ask them to vote against it.

Talking points against this legislation are listed below.

Of course, it is always a good idea to contact your own representative and let them know your position.

If you have any questions, call Mike Hepner (cell 801-891-2521) or Geoff Leonard (cell 801-557-1739).

Be sure to check the latest legislative updates on the USEA website at www.useautah.org

Thanks for your efforts.

The Utah School Employees Association urges a vote against HB 76, “Government Competition and Privatization Act,” because:

- The bill presumes that government provision of services and goods is less efficient and more costly than private enterprise. There is no evidence this is true.
- The bill presumes that the only indicator of value to a government entity is cost. Government entities have many legitimate reasons to keep services in-house that cannot be easily quantified by dollars. The bill does not consider these factors.
- The bill overrides local control by mandating privatization regardless of a local government entity’s legitimate reasons to keep services in-house, including its local constituents’ expressed desires.
- The bill does not require private entities to meet the same requirements as a government entity. For example, all school employees must pass a criminal background check: the bill does not require employees of private entities supplying services to schools to do so.
- The bill does not require potential private entities to demonstrate their long-term ability to supply the governmental entity. Prudent privatization programs require multi-year business plans and other assurances of continued benefits.
- The bill requires a government entity to include an estimate of taxes in determining its actual cost of providing services or goods. This requirement ensures private enterprise bids will be higher than otherwise expected.
- The bill imposes an additional unnecessary administrative burden on local governmental entities through the requirement of local commissions. Local entities already have procedures in place to evaluate the desirability of privatizing functions.
- Once passed, the bill leaves all regulation of privatization to a commission system that is inherently biased towards private enterprise, and that will be disinclined to consider legitimate state and government interests.

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