

About the Privatization Study

November 07, 2011 | by Gretchen Knell

Scope of the Privatization Study:

The purpose of this study is to identify those parameters and policy issues to be considered in connection with proposals to transfer federal, state or local government services, assets and/or functions to the private sector. It will review the stated goals and the community impact of such transfers, and identify strategies to ensure transparency, accountability, and preservation of the common good.

Timeline:

- **Early Fall 2011:** Information provided to Local and State Leagues
- **November 2011-May 2012:** Leagues are encouraged to participate in the study on Privatization of Government services, assets and functions, and the impact on local communities by scheduling meetings to educate members and communities about the issue and come to consensus.
- **May 1, 2012** Consensus deadline

The Committee:

Janis McMillen, Chair
Kansas

Diane DiIanni
Tennessee

Carole Garrison
Virginia

Ann Henkener
Ohio

Cathy Lazarus
California

Nora Leech
Washington

Muriel Strand
California

Ted Volskay
South Carolina

Organization:

The committee will provide a history and background of privatization, a glossary of terms, legal issues to be considered when privatizing at different levels of government, current state regulations on privatizing and case studies on successful and unsuccessful privatizing efforts. Finally, the committee will provide suggested policies and parameters to be considered when privatizing.

Consensus Questions - Introduction

December 28, 2011 | by Gretchen Knell

Federal, state and local governments own extensive assets and are major employers. Governments often consider selling assets, and outsourcing some functions and services to the private sector, including “core” government services such as providing for the safety, security and general welfare (public well-being) of citizens, the economy, and our country. Privatization of these government assets, services and functions has been occurring for decades at all levels of government. The consequences of “privatizing” a government service or function, in particular, may enhance the function or service. Alternatively, it may reduce or alter functions and services. Government revenues may be reduced or lost and jobs may be cut. In some instances, this may have a detrimental effect on the “common good” or public well-being.

One state, for instance, has declared as a matter of state law and policy that “using private contractors to provide public services formerly provided by state employees does not always promote the public interest. To ensure that citizens..... receive high quality public services at low cost, with due regard for tax payers..... and the needs of public and private workers, the (legislature) finds it necessary to regulate such privatization contracts throughout the state.”

The purpose of this study is to identify policies and parameters that should be considered when any governmental entity is planning to undertake some type of privatization process.

PRIVATIZATION CONSENSUS QUESTIONS

Consensus questions one and two should be presented to the group at the outset of the meeting and then repeated after the other questions have been answered.

1. As a general matter, the extent to which government functions, services and assets have been privatized in the past decade is:

Much too much Too much About right Too little Much too little No consensus

2. Core government services and functions important to well-being of the people should remain with government and not be transferred to the private sector.

Strongly agree Agree Disagree Strongly disagree No consensus

3. As a matter of good government policy, which of the following criteria should be applied when making decisions to transfer government services, assets and functions to the private sector?

a. Transparency and Accountability: All government contracts with private companies for services must ensure public access to relevant records and information regarding contracted services, functions and assets and provide for adequate government oversight and control.

High priority Lower priority Not a priority No consensus

b. Public Well-being: Provisions are in place to assure that, in the event any public services are to be privatized, there will be no increased risks to public well-being, especially to vulnerable populations.

High priority Lower priority Not a priority No consensus

c. Cost and Quality: Privatized services should not appreciably increase the costs or decrease the quality of services to the public.

High priority Lower priority Not a priority No consensus

d. Environmental and Natural Resources: Defined parameters should be in place to assure that environmental and natural resources are not compromised. High priority Lower priority Not a priority No consensus

e. Contracts and Sales of Public Assets: All government contracts and privatized public assets should be subject to competitive bidding and comply with all laws regarding awarding contracts.

High priority Lower priority Not a priority No consensus

f. Economic Impact: Privatization should not result in a negative economic impact on the communities in which the services are provided.

High priority Lower priority Not a priority No consensus

g. Government Recovery of Services and Assets: Provisions should be in place to recover key services, assets and functions should the private sector fail to safeguard them.

High priority Lower priority Not a priority No consensus

4. Privatization is not appropriate:

a. When the government lacks the will, ability or resources to adequately oversee contracts with the private entity and any successor thereto.

Agree Disagree No Consensus

b. When there is no private entity able or willing to provide the service for the short and long term.

Agree Disagree No Consensus

c. When it poses a potential threat to national security.

Agree Disagree No Consensus

d. When it poses a risk to personal or security data.

Agree Disagree No Consensus

e. When there has been evidence of potential corruption.

Agree Disagree No Consensus

f. When the private entity's goals and purposes are not compatible with public well-being.

Agree Disagree No Consensus

g. When the private entity has not complied with existing government requirements for public records, open meetings or publication of reports and audits.

Agree Disagree No Consensus

h. When a loss of revenue decreases government support for mandated or critical services.

Agree Disagree No Consensus

5. Some states have developed laws and regulations to control the process of privatization within their jurisdictions.

As a general matter, should privatization be regulated?

a. Yes, all privatization efforts should be regulated.

b. Yes, some types of privatization efforts should be regulated.

c. No, privatization efforts should never be regulated

d. No consensus

6. Which of the following should be included in the regulatory process when privatizing public assets, services and functions?

a. Timely public announcements regarding intentions to privatize and the clear and measurable expected benefits to the public

Strongly agree Agree Disagree Strongly disagree No consensus

b. Public and stakeholder (investors, shareholders, experts) input into the decision and terms of the contract.

Strongly agree Agree Disagree Strongly disagree No consensus

c. Feasibility study regarding performance, costs and benefits.

Strongly agree Agree Disagree Strongly disagree No consensus

d. Adherence to all laws regarding public contracts..
 Strongly agree Agree Disagree Strongly disagree No consensus

e. Transition plans for displaced employees.
 Strongly agree Agree Disagree Strongly disagree No consensus

f. Accountability and transparency provisions in all contracts.
 Strongly agree Agree Disagree Strongly disagree No consensus

g. Regular performance evaluations including meaningful opportunity for public comment.
 Strongly agree Agree Disagree Strongly disagree No consensus

h. Provisions for transferring services and assets back to the government or another contractor in the event of inadequate performance.
 Strongly agree Agree Disagree Strongly disagree No consensus

i. Adequate resources for enforcement.
 Strongly agree Agree Disagree Strongly disagree No consensus

Comments: 500 Words or Less