



# 128th MAINE LEGISLATURE

LD 1213

LR 1147(02)

## An Act To Protect Taxpayers in the Privatization of State Services

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: State and Local Government**

**Fiscal Note Required: Yes**

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### Fiscal Note

Current biennium cost increase - General Fund  
Potential current biennium savings - General Fund

#### Fiscal Detail and Notes

This bill will increase the workload of the Department of the Attorney General, the Department of Administrative and Financial Services and any department or agency involved in a privatization contract. The amount of additional General Fund appropriations required to support this increase cannot be estimated at this time and will depend, in part, on the number and complexity of contracts processed.

To the extent that this bill leads to different decisions related to privatization contracts that exceed \$500,000, there may be a fiscal impact. The bill requires any such contracts to cost less than the estimated cost of regular agency employees providing the subject services in the most cost-efficient manner. The employing agency's written analysis of the contract costs must include any transition costs from public to private operation, any additional unemployment and retirement benefits and any costs of monitoring or administering contract performance. While the potential for savings exists, no prediction can be made of the number of instances going forward, nor of the magnitude of savings in such instances, where the required cost comparisons will result in savings to state agencies.