

AGENDA

FREE MARKET PROTECTION AND PRIVATIZATION BOARD

Wednesday, July 10, 2013, 2:00 PM
Room 20 House Building
State Capitol Complex
Salt Lake City, Utah

1. Welcome and Introductions – Cliff Strachan, GOMB
2. Orientation
 - a. *Open and Public Meetings Act* (annual training) – *for information*
 - b. *Free Market Protection and Privatization Board Act* – *for information*
 - i. Mission statement – *for consideration*
 - ii. Board accounting method – *for consideration*
 - iii. Commercial Activities Inventory – *for consideration*
 - iv. Staff support and the Governor’s Office of Management and Budget (GOMB) – *for information*
 - v. Board process flow chart – *for information*
3. Organization
 - a. Selection of Chair/Vice Chair – *for action*
 - b. Meeting Schedule – *for consideration*
4. Minutes
 - a. Meeting Summary – *for information*
 - b. Minutes from November 13, 2012 – *for consideration*
5. Annual Report – *for consideration*
6. Presentations
 - a. Operational Excellence – Kristen Cox, GOMB – *for information*
 - b. Fleet Operations – *for consideration*
 - i. Senator Todd Weiler
 - ii. Rich Amon, Department of Administrative Services
7. Other/Adjourn

Appointees to the Free Market Protection and Privatization Board

	Title	Name	City	Email	Telephone	Term Ends	Served since	Represents	Per UCA 631-4a-202
Member	<i>Senator</i>	Howard Stephenson	Draper	hstephenson@utahsenate.org	801-576-1022	2015	2009	Senate - majority	(1)(b)(i)
Member	<i>Senator</i>	Karen Mayne	West Valley	kmayne@utahsenate.org	801-968-7756	2015	2011	Senate - minority	(1)(b)(i)
Member	<i>Representative</i>	Johnny Anderson	Taylorville	janderson34@le.utah.gov	801-898-1168	2015	2011	House - majority	(1)(b)(ii)
Member	<i>Representative</i>	Lynn Hemingway	Salt Lake	lhemingway@le.utah.gov	801-277-9278	2015	2013	House - minority	(1)(b)(ii)
Member		Thomas Bielen	Salt Lake	tbielen@earthlink.net	801-487-2156	2014	2013	Utah Public Employees Association	(1)(b)(iii)
Member		Brian Gough	Kaysville	brang@uscb.org	801-629-4725	2014	2013	Utah Public Employees Association	(1)(b)(iii)
Member	<i>Commissioner</i>	Sherrie Hayashi		shayashi@utah.gov	801-530-6848	2014	2010	state management	(1)(b)(iv)
Member		Randy Simmons	Providence	randy.simmons@usu.edu	801-881-0111	2014	2007	private business	(1)(b)(v)
Member		Kerry Casaday	Sandy	kerry.casaday@gmail.com	801-750-0700	2014	2009	private business	(1)(b)(v)
Member		Kimberley Jones	Sandy	kjones@verite.com	801-553-1101	2014	2009	private business	(1)(b)(v)
Member		Manuel Torres	Moab	torresg@grandschools.org	435-259-5623	2014	2011	private business	(1)(b)(v)
Member		Katna Curtis	Murray	katina.curtis@us.gt.com	801-415-1059	2015	2013	private business	(1)(b)(v)
Member		Al Manbeian	South Jordan	amanbeian@psstx.com	801-984-1080	2015	2013	private business	(1)(b)(v)
Member				appointment pending		2014	2013	private business	(1)(b)(v)
Member				appointment pending		2015	2013	Utah League of Cities and Towns	(1)(b)(vi)
Member	<i>Commissioner</i>	Louenda Downs	Layton	l downs@daviscountyutah.gov	801-451-3200	2015	2013	Utah Association of Counties	(1)(b)(vi)
Member		Legrand Bitter	Syracuse	l asdnmail@yahoo.com	801-614-0405	2015	2013	Utah Association of Special Districts	(1)(b)(viii)
Secretary (ex-officio)		Cliff Strachan		cstrachan@utah.gov	801-538-1861		2013	Governor's Office of Management and Budget	(5)

Open and Public Meetings Act

Summary of Key Provisions*

Purpose (Section 52-4-102)

State and local agencies exist to conduct the people's business, which must be done openly.

Definitions (Section 52-4-103)

- **Meeting** means a convening of a public body with a quorum present to discuss, receive comment, or act on a matter under its jurisdiction or advisory power.
- **Meeting** does not mean a chance or social meeting, a meeting of a public body that has both legislative and executive responsibilities in certain circumstances, or a meeting of the State Tax Commission to consider a confidential tax matter.
- **Public Body** is any administrative, advisory, executive, or legislative body of the state or its political subdivisions that:
 - Is created by constitution, statute, rule, ordinance, or resolution;
 - Expends, disburses, or is supported by tax revenue; and
 - Is vested with the authority to make decisions regarding the public's business.

2013 Amendments to the Open and Public Meetings Act

S.B. 77
Availability of Government Information

S.B. 86
Independent Executive Branch Ethics Commission

S.B. 148
Conservation Districts-Closed Meetings Amendments

Public Notice (Section 52-4-202)

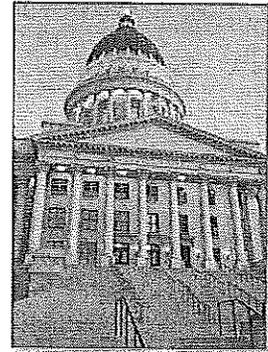
- A public body must give notice at least 24 hours before each meeting. The public notice must:
 - Include the date, time, and place of the meeting;
 - Include an agenda that lists topics to be considered;
 - Be posted in specified places, including the Utah Public Notice Website; and
 - Be provided to a newspaper or local media correspondent.
- A public body may discuss a topic raised by the public that is not listed on the agenda, but may not take final action on the topic.

Minutes and Recordings (Sections 52-4-203 and 52-4-206)

- 2013 General Session S.B. 77, Availability of Government Information, made changes to the minutes and recordings requirements.
- A public body must keep written minutes and a recording of all meetings. A recording is not required for a site visit if no vote or action is taken by the public body.
- Pending minutes must:
 - Indicate that the public body has not yet approved the minutes; and
 - Be available to the public within 30 days.
- Within three business days after holding a public meeting, a recording of an open meeting must be posted on the Utah Public Notice Website.
- Within three business days after approving written minutes, the approved minutes and any public materials distributed at the meeting must be:
 - Posted on the Utah Public Notice Website; and
 - Made available at the public body's primary office;

Closed Meetings (*Sections 52-4-201, 52-4-204, and 52-4-205*)

- A meeting is open to the public unless it is closed by a two-thirds vote with a quorum present at the open meeting.
- The public body must announce the reasons for the closed meeting and enter the reasons into the minutes of the open meeting.
- The public body may only hold a closed meeting for certain reasons, including:
 - Discussion of a person's character, competence, or health;
 - Strategy for collective bargaining;
 - Pending or imminent litigation;
 - An acquisition of real property, including water rights or shares;
 - Discussion of security system;
 - Investigation of criminal conduct;
 - Specified commercial information discussed by a county legislative body;
 - Certain legislative or political subdivision ethics complaint matters; or
 - Fiduciary or commercial information being discussed by the Utah Higher Education Assistance Authority.
- A public body may not close a meeting to discuss filling a midterm vacancy or temporary absence or to discuss a person whose name was submitted for consideration to fill a midterm vacancy or temporary absence.



Closed Meeting Exceptions (*Section 52-4-204*)

- No vote is required to close a meeting for the Independent Legislative Ethics Commission to review an ethics complaint.
- If a public body is required to hold a closed meeting, it may do so by majority vote.

Emergency Meetings (*Section 52-4-202*)

A public body may not hold an emergency meeting unless it makes an attempt to notify all members and a majority of its members approve the meeting. A public body need not give a 24-hour notice if unforeseen circumstances require an emergency meeting and it gives the best practical notice.

Electronic Meetings (*Sections 52-4-207 and 52-4-209*)

- A public body may not convene or conduct a meeting by electronic communications unless it has adopted procedures to govern them.

Penalties (*Sections 52-4-302 and 52-4-305*)

- **Open Meetings** - Any final action taken in violation of the act is voidable by a court.
- **Closed Meetings** - It is a class B misdemeanor to knowingly or intentionally violate closed meeting provisions.

**A public body must provide annual training to its members on the requirements of the Open & Public Meetings Act (Section 52-4-104). This summary is intended for a state legislative audience and should not be construed as exhaustively addressing requirements of the act for other public bodies.*

63I-4a-101. Title.

(1) This chapter is known as the "Free Market Protection and Privatization Board Act."

(2) This part is known as "General Provisions."

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-102. Definitions.

(1) (a) "Activity" means to provide a good or service.

(b) "Activity" includes to:

- (i) manufacture a good or service;
- (ii) process a good or service;
- (iii) sell a good or service;
- (iv) offer for sale a good or service;
- (v) rent a good or service;
- (vi) lease a good or service;
- (vii) deliver a good or service;
- (viii) distribute a good or service; or
- (ix) advertise a good or service.

(2) (a) Except as provided in Subsection (2)(b), "agency" means:

- (i) the state; or
 - (ii) an entity of the state including a department, office, division, authority, commission, or board.
- (b) "Agency" does not include:
- (i) the Legislature;
 - (ii) an entity or agency of the Legislature;
 - (iii) the state auditor;
 - (iv) the state treasurer;
 - (v) the Office of the Attorney General;
 - (vi) the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;
 - (vii) the Utah Science Center Authority created in Title 63H, Chapter 3, Utah Science Center Authority;
 - (viii) the Heber Valley Railroad Authority created in Title 63H, Chapter 4, Heber Valley Historic Railroad Authority;
 - (ix) the Utah State Railroad Museum Authority created in Title 63H, Chapter 5, Utah State Railroad Museum Authority;
 - (x) the Utah Housing Corporation created in Title 35A, Chapter 8, Part 7, Utah Housing Corporation Act;
 - (xi) the Utah State Fair Corporation created in Title 63H, Chapter 6, Utah State Fair Corporation Act;
 - (xii) the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers' Compensation Fund;
 - (xiii) the Utah State Retirement Office created in Title 49, Chapter 11, Utah State Retirement Systems Administration;
 - (xiv) a charter school chartered by the State Charter School Board or a board of trustees of a higher education institution under Title 53A, Chapter 1a, Part 5, The Utah

Charter Schools Act;

(xv) the Utah Schools for the Deaf and the Blind created in Title 53A, Chapter 25b, Utah Schools for the Deaf and the Blind;

(xvi) an institution of higher education as defined in Section 53B-3-102;

(xvii) the School and Institutional Trust Lands Administration created in Title 53C, Chapter 1, Part 2, School and Institutional Trust Lands Administration;

(xviii) the Utah Communications Agency Network created in Title 63C, Chapter 7, Utah Communications Agency Network Act; or

(xix) the Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12, Utah Venture Capital Enhancement Act.

(3) "Agency head" means the chief administrative officer of an agency.

(4) "Board" means the Free Market Protection and Privatization Board created in Section 63I-4a-202.

(5) "Commercial activity" means to engage in an activity that can be obtained in whole or in part from a private enterprise.

(6) "Local entity" means:

(a) a political subdivision of the state, including a:

(i) county;

(ii) city;

(iii) town;

(iv) local school district;

(v) local district; or

(vi) special service district;

(b) an agency of an entity described in this Subsection (6), including a department, office, division, authority, commission, or board; or

(c) an entity created by an interlocal cooperative agreement under Title 11, Chapter 13, Interlocal Cooperation Act, between two or more entities described in this Subsection (6).

(7) "Private enterprise" means a person that engages in an activity for profit.

(8) "Privatize" means that an activity engaged in by an agency is transferred so that a private enterprise engages in the activity, including a transfer by:

(a) contract;

(b) transfer of property; or

(c) another arrangement.

(9) "Special district" means:

(a) a local district, as defined in Section 17B-1-102;

(b) a special service district, as defined in Section 17D-1-102; or

(c) a conservation district, as defined in Section 17D-3-102.

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-201. Title.

This part is known as "Free Market Protection and Privatization Board."

Enacted by Chapter 325, 2013 General Session

63I-4a-202. Free Market Protection and Privatization Board -- Created -- Membership -- Operations -- Expenses.

- (1) (a) There is created a Privatization Policy Board composed of 17 members.
- (b) The governor shall appoint board members as follows:
- (i) two senators, one each from the majority and minority political parties, from names recommended by the president of the Senate;
 - (ii) two representatives, one each from the majority and minority political parties, from names recommended by the speaker of the House of Representatives;
 - (iii) two members representing public employees, from names recommended by the largest public employees' association;
 - (iv) one member from state management;
 - (v) seven members from the private business community;
 - (vi) one member representing the Utah League of Cities and Towns from names recommended by the Utah League of Cities and Towns;
 - (vii) one member representing the Utah Association of Counties from names recommended by the Utah Association of Counties; and
 - (viii) one member representing the Utah Association of Special Districts, from names recommended by the Utah Association of Special Districts.
- (2) (a) Except as provided in Subsection (2)(b), a board member shall serve a two-year term.
- (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.
- (3) (a) A board member shall hold office until the board member's successor is appointed and qualified.
- (b) When a vacancy occurs in the membership for any reason, a replacement shall be appointed for the unexpired term.
- (c) Nine members of the board constitute a quorum.
- (d) The vote of a majority of board members voting when a quorum is present is necessary for the board to act.
- (4) (a) The board shall select one of the members to serve as chair of the board.
- (b) A chair shall serve as chair for a term of one-year, and may be selected as chair for more than one term.
- (5) The Governor's Office of Management and Budget shall staff the board. The board may contract for additional staff from the private sector under Section 63I-4a-204.
- (6) The board shall meet:
- (a) at least quarterly; and
 - (b) as necessary to conduct its business, as called by the chair.
- (7) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
- (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-203. Free Market Protection and Privatization Board -- Duties.

- (1) The board shall:
- (a) determine whether an activity provided by an agency could be privatized to provide the same types and quality of a good or service that would result in cost savings;
 - (b) review privatization of an activity at the request of:
 - (i) an agency; or
 - (ii) a private enterprise;
 - (c) review issues concerning agency competition with one or more private enterprises to determine:
 - (i) whether privatization:
 - (A) would be feasible;
 - (B) would result in cost savings; and
 - (C) would result in equal or better quality of a good or service; and
 - (ii) ways to eliminate any unfair competition with a private enterprise;
 - (d) recommend privatization to an agency if a proposed privatization is demonstrated to provide a more cost efficient and effective manner of providing a good or service, taking into account:
 - (i) the scope of providing the good or service;
 - (ii) whether cost savings will be realized;
 - (iii) whether quality will be improved;
 - (iv) the impact on risk management;
 - (v) the impact on timeliness;
 - (vi) the ability to accommodate fluctuating demand;
 - (vii) the ability to access outside expertise;
 - (viii) the impact on oversight;
 - (ix) the ability to develop sound policy and implement best practices; and
 - (x) legal and practical impediments to privatization;
 - (e) comply with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in making rules establishing privatization standards, procedures, and requirements;
 - (f) in fulfilling the duties described in this Subsection (1), consult with, maintain communication with, and access information from:
 - (i) other entities promoting privatization; and
 - (ii) managers and employees in the public sector;
 - (g) comply with Part 3, Commercial Activities Inventory and Review; and
 - (h) (i) prepare an annual report for each calendar year that contains:
 - (A) information about the board's activities;
 - (B) recommendations on privatizing an activity provided by an agency; and
 - (C) the status of the inventory created under Part 3, Commercial Activities Inventory and Review;
 - (ii) submit the annual report to the Legislature and the governor by no later than January 15 immediately following the calendar year for which the report is made; and
 - (iii) each interim, provide an oral report to the Government Operations Interim Committee and the Economic Development and Workforce Services Interim Committee.

(2) The board may, using the criteria described in Subsection (1), consider whether to recommend privatization of an activity provided by an agency, a county, or a special district:

- (a) on the board's own initiative;
- (b) upon request by an agency, a county, or a special district;
- (c) in response to a complaint that an agency, a county, or a special district is engaging in unfair competition with a private enterprise; or
- (d) in light of a proposal made by any person, regardless of whether the proposal was solicited.

(3) In addition to filing a copy of recommendations for privatization with an agency head, the board shall file a copy of its recommendations for privatization with:

- (a) the governor's office; and
- (b) the Office of Legislative Fiscal Analyst for submission to the relevant legislative appropriation subcommittee.

(4) (a) The board may appoint advisory groups to conduct studies, research, or analyses, and make reports and recommendations with respect to a matter within the jurisdiction of the board.

(b) At least one member of the board shall serve on each advisory group.

(5) (a) Subject to Subsection (5)(b), this chapter does not preclude an agency from privatizing the provision of a good or service independent of the board.

(b) If an agency privatizes the provision of a good or service, the agency shall include as part of the contract that privatizes the provision of the good or service that any contractor assumes all liability to provide the good or service.

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-204. Staff support -- Assistance to an agency or local entity.

(1) The board may, within funds appropriated by the Legislature for this purpose, issue a request for proposals to contract with a private sector person or entity to:

- (a) provide staff support to the board;
- (b) assist the board in conducting its duties, including completing the inventory described in Part 3, Commercial Activities Inventory and Review; and
- (c) at the board's direction, assist an agency or a local entity to:
 - (i) develop a business case for potential privatization of an activity, using the criteria described in Subsection 63I-4a-203(1);
 - (ii) draft, issue, or evaluate a request for proposals to privatize an activity; or
 - (iii) award a contract to privatize an activity.

(2) The private sector person described in Subsection (1):

- (a) may not be an advocate for or against privatization; and
- (b) shall be neutral on the issue of privatization.

Enacted by Chapter 325, 2013 General Session

63I-4a-205. Board accounting method.

The board by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, shall establish an accounting method that:

(1) is similar to generally accepted accounting principles used by a private enterprise;

(2) allows an agency to identify the total actual cost of engaging in a commercial activity in a manner similar to how a private enterprise identifies the total actual cost to the private enterprise, including the following:

- (a) a labor expense, including:
 - (i) compensation and benefits;
 - (ii) a cost of training;
 - (iii) a cost of paying overtime;
 - (iv) a cost of supervising labor; or
 - (v) another personnel expense;
 - (b) an operating cost, including:
 - (i) vehicle maintenance and repair;
 - (ii) a marketing, advertising, or other sales expense;
 - (iii) an office expense;
 - (iv) a cost of an accounting operation, including billing;
 - (v) an insurance expense;
 - (vi) a real estate or equipment cost;
 - (vii) a debt service cost; or
 - (viii) a proportionate amount of other overhead or of a capital expense, such as vehicle depreciation and depreciation of other fixed assets;
 - (c) a contract management cost; and
 - (d) another cost particular to a person supplying the good or service; and
- (3) provides a process to estimate the taxes an agency would pay related to engaging in a commercial activity if the agency were required to pay federal, state, and local taxes to the same extent as a private enterprise engaging in the commercial activity.

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-301. Title.

This part is known as "Commercial Activities Inventory and Review."

Enacted by Chapter 325, 2013 General Session

63I-4a-302. Board to create inventory.

At least every two years, the board shall compile and make available to the public, by electronic means, an updated inventory of activities of the agencies in the state to classify whether each activity is:

- (1) a commercial activity; or
- (2) an inherently governmental activity.

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-303. Governor to require review of commercial activities.

The governor may:

- (1) select one or more commercial activities that are being performed by an agency for examination; and
- (2) require the Governor's Office of Management and Budget to conduct the examination and make the determinations and recommendations described in Subsections 63I-4a-203(1)(a), (c), and (d).

Amended by Chapter 310, 2013 General Session
Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-304. Duties of the Governor's Office of Management and Budget.

- (1) The Governor's Office of Management and Budget shall:
 - (a) determine the amount of an appropriation that is no longer needed by an executive branch agency because all or a portion of the agency's provision of a good or service is privatized; and
 - (b) adjust the governor's budget recommendations to reflect the amount determined under Subsection (1)(a).
- (2) The Governor's Office of Management and Budget shall report its findings to the Legislature.
- (3) This section does not prevent the governor from recommending in a budget recommendation the restoration of a portion of the appropriation to an agency that is reduced under this section.

Renumbered and Amended by Chapter 325, 2013 General Session

63I-4a-401. Title.

This part is known as "Miscellaneous Provisions."

Enacted by Chapter 325, 2013 General Session

63I-4a-402. Government immunity.

- (1) This chapter or the inclusion of an activity on an inventory made under this chapter may not be construed as a waiver of any right, claim, or defense of immunity that an agency may have under Title 63G, Chapter 7, Governmental Immunity Act of Utah, or other law.
- (2) The inclusion in an inventory of an activity as a commercial activity for purposes of this chapter may not be construed to find that the activity does not constitute an exercise of a governmental function.

Renumbered and Amended by Chapter 325, 2013 General Session

FREE MARKET PROTECTION AND PRIVATIZATION BOARD

Mission Statement

The mission¹ of the **Free Market Protection and Privatization Board** is to:

- **Study and consider privatization issues related to state agencies and local entities.** The board may review activities to determine (1) whether privatization of an activity, in whole or in part, would be feasible, result in cost savings, and result in equal or better quality of goods or services provided, and (2) ways to eliminate unfair competition with private enterprise.
- **Make recommendations concerning privatization or findings of unfair competition.** The board shall recommend privatization to an agency if privatization would be a more cost efficient and effective way to perform or provide an activity.

The **Free Market Protection and Privatization Board** will focus its attention on issues relating to privatization that involve agencies of state government, but may also study and make recommendations concerning local entities. To accomplish its statutory responsibilities, the board will:

- **Compile and maintain a *Commercial Activities Inventory*² to study.** The list will classify state agency activities as either commercial or inherently governmental in nature. The list will be available to the public.
- **Consider requests³ from interested parties.** The board may study an issue at its own initiative, by request of an agency, local entity, or private enterprise, in response to a complaint of unfair competition, or in consideration of a proposal made by any person. The board will consult, communicate with, and access information from agencies, other entities promoting privatization, managers and employees in the public sector, and other stakeholders.
- **Establish an accounting method⁴ that enables reasonable comparison.** The board is required to establish an accounting method that is similar to generally accepted accounting rules used by private enterprise and which allows an agency to identify the total actual cost of engaging in a commercial activity.

¹ See Utah Code Annotated 63I-4a-203 for a description of duties.

² UCA 63I-4a-302

³ UCA 63I-4a-203(1)(b)

⁴ UCA 63I-4a-205

- **Consider the relevant qualitative and quantitative factors⁵ pertaining to an agency activity.** The board will recommend privatization if it demonstrated to provide an activity in a more cost efficient and effective manner, once all factors (scope, cost, quality, risk, timeliness, demand, expertise, oversight, policy and best practices, and legal and practical impediments) are considered. The following general criteria are helpful in determining the merits of privatization:

Privatization is desirable when:

1. It is likely to reduce cost(s) to taxpayers or customers.
2. It is likely to improve the quality, timeliness, effectiveness and efficiency in the performance or provision of an activity.
3. Private sector entities are readily available and willing to provide the good or service, and there is sufficient competition to do so.
4. Sufficient controls are in place to protect the public from incompetence, misuse of funds, and to ensure the integrity of the contracting and procurement process to provide for fair competition in securing government contract(s).
5. It eliminates or reduces unfair competition with the private sector and state agencies or local entities can continue to meet their statutory requirements.

Privatization is Undesirable When:

1. It is likely to increase cost(s) to the taxpayers or customers.
 2. It is likely to diminish the quality, timeliness, effectiveness and efficiency in the performance or provision of an activity.
 3. Private sector entities are not readily available or willing to provide the good or service, or privatization would create a reliance on a single source.
 4. Sufficient controls cannot be established to ensure protection of the public interest, the use of funds, etc.
 5. It impedes the ability of state agencies or local entities to perform their statutory requirements.
- **Provide public reports⁶.** The board is required to report annually its activities, recommendations, and status of the inventory to the Governor, the Legislature, the Legislative Fiscal Analyst and specific interim committees. It is also required to report its recommendations to studied agencies and local entities.

⁵ UCA 63I-4a-203(1)(d)

⁶ UCA 63I-4a-203(1)(h)

Privatization Assessment Workbook

Free Market Protection and Privatization Board
State of Utah
2013

What is Privatization?

There are several ways to define privatization. In our judgment, privatization means the provision of public sector services through the private sector.

There are two key points to understanding privatization. First, the definition of privatization is limited to those services traditionally performed by government that are being turned over to the private sector; it does not include services the government does not now provide. Second, privatizing delivery of a service does not necessarily stop the need to provide a service, it does not always give up its responsibility to ensure that the service is provided. However, there are two forms of privatization, service shedding and sale of assets, in which the government decides to discontinue a service.

Forms of Privatization

Privatization takes many forms. The most common form of privatization is contracting with the private sector. This is because contracting allows the government to maintain more control over the delivery of the service than the other forms of privatization. Some forms of privatization are:

- **Contracts** – Government contracts with the private sector to provide a public service.
- **Service Shedding** – Government turns over every aspect of a public service to the private sector, including whether the service will continue at all.
- **Sale of Assets** – Government sells its assets, such as property, to the private sector.
- **Franchises** – Government grants authority to a private sector firm to provide a service.
- **Vouchers** – Government issues coupons or tickets for clients to purchase goods or services from the private sector.
- **Leases** – Government pays the private sector for the use of equipment or facilities.
- **Subsidies/ Grants** – Government pays private firms to help cover the costs of providing services.
- **Partnerships** – Government and the private sector form a working relationship to provide a public service.
- **Deregulation** – Government removes its regulations from a service. It then encourages private or no regulation of the service.

Privatization experts identify other forms of privatization, such as using volunteers to provide public services, or coordinating the delivery of services relying on the private sector for assistance in providing a public service, or private firms loaning personnel or resources to government. Finally, some experts consider private donations a form of privatization.

Privatization is Desirable When....

Privatization is when government contracts with the private sector to perform either a support function or a core government function. There are several needs that an agency might have that would prompt consideration of privatization. Potential reasons to outsource would be:

- Improve business focus
- Reduce cost
- Free up capital
- Share risks
- Replace outdated systems
- Use current technology
- Reduce administrative costs
- Improve services
- Eliminate inventory

Once the needs of an agency have been assessed, the next decision is whether or not to privatize the service in question. Although it should not be a solution to all problems of government, Privatization is desirable when:

- It is likely to reduce cost to taxpayers.
- Services are readily available from several competing private for profit companies or other organizations.
- It is likely to improve the efficiency or quality of the service being provided.
- Sufficient controls are in place to protect the public from incompetence misuse of funds, and to ensure the integrity of the contracting and procurement process to provide for fair competition in securing government contracts.
- It eliminates or reduces unfair competition with the private sector.

Privatization is Undesirable When....

Privatization is perceived as having many advantages and disadvantages. Proponents and critics disagree on how to view privatization. Experts agree, however, that privatization is not always a solution for all problems and is not always appropriate for some government services. In addition, experts suggested privatization should be reviewed on a case-by-case basis because each situation is unique. Privatization can be undesirable when:

- It is likely to diminish the quality of service being provided.
- It will increase costs to the taxpayers (taking into account overhead, taxes, and other costs that may not be easily comparable).
- It hampers the ability of state agencies to perform their statutory missions.
- There is a lack of other alternatives in providing the service and it would result in reliance on a single source.

- Sufficient controls cannot be established to ensure protection of the public interest, the use of funds, etc.

Characteristics of Successful and Failed Privatization

Judging the success or failure of a privatized service is difficult. One person may view a privatized service as successful because it saved money. Another person may define it as unsuccessful because it resulted in a loss of control over the service. Although opinions differ, studies show that certain factors contribute to success or failure of privatization. These factors include:

- The existence of multiple private providers improves the chances of successful privatization. Competition among providers encourages efficiency and effectiveness.
- A thorough contract monitoring system improves the chances for success.
- The chances for success improve if the agency can specify exactly what it wants from the private sector and anticipate problems. Agencies that can easily measure what they want from the contractor are more likely to succeed with privatization.
- Agencies must accurately estimate the full costs of providing a service. Hidden costs for the agency or provider may result in unrealistic contract bids and contract failure.
- Agency executives must be open to the idea of privatization
- The less complex the service being privatized, the more likely are its chances for success.

Although the decision to privatize can be complex, a systematic and well-documented process can improve the chances for successful privatization.

Principles Of Privatization

Market Strength

When considering Market Strength, or the commercial characteristics of the service, question whether or not the service is readily available from several competing private companies or other organizations. Multiple vendors add to market strength by ensuring fair contract prices and competition. Competition not only challenges new players to participate, but it can improve the performance and efficiency of the service by the development of innovative approaches and technologies.

Privatization in a non-competitive environment can result in a monopoly where one supplier controls a commodity. A sole source provider may have no competitive pressure to improve the efficiency of its operation, maintain quality, or reduce costs.

Analyzing such characteristics as the duration of the contract and the magnitude of the financial commitment for a private firm can also illustrate market impact. When considering the duration of a contract, it has been found that short-term contracts are more desirable. If the contract, however, is short-term and the financial commitment is too large, it may not be easy for a private firm to provide the service. Initial investments can take many years to recoup and the state may not desire to have a lengthy commitment.

Political Resistance

Consider the question as to whether or not there will be a high resistance to change. This opposition to a privatized service can be heard from various groups such as the public, users of the service, interest groups, and public officials. Such political resistance can be low when a service delivered by government is poor or when the service is new. These qualities could create an open window for privatization. However, if the service has high political support and the public desires government to continue to provide the existing service, opposition will rise.

If Political Resistance arises, consider the time of implementation. Re-scheduling the event to a different date or time of year could help avoid conflict. Also, the ability to design compromises to the contracts or agreements can help resolve public fears and resistance.

If ideas of privatizing the service in question must be abandoned, consider the privatization of new and emerging services. Also, services that government is not satisfactorily providing may deliver little resistance to change. The public and political groups may welcome improvement to these services.

Those who are chosen to be involved in the decision process can be key to avoid strong Political Resistance. Early stakeholder involvement not only assists in building support for the decision, it can also be a key source of innovative ideas to enhance the project's success. Civic and business organizations, neighborhoods, advocacy groups, citizens, and

consumers should be contacted and asked for their opinions and feedback. Legislative and political leaders should also be contacted to determine their viewpoints and priorities.

Cost Efficiency

Privatization can be a vehicle to reduce costs and increase competition and efficiency. The goal throughout a cost assessment should be that the quality and level of service remains the same. In order to acquire this initiative, assess whether or not the cost will increase or decrease. Also, determine where the savings lie. Of course, savings for the agency is a primary factor in the consideration of privatization, but an analysis of the impact on the consumers must also be measured. Added costs, such as additional fees paid to the private company can, in effect, reduce any savings the public might receive.

To help you obtain insight into whether or not there will be an annual decrease or increase in cost, please refer to Attachment A for the Detailed Cost Analysis Form. This analysis includes the costs for monitoring and negotiating the contract for both state and private providers, operating costs and taxes for the estimated time frame of the contract.

A strategy to help achieve cost savings and efficiency is to review bid or contract specifications and determine if changes would result in lower costs to provide the service. Another alternative is to build controls over cost into contracts through incentives for reducing costs such as Savings Sharing Contracts.

Quality of Service

The desire to improve the quality of a service, which is currently provided by the public, is often a significant reason for contracting that service to the private sector. At times, the private sector has a greater potential for innovation and efficiency due to its ability to be more flexible than government regarding personnel and resources, and is less burdened with bureaucracy and red tape. Contracting may offer the state the ability to respond to immediate needs with greater flexibility and speed than is possible under government operation.

To determine if private providers can deliver a service of better or equal quality, divisions/offices must gather data regarding the level of performance the state agency has achieved in meeting client outcomes and performance indicators. Divisions/offices should emphasize outcome based performance standards for all private providers and develop performance-based contracts. The current focus on monitoring only process variables does not provide the state with information to adequately assess the quality of services provided by contractors or the state.

There is nothing uniquely inherent in the private sector that assures it will always do the job better or at the same level of quality. The state should consider if it is possible to improve or maintain the present quality of service. The obstacles to improving the public

operation should be identified and the ability of the private sector to overcome these obstacles should be determined.

Impact On Employees

While privatization efforts may lead to workforce restructuring and downsizing, they also can translate into new opportunities for workers and communities. In order to mitigate the negative economic and social impacts on government employees, departments are equipped with several solutions such as job transfers, job placement and training, early retirement options, and extended health benefit coverage. Provisions in the contract can also be added to ensure the private firms hire the displaced employees.

The fewer employees that are displaced the more favorable privatization becomes. If, however, the number of employees is high, workers whose jobs would be affected by privatization may be allowed to compete to retain the work “in-house” by improving performance and lowering costs.

Legal Barriers

An assessment of the role of government, the agency’s legal authority, and possible legal barriers can also help one weigh the pros and cons of privatization.

One of the purposes of government is to secure the citizens’ basic rights to life and liberty. There are roles in which government must provide a service, such as access or treatment, consistently and equally throughout a large region or state. Also, factors such as federal mandates and standards dictate the level in which government must perform. Therefore, consideration of a private company’s ability to perform a role once carried out by government must be done.

Once this and the affirmation that the agency has the legal authority to privatize, legal barriers must be overcome. Such barriers might include the effect that existing laws might have on your decision, whether laws would need to change, and whether the service in question has interrelations with other programs prescribed by law. If any of these barriers apply, it might be beneficial to speak to a legislative member to measure the level of support you would receive if a change in law needed to occur. Also, if a global privatization of a service is not possible, aspects, which can be separated and privatized, might appease the need.

Risks

Is there a chance that the private firm may fail to provide the service that government once guaranteed or reduce or stop services if financial losses occur? Privatization can

increase government's exposure to hazards. To decrease such risks careful bid and contract development and project implementation must occur.

To reduce the risk of service interruption, provisions such as reporting requirements can be written within the contract along with the requirement of a performance bond. Also, another key to help reduce government risk is to maintain ownership of any equipment. This could allow government to maintain control over the cost of equipment and perhaps facilities used as well. The rate at which privatization is implemented can help reduce costs. For example, a slow phase into privatization, until government feels assured that the private company is capable and reliable, can reduce the exposure and magnitude of a failed project. Also, if cost adjustments for inflation and increased service requirements are built into the contract this could help prevent stopped services because of the company's financial losses.

Conclusion

In conclusion, Utah's Free Market Protection and Privatization Board hopes that this booklet will be of aid to you as you carefully weigh all aspects before considering privatization. For any additional information regarding the board, please go to <http://governor.utah.gov/privatization/>.

Acknowledgement

We gratefully acknowledge the Colorado State Auditor's Office who shared their Privatization Assessment Workbook with us, and allowed us to liberally copy and use their information in Utah's workbook¹.

¹ Utah's Privatization Policy Board originally adopted the workbook in 2001; it was updated in 2013.

Detailed Cost Analysis Form

These forms contain various cost factors used in determining an annual dollar cost for providing a service. The process results in an annual estimate of the expected decrease or increase in cost. The list of cost factors covers a broad range of issues that should be considered. These issues, however, may not relate to all privatization candidates and determining a dollar value for some issues may be difficult. Agency management should try to identify the characteristics that cause government to have higher or lower costs.

Instructions: There are three steps in the detailed cost analysis

- Step 1** - Calculate the total government provision cost using PART 1 of this form.

Total Government Provision Cost = _____

- Step 2** - Calculate the total contracting cost using PART 2 of this form.

Total Contracting Cost = _____

- Step 3** - Calculate the difference between the costs of STEP 1 and STEP 2

Difference Between STEP 1 and STEP 2 = _____

DETAILED COST ANALYSIS
PART 1
GOVERNMENT PROVISION COSTS

Purpose: Costs Of Government Performing The Service For The Current Or Projected Level Of Service.

This part contains a series of cost factors. Some privatization candidates may have cost factors that are not listed here. These additional factors can be added at the bottom.

Consider each applicable cost factor and place the estimated cost, in dollars, in the space provided. Add all amounts for cost factors and place the total at the bottom of this form. Transfer this amount to the front page in the allotted space for **STEP 1**.

Cost Factors	Amount
Salaries Of Department Personnel (Including: Taxes, PERA, Unemployment Insurance, And Other Fringe Benefits)	_____
Service And Supplies: Operating Costs (Fuel & Maintenance)	_____
Equipment (Capital Outlay)	_____
Equipment (Interest Cost)	_____
Operation And Maintenance Of Buildings	_____
Cost Of Premiums Paid For Liability And Fire Insurance Or Claims Paid In A Self Insurance Program	_____
Allocated Administrative Costs	_____
Allocated Overhead Cost Of Other Executive And Staff Agencies	_____
Management, Supervision, Oversight (Similar To Contract Oversight)	_____
Other Cost Factors	_____

Total Government Provision Cost =

DETAILED COST ANALYSIS

PART 2

CONTRACTING COSTS

This form contains a series of cost factors. These factors are grouped into four broad categories:

- Start-Up Costs**
- Primary Costs**
- Contract Oversight Costs**
- Contractor Support Costs**

Some privatization candidates may have cost factors not listed here. Please add these where appropriate.

The first step is to consider each applicable cost factor and place an estimated cost, in dollars, in the space provided. Determine a total for each category and place at the bottom of this form. Then add all categories to determine total contracting costs. Transfer this amount to the space provided on the front page under STEP 2.

START-UP COSTS

To spread out (amortize) the start-up costs over time, divide each estimated cost by the number of years you desire and place this amount in the space provided.

COST FACTORS	AMOUNT
Request For Proposal – Development & Implementation	_____
Contract Development	_____
Bid Preparation	_____
Bid Selection	_____
Contract Monitoring System Development	_____
Unemployment Benefits Liability For Displaced Workers	_____
Leave Benefits Buy-Out, Severance Pay, And Accrued Liabilities For Displaced Workers	_____

COST FACTORS

AMOUNT

Disposing Of Unused Equipment Write-Off Depreciation,
Under-Utilization Of Space.

Note: There May Be Benefits Or Gains, If Sold, If So, Subtract
Rather Than Add This Amount

Transition Costs Such As Duplication Of Effort

Other Cost Factors

Total Start-Up Costs =

PRIMARY CONTRACTING COSTS

COST FACTORS

AMOUNT

Contract Price (Annual)

Allowance For Cost Over-Runs (Annual)

Affect On State Revenues (Will The State Stop Collecting
Users Fees?)

Estimated Cost Of The State Losing Any Grants Or Subsidies

Other Cost Factors

Total Primary Contracting Cost =

CONTRACT OVERSIGHT COSTS

COST FACTORS

AMOUNT

Salaries _____

Fringe Benefits _____

Service And Supplies _____

Equipment (Capital Outlay) _____

Equipment (Interest Cost) _____

General Operating Costs _____

Operation And Maintenance Of Building _____

Other Cost Factors _____

Total Contract Oversight Cost =

--

CONTRACT SUPPORT COSTS

COST FACTORS

AMOUNT

Space Provided _____

Equipment Provided _____

Other Cost Factors _____

Total Contractor Support Costs =

--

SUMMARY OF CONTRACTING COSTS

Place the totals for each category in the following spaces. Then add the amounts to obtain the total contract costs.

Contracting Cost Factors	Total Costs
Total Start-Up Cost	
Total Primary Cost	
Total Contract Oversight Cost	
Total Contractor Support	
Other Cost Factors	
TOTAL CONTRACTING COSTS	

Commercial Services Inventory					
Services highlighted in grey are those that have been determined to be "Commercial" in nature.					
Services marked both as "Commercial" and "Inherently Governmental" have aspects that are considered to fall into both categories (i.e., - commercial activities that private industry doesn't provide, etc.).					
Services marked "Further Study Required" are currently being assessed for their privatization capabilities.					
Note that services marked as commercial do not necessitate a designation of "privatizable". Some services should not be privatized due to cost benefit analysis - or structural considerations.					
Department of Administrative Services					
Administrative Rules					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administrative Filing		X			
Publication Services	X	X			
Codification of Rules		X			
Deadline Notification		X			
Procedural Review		X			
Rulemaking Assistance		X			
Archives and Records Service					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Archiving		X			
Records Management	X	X		X	
Microfilming Services	X	X			
Records Storage & Retrieval	X	X			
Reformatting Services	X	X			
Public Notice Online Posting	X	X			
Patron Services	X	X			
Facilities Construction and Management					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Construction Management	X				
Building Efficiency Program	X				
Real Estate Services	X				
Code Inspection	X		X		
Maintenance Management	X				
Janitorial	X				
Executive Director's Office					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
General Services		X			
Audit & EDP Audit Services	X	X			
Financial Services		X			
Advertising & Public Relations		X			
Parental Support & Advocacy	X	X	X		
Finance					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Accounting		X			
Billing		X			
Check Processing & Distribution		X			
Debt Collection	X		X		
Financial Reporting		X			
Information Retrieval		X			

Payroll Processing		X			
Travel Management	X		X		
Fleet Operations					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Fleet Management	X			X	
Fuel Procurement	X				
Surplus Property	X				
State Purchasing and General Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Contracting Services	X				
Mail Room Services	X				
Printing & Copy Center	X		X		
Surplus	X	X			
Procurement Services		X			
Risk Management					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Insurance	X	X			
Loss Control	X	X			
Claims Adjustment	X	X			
Department of Agriculture and Food					
Analytical Laboratories (Chemistry)					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administrative Services		X			
Microbiology		X			
Animal Industry					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administrative Services		X			
Fish	X	X			
Laboratories		X			
Meat Inspection		X			
Sheep Promotion		X			
Auction Market Vets	X		X		
Brand Inspection		X			
Horse Commission		X			
Commissioner's Office					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Executive Staff Services		X			
Administrative Services	X	X		X	
Homeland Security	X	X			
Public Affairs		X		X	
Environmental Quality					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administration		X			
Grain Inspection		X			

Insect Infestation			X			
Marketing & Development						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Administration		X				
Utah's Own		X				
Market News		X				
Plant Industry						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Administration	X	X				
Seed	X	X				
Feed	X	X				
Fertilizer (FPNF)	X	X				
Fresh Fruit Inspections (USDA)		X				
Grazing Improvements		X				
State & Federal Pesticide Programs		X				
Pesticide		X				
Regulatory Services						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Administration		X				
Bedding & Labeling		X				
Weights & Measures		X				
Dairy		X				
Meat		X				
Food		X				
Egg		X				
Resource Conservation						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Administration		X				
Conservation Commission		X				
Utah Association of Conservation Districts		X				
Resource Conservation Districts		X				
Agriculture Loans		X				
Ground Water		X				
Rural Rehabilitation						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Federal		X				
State		X				
Wildlife Services						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Predatory Animal Control		X				
Department of Alcoholic Beverage Control						
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended	
Retail Operations	X					X
Licensing and Compliance		X				
Warehousing and Distribution	X					X

Purchasing	X				X
Board of Pardons & Paroles					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Pardons		X			
Paroles		X			
Department of Commerce					
Consumer Protection					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Investigations	X	X			
Registrations		X			
Education	X	X			
Office of Consumer Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Rate impact assessment		X			
Corporations and Commercial Code					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Business Filings		X			
UCC/CFS		X			
Enforcement		X			
Licensing		X			
Registration		X			
Occupational and Professional Licensing					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Licensing		X			
Investigations		X			
Controlled Substance Database	X	X			
State Construction Registry	X	X			
Office of the Property Rights Ombudsman					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Eminent Domain Disputes		X			
Advisory Opinions		X			
Training & Outreach	X	X			
Public Utilities					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Rates		X			
Regulation		X			
Complaints/Mediation		X			
Real Estate					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Licensing		X			
Enforcement		X			
Education		X			

Capitol Preservation Board					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Visitor Services		X			
Communications/PR	X	X			
Curatorial Management	X	X		X	
Stewardship Management Plan		X			
Department of Corrections					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Incarceration of Adult Offenders	X	X			
Community Supervision	X	X			
Offender Programs	X	X			
Courts					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Department of Environmental Quality					
Air Quality					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Drinking Water					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Environmental Response & Remediation					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Solid & Hazardous Waste					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Radiation Control					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Water Quality					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Water Quality Programs		X			
Wastewater Fund programs		X			
Water Quality Standards		X			
Laboratory Analysis	X	X			
Certification Programs		X			
Department of Financial Institutions					

Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Chartering Depository Institutions		X			
Regulation		X			
Protection		X			
Coal Miner Certification		X			
Registration Services		X			
Credit Regulation		X			
Publication Services		X			
Department of Health					
Disease Control & Prevention					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Environmental Lab Certification		X			
Clinical Lab Improvements Amendments		X			
Microbiology		X			
Chemistry & Environmental Services		X		X	
Forensic Toxicology	X	X		X	
Epidemiology					
Immunizations	X	X			
Communicable Disease Prevention	X	X			
Refugee Health	X	X			
HIV/AIDS Treatment & Care	X	X			
Tuberculosis Treatment & Care		X			
Communicable Disease Epidemiology & Surveillance		X			
Environmental Public Health Surveillance		X			
Environmental Sanitation Program		X			
Utah Surveillance Immunization Info System		X			
Prescription Pain Medication		X			
Health Promotion					
Bureau management		X			
Arthritis		X			
Asthma		X			
Baby Your Baby	X	X			
Utah Cancer Control Program		X			
Diabetes Prevention & Control		X			
Heart Disease & Stroke Prevention		X			
Physical Activity, Nutrition, & Obesity		X			
Tobacco Prevention & Control		X			
Violence & Injury Prevention		X			
Medical Examiner		X			
Executive Director's Office					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Public Health Informatics		X			
Vital Records & Statistics		X			
Public Health Assessment		X			
Family Health & Preparedness					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Patient Safety		X			
Maternal & Child Health					
Data Resources		X			
Maternal & Infant Health		X			
Oral Health		X			
WIC Program		X			

Children w/ Special Health Care Needs						
	SSHCN Clinic Programs		X			
	Fostering Healthy Children		X			
	Newborn Screening		X			
	Newborn Hearing		X			
	Tech Dependent Children		X			
Emergency Medical Services						
	Bureau management		X			
	Hospital Trauma		X			
	EMS Certification		X			
	Public Health Preparedness		X			
	Testing	X	X	X		
	Professional Development		X			
Health Facility Licensing						
	Health Facility Licensing		X			
	Long Term Care Facilities		X			
	Non Long Term Care Facilities		X			
	Resident Assessment		X			
	Information Systems		X			
Child Development						
	Baby Watch Intervention	X	X	X		
	Child Care Licensing		X			
Primary Care						
	Primary Care/Rural Health		X			
	Health Clinics of Utah		X			
	Dental Care Services	X	X	X		
	Multicultural Health		X			
	Indian Health Liaison		X			
Medicaid & Health Financing						
		Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Services						
	Medicaid Operations	X	X			
	Provider Enrollment & Sanctions	X	X			
	Provider & Client Customer Service	X	X			
	Eligibility Policy		X			
	Medical Review Board		X			
	Medicaid Eligibility Quality Control		X			
	New Choices Waiver		X			
	Work Ability Utah		X			
	Prior Authorization of Specified Medicaid S	X	X			
	Evidence Preparation - Review of Denials		X			
	Evidence Preparation - Administrative Hear		X			
	Financial Services		X			
	Contract Management		X			
	CMS 64 Reporting		X			
	Pharmacy Rebates		X			
	Nursing Home/Hospital Assessment		X			
	State/Local Funds Revenue Collection		X			
	Clinic Support		X			
	Coverage & Reimbursement	X	X			
	Medicaid Rate Determination	X	X			
	Medicaid Pharmacy	X	X			
	Managed Health Care/Contracted Services	X	X			
	Restriction Program	X	X			
	Administration of Certain Match Programs		X			
	Early Periodic Screening Diagnosis & Treatr		X			
	Childrens' Health Insurance Program	X	X			
	Primary Care Network		X			
	Utah's Premium Partnership for Health Insu	X	X			
	Administrative Hearings		X			

Department of Heritage & Arts					
Governance & Administration					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administration		X			
DCC Digitization	X	X	X		
Literary Arts Program	X	X			
Individual Artist Program		X			
Traveling Exhibit Program		X			
Community/State Partnership		X			
Folk Arts Program	X	X			
Visual Arts Program	X	X			
Design & Public Arts Program	X	X			
Arts & Museums Administration		X			
Grants & Non-Profit		X			
Community Arts Outreach		X			
Arts in Education		X			
Museum Services		X			
Geographic Information Systems		X			
Vernal Field Office		X			
Human Remains Recovery	X	X			
State History Administration		X			
Library & Collections		X			
Public History, Communications & Informat	X	X			
Preservation & Antiquities		X			
History Grants		X			
State Historical Society		X			
Ethnic Affairs		X			
Hispanic/Latino, Asian, Black, Pacific Island		X			
Indigenous Day		X			
Native American Services		X			
Bookmobile Services		X			
State Government Publications		X			
Multi-State Library Services		X			
Bond, Operation & Maintenance		X			
Pioneer, Utah's Online Library		X			
Public Library Certification		X			
Resource Sharing		X			
Librarian Continuing Education	X	X			
Library-Blind & Disabled	X	X			
Department of Human Resources					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Classification		X			
Compensation		X			
Recruitment & Selection	X	X	X		
Performance Management	X	X	X		
Workforce Planning & Data Management		X			
Liability Management		X			
Department of Human Services					
Aging & Adult Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Aging Services	X	X	X		
Adult Protective		X			
Child & Family Services					

Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Investigations	X	X	X		
Juvenile Justice Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Juvenile Justice	X	X	X		
Licensing					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Substance Abuse and Mental Health					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Substance Abuse	X	X	X		
Mental Health	X	X	X		
Recovery Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Office of Recovery Services	X	X	X		
Services for People with Disabilities					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
People with Disabilities	X	X	X		
Department of Insurance					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Licensing		X			
Investigations & Prosecutions	X	X			
Rate & Reform Reviews		X			
Consumer Services & Education		X			
Solvency Surveillance/Financial Evaluation	X	X			
Coverage for Uninsured (HIPUtah)	X	X			
Labor Commission					
Adjudication					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administrative Hearings		X			
Administration					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Appeals		X			
Accounting/Budgeting		X			
Actuarial Services	X	X		Actuarial	
Legal Services	X	X			
Customer Relations		X			
Anti-Discrimination & Labor					

	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Services					
Employment Discrimination		X			
Fair Housing		X			
Wage Claim Unit		X			
Boiler, Elevator & Coal Mine Safety					
Services					
Elevator/Escalator Inspection		X			
Broiler/Pressure Vessel Inspection		X		Broiler - no market	
Coal Mine Safety		X			
Coal Miner Certification		X			
Industrial Accidents					
Services					
Workers' Compensation Claims		X			
Workers' Compensation Compliance		X			
Employers' Reinsurance Fund		X			
Uninsured Workers' Fund		X			
Utah Occupational Safety & Health (OSHA)					
Services					
Compliance		X			
Consultation	X	X		Consultation?	
Financial Services		X			
Labor Statistics		X			
Department of Natural Resources					
Administration					
Services					
Customer Service		X			
Building the Bench		X			
Elimination of Silos		X			
Enhance Revenues & Reduce Costs		X			
Watershed Restoration		X			
Lake Commission		X			
Species Mitigation		X			
Building Operations		X			
WIC Program		X			
Forestry, Fire, and State Lands					
Services					
Weed Control		X			
Administrative Support		X			
Critical Lands		X			
Demonstration Forest		X			
Director's Office		X			
Fire Suppression & Management		X			
Forest Health Management		X			
Forest Management Administration		X			
Management Forest Stewardship		X			
Great Salt Lake Comprehensive Managemen		X			
Great Salt Lake Selenium Monitoring		X			

Lands Administration & Planning		X			
Lone Peak Conservation Center		X			
Program Delivery		X			
Public Affairs & Law Enforcement		X			
Urban & Community Forestry		X			
Utah Lake Commission	X	X			
Utah Lake Litigation		X			
Oil, Gas, & Mining					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administration		X			
Oil & Gas Conservation Program		X			
Minerals Program	X	X			
Coal Program		X			
Abandoned Mine Reclamation Project		X			
Board of Oil, Gas, & Mining		X			
Utah Geological Survey					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Geologic Hazards Program		X			
Mapping Geology Program		X			
Energy & Minerals Program	X	X			
Ground Water & Paleontology Program	X	X			
Geologic Information & Outreach Program		X			
Utah State Energy Program	X	X			
Technical Services Program	X	X			
Administration		X			
UGS Board		X			
Water Rights					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administration		X			
Applications & Records		X			
Dam Safety		X			
Field Services		X			
Technical Services		X			
Advertising		X			
Cooperative Agreements		X			
Water Development Program	X	X			
Interstate Streams		X			
State Water Planning & Conservation/Educ		X			
Cloud Seeding		X			
Water Resources Board		X			
West Desert Operations		X			
Wildlife Resources					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Administration		X			
Administrative Services		X			
Wildlife Section		X			
Habitat Section		X			
Conservation Outreach	X	X			
Law Enforcement		X			
Habitat Council		X			
Contributed Accounts		X			
Capital Facilities Account		X			

Cooperative Studies Account		X			
License Reimbursement		X			
Predator Control	X	X			
State Parks and Recreation					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Golf Courses	X				X
Operation	X				X
Management	X	X			
Executive Management		X			
Support Services		X			
Recreation Services		X			
Park Management Contracts		X			
Park Operations	X	X			X
Major Renovation		X			
Trail & Trail Crossing Grants		X			
Donations	X	X			
Region Renovation	X	X			
Boating Access Grants	X	X			
Off Highway Vehicle (OHV) Grants	X	X			
Land & Water Conservation	X	X			
Land Acquisition		X			
Department of Public Safety					
Aero Bureau					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Aviation Law Enforcement Support		X			
General Aviation Support	X	X			
Statewide Information & Analysis Center (SIAC)					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
General Services		X			
Intelligence Analysis		X			
Intelligence Liasion Officer (ILO) Program		X			
Critical Infrastructure Protection		X			
Bureau of Criminal Identification					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Criminal Background Checks	X	X			
Expungement		X			
Utah Computerized Criminal History Datab		X			
Criminal Fingerprint Cards		X			
Right of Access		X			
Job Applicant Fingerprinting Services	X	X			
Civil Applicant Fingerprinting	X	X			
Misdemeanor Citation Processing		X			
Quality Assurance Section					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Control Service Agency		X			
Security Point of Contact		X			
System Monitoring		X			
System Access		X			
Quality Assurance		X			

User Background Checks		X			
Information Dissemination		X			
Amber Alerts		X			
Auditing & Training/Data Collection & Analysis Section					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Training		X			
Database Auditing		X			
Crime Statistics	X	X			
Missing Person Clearinghouse		X			
Support Services Section					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Criminal History Record Reports		X			
Receipting		X			
Accounting		X			
Investigations Section					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Concealed Firearms Investigations		X			
Private Investigation & Bail Enforcement		X			
Building Security & Law Enforcement	?	X			
Training		X			
Firearms Section					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Concealed Firearm Permit Applications		X			
Bail Enforcement Licensing		X			
Private Investigator Licensing		X			
Brady Section					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Brady Criminal Background Checks		X			
Communications Program					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Emergency Dispatch Services		X			
Bureau of Forensic Services (State Crime Lab)					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Criminalistic Services	X	X			
Crime Scene Response		X			
Training	X	X			
Courtroom Testimony/Case Consultation		X			
State Bureau of Investigation					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
General Investigations Support		X			
Drug Interdiction Investigations		X			
Fraud/Financial Crime Investigations		X			

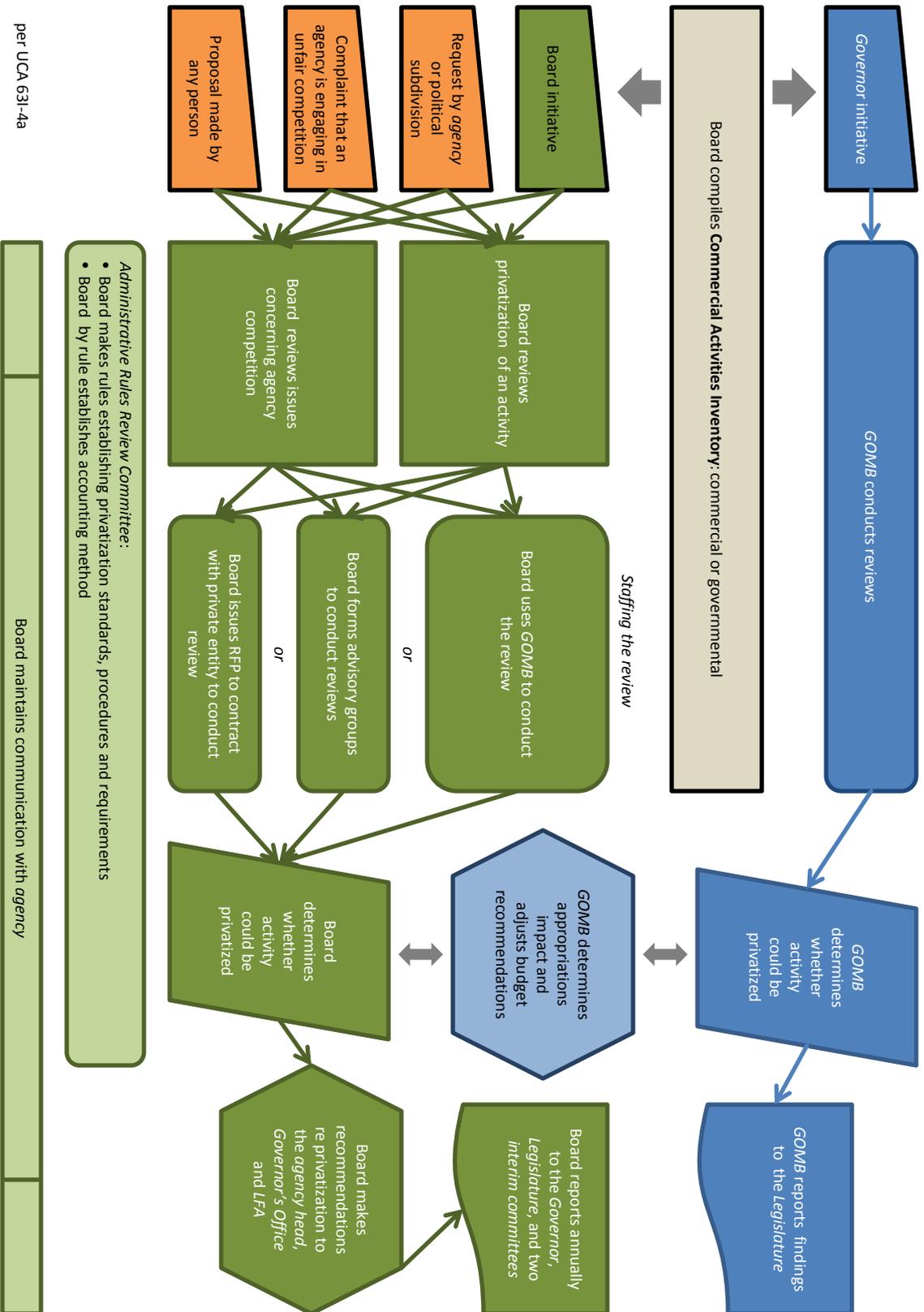
Utah Highway Patrol					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Field Operations		X			
Commercial Vehicle Registration		X			
Safety Inspections		X			
Protective Services		X			
Special Services (SWAT)		X			
Fire Marshall's Office					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Building Plan Reviews & Inspections		X			
Fire/Arson Investigations	X	X			
Technician Licensing & Certification		X			
National Fire Incident Reporting System Da		X			
Homeland Security Emergency Management					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Planning		X			
Training & Exercise	X	X			
Community Outreach		X			
Emergency Operations		X			
Peace Officers' Standards & Training					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Basic Police Training		X			
Investigations for Officer Misconduct		X			
In-Service Police Training		X			
Certification Process & Record Managemer	X	X			
Liquor Law Enforcement					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
DABC Investigations & Inspections		X			
Administrative Inspections		X			
Major Renovation		X			
Investigative Support		X			
Driver License Division					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Driver License Applicant Examination					
Initial Application		X			
Examination	X	X	X		X
Renewals	X	X			X
Document Examination		X		X	
Identification Card Issuance		X		X	
Administrative Hearings		X			
Private Driver Education School Registratio		X			
Motorcycle Safety Program		X		X	
		X			
Records Bureau					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Driver License Records		X			

Driver Privilege Regulation		X			
Accident Reports & Court Records		X			
Driving Record Reporting		X			
Driver License Medical Advisory Board		X			
Call Center	X	X		X	
Administrative Hearings		X			
Record Classification & Release Control		X			
Correspondence & Requests		X			
Administrative Services Bureau					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Uninsured Motorist Identification Database		X			
Motor Voter		X			
Charitable Donations	X	X			
Web Services		X		X	
Highway Safety					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Highway Safety Program		X			
Public Service Commission					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Oversight & Hearing		X			
Adjudicatory Orders		X			
Audit & Adjudicatory Proceedings		X			
Energy Efficiency & Conservation		X			
Tax Commission					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
State Tax Administration		X			
Motor Vehicle Services	X	X			
Management		X			
Licensing/Titling	X				
Inspection	X		X		
Renewals	X		X		
Department of Technology Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Infrastructure					
Hosting Services	X	X			
Network Services	X	X			
Telecommunication Services	X	X			
Desktop Services		X			
Application Development					
Development Services	X	X			
Veterans' Affairs					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Outreach	X	X	X		
Nursing Homes	X	X	X		
Cemetary	X	X	X		
Department of Workforce Services					

Child Care Program					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Child Care Services		X		X	
Eligibility Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
SNAP (Food Stamps)	X	X			
Medicaid & CHIP	X	X			
Employment & Training					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Wagner Peysler/Veterans' Services		X			
Temporary Assistance for Needy Families (TANF)	X		X		
Labor Market Information		X			
Refugee Assistance	X	X	X	X	
General Assistance Program	X	X		X	
Unemployment Insurance (UI)		X			
Workforce Enforcement Act	X	X	X		
Technology & Administrative Services					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
IT, Web, & System Services	X	X	X		
Administrative Services	X	X	X		
Asset Recovery	X	X			Debt Collection
Management		X			
Purchasing		X			
Housing & Community Development					
Services	Commercial	Inherently governmental	Already Privatized	Further Study Required	Privatization Study Recommended
Zoos		X			
Special Projects: Huntsman Cancer Center		X			
Emergency Food Network (EFN)	X	X			
Emergency Food Assistance (FEMA)		X			
Individual Development Accounts (IDA)	X	X	X		
Earned Income Tax Credit Education Program	X	X			
Rural Development Affordable Housing Planning		X			
OWHLF Affordable Housing Planning		X			
TANF Rental Assistance		X			
Utah Telephone Assistance Program (UTAP)		X			
Home Energy Lifeline Program (HELP)		X			
Faith-based Initiatives		X			
Mineral Lease Grants & Loans		X			
Pamela Atkinson Homeless Trust Fund		X			
OWHLF Low Income Housing		X			
Administration		X			
Private Activity Bond		X			
Community Development Block Grant (CDBG)		X			
Neighborhood Stabilization Program		X			
Weatherization Assistance Program	X	X			
Critical Needs Housing		X			
Emergency Shelter Grants		X			
Continuum of Care/Homeless Management System		X			
Low Income Home Energy Assistance Program		X			
Community Services Block Grant		X			

Housing for AIDS Infection		X			
ARRA Weatherization Assistance Program		X			
ARRA Homelessness Prevention & Rapid Re		X			
ARRA Community Services Block Grant		X			
ARRA AmeriCorps	X	X			
ARRA Foreclosure Remediation		X			
AmeriCorps		X			

Free Market Protection and Privacy Board Process



11/13/2012	Proposal for Private Consulting Idea	Robin Riggs	Proposal for legislative change to hire private consultant	HB 94
	Privatization of State Surplus Property	Sen. Todd Weiler	Presentation	
10/23/2012	Division of Fleet Operations	Sam Lee	Presentation/Q&A	
	Future possibilities	Royce Van Tassell	How to go further identifying commercial services	
6/26/2012	Private Consulting Idea	Robin Riggs	For information	
	Division of Risk Management	Tani Downing	Presentation/Q&A	
	Division of Administrative Rules	Ken Hansen	Presentation/Q&A	
6/5/2012	Report from Attorney General re state retention of a privatization advisor	Alan Bachman & Amanda Jex	Gave the board direction re what the board is legislatively mandated to do and how to work with the legislature to achieve it	
	RFP re privatization advisor	Board	Robin Riggs to report	
	Division of Archives	Patricia Smith-Mansfield	Presentation/Q&A	
	Privatization Process Proposal	Montgomery Watson Harza	MWH does studies for federal government by business case approach	
1/24/2012	Competitive Activities Report – ULCT survey results	Chris Bruhn	More investigation needed	
	Labor Commission	Ted Boyer	Presentation/Q&A; functions that could be privatized already are	
	HB 174 Report on DOH & DWS concerning Medicaid	Ryan Yonk	study was incomplete at time of report	
11/29/2011	Department of Environmental Quality	Amanda Smith	Lab tests mostly privatized, most services regulatory	
	Labor Commission	Sherrie Hayashi & David Lamb	Most services regulatory; broiler/pressure vessel inspection could be privatized but no	

			organizations exist	
10/25/2011	HB 174 Report on DOH & DWS concerning Medicaid	Robin Riggs	Was in progress	
	Department of Human Services	Palmer De Paulis & Mark Ward	Talked about business cases, suggested DHS could create a state-wide template for agencies	
	Department of Agriculture and Food	Stephen Ogilvie	Presentation/Q&A; regulatory functions	
6/29/2011	HB 174 Report on DOH & DWS concerning Medicaid	Randy Simmons	Was in progress	
	Discussion on how Board is to meet legislative mandates	Board	Concluded Board did not have resources to meet obligations	
	Discussion on how to move forward with Cities and Counties' reports on services	Board	Discussed proper steps	
	HB 174 Report on DOH & DWS concerning Medicaid	David Patton & Michael Hales	18 programs possible, 7 likely; synopsis of RFP process for privatizing services	Add "further study/being reviewed" category to Services List
	Department of Corrections	Mike Haddon	Noted negative experiences with previous privatization efforts	
5/25/2011	Review and Vote on Services List	Chris Bruhn	Board requested clarification on annotations	
	Understanding Competitive Sourcing: The Role of the Business Case	Leonard Gilroy	How to use the business case. Good idea in future, but current role is to make an inventory	
	HB 174 Report on DOH & DWS concerning Medicaid	Randy Simmons	Was in progress	
4/27/2011	Privatization of State Liquor Sales	Rep. Ryan Wilcox	Overview of proposal to privatize the retail function of DABC	Letter to legislature
	Review and vote on State Agency Services	Chris Bruhn	Board wanted more detail	
	State Competition with	Rep. Johnny	Should be a process	

3/23/2011	Child Care Providers	Anderson	whereby no government run providers where private providers available	
	Contracting Management for State Parks, selling golf courses, and privatizing state liquor sales	Randy Simmons		Letter to Government Operations
	Dixie Mobile Production Unit	Brian Miller	State competition in television production unfair	Letter to Government Operations
	Department of Workforce Services	Kristin Cox & Geoff Landward	Overview of functions already privatized and current strategies	
1/26/2011	Survey Update	Chris Bruhn	Update	
	HB 174 Report on DOH & DWS concerning Medicaid		This was new from the 2011 General Session	
	Agenda for rest of year	Board	Various items discussed	
	Statement re Public Consulting Group's study "Feasibility Study on the Privatization of Portions of the Utah State Hospital and the Utah State Development Center	Robin Riggs		Letter to Senate President and House Speaker
	Report of USU Studies of Privatization Option for Parks, DABC, and UDOT	Ryan Young		
12/8/2010	Proposal to Build a Government Funded and Operated Convention Hotel in Salt Lake area	Clint Ensign	Shared comments on proposal, hotel owners want private investment	
	Status of Survey of State Agencies	Chris Bruhn	Update	
	Privatize a portion of Utah State Hospital	Public Consulting Group	Presentation of feasibility study/Q&A	
	PCG's privatization study	Leonard Gilroy, Reason Foundation	Presentation re privatizing	

10/27/2010	Drivers Licenses and Motor Vehicle Departments	Chris Bruhn	Presentation	
	Pluses and Minuses of the Ohio Privatization Operation	Nanette Rolf	Presentation	
9/22/2010	Tax Commission Services and the DMV	Brad Simpson & Kevin Park	Presentation, discussion of Renewal Express, and other outsourced services	
	Privatizing Portions of State Hospitals Services	Public Consulting Group (author)	Discussion	
	How do Private Companies Manage Campgrounds?	Steve Werner, American Land & Leisure	Presentation	
	How the Military Partnered with Private Companies to Better Manage their Assets	Matt Cohen & Patrick Price, MWH Global	Presentation	
8/25/2010	How Private Companies Helped Cities and States Better Manage Public Golf Courses	Mike Cutler & Dan Parkinson, Billy Casper Golf	Presentation	
	Public Safety – Drivers License Division	Chris Bruhn	Discussion	
	Performance Budgeting and Privatization	Sen. Wayne Neiderhauser	Presentation	
	Alcohol and Beverage Control	John Freeman	Presentation/Q&A	
7/28/2010	Privatization of State Parks	Mike Styler & Mary Tullius, Department of Natural Resources	Presentation	
	Surveys		Discussion	
	State Surplus Vehicle Sales	Chris Bruhn, Sam Lee & Dan Martinez	Discussion of contract with TNT	
	Survey Results	Chris Bruhn	Handouts	
6/16/2010	Kinds of Privatization	Randy Simmons	Discussion	
	Contracting for State	Kenny Kitchen	Presentation/Discussion	

	Park Management	Brown		
4/28/2010 3/24/2010	UADBC Retail Stores	Robin Riggs & Chris Bruhn	Postponed	
	Survey	Chris Bruhn	Update	
	Surplus Sales	Kent Beers	Discussion	Task force
	Streamlining Government through Privatizations and Public Private Partnerships	Leonard Gilroy, Reason Foundation	Presentation/Q&A (Handout: slides attached to minutes)	
	Manheim Utah Request to Access DMV Record and Print Titles	Scott Wennerholm, TRAA Auctions	Discussion re auction	
	Scope of the Privatization Policy Board		Discussion	
2/24/2010	Survey and Analysis of ABC and Fleet Operations	Chris Bruhn	Update	
	Uintah Basin Medical Center	Brad LeBaron	Presentation of complaint of unfair competition	Board endorsed HB 307
	Procedures for Privatization Policy Board		Discussion	
2/10/2010 1/19/2010	Survey	Chris Bruhn	Discussion	
	Ashley Valley Regional Medical Center	Si Hutt	Presentation of complaint of unfair competition	
	Staffing and Budget	Chris Bruhn & Kent Beers	Discussion	
11/24/2009	DAS Survey Results	Kent Beers	Presentation	Approved format for survey
	Research Analyst Position	Kent Beers	Discussion	
9/17/2009	Weber County Waste Disposal Site	Mr. Penrod, Dave Wilson, and others	Presentation/Discussion of complaint of unfair competition	
	Pilot Survey re DAS	Tracey Stevens	Update	
8/13/2009 4/22/2009	Survey re Inventory of Activities	Tracey Stevens	Presentation/Discussion	Survey adopted
	Notary Public Commissioning	Spencer Hadley	Discussion	
	Plan of Action	Sen. Brent	Discussion	

		Goodfellow		
1/22/2009 11/5/2008	Discussion on 15% Budget Cut – Research Analyst Position	Sen. Brent Goodfellow	Discussion	Requested staff be loaned to the Board
	Closed session re Research Analyst III position		Discussion	Candidates sent to Purchasing
10/16/2008	C Closed session re Research Analyst III position		Discussion	
9/18/2008	Utah Independent Waste Handlers and Recyclers	Ralph Warner	Presentation/Discussion of complaint of unfair competition	
7/15/2008	Job Description		Discussion	Created subcommittee to review applicants
5/19/2008	Privatization Efforts by Fleet Operations	Margaret Chambers	Presentation/Discussion	
	Review of Enrolled 2008 Legislation Impacting Privatization	Douglas Richins	HB 75, SB45, and HB426 were reviewed	
5/30/2007 4/25/2007	Water and Waste Management Privatization	Doug Legge, Corix Utilities	Presentation/Discussion	
	Information on the Legislative Government Competition and Privatization Subcommittee	Leif Elder	Presentation/Discussion (Handout: Letter to Legislative Management Committee)	
	Privatization of Issues and Agencies to Evaluate		Discussion	List of agencies to review in future meetings
3/28/2007 1/3/2007	Reinventing Government	Steve Wrigley	Presentation (handouts: Reinventing Government, and White Paper on Privatization)	
	2006 Annual Report to the Governor and the Legislature	Douglas Richins	Review and discussion	
11/29/2006	Utah State Tax Commission	Rod Marrelli & Brad Simpson	Overview of programs (handouts re outsourced programs)	
10/25/2006	Human Resource Management	Jeff Herring	Presentation (handouts: DHRM, basic metrics)	

	Utah Drivers License Division	Nannette Rolfe	Presentation	
9/27/2006 8/23/2006	Convergys	Morris Applewhite	Presentation (handout) on company's business segments	Referred to DHRM and Finance
	SB74 Privatization of Government Functions Task Force Privatization Ideas	Sen. Howard Stephenson & Melva Stine	Discussion	Letters to interim committees
4/26/2006	Review of Draft Annual Report 2005		Reviewed and discussed	
	SB74 Privatization of Government Functions Task Force	Sen. Howard Stephenson	Introduced	
12/21/2005 11/23/2005	Prioritization of Discussion Items for Future Meetings		Discussion	List created
	Storage Tank Trust Fund Issue	Brad Johnson, DEQ	Update/Discussion	
	Underground Storage Tanks	Paul Ashton, Petroleum Retailers Association & Mark Ellis, Ellis Environmental	Presentation/Discussion	
9/28/2005	Department of Corrections	Scott Carver	Presentation/Discussion (handout: Privatization White Paper)	
	Petroleum Storage Tank Trust Fund Issue	Brad Johnson	Presentation/Discussion (handout: Utah Underground Storage Tank Program)	
6/22/2005	Memorandum to State Department and Division Directors		Update	
	Higher Education and Issues of Privatization	Norm Tarbox, Weber State University	Presentation	
4/27/2005 12/22/2004	Report on Privatization of Copy Services	Tanya Henrie	Presentation (handout: Outsourcing of Publishing Services - missing)	
	Proposed Legislation Regarding Privatization	Sen. Scott Jenkins	Discussion	Motion to promote Truth in Competition

				notice
	High Speed Copy Services	Douglas Richins	Discussion	Subcommittee created
11/24/2004	Annual Report	Douglas Richins	Discussion	Report approved
9/22/2004	SB22 Proposed Legislation Regarding Privatization	Sen. Scott Jenkins	Discussion	
	Finalization of Solution of Optical Industry Findings	Ted Boyer	Discussion	
8/25/2004	University of Utah Moran Eye Center	Noall Knighton, Knighton Optical	Presentation/Discussion of complaint of unfair competition (handout: UofU Moran Eye Center)	
6/23/2004	University of Utah Moran Eye Center	Noall Knighton, Knighton Optical & Dr. Randall Olsen, Moran Eye Center	Presentations/Discussion of complaint of unfair competition	
	Catering services	Maxine Turner, Cuisine Unlimited	Presentation/Discussion of complaint of unfair competition	
5/11/2004	UTOPIA		Discussion	
4/13/2004	Potential Privatization of Certain Economic Development Sales Functions	Steve Jury	Discussion	Motion to support testing a privatized pilot project on economic development
3/9/2004	Economic Development	David Harmer	Presentation/Discussion rebutting Mr. Jury's proposal	
1/13/2004	Privatizing the marketing function	Steve Jury	Presentation	
12/9/2003	Dissolution of the Board	Bill Barton	Discussion focused on unfair government competition	
	UTOPIA	Bill Barton	Discussion	
11/20/2003	Potential Privatization of Corrections' Bureau of Clinical Services	Douglas Richins	Distributed report from LFA	

	UDOT: Crack Sealing contracts	David Miles, UDOT	Presentation/Discussion	Board was satisfied with UDOT's response
10/16/2003	UDOT: Crack Sealing contracts	Shaun Heaton, Bonneville Asphalt	Presentation/Discussion	
	Dissolution of the Board	Bill Barton	Discussion	
6/17/2003 5/20/2003	Corrections: Bureau of Clinical Services	Kevin Walthers, LFA	Presentation (Handout: Feasibility of Privatizing the Bureau of Clinical Services within the Utah Department of Corrections)	
	PEHP	Lynn Baker, PEHP	Presentation	
4/15/2003	Privatization of Services for Senior Citizens	Ron Stromberg, Division of Aging Services	Presentations/Discussion	
3/18/2003	Factors that Attract or Repel Businesses	David Harmer, Department of Community and Economic Development	Presentation/Discussion	
	Privatization Assessment Workbook		Distributed	
1/14/2003	HB 302 Change in the Privatization Policy Board Statute		Distributed	
	Adoption Services		Discussion	Decided not to address
	Resolution Supporting a Change in the Privatization Policy Board Statute	Bill Barton	Discussion	Supported resolution to investigate unfair competition and removed statutory requirement for notice when agencies privatize services
	Other issues: health		Discussions	

12/10/2002 11/12/2002	care (PEHP), water management, senior citizens issues, education, pharmaceutical companies			
	Topics for future discussion: adoption services, factors that attract or repel business, health care (PEHP), water management, senior citizens issues, education, pharmaceutical companies		Discussion	
	State Auditor's involvement with quasi-governmental entities	Betsy Ross, State Auditors Office	Presentation/Discussion	
	Department of Human Services	Helen Goddard & Sheldon Elman, DHS	Presentation/Discussion	
10/8/2002 9/10/2002	Golf Courses	Mike Jerman, Utah Taxpayers Association,	Presentation/Discussion	
	Report on the Privatization of the Utah Technology Finance Corporation	Steve Grizzell	Discussion	
	Drivers Education	Verl Shell, A-1 Driving School	Presentation/Discussion	
8/13/2002 6/11/2002	Drivers Education	Judy Hamaker Mann, Utah Drivers License Division	Presentation/Discussion	
	Drivers Education	Gail Johnson, State Office of Education	Presentation/Discussion	
5/14/2002	Overview of Outsourcing by the Division of Motor	Brad Simpson & Rod Marrelli, State	Presentation/Discussion	

	Vehicles	Tax Commission		
	SJR 6 Agenda for Legislative Revenue and Taxation	Douglas Richins	Briefing	
4/9/2002	Quasi-government Agencies	Rep. Loraine Pace	Distributed flow chart	
	Letter from the Attorney General's Office		Board has jurisdiction over privatization efforts	(removed in 2008)
	Update on 2002 Legislative Session		Discussion of SJR 6 urging a study of certain tax exemptions	
1/7/2002 12/11/2001	Privatization Efforts at Salt Lake Community College	Dr. Lynn Cundiff, SLCC	Presentation addressed information technology, college bookstore, and food services	
	Legislative Task Force	Sen. Howard Stephenson	Presentation/Discussion	Support resolution to study equitable taxation
	Intent of the statute and authority of the board	Stephen Schwendiman, Attorney General's Office	Discussion	Inviting Higher Ed is not offensive to the statute
11/13/2001 2/13/2001	Overview of the Privatization Board	Douglas Richins	Presentation/Discussion	
	Utah Policy Book re Privatization		Discussion re developing a book	No quorum
1/9/2001	Utah Policy Book re Privatization		Discussion re developing a book	No quorum, but a committee was organized
6/13/2000	Department of Wildlife Resources	John Kimball	Presentation	
5/9/2000	Report of Internet Site for the Privatization Policy Board	Douglas Richins	Discussion	
	Direction and Subjects for Future Agendas		Discussion	
4/4/2000 1/11/2000	Future of the Privatization Policy Board	Jim Keeler	Discussion	No quorum
	Proposed legislation affecting the	Rep. Swallow	Update	

	Privatization Policy Board			
	Utah Transit Authority of Development Properties	Drew Chamberland	Presentation/Discussion	
12/14/1999	Utah Transit Authority	Kathryn Pett, Richard Swenson, & Jim Clark, UTA	Discussion re realty development	
	Utah Correctional Industries	Richard Clasby, Utah Correctional Industries	Report/discussion	
11/9/1999	Proposed Legislation Affecting Board	Bob Richards, SL Chamber of Commerce	Update	
	State Parks and Recreation Privatization Efforts	Courtland Nelson, Division of Parks and Recreation	Report on private concessions, service contracts, special use permits	
	Proposed Legislation Affecting Board	Bob Richards	Discussion	
10/12/1999 9/14/1999	Other Issues: Annual Report		Discussion	Submit annual report in Fall
	Government Competition Issue	Bob Richards, Salt Lake Chamber of Commerce	Presentations re websites, retail pharmacies, and Rep. Swallow to pursue similar legislation to SB 49	
	Statutes Requiring Contracting Out	Douglas Richins	Discussion of specific statutes	
	Unfair Government Competition Issue	Craig Peterson, Consulting Engineers Council of Utah	Follow-up and discussion	
6/8/1999	Privatization of Adoption Services	Robin Arnold-Williams, Department of Human Services	Update	
	Unfair Government	Corrie Lynne	Presentation of	

	Competition Issue	Player, Tahoma Companies	complaint of unfair competition	
5/11/1999	Unfair Government Competition: UDOT	Shaun Heaton, Bonneville Asphalt and Repair	Presentation	
	Annual Report		Discussion	Approve report
4/13/1999	Overview of SB49 Unfair Competition Act	Sen. Howard Stephenson	Presentation/Discussion (SB 49 had failed)	Board to send letter to Legislative Management Committee
	Annual Report		Distributed for review	
3/9/1999	Other business: Utah Correctional Industries	Rep. Nora Stephens	Discussion	
	Report on SB49 Unfair Competition Act	Douglas Richins	Report/Discussion	
	Private Prison Update	Douglas Richins	Update	
1/13/1999	Review and Finalize Annual Report		Discussion	Position papers to use format
	Press release policy	Douglas Richins & Jim Kesler	Update	It is not the role of the board to issue press releases
	Proposed Privatization of the DCED National Business Recruitment Function	David Winder, Department of Community and Economic Development	Requested approval to move ahead with privatization effort	Board approved
	Privatization of Adoption Services	Robyn Arnold-Williams, Department of Human Services	Presentation	
12/8/1998	Fairness and Taxation Resolution	Douglas Durbano	Presentation	Board approved resolution
	Motor Vehicle Licensing and Registration Position Paper	Jim Kesler	Distributed paper/discussion	
	Board policy re press releases	William Barton	Discussion	
	Tax Implications of Privatization Efforts	Byron Fisher, Salt Lake	Discussion re fuel taxes	

		School District		
	Proposed Privatization of the DCED National Business Recruitment Function	David Winder, Department of Community and Economic Development	Provide notice of intent	
11/10/1998	School Busing	Michael Hepner, Utah School Employees Association	Presentation in opposition to resolution privatizing busing	Board approved busing resolution
	Privatizing Adoptions	Les England, Adoption Advisory Council	Presentation/Discussion	
	UTA privatization efforts	Ken Montague, Utah Transit Authority	Presentation	
10/13/1998	Department of Corrections Privatization	Pete Haun, Department of Corrections	Presentation	
	Division of Youth Corrections Privatization	Gary Dalton, Division of Youth Corrections	Presentation	
9/8/1998	Statutory Impediments Research – Driver License and Motor Vehicle Registrations	Douglas Richins	Letter distributed from Driver License Division	
	Private Bus Contracting	Bill Barton	Resolutions distributed/Discussed	Resolution supporting bus contracting for school districts passed
	Statutory Impediments Research – Driver License and Motor Vehicle Registrations	Douglas Richins & Jay Dansie	Update	
8/11/1998	Annual Report	Jim Kesler	Request for input	
	Driver Licensing	Dave Beach, Department of Public Safety	Presentation	Board supports consolidating driver licensing and vehicle registration

				functions
	Corrections Facility Management	Bernie Diamond, Management and Training Corporation	Presentation	
6/9/1998	SB 180 to create a Privatize Enterprise Review Commission	Sen. Howard Stephenson	Presentation	Board supports general concept of SB 180
	Transit Services	Bill Barton & Ken Olafson	Presentation of Case for Competitive Contracting of Public Transit Services	
5/12/1998	Motor Vehicle Licensing and Registration	Several	Presentation/Discussion	
	Driver Licensing	David Beach & Bart Blackstock	Presentation	
4/14/1998	Utah State Fair Park	Donna Dahl, Utah State Fair Park	Presentation	
	School Busing	Kay Pope, Salt Lake City School District	Presentation	
1/13/1998	Environmental Testing Laboratories	Lee Eaton, Mountain States Analytical	Presentation	
	Environmental Testing Laboratories & Landfill Monitoring	Charles Brokopp, Utah Department of Health	Presentation	
	Privatization Issues Survey	Douglas Richins	Discussion	
	Privatization	David Salisbury, The Sutherland Institute	Presentation	
	Legislation affecting privatization			
12/17/1997	Potential Privatization Issues		Discussion	
	Overview of Privatization Board History and Status of Privatization in Utah	Douglas Richins	Presentation	

Meeting Minutes
Utah State Privatization Policy Board

Tuesday November 13, 2012 10:00 a.m. 450 Capitol Room, Utah State Capitol Complex, Salt Lake City,
Utah

Attendees

Gary Nielson, James Kesler, Chris Bruhn, Robin Riggs, Diana Harvey, Randy Simmons, Curtis McCarthy, Amanda Jex, Kerry Casaday, Kent Beers, Representative Johnny Anderson.

Excused

Manuel Torres, David Osborne, Kim Jones, Sherri Hayashi.

Visitors

Todd Sutton, Mike Williams.

Welcome and Introductions and Approval of Minutes

Randy Simmons, Chair conducted the meeting.

Proposal for “Private Consulting idea” – Robin Riggs

- Robin described conversations he had with certain legislatures about the staffing issues that Board has and the needs it has as well as the ideas concerning how the Board should function in regards to privatization opportunities and the steps that need to take place to accomplish what the Board views as necessary to meet their statutory obligations. This will require a bill to be processed and approved through the upcoming legislative session.
- The Board discussed the need for the proposed change and the funding that it requires. The Board agreed that this was the proper way to proceed.

Privatization of State Surplus Property, and further discussion on services provided by Fleet Operations – Senator Todd Weiler

- Senator Weiler presented to the Board the idea that Utah is the only Western state that loses money on Surplus Property sales and is an inefficient model. He suggests that a study of how other Western states are doing property sales and perhaps privatization of Surplus Property may be a better model for the state.
- The Board discussed the options and value of the idea.
- Senator Weiler also spoke about issues with Fleet Operations and how agencies struggled with the usage, management, and the sale of vehicles within their fleets.
- Sam Lee, Director of Fleet Operations, clarified program protocol and procedures.

Next Meeting

2012 Annual Report of the Free Market Protection and Privatization Board

Duty to provide annual report - UCA 63I-4a-203(1)(h)

(1) The board shall: (h)(i) prepare an annual report for each calendar year that contains: (A) information about the board's activities; (B) recommendations on privatizing an activity provided by an agency; and (C) the status of the inventory created under Part 3, Commercial Activities Inventory and Review; (ii) submit the annual report to the Legislature and the governor by no later than January 15 immediately following the calendar year for which the report is made; and (iii) each interim, provide an oral report to the Government Operations Interim Committee and the Economic Development and Workforce Services Interim Committee.

Annual report:

- The Privatization Policy Board gave its 2011 annual report to the Government Operations Interim Committee in August 2012 and posted that report (pertaining to CY 2011 activities). This report addresses the remainder of 2012 and provides an update on 2013 activities.
- In 2012, the Board met five times. Topics included:
 - reviewing services and functions of the Labor Commission, and Divisions of Archives, Risk Management, Administrative Rules, and Fleet Operations;
 - an update of the work and coordination required per House Bill 174 (2011 General Session) between the Departments of Workforce Services and Health respecting Medicaid eligibility determination services;
 - presentations concerning privatization process, competitive activities survey by the Utah League of Cities and Towns, a proposal for private consulting for staffing needs; and a proposal to privatize State Surplus Property.
- As of the end of 2012, no recommendations were made respecting privatization of an activity provided by an agency, and the status of the Services (now Commercial Activities) Inventory was in progress.

Update:

- During the 2013 General Session, the Legislature adopted and the Governor signed House Bill 94 *Free Market Protection and Privatization Board Act Amendments*. HB 94 renamed the Privatization Policy Board to the Free Market Protection and Privatization Board, changed the membership (17 members) by reducing by one the number of appointees representing the private sector in favor of adding another representative from political subdivisions, reduced the terms of appointment from 4 years to 2 years, and moved state staffing of the board from the Division of Purchasing to the Governor's Office of Management and Budget but also provided for the possibility of contracting additional private sector staff; the bill also added a second interim committee to the oral reporting requirement.
- With HB 94 taking effect, the Governor's Office of Management and Budget directed staff to the board, Governor Herbert has to date appointed or reappointed 15 (of 17) members of the board, and the board held its first meeting on July 10, 2013.
- Recast, refocused and re-staffed, the board is determined to do meaningful work with a view to privatization proposals.

- At the staffing transition, Purchasing Division completed its summary of the 2010-11 Services Inventory. The board has an expanded version of that inventory now called the **Commercial Services Inventory**. The board will continue to develop, update, and review the inventory.
- The board's website has been moved to <http://governor.utah.gov/privatization>. This report is posted there.

Respectfully submitted,

Clifford Strachan
Program Specialist
Governor's Office of Management and Budget

July 10, 2013