

SENATE BILL NO. 63

INTRODUCED BY T. BROWN

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE LEGISLATIVE AUDIT COMMITTEE'S COST-EFFECTIVENESS PRIVATIZATION REVIEW PROCESS TO INCLUDE INFORMATION PROVIDED BY THE OFFICE OF BUDGET AND PROGRAM PLANNING; AMENDING SECTION 2-8-304, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-8-304, MCA, is amended to read:

"2-8-304. Review of privatized programs. (1) If during audits of state agencies, the legislative auditor identifies programs being conducted by an agency under contract that may be administered more cost-effectively directly by the agency or identifies services performed by an agency that may be performed more cost-effectively by the private sector, the legislative auditor shall submit this information to the legislative audit committee.

(2) Members of the public, elected bargaining agents or employee representatives, elected officials, legislators, and agency directors may submit to the legislative audit committee a request to review programs being conducted under contract by an agency that may be administered more cost-effectively directly by the agency.

(3) The office of budget and program planning shall submit to the legislative audit committee, by July 1 of each odd-numbered year:

(a) a list of all programs accounted for in an enterprise fund or an internal service fund; and

(b) a request for privatization review under subsection (1) of at least two of the programs identified in subsection (3)(a), including any available information and criteria required under 2-8-303.

(4) The legislative audit committee shall review the information and requests provided under subsections (1) and (2) through (3) and may direct the legislative auditor to conduct a review of any contracted program or program administered directly by the agency, or both. The review must include a report to the legislative audit committee that includes the information required in a privatization plan under 2-8-303.

(5) The report required by subsection (4) must be provided to the legislative audit committee and



1 released to the public. Not less than 30 days after the release of the report, the legislative audit committee shall
2 conduct a public hearing on the report at which public comments and testimony must be received. Upon
3 completion of the hearing on the report, the legislative audit committee may make recommendations that it
4 believes appropriate concerning the program."

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6 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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