

## **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.
- The Board, which is appointed by the Governor and includes by statute four members of the Legislature, requests to use the Legislature's technology and resources to calendarize, record, and broadcast its meetings on the Legislature's website. The Board will continue to use the Governor's website and Utah's Public Notice Website as before.

Respectfully submitted,



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July 10, 2013