

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1379 (Chairman, Appropriations Committee, et al.)  
(Departmental - Governor's Council on Management and Productivity:  
A Public-Private Enterprise)  
Appropriations

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**State Employees - Procurement - Managed Competition - Government Services**

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This departmental bill establishes a system in which government employees compete against the private sector to provide services. The bill requires each agency to periodically review services delivered to determine if services should be procured through "managed competition." If it is determined that a service could be procured through management competition, the agency must provide written notice to the employee service unit that provides the targeted service. The service unit may develop and submit a plan to provide such services to the agency head.

If the service unit fails to submit a plan or if the agency head rejects the plan, the targeted service will be subject to managed competition. In addition, services provided to the State by a contractor may be subject to managed competition if there is a service unit in State government that provides similar services. The bill establishes a managed competition procurement process which provides that the service unit may submit a plan for consideration. A plan developed by the service unit may exempt certain employees from provisions of the State Personnel and Pensions Article.

Nothing in the bill may be construed to require an agency to conduct managed competition.

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**Fiscal Summary**

**State Effect:** Expenditures could decrease to the extent that managed competition creates a more efficient and cost effective means of providing services to the public. Any reduction in expenditures, however, cannot be reliably estimated at this time. Revenues would not be affected.

**Local Effect:** None.

**Small Business Effect:** The Department of Budget and Fiscal Planning has determined that this bill would have minimal or no economic impact on small business (attached). Fiscal Services concurs with this assessment.

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**Information Source(s):** Department of Budget and Fiscal Planning, Department of General Services

**Fiscal Note History:** First Reader - March 12, 1996

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