

SB0904/863924/1

BY: Ways and Means Committee

AMENDMENTS TO SENATE BILL 904
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Professional Development**” and substitute “**Service Contracts**”; strike beginning with “requiring,” in line 6 down through “professionals;” in line 9 and substitute “establishing the policy of the State to use public school employees to perform functions for public schools in preference to contracting with the private sector; requiring, under certain conditions, a county board of education that seeks to enter into a service contract to submit to the State Department of Education certain information to justify the need for the service contract, and to submit a certain plan of assistance for employees adversely affected by the service contract;”; strike beginning with “professional” in line 12 down through “professionals” in line 13 and substitute “public school service contracts”; and in line 16, strike “6-132” and substitute “6-1201 through 6-1204 to be under the new subtitle “Subtitle 12. “Public School Service Contracts””.

AMENDMENT NO. 2

On page 2, strike line 1 in its entirety and substitute:

“SUBTITLE 12. PUBLIC SCHOOL SERVICE CONTRACTS.

6-1201.

IN THIS SUBTITLE, “SERVICE CONTRACT” MEANS A PROCUREMENT CONTRACT FOR SERVICES THAT WILL BE PROVIDED TO A PUBLIC SCHOOL.

6-1202.

THE POLICY OF THE STATE IS TO USE PUBLIC SCHOOL EMPLOYEES TO PERFORM FUNCTIONS FOR PUBLIC SCHOOLS IN PREFERENCE TO CONTRACTING WITH THE PRIVATE SECTOR TO PERFORM THOSE FUNCTIONS.

6-1203.

A COUNTY BOARD THAT SEEKS A SERVICE CONTRACT IS EXEMPT FROM THE PREFERENCE STATED IN § 6-1202 OF THIS SUBTITLE IF:

(1) A CONFLICT OF INTEREST WOULD RESULT IF A PUBLIC SCHOOL EMPLOYEE WERE TO PERFORM THE SERVICES SPECIFIED IN THE CONTRACT;

(2) THE NATURE OF THE SERVICES MEETS STANDARDS ESTABLISHED BY EACH COUNTY BOARD FOR EMERGENCY CONTRACT PROCUREMENT;

(3) THE SERVICES CONTRACTED FOR ARE INCIDENTAL TO THE PURCHASE OR LEASE OF PERSONAL OR REAL PROPERTY; OR

(4) A CLEAR NEED EXISTS TO OBTAIN AN UNBIASED FINDING OR OPINION.

6-1204.

(A) A COUNTY BOARD THAT SEEKS TO ENTER INTO A SERVICE CONTRACT THAT IS NOT EXEMPT UNDER § 6-1203 OF THIS SUBTITLE SHALL SUBMIT TO THE DEPARTMENT THE INFORMATION REQUIRED UNDER THIS SECTION.

(B) THE COUNTY BOARD SHALL SUBMIT A DEMONSTRATION THAT THE COUNTY BOARD HAS TAKEN FORMAL AND POSITIVE STEPS TO CONSIDER ALTERNATIVES TO THE SERVICE CONTRACT, INCLUDING REORGANIZATION AND REEVALUATION OF SERVICES AND PERFORMANCE.

(C) (1) THE COUNTY BOARD SHALL SUBMIT CALCULATIONS THAT:

(I) COMPARE THE COST OF THE SERVICE CONTRACT WITH THE COST OF USING SCHOOL EMPLOYEES; AND

(II) SHOW THE SAVINGS TO THE LOCAL SCHOOL SYSTEM, OVER THE DURATION OF THE SERVICE CONTRACT, OF AT LEAST 20% OF THE CONTRACT, EXCLUSIVE OF ANY SAVINGS ATTRIBUTABLE TO A REDUCTION IN EMPLOYEE PAY OR FRINGE BENEFITS.

(2) IN CALCULATING THE COST COMPARISON REQUIRED UNDER THIS SUBSECTION, THE COUNTY BOARD SHALL INCLUDE:

(I) DIRECT COSTS, INCLUDING FRINGE BENEFITS;

(II) INDIRECT OVERHEAD COSTS, INCLUDING THE PROPORTIONAL SHARE OF EXISTING ADMINISTRATIVE SALARIES AND BENEFITS, RENT, EQUIPMENT COSTS, UTILITIES, AND MATERIALS, BUT ONLY TO THE EXTENT THAT THOSE COSTS:

1. ARE ATTRIBUTABLE SOLELY TO THE SERVICE IN QUESTION; AND

(Over)

2. WOULD NOT EXIST IF THE SERVICES WERE NOT PERFORMED BY SCHOOL EMPLOYEES;

(III) ANY CONTINUING OR TRANSITIONAL COSTS THAT WOULD BE DIRECTLY ASSOCIATED WITH CONTRACTING FOR THE SERVICES, INCLUDING UNEMPLOYMENT COMPENSATION AND THE COST OF TRANSITIONAL SERVICES; AND

(IV) ADDITIONAL COSTS OF PERFORMANCE OF SERVICES BY COUNTY BOARD EMPLOYEES, INCLUDING SALARIES AND BENEFITS OF ADDITIONAL STAFF AND THE COST OF ADDITIONAL SPACE, EQUIPMENT, AND MATERIALS NEEDED TO PERFORM THE SERVICES.

(D) (1) THE COUNTY BOARD SHALL SUBMIT A FORMAL PLAN OF ASSISTANCE FOR ALL SCHOOL EMPLOYEES WHO WILL BE ADVERSELY AFFECTED BY THE SERVICE CONTRACT.

(2) THE PLAN OF ASSISTANCE SHALL INCLUDE:

(I) EFFORTS TO PLACE AFFECTED EMPLOYEES IN VACANT POSITIONS IN THE LOCAL SCHOOL SYSTEM;

(II) PROVISIONS IN THE SERVICE CONTRACT, IF FEASIBLE, FOR THE HIRING BY THE CONTRACTOR OF DISPLACED EMPLOYEES; AND

(III) ADVANCE NOTIFICATION TO THE AFFECTED EMPLOYEES.

(E) (1) A SERVICE CONTRACT SHALL BE SUBJECT TO A DEPARTMENT AUDIT TO DETERMINE COMPLIANCE WITH PROJECTED COST SAVINGS UNDER SUBSECTION (C) OF THIS SECTION.

(2) AUDIT FINDINGS FROM AN AUDIT CONDUCTED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION SHALL BE MADE AVAILABLE TO THE PUBLIC.”.

On pages 3 and 4, strike in their entirety the lines beginning with line 21 on page 3 through line 2 on page 4, inclusive.

On page 4, strike in their entirety lines 21 through 25, inclusive.

On page 5, strike in their entirety lines 3 through 6, inclusive.