

1 A JOINT RESOLUTION authorizing and directing a comprehensive study of the
2 alternatives for performing services, functions, and activities of state government and the
3 feasibility of privatizing, consolidating, or otherwise changing these services, functions,
4 and activities to achieve cost savings.

5 WHEREAS, it is the responsibility of the legislature to ensure the most cost-
6 effective services, functions, and activities of state government to the citizens of
7 Kentucky;

8 NOW, THEREFORE,

9 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

10 ➔Section 1. The Finance and Administration Cabinet shall conduct and
11 coordinate a study of alternatives for performing the services, functions, and activities of
12 state government. This study shall require each state government department to:

13 (1) Compile a list of the services, activities, and functions of state government
14 that have been, or may be, performed through alternative means. The services identified
15 shall include information technology, medical and health services, inmate housing, food
16 services, product and program development, construction, inspections, maintenance, fleet
17 management, professional development, training, and substance abuse treatment. Initially,
18 the Finance and Administration Cabinet will consult with the Legislative Research
19 Commission to select three departments as a pilot program to establish the process and
20 outcome prior to full statewide government implementation. Each service shall include a
21 fully loaded cost of such services, functions, and activities of state government and take
22 into consideration direct and indirect costs subject to cost accounting standards
23 promulgated by the Government Accounting Standards Board. For purposes of this Joint
24 Resolution, an inherently governmental service, function, or activity means a service,
25 function, or activity that:

26 (a) Binds the Commonwealth of Kentucky to take or not to take some action by
27 contract, policy, administrative regulation, authorization, order, or otherwise;

- 1 (b) Determines, protects, and advances Commonwealth of Kentucky economic,
2 political, territorial, property, or other interests by military or diplomatic action, civil or
3 criminal judicial proceedings, contract management, or otherwise;
- 4 (c) Significantly affects the life, liberty, or property of private persons;
- 5 (d) Commissions, appoints, directs, or controls officers or employees of the
6 Commonwealth of Kentucky; or
- 7 (e) Exerts ultimate control over the acquisition, use, or disposition of the
8 property, real or personal, tangible or intangible, of the Commonwealth of Kentucky,
9 including the collection, control, or disbursement of appropriated and other
10 Commonwealth of Kentucky funds;
- 11 (2) Identify cost-effective alternatives for the performance of the services,
12 activities, and functions identified in subsection (1) of this section, including
13 privatization, on-line services, off-site locations for services, and consolidation of
14 services;
- 15 (3) As part of the study, identify the experience of other states and local
16 governments that have implemented cost-effective procurement policies delivering
17 government services by alternative means, and where possible, interview officials in other
18 states of their experiences in privatization, outsourcing, and consolidation of these
19 services;
- 20 (4) Interview state agencies involved with materials, product, and services
21 procurement regarding their concerns and experiences with the procurement of state
22 services by alternative means as identified in this study; and
- 23 (5) Identify possible legislative and administrative actions to effectuate the results
24 of the study.
- 25 ➔Section 2. The Finance and Administration Cabinet shall transmit the results of
26 the study to the Legislative Research Commission for distribution to the appropriate
27 interim joint committees or standing committees by January 1, 2018.