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October 1, 2012

Dear Members of the Senate Labor Committee:

**Re: Please Support SCS-968 (Weinberg / Turner)
Promotes Transparency & Accountability in the Privatization of Contracts**

The New Jersey State AFL-CIO supports SCS-968 and respectfully asks for your support. We commend the sponsors, Senators Weinberg and Turner, for their efforts in promoting transparency in the contracting process and accountability to taxpayers when public contracts are being privatized.

Regardless of philosophical positions on privatization, whether in support or in opposition to the concept, we can all agree that the interests of three groups: taxpayers, residents and employees, must be front and center when considering the merits of privatization. After all, these are the people who depend on the delivery of these services, depend on them as a means of making a living, and of course, pay for them. The legislation before you today seeks to implement best practices for the benefit of all three of these categories of stakeholders.

It is important to note that this legislation does not forbid the privatization of services, rather, it puts in place common sense mechanisms to ensure that savings promised to taxpayers actually materialize. This is achieved by the bill's requirement that the state agency with jurisdiction over the contract perform a cost analysis to confirm the anticipated savings presented by the private proposal. This analysis would be a requirement prior to the approval of the contract. It should be noted, that this same recommendation was made by Dick Zimmer, Chairman of the Governors Prioritization Task Force in their report issued in May, 2010. Specifically, the Zimmer report advocated for government entities to "apply a rigorous cost-benefit analysis to determine if a privatization should go forward." The bill also then requires an annual post audit if the contract was privatized to assure actual net reduction in costs and therefore realized anticipated savings to taxpayers.

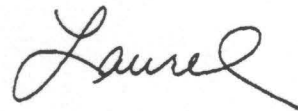
Furthermore, the bill requires additional procedures which promote transparency in the contracting process, including making the proposal available to the public. It also has employee protections, such giving qualified displaced workers the right of first refusal for jobs under the new private contract and comparable benefits and compensation rates. And finally, the bill protects taxpayers by assuring that user fees aren't added above the contract cost and requires that staffing levels are maintained at a level to assure adequate delivery of services.

This legislation is a common sense approach to ensure that taxpayers, employees and residents all benefit if a contract is privatized. We respectfully ask for your support.

Sincerely,



Charles Wowkanech
President



Laurel Brennan
Secretary-Treasurer

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