



WEEKLY REPORT

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SENATOR NODLER LEADS COMMITTEE TO STUDY HOW GOVERNMENT CAN OPERATE MORE EFFICIENTLY THROUGH PRIVATIZATION

I have been named chairman of the Subcommittee on Competition and Privatization in State Government, and this week we held our first meeting. In a budget environment like we have this year – and can expect for at least one more year – I believe it's only responsible that state government explore all possible savings and efficiencies.

The committee – which is made up of representatives from the Senate, House and private industry – will try to identify those opportunities that appear to have the best chance to give services, at reduced costs, by relying on the private sector.

The idea of privatization – the transfer of services or assets from government to private firms – has been around since the 1960s.

Prudently done, privatization gives taxpayers more for their money. It boosts productivity and retains services without raising costs.

Privatization is an excellent way to cut costs and avoid raising taxes. It is a way to reduce state spending without reducing government services.

In Kansas, for example, Secretary of State Ron Thornburgh moved all of the state's Uniform Commercial Code filings from paper to the Internet in 2001. Through partnerships with business groups, education efforts, and monitoring of costs and adoption rates for online filing, the online UCC system saw an amazing 65 percent adoption rate in the first month, and an 80 percent adoption rate by June 2002.

Here in Missouri we are not trying to reinvent the wheel. We are the Show-Me State, and with that in mind the committee is looking to the success and failures of other states as our guide.

A number of states have already turned to privatization to cut costs and improve services, including Texas, Florida, Colorado, Virginia and Pennsylvania.

Right here in Missouri, the Department of Corrections has contracted out its medical services for inmates since 1992. The Department of Conservation contracts out their cleaning services.

There's no magic formula to making privatization work but when done correctly, privatization is almost always successful and is rarely reversed.

Moving toward privatization of some state services will be a long process, which we plan to study carefully. The best interests of the people of Missouri will always be our top priority.

The committee will meet again on Dec. 15, at the State Capitol in Jefferson City. I welcome any thoughts that you have on this matter.

NOTE TO EDITORS: Now that the regular session and veto session is complete, future Capitol reports will be sporadic and sent when needed.