



# WEEKLY REPORT

State Senator Gary Nodler  
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## **LEGISLATION SPONSORED BY SEN. GARY NODLER WOULD MAKE STATE GOVERNMENT MORE EFFICIENT THROUGH PRIVATIZATION**

**JEFFERSON CITY** -- Following last November's election, political pundits noted that a new wind was blowing through the Missouri State Capitol. They were right. The 2003 Legislative Session marked the first time in more than 50 years that Republicans held the majority in both chambers of the General Assembly.

There are now 90 new members in the House, and 12 new members of the Missouri Senate. All of the new members bring fresh ideas and different outlooks. We are anxious to see real reform in Missouri.

No one wants business as usual any longer.

A number of reform measures are being considered, including legislation that I sponsored which would create a subcommittee on Competition and Privatization within the Joint Committee on Legislative Research. SCR 13 was approved by the Senate on Tuesday and has been sent to the House of Representatives.

The Subcommittee on Privatization would be charged with investigating ways to reduce costs in state government and increase quality of services to citizens through utilizing private resources within certain aspects of state government.

Most importantly, its membership would include both lawmakers and private citizens. There will be four members from the Senate, four from the House, and the remaining members will be representatives from private industry appointed by the House and the Senate. Members will begin meeting by the first Friday following the Legislature's September veto session, and will report to the General Assembly by Jan. 1, 2004 and again by Dec. 31, 2004.

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

Privatization is an excellent way to cut costs and avoid raising taxes. In Florida, for the last three years Gov. Jeb Bush has been pushing for state agencies to use privatization to reduce their budgets by at least 5 percent. Colorado, Virginia and Pennsylvania are among the other states that have successfully implemented privatization.

While cost savings usually drive privatization, there are many other benefits:

- Quality – Cities contract water and sewer utilities with private firms that can achieve compliance with environmental standards.
- Flexibility – States privatize the design and construction of new roads to avoid having idle architects and engineers sitting around on the public payroll for years between projects.
- Speed – Privatized construction of buildings and other facilities takes half as long as government-run construction projects, and private firms can set up new databases or information technology systems and deliver services much faster than government agencies.
- Access to expertise – The people with the most experience and highest technical skills can make a lot more money in the private sector than in government, so when governments need those kinds of skills, often the only way is by private contracting.
- Innovation – Competitive private firms have greater freedom to innovate and more incentive to do so than government agencies. Privatization takes advantage of innovations in everything from helping foster children find permanent homes more quickly to designing more efficient prisons.

As I mentioned earlier, no one wants business as usual in state government. We are committed to bringing about real change in Missouri. We are committed to revitalizing Missouri's economy and reinventing Missouri state government.

These changes won't happen overnight, but they will happen.

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