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importance regarding state services. The purpose of the amendment is to bring measurable objective accountability to contracts for services that have been traditionally rendered by the state. I believe it's necessary because, while privatization can be a beneficial option, especially as government seeks to shrink in size and is faced with budget restraints, without procedures that bring accountability to the process I believe it can result in a variety of evils, one of which would be private monopolies, another which would be, and most importantly, a reduction of services. Under this amendment, before services can be contracted, there must be a showing that there will be a minimum of 15 percent savings. There's been some concern voiced that 15 percent is arbitrary, that it's too broad a stroke. The savings, though, have to be measurable because there are some hidden costs to the state in privatizing. Additional costs to the state can incur because the state has to have administrative costs met for bidding and for overseeing the projects, and that's an ongoing process for the life of the contract. Problems can arise because companies underbid to get the business and then have to scabble to break even or make a profit. This causes the states additional money, as their overhead expenses increase. Out of state contractors export profits to out-of-state companies and at a loss of benefits to the citizens of Nebraska. But the greatest cost is the potential cost to the state of bringing the services back in house if the contractor doesn't do the job or does a poor job, or the contract ends and is not rebid. The state, being the final refuge of people, especially in the area of public health, has to rebuild an infrastructure that has been torn down because of the privatization. Another hidden cost is "cherry picking". Contractors will bid for the services at which they can make the greatest profit and it leaves the state to perform the least productive and most expensive tasks. Finally, there's unemployment benefits, separation benefits, COBRA benefits...COBRA costs rather, and retraining costs for displaced state workers, and it's those workers that most concern me. This amendment requires that before services can be contracted out, there has to be a showing of improvement in the quality of service. The final goal of a corporation is to maximize profit. I spent 40 years doing that. I know whereof I speak there. There's an overwhelming temptation to dilute quality in order to increase the return; to cut corners to show