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## DIGEST

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HB 570 Original

2017 Regular Session

Richard

**Abstract:** Requires a 15% reduction in the total dollar amount for professional, personal, and consulting service contracts under the jurisdiction of the office of state procurement for Fiscal Year (FY) 2017-2018 and provides for the deposit of any reductions of state general fund (direct) into the TOPS Fund.

Proposed law requires the total dollar amount for professional, personal, and consulting service contracts under the jurisdiction of the office of state procurement for FY 2017-2018 to be 15% less than the amount in the prior fiscal year.

Proposed law requires the commissioner of administration, in consultation with the office of state procurement, to periodically determine the amount of monies reduced from contracts as a result of proposed law.

Proposed law further requires, that following each determination, the commissioner of administration shall report to the state treasurer the amount of state general fund (direct) monies that are reduced as a result of implementation of proposed law and requires that these monies are deposited in and credited to the TOPS Fund.

Present law establishes the TOPS Fund in the state treasury as a special fund within the Millennium Trust. Appropriations from the TOPS Fund are restricted to the Louisiana Taylor Opportunity Program for Students (TOPS) financial assistance program.

Present law requires all cash balances from appropriations to state agencies for which no bona fide obligation exists at the end of the fiscal year to be remitted to the state treasury by the 15th day following the last day of the fiscal year.

Proposed law requires the treasurer to transfer all cash balances identified and reported by the commissioner of administration as being from unexpended and unencumbered state general fund (direct) for reductions to professional, personal, and consulting service contracts into the TOPS Fund as necessary to satisfy the requirements of proposed law.

Present law provides that if any portion of an appropriation for an annual expenditure required by present law or for a contingent expense remains unexpended at the end of the fiscal year in which the appropriation was made, the commissioner of administration shall cancel the balance of the appropriation, and in each succeeding year shall open a new account for the appropriation without carrying forward any unexpended balance from the previous fiscal year.

Proposed law requires the treasurer to transfer all cash balances identified and reported by the commissioner of administration as being from unexpended and unencumbered state general fund (direct) for reductions to professional, personal, and consulting service contracts at the end of each fiscal year into the TOPS Fund as necessary to satisfy the requirements of proposed law.

Proposed law prohibits the office of state procurement from approving any contract if such approval would increase the total dollar amount of contracts above the amount required in proposed law, unless such contract meets all of the following criteria:

- (1) Either no employee of the contracting department or agency is both competent and available to perform the services or the services are not the type readily susceptible to being performed by persons employed by the state on a continuing basis.
- (2) The services are not available as a product of a prior or existing contract.
- (3) The contracting department or agency has submitted a written plan to monitor and evaluate the performance called for in the proposed contract.
- (4) It is more cost effective to obtain the services through the contract than to have the services provided by the contracting department or agency if the department or agency can provide the services or by agreement with another state department or agency.
- (5) The contract represents a priority expenditure for state government.

Proposed law does not apply to any professional, personal, or consulting service contract of the secretary of state necessary to perform any constitutional or statutory function of the office.

Present law provides for certain determinations by the state chief procurement officer prior to the approval of proposed contracts.

Proposed law retains present law and further provides that a contract shall not be awarded to any entity for which an appropriation was enacted through a line item appropriation in the General Appropriations Act for the fiscal year in which the contract is proposed, and subsequently vetoed by the governor, for such amount or services as contained in the appropriation without prior approval of the Joint Legislative Committee on the Budget.

Effective July 1, 2017.

(Amends R.S. 39:82(A), 98.3(D), and 352; Adds R.S. 39:98.1(D)(4), 1591 and 1624(C))