

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 139** HLS 17RS 520

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 30, 2017	7:38 AM	Author: MCFARLAND
Dept./Agy.: Legislature		Analyst: Willie Marie Scott
Subject: Contracts		

PUBLIC CONTRACTS: OR SEE FISC NOTE GF EX Page 1 of 1
Requires prior approval of the Joint Legislative Committee on the Budget of requests for proposals, contracts, and cooperative endeavor agreements over a specified dollar amount.

The proposed bill requires prior review and approval by the Joint Legislative Committee on the Budget (JLCB) for cooperative endeavor agreements (CEAs) with any non-public party to the agreement; and request of proposals (RFPs) for professional, personal, consulting, or social services contracts with a total maximum compensation valued at \$15 M or more. Unless it is reviewed and approved by JLCB, the state is prohibited from appropriating or expending \$15 M or more relative to CEAs after 8/1/2017; and no contracts shall be entered into on or after 8/1/2017. No request for RFP for contracts shall be advertised unless the request has been reviewed and approved by JLCB. It further requires prior review, but not approval, for contract of more than \$15 M which must be approved by the U.S. DHHS Centers for Medicare & Medicaid Services (CMS).

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

To the extent this bill results in additional legislative committee hearings by the JLCB, it would cost \$7,488 per day for 48 members to attend meetings if they are held on a day when the JLCB is not meeting. Members would also be entitled to mileage reimbursement, which is currently \$.54 per mile. However, such costs could be eliminated if these hearings coincide with a scheduled JLCB meeting, which typically meets at least monthly.

Note: According to the Division of Administration (DOA), there are approximately 18 contracts of \$15 M or more approved each fiscal year. Approximately half (9 per year) are from agencies within the DOA (Office of Group Benefits, Office of Risk Management and Office of Technology Services) and the remaining 9 with other agencies (Department of Transportation & Development, Coastal Protection & Restoration Authority, DPS&C Corrections Services, LA Department of Health and DOA). Therefore, the fiscal impact to the Office of State Procurement should be minimal and absorbable. The fiscal impact to agencies would occur if the provisions of the proposed legislation delays or impairs an agency's ability to contractually procure an emergency need in a crisis.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director