

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 30** SLS 202ES 68
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: October 1, 2020 9:27 AM **Author:** MILLIGAN
Dept./Agy.: Schools **Analyst:** Tim Mathis
Subject: Purchase of telecommunications and video equipment

SCHOOLS EG SEE FISC NOTE LF EX See Note Page 1 of 1

Provides regarding purchase of telecommunications and video equipment by certain educational entities. (1/1/21) (Item #42)

Present law authorizes state educational agencies, postsecondary institutions, and local school systems to procure telecommunications equipment, systems, and related services. Proposed law requires purchases of telecommunications or video surveillance equipment by certain state and local educational entities to be in compliance with the National Defense Authorization Act (NDAA). Proposed law would apply to state and local educational entities, including public elementary, secondary, and postsecondary schools, institutions and governing authorities; further applies to nonprofit and proprietary schools that receive state funds.

Effective January 1, 2021.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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

There is an indeterminable expenditure impact as a result of this measure. There may be costs to the extent any state, local, nonpublic, and proprietary educational entity must revise its current procurement processes or is no longer able to contract with an existing vendor that is not in compliance with Section 889 of the Fiscal Year 2019 National Defense Authorization Act. According to the Office of Technology Services (OTS), there may be additional costs to secure an affidavit from existing contractors certifying compliance, however these are expected to be minimal. Agencies utilize all means of finance to fund operating expenses, including acquisitions.

According to the federal General Services Administration, Section 889 of the Fiscal Year 2019 National Defense Authorization Act (NDAA) includes two provisions that apply to all federal acquisitions: (1) a prohibition from purchasing telecommunications and video surveillance equipment or services manufactured or provided by five named companies and their subsidiaries or affiliates (Huawei Technologies Company; ZTE Corporation; Hytera Communications Corporation; Hangzhou Hikvision Digital Technology Company; and Dahua Technology Company); and (2) a prohibition from entering into a contract with companies that use any equipment, system, or service that uses prohibited telecom as a substantial or essential component of any system, or as critical technology as part of any system. In March 2020, the President signed the Secure and Trusted Communications Networks Act of 2019, which provided \$1 B to reimburse certain U.S. communications providers for the cost of removing and replacing communications equipment and services made or provided by entities, including certain companies based in China that are deemed to pose a national security risk.

State law defines telecommunications equipment as electronic transmission facilities, data and voice transmission systems, telephone and facsimile systems, radio paging services, mobile telephone services, intercom and electro-mechanical paging systems, and all systems based on emerging and future telecommunication technologies relative to the aforementioned items (R.S. 38:2236); includes local and wide area network systems and services, video systems and services, wireless systems and services, radio, etc. (R.S. 39:1752).

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Alan M. Boxberger
Staff Director