



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 690** HLS 14RS 300

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 4, 2014 11:19 AM	Author: BROADWATER
Dept./Agy.: Public School Districts	Analyst: Becky Ewing
Subject: Authorizes School District Purchasing Cooperatives	

PUBLIC CONTRACT/BIDS

EN SEE FISC NOTE LF EX

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Permits public school districts and schools to participate in group purchasing for materials, equipment, and supplies

Purpose of Bill: This bill authorizes public schools and public school districts to participate in purchasing cooperatives for procurement of materials, equipment, and supplies. This bill provides that a school district purchasing cooperative must follow a specific process to solicit proposals or bids from vendors, and members of the purchasing cooperative may purchase materials, equipment, and supplies in accordance with contracts submitted to the school district purchasing cooperative by a vendor.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

According to officials with the school districts of Jefferson Parish, Lafayette Parish, Ouachita Parish, and Tangipahoa Parish, there is no way to estimate the impact, if any, of this bill. These officials indicated that the decision to participate in a purchasing cooperative would depend on the costs of creating and joining the cooperative, and whether it would effectively generate savings in comparison to contracting the purchases themselves or using other options. Public school districts are currently authorized to purchase materials, equipment, and supplies using statewide contracts administered by the Office of State Purchasing as well as through certain contracts of other public school systems.

An official with the Office of State Purchasing (OSP) indicated that this bill does not have any effect on the expenditures of the OSP. According to this official, the authorization for school districts to use other cooperative purchasing options could potentially divert usage from OSP contracts; however, the loss of usage would not be significant enough to cause an increase in pricing for the OSP contracts.

REVENUE EXPLANATION

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

Senate Dual Referral Rules House 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services