

2016 First Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 2

BY REPRESENTATIVES LANCE HARRIS, AMEDEE, BACALA, BARRAS, BERTHELOT, TERRY BROWN, CONNICK, DEVILLIER, EDMONDS, EMERSON, FALCONER, GAROFALO, GISCLAIR, HAVARD, HODGES, HOFFMANN, HORTON, HOWARD, JENKINS, NANCY LANDRY, MAGEE, MCFARLAND, MIGUEZ, GREGORY MILLER, JAY MORRIS, PEARSON, PYLANT, RICHARD, SCHRODER, SEABAUGH, THIBAUT, WILLMOTT, ZERINGUE, AND MIKE JOHNSON

CONTRACTS: Directs the commissioner of administration, the commissioner of higher education, and statewide elected officials to review certain state contracts to identify any that can be terminated and report to the Joint Legislative Committee on the Budget by March 1, 2016

1 A CONCURRENT RESOLUTION

2 To direct the commissioner of administration, the commissioner of higher education, the  
3 lieutenant governor, the secretary of state, the attorney general, the treasurer, the  
4 commissioner of agriculture, the public service commission, and the commissioner  
5 of insurance to review all state contracts and identify any contracts currently in effect  
6 that can be terminated according to the terms of the contract, determine the amount  
7 of savings as a result of terminating the contract, and take such action as is necessary  
8 to initiate the termination, excluding contracts for critical healthcare services and  
9 contracts for classroom activities related to elementary and secondary education, and  
10 report to the Joint Legislative Committee on the Budget their initial findings by  
11 March 1, 2016, and all final findings by March 14, 2016.

12 WHEREAS, the state of Louisiana is facing an estimated \$940 million budget deficit  
13 in Fiscal Year 2015-2016; and

14 WHEREAS, the state of Louisiana is facing an estimated \$2.1 billion budget deficit  
15 in Fiscal Year 2016-2017; and

16 WHEREAS, solving the budget deficits in the coming years and setting the state on  
17 a path of continued fiscal responsibility will require a thorough review of all areas of state  
18 spending; and

1           WHEREAS, the office of state procurement in the division of administration is  
2 charged with oversight of the procurement of all supplies, services, major repairs, and  
3 personal, professional, consulting, and social services needed by the state; and

4           WHEREAS, the laws governing state contracts are vast and extend beyond the  
5 oversight of the office of state procurement; and

6           WHEREAS, some state contracts include language authorizing the state to terminate  
7 a contract at any time by giving thirty days written notice and making payment for all  
8 deliverables in progress; and

9           WHEREAS, given the various types of contracts and methods for entering into  
10 contracts, state agencies and systems of public postsecondary education are in the position  
11 to provide the best source of information on each contract entered into by the state; and

12           WHEREAS, the commissioner of administration directs the activities of the division  
13 of administration which comprises all administrative functions of the state; and

14           WHEREAS, the commissioner of higher education administers and implements  
15 programs and policies for the Board of Regents which plans, coordinates, and has budgetary  
16 responsibility for all public postsecondary education; and

17           WHEREAS, the lieutenant governor, the secretary of state, the attorney general, the  
18 treasurer, the commissioner of agriculture, the public service commission, and the  
19 commissioner of insurance direct the activities of and are responsible for the budgets of the  
20 agencies they oversee; and

21           WHEREAS, a review of all state contracts by the commissioner of administration,  
22 the commissioner of higher education, the lieutenant governor, the secretary of state, the  
23 attorney general, the treasurer, the commissioner of agriculture, the public service  
24 commission, and the commissioner of insurance will allow them to determine if the state has  
25 entered into any contracts that are not meeting state priorities at a reasonable cost.

26           THEREFORE, BE IT RESOLVED the commissioner of administration, the  
27 commissioner of higher education, the lieutenant governor, the secretary of state, the  
28 attorney general, the treasurer, the commissioner of agriculture, the public service  
29 commission, and the commissioner of insurance are directed to review all state contracts,  
30 identify any contracts currently in effect that can be terminated according to the terms of the

1 contract, determine the amount of savings as a result of terminating the contract, take such  
2 action as is necessary to initiate the termination, and to identify any contracts that have  
3 already been terminated this fiscal year, and to report their initial findings to the Joint  
4 Legislative Committee on the Budget by March 1, 2016 and all findings by March 14, 2016.

5 BE IT FURTHER RESOLVED, contracts for critical healthcare services and  
6 contracts for classroom activities related to elementary and secondary education shall be  
7 excluded from the requirements of this Resolution.

8 BE IT FURTHER RESOLVED that all state agencies are directed to provide  
9 information requested by the commissioner of administration.

10 BE IT FURTHER RESOLVED that all state boards and commissions are directed  
11 to provide information as requested to meet the requirements of this Resolution.

12 BE IT FURTHER RESOLVED that the board of supervisors of each public system  
13 of postsecondary education, and each public institution of postsecondary education, are  
14 directed to provide information as requested by the commissioner of higher education.

15 BE IT FURTHER RESOLVED that the commissioner of administration, the  
16 commissioner of higher education, the lieutenant governor, the secretary of state, the  
17 attorney general, the treasurer, the commissioner of agriculture, the public service  
18 commission, and the commissioner of insurance shall report to the Joint Legislative  
19 Committee on the Budget by March 1, 2016, on each contract identified for termination, the  
20 amount of savings from the termination of the contract, and whether termination has been  
21 initiated by that date, and by March 14, 2016, any additional contract identified for  
22 termination, the amount of savings from the termination of the contract, and whether  
23 termination has been initiated.

24 BE IT FURTHER RESOLVED that the commissioner of administration, the  
25 commissioner of higher education, the lieutenant governor, the secretary of state, the  
26 attorney general, the treasurer, the commissioner of agriculture, the public service  
27 commission, and the commissioner of insurance shall further report to the Joint Legislative  
28 Committee on the Budget by March 1, 2016, any contracts that would otherwise be required  
29 for termination under the requirements of this Resolution, but which they deem necessary  
30 and by March 14, 2016, any additional contracts that have been determined to be required

1 for termination under the requirements of this Resolution, but which they deem necessary  
2 to continue.

3 BE IT FURTHER RESOLVED that such report shall identify contracts that are  
4 awarded to minority and women owned businesses.

5 BE IT FURTHER RESOLVED the Joint Legislative Committee on the Budget is  
6 required to hold a meeting on or before March 1, 2016, and again on or before March 14,  
7 2016, to discuss the information reported to the committee.

8 BE IT FURTHER RESOLVED that the legislature may use the information reported  
9 to the Joint Legislative Committee on the Budget to make corresponding reductions to the  
10 Fiscal Year 2015-2016 budget.

11 BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted  
12 to the commissioner of administration, the commissioner of higher education, the lieutenant  
13 governor, the secretary of state, the attorney general, the treasurer, the commissioner of  
14 agriculture, the public service commission, and the commissioner of insurance.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HCR 2 Reengrossed

2016 First Extraordinary Session

Lance Harris

Directs the commissioner of administration, the commissioner of higher education, the lieutenant governor, the secretary of state, the attorney general, the treasurer, the commissioner of agriculture, the public service commission, and the commissioner of insurance to review all state contracts and identify any contracts currently in effect that can be terminated according to the terms of the contract, determine the amount of savings as a result of terminating the contract, take such action as is necessary to initiate the termination, excluding contracts for critical healthcare services and contracts for classroom activities related to elementary and secondary education. Requires an initial report to the Joint Legislative Committee on the Budget by March 1, 2016, and a report of all findings by March 14, 2016.

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Require boards and commissions to provide the information requested by the Resolution.
2. Change date of report to the Joint Legislative Committee on the Budget from March 1, 2016 to an initial report by March 1, 2016, and a report of all findings by March 14, 2016.

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Require that the report to the Joint Legislative Committee on the Budget identify contracts that are awarded to minority and women owned businesses.