

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 473** HLS 16RS 894

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 4, 2016	1:29 PM	Author: HENSGENS
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Ethics Standards for BESE		

ETHICS EG SEE FISC NOTE GF RV Page 1 of 1
Provides relative to certain prohibited conflicts for members of the State Board of Elementary and Secondary Education and the state superintendent of education

Proposed law further provides for additional ethical standards applicable to members and former members of the State Bd. of Elementary and Secondary Education (BESE), the state superintendent of education and the former state superintendent of education, and immediate family members and specified legal entities. Prohibits these entities from 1) bidding on, entering into, or being in any way interested in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of BESE or the Dept. of Education (DOE); 2) receiving or agreeing to receive any thing of economic value from any person who has or is seeking to obtain contractual or other business or financial relationships; 3) receiving or agreeing to receive any thing of economic value for assisting a person in a transaction, or in an appearance in connection with a transaction. Further prohibits engagement in a transaction, assisting another person in a transaction, or making an appearance in connection with a transaction involving BESE or DOE for compensation or from rendering any service on a contractual basis for a period of two years following the termination of their service.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	2016-17	2017-18	2018-19	2019-20	2020-21	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						

EXPENDITURE EXPLANATION

There is an indeterminable impact to the Board of Elementary and Secondary Education and the Department of Education as a result of the increased ethical standards for members, immediate family members, and entities in which they are an officer, director, trustee, partner, or employee, or otherwise have a financial interest. Proposed legislation could impact future contractual arrangements of the DOE by restricting entities they may contract with and/or the contracts that BESE may approve. Potential costs or savings cannot be determined at this time.

Current law prohibits certain contractual arrangements for public servants and appointed members of boards and commissions. Further, previous Board of Ethics opinions have found that BESE and the Department of Education are considered separate entities when considering contractual arrangements and potential conflict of interest. This bill would specify that for the purposes of the ethics code, BESE and DOE shall be considered a single entity and that all members of the board, as well as the superintendent shall be subject to the higher standards.

REVENUE EXPLANATION

There will be an indeterminable increase in state general fund from penalties and fines up to \$10,000 per violation. The amount will depend upon the number of members who are determined to be in violation of the standards and the amount of the fine levied and paid.

Senate Dual Referral Rules House

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| <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} |

Evan Brasseaux

Evan Brasseaux
Staff Director