

CONFERENCE COMMITTEE REPORT

SB 407

2016 Regular Session

Milkovich

June 6, 2016

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 407 by Senator Milkovich, recommend the following concerning the Reengrossed bill:

1. That Amendment Nos. 3 and 4 of the set of House Committee Amendments proposed by the House Committee on Appropriations (#5010) and adopted by the House of Representatives on June 1, 2016, be adopted.
2. That Amendment Nos. 1 and 2 of the set of House Committee Amendments proposed by the House Committee on Appropriations (#5010) and adopted by the House of Representatives on June 1, 2016, be rejected.
3. That the Legislative Bureau Amendment (#3917) proposed by the Legislative Bureau and adopted by the House of Representatives on June 1, 2016, be adopted.
4. That Amendment No. 3 of the set of House Floor Amendments proposed by Representative Gary Carter (#5091) and adopted by the House of Representatives on June 3, 2016, be adopted.
5. That Amendment Nos. 1 and 2 of the set of House Floor Amendments proposed by Representative Gary Carter (#5091) and adopted by the House of Representatives on June 3, 2016, be rejected.
6. That the set of House Floor Amendments proposed by Representative Richard (#5181) and adopted by the House of Representatives on June 3, 2016, be rejected.
7. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, change "To enact R.S. 39:1567(B)(4) and" to "To amend and reenact R.S. 39:1590 and to enact R.S. 39:1567(B)(3) and (4) and"

AMENDMENT NO. 2

On page 1, line 3, after "Internet;" insert "to provide for a Report of certain contracts for Fiscal Year 2015-2016 through Fiscal Year 2017-2018;"

AMENDMENT NO. 3

On page 1, line 8, change "R.S. 39:1567(B)(4) and" to "R.S. 39:1590 is hereby amended and reenacted and R.S. 39:1567(B)(3) and (4) and"

AMENDMENT NO. 4

On page 2, between lines 24 and 25, insert the following:

"§1590. **Approval Reporting** of certain professional, personal, and consulting services contracts for Fiscal Year 2015-2016 through Fiscal Year 2017-2018

A. In Fiscal Year 2015-2016 through 2017-2018, the commissioner of administration, in consultation with the state chief procurement officer, shall report each contract for professional, personal, and consulting services with a total dollar amount of ~~forty~~ **fifty** thousand dollars or more per year that is funded solely with state general fund (direct) or the Overcollections Fund and is for discretionary purposes to the Joint Legislative Committee on the Budget **and the Contract Services Joint Legislative Task Force** for review, ~~and approval prior to the effectiveness of the contract.~~

~~(1) If within thirty days of receipt of the contract, the Joint Legislative Committee on the Budget does not place the contract on its agenda for review and approval, the contract shall be deemed to be approved.~~

~~(2) If within thirty days of receipt of the contract, the contract is placed on the agenda for review, the Joint Legislative Committee on the Budget may take the following action:~~

~~(a) Approve the contract.~~

~~(b) Reject the contract and notify the commissioner of administration that such funds otherwise proposed for this purpose shall be deposited into the Higher Education Financing Fund as provided in R.S. 39:100.146.~~

~~(c) Recommend revisions to the contract. If the Joint Legislative Committee on the Budget recommends revisions to the contract, the contract shall not become effective until it is revised, resubmitted to the Joint Legislative Committee on the Budget, and acted upon again by the committee. If the commissioner of administration, in consultation with the state chief procurement officer, does not resubmit the contract to the Joint Legislative Committee on the Budget within thirty days after the committee recommends revisions to the contract, the contract shall be deemed to be rejected and funds otherwise proposed for this purpose shall be deposited into the Higher Education Financing Fund as provided in R.S. 39:100.146.~~

~~B.(1) The commissioner of administration, in consultation with the state chief procurement officer, shall periodically determine the amount of monies appropriated for professional, personal, and consulting service contracts that are not approved by the Joint Legislative Committee on the Budget and remain unexpended and unencumbered as a result of implementation of this Section. Such determination shall take place on the following dates in fiscal years 2015-2016, 2016-2017, and 2017-2018:~~

~~(a) September thirtieth.~~

~~(b) December thirty-first.~~

~~(c) March thirty-first.~~

~~(d) June thirtieth.~~

~~(2) Following each determination required pursuant to the provisions of this Subsection, the commissioner of administration shall report to the state treasurer the amount of state general fund (direct) and Overcollections Fund monies appropriated for professional, personal, and consulting service contracts that are expected to remain unexpended and unencumbered at the end of the fiscal year as a result of implementation of this Section. These monies shall be available for deposit in and credit to the Higher Education Financing Fund as provided for in R.S. 39:100.146.~~

~~C. Notwithstanding any provision of law to the contrary, this Section shall not apply to the following professional, personal, or consulting service contracts:~~

~~(1) Contracts of the secretary of state necessary to perform any constitutional or statutory function of the office.~~

(2) All contracts to implement the programs of the Department of Health and Hospitals funded pursuant to Title XIX, Title XX, and Title XXI of the Social Security Act or funded fully or partially by federal funds.

(3) Contracts with state or local providers of indigent defender services necessary to perform any constitutional or statutory function.

(4) Contracts of a district attorney necessary to perform any constitutional, discretionary, or statutory function of the office, or to perform services under the child support enforcement program administered by the Department of Children and Family Services in accordance with the federal requirements of Title IV-D of the Social Security Act and corresponding state laws and regulations."

Respectfully submitted,

Senators:

Representatives:

Senator John Milkovich

Representative Jerome Richard

Senator Eric LaFleur

Representative Cameron Henry

Senator Karen Carter Peterson

Representative Gary Carter

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay Lueckel.

CONFERENCE COMMITTEE REPORT DIGEST

SB 407

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Keyword and summary of the bill as proposed by the Conference Committee

PUBLIC CONTRACTS. Requires publication of certain contracts and reports on the Internet by the division of administration and the Joint Legislative Committee on the Budget, and creates the Contract Services Joint Legislative Task Force which is authorized to study and make annual assessments of state contracts. (7/1/16)

Report adopts House amendments to:

1. Provides sunset of the Contract Services Joint Legislative Task Force (Task Force) on June 30, 2020.
2. Relative to reporting requirements for the state chief procurement officer, including annual reports, proposed law specifies the information that shall be contained in the annual report published by the division of administration and displayed on the website for public access.
3. Provides for reporting on certain contracts through Fiscal Year 2017-2018 by the Joint Legislative Committee on the Budget and the Task Force

Report rejects House amendments which would have:

1. Added state agency expenditure reporting and periodic audit requirements.
2. Added provisions creating the Contract Services Subcommittee of the Joint Legislative Committee on the Budget (JLCB) and provided for the duties and functions of the Subcommittee.
3. Restored "approval" requirement for JLCB relative to contract review provisions.
4. Expanded the scope of contracts subject to JLCB review and approval by including all means of financing and certain types of contracts.
5. Reduced the time required for JLCB to act on contracts subject to review from 30 days to 10 days.

Report amends the bill to:

1. Make certain technical title corrections.
2. Provide for the reporting of certain professional, personal, and consulting service contracts through Fiscal Year 2017-2018.

Digest of the bill as proposed by the Conference Committee

Present law provides for reporting requirements for the state chief procurement officer, including annual reports.

Proposed law retains present law and provides that information on all contracts and the information contained in the annual report shall be published on the division of administration's website for access and ease of use.

Proposed law creates the Contract Services Joint Legislative Task Force (task force) which is authorized to study, review, and make assessments on contracts.

Proposed law provides that the task force shall be composed of four members of the Senate, appointed by the Senate president, and four members of the House of Representatives, appointed by the House speaker.

Proposed law provides the task force shall meet no more than five days per fiscal year and may review all contracts for supplies, materials, services, major repairs, personal, professional, and other service contracts with an annual amount of \$50,000 or more. The task force may review the processes by which these contracts are negotiated, drafted, procured, and executed. Additionally, the task force may study any other contracts determined to be relevant to the mission of the task force.

Proposed law further states the Senate president shall appoint a senator to chair the first meeting until officers can be elected from among the task force membership at the first meeting, which shall take place no later than 30 days after the effective date of the Act, and that a quorum of task force members shall be needed to conduct business.

Proposed law further states the task force shall report annually to the Senate president, the House speaker, and the governor no later than 60 days before the regular session regarding any recommendations relative to any specific contracts or contract procedures that may require administrative action or may require legislative action.

Proposed law amends section of law which provides for the reporting of certain professional, personal, and consulting service contracts through Fiscal Year 2017-2018.

Proposed law provides that the provisions of law relative to the Contract Services Joint Legislative Task Force shall become void on June 30, 2020.

Effective July 1, 2016.

(Amends R.S. 39:1590; adds R.S. 39:1567(B)(3) and (4) and (F))