LEGISLATIVE FISCAL OFFICE
Fiscal Note

Date: June 4, 2022 6:52 AM		**Author:** MILLIGAN
Dept./Agy.: Division of Administration		
Subject: Reporting requirements of foreign source gifts and contracts		**Analyst:** Tim Mathis

CONTRACTS   EN +$576,049 GF EX See Note   Page 1 of 1

Provides for foreign sources to fund certain gifts and contracts to the state or political subdivisions. (1/1/23)

<u>Proposed law</u> requires any state agency or political subdivision to disclose any gift or grant valued at $50,000 or more directly or indirectly received from any foreign source to the Division of Administration (DOA). Requires any entity that applies to a state agency or political subdivision for a grant or proposes a contract valued at $100,000 or more to disclose any current or prior interest from a foreign country of concern and other pertinent information. The DOA may publish the information online. Requires any entity identified as being subject to any government sanctions, embargoes or other restrictions to be included on the online procurement system and for the DOA to ensure purchasers are able to access all disclosures. Provides for the DOA to investigate any allegations of violations of the proposed law. Effective January 1, 2023.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	$576,049	$211,627	$219,508	$236,229	$245,094	**$1,488,507**
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	**$576,049**	**$211,627**	**$219,508**	**$236,229**	**$245,094**	**$1,488,507**

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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

The proposed bill will result in increased state costs for the Office of Technology Services (OTS) to develop a system for state agencies and political subdivisions to disclose any interactions they have with entities connected to foreign countries of concern and for the Division of Administration (DOA) to hire staff to review and enforce the reporting process.

The Office of State Procurement (OSP) and OTS plan to expand existing IT infrastructure to allow contractors to disclose the nature and extent of transcactions with foreign countries of conern. Demographics reporting required by state law is currently disclosed through the LaGov Vendor Profile Data Self-Service system maintained by OTS. OTS would expand the Vendor Profile Data system to include the compliance requirements of the proposed legislation. Based on the costs to develop a similar module, OTS estimates these upgrades will result in a one-time cost of $372,000.

The proposed legislation further tasks the DOA with receiving reports, enforcing reporting, gathering and investigating records, and other administrative tasks that will require an estimated $204,049. This includes $189,449 for two (2) positions, an Auditor 4 ($72,010 salary and $37,340 related benefits) and a Compliance Inspector 3 ($51,345 salary and $28,754 related benefits); and $14,600 for associated operating services and equipment, such as travel, supplies, and laptops.

REVENUE EXPLANATION

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

Senate	Dual Referral Rules	House
☒ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☒ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {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}

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