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## DIGEST

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HB 30 Original

2015 Regular Session

Richard

**Abstract:** Provides for reporting, review, and approval by the Joint Legislative Committee on the Budget (JLCB) of all contracts for professional, personal, and consulting services totaling \$40,000 or more per year which are funded solely with state general fund (direct) or Overcollections Fund.

Proposed law creates the Higher Education Financing Fund and deposits into the fund all cash balances identified and reported by the commissioner of administration on a quarterly basis as being from unexpended and unencumbered state general fund (direct) or Overcollections Fund appropriations for contracts for professional, personal, and consulting services under the jurisdiction of the office of contractual review not approved by the JLCB at the end of each fiscal year to satisfy the requirements of proposed law. Monies in the fund shall be appropriated and used solely for public postsecondary education institutions.

Present law requires all cash balances from appropriations to state agencies for which no bona fide obligation exists at the end of the fiscal year to be remitted to the state treasury by the 15th day following the last day of the fiscal year. Present law further provides that prior to depositing the unexpended appropriations into the state general fund, the treasurer shall make deposits into the Payments Towards the UAL Fund as is necessary to satisfy present law.

Proposed law requires the treasurer to transfer all cash balances identified and reported by the commissioner of administration as being from unexpended and unencumbered state general fund (direct) or Overcollections Fund appropriations for professional, personal, and consulting service contracts not approved by the JLCB at the end of each fiscal year into the Higher Education Financing Fund as are necessary to satisfy the requirements of proposed law and then make deposits into the Payments Towards the UAL Fund as required by present law.

Present law provides that if any portion of an appropriation for an annual expenditure required by present law or for a contingent expense remains unexpended at the end of the fiscal year in which the appropriation was made, the commissioner of administration shall cancel the balance of the appropriation, and in each succeeding year shall open a new account for the appropriation without carrying forward any unexpended balance from the previous fiscal year. Present law further provides that prior to depositing the unexpended appropriations into the state general fund, the treasurer shall make deposits into the Payments Towards the UAL Fund as are necessary to satisfy present law.

Proposed law requires the treasurer to transfer all cash balances identified and reported by the commissioner of administration as being from unexpended and unencumbered state general fund

(Direct) or Overcollections Fund appropriations for professional, personal, and consulting service contracts at the end of each fiscal year into the Higher Education Financing Fund as are necessary to satisfy the requirements of proposed law and then make the deposits into the Payments Towards the UAL Fund as required by present law.

Proposed law for FY 14-15 through FY 16-17, establishes a process that all contracts for professional, personal, and consulting services totaling \$40,000 or more per year which are funded solely with the state general fund (direct) or the Overcollections Fund and are for discretionary purposes are reported, reviewed, and approved by the JLCB.

Proposed law provides that if within 30 days of receipt of the contract, the JLCB does not place the contract on its agenda for review and approval, the contract shall be deemed to be approved. If the contract is placed on the agenda for review and approval within 30 days of receipt, the JLCB may either approve the contract, recommend revisions to the contract, or reject the contract and notify the commissioner of administration that such funds shall be deposited into the Higher Education Financing Fund.

Proposed law provides that if the JLCB recommends revisions to the contract, the contract shall not become effective until it is revised, resubmitted to the JLCB, and acted upon by the committee. If the contract is not resubmitted within 30 days after the committee recommends revisions, the contract shall be deemed to be rejected.

Proposed law exempts the following professional, personal, or consulting service contracts from the provisions of proposed law:

- (1) Contracts of the secretary of state necessary to perform any constitutional or statutory function of the office.
- (2) Contracts to implement programs of the Dept. of Health and Hospitals that are funded pursuant to Titles 19, 20, and 21 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.

The provisions of proposed law shall become null, void, and of no effect on July 1, 2018.

Effective July 1, 2015.

(Amends R.S. 39:82(A) and 352; Adds R.S. 39:100.146, 1567(E), and 1590)