

2017 Regular Session

HOUSE BILL NO. 570

BY REPRESENTATIVE RICHARD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PUBLIC CONTRACTS: Provides for a 15% reduction of all state professional, personal, and consulting service contracts and for deposit of the reductions into the TOPS Fund

1 AN ACT

2 To amend and reenact R.S. 39:82(A), 98.3(D), and 352 and to enact R.S. 39:98.1(D)(4),
3 Subpart G of Part II of Chapter 17 of Subtitle III of Title 39 of the Louisiana Revised
4 Statutes of 1950, to be comprised of R.S. 39:1591, and 1624(C), relative to
5 professional, personal, and consulting services procurement; to require a reduction
6 in the dollar amount of certain professional, personal, and consulting service
7 contracts; to provide for the submission of periodic reports; to provide for
8 exceptions; to provide for deposit into the TOPS Fund; to provide for certain
9 conditions of contract approval; to provide for an effective date; and to provide for
10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 39:82(A), 98.3(D), and 352 are hereby amended and reenacted and
13 R.S. 39:98.1(D)(4), Subpart G of Part II of Chapter 17 of Subtitle III of Title 39 of the
14 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:1591, and 1624(C) are
15 hereby enacted to read as follows:

16 §82. Remission of cash balances to the state treasurer; authorized withdrawals of
17 state monies after the close of the fiscal year

18 A. All cash balances occurring from appropriations made by legislative act
19 or by the Interim Emergency Board regardless of date of passage to any state agency

1 for which no bona fide liability exists on the last day of each fiscal year shall be
 2 remitted to the state treasurer by the fifteenth day following the last day of the fiscal
 3 year. Any appropriations including those made by the Interim Emergency Board of
 4 the preceding fiscal year remaining at the end of the fiscal year against which bona
 5 fide liabilities existed as of the last day of the fiscal year may be withdrawn from the
 6 state treasury during the forty-five day period after the last day of the fiscal year only
 7 as such liabilities come due for payment. Prior to placing monies associated with
 8 such unexpended appropriations into the state general fund, the state treasurer shall
 9 transfer all cash balances identified and reported by the commissioner of
 10 administration as being from ~~unexpended and unencumbered state general fund~~
 11 ~~(direct) and Overcollections Fund appropriations for professional, personal, and~~
 12 ~~consulting service contracts not approved by the Joint Legislative Committee on the~~
 13 ~~Budget as provided in R.S. 39:1590 and remaining at the end of each fiscal year for~~
 14 ~~deposit in and credit to the Higher Education Financing Fund as are necessary to~~
 15 ~~satisfy the requirements of R.S. 39:100.146, and then shall make deposits to the~~
 16 ~~Payments Towards the UAL Fund as are necessary to satisfy the requirements of~~
 17 ~~R.S. 39:100.11~~ state general fund (direct) from reductions to professional, personal,
 18 and consulting services contracts as provided in R.S. 39:1591 and remaining at the
 19 end of each fiscal year for deposit in and credit to the TOPS Fund as required by R.S.
 20 39:98.1(D).

21 * * *

22 §98.1. Creation of Funds

23 * * *

24 D.

25 * * *

26 (4) The state treasurer is directed to deposit into the fund an amount equal
 27 to any money identified and reported by the commissioner of administration as being
 28 from state general fund (direct) appropriations from reductions to contracts for

1 ~~deposits to the Payments Towards the UAL Fund as are necessary to satisfy the~~
 2 ~~requirements of R.S. 39:100.11~~ state general fund (direct) from reductions to
 3 professional, personal, and consulting services contracts as provided in R.S. 39:1591
 4 and remaining at the end of each fiscal year for deposit in and credit to the TOPS
 5 Fund as required by R.S. 39:98.1(D).

6 * * *

7 SUBPART G. REDUCTION OF CONTRACTS FOR FISCAL YEAR 2017-2018

8 §1591. Reduction of contracts for Fiscal Year 2017-2018

9 A.(1) The total dollar amount for professional, personal, and consulting
 10 service contracts under the jurisdiction of the office of state procurement for Fiscal
 11 Year 2017-2018 shall be fifteen percent less than the total dollar amount for such
 12 contracts for Fiscal Year 2016-2017.

13 (2) The commissioner of administration, in consultation with the office of
 14 state procurement, shall periodically determine the amount of monies reduced from
 15 contracts as a result of this Section. Such determination shall take place on
 16 September 30, 2017, December 31, 2017, March 31, 2018, and June 30, 2018.

17 (3) Following each determination required pursuant to the provisions of this
 18 Subsection, the commissioner of administration shall report to the state treasurer the
 19 amount of state general fund (direct) monies appropriated for professional, personal,
 20 and consulting service contracts that is reduced as a result of implementation of this
 21 Section. These monies shall be available for deposit in and credit to the TOPS Fund
 22 as provided for in R.S. 39:98.1.

23 B. The office of state procurement shall not approve any contract if such
 24 approval would increase the total dollar amount of contracts above the limit
 25 established in Subsection A of this Section, unless such contract meets all of the
 26 following criteria:

27 (1) Either no employee of the contracting department or agency is both
 28 competent and available to perform the services called for by the proposed contract

1 or the services called for are not the type readily susceptible to being performed by
2 persons who are employed by the state on a continuing basis.

3 (2) The services are not available as a product of a prior or existing contract.

4 (3) The contracting department or agency has submitted to the office of state
5 procurement a written plan to monitor and evaluate the performance called for in the
6 proposed contract.

7 (4) It is more cost effective to obtain the proposed services through the
8 contract than to have the services provided by the contracting department or agency
9 if the department or agency can provide the services or by agreement with another
10 state department or agency.

11 (5) The commissioner of administration determines that the proposed
12 contract represents a priority expenditure for Louisiana state government.

13 C. Notwithstanding any provision of law to the contrary, this Section shall
14 not apply to any professional, personal, or consulting service contract of the secretary
15 of state necessary to perform any constitutional or statutory function of the office.

16 * * *

17 §1624. Approval of contract; penalties

18 * * *

19 C. A contract for professional, personal, or consulting services shall not be
20 awarded to any entity for which an appropriation was enacted through a line item
21 appropriation in the General Appropriations Act for the fiscal year in which the
22 contract is proposed, and was subsequently vetoed by the governor, for such amount
23 or services as contained in the appropriation without prior approval of the Joint
24 Legislative Committee on the Budget.

25 Section 2. This Act shall become effective on July 1, 2017; if vetoed by the governor
26 and subsequently approved by the legislature, this Act shall become effective on July 1,
27 2017, or on the day following such approval by the legislature, whichever is later.

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)]

HB 570 Original

2017 Regular Session

Richard

Abstract: Requires a 15% reduction in the total dollar amount for professional, personal, and consulting service contracts under the jurisdiction of the office of state procurement for Fiscal Year (FY) 2017-2018 and provides for the deposit of any reductions of state general fund (direct) into the TOPS Fund.

Proposed law requires the total dollar amount for professional, personal, and consulting service contracts under the jurisdiction of the office of state procurement for FY 2017-2018 to be 15% less than the amount in the prior fiscal year.

Proposed law requires the commissioner of administration, in consultation with the office of state procurement, to periodically determine the amount of monies reduced from contracts as a result of proposed law.

Proposed law further requires, that following each determination, the commissioner of administration shall report to the state treasurer the amount of state general fund (direct) monies that are reduced as a result of implementation of proposed law and requires that these monies are deposited in and credited to the TOPS Fund.

Present law establishes the TOPS Fund in the state treasury as a special fund within the Millennium Trust. Appropriations from the TOPS Fund are restricted to the Louisiana Taylor Opportunity Program for Students (TOPS) financial assistance program.

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.

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) for reductions to professional, personal, and consulting service contracts into the TOPS Fund as necessary to satisfy the requirements of proposed 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.

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) for reductions to professional, personal, and consulting service contracts at the end of each fiscal year into the TOPS Fund as necessary to satisfy the requirements of proposed law.

Proposed law prohibits the office of state procurement from approving any contract if such approval would increase the total dollar amount of contracts above the amount required in proposed law, unless such contract meets all of the following criteria:

- (1) Either no employee of the contracting department or agency is both competent and available to perform the services or the services are not the type readily susceptible to being performed by persons employed by the state on a continuing basis.
- (2) The services are not available as a product of a prior or existing contract.
- (3) The contracting department or agency has submitted a written plan to monitor and evaluate the performance called for in the proposed contract.
- (4) It is more cost effective to obtain the services through the contract than to have the services provided by the contracting department or agency if the department or agency can provide the services or by agreement with another state department or agency.
- (5) The contract represents a priority expenditure for state government.

Proposed law does not apply to any professional, personal, or consulting service contract of the secretary of state necessary to perform any constitutional or statutory function of the office.

Present law provides for certain determinations by the state chief procurement officer prior to the approval of proposed contracts.

Proposed law retains present law and further provides that a contract shall not be awarded to any entity for which an appropriation was enacted through a line item appropriation in the General Appropriations Act for the fiscal year in which the contract is proposed, and subsequently vetoed by the governor, for such amount or services as contained in the appropriation without prior approval of the Joint Legislative Committee on the Budget.

Effective July 1, 2017.

(Amends R.S. 39:82(A), 98.3(D), and 352; Adds R.S. 39:98.1(D)(4), 1591 and 1624(C))