

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 142 by Representative Richard

PUBLIC CONTRACTS: 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.

Synopsis of Senate Amendments

1. Changes the bill from one which requires the reduction of no less than 10% of the total dollar amount of professional, personal, and consulting contracts for FY 2014-2015 to one which establishes, for FY 2014-2015 through 2016-2017, a process for reporting, reviewing, and approving 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 and are for discretionary purposes.
2. Provides that funding for contracts not approved by the Joint Legislative Committee on the Budget shall be deposited into the Higher Education Financing Fund.
3. Deletes exception from proposed law for contracts with Medicaid providers and adds exceptions for contracts to implement certain programs of the Dept. of Health and Hospitals that are funded pursuant to certain provisions of the Social Security Act or funded fully or partially by federal funds, contracts with certain state or local providers of indigent defender services, and certain contracts of district attorneys.
4. Changes recipient of a monthly report required by proposed law summarizing each contract from the House Committee on Appropriations to the Joint Legislative Committee on the Budget and adds requirement that the report indicate if the contract is for discretionary or non-discretionary purposes.
5. Adds requirement that the state treasurer annually report the actual costs of issuance of bonds, notes, or other issuances of indebtedness approved and paid by the State Bond Commission to certain legislative committees.
6. Adds termination date of July 1, 2017, for the provisions of proposed law to become null, void, and of no effect; however, the provisions of proposed law requiring reporting on the costs of issuance of bonds, notes, or other issuances of indebtedness.

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 Joint Legislative Committee on the Budget (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 that all cash balances from appropriations to state agencies for which no bona fide obligation exists at the end of the fiscal year 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 establishes in FY 2014-2015 through 2016-2017, 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 requires the commissioner of administration, in consultation with the director of the office of contractual review, to periodically determine the amount of monies appropriated for professional, personal, and consulting service contracts that are not approved by the JLCB as a result of implementation of proposed law. Further provides that such determinations shall take place quarterly in FY 2014-2015, 2015-2016, and 2016-2017.

Proposed law provides that following each determination, the commissioner of administration shall report to the state treasurer on the amount of State General Fund (Direct) or Overcollections Fund monies appropriated for professional, personal, and consulting service contracts expected to remain unexpended and unencumbered at the end of the fiscal year. These monies shall be deposited into and credited to the Higher Education Financing Fund as provided for in proposed law.

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.

Present law requires the director of the office of contractual review to prepare an annual report on January first of each year on all professional, personal, consulting, social services, and other contracts over which the office of contractual review has authority. The annual report shall be compiled on a fiscal year basis and include descriptive and statistical data regarding the number and amounts of such contracts by type of service.

Proposed law retains present law and further provides that the director submit a report at the end of each month to the JLCB summarizing each contract, including the dollar value of each contract awarded that month over which the office of contractual review has power and authority. Proposed law requires the report to indicate for each contract if it is for a discretionary purpose or if it is for a non-discretionary purpose.

Present law requires issuers of indebtedness sold or approved by the State Bond Commission to report the cost of issuing bonds, notes, or other issuances of indebtedness to the State Bond Commission.

Proposed law retains present law and further provides that beginning on October 1, 2015, the state treasurer shall submit an annual report to the Senate Committee on Finance, the Senate Committee on Revenue and Fiscal Affairs, the House Committee on Appropriations, and the House Committee on Ways and Means that includes and summarizes the actual costs of issuance of bonds, notes, or other issuances of indebtedness approved and paid by the State Bond Commission during the previous fiscal year.

Except for the provision requiring reporting on the actual costs of issuance of bonds, notes, or other issuances of indebtedness approved and paid by the State Bond Commission, the provisions of proposed law shall become null, void, and of no effect on July 1, 2017.

Effective July 1, 2014.

(Amends R.S. 39:82(A), 352, and 1489; Adds R.S. 39:100.146, 1405.4(I), and 1493.11)