



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 865** HLS 14RS 173

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 27, 2014 3:24 PM	Author: RICHARD
Dept./Agy.: Division of Administration (DOA)/Economic Development	
Subject: Cooperative Endeavor Agreements (CEA)	Analyst: Travis McIlwain

PUBLIC CONTRACTS

OR NO IMPACT See Note

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Provides for content, review, approval, and monitoring of certain cooperative endeavor agreements and contracts

Proposed bill provides for all government entities to submit all cooperative endeavor agreements (CEA) that are not with another governmental entity and that require the expenditure of public funds to the office of contractual review (OCR) for review and approval 45 days prior to effective start date of agreement. This bill provide that each CEA shall contain a plan to monitor compliance with the agreement terms and written reports shall be provided to the governmental body at least every 6 months concerning use of funds. This bill provides for each CEA shall contain provisions that conditions the agreement on the availability of sufficient funds to fulfill the obligations of the governmental body under the agreement and approval of OCR. This bill provides that agreements with nongovernmental entities for economic development purposes shall contain specific goals sought to be achieved by the entity and methods for reimbursement to the state if those goals are not met. Proposed bill provides for specific requirements of agreements based on legislative appropriation, authorization for a nongovernmental entity to make grants and where the state provides a guarantee or credit enhancement.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Although the proposed bill places in statute additional responsibilities of the Division of Administration (DOA), this legislation will ultimately have no impact. This bill merely places in law language from Executive Orders BJ 2008 - 29 and BJ 2008 - 30, which provide for accountability for line item appropriations and cooperative endeavor agreements.

Additional information requirements specified in this bill that are not included in the executive orders include: certification of no existing audit findings, certification that the entity’s bylaws comply with open meetings laws and public records laws, certification that the entity shall agree to any audits regarding the expenditure of appropriated funds.

NOTE: Pursuant to R.S. 49:215(C), each executive order issued by the governor shall terminate on the date provided in the order, a subsequent order or if no such termination date is provided, the order shall terminate 60 days following adjournment for the regular legislative session after the issuing governor leaves office.

REVENUE EXPLANATION

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