PUBLIC CONTRACTS. Provides for certain fiscal years for Joint Legislative Committee on the Budget approval of all professional, personal, and consulting services contracts with total dollar amount of $40,000 or more funded by State General Fund (Direct) or Overcollections Fund and which are for a discretionary purpose.

DIGEST

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 not approved by the Joint Legislative Committee on the Budget under the jurisdiction of the office of contractual review at the end of each fiscal year to satisfy the requirements of proposed law. Proposed law further provides that 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 fifteenth 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 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 item of expenditure that occurs annually by provision of law or for contingent expense remains unexpended at the end of the fiscal year in which the appropriation was made, the commissioner of administration is required to cancel any balance of the appropriation, and in each succeeding year shall open a new account for the appropriation for that particular year without carrying forward any unexpended balance of appropriation for 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 provides that in FY 2014-2015 through 2016-2017, all contracts for professional, personal, and consulting services with a total dollar amount of forty thousand dollars or more per year which are funded solely with the State General Fund (Direct) or the Overcollections Fund and are for discretionary purposes shall be reported to the Joint Legislative Committee on the Budget for review and approval. If within thirty days of receipt of the contract, the Joint Legislative Committee on the Budget does not place the contract on its agenda for review and approval, the contract shall be deemed to be approved.
Proposed law further provides that if within thirty days of receipt of the contract, the contract is placed on the agenda for review and approval, it shall require the approval of the Joint Legislative Committee on the Budget in a vote of the committee in open meeting. The Joint Legislative Committee on the Budget may either approve the contract, reject the contract and notify the commissioner of administration that such funds otherwise proposed for this purpose be deposited into the Higher Education Financing Fund, or the Joint Legislative Committee on the Budget may recommend revisions to the contract.

Proposed law provides that if the Joint Legislative Committee on the Budget recommends revisions to the contract, the contract shall not become effective until it is revised, resubmitted to the Joint Legislative Committee on the Budget, and acted upon by the committee. If the contract is not resubmitted to the Joint Legislative Committee on the Budget within thirty days after the committee recommends revisions to the contract, 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 Joint Legislative Committee on the Budget as a result of implementation of proposed law. Further provides that such determination 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 treasurer on the amount of direct state general fund monies appropriated for professional, personal, and consulting service contracts expected to remain unexpended and unencumbered at the end of the fiscal year as a result of implementation of proposed law. These monies shall be deposited into and credited to the Higher Education Financing Fund as provided for in proposed law.

Proposed law exempts professional, personal, or consulting service contracts of the secretary of state which are necessary to perform any constitutional or statutory function of the office and all contracts to implement the programs of DHH that are funded pursuant to Titles XIX, XX, and XXI of the Social Security Act or funded fully or partially by federal funds from the provisions of proposed law.

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 power and authority. The annual report shall be compiled on a fiscal year basis and consist of summary descriptive and statistical data regarding the number and amounts of such contracts by type of service.

Proposed law adds a requirement that the director submit a report at the end of each month to the Joint Legislative Committee on the Budget 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 is for a discretionary purpose or if it is for a non-discretionary purpose.

Provisions of Act 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, and 1493.11)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Provided an exception from the contract reduction requirements for Medicaid provider contracts.
House Floor Amendments to the engrossed bill.

1. Technical amendments.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Requires approval of the Joint Legislative Committee on the Budget of all contracts for professional, personal, and consulting services with a total dollar amount of $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. Changes recipient of director of contractual review's monthly report from House Committee on Appropriations to Joint Legislative Committee on the Budget.


5. Removes provisions regarding reduction by at least ten percent of total dollar amount of professional, personal, and consulting contracts in FY 2014-2015.

6. Removes provisions prohibiting the office of contractual review from approving contracts which increase the total dollar amount of contracts above the reduced amount unless the contract meets certain criteria.

7. Revises provision regarding exception from Act for Medicaid contracts.

8. Provides Act is no longer effective on July 1, 2017.