This legislation provides that for FY 15 through FY 17 all contracts for professional, personal and consulting services with a total dollar value of $40,000 or more per year that are funded solely with SGF or the Overcollections Fund and are for discretionary purposes shall be reported to the Joint Legislative Committee on the Budget (JLCB) for review and approval. The proposed bill provides that if within 30 days of receipt of the contract, the JLCB does not place the contract on its agenda, the contact shall be deemed to be approved. Proposed bill provides that if the contract is placed on the agenda for review and approval, the JLCB may either approve the contract, reject the contract and notify the commissioner of administration that such funds be deposited into the newly created Higher Education Financing Fund or the JLCB may recommend revisions to the contract. Proposed bill provides for the commissioner to report quarterly each fiscal year as to the amount of monies appropriated for professional, personal and consulting service contracts that remain unexpended and unencumbered as a result of implementing this legislation. Proposed legislation provides for a sunset of law effective July 1, 2017. Proposed bill provides that beginning October 1, 2015, and every year thereafter that the state treasurer shall submit an annual report to the fiscal committees that summarizes the actual costs of issuance of bonds, notes of indebtedness approved and paid by the State Bond Commission. Proposed bill exempts contracts with state or local providers of indigent defender services and contracts of a district attorney who is performing services under the child support enforcement program and all contracts that implement programs of DHH. These additional exclusions will likely result in fewer contracts being reviewed by legislative staff.

These contract reviews are anticipated during the committee's regular meeting schedule. To the extent the contract reviews cannot be completed during a regularly scheduled JLCB meeting, the JLCB could potentially be required to schedule additional meetings, which is anticipated to increase legislative expenditures. The legislative per diem rate is $153 and the mileage reimbursement is $0.56/mile. Based upon data provided to the LFO from the DOA via various state agencies, the number of SGF contracts in effect in excess of $40,000 is approximately 500 or more with a total value in excess of $250 million.

This legislation requires the State Treasurer to submit an annual report to all the legislative fiscal committees beginning on October 1, 2015 and every year thereafter that summarizes the actual costs of issuance of all debt (state & local) approved and paid by the State Bond Commission. According to the State Treasury, this legislation is anticipated to result in a one time cost of approximately $150,000 in order update the State Bond Commission's IT software and application. Due to the large amount of data, the State Bond Commission's current database cannot support running such a report. The State Treasury is estimating a minimum of 1,000 hours of proprietary software changes at an hourly rate of $150/hour.

Included within the Treasury's FY 15 budget is approximately $40,000 for software upgrades to the State Bond Commission system. To the extent these resources are utilized for this requirement, the total additional expenditures needed to meet this requirement may be $110,000. To the extent the legislation's intention is to report on state debt issuances only, there would no anticipated costs.