

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2935 – HB 3189

February 12, 2010

SUMMARY OF BILL: Requires the Commissioner or Director of any department, entering into a contract for provision of services to the state, to certify to the Comptroller of the Treasury that the work could not be accomplished by utilizing existing state employees. Requires that all contracts for services be reviewed by the Fiscal Review Committee.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$5,000/One-Time
\$288,800/Recurring**

Assumptions:

- Any cost to provide the Comptroller with the required certification can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Office of Contracts Review in the Department of Finance and Administration, 515 new service contracts were approved in FY09. The Fiscal Review Committee will review all new service contracts at an average rate of 20 contracts per meeting.
- The Committee will meet an additional 24 times (515 contracts / 20 per meeting) per year to provide comment and questions regarding professional services contracts. The one-day meeting cost for the Committee is \$6,449.36 [19 members x (\$185 per diem + \$154.44 travel)]. Total recurring increase in state expenditures for the additional Committee meetings is \$154,784.64.
- The Fiscal Review Committee will require two additional staff members to assist in the review of all professional services contracts at an estimated recurring cost of \$134,000 for salaries and benefits. There will be a one-time expenditure of \$5,000 for computer costs and office supplies.

- Total recurring increase to state expenditures is \$288,784.64 (\$154,784.64 + \$134,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director

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