

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1797 – SB 1926

March 28, 2016

**SUMMARY OF ORIGINAL BILL:** Requires the Fiscal Review Committee to review and approve by majority vote any contract for services by or for a state governmental entity procured through competitive means in excess of \$1,000,000, and any price or cost adjustment or other amendment to any such contract in excess of the same amount, prior to entering into, renewing, or amending the contract.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$308,200

**SUMMARY OF AMENDMENT (015137):** Deletes all language of the original bill. Defines “services” and “state governmental entity” for the purposes of law concerning the Fiscal Review Committee (FRC). Requires the appropriate state government entity to present an electronic report each month to the FRC for any contract for services by or for a state governmental entity procured through competitive means in excess of \$5,000,000, and any price or cost adjustment or other amendment to the contract in excess of the same amount. Requires the FRC, in its discretion, to disseminate the report to all members of the General Assembly.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- It is assumed that “state governmental entity” as defined in Section 1(a)(2) of the bill as amended has the same meaning as “state government entity” as referenced in Section 1(b) of the bill as amended.
- It is assumed that state government entities will be able to provide, within existing resources, monthly electronic reports (i.e. electronic mail, spreadsheets, word processing documents, etc.) to FRC staff concerning all relevant contract information from the legislative, executive, and judicial branches of state government, including but not limited to higher education contracts and State of Tennessee Real Estate Management

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System (STREAM)/State Building Commission contracts, in order to effectuate the purposes of this legislation.

- Any increase in state expenditures for any state government entity to submit a monthly electronic report to FRC staff concerning contracts or amendments to contracts with values exceeding \$5,000,000 is estimated to be not significant and can be accomplished within existing resources without an additional appropriation or a reduced reversion.
- Any increase in state expenditures for FRC staff to disseminate information provided by state government entities and to provide such information to the FRC and to members of the General Assembly is considered not significant and can be accomplished within existing resources without an additional appropriation.
- It is assumed that the FRC will not require any additional meetings nor will members of the FRC or the General Assembly require any additional per diem or travel reimbursement as a result of the bill as amended.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

/rnc