

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3896-01  
Bill No.: HB 1367  
Subject: Administration, Office of; Charities; Elementary and Secondary Education Dept.  
Type: Original  
Date: February 7, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Office of Administration, Division of Purchasing and Materials Management** (DPMM) assume this proposal would require DPMM to revised current bid language to inform bidders of the bonus preference given to bids for products and services manufactured, produced, or assembled by qualified nonprofit organizations for the blind. Also, DPMM would have to create bid language to require an affidavit to be signed by the director or manager and the board president of a participating nonprofit organization to be provided to the purchasing agency by the contractor for compliance verification.

The increase in the bonus points allowed could skew the evaluation which would cause the contract award to go to other than the lowest and best bid based on the bonus points given and not on the bid's merits. DPMM officials stated they were unable to determine the fiscal impact of this bill on future state contracts at this time.

Officials from the **Department of Elementary and Secondary Education** assume this proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

**Oversight** assumes this proposal could have an unknown negative impact on state funds and on local governments. Oversight is not able to estimate the number of organizations which might qualify for this bidding preference or the number and amount of contracts they might be awarded as a result of this bid preference. However, because this proposal would not require an increase in the budget or appropriations for any state fund, Oversight has not shown any fiscal impact to state funds.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
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**LOCAL GOVERNMENTS**

<u>Increased costs - products and services</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### DESCRIPTION

This proposal would modify bidding preference procedures for state purchases. The proposal would increase the preference points from five to twenty-five for qualified nonprofit organizations for the blind, and for sheltered workshops approved by the Department of Elementary and Secondary Education, if the work would generate revenue in excess of five thousand dollars per year for the nonprofit organization.

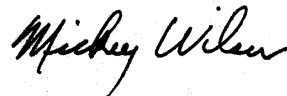
In addition, the proposal would mandate a standard pay rate of sixty-five dollars per standard thirty-hour work week at sheltered workshops approved by the Department of Elementary and Secondary Education.

The proposal includes an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of Administration  
Division of Purchasing and Materials Management  
Department of Elementary and Secondary Education



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Director  
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