

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 6, 2005

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB70 by Shapleigh (Relating to the provision of a preference in governmental purchasing decisions for vendors that provide health benefits to employees.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

This bill would require school districts, state agencies, institutions of higher education, municipalities, and counties to provide preference in awarding contracts to vendors that provide health benefits coverage to their employees and employees' dependents. The Texas Building and Procurement Commission would need to revise agency rules, revise contract management guidelines, and revise other procurement forms developed by the agency. It is assumed that these additional duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing state resources.

The bill would take effect on September 1, 2005.

Local Government Impact

No significant fiscal implication to units of local government is anticipated to implement the provisions of the bill. However, the preferences may result in higher contract costs for a school district, municipality, or county.

Source Agencies: 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 701 Central Education Agency

LBB Staff: JOB, SR, JM, KJG