

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 15, 2005

TO: Honorable Royce West, Chair, Senate Committee on S/C on Higher Education

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

IN RE: SB1594 by Lucio (Relating to a small contractor assistance program for bidding on construction contracts at institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Under the bill, a university system would be required to maintain a small contractor participation assistance program. The bill applies to construction projects for public works, estimated to be more than \$20 million. The program must include a system for the centralized purchase of insurance coverage, a public out reach plan, a technical assistance plan, and a financing assistance plan. A university system would be required to provide for the centralized purchasing of workers' compensation insurance coverage, employer's liability insurance coverage, commercial general and excess liability coverage, payment and performance bonds, and other similar coverage the governing board considers necessary and reasonable for a public works project. Several institutions have indicated there would be costs associated with implementing the provisions of the bill. These costs would be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JOB, CT, RT, GO