

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 7, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4074 by Blanco (Relating to governmental entity commodity and telecommunications contracting and procurement.), **As Introduced**

There would be an indeterminate increase in cost recovery fees, and corresponding expenditures, from potential utilization of the Department of Information Resources' cooperative purchasing and telecommunications programs from entities that would be newly authorized to utilize those programs.

The bill would authorize a county, public hospital, or hospital district and a public safety entity, as defined by 47 U.S.C. Section 1401, to purchase information technology commodity items through the Department of Information Resources' (DIR) cooperative contracts purchasing program.

The bill would add entities which DIR may contract with for use of the consolidated telecommunications system, including a governmental entity of another state and a public safety entity, as defined by 47 U.S.C. Section 1401. The bill would also authorize any accredited private institution of higher education, as defined by Section 61.003, Education Code, as an entity with which DIR may contract with for telecommunications services by removing language previously limiting eligible institutions to those which engaged in distance learning and received federal funds for distance learning initiatives.

The bill would potentially result in an increase in cost recovery fees charged for utilization of DIR's cooperative contracts program and telecommunications program. Fees associated with the cooperative contracts program are deposited as Appropriated Receipts to the DIR Clearing Fund, and fees associated with the telecommunications program would be deposited as Appropriated Receipts to the Telecommunications Revolving Account. Additionally, there would be a corresponding increase in costs to DIR for services rendered. However, the extent to which potential newly eligible entities would utilize the programs cannot be estimated at this time.

Local Government Impact

To the extent that access to DIR's cooperative contracts purchasing program and telecommunications program provides more cost-effective options for purchasing information technology commodity items and telecommunications services than currently available, the provisions of the bill would have a positive impact on affected local entities.

Source Agencies: 313 Department of Information Resources
LBB Staff: WP, CMa, NV, LCO, PM