

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 16, 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:** SB65 by Nelson (relating to oversight of and requirements applicable to state agency contracting and procurement.), **Committee Report 2nd House, Substituted**

**The fiscal implications of the bill provisions related to the Teacher Retirement System cannot be determined at this time. For the other provisions of the bill, no significant fiscal implication to the State is anticipated.**

The bill would amend various Chapters of the Government Code relating to procurement and state agency contracting. The bill would also amend Quality Assurance Team, Department of Information Resources, Comptroller of Public Accounts, and state agency requirements related to major information resources projects. The bill would amend vendor performance tracking.

The bill would remove certain exemptions related to the procurement of goods and services by the Teacher Retirement System. The bill would also remove certain exemptions related to state contract management, contracting standards, and oversight by the Teacher Retirement System.

The Teacher Retirement System has expressed concerns regarding the removal of the exemptions above. Although the bill would not alter TRS' authority over investment activities in Sec. 825.103 (b), the agency states that the repeal of Sec. 825.103 (d) and (g) may impact contracting for certain investment related services.

The Comptroller's Office and State Auditor's Office indicated there would be no significant fiscal impact. This analysis assumes any costs to the Department of Information Resources could be absorbed within current resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**        304 Comptroller of Public Accounts, 308 State Auditor's Office, 313  
   Department of Information Resources, 323 Teacher Retirement System

**LBB Staff:** WP, CMa, JPU, CW, KK