

STATE OF KANSAS



DIVISION OF THE BUDGET
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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

March 20, 2018

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Barker:

SUBJECT: Fiscal Note for HB 2778 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2778 is respectfully submitted to your committee.

Under current law, the state is prohibited from entering into a contract with an individual or company to acquire or dispose of services, supplies, information technology or construction, unless the individual or company submits a written certification that the individual or company is not currently engaged in a boycott of Israel. Current law also allows application of this provision to be waived by the Secretary of Administration if the Secretary determines that compliance is not practicable.

HB 2778 would strike "individual" and the phrase "to acquire or dispose of services, supplies, information technology or construction" from the provision and instead prohibit the state from entering into a contract with a company unless the company submits a written certification that the company is not currently engaged in a boycott of goods or services from Israel that constitutes an integral part of business conducted or sought to be conducted with the state. Under the bill, "contract" would be defined to mean a written agreement between the state and a company to acquire or dispose of services with an aggregate price of more than \$100,000. "Contract" would not mean a written agreement between the state and an individual to acquire or dispose of good or services, including employment or consulting services. The bill would remove sole proprietorships from the definition of "company."

Currently, the Department of Administration reviews each certification on a one-time basis upon receipt of the contract. If the enactment of the bill allows the Department to retain this process, there would be no fiscal effect. However, if the enactment of the bill requires the

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Department to review all contracts on an annual basis to ensure compliance, the Department indicates the Office of Procurement and Contracts may require additional staff to conduct the annual reviews.

The Division of the Budget estimates the bill would not change current practices for the Department of Administration and, therefore, would have no fiscal effect. Any fiscal effect associated with HB 2778 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", written in a cursive style.

Larry L. Campbell
Chief Budget Officer

cc: Colleen Becker, Department of Administration