



**Colorado
Legislative
Council
Staff**

HB16-1449

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0635
Prime Sponsor(s): Rep. Danielson

Date: April 25, 2016
Bill Status: House Education
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: SAFE CONTRACTING FOR SCHOOL DISTRICT SERVICES

Summary of Legislation

The bill makes several changes to school districts' contracting procedures for certain professional services. For certain professional services contracts of at least \$100,000, school districts must meet the following requirements:

- conduct a cost-benefit analysis on contracting for the services and include the analysis with the staff recommendation to the district board of education;
- implement competitive bidding;
- consider all bids in an open session of a regularly scheduled meeting of the district's board of education, unless the employees' association for district employees impacted by the contract agrees that it may take place at a special meeting; and
- prior to soliciting bids, provide notice of and hold at least one public hearing to discuss the proposal.

These requirements must be followed if a school district contracts for the following professional services: para-professionals, clerical services, custodial and maintenance services, food services, transportation, technical services, skilled trades, security services, and health and student services. Small rural school districts are exempt from the requirements.

The bill also removes the specification that only contractors having regular interaction with students complete a background check, and requires that the contractor have proof of liability insurance equivalent to the amount provided by the school district for the contracted activity. A school district may not enter into a contract for professional services with a contractor that has committed unfair labor practices pursuant to federal law within the previous five years.

A contract for professional services cannot take effect prior to the expiration of an existing collective bargaining agreement that covers district employees impacted by the contract. Any contract for professional services must require the contractor to offer available employee positions to qualified school district employees whose employment is terminated or reduced by half as a result of the contract.

School District Impact

The bill increases the workload for school districts to conduct competitive bidding, hold public hearings, and comply with the other procedures required by the bill. The extent to which the workload will increase will depend on the districts' current contracting policies and the number and amount of contracts sought for professional services.

Pursuant to Section 22-32-143, C.R.S., school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill takes effect January 1, 2017, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed. The bill applies to contracts for professional services solicited on or after January 1, 2017.

State and Local Government Contacts

Education