

CHAPTER 50**(HCR 89)**

A CONCURRENT RESOLUTION establishing the Government Nonprofit Contracting Task Force to increase accountability and efficiency in the government contracting process.

WHEREAS, both the Commonwealth and nonprofit sector exist to meet community needs and improve the quality of life for all citizens; and

WHEREAS, often sharing similar goals and objectives, a significant number of nonprofit organizations accomplish their missions through contractual or grant agreements with the Commonwealth, and the Commonwealth regularly contracts with nonprofit organizations. In 2012 alone, the Commonwealth contracted with over 550 nonprofits, totaling over \$1.3 billion in contracts and grants; and

WHEREAS, a partnership between the Commonwealth and nonprofits is often beneficial to the public. Nonprofits can fill gaps in services that the Commonwealth cannot provide on its own, often at lower costs than government and private sectors. Because nonprofits often can provide essential services at lower costs, they often can provide services more efficiently for less money and at lower costs to taxpayers, while increasing services to constituents; and

WHEREAS, the mission and objectives of nonprofits have often been frustrated by late payments, duplicative rules and regulations, and delays in the contracting process. Because of financial and procedural hurdles, unnecessary costs increase for governments and nonprofits, decreasing the level and quality of services. In 2012, approximately 30 percent of nonprofits reduced their number of employees, 14 percent reduced the number of people served, and 11 percent reduced the number of programs and services; and

WHEREAS, to address the obstacles nonprofits encounter when contracting with government agencies, recent national studies have identified ways to streamline government contracting practices, reduce duplicative efforts, save money, and maintain accountability and transparency in government and nonprofit contracting; and

WHEREAS, improvements to the contracting and grant process can best be made by government and nonprofits collaborating to find solutions that benefit the citizens of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

➔Section 1. The Legislative Research Commission is hereby directed to create a Government Nonprofit Contracting Task Force that shall study government contract laws and procedures of the Commonwealth relating to nonprofit entities.

➔Section 2. The Government Nonprofit Contracting Task Force shall study and report on the following issues:

(1) The effect of current laws, regulations, and policies on government funding and procurement opportunities for nonprofit entities that contract with the Commonwealth;

(2) Any procedures that have been adopted in other states to facilitate a more timely, cost-effective, streamlined, and accountable process for nonprofits that contract with those state governments; and

(3) The feasibility of eliminating any redundant, unreasonable, or unnecessary laws, regulations, or policies that negatively affect nonprofit government contracting or funding.

➔Section 3. (1) The Government Nonprofit Contracting Improvement Task Force shall consist of the following members, with final membership of the task force being subject to the consideration and approval of the Legislative Research Commission:

- (a) A member of the House of Representatives, to be selected by the Speaker of the House;
- (b) A member of the Senate, to be selected by the President of the Senate;
- (c) A member of the Government Contract Review Committee, to be selected by the Speaker of the House;
- (d) A member of the Government Contract Review Committee, to be selected by the President of the Senate;

- (e) A member of the Program Review and Investigations Committee, to be selected by the Speaker of the House;
 - (f) A member of the Program Review and Investigations Committee, to be selected by the President of the Senate;
 - (g) The Secretary of the Finance and Administration Cabinet, or designee;
 - (h) The Secretary of the Cabinet for Health and Family Services, or designee;
 - (i) The Secretary of the Transportation Cabinet, or designee;
 - (j) The commissioner of the Department of Education, or designee;
 - (k) The executive director of the Kentucky Nonprofit Network, or designee;
 - (l) Two Cabinet secretaries approved by the Legislative Research Commission; and
 - (m) Four representatives of 501(c)(3) human services organizations, to be selected from a list of eight candidates recommended by the Kentucky Nonprofit Network, approved by the Legislative Research Commission.
- (2) The Speaker of the House of Representatives and the Senate President shall each select a co-chair of the task force from the task force legislative members of their respective chambers.

➔Section 4. The Legislative Research Commission shall staff the task force.

➔Section 5. The task force shall submit a preliminary report to the Legislative Research Commission and the Governor, and a final report, along with recommendations and any proposed legislation, to the Legislative Research Commission and the Governor by October 31, 2016. The task force shall cease to exist upon submission of its final report by October 31, 2016.

➔Section 6. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Signed by Governor March 23, 2015.