

# 10-PERCENT AMENDMENTS REPORT – FIRST QUARTER OF FISCAL YEAR 2020

Eighty-sixth Legislature, General Appropriations Act, 2020–21 Biennium, Article IX, Section 7.04(g) and (h)

The following summary regards amendments to service contracts as reported by state agencies and institutions of higher education to the Legislative Budget Board (LBB) Contracts Database for the first quarter of fiscal year 2020 as required by the Eighty-sixth Legislature, General Appropriations Act (GAA), 2020–21 Biennium, Article IX, Section 7.04, Contract Notification: Amounts Greater than \$50,000.

Article IX, Section 7.04(g) and (h) requires state agencies and institutions of higher education that have an initial contract award value of greater than \$1.0 million to notify the LBB of amendments that change an initial contract’s value by 10.0 percent or more during the previous reporting period. The provision directs the LBB to establish procedures for these notifications. In accordance with these procedures, LBB staff provide a quarterly report summarizing this information to the Office of the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives.

On December 4, 2019, LBB staff provided agencies and institutions of higher education a list of amendments reported to the Contracts Database during the previous quarter. LBB staff asked these entities to verify and complete the list by December 27. As of January 14, 2020, all affected agencies and institutions had submitted the required report.

For the first quarter of fiscal year 2020, 23 agencies and institutions of higher education reported 101 amendments to the LBB Contracts Database that met the value threshold established in the 2020–21 GAA, Article IX, Section 7.04. Figure 1 shows that the 101 amendments cumulatively increased their initial contracts’ values by approximately \$552.0 million.

**FIGURE 1**  
**AMENDMENTS REPORTED BY GENERAL APPROPRIATIONS ACT ARTICLE**  
**FIRST QUARTER, FISCAL YEAR 2020**

ARTICLE	AMENDMENTS	INCREASE (IN MILLIONS)
Article I – General Government	7	\$54.9
Article II – Health and Human Services	3	\$8.0
Article III – Education	25	\$290.2
Article IV –Judiciary	0	\$0.0
Article V – Public Safety and Criminal Justice	29	\$143.6
Article VI – Natural Resources	22	\$39.7
Article VII – Business and Economic Development	15	\$15.7
Article VIII – Regulatory	0	\$0.0
<b>Total</b>	<b>101</b>	<b>\$552.1</b>

NOTE: Reported by agencies to the Legislative Budget Board pursuant to the Texas Government Code, Section 322.020.  
SOURCE: Legislative Budget Board.

Figure 1 does not show amendments attributable to data-entry errors, and other amendments were purchases made on indefinite delivery or indefinite quantity or zero-dollar subscription contracts. Therefore, the majority of amendments reported resulted from actual contract cost increases.

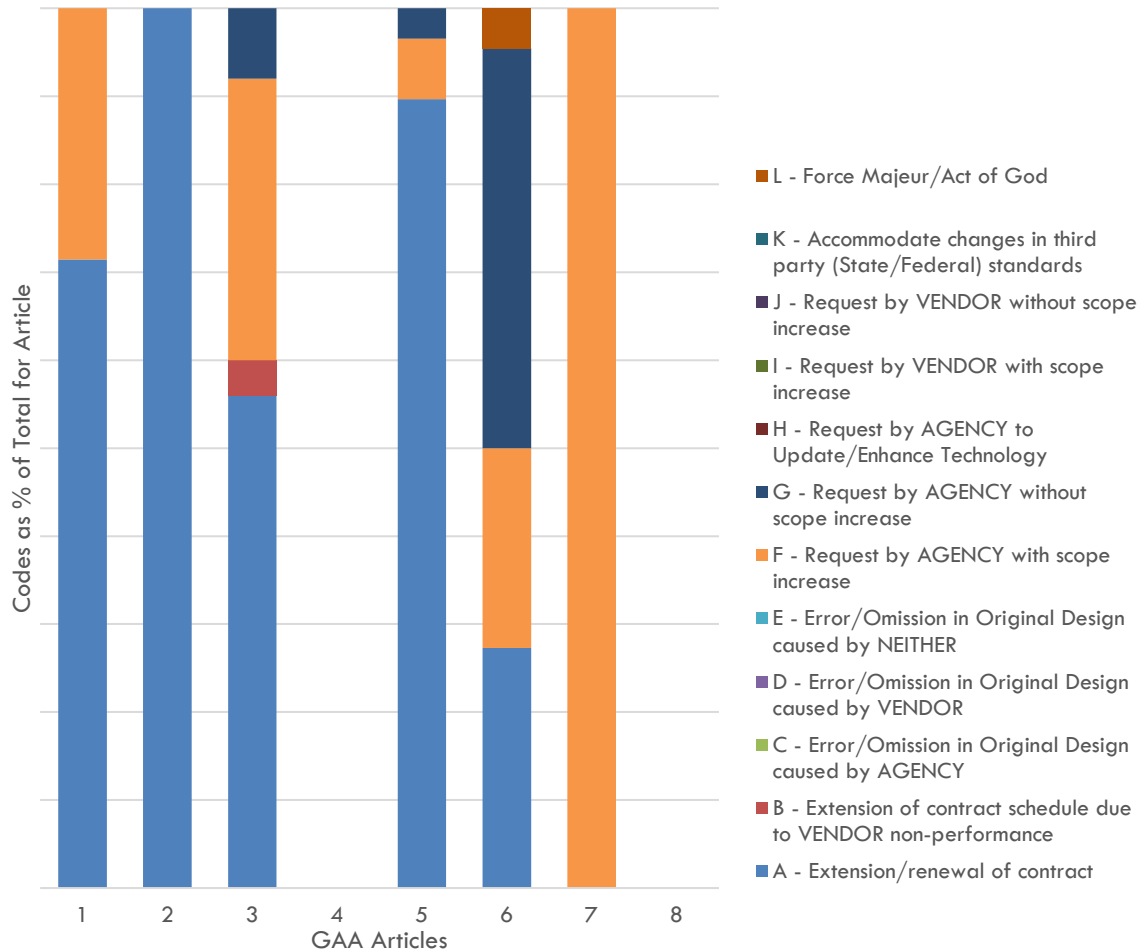
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The LBB’s reporting procedures require agencies to specify the reason for the change and describe any opportunities for other savings. Figure 2 shows the reasons reported for these contract amendments. The most common explanations for amendments included the following factors:

- agency-requested contract extensions or renewals (54.0%); and
- agency requests included scope increases (32.0%).

**FIGURE 2**  
**REASONS PROVIDED BY AGENCIES FOR AMENDMENTS BY ARTICLE**  
**FIRST QUARTER, FISCAL YEAR 2020**



NOTE: Data shown is provided by agencies pursuant to the Eighty-sixth Legislature, General Appropriations Act, 2020–21 Biennium, Article IX, Section 7.04(g) and (h).  
 SOURCE: Legislative Budget Board.

LBB staff will continue to consult with agencies on reporting to the LBB Contracts Database in a timely manner, including when amendments are executed.