

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number SB1320

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Cuccinelli

3. Committee Finance

4. Title Biennial appropriation act.

5. Summary/Purpose:

Provides that the Commonwealth's biennial appropriation shall start on July 1 of odd-numbered years beginning with the biennial appropriation act for the period July 1, 2007, through June 30, 2009. The bill would require that the fiscal year beginning July 1, 2006, would not be a part of any biennial appropriation act (it would be a single-year budget). The bill would become law May 1, 2006, subject to the requirement that a constitutional amendment be adopted changing the even-year session of the General Assembly to a short session (30 days) and the odd-year session to a long session (60 days). The bill also amends other Code sections related to even-year actions.

The substitute bill contains a third enactment directing the Governor to submit by December 20, 2005, a budget bill for the fiscal year 2007 only to the General Assembly.

6. Fiscal Impact .

Assuming the passage of SJR 429 a second time in the 2004 Session, there would be a cost of approximately \$158,220 to the State Board of Elections in FY 2005 to put the amendment on the ballot in November 2004. This includes the cost to (1) publish prior to the referendum a paid notice of explanation in major daily newspapers across the state, (2) publish a brochure or booklet explaining the referendum in sufficient number to provide a copy to any interested person, and (3) post an explanation at each polling place on the day of the election. The transition to an odd-year biennial budget can be accomplished within existing resources of the Department of Planning and Budget. In the 2006 Session the Governor would submit a Budget Bill only for FY 2007, instead of the biennium 2006-2008, as would otherwise be the case.

7. Budget amendment necessary:

Yes, for the State Board of Elections, \$158,220 from the general fund in FY 2005.

8. Fiscal implications:

None, other than as stated in No. 6 above.

9. Specific agency or political subdivisions affected:

Governor, Department of Planning and Budget, State Board of Elections, all state agencies.

10. Technical amendment necessary:

No.

11. Other comments:

SJR429 has been introduced as the first resolution of a constitutional amendment to change the even -year General Assembly to a short session (30 days) and the odd -year session to a long session (60 days), effective with the 2005 session, assuming that SJR429 passes in the 2004 Session and there is a referendum in November 2004.

If the constitutional amendment and the bill are adopted, Governor Warner would prepare a single year budget for FY2007, for action by the 2006 General Assembly (a short session). That Assembly would also probably consider a caboose budget bill for FY2006. His successor, inaugurated January 2006, would prepare the biennial Budget Bill for two full bienniums, 2007 -2009 and 2009 -2011, which is not possible under the current schedule. That pattern would continue for future Governors. The General Assembly would have a 60 day session in 2005 and every two years thereafter. The bill changes other Code sections requiring even -year actions, such as the filing of a six -year financial plan by the Governor and the filing of a six -year capital improvement plan by the Governor.

While the requirement for a single -year budget for FY2007 can be inferred from the introduced bill, the third enactment of the substitute bill is a specific requirement for that purpose.

The substitute bill contains technical amendments changing numbers from spelled words to numbers, i.e. "four" is changed to "4".

Date: 2/3/03jbc

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cc: Secretary of Finance