

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB384

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Lingamfelter

3. Committee Rules

4. Title Financial and management review of all state agencies.

5. Summary/Purpose:

Directs the Governor to initiate, within 120 days of taking office, a financial and management review of all executive branch state agencies, except public institutions of higher education, with total agency appropriations of two percent or more of the total state appropriated funds. The review shall be conducted by a private management consulting firm and evaluated by a joint subcommittee of the House Appropriations and Senate Finance Committees. The review shall place special emphasis on personnel, real estate whether leased or owned by the Commonwealth, procurement, and technology policies and practices. The joint subcommittee shall make recommendations to improve the efficiency of each agency within 45 days of its receipt of the private firm's report.

6. Fiscal Impact Estimates cannot be estimated at this time. A private firm would be hired by the Governor taking office in January 2006. How the firm would be chosen and what it would charge per audit is not known at this time. However, the bill specifies that an appropriation must be provided on or before January 1, 2006, before the bill can become effective. There are presently six agencies in the 1993 Appropriation Act (Chapter 1042) that would qualify for this review, based on their appropriations for FY 2004.

7. Budget amendment necessary:

Yes, according to the terms of the bill.

8. Fiscal implications:

This would be a one-time nonrecurring expenditure of an indeterminate amount in FY 2006.

9. Specific agency or political subdivisions affected:

Governor, General Assembly, Department of Education, Department of Medical Assistance Services, Department of Transportation, Department of Social Services, Department of Corrections, and Central Appropriations.

10. Technical amendment necessary:

No.

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11. Other comments:

The provisions of this bill expire December 31, 2008. Therefore, it applies only to the Governor inaugurated in January 2006.

Date: 01/19/04 /jbc

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cc: Secretary of Finance