

## Department of Planning and Budget 2004 Fiscal Impact Statement

1. **Bill Number:** SB543

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

2. **Patron:** Hawkins

3. **Committee:** General Laws

4. **Title:** Agriculture and Forestry, Secretary of; established.

5. **Summary/Purpose:** The bill establishes the Secretary of Agriculture and Forestry. The Secretary shall be responsible to the Governor for the following agencies: Department of Forestry, Milk Commission, Department of Agriculture and Consumer Services, Tobacco Indemnification and Community Revitalization Commission, Virginia Agricultural Council, and Virginia Marine Products Board.

6. **Fiscal impact estimates are:** Preliminary.

6a. **Expenditure Impact:** See item 8.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04			
2004-05	\$158,542 to \$579,131	1.00 to 5.50	general fund (0100)
2005-06	\$158,542 to \$544,131	1.00 to 5.50	general fund (0100)
2006-07	\$158,542 to \$544,131	1.00 to 5.50	general fund (0100)
2007-08	\$158,542 to \$544,131	1.00 to 5.50	general fund (0100)
2008-09	\$158,542 to \$544,131	1.00 to 5.50	general fund (0100)
2009-10	\$158,542 to \$544,131	1.00 to 5.50	general fund (0100)

7. **Budget amendment necessary:** Yes. A separate item number needs to be established for the Secretary of Agriculture and Forestry.

8. **Fiscal implications:** It may be possible to absorb some of the costs discussed below in the operating budgets of affected state agencies by transferring resources, such as appointed positions, from the agencies to the office of the Secretary of Agriculture and Forestry. At a minimum, funding of \$158,542 is required for the Secretary's salary and fringe benefits. All support staff and overhead costs, such as phone, travel, and supplies would need to be transferred from the agencies.

Establishing the Secretary of Agriculture and Forestry involves start-up costs and ongoing operating costs. The start-up are estimated as:

<i>Item</i>	<i>Cost Range</i>
Equipment (phones, computers, furniture)	\$4,000 to \$10,000
Supplies (stationary, office supplies)	\$2,000 to \$5,000
Possible relocation expenses (paid if the individual appointed Secretary must relocate to Richmond)	\$11,000 to \$20,000
<b>Total</b>	<b>\$17,000 to \$35,000</b>

The start-up costs are one-time, and the estimates are based on prior experience with expenditures for secretarial offices.

The operating costs for the office of the Secretary of Agriculture and Forestry may be estimated using the average cost for operation of the existing nine secretariats. The costs are based on the budgets for each office included in House/Senate Bill 30, the Budget Bill. The average number of full-time positions in an office is 5.50, including the Secretary.

<i>Item</i>	<i>Cost</i>
Secretary (salary and fringe benefits; actual costs of the position)	\$158,542
Secretarial office staff (salaries and fringe benefits; includes deputy secretaries and clerical support; based on average of nine existing secretariats)	\$335,499
Overhead costs (includes equipment, supplies, rent, communications, travel, and other expenses; based on average of nine existing secretariats)	\$50,090
<b>Total</b>	<b>\$544,131</b>

**9. Specific agency or political subdivisions affected:** Department of Forestry, Milk Commission, Department of Agriculture and Consumer Services, Tobacco Indemnification and Community Revitalization Commission, Virginia Agricultural Council, and Virginia Marine Products Board.

**10. Technical amendment necessary:** No.

**11. Other comments:** The Senate substitute as enrolled removes the Department of Mines, Minerals, and Energy from the list of agencies to be included in the Agriculture and Forestry secretariat. The Milk Commission and the Virginia Marine Products Board are not independent state agencies, but are included in the appropriation for the Department of Agriculture and Consumer Services. Senate Bill 262 codifies the merger of the Milk Commission with the Department of Agriculture and Consumer Services, as enacted in Chapter 1042, the 2003 Appropriation Act.

**Date:** 2/9/04 kbs

**Document:** G:\04 Fis\Sb543s1e.Doc

cc: Secretary of Commerce and Trade