

**Department of Planning and Budget
2006 Fiscal Impact Statement**

1. **Bill Number** HB1241

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron** Hugo

3. **Committee** General Laws

4. **Title** Secretary of Administration; office space utilization.

5. **Summary/Purpose:**

Provides that the Secretary of Administration shall require each agency head to determine the actual daily utilization of each and every workspace within all state government-owned or leased buildings or facilities. Actual utilization shall be determined by comparing the number of days a workspace is actually used to the time the workspace is available for use. Agency heads will be required to set annual percentage targets for increases in workplace utilization. Agencies must implement technologies to verify daily workplace utilization including telephone activation and integration of the building's electronic security with its workplace scheduling and management system. The bill provides that any agency head failing to comply shall forfeit one percent of the moneys appropriated for the operation of the agency as provided in the appropriation act. Such moneys are to be taken by the Comptroller and deposited into the Literary Fund.

6. Fiscal Impact cannot be determined but will be significant. See Item 8.

7. **Budget amendment necessary:** No

8. **Fiscal implications:** The fiscal impact of this proposal cannot be specifically determined but will be significant. The costs to acquire, implement, and maintain the systems to track the workplace utilization data on an enterprise-wide basis could be substantial. There will also be facility improvement costs such as the installation of electronic security systems where needed to meet the requirements of this bill. Finally, additional manpower may be needed to compile and analyze the facility utilization data.

The penalty for an agency's failure to comply could also have a significant fiscal impact. For an agency with a \$10 million operating budget, a one percent penalty is \$100,000.

9. **Specific agency or political subdivisions affected:** All state agencies and institutions that own or lease buildings or facilities.

10. **Technical amendment necessary:** No

11. Other comments: There are approximately 13,000 state-owned buildings and 1,000 leased facilities in the Commonwealth.

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cc: Secretary of Administration