

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB1297

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 Saxman

3. Committee General Laws

4. Title Commonwealth Performance Review and Audit Committee.

5. Summary/Purpose:

If approved, this bill would create a legislatively appointed, independent agency called the Commonwealth Performance Review and Audit Committee (Committee). The purpose of the Committee is to review the performance, relevance, and management efficiency of the programs, activities, and agencies of state government. The Committee shall consist of eight non-legislative members, five appointed by the Speaker of the House, and three by the Senate Committee on Rules.

The duties of the Committee include holding regional town hall meetings and receiving public comment on performance, relevance, and management efficiency of the programs, activities, and agencies of state government. The Committee will present its first annual findings by October 1, 2006 to the Governor and General Assembly. Once receiving these recommendations, the Governor shall:

- 1) eliminate all programs or activities so recommended by the Committee
- 2) realign or consolidate programs or activities so recommended by the Committee. Any recommendation provided by the Committee shall be implemented by the Governor no later than two years after the recommendation is approved by the Committee.

6. Fiscal Impact: There are two portions to the fiscal impact of this bill. The first involves the expenses of the Committee members. Per the guidelines set forth by the Code of Virginia (§§2.2-2813, 2.2-2825) the eight members' compensation (\$50 per day), travel distances (250 miles each at \$.325 per mile) and lodging for each member at the highest in-state compensation rate (\$124 night) would equal \$2,042 per town hall meeting. Assuming ten meetings per year, expenses would equal a minimum of \$20,420 per year.

The second portion of the fiscal impact is indeterminate. Without knowing the extent of recommendations the Committee may produce it is not possible to determine its broader impact to state appropriations. This is especially true of those recommendations outside of current reform efforts, if they force redefinition/renegotiation of existing contracts, or if they force expansion of the bureaucracy.

7. Budget amendment necessary: Yes. In the short term an amendment is necessary to HB/SB 30 to fund the operations of the Committee. In the longer term, indeterminate

appropriation commitments will be necessary if the Governor is required to implement the recommendations of the Committee

8. Fiscal implications: See: “6. Fiscal Impact”

9. Specific agency or political subdivisions affected: All state agencies

10. Technical amendment necessary: No

11. Other comments: Boards and commissions generally have agencies that administer their fiscal needs. In the case of this bill, a responsible agency has not been named.

Additionally, this bill appears to raise certain Constitutional questions. Among them are: separation of powers between the branches of the Commonwealth, executive administrative duties and powers, the creation of another governmental entity within the Commonwealth other than that provided by the Constitution, and issues surrounding the election of governmental representatives. Additionally, the provisions of this bill will conflict with sections of Appropriations Act as well as the Code of Virginia which prescribes specific duties to the Governor in the administration of Government and its agencies.

Date: 01/23/06 / jih

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cc: Secretary of Finance