

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB541

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

**2. Patron** Stosch

**3. Committee** Finance

**4. Title** Public-Private Education Facilities and Infrastructure Act; review and implementation of qualifying proposals

**5. Summary/Purpose:**

Establishes the Public-Private Partnership Advisory Commission as an advisory commission in the legislative branch. Requires the review by the Commission, prior to a responsible public entity entering into negotiation of an interim or comprehensive agreement, of qualifying projects under the Public-Private Education Facilities and Infrastructure Act (PPEA) that cost over \$50 million, or that cost between \$3 million and \$50 million if the project was previously authorized or appropriated and the project size increased by more than five percent beyond the original plans and justifications. The bill also requires that the guidelines that must be adopted by responsible public entities include provisions for (i) the financial review and analysis of the proposed qualifying project and the disclosure of such analysis to the appropriating body, (ii) consideration of nonfinancial benefits of a proposed qualifying project, and (iii) a mechanism for the appropriating body to review the proposed interim or comprehensive agreement before it is finalized for public entities that are not agencies or institutions of the Commonwealth. Finally, the bill requires a review by the appropriating body prior to execution of any proposed interim or comprehensive agreement for an agency or institution of the Commonwealth for a qualifying project that (i) creates state tax-supported debt, (ii) requires a level of appropriation significantly above the current appropriation, or (iii) transforms the manner in which a service is provided among state agencies.

**6.** Fiscal impact cannot be specifically determined. See Item 8.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** There will be some additional costs associated with this proposal. The proposal creates a new Public-Private Partnership Advisory Commission of ten members to advise public entities on the terms and conditions of proposed interim and comprehensive agreements. Assuming this council meets four times a year for a day, the annual costs for travel and expenses of the council members will be about \$4,000. Administrative support will be provided to the commission by the Office of the Clerk of the Senate or the Office of the Clerk of the House of Delegates.

**9. Specific agency or political subdivisions affected:** All public bodies

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 02/10/06 / amk

**Document:** G:\Efis 2006\Sb541s1.Doc Al Kruschwitz

cc: Secretary of Administration