

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB1295

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input 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** Saxman

**3. Committee** Pending

**4. Title** Council on Government Accountability and Efficiency.

**5. Summary/Purpose:**

This bill establishes the Council on Government Accountability and Efficiency (Council) as an advisory council to identify waste and inefficiency.

The Council would consist of 13 members, 12 non-legislative members plus the Secretary of Finance as a voting *ex-officio* member. The non-legislative members are appointed according to a formula by the Governor, Speaker of the House of Delegates, and the Senate Committee on Rules.

The Council would have the power to 1) review state government administration and spending practices, 2) examine ways to streamline, consolidate, privatize, and make government programs more efficient, 3) identify outdated government programs that can be terminated, consolidated, or reduced, 4) determine which programs could be better carried out by the private sector, and 5) apply business principles to the state's programs to determine cost savings measures.

The bill proposes private, unidentified sources of revenue to compensate the Council members for their service (per §§ [2.2-2813](#), § [2.2-2813](#) and [2.2-2825](#)). The bill also proposes the agencies of the Secretary of Finance shall provide staff support to the Council. All agencies of the Commonwealth shall also provide assistance upon request.

**6. Fiscal Impact Estimates:** Indeterminate.

- a) The expenses of the Council may be estimated with a high degree of confidence. The Code of Virginia and Appropriation Act prescribe the compensation rates for service on Councils of this type. The chart below represents an estimated per meeting expense that assumes the use of no-charge meeting spaces:

<b><u>Per Meeting Member Expenses</u></b>		
		Est. Dollar Amount
<b><u>Reimbursement</u></b>		
# of non-legislative members/non-state employees (\$50 per day each)	12	\$600.00
# of state employees	1	\$0.00
<b><u>Per diem/Travel</u></b>		
# of drivers, 250 miles, @ \$.325	13	\$1,056.25
<b><i>Estimated Member Participation Expense Total</i></b>		<b><i>\$1,656.25</i></b>

- b) The legislation requires that the Council publish an annual report to the Governor and General Assembly. No provisions for expense are provided in the bill for the development of this report.
- c) The bill requires the agencies of the Secretary of Finance to support the Council. Estimating their expenses is more problematic. The cost of any study and review request placed on the Secretary's agencies is dependent on the scope and length of time required for the study. Additionally, it is unclear if these studies would be an addition to those conducted by the Joint Legislative Audit and Review Commission, Auditor of Public Accounts, Department of Planning and Budget, Commonwealth Competition Council, and Council on Virginia's Future. Currently, it is estimated that Planning and Budget staff spends up to 20 percent of their work time on the current re-engineering efforts in the state. It is expected similar impacts are expected within sections of staff not only throughout the Secretary of Finance agencies, but all state agencies involved.

**7. Budget amendment necessary:** Yes. First, a non-general fund appropriation from an unidentified source is required to support the functions of the Council. This amendment would apply to HB/SB 30 in order for it to be effective on July 1, 2006. Secondly, an unidentified amount will likely be needed to supplement agency operations to support the findings of the Council.

**8. Fiscal implications:**

The legislation is similar to the functions of the Council on Virginia's Future, Council on Virginia's Future, Joint Legislative Audit and Review Commission, the Auditor of Public Accounts, and the Department of Planning and Budget. It would create duplicative, possibly contradicting recommendations to that developed by these organizations.

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

**10. Technical amendment necessary:** Yes. An agency responsible for administering the fiscal needs of the Council is necessary.

**11. Other comments:**

**Date:** 01/24/06 / jih

**Document:** G:\General Assembly\06FIS\HB1295—DPB\HB1295.doc

cc: Secretary of Finance