

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** SB756

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

**3. Committee** Engrossed, pending committee assignment in the House

**4. Title** Public-Private Partnership Advisory Commission; created.

**5. Summary/Purpose:** This bill establishes the Public-Private Partnership Advisory Commission to review and advise responsible public entities that are agencies or institutions of the Commonwealth on (i) interim and comprehensive agreements for qualifying transportation facilities under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) and (ii) detailed proposals for qualifying projects under the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-557.1 et seq.). The bill also requires all responsible public entities to adopt guidelines to guide the selection of projects under the Public-Private Education Facilities and Infrastructure Act containing certain specified provisions. For responsible public entities that are not agencies or institutions of the Commonwealth, the guidelines must include a mechanism for the appropriating body to review the proposed interim or comprehensive agreement prior to execution.

**6. Fiscal Impact:** Final, see Item #8.

**7. Budget amendment necessary:** Yes. Division of Legislative Services, Item #6. This bill would require an amendment to provide an appropriation to support the Commission.

**8. Fiscal implications:** There would be some additional costs associated with this proposal. The Public-Private Partnership Advisory Commission would consist of 10 members (six of which would be legislative members) to advise public entities on the terms and conditions of proposed interim and comprehensive agreements.

Commission members would be compensated according to their status and have expenses reimbursed. General Assembly members would receive a \$200 per diem and the ex officio members would receive no per diem compensation. If the General Assembly is in session, the legislative members would receive expenses but no compensation.

The analysis assumes that the Commission meets four times per year. It also assumes that 30 percent of the members live near Richmond and their expenses would be \$20 per meeting, 30 percent live in central Virginia and their expenses would be \$50 per meeting, and the remaining members would incur expenses of \$120 per meeting. The calculations for expenses and compensation to fund the Commission are as follows:

**Estimated expenses and compensation annual costs**

Number of Commission members (6 are delegates):	10
Meetings per year when GA is not in session:	3
Meetings per year when GA is in session:	1
Expense Reimbursement:	\$20 - \$120
(30% at \$20; 30% at \$50; 40% at \$120)	
Compensation per day:	\$200

**Calculations**

**Compensation Summary:**

4 ex officio members * \$0	\$ 0
6 General Assembly members * \$200 * 3 meetings	<u>\$3,600</u>
<b>Total annual compensation</b>	<b>\$3,600</b>

**Expense Summary:**

3 members * \$20 * 4 annual meetings	\$ 240
3 members * \$50 * 4 annual meetings	\$ 600
4 members * \$120 * 4 annual meetings	<u>\$1,920</u>
<b>Total annual expenses</b>	<b>\$2,760</b>

There may be minor costs incurred by agencies for posting the proposals, obtaining public comments, and adopting guidelines.

Finally and most importantly, the bill could significantly increase the review time of the Public-Private Educational Facilities and Infrastructure Act (PPEA) project. This could potentially increase the PPEA project cost and delay the capital construction process.

The Senate amended the original bill stipulating that the Chairmen of the Senate Committee on General Laws and Technology and the House Committee on General Laws is to convene a working group of representatives of public and private entities to revise the current model guidelines to incorporate amendments to the Public-Private Education Facilities and Infrastructure Act of 2002. There should be no additional fiscal impact cost associated with this provision.

- 9. Specific agency or political subdivisions affected:** All public bodies, Auditor of Public Accounts, Division of Legislative Services, Secretaries of Administration, Finance, Technology, and Transportation.

- 10. Technical amendment necessary:** No.

- 11. Other comments:** None.

**Date:** 02/06/07 / acd

**Document:** H:\BOS-RO\Legislation\07 Session\FIS-ACD\SB756ES1

cc: Secretary of Finance