

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1314S1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Colgan

3. Committee:

4. Title: Board for Purchases of Services From People with Severe Disabilities.

5. Summary: Establishes the Board for Purchases of Services from People with Severe Disabilities to encourage state agencies and political subdivisions of the Commonwealth to purchase services provided by persons with severe disabilities as a means of increasing employment opportunities. Under the bill, the board will establish and publish a procurement list consisting of services provided by qualified nonprofit entities for people with severe disabilities for procurement from state agencies and political subdivisions. The board will also establish fair market price of services that are contained on the procurement list.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009-10	283,900	3	General Fund
2010-11	275,900	3	General Fund
2011-12	275,900	3	General Fund
2012-13	275,900	3	General Fund
2013-14	275,900	3	General Fund
2014-15	275,900	3	General Fund

6b. Revenue Impact: None

7. Budget Amendment Necessary: Yes, Item 80

8. Fiscal Implications: The substitute bill requires the Governor to appoint an Executive Director who shall be authorized to employ such staff as necessary to achieve its goals. It is anticipated that at least three FTEs including the Executive Director will be required. The estimated annual cost of the staff is \$265,000. The start up cost to furnish the office of the staff would be approximately \$8,000. The estimated annual cost for rental space and equipment which includes computers, printers, telephones and network charges would be \$6,600.

The bill establishes a ten member board. Five of the members will represent Commonwealth secretariats, the remaining five members will not be state employees. The ten board members will not be compensated but shall be reimbursed for all reasonable and necessary expenses. There will be at least four board meetings annually. Depending on the meeting location and

the location of the members, the reasonable and necessary expenses cannot be determined. However, assuming meetings start in FY 2010 and there is an average of 150 miles per member at \$0.55 per mile and \$25 for meals and other expenses per meeting, the annual cost will be approximately \$4,300.

The bill gives public bodies the option of procuring services from the published procurement list. Because the board establishes the “fair market value” of services on the procurement list, the ability of a public body to negotiate when purchasing from the list is reduced and there could be a cost increase.

The bill requires the board to select a central nonprofit entity for order distribution. Any consideration given to the third party entity for order processing would likely increase the established list price for the services to public bodies. Payment to this entity shall be from funds appropriated to the board or the board shall submit to the Department of Planning and Budget for prior approval any associated fee structure.

- 9. Specific Agency or Political Subdivisions Affected:** Department of General Services, Department of Planning and Budget, and all public bodies.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/10/2009 amk

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cc: Secretary of Administration