

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1053

House of Origin ___ Introduced ___ Substitute ___ Engrossed
Second House X In Committee ___ Substitute ___ Enrolled

2. Patron: Armstrong

3. Committee: Senate Rules

4. Title: **Staffing for certain legislative study commissions.**

5. Summary: HB 1053 provides that staffing support for the Virginia State Crime Commission, the Joint Commission on Health Care, the Virginia Commission on Youth, and the Virginia Housing Commission will be provided by the Division of Legislative Services and Clerks Offices of the General Assembly.

6. Fiscal Impact Estimates: Preliminary.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	-\$712,427	-11.00	General fund
2012	-\$1,241,050	-11.00	General fund
2013	-\$1,241,050	-11.00	General fund
2014	-\$1,241,050	-11.00	General fund
2015	-\$1,241,050	-11.00	General fund
2016	-\$1,241,050	-11.00	General fund

7. Budget Amendment Necessary: Yes, Items 6, 11, 17, and 18 of HB/SB 30, the budget bill in the 2010 Session of the General Assembly

8. Fiscal Implications:

The fiscal implications of this bill fall into three categories:

1. Savings from reducing the funding for the four commissions to an amount that only leaves \$21,000 each year for each commission to cover per diem costs.
2. The severance cost for the staff employed by the commissions.
3. The additional cost for the Division of Legislative Services and the Clerks' Offices for the House and Senate.

Row six of the following table shows the anticipated savings from the commissions by shifting the staff support to the Division of Legislative Services (DLS). The amounts in rows one through six are based on two assumptions.

1. Only \$21,000 each year will remain in each commission to pay the cost of per diems. This is evident now in the Virginia Housing Commission, which has an appropriation of \$20,975 (GF) each year for per diems. The appropriation was reduced about four years ago when DLS took over staff support for the Housing Commission.

2. The Joint Commission on Health Care is currently scheduled to sunset on July 1, 2012 (see §30-170, Virginia Code). However, these numbers assume the commission will be continued.

Transferring support to DLS allows for the reduction of 14.00 full-time equivalent positions, 12 of which are filled. Staff at DLS calculated the severance cost for the filled positions and came up with the total of \$528,623, as show on Line 9 of the following table. The costs are for severance under the Workforce Transition Act (Title 2.2, Ch 32) and leave payout. The actual amount will not be known until any severance occurs due to options available to employees and the actual amount of accrued leave that is being paid for.

The bill provides for DLS to provide staff support to the commissions. Staff at DLS estimates they need \$250,000 (GF) and three professional positions. The Senate Clerk's Office reports it doesn't need any additional resources if the bill is implemented; however, the House Clerk's Office may need one position. The cost of that position is not included in the fiscal impact at this time.

General Fund		FY 11	FY 12	FY 13	Positions
Savings:					
1	Appropriations to be saved:				
2	Commission on Youth (Item 17)	(325,129)	(325,129)	(325,129)	(3.00)
3	Crime Commission (Item 18)	(527,228)	(527,228)	(527,228)	(5.00)
4	Jt Comm on Health Care (Item 11)	(701,718)	(701,718)	(701,718)	<u>(6.00)</u>
5	Virginia Housing Commission (Item 20)	0	0	0	
6	Total	<u>(\$1,575,050)</u>	<u>(\$1,575,050)</u>	<u>(\$1,575,050)</u>	(14.00)
7. Costs:					
8	Staff Costs for 3 positions in DLS (Item 6)	250,000	250,000	250,000	3.00
9	Severance for staff in the commissions	528,623			
10	Total	<u>\$862,623</u>	<u>\$334,000</u>	<u>\$334,000</u>	3.00
11.	Net (Savings) / Costs	(\$712,427)	(\$1,241,050)	(\$1,241,050)	(11.00)

The net appropriation for the four commissions, which adjusts for severance pay outs in FY 2011 and per diem payments each year, need to be as follows:

	FY 2011	FY 2012 and there after
Commission on Youth (Item 17)	\$170,923	\$21,000
Crime Commission (Item 18)	\$127,114	\$21,000
Jt Comm on Health Care (Item 11)	\$293,586	\$21,000
Virginia Housing Commission (Item 20)	\$20,975	\$20,975

9. Specific Agency or Political Subdivisions Affected:

Division of Legislative Services
Virginia State Crime Commission
Joint Commission on Health Care
Virginia Commission on Youth
Virginia Housing Commission

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/5/2010 dpb

Document: G:\10 Legislation Rev\HB1053.Doc