

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2115

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Armstrong

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Tobacco Indemnification and Community Revitalization Commission;
performance audit; report.

5. Summary: Requires the Joint Legislative Audit and Review Commission (JLARC) to oversee and evaluate the Tobacco Indemnification and Community Revitalization Commission (the Commission) on a continuing basis and to administer biennial operational and programmatic performance audits of the Commission. The audits shall provide an objective and independent assessment of the Commission's effectiveness in meeting its strategic plans and goals, structure and governance, level of adherence and effectiveness in grant distribution and allocation policies and procedures, and success of projects receiving Commission funds at achieving stated goals.

6. Budget Amendment Necessary: Yes, Item 468, HB 1500

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: The passage of this bill would require the Joint Legislative Audit and Review Commission (JLARC) to conduct and administer biennial operational and programmatic performance audits of the Tobacco Indemnification and Community Revitalization Commission (the Commission). The expenditures associated with such audits and programmatic evaluations would be payable to JLARC from the Commission's fund. Per JLARC, estimated costs for the project would be \$99,000 every other year in the year that an audit was due, and \$7,000 for each off-year. These are salary and benefit expenditures based on a portion of JLARC analysts' total compensation and an assumed percentage of staff time dedicated; actual expenditures may vary depending on total number of hours spent.

9. Specific Agency or Political Subdivisions Affected: Tobacco Indemnification and Community Revitalization Commission, Joint Legislative Audit and Review Commission (JLARC)

10. Technical Amendment Necessary: Yes. Line 37 strike "Endowment established in § 3.2-3104" and insert "Commission Fund." Paragraph D of the introduced bill will have to be

amended to reflect that JLARC's reasonable expenses shall be paid from the Commission's Fund, as opposed to the endowment fund.

11. Other Comments: According to the Commission, JLARC is in the process of conducting a similar study for an audit report that is due to the General Assembly on June 30, 2011.

Date: 1/28/2011