

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB652

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

2. Patron: McPike

3. Committee: General Laws and Technology

4. Title: Board for Purchase of Services from People with Severe Disabilities; report.

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 for such persons. The bill directs the Board to establish and publish a procurement list consisting of services provided by qualified nonprofit entities for procurement by state agencies and political subdivisions and to establish the fair market price of services that are contained on the procurement list.

6. Budget Amendment Necessary: Yes – Item 74.

7. Fiscal Impact Estimates: Preliminary; see Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	-	-	
2019	\$11,176	-	General Fund
2020	\$11,176	-	General Fund
2021	\$11,176	-	General Fund
2022	\$11,176	-	General Fund
2023	\$11,176	-	General Fund
2024	\$11,176	-	General Fund

8. Fiscal Implications: This bill creates a Board for Purchases of Services from People with Severe Disabilities (the Board), which is responsible for establishing a procurement list consisting of services provided by qualified nonprofit entities for procurement by state agencies and political subdivisions and establishing the fair market price of services in the list.

The board will be comprised of 10 nonlegislative citizen members. Members will not receive compensation, but are eligible for reimbursement of reasonable and necessary expenses incurred in the performance of their duties. Such costs are indeterminate and would depend on unknown factors such as the number of meetings per year and the location of meetings. Based on the previous experiences of other commissions and councils, \$11,176 is

an educated estimate of annual reimbursement costs assuming four meetings per year. The bill specifies funding for member expenses shall be provided by the Department of General Services (DGS).

The Department of General Services and other executive branch agencies as the Governor may designate are required to provide staff support to the Board and all agencies shall provide assistance to the Board upon request. DGS suggests additional resources may be needed to support to the Board. However, the level of staff support that will be needed by the Board is unknown and any such impact is indeterminate.

The bill would allow state agencies and political subdivisions to contract for services listed on the procurement list established by the Board without competition. Any impact on the cost of agency purchases is indeterminate and would depend on the prices established by the Board and the purchasing decisions of state agencies.

9. Specific Agency or Political Subdivisions Affected: Department of General Services and all state agencies and political subdivisions.

10. Technical Amendment Necessary: See Item 11.

11. Other Comments: It is unclear if a qualified nonprofit entity is the same as an employment service organization and, as written, the bill appears to create a conflict with §§ 2.2-4344 and 2.2-1118, Code of Virginia. The bill also does not take into consideration items and services that are provided by Virginia Department for the Blind and Vision Impaired or by inmates confined in state correctional institutions through Virginia Correctional Enterprises, which are both mandatory sources for state public bodies.

Date: 1/29/2018