

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB 2844

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Saxman

3. Committee: General Laws

4. Title: Competitive Government Act; change in reporting dates

5. Summary/Purpose: This bill moves forward the due date of the commercial activities report from January 1, 2006, to July 1, 2005, that must be completed by the Secretary of Administration (Chapter 944/HB 1043 of the 2004 General Assembly). The bill also changes from January 1 to July 1 the reporting date in the second year of the biennium for subsequent reports.

6. Fiscal Impact: There is a fiscal impact in FY2005 that ranges between \$27,818 and \$210,600.

See Item 8 below

7. Budget amendment necessary: Yes. An amendment to fiscal year 2005, Item 58 of HB1500/SB700, 2005 General Assembly would be necessary to fund the implementation of this bill.

8. Fiscal implications: This bill accelerates by six months the reporting deadline for the fiscal year 2006 commercial activities report established by the Competitive Government Act of 2004. The original legislation (§§ [2.2-5512](#) and [2.2-5513](#)) called for the commercial activity report to be issued on January 1, 2006. The Secretary of Administration, Commonwealth Competition Council, Department of Human Resource Management, Virginia Information Technologies Agency, and the Department of Planning and Budget (DPB) have developed a plan based on a January 1, 2006 due date. This study was designed at the time to be conducted within participating agencies' existing resources. Included in this review is every state agency and institution except the Offices of Governor, Attorney General, and Lieutenant Governor. The number of agencies and institutions included in the review will top 240.

This bill's amendments will accelerate the study by six months; to be due on July 1, 2005. In order to complete this study in a shorter period, additional staff will be required. Staffing needs could be satisfied through state employee hires or on a contract basis. Looking at similar work provided by staffers at Transportation, DPB and Joint Legislative Audit and Review Commission, the level of analysis for this report requires higher skilled workers or consultants. It is assumed three additional part-time staffers at the Administrative and Office Specialist III (Pay Band Three) will be required. The average hourly range for workers at this level is

\$10.36/hr - \$21.26/hr, with a 39-hour work schedule from March 1, 2005 until July 1, 2005. Costs will vary depending upon whether hourly employees or contractual employees are used.

	<u>Personnel Costs</u>			
	<u>Hourly Employees</u>		<u>Contract Employees</u>	
Hourly Rate	\$10.36	\$21.26	\$100	<i>(\$100 is a contract hourly rate provided by Department of General Services for a similar project detailed in HB2441)</i>
Number of Weeks	18	18	18	
Hours per week	39	39	39	
Number of employees	3	3	3	
<i>Subtotal</i>	<i>\$21,818</i>	<i>\$44,774</i>	<i>\$210,600</i>	
Administrative Costs	\$6,000	\$6,000		
Total Estimated Costs	\$27,818	\$50,774	\$210,600	

Additionally, administrative costs like office space, computers, and phones, and other office equipment will total about \$2,000 per employee. This estimate does not take into consideration any overtime incurred during the course of work.

9. Specific agency or political subdivisions affected: All executive branch agencies and institutions. Secretary of Administration, Commonwealth Competition Council, Department of Human Resource Management, Virginia Information Technologies Agency, and the Department of Planning and Budget.

10. Technical amendment necessary: No

11. Other comments: The changes this bill proposes cannot be implemented unless emergency provisions are included that allow it to be enacted prior to July 1, 2005. This bill amends §§ [2.2-5512](#) and [2.2-5513](#) of the Code of Virginia.

Date: 01/26/05 / jih

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cc: Secretary of Administration