

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB 2844

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

2. Patron: Saxman

3. Committee: Passed by both houses

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

5. Summary/Purpose: This House amended bill moves forward the due date of the commercial activities report from January 1, 2006, to October 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 October 1 the reporting date in the second year of the biennium for subsequent reports.

6. Fiscal Impact: There is a fiscal impact in FY 2005 and FY 2006 that ranges between \$18,121 and \$117,000.

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 three months the reporting deadline for the fiscal year 2006 commercial activities report established by the Competitive Government Act of 2004. The original legislation enacted in 2004 (§§ [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 three months; to be due on October 1, 2005. In order to complete this study in a shorter period, additional staff effort will be required. Staffing needs could be satisfied through part-time employee hires or an employee hired 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 at least one additional part-time staff person (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 October 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 | 30 | 30 | 30 | |
| Hours per week | 39 | 39 | 39 | |
| Number of employees | 1 | 1 | 1 | |
| <i>Subtotal</i> | <i>\$12,121</i> | <i>\$24,874</i> | <i>\$117,000</i> | |
| Administrative Costs | \$6,000 | \$6,000 | | |
| Total Estimated Costs | \$18,121 | \$30,874 | \$117,000 | |

The Commonwealth Competition Council agrees that additional staff is necessary to allow them to complete this study in the accelerated timeframe.

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: This bill amends §§ [2.2-5512](#) and [2.2-5513](#) of the Code of Virginia.

Date: 02/10/05 / jih

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cc: Secretary of Administration