

## Department of Planning and Budget

### 2007 Fiscal Impact Statement

**1. Bill Number** HB1846

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

**2. Patron** Saxman

**3. Committee** Rules

**4. Title** Joint Commission on Oversight and Government Reform.

**5. Summary/Purpose:** This bill creates the Joint Commission on Oversight and Government Reform in the legislative branch of state government. The purpose of the Commission is to review the operations of state agencies and state-funded programs with a view toward the reduction of nonessential programs and expenditures. The Commission shall consist of 16 members, 10 members of the House of Delegates appointed by the Speaker thereof, of whom at least five shall be members of the House Appropriations Committee, and five members from the Senate appointed by the Privileges and Elections Committee of the Senate, of whom at least two shall be members of the Finance Committee, and the Auditor of Public Accounts, ex officio, who shall have no voting privileges.

The Commission would prepare supplementary studies and reports of the state program reviews and evaluations. Also, no later than November 15 of each year, the Commission would provide the Governor and the General Assembly an annual report on its identification of nonessential programs.

**6. Fiscal Impact:** See Item #8.

**7. Budget amendment necessary:** Yes, an amendment is necessary to support the operations of the Commission to include basic operations, the director's salary and any staff support, and Commission members' expenses.

**8. Fiscal implications:** There are three specific aspects of this bill that create a fiscal impact. The first includes the expenses of the Commission members. The Commission will consist of 16 members (15 General Assembly members and one ex officio). Committee members shall be compensated according to their status and have expenses reimbursed. General Assembly members at \$200 per diem and the ex officio member will receive no per diem compensation. If the General Assembly is in session, delegates will receive expenses but no compensation.

The analysis assumes that the Commission will meet four times per year. It also assumes that 30 percent of the members live near Richmond and their expenses would be \$20 per meeting, 30 percent live in central Virginia and their expenses would be \$50 per meeting, and the

remaining members would incur expenses of \$120 per meeting. The calculations for expenses and compensation to fund the Commission are as follows:

**Estimated expenses and compensation annual costs**

Number of Commission members (15 are delegates):	16
Meetings per year when GA is not in session:	3
Meetings per year when GA is in session:	1
Expense Reimbursement: (30% at \$20; 30% at \$50; 40% at \$120)	\$20 - \$120
Compensation per day:	\$200

**Calculations**

**Compensation Summary:**

1 ex officio members * \$0	\$ 0
15 General Assembly members * \$200 * 3 meetings	<u>\$9,000</u>
<b>Total annual compensation</b>	<b>\$9,000</b>

**Expense Summary:**

5 members * \$20 * 4 annual meetings	\$ 400
5 members * \$50 * 4 annual meetings	\$1,000
5 members * \$120 * 4 annual meetings	<u>\$2,400</u>
<b>Total annual expenses</b>	<b>\$3,800</b>

The other two aspects of this bill that create a fiscal impact are the basic operations of the Commission and the impact on supporting state agencies. Both are indeterminate. The bill is not specific as to the annual salary for the director and resources required for his or her support staff.

It is also difficult to determine the extent of the resources required by state agencies to support the on-going research activities of the Commission's support staff. Nevertheless, some fiscal impact would need to be addressed through a budget amendment if the Commission is to be operational.

**9. Specific agency or political subdivisions affected: All state agencies**

**10. Technical amendment necessary: No.**

**11. Other comments: None.**

**Date:** 01/15/07 / acd

**Document:** H:\BOS-RO\Legislation\07 Session\FIS-ACD\HB1846

cc: Secretary of Finance