

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB676

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

**2. Patron:** Plum

**3. Committee:** Rules

**4. Title:** Commission on Climate Change; executive branch.

**5. Summary:** This bill establishes a Climate Change Commission in the executive branch of government to develop a Climate Change Action Plan. In its development of the Climate Change Action Plan, the Commission shall consider demand-side energy conservation by utilities and consumers, expanding renewable energy portfolios, rate decoupling, time-of-use pricing, mandatory energy efficiency measures, and transportation demand management. Wherever possible, the Commission shall examine opportunities to couple greenhouse gas reductions with economic development and other market-based approaches to statewide greenhouse gas reductions.

**6. Fiscal Impact Estimates:** Preliminary. See Item 8.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	0	0.00	n/a
2009	\$12,150	0.00	GF
2010	\$12,150	0.00	GF
2011	\$12,150	0.00	GF
2012	\$12,150	0.00	GF
2013	\$12,150	0.00	GF
2014	\$12,150	0.00	GF

**7. Budget Amendment Necessary:** Yes, Item 360 or an amendment to appropriate funding to the Commission as is mentioned in lines 111-112, and lines 132-133 of this bill.

**8. Fiscal Implications:** This bill establishes a Commission on Climate Change to study, report on, and make recommendation to mitigate the risks of climate change and on prospective greenhouse gas regulation for the Commonwealth. The Commission is to consist of 21 members, including nine legislative members and 12 nonlegislative citizen members.

Compensation and Reimbursement Expenses

The bill stipulates that all legislative members of the Commission shall receive such compensation as provided in §30-19.12, Code of Virginia, which details compensation of legislative councils as provided for in §2.2-2813, which sets the rate at \$50 per day unless a different rate of compensation is specified by statute. Item 1 of Chapter 847 of the 2007

Virginia Acts of Assembly, another statute, sets the level of compensation to members of the General Assembly at a rate of \$200 per day. Assuming that semiannual meetings are held, and that all nine legislative members attend both meetings, total annual compensation costs for the nine legislative members would be approximately \$3,600. The bill does not specify whether or not nonlegislative citizen members are to receive compensation. However, §2.2-2813 specifies that members of commissions are to be compensated at the rate of \$50 per day. Accordingly, should the bill be interpreted that nonlegislative members are to receive compensation; the estimated total cost for compensation for nonlegislative members (assuming semiannual meetings are held) would be approximately \$1,200 annually. Total estimated compensation costs for this bill for both legislative and nonlegislative members would be \$4,800 annually.

The bill also states that all members of the Commission shall be reimbursed for all reasonable and necessary expenses incurred in the discharge of their duties as provided in §§2.2-2825. Assuming (1) semiannual meetings are held; (2) all 21 members attend each meeting; (3) each member will incur travel and lodging expenses for each meeting (average \$175 per meeting, per member), the total annual cost for reimbursement of necessary expenses would be approximately \$7,350. While many who are eligible for reimbursement historically do not seek payment, it is uncertain as to the level of reimbursement that will be sought by members of this Commission, and so full reimbursement was assumed.

The total operating costs (compensation and reimbursable expenses) for the Commission, assuming that nonlegislative members are to receive compensation, are estimated to be \$12,150 annually.

Unless a budget amendment is approved for the Commission, the Office of the Secretary of Natural Resources would be responsible for the costs of compensation and reimbursement of the Commission. According to §2.2-2813, the funding for the compensation and reimbursement of expenses of members shall be provided by the collegial body or, if funds are not appropriated to the collegial body for such purpose, by the entity that supports the work of the collegial body. In this case, as the bill does not specify funding for the Commission directly, but does specify that the Secretary is to provide the staffing for the Commission, the Secretary is therefore also responsible for the costs of the Commission.

#### Staffing Expenses

According to the bill, staffing for the Commission is to be provided by the Secretary of Natural Resources. Executive Order No. 59, signed on December 21, 2007, established the Governor's Commission on Climate Change. This order specifies that staff support for the Governor's Commission on Climate Change is to be provided by the Secretary of Natural Resources, among other executive branch agencies. Accordingly, since the Office of the Secretary of Natural Resources has already allocated and prepared the staffing needed for the Governor's Commission on Climate Change, they do not anticipate that the staffing responsibilities placed on their office by this bill will result in a significant fiscal impact. It is estimated that any staffing impact can be absorbed within current resources.

The bill also permits the Commission to establish advisory committees as needed. It specifies that persons serving on such advisory committees are to serve without compensation, but are to be reimbursed for reasonable and necessary expenses incurred in the

performance of their duties as provided in §§2.2-2813 and 2.2-2825, unless they waive reimbursement.

**9. Specific Agency or Political Subdivisions Affected:** Secretary of Natural Resources, General Assembly.

**10. Technical Amendment Necessary:** This bill is unclear as to whether or not nonlegislative members to the Commission are to receive compensation. In addition, it is unclear as to where the funding would come from if such compensation is approved.

**11. Other Comments:** This bill is very similar to SB627 which also establishes Commission on Climate Change in the executive branch, and HB796 which establishes a Commission on Climate Change in the legislative branch.

**Date:** 1/22/2008 dpbaek

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cc: Secretary of Natural Resources  
Secretary of Finance