

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1314

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

2. Patron: Colgan

3. Committee: General Laws and Technology

4. Title: **Committee on Purchases of Services From People with Severe Disabilities.**

5. Summary: Establishes the Committee on 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. Under the bill, the committee will establish and publish a procurement list consisting of services provided by qualified nonprofit entities for people with severe disabilities for procurement from state agencies and political subdivisions. The Committee will also establish fair market price of services that are contained on the procurement list.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009-10	22,500	1	General Fund
2010-11	94,700	1	General Fund
2011-12	94,700	1	General Fund
2012-13	94,700	1	General Fund
2013-14	94,700	1	General Fund
2014-15	94,700	1	General Fund

6b. Revenue Impact: None

7. Budget Amendment Necessary: Yes, Item 80

8. Fiscal Implications: The bill establishes an eleven member committee. Eight of the members will represent Commonwealth secretariats, the remaining three members will not be state employees. The eleven committee members will not be compensated, but shall be reimbursed for all reasonable and necessary expenses. There will be at least four committee meetings annually. Depending on the meeting location and the location of the members, the reasonable and necessary expenses cannot be determined. However, assuming meetings start in FY 2010 and there is an average of 150 miles per member at \$0.55 per mile and \$25 for meals and other expenses per meeting, the annual cost will be approximately \$4,700.

The bill requires that the Department of General Services (DGS) provide support staff to the commission. DGS anticipates that at least one additional staff member will be required to

provide research and consulting support; possibly additional staff resources may be required periodically. The support could include but not be limited to meeting planning, travel coordination, reimbursement processing, supplies, research, consulting, and reporting. DGS expects the staff support requirement to be significant as the committee must establish a procurement list of services provided by the nonprofit entities for people with severe disabilities including establishing a fair market price for these services. The fair market price must be revised for changing economic and market conditions. The department estimates the annual cost for the staff support will be \$90,000 starting in FY 2010. The FY 2009 estimated support costs are for bringing the additional staff member on before the end of the fiscal year.

The bill requires the committee to establish the “fair market price” for services that public bodies shall use when procuring the mandated services from qualified nonprofit entities for people with severe disabilities.

This bill eliminates competition for the selected services and as a result could increase cost for all public bodies.

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

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/22/2009 amk

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cc: Secretary of Administration