

# Department of Planning and Budget

## 2011 Fiscal Impact Statement

**1. Bill Number: HB1803**

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: Surovell, S.**

**3. Committee: General Laws**

**4. Title: Board for Contractors; regulation of home energy auditors.**

**5. Summary:** Provides for the certification of home energy auditors by the Board for Contractors. The bill defines home energy audits and includes one licensed home energy auditor to be appointed to the Board for Contractors. Regulations are to be issued within 280 days after enactment of this bill.

**6. Budget Amendment Necessary:** Yes. Item #113.

The Department's appropriation will need to be increased for FY2012 and future years to cover the projected costs and position associated with this bill.

	<u>FY12</u>	<u>FY13</u>	<u>Positions</u>
Service Area 560 46:	\$57,944	\$60,250	1.00
Service Area 560 47:	\$0	\$0	0.00
Service Area 560 48:	\$13,700	\$ 6,700	0.00

**7. Fiscal Impact Estimates:** The fiscal impact estimates are preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$0	0.0	0900NGF
2012	\$71,644	1.0	0900 NGF
2013	\$66,950	1.0	0900 NGF
2014	\$66,950	1.0	0900 NGF
2015	\$66,950	1.0	0900 NGF
2016	\$66,950	1.0	0900 NGF
2017	\$66,950	1.0	0900 NGF

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	0900 NGF
2012	\$140,000	0900 NGF
2013	\$0	0900 NGF
2014	\$134,000	0900 NGF
2015	\$0	0900 NGF
2016	\$134,000	0900 NGF
2017	\$0	0900 NGF

- 8. Fiscal Implications:** This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by implementing and administering a mandatory certification program for home energy auditors. The certification program would be added to the Board for Contractors. The Department estimates that approximately 400 individuals would be required to be certified through this program.

Personal Service Costs: This legislation will require one (1) classified Band 3 position to evaluate pre-license education and general eligibility requirements; process initial applications; process financial documents; monitor each regulant's membership standing in a certifying organization approved by the board; and monitor maintenance of required insurance coverage. The cost of salary and benefits for this position, based on the mid-point of the band range, is expected to be \$53,016 in FY 2012 (assuming 23 pay periods) and \$55,322 in future years. These are recurring costs that will continue into future biennia.

Operating Costs: In FY2012, DPOR will need to purchase furniture and equipment for the new position at an estimated cost of \$7,000. This is a one-time expenditure that will not continue into future years. Other operating costs beginning in FY2012 include telephone, employee development, computer operating support, postage, printing, and supplies, and are estimated at \$9,800 each year. These are recurring costs that will continue into future years.

One home energy auditor will be added to the Board for Contractors. Currently, the Board meets 8 times per year. Travel and other expenses related to attending the board meetings will total approximately \$1,828 per year, beginning in FY2012. These are recurring costs that will continue into future years.

Total costs are projected to be \$71,644 in FY2012, and \$66,950 in future years.

Revenue: In accordance with the provisions of Section 54.1-113 (Callahan Act) of the Code of Virginia, licensing fees are established at rates adequate to cover a program's operating costs and a proportionate share of agency support costs.

Approximately 400 new home energy auditor applications are expected in FY2012 with about 400 renewal applications every two years beginning in FY2014. In order to provide sufficient revenue to cover ongoing operating costs, application fees are expected to be \$350 and renewal fees are expected to be \$335. Total additional revenue is estimated to be \$140,000 in FY2012 and \$134,000 in even-numbered fiscal years thereafter.

Cost to Regulants: Home energy auditor initial application fees are expected to be \$350 and biennial renewal costs will be \$335, or a cost of \$168 per year. No additional cost to other current Board for Contractor licensees is expected as a result of this legislation.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation

- 10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 01/13/2011

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