

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1938

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: Pollard

3. Committee: Appropriations

4. Title: Budget process of the Commonwealth.

5. Summary: Changes the Commonwealth's budget from a biennial budget to a budget covering a single fiscal year beginning with the budget for the period July 1, 2012, through June 30, 2013. The bill also provides that if a general appropriation act covering the immediately following fiscal year is not passed by the General Assembly within the time frame allowed for the conducting of business in a regular session of the General Assembly, as such time frame is initially adopted by the General Assembly, then General Assembly members would no longer receive an allowance for expenses subsequent to such time frame in a regular or special session of the General Assembly held in the same calendar year, until such time as the General Assembly passes a general appropriation act covering such fiscal year.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: Currently, Virginia observes a two-year budgeting process by developing the biennial budget for the even year sessions of the general assembly and by offering amendments to that budget at the odd year General Assembly sessions. Changing to an annual budget will change work flow and budget processes which would impact the cycle and processes observed by many state agencies. For example, programs such as the Standards of Quality are currently re-based every two years. Decisions will need to be made regarding whether these processes should be changed to annual cycles or if different processes are desired. The change to an annual budget would likely necessitate programming changes by the Department of Planning and Budget, the Division of Legislative Services, and potentially other agencies. Enactment number 2 of the legislation allows for additional statutory changes that may be necessary as a result of these impacts. The costs associated with any required change cannot be determined at this time.

The legislation stipulates that if the General Assembly exceeds the specified days of a regular session, then General Assembly members would no longer receive payment for expenses

until an Appropriation Act is passed; however, additional personnel and other staff related expenses could be incurred if an annual budget process results in longer sessions.

9. Specific Agency or Political Subdivisions Affected: Department of Planning and Budget, Division of Legislative Services, all state agencies

10. Technical Amendment Necessary: No

11. Other Comments: n/a

Date: 1/13/11 ckb

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