

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2201

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

2. Patron: Comstock

3. Committee: Passed Both Houses

4. Title: Department of Accounts; payroll services bureau.

5. Summary: This bill provides that the Department of Planning and Budget (DPB), in consultation with the Department of Accounts (DOA), shall require all executive branch agencies of the Commonwealth to participate to the fullest extent feasible in the Payroll Service Bureau (the Bureau) operated by DOA. Any executive branch state agency identified by DPB not participating in the Bureau as of July 1, 2011, may be exempted from such participation if it can demonstrate to the satisfaction of DPB that participation is not feasible or fiscally advantageous.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final.

8. Fiscal Implications: This bill would mandate that all executive branch state agencies participate to the fullest extent feasible in the Payroll Services Bureau (the Bureau) operated by DOA. Agencies may appeal to DPB for exemption from participation in the Bureau by demonstrating to the satisfaction of DPB that participation is not feasible or fiscally advantageous. When considering appeals from agencies for exemption, DPB would need to consider the net impact statewide on the ability of DOA to realize greater efficiencies with the Bureau when participation is increased. Overall, this bill allows for DPB consideration of the fiscal impact on an individual agency and the state as a whole before mandating participation in the Bureau. As such, it is anticipated that this bill will not result in any additional costs to the state.

To the extent that it is feasible for additional agencies to participate in the Bureau, this bill could result in a net savings to the state. Any savings are indeterminate at this time and, if materialized, may be addressed administratively or in future periods of budget development.

9. Specific Agency or Political Subdivisions Affected: Department of Planning and Budget, Department of Accounts, any executive branch state agency not currently participating in the Payroll Services Bureau.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill could allow the expansion of existing payroll shared service operations and the establishing of new payroll shared service operations outside of DOA.

Date: March 3, 2011

c: Secretary of Finance