

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB818

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: Lopez

3. Committee: Rules

4. Title: Virginia Commission on Energy and Environment.

5. Summary: The bill establishes the Virginia Commission on Energy and Environment (the Commission) as a legislative commission to review and recommend steps to implement the Virginia Energy Plan. The Commission is charged, among other things, with the power and duty to (i) undertake studies and gather information and data; (ii) make recommendations as may be necessary to accomplish its purposes as set forth in the legislation; (iii) make special studies of and reports on measures to secure Virginia's energy future; (iv) establish advisory committees composed of persons with special expertise not represented by individuals serving on the Commission; (v) seek, accept, and expend gifts, grants, or donations to enable the Commission to carry out its objectives; (vi) review and make recommendations on legislation affecting energy policy to the General Assembly; and (vii) report annually on its activities during the preceding year to the Governor and the General Assembly. The bill expires the Commission on July 1, 2017.

6. Budget Amendment Necessary: Yes, but the bill is unclear as to whether the primary source of funding is intended to be general or nongeneral fund. See item 8.

7. Fiscal Impact Estimates: See item 8.

8. Fiscal Implications: The bill proposes the new commission will consist of 15 members and meet no more than four times per year. In general, a new commission will require and incur costs from: assigned support staff, usually provided by an existing agency; member expenses for compensation, travel, meals and lodging; and certain non-personal services such as furniture, equipment, and special printing/reporting costs.

In regards to support staff, the Division of Legislative Services is assigned by the bill and the agency believes existing staff can support the Commission, so no new support staff will be needed. As for member expenses, commission members shall be compensated according to their status and have expenses reimbursed. Citizen members will be reimbursed at \$50 per diem, General Assembly members at \$200 per diem, and ex officio members will receive no per diem compensation. If the General Assembly is in session, delegates will receive expenses, but no compensation. This analysis assumes that 30 percent of the members live near Richmond and their expenses would be \$25 per meeting for meals only, 30 percent live in central Virginia and their expenses would be \$80 per meeting for travel and meals, and the remaining members would incur expenses of \$389 per meeting for lodging, travel, and meals. As for non-personal services, there are no costs expected that cannot be absorbed since there are no special printing requirements and DLS expects that existing staff (and furnishings) can

be used

The bill also permits the commission to establish advisory committees. Persons serving on the advisory committees will not receive compensation, but will be reimbursed for expenses. The costs associated with the advisory committees are indeterminate since no detail is given as to their size or meeting frequency. For the purpose of this analysis, it is assumed the advisory committees will consist of 10 members and meet no more than four times per year.

Considering the above factors, it is estimated the bill presents a fiscal impact of approximately \$25,000 for each of the three fiscal years of the Commission's existence before its expiration on July 1, 2017. The methodology and calculations behind this estimate are in the paragraphs below.

It should be noted that the bill proposes the Commission be funded through general fund and nongeneral fund sources by creating a special nonreverting fund known as the Virginia Commission on Energy and Environment Fund (the fund). The fund would consist of gifts, grants and donations, bequests, any general fund appropriations, or other funds from any source received by the Commission for its work.

Summary of factors considered for computing annual costs:

Number of commission members (8 are legislative):	15
Commission meetings per year when the General Assembly is not in session:	3
Commission meetings per year when the General Assembly is in session:	1
Number of advisory committee members:	10
Advisory committee meetings per year:	4
Expense reimbursement:	\$25 - \$389
(30% at \$25; 30% at \$80; 40% at \$389)	
Commission compensation per day:	\$50 & \$200

Calculations for annual costs:

Commission compensation summary:

3 ex- officio members * \$0:	\$0
4 citizen members * \$50 * 4 annual meetings:	\$800
8 General Assembly members * \$200 * 3 out-of-session meetings:	\$4,800
Total annual compensation	\$5,600

Commission expense summary:

4 members * \$25 * 4 annual meetings	\$400
4 members * \$80 * 4 annual meetings	\$1020
7 members * \$389 * 4 annual meetings	\$10,892
Total annual expenses	\$12,312

Advisory committees expense summary:

3 members * \$25 * 4 annual meetings	\$300
3 members * \$50 * 4 annual meetings	\$600
4 members * \$389 * 4 annual meetings	\$6,224

Total annual expenses

\$7,124

9. Specific Agency or Political Subdivisions Affected: House of Delegates; Senate of Virginia; State Corporation Commission; Department of Environmental Quality; Department of Mines, Minerals and Energy

10. Technical Amendment Necessary: No.

11. Other Comments: None.

1/20/2014