

Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** SB1688

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

2. **Patron:** Ruff

3. **Committee:** General Laws and Technology

4. **Title:** Virginia Public Procurement Act; public institutions of higher education; disclosure required.

5. **Summary:** Requires every offeror who submits a proposal to a public institution of higher education for any construction project that (i) has a total cost of \$5 million or more and (ii) uses a procurement method other than competitive sealed bidding to disclose any contributions the offeror or any affiliated entity, or any of their respective officers, directors, managers, or members, has made within the previous five-year period to the public institution of higher education or any private foundation that exists solely to support the public institution of higher education. Any person that knowingly fails to submit such required disclosure is subject to a civil penalty of \$500 and is guilty of a Class 1 misdemeanor.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Indeterminate, see Item 8.

8. **Fiscal Implications:** The fiscal impact of this bill is indeterminate. This bill is not expected to have a state fiscal impact on the Department of General Services.

However, this bill creates a Class 1 misdemeanor if an offeror fails to disclose previous contributions in excess of \$5,000. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail. According to the Virginia Criminal Sentencing Commission, not enough information is available to reliably estimate how many additional inmates in jail could result from this proposal. Ultimately, the presiding judge will decide if there is to be any time served in jail; however, any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds a large portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs varies from locality to locality. According to the Compensation Board's most recent Jail Cost Report (November 2018), the estimated total state support for local jails averaged \$33.83 per inmate, per day in FY 2017.

9. **Specific Agency or Political Subdivisions Affected:** Department of General Services, all public institutions of higher education, Department of Corrections.

10. Technical Amendment Necessary: No

11. Other Comments: None