Department of Planning and Budget
2020 Special Session I - Fiscal Impact Statement

1. **Bill Number:** SB5039

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

2. **Patron:** Marsden

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

4. **Title:** Emergency Services and Disaster Law; powers and duties of Governor.

5. **Summary:** This bill grants the Governor authority during a disaster caused by a communicable disease of public health threat for which a state of emergency has been declared to establish a program through which the Governor may purchase personal protective equipment (PPE) for private, nongovernmental entities and distribute the PPE to such private, nongovernmental entities. The bill allows the Governor to seek reimbursement for such purchases from the private, nongovernmental entities and to establish and charge fees to recover the cost of procuring and distributing the PPE.

   The bill also exempts the Governor's procurement of such PPE from the provisions of the Virginia Public Procurement Act. However, the Governor is encouraged to comply with the provisions of § 2.2-4310 (Discrimination prohibited; participation of small, women-owned, minority-owned, and service disabled veteran-owned businesses and employment services organizations).

   The bill defines PPE as equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses, and may include items such as gloves, safety glasses and shoes, earplugs or muffs, hard hats, respirators, or coveralls, vests, and full body suits.

6. **Budget Amendment Necessary**: Yes. Item 413.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8 below.

8. **Fiscal Implications:** This bill allows the Governor to establish a program to purchase and distribute PPE to private, nongovernmental entities when a state of emergency has been declared for a communicable-disease public health threat. The Governor is entitled to seek reimbursement for such purchases from the private, non-governmental entities and may establish and charge fees to recover the cost of procuring and distributing the PPE.

   In the case of a declaration of a state of emergency as defined in § 44-146.16, the Governor is authorized to expend from all funds of the state treasury not constitutionally restricted, a sum sufficient pursuant to Item 55, Chapter 1289 Acts of Assembly. A sum sufficient appropriation is additional spending authority provided by the Governor to reimburse state

agencies and localities for eligible costs incurred in preparing for, responding to, and recovering from a man-made or natural disaster (includes mitigation).

In the case of a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) generally provides assistance under various programs to the Commonwealth, including FEMA's Public Assistance (PA) grant, which provides funding for emergency protective measures to respond to the disaster. However, only state, territorial, tribal, and local government entities and certain private, non-profit organizations are eligible to apply for assistance through FEMA's PA grant; other private entities are not eligible.

The proposed legislation requires the Governor to establish a program to purchase and distribute PPE to private, nongovernmental entities. Because Item 55 (Chapter 1289, Acts of Assembly) limits the use of sum sufficient to state agencies and localities, a funding source other than sum sufficient for the private, nongovernmental PPE purchase program would have to be identified in order to establish the program and to maintain an adequate amount of funding until reimbursements and fees to replenish the fund can be collected.

The amount of funding such a program would require is not known at this time. As the state agency responsible for coordinating emergency management and disaster preparedness programs, this bill may have an impact on the Virginia Department of Emergency Management (VDEM). To establish a reimbursement PPE program from private, non-governmental entities, VDEM believes it will need three additional positions - a program manager, a logistical position, and an accounting position. The first year cost for the three positions is estimated to be $242,500 and the second year is estimated to be $291,000.

9. **Specific Agency or Political Subdivisions Affected:** Virginia Department of Emergency Management

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None