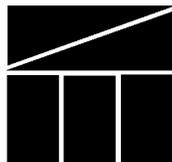


INSTRUCTIONS

Preparation and Submission of Agency Legislative Proposals for the 2006 Session



Virginia Department of
Planning and Budget

June 2005

A Checklist for the Preparation and Submission of Agency Pre-session Legislative Proposals

This checklist is designed to help you prepare and submit your agency pre-session legislative proposals.

- _____ 1. If the legislative proposal is required by a federal law or regulation, have you enclosed a copy of the federal law or regulation?

- _____ 2. Have you contacted the Attorney General's Office concerning each proposal's constitutionality and possible conflicts with state and federal laws? Is the Attorney General's Office response to the proposal included in your submission?

- _____ 3. Have you contacted affected agencies and organizations and attached their responses to each proposal? Are responses attached?

- _____ 4. If you believe it is inappropriate to contact all affected agencies and organizations because of the nature of the proposal, **have you obtained an exemption from Bill Murray?** (Use the memo in Appendix A to submit your request and include a copy of the response in your submission package.)

- _____ 5. Have you checked each of your proposals for:
 - a. correct Code cites?
 - b. correct page numbers?
 - c. complete contents?
 - d. compliance with current executive orders?

- _____ 6. Have you prepared the proposal using the format required by these instructions?

- _____ 7. Did your Cabinet Secretary sign the package cover?

INCOMPLETE PROPOSALS WILL BE RETURNED.

INTRODUCTION

The Governor's Office has invited agency heads to submit proposed legislation for incorporation into the Governor's legislative package to the 2006 Session of the General Assembly. These instructions provide the necessary information for submitting the proposals.

The proposal instructions contain two parts:

1. the actual instructions for preparing the proposal; and
2. a format that must be followed in preparing the proposal. Do not delete any of the items in the detail sheets. Also, keep the narrative clear, concise, and succinct.

Special Requirements for 2006 Session

The following items require special attention when preparing proposals.

1. Adhere to the policies set by the Chief of Staff in his memorandum addressed to the Governor's Cabinet and the Heads of Executive Branch Agencies dated June 13, 2005.
2. Stamp the submission as "Confidential Governor's Working Papers."
3. The Office of the Attorney General needs the draft proposals no later than August 5 for timely review.
4. Include an electronic copy of the package on a disk or as an attachment to electronic mail.
5. In the Statement of Need, explain the crucial problem requiring legislation and the innovative solutions offered in the proposal.
6. Include the statement of assurances from the Office of the Attorney General and the affected agencies. **Use the memo in Appendix A to seek an exemption from contacting agencies and organizations.**

If you need assistance with the instructions, call Gary Janak at the Department of Planning and Budget. His phone number is 786-2200 and e-mail address is "gary.janak@dpb.virginia.gov."

Summary of Required Information

Each agency's pre-session legislative submission should include the following:

For the agency package:

- A) Cover Sheet
- B) Summary Sheet for all Proposals

For each proposal:

- C) Proposal Package consisting of:
 - Statement of Need
 - Statement of Assurances From Other Agencies or Organizations Affected by the Proposal
 - Statement of Assurance From the Office of the Attorney General
 - Proposed Bill

Deliver at least one copy of the proposal package through inter-agency or U.S. Mail to your Cabinet Secretary. Your Secretary will tell you which proposals are approved and have you resubmit updated copies for the Governor's Policy Office and the Department of Planning and Budget (DPB). Also give your Secretary an electronic copy on a diskette for DPB's use.

Deadline for Submission

Agencies must submit their legislative proposals and supporting information to their Secretary by August 19, 2005. The Secretaries must forward the approved proposals to the Governor's Policy Office and DPB by August 31, 2005.

Specific Requirements

Each pre-session legislative submission must contain the following components:

- A) **Cover Sheet.** This sheet shows the name of the agency, the agency head, and the legislative contact(s) for the agency and their office and home telephone numbers. Additional information may be needed when DPB, the Secretary, the Governor's staff, or the Governor review the proposal. This sheet provides information on how to contact the appropriate staff.

- B) **Summary Sheet for all Proposals.** This sheet lists the proposals in order of priority, summarizes the proposed changes, and sets out any changes in funding and full-time equivalent (FTE) employment that would be needed if a proposal was introduced and enacted into law. In addition, indicate with the word "YES" if the proposal will require new regulations or modify existing regulations and if the proposal affects a performance measure established in your strategic plan or service area plan. DPB will contact you later for more information if you say "yes" to these.

The summary sheet serves as a reviewer's checklist to determine if all proposals are attached. Also, the information on the summary sheet provides a single source of data for the funding and FTE requests. The prioritization of the proposals enables the reviewer to see which proposals the agency feels are needed most. **BE SURE THE LIST OF PROPOSALS MATCHES THE LIST APPROVED BY YOUR CABINET SECRETARY.**

- C) **Detail Information for Each Proposal.** Complete a Statement of Need for each proposal. The statement provides the information necessary to determine whether the proposal should be accepted. The form has 14 items that include a description of the proposed legislation, background on the problem, alternative solutions, and impacts on the budget, families, and other agencies. Instructions for completing each piece of information follow:

1. **Statement of Need for Legislation:** See the instructions on page 12.

2. Statement of Assurances From Other Agencies or Organizations Affected by the Proposal:

Many proposals affect more than one agency or organization in and out of state government. The agency that proposes the change needs to assure that other affected agencies or organizations review and understand the impact of the proposal. Each affected agency and organization needs to put **in writing** that it has reviewed the proposal and agrees or disagrees. **A response is mandatory from the state agency primarily impacted by the subject of the proposal, if other than the submitting agency.**

The opportunity to comment on a proposal should be given to impacted agencies as soon as possible. The earlier the review occurs, the earlier the agencies may resolve any problems. This review is similar to the public participation in the regulation development process and cannot be over-emphasized.

The comment letters allow those affected by the change to show their support or opposition, and to identify any problems or desired changes. The agency submitting the proposal should address all problems and make any necessary changes or explain why not.

List the agencies and organizations affected by the proposal in the Legislative Action Summary form and state whether they have been contacted and their response is attached.

If you believe for reasons of controversy or confidentiality that a proposal should be excluded from the requirement to contact other affected agencies and organizations, you must obtain such permission **in writing** from Bill Murray, the Governor's Legislative Director. Complete the memo in Appendix A and send to Mr. Murray.

3. Statement of Assurance from the Office of the Attorney General:

The agency must submit a copy of each draft bill to the Office of the Attorney General (OAG) and request a statement of assurance that the proposal is constitutional and does not conflict with state or federal laws. The proposal should be submitted by the date requested in the cover memo and page three of these instructions. The agency is responsible for resolving any problems surfaced by OAG before the package is finalized and submitted.

A copy of the letter from the OAG is required.

4. Proposed Bill:

The proposed bill shows the requested changes to the Virginia Code in the format for legislative bills. Use the latest version of the Code section. Also, be sure to provide the complete Code section. If deleting language, strike through it. If adding language, insert it in its proper location as it should appear in the Code and underline it.

You may be able to electronically transfer the latest version of the Code from the Legislative Information System operated by the Division of Legislative Automated Systems (DLAS). Select the “Code of Virginia Searchable Database,” and pull-up the desired sections of the Code. “Copy” and “paste” the code into your word-processing document.

DLAS will update its Code research tool with 2005 session amendments by early July.

REQUIRED FORMAT: THE COVER SHEET

2006 Legislative Proposal

**Confidential Governor's
Working Papers**

for

[Your agency name, agency code]

Approved by: _____	_____
Secretary of _____	Date _____

Name

Title

Agency Head

Office Phone _____ Beeper # _____ Home # _____ Fax # _____

Legislative Liaison

Office Phone _____ Beeper # _____ Home # _____ Fax # _____

E-mail address _____ Cell # _____

**Additional Contacts
if Needed:**

Proposal(s) # _____ **Contact:** _____

Office Phone _____ Beeper # _____ Home # _____ Fax # _____

E-mail address _____ Cell # _____

Proposal(s) # _____ **Contact:** _____

Office Phone _____ Beeper # _____ Home # _____ Fax # _____

E-mail address _____ Cell # _____

REQUIRED FORMAT: THE SUMMARY SHEET FOR ALL PROPOSALS

[Your agency name]
2006 Session of the General Assembly

Summary of Legislative Proposals

Proposal Identifier Number	Summary of Proposal	Resource Requirements		Impact	
		Funding	FTE	Perf Meas.	Regs
<i>[List the highest priority proposal first. See p. 12 for instructions.]</i>	<i>[Summarize the proposed changes to the code cites Use plain English and don't repeat the amended code cites.]</i>	<i>[Show expenditures by general and nongeneral funds.]</i>	<i>[Show needed FTE employment by general and nongeneral funds.]</i>	<i>[Type "YES" if the proposal affects your agency's performance measures.]</i>	<i>[Type "YES" if the proposal impacts current or requires new regulations.]</i>

REQUIRED FORMAT: STATEMENT OF NEED FOR LEGISLATION

Proposal Identifier Number: _____

**(Agency Name Here)
Statement of Need for Legislation**

GENERAL DISCUSSION

- 1. Need/Description/Objective:
- 2. Background:
- 3. Alternatives:
- 4. Support Governor’s initiatives:
- 5. First day introduction:
- 6. Summary of opinion from the Office of the Attorney General (copy of letter attached):

FISCAL IMPACT

7. Does the proposal have a fiscal impact? Check all the following that apply to this proposal. If “no,” go to Item 11.

___ No Fiscal Impact	___ Expenditure Increase	___ Expenditure Reduction	___ Revenue Increase	___ Revenue Reduction
-------------------------	-----------------------------	------------------------------	-------------------------	--------------------------

8. **Provide detailed breakout of the fiscal impact.**

Fiscal Impact Estimates are: (Choose one: **preliminary** or **final**.)

8a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06			
2006-07			
2007-08			
2008-09			
2009-10			
2010-11			
2011-12			

8b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06			
2006-07			
2007-08			
2008-09			
2009-10			
2010-11			
2011-12			

9. **Can the fiscal impact be absorbed or is a budget amendment needed?**

Choose one: Yes or No. If a budget amendment is needed, list the impacted item(s) in the 2005 Appropriation Act.

10. **Describe methodology for calculating the fiscal impact.**

Be sure to explain how the expenditure or revenue estimates were calculated.

OTHER IMPACTS

11. **Family impact:**

12. **Impact on other affected agencies (attach correspondence)**

13. **Impact on political subdivisions:**

14. **Impact on other customers:**

REQUIRED FORMAT: THE PROPOSED DRAFT BILL

[Your agency name]
2006 Session of the General Assembly

**Proposal Identifier Number [_____] /
Draft Legislation**

Provide a draft of the affected legislation in the legislative bill format. Strike through language to be deleted and underline new language.

Instructions for preparing the Statement of Need for Legislation

This form is needed for each legislative proposal. The statement of need is your single opportunity to explain why legislation is needed and what will be accomplished upon implementation. **You must be able to convince the reviewer that your proposal is essential for the operation of state government.** Complete the entire form.

Special Item. Proposal Identifier Number: Give each proposal a preliminary code number in lieu of the bill number by using the following format:

Secretary Abbreviation - Official Agency Abbreviation Proposal Priority Number
-

For example, the code for the Department of Planning and Budget's first proposal would be "F-DPB-1." The official agency abbreviations are found in the index of the current appropriation act. Use the following abbreviations for each Secretary: A - Administration, AF - Agriculture and Forestry, CT - Commerce and Trade, E - Education, F - Finance, HHR - Health and Human Resources, NR - Natural Resources, PS - Public Safety, Tech - Technology, Trans - Transportation, and I - Independent.

Be sure the proposal number in the summary sheet matches the individual packages after the Secretary approves the package, especially if proposals are removed. Agencies do not have to renumber the proposals.

Specific Information

Item 1. Need/Description/Objective: Fully describe the actions involved in the proposed legislation. Provide an explanation about why the proposal is essential to your agency and state government. Describe the anticipated results or objectives your agency expects to accomplish if the proposed legislation is adopted. Also describe how the proposal impacts your strategic plan objectives and performance measures.

You should critically analyze the issue or problem so you can clearly state the outcome the legislation will produce.

Item 2. Background: Explain the history, including legislative history, behind the issue or problem.

Item 3. Alternatives: Describe any administrative alternatives you considered and why you selected the proposed action. Briefly list the pros and cons of each alternative.

Agencies should identify solutions within their authority rather than rely on the Cabinet

Secretary or Governor. For example, look first for an administrative change in agency policy before pursuing other routes.

Item 4. Support Governor’s initiatives: Indicate if the proposal is tied to any of the Governor’s initiatives and/or the eight long-term objectives of the Council on Virginia’s Future. Explain the connection and be sure to identify the strategy or objective. If the proposal does not relate, insert “no.”

Item 5. First day introduction: Does this proposal require first day introduction? Virginia law requires certain legislation to be introduced by the first day of the session. If your proposal is affected by one of these code cites, provide a brief analysis of the impact. If the proposed legislation does not require first day introduction, insert “No.”

- §30-19.03:1. Bills requiring net additional expenditures by local governments.
- §30-19.03:1.1. Bills requiring net reduced revenues by local governments.
- §30-19.1. Bills amending or creating charters or affecting optional forms of county government or creating or amending the charter of any county, city, or town.
 - §30-19.1:1. Claims bills.
 - §30-19.1:3. Retail sales and use tax exemption bills.
 - §30-19.1:6. Bills which increase terms of imprisonment at state correctional facilities or periods of commitment to the custody of the Department of Juvenile Justice.

Please note. agencies throughout state government depend on criminal statutes for enforcement of their activities. These proposals also usually have a fiscal impact on the Departments of Corrections or Juvenile Justice. See §30-10.1:4 for more details.
- §30-19.1:7. Bills related to any Retirement System established by Title 51.1 of the Virginia Code.

Item 6. Summary of opinion from the Office of the Attorney General (attach the correspondence): Summarize the comments given by the Office of the Attorney General (OAG) and attach the memo. Comments can be:

- The Office of the Attorney General states that this legislation is constitutional and does not conflict with any existing state or federal law.
- The Office of the Attorney General drafted the legislation as submitted.
- The Office of the Attorney General offered changes to the legislation, which are included in the attached proposal.

If the OAG has not commented on the bill by the deadline, state this fact here and give an indication of when it will be expected.

Item 7. Does the proposal have a fiscal impact? Check all the following that apply to this proposal. If “no,” go to Item 11.

No Fiscal Impact Expenditure Increase Expenditure Reduction Revenue Increase Revenue Reduction

If the proposal has an impact, select all the options that apply. This designation is used during budget development.

8. FISCAL IMPACT ESTIMATES ARE (PRELIMINARY or FINAL)

Example Legislative Proposal:

A simple fictitious example is used here to highlight some of the requirements for a preliminary fiscal impact statement. The example will be discussed in a double walled box throughout the instructions.

* * * * *

The Division of Historical Places (fictitious) submitted a legislative proposal to amend the Virginia Code to require the division to maintain all military cemeteries in the Commonwealth.

The legislative proposal focuses on the need for the activity, what it will cost, and who will be impacted. The preliminary fiscal impact should identify the annual cost and explain how the number was derived. It would also include discussion about the impacts on local governments or other organizations that currently take care of, or have interest in, the cemeteries.

A budget amendment would actually provide the funding for the proposal. The budget amendment must also survive the rigors of review including the priority this proposal has with all others being considered by the Governor. The budget process is the only way for the Governor to recommend funding to the General Assembly.

Item 8: Select one of the following categories, which best describes the fiscal impact (revenue and/or expenditure) of the proposal. **Remember, you are to address the fiscal impact on the Commonwealth and not just your agency!** Only one should remain in Item 8:

FISCAL IMPACT ESTIMATES ARE PRELIMINARY
FISCAL IMPACT ESTIMATES ARE FINAL

The categories are defined as follows:

Preliminary: The proposal will require dollars to implement or produce savings, or will generate or reduce revenue, or a combination of these. Also, the dollar figures shown are:

- based on marginally reliable data; or
- derived by using a previously validated methodology; or
- derived from an agency and an analysis has been done to determine their accuracy, but there is some likelihood they will change.

If this category is checked, figures must be provided in Items 8a and/or 8b, as appropriate, and "SEE ITEM 10" must be inserted in Items 8a and/or 8b.

Final: The fiscal impact is considered highly accurate and not likely to change. If this category is checked, figures must be provided in Items 8a and/or 8b, as appropriate, and "See Item 10" must be inserted in Items 8a and/or 8b.

Definitions:

Fiscal Impact: A proposal has a fiscal impact if implementation costs or saves money or staff resources, or generates or reduces revenue. This needs to be shown even if the agency can absorb the additional costs.

Expenditure Impact: The action requires money to be spent to implement the bill, or reduces the expenditure of dollars upon implementation.

Revenue Impact: The action affects, either positively or negatively, the dollar income that an agency collects and places in the treasury to pay for its programs or for general-purpose use.

The fiscal impact for maintenance of military cemeteries is considered "preliminary." The cost components and assumptions used to develop the impact statement have not been satisfactorily confirmed.

8a. EXPENDITURE IMPACT: Explain in Item 10

<u>Fiscal Year</u>	<u>Dollars</u>	<u>Positions</u>	<u>Fund</u>
2005-06			
2006-07			
2007-08			
2008-09			
2009-10			
2010-11			
2011-12			

8b. REVENUE IMPACT: Explain in Item 10

<u>Fiscal Year</u>	<u>Dollars</u>	<u>Positions</u>	<u>Fund</u>
--------------------	----------------	------------------	-------------

2005-06
 2006-07
 2007-08
 2008-09
 2009-10
 2010-11
 2011-12

Items 8a and 8b:

Note: The 2002 General Assembly session amended §2.2-1503.1 of the Virginia Code by requiring the Governor to provide revenue and expenditure data for six years beyond the current year. DPB will institute this requirement on data submissions. If proposed legislation is approved and requires a budget amendment, the data will be needed.

Enter the dollar amounts for expenditure and revenue impacts as appropriate. Amounts reflecting reductions should be enclosed in parentheses, e.g., (\$10,000). For positions, carry figures out to two decimal places, e.g., 4.50. For the fund source use:

GF for General Fund		NGF for Nongeneral Fund
		(the fund detail number may be used)

8a. Expenditure Impact:			
<u>Fiscal Year</u>	<u>Dollars</u>	<u>Positions</u>	<u>Fund</u>
2005-06	\$0	-0-	GF
2006-07	\$1,232,000	-0-	GF
2007-08	\$1,224,000	-0-	GF
2008-09	\$1,256,400	-0-	GF
2009-10	\$1,248,700	-0-	GF
2010-11	\$1,281,200	-0-	GF
2011-12	\$1,273,800	-0-	GF

Expenditure and revenue impact amounts should be provided for the current and next six fiscal years. If there is an impact on local funds, discuss it in Item 10. Do not include in Item 8a or 8b. Assume a July 1, 2006 implementation date unless the proposal is emergency legislation or another date is specified in the bill.

Amounts should reflect statewide expenditure and revenue impact and not just the impact on your agency. If multiples agencies are involved, show the amounts for each agency.

Item 9. Can the fiscal impact be absorbed or is a budget amendment needed?

(Choose one: Yes or No. If a budget amendment is needed in the current or appropriation act or the budget bill currently being developed, list the impacted item(s) in the 2005 Appropriation Act (Chapter 951). “No” would include those instances where the agency can

absorb the additional costs within existing appropriations. If you are in doubt, contact your DPB budget analyst.

Item 10 Describe methodology for calculating the fiscal impact.

Fiscal Implications -- Operating: Explain how the impacts shown in Item 8 were derived. If necessary, break the discussion into the major categories of expenditures, including: salaries and benefits, contractual services, payments to localities and individuals, and equipment. A detailed list of the expenditure categories is found on DPB’s website at: “www.dpb.state.va.us/forms and instructions/expenditure structure.”

Do the same for revenues.

Fiscal Implications -- Capital: Describe the impact on the agency's capital outlay requirements (e.g., a bill that increases the maximum prison population at Mecklenburg Correctional Center).

Methodology and Assumptions: Be sure to explain how the numbers in Item 8 were calculated and the relevant facts and issues supporting the calculations. Any assumptions used in the calculations should be listed and explained. Analysts need to research the subject to get answers that will increase the validity of the cost estimates.

Be sure the assumptions explain any trends in the six-year projections.

<p>Fiscal Implications</p> <p>This proposal requires the division to provide contractual services with local businesses to maintain qualified military cemeteries. Eligible costs include lawn maintenance, tombstone maintenance, and building and fence repair. No security services are included in the cost.</p> <p>The methodology used to calculate the cost is: 300 cemeteries X \$4,000 per cemetery for a total current annual cost of \$1,200,000. The average cost is based on a phone survey to ten local governments currently maintaining cemeteries. The survey revealed the service contracts grow each year so a one percent annual adjustment was added. Also, \$20,00 is included in the first year of each biennium for the burial of civil war skeletal remains at \$5,000 for each burial. We recommend these dollars revert at the end of the biennium if not used for this purpose.</p> <p>Assumption include:</p> <ul style="list-style-type: none">• There are 300 cemeteries.• The average cost is \$4,000; some will cost more and others less. The data collected in the phone survey was a good representative sample.• Service contracts increase about one percent annually.• Four burials of civil war skeletal remain at \$5,000 each the first year of

each biennium. Funds are available the entire biennium and revert at the end of the biennium if not needed.

- Localities will not have to contribute to the costs.

There are no other sources of revenue to pay for the program. The federal government was not contacted.

Item 11. Family Impact: Virginia Code § 2.2-606 requires executive branch agencies to consider the impact of proposed policies on family formation, stability, and autonomy. Please provide an analysis of the proposed legislative action that assesses the potential impact on the institution of the family and family stability including the extent to which the proposal will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

If the proposed legislation does not affect the family institution, insert “No” and briefly explain why.

Item 12. Impact on other affected agencies (attach correspondence): Summarize the comments of other agencies contacted about the proposal. State if their comments were addressed and how. Be sure to attach the correspondence from the agencies. Please see the requirements discussed on page 5 under the heading of “**Statement of Assurances From Other Agencies or Organizations Affected by the Proposal.**”

Item 13. Impact on political subdivisions: If you have comments from political subdivisions or their representative associations, state their comments and attach the correspondence. Otherwise, summarize the programmatic, fiscal, or policy impact on other political subdivisions affected by the proposal. Please see the requirements discussed on page 5 under the heading of “**Statement of Assurances From Other Agencies or Organizations Affected by the Proposal.**”

Item 14. Impact on other customers: Refer to the customers discussed in your agency's strategic plan. Report any comments you have from constituents and attach the correspondence. Otherwise, explain the programmatic and policy impacts on them.. Please see the requirements discussed on page 5 under the heading of “**Statement of Assurances From Other Agencies or Organizations Affected by the Proposal.**”

Appendices

Appendix A: Exemption Request Memorandum

Date

MEMORANDUM

TO: Bill Murray, Legislative Director
Office of the Governor

THROUGH: Your Cabinet Secretary

FROM: Your Name and Title

SUBJECT: Request for Exemption from Contacting Agencies Affected by a 2006 Session
Legislative Proposal

I request an exemption from the requirement to share the following proposed legislation with agencies and organizations it affects. Not having their input will not jeopardize the proposal. The following information will fully explain the reasons for my request. I will add a copy of your response to my hard copy submission.

Proposal Identifier Number	
Proposal Title	
Contact Name	
Contact Phone Number	
Contact Fax Number	

Reserved for use by the Governor's Office

_____ I concur with your request for an exemption.

_____ I do not concur with your request. Proceed with contacting the affected entities.

Bill Murray

Date

Memo to Bill Murray
Page 2

Proposal Identification Number: _____

Proposal Summary

Please provide a brief summary of the legislative proposal.

Explanation of Necessity for Legislation

Please provide an explanation about why the legislation is necessary. Explain current problem or need and how the legislation resolves it.

Affected Agencies and Organizations not to be Contacted

Please list the agencies and organizations affected by the proposal in two categories: those you are contacting and those you do not want to contact.

Reasons for Not Wanting to Contact the Affected Agencies and Organizations

Please explain why you feel it is inappropriate to contact the affected agencies or organizations. Be clear so a decision can be made about the merits of your request.