

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** SB304

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

**2. Patron** O'Brien

**3. Committee** Passed Both Houses

**4. Title** Drug treatment and job training programs; performance-based budgeting.

**5. Summary/Purpose:** This bill amends §2.2 of the Code of Virginia by establishing the Special Advisor to the Governor for Workforce Development, a gubernatorial-appointed position in the Office of the Governor, who shall assist in development, implementation, monitoring and reporting of workforce development programs. The Special Advisor shall also lead the Virginia Workforce Council in implementing its policies and procedures for the Virginia Workforce System. By December 1, 2005, the Special Advisor shall conduct a comprehensive review to identify for each agency in the executive branch of state government, the job training program the agency administers, the program objectives, program actions to achieve the objectives and estimated costs to implement the objectives. Beginning in 2006, the Special Advisor is to report annually to the Secretary of Finance and the Chairmen of the House and Senate money committees, for each agency-administered job training program, the amount of funding expended, numbers served, program objectives accomplished, and how effectiveness could be improved. In addition, the Special Advisor is to develop a standard format and report annually to the Governor and the General Assembly a comparative summary to identify the most effective job training programs, based on a combination of per person costs and success in meeting program objectives and recommendation for the redirection of program funding on that basis.

This bill also amends §37.1 of the Code by requiring the Substance Abuse Services Council to forward to the Governor and General Assembly by December 1, 2005, a Comprehensive Interagency State Plan to identify for each agency in state government the alcohol or drug treatment program the agency administers, the program objectives, program actions to achieve the objectives and estimated costs to implement the objectives. The Council is to develop specific criteria for outcome data collection for all affected agencies. The plan shall also include an assessment of each agency's capacity to collect, analyze, and report information as required in a subsection of this bill. This subsection requires the Comprehensive Interagency State Plan to include, beginning in 2006, an analysis of each agency-administered alcohol or drug treatment program including information on: prior year expenditures, number of individuals served, extent to which program measures have been accomplished, the most effective alcohol or drug treatment based on a combination of per person costs and success in meeting program objectives, how effectiveness could be improved, estimate of the cost effectiveness of these programs, and recommendations on funding of programs based on these analyses. All agencies identified in the Comprehensive Interagency State Plan as administering an alcohol or drug treatment program shall provide

information and staff support as is necessary for the Council to complete the Plan, and outcome related information concerning alcohol or drug programs for analysis upon request.

**6. No Fiscal Impact.**

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** This bill applies to two distinct sections of the code and identifies two different Councils for implementation of its provisions. The Virginia Workforce Council is impacted for workforce and job training provisions of the bill. The Substance Abuse Services Council is impacted for alcohol or drug treatment program provisions.

The bill establishes in statute a Special Advisor for Workforce Development and requires certain reporting requirements on job training programs and their effectiveness. The bill has no fiscal impact with regard to the position of Special Advisor since the Governor has already appointed an individual for that position, funded by federal funds through the Workforce Investment Act. The only fiscal impact with regard to the workforce development provisions of the bill would result from any additional staff the Special Advisor would require to fulfill the bill's reporting requirements. Additional staffing needs are unknown at this time. However, any additional staff could be funded from federal funds and thus would have no impact on state funding.

The Substance Abuse Services Council (SASC) is an appointive council that meets once a quarter. To assist them in their current activities the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) provides 0.5 FTE. An additional 0.5 FTE would be needed to meet the increased workload as required by this bill for development of the Comprehensive Interagency State Plan (the Plan) by December 1, 2005. The existing position would be expanded to 1.0 FTE, which could be absorbed within current DMHMRSAS resources. The Plan is required to identify for each agency in state government the alcohol or drug treatment program it administers as well as program objectives, program actions to achieve objectives, implementation costs, and an estimate of the extent these programs have met demand for alcohol and drug treatment services in the Commonwealth. The SASC is to develop specific criteria for outcome data collection for all affected agencies, and to include in the Plan an assessment of each agency's capacity to collect, analyze and report information required in another section of the bill. Until this assessment is completed, it is unknown if existing data infrastructure and staffing of any of the affected agencies will be sufficient to meet outcome data collection and reporting requirements developed by the SASC.

**9. Specific agency or political subdivisions affected:** Virginia Workforce Council, Substance Abuse Services Council, Virginia Employment Commission, Department of Mental Health, Mental Retardation and Substance Abuse Services.

**10. Technical amendment necessary:** No.

**11. Other comments:** No.

**Date:** 03/22/04 / jlv

**Document:** G:\04-06\EFIS\MHMR\SB304ER.Doc Janet Vogelgesang

cc: Secretary of Health and Human Resources  
Secretary of Commerce and Trade