

Department of Planning and Budget

2005 Fiscal Impact Statement

1. Bill Number HB 2027

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

2. Patron Dudley

3. Committee General Laws

4. Title Virginia Economic Development Partnership

5. Summary/Purpose: The bill would require that the Virginia Economic Development Partnership designate six of its employees to specialize in the economic development of distressed communities who shall be based in offices located in identified economically distressed communities. Such employees would be assigned as follows: (i) one for planning districts 1 and 2; (ii) one for planning districts 3, 4, and 5; (iii) one for planning districts 11, 12, and 13; (iv) one for planning districts 17, 18, and 22; (v) one employee serving urban distressed areas in a city within planning district 19; and (vi) one employee serving urban distressed areas in a city within planning district 23. The bill also would require that the Partnership make every reasonable effort to base the employees in current planning district offices or facilities of an institution of the Virginia Community College System.

6. Fiscal impact: According to the Virginia Economic Development Partnership, the provisions of the bill would require that it hire six new employees. The Partnership states that its current employees do not have the necessary skills to meet the requirements of the bill. The bill would require skills more closely associated with a community development function. In addition, if six current marketing positions were eliminated to fulfill the requirements of the bill, it would mean a reduction of one-third of the Partnership's marketing and project management positions. The Partnership estimates that costs associated with the six new positions would be \$631,200 annually. These costs are broken down as follows:

Personnel costs @\$85,000 per employee	\$510,000
Office costs @\$6,000 per year per office	\$36,000
Vehicle costs @\$350 per month per vehicle	\$25,200
Ancillary support costs @\$10,000 per employee	\$60,000
Total	\$631,200

7. Budget amendment necessary: Yes (Item 128).

8. Fiscal implications: See Item 6.

9. Specific agency or political subdivisions affected: Virginia Economic Development Partnership.

10. Technical amendment necessary: No.

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11. Other comments: None.

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cc: Secretary of Commerce and Trade