

Department of Planning and Budget 2006 Fiscal Impact Statement

1. **Bill Number:** HB1051

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Reid

3. **Committee:** Commerce and Labor

4. **Title:** Employment service centers; penalty.

5. **Summary/Purpose:** The bill prohibits public funding of employment services unless the provider of the services verifies that the persons receiving services are legally eligible for employment in the United States. The service providers are required to maintain a database that identifies each applicant for employment services and contains confirmation of the applicant's legal eligibility for employment in the United States. The measure is subject to enforcement by the Commissioner of Labor and Industry.

6. Fiscal impact estimates are: Preliminary.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06			
2006-07	\$199,425	3.50	General fund
2007-08	\$199,425	3.50	General fund
2008-09	\$199,425	3.50	General fund
2009-10	\$199,425	3.50	General fund
2010-11	\$199,425	3.50	General fund
2011-12	\$199,425	3.50	General fund

7. **Budget amendment necessary:** Yes, Item 110, Regulation of Business Practices, of HB 30.

8. **Fiscal implications:** According to the Department of Labor and Industry, it is difficult to estimate how many employment service centers or covered entities will be subject to the provisions of the bill. The Virginia Employment Commission reports that there are approximately 600 agencies listed as employment agencies or employment placement agencies. There are 978 temporary help or help supply agencies, with some overlap between the two lists.

Using the Department of Labor and Industry's experience with the Virginia Occupational Safety and Health program as a guide, the department estimates that they will receive 50 to 75 complaints requiring investigation about employment service centers annually. This workload increase will require two labor law investigator positions, at an annual cost of \$57,405 for each position. In addition, a legal support position will be needed for special orders and possible court actions that may result from the investigations. The cost for the

legal support position is \$62,481 annually. Finally, one-half of an administrative support position will be required for the program, at an annual cost of \$22,134.

9. Specific agency or political subdivisions affected: Department of Labor and Industry.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/24/06 kbs

Document: G:\06 Fis\Dli\Hb1051.Doc

cc: Secretary of Commerce and Trade