

**Department of Planning and Budget
2006 Fiscal Impact Statement**

1. Bill Number HB1240

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron Hugo

3. Committee Pending

4. Title Telecommuting and alternative work schedules for state employees.

5. Summary/Purpose:

Provides that the Secretary of Administration, in cooperation with the Secretary of Technology and in consultation with the Council on Technology Services, shall measure the effectiveness of the comprehensive statewide telecommuting and alternative work schedule policy. The bill provides that the head of each agency shall report annually to the Secretary of Administration on the status of any programs or policies developed and implemented pursuant to this section. Any agency head failing to comply with the requirements of this section shall forfeit 1% of the moneys appropriated for the operation of the agency as provided in the appropriation act. The Secretary of Administration shall so notify the Comptroller, who shall take such moneys and deposit them into the Literary Fund. The bill also requires the Department of Human Resource Management to notify state employees by email or other method deemed appropriate by the department of the statewide telecommuting and alternative work schedule policy.

6. Fiscal Impact Estimates are: Indeterminate

7. Budget amendment necessary: N/A

8. Fiscal implications: The fiscal impact of this proposed legislation is indeterminate but potentially significant for any given state agency. The implementation of any telecommuting or alternative work policy will bring about some costs. The amount depends upon the extent to which state agencies would provide employees with computer equipment and associated line access for off-site work locations. Also, an increase in the number of employees telecommuting could increase the need for additional equipment (such as servers and modems), line connections, and software licenses to allow either dial-in access or Internet access. The bill would mandate agencies to have a specific level of participation in a “workspace” or “central workplace”. If these terms refer to any location where employees work, the legislation could create a significant impact to agencies that operate a number of field offices.

The largest potential impact that this bill may have on state agencies is the punitive removal of one percent of the operating appropriation if it is deemed by the Secretary of Administration that the provisions of the legislation are not met. The bill would move these

funds to the Literary Fund regardless of fund type (for example; general fund, special funds, transportation funds, or federal funds). It may not be possible for some agencies to comply with the specific goals mandated in this bill for telecommuting participation by “workspace” because the proposed legislation does not take into consideration the types of jobs that can be performed through telecommuting. Thus some agencies would be virtually guaranteed a one percent operating budget reduction. For example, agencies such as the Department of State Police and the Virginia Department of Transportation have some small area offices where it would be difficult to comply with the requirements of this bill.

9. Specific agency or political subdivisions affected: All state agencies.

10. Technical amendment necessary: N/A

11. Other comments: None

Date: 1/20/2006/ JDH

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cc: Secretary of Administration
Secretary of Technology