

## Department of Planning and Budget 2006 Fiscal Impact Statement

1. **Bill Number** HB1307

<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** Byron

3. **Committee** Passed Both Houses

4. **Title** Chief Workforce Development Officer

5. **Summary/Purpose:** This bill establishes that the Governor, or a designated senior staff member from his immediate office, shall serve as Chief Workforce Development Officer for the Commonwealth. The bill eliminates the position of Special Advisor to the Governor for Workforce Development created in 2004. The Chief Workforce Development Officer's duties will include developing a strategic plan for the statewide delivery of workforce development and training programs and activities; determining the appropriate allocation of funds and other resources that have been appropriated or are otherwise available for disbursement by the Commonwealth for workforce development programs and activities; serving as lead staff for the Virginia Workforce Council; conducting annual evaluations of the performance of workforce development and training programs; and identifying and implementing strategies to optimize the role of the Virginia Community College System in workforce development.

6. **Fiscal Impact:** According to the Virginia Employment Commission (VEC), if the ultimate effect of the bill is to eliminate VEC's role as the fiscal agent for federal funds received under the Workforce Investment Act (WIA) of 1998, it is possible that additional administrative costs would result. VEC believes that they are able to achieve certain economies of scale that would not easily transfer to another administrative entity. For example, VEC has three employees in one finance area that support WIA activities in addition to performing non-WIA duties. Collectively, these three employees represent only 0.5 FTE as charged to WIA. If the fiscal agent duties were transferred to another administrative entity and all three of these staff remained at VEC, the new fiscal agent would have to hire someone to perform these duties, which may result in a higher personal service/personal benefit cost.

Aside from the potential increased cost related to the transfer of fiscal agent responsibilities over the federal funds received under WIA, it does not appear that this bill will have any significant fiscal impact. The development of a strategic plan for the statewide delivery of workforce development and training activities, as well as conducting annual performance evaluations of these activities, will increase the administrative responsibilities of the Governor's Office; however, the fiscal impact is not expected to be significant and cannot be determined at this time.

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

**8. Fiscal implications:** See Item 6.

**9. Specific agency or political subdivisions affected:** Virginia Employment Commission.

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

**11. Other comments:** None.

**Date:** 03/09/06 / dma

**Document:** G:\2006 Fis\Hb1307er.Doc

cc: Secretary of Commerce and Trade