

## **Department of Planning and Budget 2015 Fiscal Impact Statement**

**1. Bill Number:** HB1822

<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:** Ward

**3. Committee:** Passed Both Houses

**4. Title:** Apprenticeship-related instruction.

**5. Summary:** Transfers the duty to establish policies for apprentices governing the provision of apprenticeship-related instruction delivered by state and local public education agencies and to provide for the administration and supervision of related and supplemental instruction from the State Board for Community Colleges to the Commissioner of Labor and Industry.

**6. Budget Amendment Necessary:** No. See Item 8, below.

**7. Fiscal Impact Estimates:** Final. See Item 8, below.

**8. Fiscal Implications:** Delivery of apprenticeship related instruction is provided by a network of colleges and technical centers that develop curricula and employ site coordinators and instructors who work with DOLI staff and business sponsors of apprenticeship to supplement on the job training with a required 144 hours of related classroom instruction per each year of the apprenticeship. In some cases, businesses themselves apply to be “in house providers” through a process of application, curriculum review, and ongoing site reviews by the Virginia Community College System (VCCS) and college staff.

Under the provisions of the bill, funding and positions in the Virginia Community College System that currently perform functions and responsibilities associated with the delivery of apprenticeship related instruction would transfer to the Department of Labor and Industry. It is anticipated that this would involve the transfer of up to \$940,000 in general fund appropriation and four positions (MEL), in each year. The \$940,000 includes annual personnel costs of \$220,000, including salaries and benefits for the four full-time positions and two wage employees

According to VCCS, in FY 2014, \$609,000 of the general fund appropriation was distributed to apprenticeship-related instruction at community college sites on a per apprentice basis to offset costs associated with administering apprenticeship-related instruction. Currently, these funds also support staff responsible for apprenticeship-related instruction administration and supervision.

In addition to the general fund support for apprenticeship-related instruction discussed above, VCCS receives nongeneral fund support in the form of federal funds and nongeneral fund revenue for workforce development program. At this time it is unknown whether any of the federal or nongeneral funds could or would be affected by the provisions of the bill.

Additionally, the VCCS is currently using apprenticeship-related instruction funding to support the National Center for Construction Education and Research (NCCER) master trainer function that fulfills duties related to training, certifying, and monitoring NCCER sites. At this time, it is unknown whether responsibilities associated with NCCER will transfer to Labor and Industry. Consequently, this impact statement assumes no change in this role for VCCS.

A budget amendment is not necessary as Part 4 of the general appropriation act allows for the transfer of appropriations within an agency or between agencies to support changes in agency organization, program or responsibility enacted by the General Assembly to be effective during the current biennium.

**9. Specific Agency or Political Subdivisions Affected:** Department of Labor and Industry; Virginia Community College System.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is a companion to SB1024.