

Department of Planning and Budget

2015 Fiscal Impact Statement

1. **Bill Number:** HB1986

House of Origin X Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Byron

3. **Committee:** Commerce and Labor

4. **Title:** Virginia Board of Workforce Development.

5. **Summary:** Makes several changes to the Virginia Board of Workforce Development, including (i) requiring quarterly meetings of the Board; (ii) establishing a full-time director position to be supervised by the Governor's Chief Workforce Development Advisor and dedicated to supporting the Board's operations; and (iii) adding, as an area of policy advice to the Governor, issues to create a business-driven system that increases the rates of attainment of workforce credentials and jobs. In addition, the bill increases the size of the Board from 26 to 29 members by reshaping the executive branch membership, reducing the number of legislative members from four to two, and increasing the number of citizen members from 14 to 15. The bill also makes several technical amendments required with the transition from the federal Workforce Investment Act of 1998 to the federal Workforce Innovation and Opportunity Act of 2014.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Preliminary.

8. **Fiscal Implications:** The federal Workforce Innovation and Opportunity Act (WIOA) of 2014 streamlines state boards by reducing their size while expanding their responsibilities to include the alignment of workforce development programs to maximize the effective use of program resources. Also, federal legislation authorizes the hiring of a director and staff.

Staff support for the Board will be led by a full-time director to be supervised by the Chief Workforce Development Advisor. Additional staff may be in the form of in-kind support from agencies.

Under the provisions of the bill, funding for a full-time director position will be provided by the Workforce Innovation and Opportunity Act of 2014 (WIOA). The estimated cost for the director's position, including fringe benefits, is \$140,000. Additionally, funding for the Board's operating expenses are to be provided by WIOA funds.

The costs associated with meeting expenses for the Board are indeterminate at this time. However, this bill requires the Board to meet at least quarterly and increases the Board's membership to 29. There could be some additional costs associated with the increased membership and meeting schedule.

9. Specific Agency or Political Subdivisions Affected: The Virginia Community College System, the Superintendent of Public Instruction, the Virginia Economic Development Partnership Authority, the Virginia Employment Commission, the Department of Social Services, and the Department of Veterans Services.

10. Technical Amendment Necessary: No.

11. Other Comments: HB 2033 and SB 1372 make changes to coordinate the delivery of workforce development and training programs at the state, regional, and local levels.

Date: 01/28/2015

cc: Secretary of Commerce and Trade.

Secretary of Education