

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB2033

House of Origin X Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Byron

3. Committee: Commerce and Labor

4. Title: Workforce development; coordination of statewide delivery of development and training programs.

5. Summary: Makes several changes to coordinate the delivery of workforce development and training programs and activities at the state, regional, and local levels. Changes include (i) creating the Workforce Development Consortium to administer the coordinated implementation of programs and activities under the federal Workforce Innovation and Opportunity Act (WIOA) of 2014, (ii) requiring a regional convener of workforce development partners, (iii) establishing minimum levels of fiscal support for workforce credential attainment, and (iv) utilizing WIOA reserve funds for incentive programs to increase workforce credential attainment.

The 2nd enactment of this bill notes that on October 1, 2017, the Workforce Development Consortium shall report to the Virginia Board of Workforce Development evaluating the rate of the expenditures for incentives established under subsection C of § 2.2-2472.2, as created by this act, from July 1, 2015 through July 1, 2017.

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 Virginia Community College System (VCCS) will develop a funding formula for the disbursement of WIOA funds that are permissible under applicable federal law. According to the VCCS, there will be no state fiscal impact to the VCCS as a result of this bill.

- 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, the Department of Veterans Services, and local workforce development boards.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** SB 1372 also makes changes to coordinate the delivery of workforce development and training programs at the state, regional, and local levels. HB 1986 makes changes to the Virginia Board of Workforce Development.

Date: 01/28/2015

cc: Secretary of Commerce and Trade
Secretary of Education