

## Department of Planning and Budget

### 2018 Fiscal Impact Statement

**1. Bill Number:** HB1552

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** James

**3. Committee:** Commerce and Labor

**4. Title:** Virginia Board of Workforce Development; pilot program.

**5. Summary:** This bill directs the Virginia Board of Workforce Development to establish a two-year workforce training pilot program designed to enhance the ability of underserved populations of fiscally stressed localities in the Commonwealth to enter or reenter the workforce.

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

**7. Fiscal Impact Estimates:** Indeterminate. See item 8.

**8. Fiscal Implications:** The fiscal impact of this bill is indeterminate. The bill directs the Virginia Board of Workforce Development to establish a two-year workforce training pilot program to enhance the ability of underserved populations of fiscally stressed localities in the Commonwealth to enter or reenter the workforce. The bill does not provide details on the scope of the pilot program, nor does it specify a source of funding to support the program. Currently, compensation and expenses of the Board are provided through federal funds received under the Workforce Innovation and Opportunity Act of 2014 (WIOA). WIOA funding is restricted to certain activities, and it is unknown if this program would be an allowable use of such funds. Additionally, any diversion of WIOA to support a new initiative may impact current programs supported by these funds.

Item 213 of HB30/SB30 includes budgetary language that authorizes the use of 15 percent of nongeneral funds received for the administration of Title 1 of WIOA to be reserved by the Governor in a fund to support administration of the Title 1 programs and to support statewide strategic workforce initiatives. The language specifies that the investment strategy for the fund shall be determined by the Governor, in consultation with the Chief Workforce Development Advisor, the Virginia Community College System, and workforce system stakeholders. At this time, it is uncertain if the pilot program established in this bill will qualify as an appropriate use of these funds or if the Governor would support use of these funds for this purpose.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Board of Workforce Development; Chief Workforce Development Advisor; Virginia Community College

System; Secretary of Commerce and Trade; Virginia Employment Commission; Department of Housing and Community Development.

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

**11. Other Comments:** Currently, the New Economy Workforce Credential Grant Program provides grants to offset tuition costs to individuals successfully completing credential programs. Many individuals located in fiscally stressed are participating in this program. In the current biennium, this program is funded at \$7.5 million. HB30/SB30 increases the funding for this program to \$9.5 million in each year.

In addition, HB30/SB30 includes additional funding for the Southern Virginia Higher Education Center's and Institute for Advanced Learning and Research's credentialing programs. Both institutions are partnering with local school divisions in fiscally distressed areas to provide a credentialing pathway for high school seniors.