

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB660

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Wagner

3. Committee: Rules

4. Title: Youth Employment Solutions apprenticeship program.

5. Summary: Directs the Department of Labor and Industry and the Department of Education to determine the feasibility of implementing a Youth Employment Solutions (YES) apprenticeship program. Under a YES apprenticeship program, agencies of the Commonwealth enter into an agreement with a private staffing firm under which the firm provides services as an intermediary between the Commonwealth's apprenticeship program and an employer. Under the agreement, the firm assumes legal duties and responsibilities with regard to apprentices, including those relating to workers' compensation and insurance liability that would otherwise apply to the employer. The measure directs the agencies to ascertain whether existing law prevents implementation of a YES apprenticeship program and, if so, identify such law in a report to the chairs of the Senate Committee on Commerce and Labor, the Senate Committee on Education and Health, the House Committee on Commerce and Labor, and the House Committee on Education by October 1, 2018. If the agencies determine that implementing a YES apprenticeship program would be feasible and not require changes to existing law, the measure directs the agencies to implement a YES apprenticeship program in the Commonwealth.

6. Budget Amendment Necessary: Yes, Item 112 and Item 128 (HB30/SB30). See Item 8, below.

7. Fiscal Impact Estimates: Preliminary. See Item 8, below

7a. Expenditure Impact, Item 112, Department of Labor and Industry:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	0	0	n/a
2019	\$39,000	0	GF
2020	0	0	n/a
2021	0	0	n/a
2022	0	0	n/a
2023	0	0	n/a
2024	0	0	n/a

7a. Expenditure Impact, Item 128, Department of Education:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	0	0	n/a
2019	\$30,000	0	GF
2020	0	0	n/a
2021	0	0	n/a
2022	0	0	n/a
2023	0	0	n/a
2024	0	0	n/a

- 8. Fiscal Implications:** It is anticipated that this bill will have a general fund expenditure impact on the Department of Labor and Industry and the Department of Education.

The Department of Labor and Industry (DOLI) estimates a cost of \$39,000 to pay a skilled contractor to help the agency meet the requirements of this bill. DOLI does not anticipate that its Registered Apprenticeship program has the availability and specific knowledge requirement to meet the requirements of this bill in the required timeframe. Very few potential sponsors have cited insurance costs as a reason for not taking on apprentices. In identifying the potential benefits and problems of implementing this program, DOLI anticipates conducting a study to know the position of current and potential sponsors on the issues. Additionally, if the YES apprenticeship program is implemented, the potential impact on DOLI's resources is indeterminate. If the proposed program serves as a spur to additional sponsors and apprentices, DOLI would need an additional Registered Apprenticeship consultant to service those new sponsors and their apprentices. An additional consultant would be needed to provide services for each additional 200 new sponsors at a cost of \$91,759 per year in general fund support.

The Department of Education (DOE) estimates a cost of \$30,000 to pay a skilled contractor to help the agency meet the requirements of this bill. Because the report is due October 1, 2018, DOE does not anticipate that its Career and Technical Education (CTE) staff has the availability and specific knowledge required to meet the requirements of this bill in that timeframe.

The agencies are directed to ascertain whether state or federal law prevents the agencies' implementation of a YES apprenticeship program in a report to the chairs of the Senate Committee on Commerce and Labor, the Senate Committee on Education and Health, the House Committee on Commerce and Labor, and the House Committee on Education by October 1, 2018. If the agencies determine that implementing a YES apprenticeship program would be feasible and not require changes to existing law, the agencies are required to implement the program.

The agencies may be able to coordinate on the use of a skilled contractor for this project.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Labor and Industry; Department of Education; Office of the Attorney General.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.