

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2321

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

2. Patron: Simonds

3. Committee: Finance and Appropriations

4. Title: Governor's Secretaries; Secretary of Workforce created.

5. Summary: Creates in the Governor's Cabinet the position of Secretary of Workforce. The bill transfers from the Secretary of Commerce and Trade to the Secretary of Workforce responsibility for the Department of Labor and Industry, the Department of Professional and Occupational Regulation, and the Virginia Employment Commission. The bill also removes the position of Chief Workforce Development Advisor and reassigns that position's responsibilities to the Secretary of Workforce.

6. Budget Amendment Necessary: Yes, to establish the new Secretariat and transfer associated agencies; see item 8.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021			
2022	\$101,956	1	GF
2023	\$101,956	1	GF
2024	\$101,956	1	GF
2025	\$101,956	1	GF
2026	\$101,956	1	GF
2027	\$101,956	1	GF

8. Fiscal Implications: This bill establishes a new Governor's Cabinet position of the Secretary of Workforce. The bill eliminates the position of Chief Workforce Advisor and transfers the responsibilities to the new Secretary of Workforce. Item 52 of HB1800/SB1100 includes \$599,192 from the general fund in each year for the Office of the Chief Workforce Advisor. Funding includes positions for a Chief Workforce Advisor, an assistant advisor, and an executive assistant. Currently, the Office receives additional support from a staff position in the Governor's office.

It is anticipated that to set up the new Secretary of Workforce, the funding and three positions tied to the Office of the Chief Workforce Advisor can be transferred to a new Item for the Secretary of Workforce. However, in order for the Office to continue with the staffing

level at which it is currently functioning, it is anticipated that additional resources will be required. The total additional general fund appropriation needed is estimated at \$101,956.

House approved amendments to HB1800/SB1100 include \$951,148 from the general fund and four positions in FY 2022 for the Secretary of Labor, the title of the new Secretariat in the House version of HB2321. A corresponding amendment to Item 52 shifts \$599,192 and three positions currently provided for the Office of the Chief Workforce Advisor to the new Secretary of Labor.

Additional amendments to the budget will be required to shift the Department of Labor and Industry, the Department of Professional and Occupational Regulation, and the Virginia Employment Commission from the Secretary of Commerce and Trade to the new Secretary of Workforce.

- 9. Specific Agency or Political Subdivisions Affected:** Office of the Governor; Office of the Chief Workforce Advisor; Secretary of Commerce and Trade; Department of Labor and Industry; Department of Professional and Occupational Regulation; Virginia Employment Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: None.