

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2328

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 Gilbert

3. Committee Commerce and Labor

4. Title Verification of employment eligibility through Basic Pilot Program; penalty.

5. Summary/Purpose: This bill makes it unlawful, and a Class 1 misdemeanor, for an employer to fail to confirm the employment eligibility of a job applicant through the Basic Pilot Program of the U.S. Department of Homeland Security. It also obligates the Department of Labor and Industry to provide employers with access to the federal Basic Pilot Program.

6. Fiscal Impact Estimates are: Preliminary, see item 8 (below).

7. Budget amendment necessary: Yes; Item 110.

8. Fiscal implications:

This bill mandates that the Department of Labor and Industry (DOLI) provide access to the federal Basic Pilot Program. If businesses in Virginia need or choose to use DOLI for computer access to sign-up and manage their document verification, this would entail a cost to DOLI. Each business that chooses to go through DOLI would be required to sign an MOU with them, as well as with the United States Citizenship and Immigration Services and Social Security Administration. before verification could be done. Based on the assumption that only 25,000 businesses choose to use DOLI, and each of these businesses average only one hire each, that would be 25,000 MOUs, and 25,000 verifications made per year. DOLI estimates that three to four administrative support persons would be needed to handle the calls and MOU processing. The cost of these FTE's would be an approximate annual GF cost of \$172,000-\$208,000. In addition, DOLI anticipates that the high level of documentation involved with this verification process requires the purchase and maintenance of a paperless document management process.

This bill also makes it a Class 1 misdemeanor for any employer to fail to confirm the employment eligibility of a job applicant through the federal Basic Pilot Program. The penalties of a Class 1 misdemeanor include confinement in jail for not more than twelve months and a fine of not more than \$2,500. Therefore, this proposal could result in an increase in the number of persons in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Any increase in jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's

share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (FY 2005), the estimated total state support for local jails averaged \$28.35 per inmate, per day in FY 2005.

Any revenue collected through the misdemeanor penalty will be deposited to the State Literary Fund. However, any revenue impact cannot be determined and is dependent on the number of convictions.

9. Specific agency or political subdivisions affected: Department of Labor and Industry, local courts, jails.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/16/07 / aek

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cc: Secretary of Commerce and Trade