

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2608

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hugo

3. Committee: General Laws

4. Title: **State employees; Secretary of Administration to measure effectiveness of telecommuting, etc.**

5. Summary: Provides that the Secretary of Administration, in cooperation with the Secretary of Technology and in consultation with the Council on Technology Services, shall measure the effectiveness of the comprehensive statewide telecommuting and alternative work schedule policy. The bill provides that the head of each agency shall report annually to the secretary on the status of any programs or policies developed and implemented pursuant to this section. Any agency head failing to comply with the requirements of this section shall forfeit one percent of the moneys appropriated for the operation of the agency as provided in the appropriation act. The secretary shall so notify the Comptroller, who shall take such moneys and deposit them into the Literary Fund. The bill also requires the Department of Human Resource Management to notify state employees by email or other method deemed appropriate by the department of the statewide telecommuting and alternative work schedule policy.

6. Fiscal Impact Estimates: Indeterminate

7. Budget Amendment Necessary: Yes

8. Fiscal Implications: The fiscal impact of this proposed legislation is indeterminate but potentially significant for any given state agency. The implementation of any telecommuting or alternative work policy will bring about some costs. The amount depends upon the extent to which state agencies must provide employees with computer equipment and associated line access for off-site work locations. Also, an increase in the number of employees telecommuting could increase the need for additional equipment (such as servers and modems), line connections, and software licenses to allow either dial-in access or Internet access. The bill would mandate agencies to have a specific level of participation in a “workspace” or “central workplace”. If these terms refer to any location where employees work, the legislation could create a significant impact to agencies that operate a number of field offices.

The largest potential impact that this bill may have on state agencies is the punitive removal of one percent of the operating appropriation if it is deemed by the Secretary of Administration that the provisions of the legislation are not met. The bill would move these funds to the Literary Fund regardless of fund type (for example; general fund, special funds,

transportation funds, or federal funds) and this may be problematic for federal, nongeneral, and other funds. It may not be possible for some agencies to comply with the specific goals mandated in this bill for telecommuting participation by “workspace” because the proposed legislation does not take into consideration the types of jobs that can be performed through telecommuting. Thus some agencies would be virtually guaranteed a one percent operating budget reduction. For example, agencies such as the Department of State Police and the Virginia Department of Transportation have some small area offices where it would be difficult to comply with the requirements of this bill.

Moreover, if this legislation is approved, there would be requirements for establishment of different targets and reporting by agency heads in different sections of the Code. Currently, § 2.2-2817.1 includes targets that differ from those in this bill and a requirement for agency heads to report annually to the Secretary of Administration on the status of telecommuting and participation in alternate work schedules.

The Secretary of Technology (SOTECH) indicates that a part-time person would be needed to collaborate with the Secretary of Administration on tasks outlined in this legislation. This cost of this part-time employee is estimated at \$35,000 per year, SOTECH indicates that current staffing levels do not allow for these tasks to be absorbed with no impact. The Secretary of Administration would have similar needs.

9. Specific Agency or Political Subdivisions Affected: all state agencies

10. Technical Amendment Necessary: Yes. HB2022 repeals the Council on Technology Services so language would need to be updated accordingly and an alternative assignment made.

11. Other Comments:

Date: 2/2/2009 ckb

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