

**Department of Planning and Budget
2012 Fiscal Impact Statement**

1. Bill Number: HB452

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

2. Patron: Ware, R.L.

3. Committee: Commerce and Labor

4. Title: Virginia Employment Commission; transcripts.

5. Summary: This bill expands the options available to the Virginia Employment Commission (VEC) for its mandated responsibility to provide copies of hearing proceedings to affected parties. Specifically, this bill authorizes VEC, with the consent of all parties who participated in the hearing, to provide a digital or other electronic recording of the testimony taken at any hearing before a deputy, appeal tribunal, or VEC. A recording would be an alternative to a written transcript. The recording may be transmitted in any medium that is protected from unauthorized interception by reasonable security measures.

6. Budget Amendment Necessary: No, see item 8, below.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: Currently, VEC is required to prepare a written transcript of evidence at an appeal hearing for each case where there is further appeal and a request is made for an additional hearing. To fulfill this mandate, VEC contracts with a third-party vendor to prepare written transcripts at a cost of \$1.32 per page. The average turnaround time for these transcripts is approximately two weeks. According to the agency, having to prepare written transcripts, even when the duty is contracted out, is more costly and less timely than other viable options, mainly electronic mediums. VEC estimates that the cases in which only a single party participant is involved (approximately 600-700 of the roughly 2,160 appeals cases requesting a hearing) would qualify for use of an electronic medium for recording the hearing proceedings. The agency estimates that use of an electronic medium may result in saved costs of approximately \$15,000-\$19,000 per year, and may expedite these 600-700 cases by two to three weeks.

As such, it is anticipated that this bill may result in efficiencies of both cost and service delivery for the agency. Any savings realized would be applied to the agency's federal grant appropriations and would allow the agency to reallocate these federal grant dollars to other administrative expenses, as needed. As such, no budget amendment is needed to decrease VEC's federal appropriation.

9. Specific Agency or Political Subdivisions Affected: Virginia Employment Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: This proposal states that the agency would receive consent from all parties participating in the hearing before using electronic mediums to record proceedings, and that the equipment used will meet all necessary security measures. Additionally, according to VEC, this proposal does not violate any provision of law that governs the Unemployment Insurance program.

Date: 1/12/2012