

---

# VIRGINIA STATE BUDGET

---

2015 Session

## Budget Bill - HB1400 (Enrolled)

Bill Order » Office of Administration » Item 81

Department of Human Resource Management

Item 81	First Year - FY2015	Second Year - FY2016
<b>Personnel Management Services (70400)</b>	<b>\$16,267,149</b>	<b>\$16,301,125</b> <b>\$16,421,397</b>
Agency Human Resource Services (70401)	\$6,939,487	<del>\$6,989,487</del> \$6,030,175
Human Resource Service Center (70402)	\$0	\$1,254,584
Equal Employment Services (70403)	\$982,537	\$982,537
Health Benefits Services (70406)	\$3,496,179	\$3,496,285
Employee Dispute Resolution Services (70416)	\$914,118	\$914,118
State Employee Program Services (70417)	\$1,789,314	\$1,789,314
State Employee Workers' Compensation Services (70418)	\$1,358,969	\$1,358,969
Administrative and Support Services (70419)	\$786,545	<del>\$770,415</del> \$595,415
Fund Sources:		
General	\$8,308,714	<del>\$8,331,944</del> \$8,320,849
Special	\$6,599,466	<del>\$6,610,212</del> \$6,741,579
Trust and Agency	\$1,358,969	\$1,358,969

---

Authority: Title 2.2, Chapters 12, 28, and 29, Code of Virginia.

A. The Department of Human Resource Management shall report any proposed changes in premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees at least sixty days prior to implementation.

B.1. The Department of Human Resource Management shall operate a human resource service center to support the human resource needs of those agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget. The agencies so identified shall cooperate with the Department of Human Resource Management by transferring such records and functions as may be required.

2. Out of this appropriation, \$590,353 the first year and \$590,353 the second year from the general fund shall be used to support the human resource service center.

3. Nothing in this paragraph shall prohibit additional agencies from using the services of the center; however, these additional agencies' use of the human resource service center shall be subject to approval by the affected cabinet secretary and the Secretary of Administration.

*4. a. Agencies that are partially or fully funded with nongeneral funds that receive approval by the affected cabinet secretary and the Secretary of Administration to join the human resource service center, on or after July 1, 2014, shall pay the Department of Human Resource Management the costs to support the human resource service center. The agency's share of the costs to support the human resource service center shall be based on the agency's applicable nongeneral fund expenditures as set out in § 4-5.03 of this act.*

*b. The rates required to recover the costs of the human resource service center shall be provided by the Department of Human Resource Management to the Department of Planning and Budget by September 1 each year for review and approval of the subsequent fiscal year's rate.*

C. The institutions of higher education shall be exempt from the centralized advertising requirements identified in Executive Order 73 (01).

D.1. To ensure fair and equitable performance reviews, the Department of Human Resource Management, within available resources, is directed to provide performance management training to agencies and institutions of higher education with classified employees.

2. Agency heads in the Executive Department are directed to require appropriate performance management training for all agency supervisors and managers.

E.1. The Department of Human Resource Management shall take into account the claims experience of each agency and institution when setting premiums for the workers' compensation program.

2. All financial obligations of the Commonwealth to the Virginia Workers' Compensation Commission for payroll taxes on behalf of the state employees' workers' compensation program are satisfied in full through calendar year 2009.

F.1. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year, on its recommended workers' compensation premiums for state agencies for the following biennium. This report shall also include the basis for the department's recommendations, the number and amount of workers' compensation settlements concluded in the previous fiscal year, and the impact of those settlements on the workers' compensation program's reserves.

2. The Department of Human Resource Management shall conduct a study, with the cooperation of all executive, legislative, judicial, and independent agencies, to include, but not be limited to, the impact of settling appropriate claims, the potential need for a risk management position in the Department of Human Resource Management to further assist state agencies not staffed with a risk management position, and the need for a risk management position for state agencies with a high incidence of claims who are not staffed with a risk management position. The department shall report its findings and cost savings recommendations for the state employee's workers' compensation program to the Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2014.

3. Notwithstanding § 2.2-2821, Code of Virginia, the Department of Human Resource Management may use up to \$30,000 the first year from the Workers' Compensation Trust Fund for the administrative costs associated with paragraph F.2.

*4. Beginning July 1, 2015, the Department of Human Resource Management shall conduct an annual review of each state agency's loss control history, to include the severity of workers' compensation claims, experience modification factor, and frequency normalized by payroll. Based on the annual review, state agencies deemed by the Department of Human Resource Management as having higher than normal loss history shall be required to participate in a loss control program. All executive, judicial, legislative, and independent agencies required to*

*participate in the loss control program shall fully cooperate with the Department of Human Resource Management's review. The Department of Human Resource Management shall provide a report to the Governor, Director, Department of Planning and Budget, and Chairmen of the House Appropriations and Senate Finance Committees on the status and recommendations of the loss control program no later than October 30 of each year.*

*5. a. A working capital advance of up to \$20,000,000 shall be provided to the Department of Human Resource Management to identify and potentially settle certain workers' compensation claims open for more than one year but less than 10 years. The Department of Human Resource Management shall pay back the working capital advance from annual premiums over a seven year period. The Department of Human Resource Management shall provide a report to the Governor, Director, Department of Planning and Budget, and Chairmen of the House Appropriations and Senate Finance Committees on the status of the settlement program, the number of claims settled, and the estimated state costs avoided from the settlements no later than October 30 of each year.*

*b. The Secretary of Finance and Secretary of Administration shall approve the drawdowns from this working capital advance prior to the expenditure of funds. The State Comptroller shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees of any approved drawdowns.*

G. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees, by October 15 of each year, on the renewal cost of the state employee health insurance program premiums that will go into effect on July 1 of the following year. This report shall include the impact of the renewal cost on employee and employer premiums and a valuation of liabilities as required by Other Post Employment Benefits reporting standards.

H. Out of this appropriation, \$606,439 the first year and \$606,439 the second year from the general fund is provided for the time, attendance and leave system.

I. The Department of Human Resource Management shall develop and distribute instructions and guidelines to all executive department agencies for the provision of an annual statement of total compensation for each classified employee. The statement should account for the full cost to the Commonwealth and the employee of cash compensation as well as Social Security, Medicare, retirement, deferred compensation, health insurance, life insurance, and any other benefits. The Director, Department of Human Resources Management, shall ensure that all executive department agencies provide this notice to each employee. The Department of Accounts and the Virginia Retirement System shall provide assistance upon request. Further, the Director of the Department of Human Resources Management shall provide instructions and guidelines for the development notices of total compensation to all independent, legislative, and judicial agencies, and institutions of higher education for preparation of annual statements to their employees.

J.1. Out of this appropriation, \$2,747,200 the first year and \$2,747,200 the second year from the general fund is provided for the migration of the Personnel Management Information System (PMIS) and its subsystems from the Unisys mainframe to the Windows SQL servers platform. The Department of Human Resource Management shall submit a report on the status of the migration of PMIS and its subsystems to the Chairmen of the House Appropriations and Senate Finance Committees, no later than October 1, 2015.

*2. Any unexpended balances from paragraph J.1. of this item at the close of business on June 30, 2015, shall not revert to the surplus of the general fund but shall be carried forward on the books of the State Comptroller and appropriated in the succeeding year for the same purpose.*