2018 Special Session I

Budget Bill - HB5002 (Enrolled)

Bill Order » Office of Administration » Item 81

Department of Human Resource Management

Item 81	First Year - FY2019	Second Year - FY2020
Personnel Management Services (70400)	**$103,805,256**	**$108,535,313**
Agency Human Resource Services (70401)	$1,124,489	$821,270
Human Resource Service Center (70402)	$1,286,809	$1,286,809
Health Benefits Services (70406)	$7,968,125	$7,968,125
Personnel Development Services (70409)	$678,686	$678,686
Personnel Management Information System (70410)	$1,827,972	$1,861,248
Equal Employment and Dispute Resolution Services (70413)	$1,822,940	$1,822,940
State Employee Program Services (70417)	$2,139,084	$2,139,084
State Employee Workers' Compensation Services (70418)	$86,414,323	$91,414,323
Administrative and Support Services (70419)	$542,828	$542,828
Fund Sources:		
General	$4,803,254	$4,500,035
Special	$1,272,515	$1,272,515
Enterprise	$3,714,817	$3,714,817
Internal Service	$7,338,929	$7,372,205
Trust and Agency	$86,675,741	$91,675,741

Authority: Title 2.2, Chapters 12 and 28, 29, 30, and 32, 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 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, $622,898 the first year and $622,898 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 in accordance with § 4-5.03 of this act.

c. The rates for the human resource service center shall be $625.00 per full-time equivalent and $225.00 per wage employee the first year and $900.00 per full-time equivalent and $325.00 per wage employee the second year.

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. 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.

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 30 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 status and recommendations of the loss control program authorized in paragraph F. 2; the number and amount of workers' compensation settlements concluded in the previous fiscal year, inclusive of those authorized in paragraph F. 3.a; and the impact of those settlements on the workers' compensation program's reserves.

2. 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.

3. 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.

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, $303,219 the first 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 Resource 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 Resource 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. The appropriation for the Personnel Management Information System (PMIS) is a sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from revenues derived from charges to participating agencies, identified by the Department of Human Resource Management and approved by the Department of Planning and Budget, to support the operation of PMIS and its subsystems authorized in this Item.

2.a. The rate for agencies to support PMIS and its subsystems, operated and maintained by the Department of Human Resource Management, shall be $16.20 per position the first year and no more than $17.03 per position the second year. The rate is based upon the higher of the agency's maximum employment level as of July 1, 2017, and filled wage positions as of June 30, 2017, or the total number of filled classified and wage positions as of June 30, 2017.

b. The rates authorized to support the operation of PMIS and its subsystems shall be provided by the Department of Human Resource Management and approved by the Department of Planning and Budget by September 1 each year for review and approval of the subsequent fiscal year's rate in accordance with § 4-5.03 of this act.

3. The State Comptroller shall recover the cost of services provided for the administration of the internal service fund through interagency transactions as determined by the State Comptroller.

K. Out of the amounts appropriated for this Item to support the Commission on Employee Retirement Security and Pension Reform, the Department of Human Resource Management is authorized to spend an amount estimated at $75,000 each year on the development and maintenance of an employee exit survey and an amount estimated at $20,000 per year to subscribe to Occupationally Based Data Services focused on total compensation and evaluation of peer employers.

L. The Department of Human Resource Management shall work with the Virginia Information Technologies Agency to develop a pilot program, beginning in July of 2019, utilizing a currently available electronic platform, to track and evaluate the productivity contract staff when teleworking or working in an office that is not part of the agency for which they work or for which they have a contract. The Departments shall identify specific executive branch agencies which have a significant number of such contractors and work with these agencies to develop the

pilot project. The Departments shall report to the Chairmen of the House Appropriations and Senate Finance Committees on the results of the pilot program by November 15, 2020.