2026 Special Session I

# Budget Bill - HB30 (Introduced)

Bill Order » Office of Administration » Item 74

Department of Human Resource Management

| Item 74 | First Year - FY2027 | Second Year - FY2028 |
|---|---|---|
| **Personnel Management Services (70400)** | **$118,052,873** | **$117,376,823** |
| Agency Human Resource Services (70401) | $2,922,568 | $2,922,568 |
| Human Resource Service Center (70402) | $1,627,572 | $1,644,212 |
| Equal Employment Services (70403) | $837,112 | $837,112 |
| Health Benefits Services (70406) | $18,048,162 | $18,048,162 |
| Personnel Development Services (70409) | $886,834 | $886,834 |
| Employee Dispute Resolution Services (70416) | $1,249,486 | $1,249,486 |
| State Employee Program Services (70417) | $1,972,866 | $1,972,866 |
| State Employee Workers' Compensation Services (70418) | $86,678,798 | $86,678,798 |
| Administrative and Support Services (70419) | $3,829,475 | $3,136,785 |
| Fund Sources: | | |
| General | $9,487,358 | $8,794,668 |
| Special | $2,103,496 | $2,120,136 |
| Enterprise | $4,302,667 | $4,302,667 |
| Internal Service | $14,899,796 | $14,899,796 |
| Trust and Agency | $87,259,556 | $87,259,556 |

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 and Appropriations Committees at least sixty days prior to implementation.

B.1.a. 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.

b. Beginning July 1, 2026, the Department of Human Resource Management, in consultation with affected agencies, shall implement a plan to transition all state agencies in the Executive Department with 150 employees or less into the human resource service center over a three year period.

c. The Department of Human Resource Management shall inform the Department of Planning and Budget about any transition costs for affected agencies, including any costs associated with the Workforce Transition Act, by October 15 each year during the transition period.

2. 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.

3. The cost of the human resource center's services shall be recovered and paid solely from revenues derived from charges for services. 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.

4. The rates for the human resource service center shall be $2,000.00 per full-time equivalent and $800.00 per wage employee the first year and $2,000.00 per full-time equivalent and $800.00 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 and Appropriations 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 and Appropriations 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 and Appropriations Committees, by September 30 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. 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.

I. The Director of the Department of Human Resource Management shall communicate to all executive branch agencies the requirement that all employees with state email addresses and state phone numbers include contact information in their email signature, which shall include, at a minimum, an office phone number and/or state cell phone number.