



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1037

PRINTERS NO. 1781

PRIME SPONSOR: Folmer

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	\$0

SUMMARY: Senate Bill 1037, printer's number 1781, amends Title 71 (State Government) of the Pennsylvania Consolidated Statutes, to reform the Civil Service Commission by transferring duties from the State Civil Service Commission to the Office of Administration.

ANALYSIS: The bill amends Title 71 by adding a new part, proposed as Part III, to address Civil Service Reform. The bill repeals the Civil Service Act and transfers duties from the Civil Service Commission (Commission) to the Office of Administration (OA) nine months after the effective date of the act. Duties transferred from the Commission to the OA include: merit-based hiring; civil service applications; certifications; examinations; and promotions. The bill also provides OA with the authority to promulgate regulations necessary to carry out the new part and adopt temporary regulations to effectuate implementation of the part.

The bill also provides for OA to appoint a veteran as the special advisor for veterans' programs to ensure compliance with veterans' preference and to promote and implement policies that support hiring veterans.

The legislation does not affect veterans' preference or merit-based hiring.

The Commission shall retain its current organizational structure and continue to hear appeals from employment decisions. The commission would also have the authority and responsibility to conduct hearings and render determinations, exempt positions from civil service and audit the Commonwealth's compliance with veterans' preference.

The provisions of the bill relating to OA promulgating regulations and those relating to the transfer of records are effective immediately. The remainder of this act takes effect in nine months.

FISCAL IMPACT: OA has indicated that the enactment of this legislation will have no adverse fiscal impact in its initial year (FY 2018-19) of implementation as the transfer of responsibilities will be completed late in the fiscal year. In the subsequent fiscal year (FY 2019-20), OA projects that it will be able reduce the complement necessary to perform the functions related to civil service in the areas of information technology and administrative services by 15 positions. Based on current salary and benefit information, the reduction of these 15 positions would result in a recurring savings of \$1.7 million annually. OA also believes there will be opportunities for additional savings that cannot yet be quantified related to the following items: consolidation of recruitment resources; consolidation of staff performing veterans' preference determinations for civil service and non-civil service applicants; consolidation of staff

performing background checks both pre-hire and post-hire; consolidation of staff evaluating and assessing candidates; elimination of the current exam and exam scheduling systems and implementation of a new system allowing for individuals to take exams statewide; reduction of the number of test centers; and decommissioning the commission's ERP system.

State agencies and external agencies utilizing the Commission's services are billed proportionally based on their usage. It is assumed agencies will also be billed proportionally for services performed by OA once it takes over the transferred duties. Any savings realized by OA in performing the duties related to merit-based hiring; civil service applications; certifications; examinations; and promotions may therefore reduce future billings to those agencies on a proportional basis.

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House Appropriations Committee (R)

DATE: June 20, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.