

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 1037

PRINTER NO. 1781

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

February 9, 2018

PRIME SPONSOR

Senator Folmer

DESCRIPTION

Senate Bill 1037 amends Title 71 (State Government) by adding a new Part II (Civil Service Reform) to the law to transfer duties from the Civil Service Commission (commission) to the Office of Administration. The duties transferred from the commission to the Office of Administration include: merit-based hiring; civil service applications; certifications; examinations; and promotions.

Senate Bill 1037 provides for the Office of Administration 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 bill also provides the Office of Administration with the authority to promulgate regulations necessary to carry out the new part and adopt temporary regulations to effectuate implementation of the part.

It also provides for the commission to 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 the Civil Service Act and veterans' preference.

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

The provisions relating to the Office of Administration 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:

The Office of Administration has indicated that the 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.

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In the subsequent fiscal year (FY 2019-20), the Office of Administration believes 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.

The Office of Administration 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.

Currently, state agencies and external agencies utilizing the commission's services are billed proportionally based on their usage. Therefore, any savings generated by the enactment of the legislation would accrue back to those agencies on a proportional basis.