

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB15

|                        |                                       |  |                                    |
|------------------------|---------------------------------------|--|------------------------------------|
| <b>House of Origin</b> | <input type="checkbox"/> Introduced   | <input checked="" type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| <b>Second House</b>    | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute            | <input type="checkbox"/> Enrolled  |

**2. Patron** Lingamfelter

**3. Committee** Pending

**4. Title** Severance benefits for state employees

**5. Summary/Purpose:**

Provides that appointees shall be covered under the Workforce Transition Act regardless of years of service prior to appointment and restricts severance benefits for state employees to those specifically authorized by the General Assembly. The substitute also requires all appointees who are eligible for benefits under the Act to each year sign a statement providing that such person has read and understands the benefits for which he is eligible under the Act.

**6. Fiscal Impact Estimates are: Indeterminate**

**7. Budget amendment necessary: No**

**8. Fiscal implications:** This legislation has the potential to create an additional fiscal impact on state agencies. The reason for this possible impact is that the proposed legislation expands the number of potential appointees that are eligible for Workforce Transition Act benefits. However, due to the fact that the total population of Executive branch appointees is small (in relation to the total employment level of all state government) any such fiscal impact is not expected to be significant on a statewide basis. The fiscal impact of the proposed legislation is also dependent on the interpretation of the term “as specifically authorized by the General Assembly” used in this bill. Assuming that “specifically authorized” in this case means that the severance awarded to an employee follows the guidelines of legislation approved by the General Assembly, such as the Workforce Transition Act, then there should be no additional fiscal impact resulting from this provision of the bill.

**9. Specific agency or political subdivisions affected:** All state agencies in the Executive Department and all state employees currently eligible for Workforce Transition Act benefits.

**10. Technical amendment necessary: No**

**11. Other comments:** The substitute for HB15 is similar to SB364.

**Date:** 2/13/2006/ JDH

**Document:** DPB G:\Efis\2006\Dhrm-Misc\Hb15h1.Doc

cc: Secretary of Administration