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**SENATE BILL NO. 417**

Offered January 11, 2012

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*A BILL to amend and reenact §§ 2.2-1001, 2.2-3003, 2.2-3004, 2.2-3006, and 51.1-124.13 of the Code of Virginia, relating to the State Grievance Procedure.*

Patron—Stanley

Referred to Committee on General Laws and Technology

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.2-1001, 2.2-3003, 2.2-3004, 2.2-3006, and 51.1-124.13 of the Code of Virginia are amended and reenacted as follows:**

§ 2.2-1001. Director to administer Department; powers and duties.

The Director shall, under the direction and control of the Governor, administer and supervise the Department and shall:

1. Establish a comprehensive program of employee relations management that includes alternative processes for resolving employment disputes;

2. Establish the grievance procedure and a statewide mediation program;

3. Adopt rules and set hearing officer fees for grievance hearings;

4. For employees who are covered by the grievance procedure, (i) provide forms necessary for the proper use of the grievance procedure; (ii) direct full compliance with the grievance procedure process; and (iii) investigate allegations of retaliation as the result of use of or participation in the grievance procedure or of reporting, in good faith, an allegation of fraud, waste or abuse to the State Employee Fraud, Waste and Abuse Hotline and advise the agency head of the findings; ~~and (iv) rule on the qualification of a grievance or the question of access to the grievance procedure;~~

5. Render final decisions, containing the reasons for such decision, on all matters related to *access to the grievance procedure*, procedural compliance with the grievance procedure, *and qualification for hearing*;

6. Establish a process to select, on a rotating basis, hearing officers for grievance hearings from (i) the list maintained by the Executive Secretary of the Supreme Court or (ii) attorneys hired as classified employees by the Department through a competitive selection process; train and assign such hearing officers to conduct grievance hearings; evaluate the quality of their services to determine eligibility for continued selection; and, if deemed ineligible for continued selection, establish policies for removing such hearing officers from consideration for future selection;

7. Publish hearing officer decisions and Department rulings;

8. Establish, in conjunction with the Department of Human Resource Management, a training program for human resources personnel on employee relations management and employment rights and responsibilities;

9. Implement a comprehensive training and instructional program for all supervisory personnel that includes the role of the grievance procedure in harmonious employee relations management. The training program shall also include methods for supervisors to instruct nonsupervisory personnel in the use of the grievance procedure. Use of the grievance procedure to resolve disputes shall be encouraged. In-house resources shall be developed to allow the Department and its personnel to conduct on-site training of this nature for units and agencies of state government throughout Virginia. The Department shall assist agencies in establishing performance criteria for such supervisory personnel;

10. Provide information upon the request of any employee concerning personnel policies, regulations, and law applicable to the grievance procedure and counsel employees in the resolution of conflict in the workplace;

11. Establish and maintain a toll-free telephone number to facilitate access by employees to the services of the Department;

12. Collect information and statistical data regarding the use of the grievance procedure and the effectiveness of employee relations management in the various state agencies;

13. Make recommendations to the Governor and the General Assembly to improve the grievance procedure and employee relations management;

14. Exercise such other powers and perform such other duties as may be requested by the Governor; and

15. Perform all acts and employ such personnel as may be required, necessary, or convenient to carry out the provisions of this chapter.

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59 § 2.2-3003. Grievance procedure generally.

60 A. As part of the Commonwealth's program of employee relations management, the Department of  
61 Employment Dispute Resolution shall develop a grievance procedure that includes not more than three  
62 successively higher grievance resolution steps and a formal hearing as provided in this chapter.  
63 *However, grievances involving dismissals due to formal discipline or unsatisfactory job performance*  
64 *shall proceed directly to a formal hearing, omitting the grievance resolution steps, the face-to-face*  
65 *meeting specified in subsection D, and the agency head qualification determination specified in*  
66 *subsection D of § 2.2-3004.*

67 B. Prior to initiating a written grievance, the employee shall be encouraged to pursue an informal  
68 complaint with his immediate supervisor. The supervisor shall have authority to resolve the complaint if  
69 it involves actions within his control.

70 C. An employee may pursue a formal written grievance through the grievance resolution steps if the  
71 complaint has been presented to management within 30 calendar days of the employee's knowledge of  
72 the event that gave rise to the complaint. Employees' rights to pursue grievances shall not be used to  
73 harass or otherwise impede the efficient operations of government.

74 D. ~~Upon~~ *Except as provided in subsection A, upon* receipt of a timely written complaint,  
75 management shall review the grievance and respond to the merits thereof. Each level of management  
76 review shall have the authority to provide the employee with a remedy, subject to the agency head's  
77 approval. At least one face-to-face meeting between the employee and management shall be required.  
78 The persons who may be present at this meeting are the employee, the appropriate manager, an  
79 individual selected by the employee, and an individual selected by the manager. Witnesses may be  
80 called by either party.

81 E. Absent just cause, all documents, as defined in the Rules of the Supreme Court of Virginia,  
82 relating to the actions grieved shall be made available, upon request from a party to the grievance, by  
83 the opposing party, in a timely fashion. Upon such request a party shall have a duty to search its records  
84 to ensure that all such relevant documents are provided. Documents pertaining to nonparties that are  
85 relevant to the grievance shall be produced in such a manner as to preserve the privacy of the  
86 individuals not personally involved in the grievance. A party shall not be required to create a document  
87 if the document does not exist.

88 F. All time limitations prescribed in the grievance procedure, including, but not limited to,  
89 submission of an initial complaint and employee appeal of management decisions, shall be reasonable,  
90 specific, and equally applicable to the agency and the employee. Expedited grievance procedures shall  
91 be established for terminations, demotions, suspensions, and lost wages or salaries.

92 G. Within five workdays of the receipt of a written notice of noncompliance, failure of the employee  
93 or the agency to comply with a substantial procedural requirement of the grievance procedure without  
94 just cause may result in a decision against the noncomplying party on any qualified issue. Written notice  
95 of noncompliance by the agency shall be made to the agency head. The Director of the Department of  
96 Employment Dispute Resolution shall render all decisions related to procedural compliance, and such  
97 decisions shall contain the reasons for such decision and shall be final.

98 H. Grievances qualified pursuant to § 2.2-3004 that have not been resolved through the grievance  
99 resolution steps shall advance to a hearing that shall be the final step in the grievance procedure.

100 § 2.2-3004. Grievances qualifying for a grievance hearing; grievance hearing generally.

101 A. A grievance qualifying for a hearing shall involve a complaint or dispute by an employee relating  
102 to the following adverse employment actions in which the employee is personally involved, including  
103 but not limited to (i) formal disciplinary actions, including suspensions, demotions, transfers and  
104 assignments, and dismissals resulting from formal discipline or unsatisfactory job performance; (ii) the  
105 application of all written personnel policies, procedures, rules and regulations where it can be shown that  
106 policy was misapplied or unfairly applied; (iii) discrimination on the basis of race, color, religion,  
107 political affiliation, age, disability, national origin or sex; (iv) arbitrary or capricious performance  
108 evaluations; (v) acts of retaliation as the result of the use of or participation in the grievance procedure  
109 or because the employee has complied with any law of the United States or of the Commonwealth, has  
110 reported any violation of such law to a governmental authority, has sought any change in law before the  
111 Congress of the United States or the General Assembly, or has reported an incidence of fraud, abuse, or  
112 gross mismanagement; and (vi) retaliation for exercising any right otherwise protected by law.

113 B. Management reserves the exclusive right to manage the affairs and operations of state government.  
114 Management shall exercise its powers with the highest degree of trust. In any employment matter that  
115 management precludes from proceeding to a grievance hearing, management's response, including any  
116 appropriate remedial actions, shall be prompt, complete, and fair.

117 C. Complaints relating solely to the following issues shall not proceed to a hearing: (i) establishment  
118 and revision of wages, salaries, position classifications, or general benefits; (ii) work activity accepted by  
119 the employee as a condition of employment or which may reasonably be expected to be a part of the  
120 job content; (iii) contents of ordinances, statutes or established personnel policies, procedures, and rules

and regulations; (iv) methods, means, and personnel by which work activities are to be carried on; (v) termination, layoff, demotion, or suspension from duties because of lack of work, reduction in work force, or job abolition; (vi) hiring, promotion, transfer, assignment, and retention of employees within the agency; and (vii) relief of employees from duties of the agency in emergencies.

D. ~~Decisions~~*Except as provided in subsection A of § 2.2-3003, decisions* regarding whether a grievance qualifies for a hearing shall be made in writing by the agency head or his designee within five workdays of the employee's request for a hearing. A copy of the decision shall be sent to the employee. The employee may appeal the denial of a hearing by the agency head to the Director of the Department of Employment Dispute Resolution (the "Director"). Upon receipt of an appeal, the agency shall transmit the entire grievance record to the Department of Employment Dispute Resolution within five workdays. The Director shall render a decision on whether the employee is entitled to a hearing upon the grievance record and other probative evidence.

E. Proceedings for review of the decision of the Director may be made by an employee filing a notice of appeal within five workdays of receipt of the decision. Within five workdays thereafter, the agency shall transmit to the clerk of the circuit court in the jurisdiction in which the grievance arose a copy of the grievance record. The court, on motion of the grievant, may issue a writ of certiorari requiring the Director to transmit the record on or before a certain date. Within thirty days of receipt of such records, the court, sitting without a jury, shall hear the appeal on the record and such additional evidence as may be necessary to resolve any controversy as to the correctness of the record. The court, in its discretion, may receive such other evidence as the ends of justice require. The court may affirm the decision of the Director or may reverse or modify the decision. The decision of the court shall be rendered no later than the fifteenth day from the date of the conclusion of the hearing. The decision of the court shall be final and shall not be appealable. The circuit court hearing shall be at no cost to the Commonwealth or the grievant.

F. The hearing pursuant to § 2.2-3005 shall be held in the locality in which the employee is employed or in any other locality agreed to by the employee, employer, and hearing officer. The employee and the agency may be represented by legal counsel or a lay advocate, the provisions of § 54.1-3904 notwithstanding. The employee and the agency may call witnesses to present testimony and be cross-examined.

§ 2.2-3006. Review of hearing decisions; costs.

A. Upon the request of a party to a grievance hearing for an administrative review of the hearing decision, the Director of the Department of Human Resource Management shall determine, within ~~60~~ 30 days of receipt of such request, whether the hearing decision is consistent with policy.

B. Within 30 days of a final decision, a party may appeal on the grounds that the determination is contradictory to law by filing a notice of appeal with the clerk of the circuit court in the jurisdiction in which the grievance arose. The agency shall request and receive prior approval of the Director before filing a notice of appeal. After a notice of appeal has been filed by either party, the agency shall then transmit a copy of the grievance record to the clerk of the court. The court, on motion of a party, shall issue a writ of certiorari requiring transmission of the record on or before a certain date. Within 30 days of receipt of the grievance record, the court, sitting without a jury, shall hear the appeal on the record. The court may affirm the decision or may reverse or modify the decision. The decision of the court shall be rendered no later than the fifteenth day from the date of the conclusion of the hearing. The circuit court hearing shall be at no cost to the Commonwealth or the grievant.

C. The hearing officer's final decision shall be effective from the latter of the date issued or the date of the conclusion of any administrative review and judicial appeal, and shall be implemented immediately thereafter, unless circumstances beyond the control of the agency delay such implementation.

D. Either party may petition the circuit court having jurisdiction in the locality in which the grievance arose for an order requiring implementation of the final decision ~~or recommendation~~ of a hearing officer.

E. The court shall award reasonable attorneys' fees and costs to the employee if the employee substantially prevails on the merits of a case brought under subsection B or D.

§ 51.1-124.13. Loss of benefits; certain felony convictions.

A. No person shall be entitled to any of the benefits of this title as provided in this section if (i) he is convicted of a felony and (ii) the person's employer determines that the felony arose from misconduct occurring on or after July 1, 2011, in any position in which the person was a member covered for retirement purposes under any retirement system administered by the Board. Prior to making any such determination, the employer shall give the person reasonable prior written notice and provide an opportunity to be heard. The employer's determination may be appealed in a manner consistent with subsection E of § ~~2.2-3004~~ B, and no further proceedings shall follow the decision of the circuit court. The employer's determination shall become final 10 calendar days after the date of the initial

182 determination if no appeal is filed, or the date of the decision of the circuit court if an appeal is filed. A  
183 reversal by the circuit court of the employer's determination shall render the determination null and void.

184 *B. Proceedings for review of the determination of the employer may be made by the member filing a*  
185 *notice of appeal within five workdays of receipt of the determination. Within five workdays thereafter,*  
186 *the employer shall transmit, to the clerk of the circuit court in the jurisdiction where the employer is*  
187 *located, a copy of the record. The court, on motion of the member, may issue a writ of certiorari*  
188 *requiring the employer to transmit the record on or before a certain date. Within 30 days of receipt of*  
189 *such records, the court, sitting without a jury, shall hear the appeal on the record and such additional*  
190 *evidence as may be necessary to resolve any controversy as to the correctness of the record. The court,*  
191 *in its discretion, may receive such other evidence as the ends of justice require. The court may affirm*  
192 *the determination of the employer or may reverse or modify the determination. The decision of the court*  
193 *shall be rendered no later than the fifteenth day from the date of the conclusion of the hearing. The*  
194 *decision of the court shall be final and shall not be appealable. The circuit court hearing shall be at no*  
195 *cost to the Commonwealth or the member.*

196 *C. The Board shall implement the relinquishment of benefits under this title as soon as practicable*  
197 *after the employer notifies the Board of its final determination that the member's felony conviction arose*  
198 *from misconduct in any position in which the member was a member in service.*

199 ~~C.D.~~ *If the person is or becomes a member in service after relinquishment of benefits under*  
200 *subsection B.C, he shall be entitled to the benefits under this title based solely on his service occurring*  
201 *after the relinquishment.*

202 ~~D.E.~~ *Notwithstanding any provision of law to the contrary, any service credit lost from*  
203 *relinquishment of benefits under subsection B.C shall be ineligible for subsequent purchase.*

204 ~~E.F.~~ *The governing body of any locality served by a constitutional officer shall be considered that*  
205 *officer's employer for purposes of this section.*

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