

Department of Planning and Budget

2013 Fiscal Impact Statement

1. Bill Number: HB1992

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: McClellan

3. Committee: General Laws

4. Title: State grievance procedure; review of hearing decisions

5. Summary: Provides that upon the request of a party to a grievance hearing for an administrative review of the hearing decision based on the party's assertion that the hearing decision is inconsistent with a proper interpretation or application of a policy that constituted a material issue in the grievance that formed or should have formed in whole or in part the basis for the hearing decision, the Director of the Department of Human Resource Management shall determine within 60 days of the request, whether the decision is consistent with policy. The bill specifies that the Director's determination shall be made as an independent, *de novo* review of the grievance and the Director shall identify those factual findings in the hearing decision that are relevant and material to the policy in question and explain whether those findings support the hearing decision relating to the application of the policy in question. Currently, 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 must determine within 30 days of the conclusion of any other administrative review, whether the hearing decision is consistent with policy.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: The provisions of this bill may place additional burdens on the Department of Human Resource Management (DHRM) and could lengthen the grievance process which may result in additional costs. DHRM currently receives, on average, about 60 requests for administrative review based on policy issues per year. It is anticipated that if a full *de novo* review is offered as proposed in this bill, that number will increase. Policy reviews are currently conducted principally by one staff member at DHRM. However, the amount of time it will take to perform a full *de novo* review of the requests received, which potentially invites the presentation of new evidence, will increase substantially. It is anticipated that the time it will take to complete these reviews will at least double on average, requiring additional staff of at least ½ of an FTE at an estimated average total compensation of about \$41,000. In addition, the time to final resolution of a grievance hearing will increase beyond the current process for any case in which a policy review is requested. Such delays have significant impacts on the workplace as both parties are placed in limbo awaiting a final determination. Further, due to the delays, agencies could experience increased back pay liability in those cases in which an employee is reinstated.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management and state agencies covered under the grievance process.

10. Technical Amendment Necessary: No.

11. Other Comments: N/A

Date: 1/29/12