

Department of Planning and Budget 2017 Fiscal Impact Statement

1. **Bill Number:** HB1555-ER

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

2. **Patron:** Ware

3. **Committee:** Passed Both Houses

4. **Title:** Agency directors; human resources training and succession planning.

5. **Summary:** Directs the Department of Human Resource Management (the Department) to administer training programs to familiarize agency directors with state human resource policies, such as compensation management, benefits administration, and resources available at the Department. The bill requires agency directors in the executive branch of state government to attend a training program within six months after appointment and thereafter at least once every four years. The agency's chief human resource officer shall provide subsequent training to the director on any distinct companion human resource policies of the agency that are germane to agency programs and operations. The president of a public institution of higher education may send a designee. The director of each agency in the executive branch of state government, other than an institution of higher education, shall include in the agency's annual strategic plan its key workforce planning issues. In addition, the director shall submit a succession plan for key personnel, executive positions, and employees nearing retirement to the Cabinet Secretary associated with the director's agency and the Department. The Department shall establish guidelines for the content of such workforce and succession plans. Each public institution of higher education shall prepare a succession plan for presentation to the board of visitors with a copy to the Department.

6. **Budget Amendment Necessary:** Yes – Item 84.

Budget amendment 84#3c provides \$140,000 general fund appropriation and one full-time equivalent position in fiscal year 2018 for the Department of Human Resource Management pursuant to the passage of House Bill 1555 of the 2017 General Assembly Session.

7. **Fiscal Impact Estimates:** Final – see Item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$0	0.00	-
2018	\$140,000	1.00	GF
2019	\$140,000	1.00	GF
2020	\$140,000	1.00	GF
2021	\$140,000	1.00	GF
2022	\$140,000	1.00	GF
2023	\$140,000	1.00	GF

- 8. Fiscal Implications:** According to the Department of Human Resource Management (DHRM), the fiscal impact of the proposed legislation is expected to be \$140,000 each year to support a new full-time human resource analyst position. This position would primary be responsible for managing the workforce succession planning component of the bill's mandates. DHRM states that the costs associated with the training requirement can be absorbed within its existing resources.
- 9. Specific Agency or Political Subdivisions Affected:** All executive branch state agencies and public institutions of higher education.
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** No.