

# State Personnel System

House Bill 2571

May 8, 2012

# Five Major Areas of Personnel Reform

---

- Consolidate Personnel Systems
- Transition to an At-Will Workforce
- Improve the Management of the Workforce
- Restructure the Grievance and Appeal System
- Update Human Resources Practices

# Personnel Systems

## Before Reform

- Different personnel systems within the Executive Branch

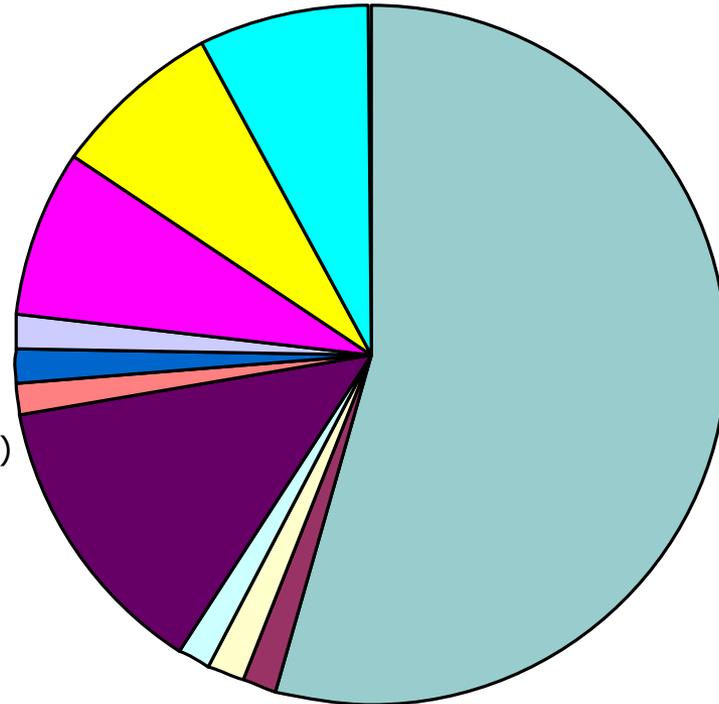
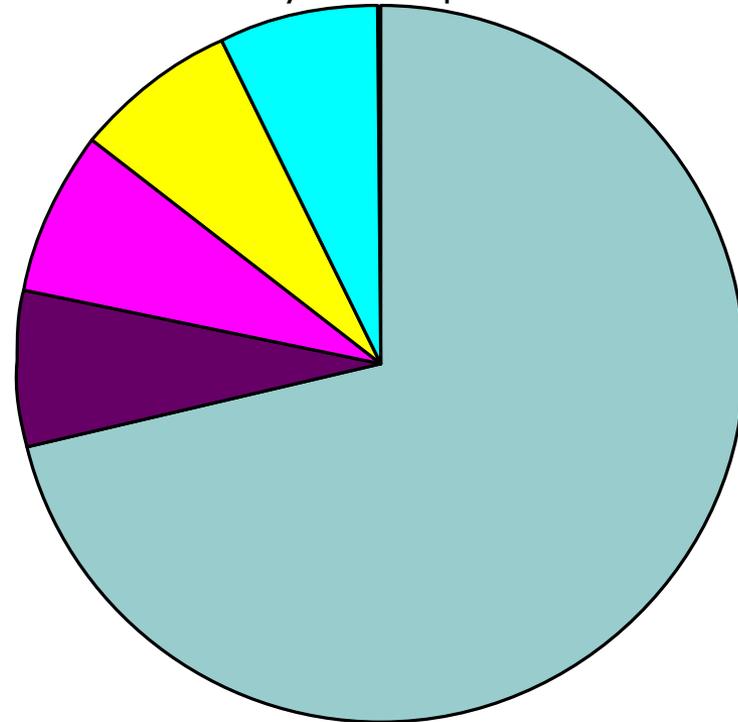
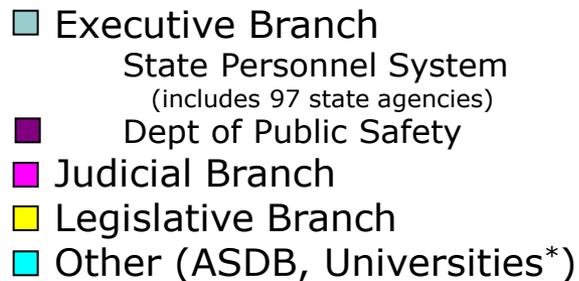


Chart intended for illustrative purposes only and is not intended to be an accurate representation of the relative size of each personnel system.

# Personnel Systems

## After Reform

- Consolidate personnel systems within the Executive Branch into the State Personnel System, administered by the Dept of Administration



\* Amends ARS § 15-1626 providing the Arizona Board of Regents the authority to adopt policies for all of their employees of the Board and Universities

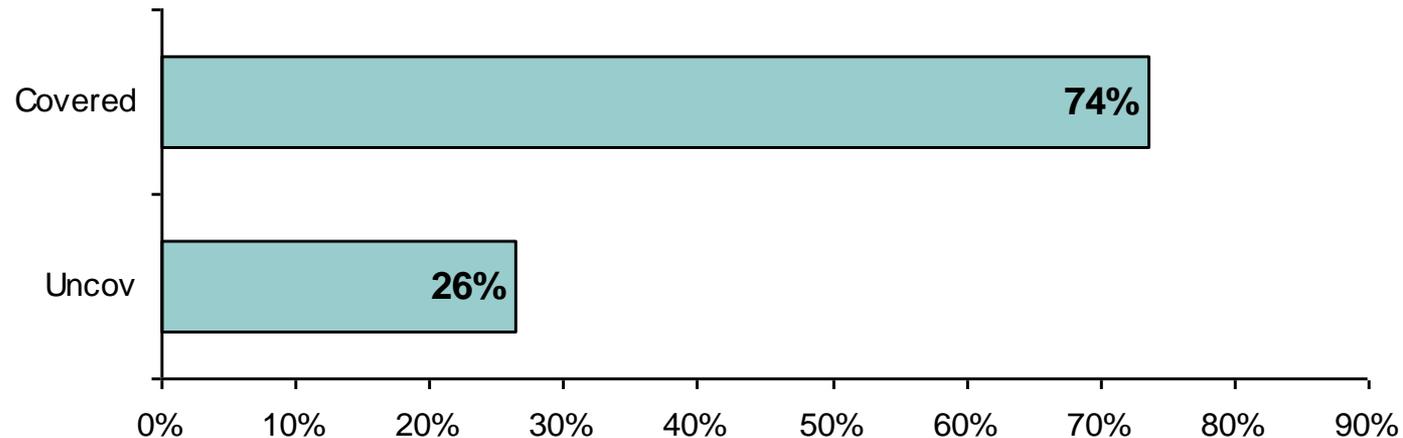
Chart intended for illustrative purposes only and is not intended to be an accurate representation of the relative size of each personnel system.

# Transition to At-Will Workforce

---

## Before Reform

- The majority of state employees in the Executive Branch are covered by a merit system
- Certain positions are uncovered (at-will) by statute, e.g., elected officials
- ADOA determines if other positions meet statutory criteria to be uncovered



Data excludes full authority peace officers, Correctional Officers I, II, and III, and adult Community Corrections Officers that will remain covered.

# Transition to At-Will Workforce

---

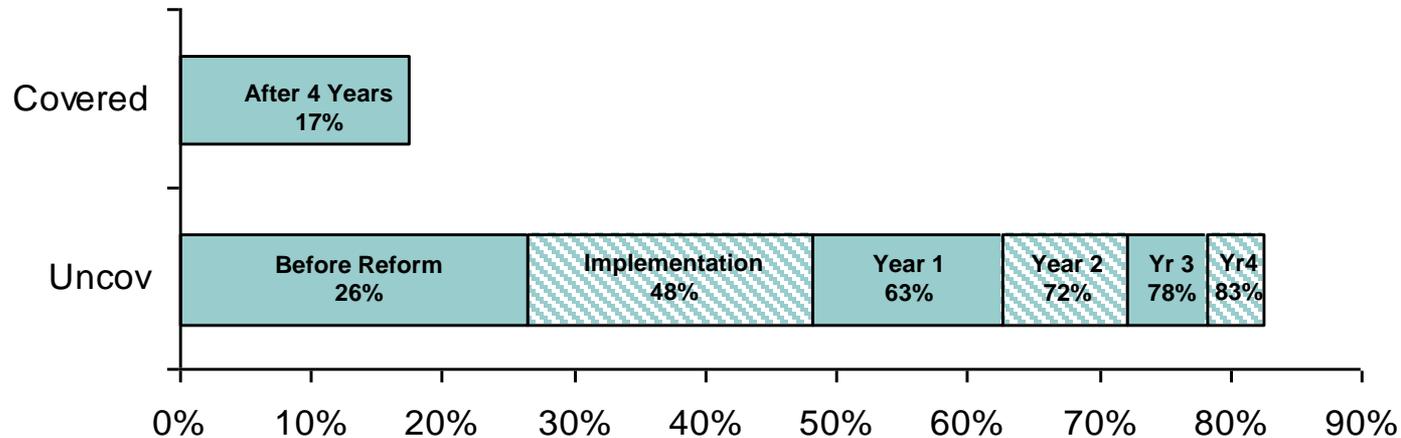
## **At the time of implementation:**

- A covered employee will become at-will uncovered if any of the following occurs beginning September 29, 2012:
  - Voluntarily accepts a change in assignment
  - Voluntarily elects to become an at-will uncovered employee
- Beginning September 29, 2012, the following become at-will uncovered:
  - All new hires
  - All supervisors
  - Employees in positions of Grade 19 or higher
  - Employees in Attorney positions
  - Employees in Information Technology positions
- Current covered employees not addressed above will remain covered as long as the employee continues in covered status with no break in service
- Employees in positions that require certified full authority peace officers, Correctional Officers I, II, and III, and adult Community Corrections Officers will remain covered

# Transition to At-Will Workforce

## After Reform

- It is estimated at the end of 4 years, nearly 83% of the workforce will be at-will uncovered employees



Data excludes full authority peace officers, Correctional Officers I, II, and III, and adult Community Corrections Officers that will remain covered.

# Management of the Workforce

Component	Before Reform	After Reform (9/29/2012)
Personnel Rules	<ul style="list-style-type: none"> <li>○ Only covered employees are subject to the personnel rules</li> </ul>	<ul style="list-style-type: none"> <li>○ All employees will be subject to some personnel rules                             <ul style="list-style-type: none"> <li>● New Hires</li> </ul> </li> <li>○ Covered employees will be subject to additional rules                             <ul style="list-style-type: none"> <li>● Grievance Process</li> <li>● Reductions in Force</li> </ul> </li> </ul>
Performance Management	<ul style="list-style-type: none"> <li>○ Only covered employees are subject to a performance evaluation</li> <li>○ Current system is inefficient, labor intensive, and paper-based</li> </ul>	<ul style="list-style-type: none"> <li>○ All employees will be subject to a performance evaluation</li> <li>○ New system will be streamlined, easy to administer, and automated</li> </ul>
RIF Administration	<ul style="list-style-type: none"> <li>○ Only applies to covered employees</li> <li>○ Equal consideration is given to an employee's performance record and seniority in service</li> </ul>	<ul style="list-style-type: none"> <li>○ Only applies to covered employees</li> <li>○ Retention will be based on an employee's performance record and not on seniority</li> </ul>

# Management of the Workforce

---

## After Reform – Guiding Principles of State Personnel System

- Recruit and select employees on the basis of their ability, knowledge, and skills after open competition
- Provide compensation based on merit, performance, job value, and competitiveness with the labor market
- Train employees when it will result in better performance
- Retain employees on the basis of their performance, correct inadequate performance where possible, and separate employees whose performance is inadequate
- Manage applicants and employees without regard to political affiliation, race, color, national origin, sex, age, disability, or religious creed
- Assure that employees are protected against coercion for partisan political purposes

# Grievance and Appeal System

Component	Before Reform	After Reform (9/29/2012)
Grievances/ Complaints	<ul style="list-style-type: none"> <li>○ Only covered employees have grievance rights; may elevate grievance to the ADOA Director if not satisfied with decision by agency head</li> </ul>	<ul style="list-style-type: none"> <li>○ Covered employees will continue to have grievance rights; agency head makes final decision</li> <li>○ ADOA required to establish procedures for reviewing covered and uncovered complaints regarding unlawful discrimination or harassment; employee may elevate to ADOA Director if not satisfied with decision by agency head</li> <li>○ ADOA required to review all dismissals, demotions, and 80-hours suspensions prior to implementing adverse action</li> </ul>
Personnel Board	<ul style="list-style-type: none"> <li>○ Only available to covered employees</li> <li>○ Reviews appeals of suspensions greater than 40 hours, demotions and dismissals</li> <li>○ May modify or overturn agency decisions</li> <li>○ Board members compensated at \$30/day</li> <li>○ Hears whistleblower complaints</li> </ul>	<ul style="list-style-type: none"> <li>○ Only available to covered employees</li> <li>○ Reviews appeals of suspensions greater than 80 hours, demotions and dismissals</li> <li>○ Board shall affirm discipline unless arbitrary and capricious or not supported by a preponderance of evidence; in such cases Board may recommend agency modify discipline; if cause did not exist, Board must reverse agency decision; agency head makes final decision</li> <li>○ Board members may be compensated at \$100/day</li> <li>○ Strengthens whistleblower protections</li> </ul>

# Grievance and Appeal System

Component	Before Reform	After Reform (9/29/2012)
Law Enforcement Merit System Council – Authority	<ul style="list-style-type: none"> <li>○ Adopts rules for DPS and AZPOST personnel</li> <li>○ Administers classification, compensation, and performance management systems for DPS and AZPOST employees</li> <li>○ Reviews appeals of suspensions greater than 8 hours, demotions, dismissals, and reductions in pay for any covered DPS employee</li> <li>○ May modify or overturn agency decisions</li> </ul>	<ul style="list-style-type: none"> <li>○ Continues to adopt rules</li> <li>○ Administers classification, compensation, and performance management systems for DPS employees and AZPOST personnel</li> <li>○ Continues to review appeals of suspensions greater than 8 hours, demotions, dismissals, and reductions in pay for any covered DPS employee</li> <li>○ Authority to review appeals of suspensions of more than 40 hours, demotions, and dismissals for any non-DPS full authority peace officer certified by AZPOST appointed to a position that requires such certification</li> <li>○ Council shall affirm discipline unless arbitrary and capricious or not supported by a preponderance of evidence; in such cases Council may recommend agency modify discipline; if cause did not exist, Council must reverse agency decision; agency head makes final decision. If the agency head does not accept the Council’s recommendation, the agency head shall state the reason(s) for rejecting the recommendation</li> </ul>
Law Enforcement Merit System Council – Structure	<ul style="list-style-type: none"> <li>○ Three members</li> <li>○ May not have held elective office within past year</li> <li>○ Appointed by Governor</li> <li>○ Six year term</li> <li>○ No compensation</li> </ul>	<ul style="list-style-type: none"> <li>○ Five members</li> <li>○ No more than three from the same political party</li> <li>○ May not have held elective office within past year</li> <li>○ Appointed by Governor pursuant to ARS 38-211</li> <li>○ Three year term</li> <li>○ Governor may remove a member for cause</li> <li>○ May be compensated at \$100/day</li> </ul>

# Human Resources Practices

Component	Before Reform	After Reform (9/29/2012)
Administrative Leave	<ul style="list-style-type: none"> <li>○ Agency head places employee on administrative leave temporarily to investigate alleged wrongdoing</li> <li>○ No oversight required</li> </ul>	<ul style="list-style-type: none"> <li>○ Weekly reporting required to ADOA when administrative leave totals 80 consecutive hours until leave ends</li> <li>○ Administrative leave may not exceed 30 working days without ADOA approval</li> </ul>
Overtime/Compensatory Leave	<ul style="list-style-type: none"> <li>○ State law (ARS 23-391 and 41-783) requires some employees, classified FLSA "exempt," to receive compensatory leave for each hour worked over 40 hours in a work week</li> </ul>	<ul style="list-style-type: none"> <li>○ Eliminate requirement for FLSA exempt employees, except for state employees engaged in law enforcement, probation officer and firefighting activities</li> </ul>
Mobility Assignments	<ul style="list-style-type: none"> <li>○ Personnel Rules allow covered employees to accept an uncovered position for up to 3 years on mobility (remains covered employee but receives benefits of uncovered employee); ADOA Director can approve extensions</li> </ul>	<ul style="list-style-type: none"> <li>○ Limit a mobility assignment to 6 months</li> </ul>

# Human Resources Practices

Component	Before Reform	After Reform (9/29/2012)
Hiring Practices	<ul style="list-style-type: none"> <li>○ No oversight of uncovered appointments</li> <li>○ Rules pertaining to hiring and selection only apply to covered employees</li> </ul>	<ul style="list-style-type: none"> <li>○ New hires must meet established qualifications</li> <li>○ Consistent employment application</li> <li>○ Implementation of automated process of hiring (onboarding ensures all paperwork and forms properly completed)</li> <li>○ Reference checks required before extending job offer</li> </ul>
Classification System	<ul style="list-style-type: none"> <li>○ Statewide Classification System has been in place for 40 years</li> <li>○ Has not been updated</li> </ul>	<ul style="list-style-type: none"> <li>○ Overhaul of classification system including job classes, pay structure, and job descriptions</li> </ul>

# Human Resources Practices

Component	Before Reform	After Reform (9/29/2012)
Director Term and For Cause Provisions	<ul style="list-style-type: none"> <li>○ State law provides term provisions to a number of agency directors: Liquor License, Racing, Financial Institutions, Game &amp; Fish, DEMA, Housing, Industrial Commission, Insurance, Post Conviction Public Defender. Some of these agencies also have removal for cause provisions</li> <li>○ Director of Dept of Public Safety serves a term of 5 years</li> </ul>	<ul style="list-style-type: none"> <li>○ Eliminates Director term and removal for cause provisions</li> <li>○ Director of Dept of Public Safety serves concurrently with the Governor</li> </ul>
Director Search Committees	<ul style="list-style-type: none"> <li>○ State laws require search committees involvement in the appointment of certain agency directors, including: DHS, DES, Weights and Measures, Revenue, ADOA, and Board of Executive Clemency</li> </ul>	<ul style="list-style-type: none"> <li>○ Eliminate requirement for search committees of Cabinet Agency Directors and the Board of Executive Clemency</li> </ul>
Appointing Authority	<ul style="list-style-type: none"> <li>○ Director of State Parks appointed by Board; the Director serves at the pleasure of the Board</li> <li>○ Director of Industrial Commission appointed by Board; Director may be removed for cause by the Board</li> </ul>	<ul style="list-style-type: none"> <li>○ Director of State Parks appointed by Governor pursuant to ARS 38-211; the Director serves at the pleasure of the Governor</li> <li>○ Director of Industrial Commission appointed by the Board pursuant to ARS 38-211; Director serves at the pleasure of the Governor</li> </ul>

# Five Major Areas of Personnel Reform

---

- Consolidate Personnel Systems
- Transition to an At-Will Workforce
- Improve the Management of the Workforce
  - Personnel Rules
  - Performance Management
  - RIF Administration
  - Guiding Principles
- Restructure the Grievance and Appeal System
  - Grievances
  - Personnel Board
  - Law Enforcement Merit System Council
- Update Human Resources Practices
  - Administrative Leave
  - Overtime/Compensatory Leave
  - Mobility Assignments
  - Hiring Practices
  - Classification System
  - Director Term and For Cause Provisions
  - Director Search Committees
  - Appointing Authority