



# **Reorganization of the Department of Personnel Administration and the State Personnel Board**

## **Post Implementation Review**

June 2013

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## **EXECUTIVE SUMMARY**

This Post Implementation Review (PIR) documents the State Personnel Board's (SPB) accomplishments towards its objectives related to the implementation of the Governor's Reorganization Plan #1 (GRP1) of 2011. This PIR is the final step required to close this project. This PIR addresses only SPB's achievements. It does not address the Department of Human Resources' (CalHR) accomplishments towards its objectives.

The goal of this project was to successfully implement GRP1. SPB completed its portion of this goal nearly one year ahead of schedule. While SPB successfully implemented the specific requirements of GRP1, staff recommends that SPB and CalHR continue to collaborate to achieve the intent of GRP1 to unify and streamline the California State personnel system by consolidating the state's bifurcated personnel system to administer state human resources in a more clear, efficient, and cost-effective manner.

## **BACKGROUND**

Established by the California Constitution, SPB is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. SPB oversees the merit-based selection and disciplinary processes for over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment.

Effective July 1, 2012, GRP1 of 2011 consolidated the functions of DPA and the selection-based human resources operational functions performed by SPB into CalHR. Specifically, SPB programs related to appointments consultation, Career Executive Assignment (CEA) allocations, test development, recruitment, examinations, psychological and medical screening, training, and the Office of Civil Rights, and associated staff transferred to CalHR. In addition, all of SPB's accounting, budget, business services, human resources, information technology (IT), legislative affairs, and public information office resources were transferred to CalHR. CalHR staff is now charged with providing these services to SPB.

GRP1 recognized and preserved SPB's exclusive constitutional authority to administer the merit system. As a result, in addition to retaining the Appeals Division, GRP1 created both a Policy Division and Compliance Review Division at SPB to establish merit-related policy and conduct reviews of departmental merit-related practices to ensure compliance with board policy.

## ACCOMPLISHMENTS

The table below summarizes SPB's accomplishments in implementing GRP1.

Accomplishment	Notes	Date(s)
Executive Officer (EO), Suzanne Ambrose identified SPB functions that could be transferred to CalHR and worked collaboratively with Reorganization Plan Team leadership, Dave Gilb, Debbie Endsley, and Julie Lee in developing a proposal that reorganized and preserved SPB's exclusive constitutional authority to administer the merit system. The proposal transferred the operational functions of SPB to CalHR while retaining the Board's policy-setting and appeals functions. CalHR would perform merit-related operational functions subject to Board policy.		February 2011
The Board approved the implementation of GRP1.		February 2011
SPB loaned resources to the Implementation Team to staff a project manager.		February 2011 – June 2012

Accomplishment	Notes	Date(s)
Successfully led staff through the transition.	The EO held regular all-staff meetings to ensure open and ongoing communications. The EO encouraged staff to meet with her personally and to share any individual concerns. Letters and emails were sent to SPB and DPA staff from the EO and the DPA Director. The EO and DPA Director facilitated an all-staff forum with Service Employees International Union President Yvonne Walker. The Implementation Team also held regular meetings with the staff transitioning to CalHR to answer questions and provide updates. In addition, an extranet allowing both SPB and DPA staff access to merger information was created and continuously updated.	May 2011 – June 2012
Board President Maeley Tom and the EO spoke in support of GRP1 at the Little Hoover Commission Public Hearing.		June 2011
SPB developed performance measures for the programs transferring to CalHR.		June 2011
The EO served on the Executive Steering Committee with Labor Agency Secretary Marty Morgenstern and the DPA Director to oversee the successful implementation of GRP1.		July 2011 – June 2012

Accomplishment	Notes	Date(s)
<p>SPB staff Lori Gillihan served on the Implementation Team and assisted in implementing logistical changes required for the merger such as developing BCPs, proposing new organizational structures for CalHR, implementing payroll and accounting changes, transferring SPB contracts to CalHR, space planning, negotiating leases, scheduling moves, etc.</p>		<p>July 2011 – June 2012</p>
<p>The Board President and the EO provided testimony in support of GRP1 at the Senate Hearing.</p>		<p>August 2011</p>
<p>Participated in and presented the details of the implementation of GRP1 at the Stakeholders' Forum.</p>		<p>August 2011</p>
<p>Developed staffing proposals and budget detail for submission to the Department of Finance (DOF).</p>		<p>August 2011 – November 2011</p>
<p>Transferred overlapping functions to DPA, such as accounting, budgets, business services, HR, IT, public information, legislation, the CEA and appointments units, and training as prescribed by GRP1.</p>		<p>August 2011 – June 2012</p>
<p>The EO and the DPA Director met regularly to conduct knowledge transfer of SPB programs transitioning to CalHR and to ensure the smooth transition to the new structure.</p>		<p>August 2011 – March 2012</p>

Accomplishment	Notes	Date(s)
Implemented change management.	The SPB and DPA division chiefs were trained by the Implementation Team on how to effectively manage change so that they could help staff through the transition.	October 2011
Assisted in drafting legislative changes required by GRP1 to further refine the effective implementation of GRP1.		October 2011 – August 2012
Assisted in identifying positions to meet the 15% (60 positions) reduction.		December 2011
Redesigned SPB's budget to meet the needs of the new organization.	SPB retained its own organization code and budget independent of CalHR	December 2011
Successfully negotiated with DOF to retain 14 positions to staff the Policy and Compliance Review Divisions at SPB to fulfill the enhanced oversight role of SPB.		December 2011
Relocated appropriate SPB staff and funding to CalHR.	<p>SPB provided CalHR with furniture, computers, ergonomic evaluations, and new software licenses for SPB employees transferring to CalHR.</p> <p>SPB also provided 2012 year-end monies and Technology Agency contract monies to CalHR to assist with the transition.</p>	January 2012 – September 2012
Presented at the Senate-Assembly Hearing related to legislative changes.		February 2012

Accomplishment	Notes	Date(s)
Developed streamlining proposals in collaboration with CalHR to implement after July 1, 2012 to further support the goals of GRP1.	Concepts included creating a comprehensive online HR manual, delegation of HR functions to departments, simplification of the classification structure, and reduction of the number of classes.	February 2012 – June 2012
Presented at the Assembly Hearing and the Senate Public Employment and Retirement Hearing on legislative changes.		March 2012
Established positions and office space for administrative and IT support personnel to be located at SPB.	This personnel provides reproduction, mail, facilities, and IT support to SPB staff.	May 2012
Participated in and presented at the CalHR Launch Event.		July 2012
Transferred the lease for floors vacated at 801 Capitol Mall and 660 J Street to CalHR.	The SPB positions which transferred to CalHR provided the reimbursements covering the costs of three floors no longer needed by the SPB. SPB had no ability to fund the unused space. DGS has released CalHR of responsibility for two of the three floors effective July 2013.	July 2012
Established the Policy Division and the Compliance Review Division as outlined in GRP1. Recruited and hired staff.		July 2012
Restacked 801 Capitol Mall and reallocated SPB space to add additional hearing rooms on the first floor to allow for the speedier resolution of appeals.		July 2012

Accomplishment	Notes	Date(s)
Updated SPB's website to reflect the new organization.		July 2012
Developed and implemented standardized compliance review tools.		July 2012 – December 2012
Created and obtained approval from DOF for the baseline audit fee structure for year one.		November 2012
Drafted and obtained approval of trailer bill language establishing the fee structure for the Compliance Review Division.	Met with Legislative Consultants and testified at Senate and Assembly Hearings.	November 2012- June 2013
Completed the first year of baseline compliance reviews.		December 2012 – June 2013
Established stakeholder workgroups to advise the Board on improvements to the civil service policies.		March 2013

## RECOMMENDATIONS

Effective July 1, 2013, the Governor's Reorganization Plan #2 created the Government Operations Agency under which both SPB and CalHR were transferred. The Government Operations Agency will foster enhanced communication and coordination between SPB and CalHR. The Agency structure will also assist in maintaining continuity and consistency in workload priority.

In March 2013, the Board's newly established Policy Unit launched stakeholder working groups comprised of representatives from various departments, unions, and civil rights groups to review the existing civil service rules, policies and procedures, and provide recommendations to the Board for streamlining the selection process. This work is currently underway and we look forward to CalHR's participation in this effort.

SPB recommends the following:

- SPB and CalHR work closely to better serve state departments. Specifically, SPB recommends that CalHR designate representatives for each of SPB's stakeholder workgroups to assist in reinventing the state's selection processes. Additionally, CalHR and SPB should form one committee to create CalHR's comprehensive, online manual that will provide clear guidance to departments on all aspects of human resources.
- SPB and CalHR form a task force with a clear mission to simplify the classification system and reduce the number of classes. The committee will work with the Unions' Joint Labor-Management Committees to reduce classes while establishing career paths and upward mobility options for current employees.
- SPB and CalHR work jointly to develop clear and consistent internal processes for merit-related functions that transferred to CalHR from SPB.
- SPB and CalHR coordinate audit activities to minimize disruptions to departments and eliminate duplication and inconsistency.
- A memo be issued informing all departments and employee organizations of the post-GRP1 procedures.