

CALIFORNIA



STATE PERSONNEL BOARD

REPORT TO THE LEGISLATURE

IMPACT OF SENATE BILL 1472, CHAPTER 353, STATUTES OF 2008, ON CAREER EXECUTIVE ASSIGNMENT HIRES

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TABLE OF CONTENTS

SECTION	PAGE
I. Purpose of the Report	3
II. Background	3
III. Scope and Methodology	4
IV. Summary of Findings	4
V. Conclusion	6
VI. Attachments	
• <u>Attachment 1</u> : CEA Appointments from January 1, 2009 to December 31, 2011	7
• <u>Attachment 2</u> : CEA Appointments for 2009	8
• <u>Attachment 3</u> : CEA Appointments for 2010	9
• <u>Attachment 4</u> : CEA Appointments for 2011	10
• <u>Attachment 5</u> : CEA Appointments by Department Size Pursuant to SB 1472	11

I. Purpose of the Report

This report to the Legislature has been prepared by the State Personnel Board (SPB) pursuant to Senate Bill (SB) 1472, Chapter 353, Statutes of 2008. SB 1472 amended Government Code sections 18546, 18990, 18992, 19889.3, and added section 20037.13 concerning promotional civil service and Career Executive Assignment (CEA) examinations.

SB 1472 expanded the eligibility of persons to apply for and compete in promotional civil service examinations including CEAs. The bill was intended to permit a larger pool of experienced and qualified candidates to participate in CEA examinations. In addition, the bill specified that for the purposes of calculating retirement benefits under the California Public Employees' Retirement System for CEAs hired pursuant to these provisions, "final compensation" is the highest annual compensation earned during a 36-month period, rather than the highest consecutive 12-month period. The provisions of the bill will sunset on January 1, 2013, unless legislation is enacted to extend or make permanent these provisions.

This report focuses on the impact of the bill as it relates to CEA appointments. Specifically, Section 10 of the bill states that:

The State Personnel Board shall report to the Legislature by January 1, 2012, a summary of career executive assignment hires made of the following persons:

- (a) Persons who previously had permanent status in the civil service.
- (b) Persons described in Section 18990 of the Government Code who were not, within the past 12 months, employed by the Legislature for two or more consecutive years.
- (c) Persons described in Section 18992 of the Government Code who were not, within the past 12 months, holding a nonelected exempt position in the executive branch.

II. Background

The CEA program was established in 1963 by the California State Legislature to allow for a separate system of merit personnel administration specifically designed to meet the state's needs for competent managerial and executive civil service personnel. The CEA program was developed in response to concerns that the executive selection and retention techniques must be flexible in order to ensure the responsiveness of high level civil service executives to changes in program and policy direction while still ensuring that there is sufficient stability in the civil service to maintain the program knowledge and continuity of leadership necessary for the proper functioning of an organization.

While CEAs are defined in statute as high administrative and policy-influencing positions within the state civil service, they are typified by broad responsibility for policy implementation and extensive participation in policy evolution. They are intended to represent the highest and most critical positions in civil service, with a decisive role in department-wide program management.

State government is faced with the upcoming loss of a large portion of its experienced and trained CEAs due to an aging workforce – retiring baby boomers. State departments and agencies feel that they are unprepared for the loss of these executives. Allowing former permanent state employees, legislative employees, and nonelected exempt employees to compete along with current employee recruitment will enhance California's chances for creating and sustaining its leadership base as baby boomers retire.

Prior to enactment of SB 1472, individuals who met one of the following criteria would be eligible to apply for and compete in CEA examinations:

1. Current State civil service employee with permanent civil service status (Government Code section 18546).
2. Current or former employee of the Legislature, with two or more consecutive years, and who resigned or were released from service within one year of their separation (Government Code section 18990).
3. Current or former non-elected exempt employee of the Executive Branch, with two or more consecutive years, and who resigned or were released from service within one year of their separation (Government Code section 18992).

The passage of SB 1472 expanded the CEA eligibility criteria to include former State civil service employees who left State service with previous permanent status and eliminated the one year time limit for current or former employees of the Legislature or Executive Branch. The provisions of the bill remain in effect until January 1, 2013.

Should the provisions of SB 1472 sunset with no further extension, eligibility for CEA appointments will revert to the requirements stated above that were in effect prior to the enactment of SB 1472. Current state employees with permanent civil service status and former legislative and nonelected exempt employee who meet the criteria will still be able to apply for and compete in CEA examinations.

III. Scope and Methodology

The scope of this report includes all CEA appointments made between January 1, 2009 and December 31, 2011.

State agencies that hired persons into CEA positions who attained eligibility for a CEA appointment under the expanded provisions were required to notify the State Controller's Office (SCO) of the person's employment status. Therefore, the data collected for this report represents hiring statistics provided by the SCO.

IV. Summary of Findings

By expanding the pool of eligibles through suspending the time limit for legislative and nonelected exempt employees to compete in promotional civil service examinations, including CEAs, and allowing former permanent state employees to participate in CEA examinations, departments could consider a broader talented pool of experienced employees.

During the three-year period from January 1, 2009 through December 31, 2011, a total of 1095 CEA hires were made by state agencies. Of these,

- 967 had permanent civil service status at the time of appointment
- 115 previously had permanent status
- 7 were previously employed by the Legislature and had been separated for more than one year
- 6 previously held nonelected exempt positions in the executive branch and had been separated for more than one year

(Attachment 1)

A breakdown by calendar year indicates:

In 2009, there were a total of 367 CEA appointments made. Of these,

- 327 had permanent civil service status at the time of appointment
- 37 previously had permanent status
- 2 were previously employed by the Legislature and had been separated for more than one year
- 1 previously held a nonelected exempt position in the executive branch and had been separated for more than one year

(Attachment 2)

In 2010, there were a total of 380 CEA appointments made. Of these,

- 330 had permanent civil service status at the time of appointment
- 44 previously had permanent status
- 3 were previously employed by the Legislature and had been separated for more than one year
- 3 previously held nonelected exempt positions in the executive branch and had been separated for more than one year

(Attachment 3)

In 2011, there were a total of 348 CEA appointments made. Of these,

- 310 had permanent civil service status at the time of appointment
- 34 previously had permanent status
- 2 were previously employed by the Legislature and had been separated for more than one year
- 2 previously held nonelected exempt positions in the executive branch and had been separated for more than one year

(Attachment 4)

Overall, SB 1472 resulted in the eligibility of an additional 128 applicants (11.69%) between 2009 and 2011 who otherwise would not have been eligible for appointment to a CEA position (Attachment 1).

The data from 2009 to 2011 for CEA hires shows that small and medium-sized departments made the majority of CEA appointments of persons who obtained eligibility

under the provisions of SB 1472, accounting for 68% of those CEA appointments (Attachment 5).

V. Conclusion

The data provided by SCO shows that employees who previously held permanent civil service status benefited the most from the expanded criteria compared to those previously employed by the Legislature or who held non-elected exempt positions in the Executive Branch.

CEAs are intended to fill the highest level and most critical positions in civil service, with a decisive role in department wide program management. Allowing former permanent state employees to compete in CEA examinations, along with current employees, provides State agencies with a larger pool of experienced and qualified individuals. The expanded criteria which allows prior state employees who have had permanent civil service status to apply for and compete in CEA examinations has proven effective for State agencies.

VI. Attachments

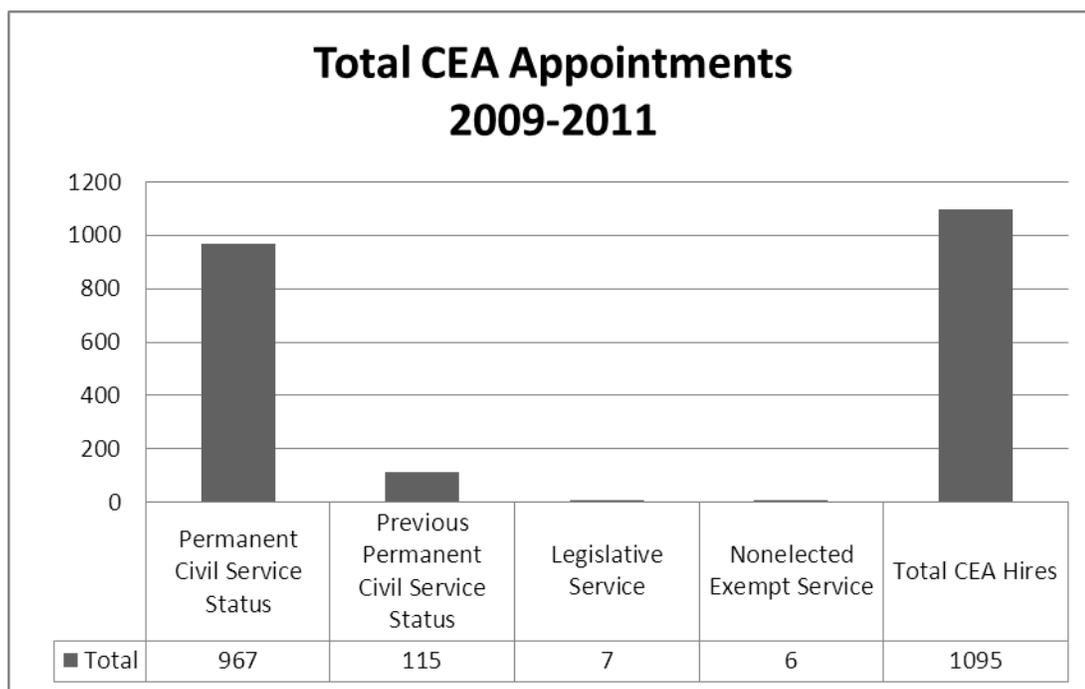
Data included in this report is presented in detail in the following attachments and is displayed and compared by year and eligibility provisions expanded by SB 1472.

- Attachment 1: CEA Appointments from January 1, 2009 to December 31, 2011
- Attachment 2: CEA Appointments for 2009
- Attachment 3: CEA Appointments for 2010
- Attachment 4: CEA Appointments for 2011
- Attachment 5: CEA Appointments by Department Size Pursuant to SB 1472

Attachment 1

CEA Appointments from January 1, 2009 to December 31, 2011

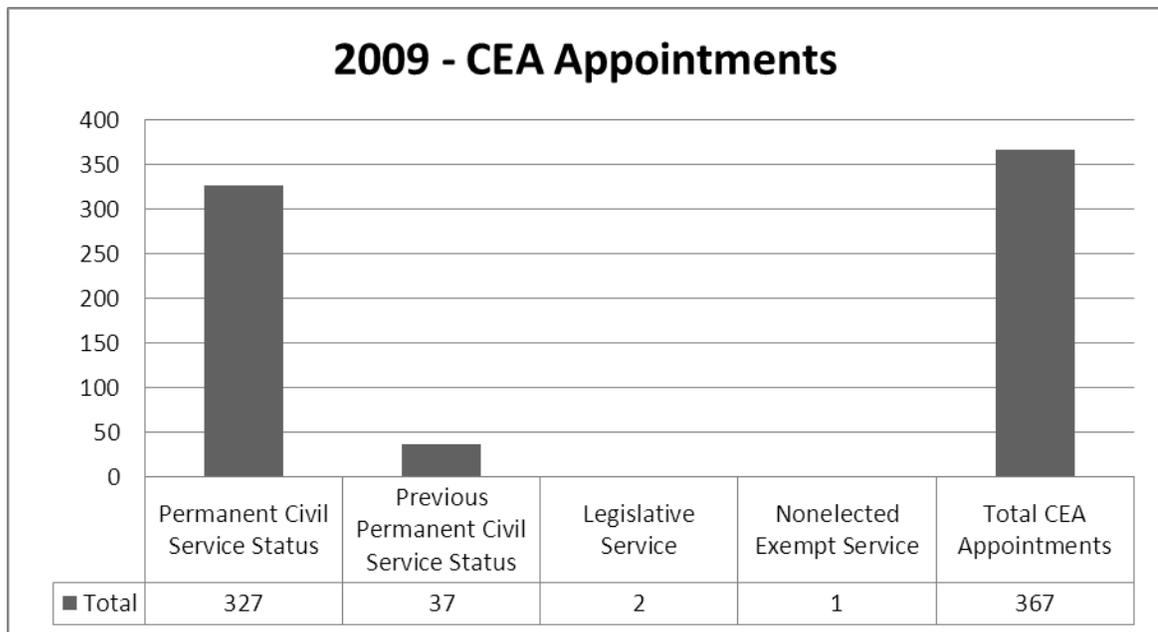
Eligibility for CEA Appointment	Total	Percentage
	No.	%
Current Permanent Civil Service Status	967	88.31%
Previous Permanent Civil Service Status	115	10.50%
Legislative Service	7	0.64%
Nonelected Exempt Service	6	0.55%
TOTAL	1095	100%



Attachment 2

CEA Appointments for 2009

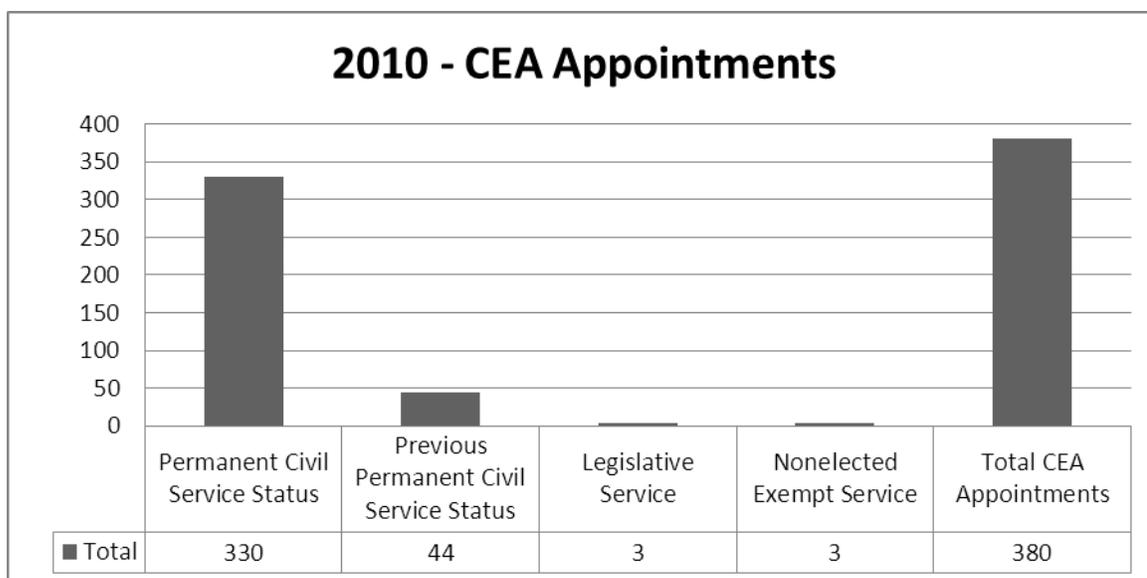
Eligibility for CEA Appointment	Total	Percentage
	No.	%
Current Permanent Civil Service Status	327	89.11%
Previous Permanent Civil Service Status	37	10.08%
Legislative Service	2	0.54%
Nonelected Exempt Service	1	0.27%
TOTAL	367	100%



Attachment 3

CEA Appointments for 2010

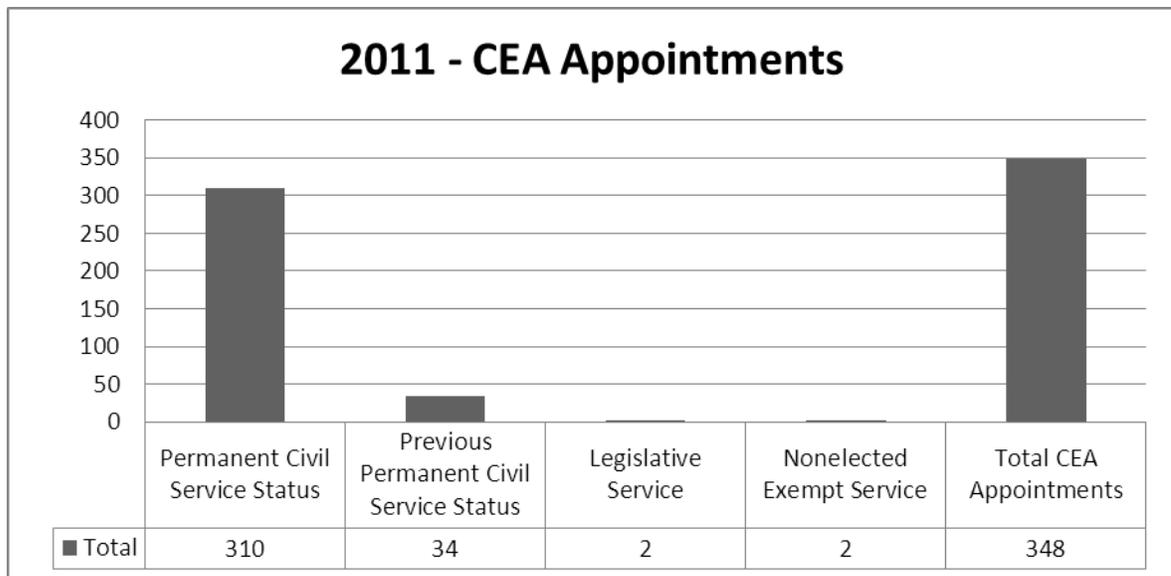
Eligibility for CEA Appointment	Total	Percentage
	No.	%
Current Permanent Civil Service Status	330	86.84%
Previous Permanent Civil Service Status	44	11.58%
Legislative Service	3	0.79%
Nonelected Exempt Service	3	0.79%
TOTAL	380	100%



Attachment 4

CEA Appointments for 2011

Eligibility for CEA Appointment	Total	Percentage
	No.	%
Current Permanent Civil Service Status	310	89.09%
Previous Permanent Civil Service Status	34	9.77%
Legislative Service	2	0.57%
Nonelected Exempt Service	2	0.57%
TOTAL	348	100%



Attachment 5

CEA Appointments by Department Size Pursuant to SB 1472

Eligibility for CEA Appointment	Small	Medium	Large	Mega	Total
2009					
Previous Permanent Civil Service Status	16	6	6	9	37
Legislative Service	1	0	1	0	2
Nonelected Exempt Service	0	1	0	0	1
TOTAL	17	7	7	9	40
2010					
Previous Permanent Civil Service Status	21	12	4	7	44
Legislative Service	2	0	1	0	3
Nonelected Exempt Service	1	1	1	0	3
TOTAL	24	13	6	7	50
2011					
Previous Permanent Civil Service Status	12	12	6	4	34
Legislative Service	0	1	1	0	2
Nonelected Exempt Service	0	1	1	0	2
TOTAL	12	14	8	4	38
2009-2011					
TOTAL	53	34	21	20	128
Percent of Appointments	41%	27%	16%	16%	100%

Small Department – less than 1,000 employees
 Medium Department – 1,000 to 4,000 employees
 Large Department – more than 4,000 employees
 Mega Department – over 17,000 employees