

## **HB 2571: House Version with Proposed Floor Amendment**

### ***Consolidation of Personnel Systems***

- Consolidates the following 8 systems into one State Personnel System:
  - ADOA
  - Gaming
  - Tourism
  - Governor
  - GITA
  - ASRS
  - PSPRS
  - SOS

### ***Conversion to Uncovered Status***

- Converts the following employees to uncovered status (beginning 9/29/2012):
  - New hires
  - Supervisors
  - Any covered employee who:
    - voluntarily accepts a new assignment/elects to become uncovered
  - Attorneys/IT positions
  - Grade 19+ positions
- Employees in covered service are entitled to remain covered, as long as there is no break in service.
- Freezes the following positions in current covered/uncovered status:
  - Peace officers (AZPOST/full authority)
  - DPS civilians
  - Correctional officers (I/II/III & Community)
- Removes the requirement for ABOR to adopt personnel rules similar to those of state employees for university employees.
- Requires review procedures by ADOA for dismissals, demotions or suspensions (80+ hrs).
- Prohibits employment contracts for employees covered under State Personnel System.

### ***Whistleblower Protections***

- Increases the penalty for retaliation against a whistleblower as follows:
  - Civil penalty is increased to \$10K (currently \$5K)
  - Person must be fired and is barred from future employment by the entity
- Allows a court to award reasonable attorney fees to an employee/former employee who prevails in a civil action concerning a whistleblower claim, up to \$10K.
- Modifies level of review from de novo to a review of the administrative hearing record.
- ADOA must develop procedures for reviewing any complaint based on harassment/discrimination.

### ***State Personnel Board***

- Increases Board member compensation from \$30/meeting to up to \$100/meeting.
- Increases appeals threshold for a suspension from 40 hours to 80 hours (except non-DPS AZPOST).
- Excludes political appointees from grievance rights.
- Changes the Board's options for disciplinary appeals:
  - Requires the Board to determine whether facts were proven by preponderance of evidence.
    - If yes, decision of the agency head must be affirmed unless the decision was arbitrary/capricious.
    - If no, Board may recommend a modification.
      - If evidence doesn't meet preponderance standard or the action was found to be arbitrary/capricious, the Board must identify what is not proven or reasons for the finding and may recommend a disciplinary action.
    - Board must reverse decision of the agency if cause did not exist. In this case, employee must be returned to the same position, with or without back pay.
  - Agency Director may accept, reject or modify the decision/recommendation.
  - Director's decision is final and binding.

### ***Law Enforcement Merit System Council (LEMSC)***

- Increases membership LEMSC to 5 members; reduces the term to 3 years.
- Compensation up to \$100/meeting for members (current law gives reimbursement only).
- Mirrors the appeal options contained in the Personnel Board statutes (see reverse), except:

- The agency director must accept LEMSC's decision, unless it is arbitrary or without reasonable justification. If not accepted, reason must be stated.
- DPS civilians would appeal disciplinary actions to LEMSC instead of the State Personnel Board.
- Any other non-DPS full-authority, AZPOST officer would be able to appeal suspensions of more than 40 hrs, demotions & dismissals to LEMSC, instead of the State Personnel Board.

### ***ASRS/PSPRS***

- Allows ASRS/PSPRS to administer incentive plans for specific personnel, in consultation with ADOA. Must be filed with Gov, Senate, House, OSPB, JLBC and ADOA.
- Requires ADOA to develop special pay plans for specific personnel, at the request of either Plan.
  - Also authorizes employment contracts for these positions
- Prohibits Plans from establishing any other compensation plan without ADOA approval.
- Reverts excess personnel fund monies to the Trust, not the GF.

### ***Compensation***

- Eliminates provisions requiring personnel rules on overtime/comp time for specific employees.
- Defines the state work-week and specifies that for correctional officers, a workday may span two calendar days. Cannot adjust shift times to avoid paying overtime.
- Makes ADOA salary schedules mandatory for all employees except those specifically exempted.
- Subject to ADOA approval, allows monies to be spent for:
  - Transportation & travel expenses to bring an out-of-state applicant to AZ for an interview
  - Transportation & moving expenses for new hires
  - Requires annual report to OSPB/JLBC if monies are spent for this purpose

### ***Verification of Applicants***

- Requires ADOA to develop procedures and standard forms for all agencies to use to verify education and work history of applicants.

### ***Administrative Leave***

- Requires reporting to ADOA if an employee is on paid admin leave during any investigation if the leave totals 80 hrs. Must report on weekly basis until admin leave is terminated.
  - ADOA approval required if admin leave with pay exceeds 30 days

### ***RIF***

- Agencies are prohibited from considering tenure/seniority; RIF decisions exclusively based on performance.
- Eliminates "take in" provisions that provide for the transfer of employees if one agency's duties are assumed by another agency.

### ***Misc. Agency Issues***

- Converts several agency directors from "for cause" dismissal to serving at the pleasure of the Governor (or appropriate authority). Terms of office are removed.
  - DPS serves concurrently with Gov, dismissal only with cause
  - Parks Director serves at pleasure of Governor
  - Industrial Commission Director serves at pleasure of Commission
- Removes selection committee/recruitment statutes regarding numerous agency directors.
- Clarifies that numerous agency employees are subject to the new state personnel system article.
- Moves the date for the ADOA report on the Employee Insurance Trust Fund from 3/1 to 7/1.
- Authorizes the reduction in state office hours to implement furloughs if necessary.
- Rulemaking exemption for one-year for ADOA to implement.
- Effective 9/29/2012.