

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 10, 2008
POSITION: Neutral
SPONSOR: State Personnel Board

BILL NUMBER: SB 1472
AUTHOR: R. Ashburn

BILL SUMMARY: Public Employment

This bill would expand the category of persons eligible for a career executive assignment (CEA) to include those persons who previously had permanent status in the civil service.

FISCAL SUMMARY

The State Personnel Board (SPB) staff indicates the costs associated with this bill would be minor and absorbable.

COMMENTS

The Department of Finance is neutral on this bill.

Existing law defines "career executive" as an employee appointed from an employment list established for the express purpose of providing a list of persons with permanent status in the civil service, who are available for CEAs. CEAs are defined in statute as a high administrative and policy-influencing position 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.

Under existing statutes, CEA examination applicants must be a:

- State civil service employee with permanent civil service status or
- Legislative employee who meets the requirements Section 18990 of the Government Code or
- Non-elected exempt employee of the executive branch for more than two or more consecutive years.

Existing law requires individuals that apply for a CEA appointment be an active state civil service employee, except as specified above. This bill would expand the CEA definition to allow prior state employees who have had permanent civil service status and who voluntarily separated from state service to apply for and compete in CEA examinations.

The sponsor indicates that the purpose of this bill is to address the anticipated workforce crisis posed by the retirement of baby boomers. By expanding the pool of qualified candidates for CEA positions, the bill would assist the state in serving the public at a time when the number of retirements exceeds the number of qualified applicants available for recruitment.

Department directors are faced with the upcoming loss of a large portion of their experienced and trained CEAs due to an aging workforce. According to SPB, approximately 700 CEAs will be retiring and departments feel they are unprepared to lose these executives. This is a dilemma that needs to be addressed through workforce planning, succession planning, proposed legislative changes, and modernization.

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Analyst/Principal (0930) K. Hansen	Date	Program Budget Manager Diana Ducay	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

R. Ashburn

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COMMENTS (continued)

The SPB, Department of Personnel Administration, and Department of Finance recognize, and understand, the immediacy of the baby boomer exit and have set into motion the HR Modernization (HR Mod) Project to prepare for it. HR Mod will reform the state civil service process to make it easier for the state to hire and promote individuals. Since CEA baby boomer retirements create shortages, departments are trying to cope and are voicing the need to redefine traditional work and the CEA criteria.

As part of the HR Mod Project, all classifications, including CEAs, will be updated to prepare for the future. This includes effective CEA recruitment and selection strategies that will attract as many qualified applicants as possible.

As stated above, to compete in CEA exams, applicants must have current permanent status in state civil service. When former CEAs or state employees separate from state service, they are ineligible to compete in CEA exams until they reinstate to a former civil service position, pass probation for a class (typically a one-year probation period), and then gain permanent status; they cannot apply directly for CEA vacancies.

With the upcoming increase in eligible employees for retirement, the state could lose a lot of experience in the upper-levels of management. If departments could consider state employees who previously had permanent status in the state civil service for CEA examinations, the state would benefit by expansion of the candidate pool. Allowing former permanent state employees to compete along with current employees will enhance California's chance for creating and sustaining its leadership base as CEA baby boomers retire.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
1880/SPB	SO	No		-----	No/Minor Fiscal Impact	-----			0995
<u>Fund Code</u>	<u>Title</u>								
0995	Reimbursements								