

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 27, 2011
POSITION: Neutral
SPONSOR: California Correctional Supervisors Organization

BILL NUMBER: AB 692
AUTHOR: I. Hall III

BILL SUMMARY: Civil Service: Employee Hearings

This bill would authorize a state employee appealing a termination to request a priority hearing before the State Personnel Board (SPB) if an evidentiary hearing has not commenced within 6 months of the filing of the appeal and would require SPB to schedule an evidentiary hearing within 60 days of receipt of the request. This bill would also authorize SPB to order all, or a portion of, any hearing to be conducted using electronic media pursuant to board rules.

FISCAL SUMMARY

The State Personnel Board estimates that this bill would be minor and absorbable within existing resources based on the limited number of requests for an expedited hearing that would be made six months after the appeal was initially filed. The provision of this bill that allows SPB to conduct hearings using electronic media may result in modest savings as a result of reduced travel by Administrative Law Judges. Efficiencies gained through reduced travel may also help expedite the reduction of backlogged appeals hearings, which could result in reduced back pay awards for appellants.

COMMENTS

The Department of Finance takes a neutral position on this bill. The intent of this bill is to provide employees appealing termination cases a way to expedite their appeal and to authorize SPB to conduct hearings using electronic media. Supporters of this bill (California Correctional Supervisors Organization, Service Employees International Union California, and Service Employees International Union Local 1000) indicate that current delays in resolving appeals result in fiscal hardships for terminated employees.

Existing law requires SPB to make decisions within six months of an appeal being filed if the appellants do not waive this time frame. Despite this requirement, there are no negative ramifications to SPB or the state aside from appellants being able to take their appeal to the courts, the general delay in resolution of the appeal, and increased reimbursements to wrongfully terminated employees for the period of time they were wrongfully terminated. SPB was not able to quantify how many of the appeals that are not decided within six months actually go on to the courts.

Hearings conducted via electronic media are currently occurring under existing rules with agreement among the parties. This bill would authorize SPB to order hearings to be conducted via electronic media, which, according to SPB, would streamline the appeals process and help reduce the existing backlog.

Analyst/Principal (0932) K. Martone Date Program Budget Manager Diana Ducay Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

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

I. Hall III

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AB 692

| Code/Department Agency or Revenue Type | SO | (Fiscal Impact by Fiscal Year) | | | | | | | Fund Code |
|--|----|--------------------------------|-------|--------------------|-------|-----------|----|-----------|--------------|
| | LA | (Dollars in Thousands) | | | | | | | |
| | CO | PROP | | | | | | | |
| | RV | 98 | FC | 2011-2012 | FC | 2012-2013 | FC | 2013-2014 | |
| 1880/SPB | SO | No | ----- | See Fiscal Summary | ----- | | | | 0995 |
| 9901/Var Depts | SO | No | ----- | See Fiscal Summary | ----- | | | | 0001 |
| 9901/Var Depts | SO | No | ----- | See Fiscal Summary | ----- | | | | 0494 |
| 9901/Var Depts | SO | No | ----- | See Fiscal Summary | ----- | | | | 0988 |

| <u>Fund Code</u> | <u>Title</u> |
|------------------|-----------------------------------|
| 0001 | General Fund |
| 0494 | Other - Unallocated Special Funds |
| 0988 | Other - Unallocated NGC Funds |
| 0995 | Reimbursements |