

EXECUTIVE SUMMARY
for
**Governor-Elect's
Transition Team**

**Washington State
Department of Personnel**

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AGENCY RESPONSIBILITIES

The Department of Personnel (DOP):

- ***Provides leadership and solutions in building a performance-based culture, and in helping state government attract and retain a highly capable and productive workforce that delivers public service excellence.***
- **Develops and revises job classifications and associated compensation levels for classified employees in general government agencies and state higher education institutions to reflect changing business needs and to provide career opportunities.** In this role, the Department of Personnel:
 - Is creating and implementing the new civil service system as a result of the 2002 Personnel System Reform Act, which mandated the first major civil service reforms in 44 years. Personnel is leading a comprehensive review of the classification structure, and implementing a phased plan to consolidate 2,400 separate job classifications into broader categories over a five-year period. This will provide agencies the flexibility to adapt to changing technology and economic, workforce, citizen, and organizational needs, and will enhance employees' opportunities for career mobility and advancement.
 - Is working closely to implement provisions of the act with the Office of Financial Management (collective bargaining) and the Department of General Administration (competitive contracting). The three agencies partner as "Washington Works", to ensure a well-integrated reform product. Civil service reform will remain a major focus of the department until implementation is completed in June 2008.
 - Provides effective, value-added consultation and assistance to agencies in conducting job analysis and determining the competency needs of individual positions, for purposes of classification, recruitment, performance management, and workforce planning.
 - Provides consultation and assistance to qualified agencies in implementing performance-based compensation and layoff options.
 - Conducts a Total Compensation Survey every two years to provide recommendations to the Office of Financial Management, the Governor, and legislative committees regarding state employee salaries.
 - Reviews the establishment of exempt positions in general government agencies to ensure they meet criteria required under state law; salaries for new exempt positions or positions that change band level; and agencies' exempt banding policies and procedures.
 - Supports the State Committee on Agency Official's Salaries (SCOAS).
 - Established the Washington Management Service (WMS), and developed and maintains guidelines to assist agency and higher education personnel in its implementation.
- **Maintains a central Human Resource Management System (HRMS) that provides personnel administration and payroll processing functionality for state agencies.** As a result of civil service reforms, this activity is a focal point. Department of Personnel is:
 - Authorized by the legislature to design and implement a new, modernized Human Resource Management System to replace the state's antiquated personnel/payroll computer system. Currently under development, the new HRMS is essential to supporting the successful implementation of the three chief aspects of Washington Works: civil service reform, collective bargaining, and competitive contracting.
 - Is an enterprise system that centralizes human resources information technology processing and eliminates redundant systems across state government.

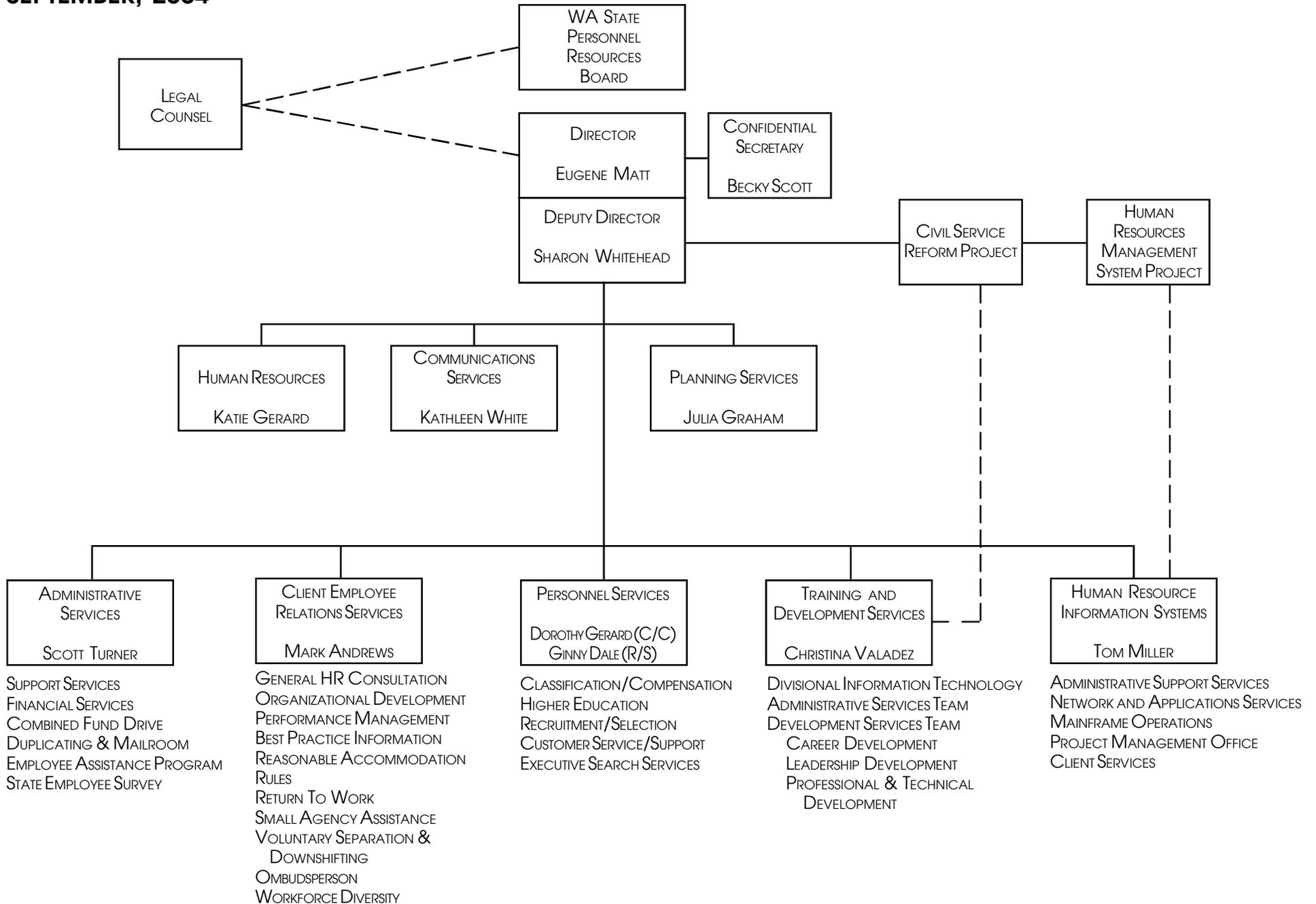
- Supports a number of critical functions including payroll, retirement, insurance, recruitment, employment referrals, training, compliance with federal programs, and human resource access and distribution.
 - Provides ready access to the data that agencies and state government leaders need for effective human resource management and planning.
 - Includes a competency-based toolset that assists agencies with recruitment, training, performance management, and workforce planning.
 - Offers self-service tools that allow managers and employees direct access to their data.
 - Will reduce and streamline the agencies' transactional and paperwork activities, thereby allowing human resource professionals to focus on more value-added work
 - Significantly enhances e-recruitment for the benefit of the public and state employees.
 - Supports the Department of Personnel's technology infrastructure, including four computing platforms: mainframe, local area network, client/server, and the web (Intranet and Internet). Personnel's Internet site provides the public and state employees easy access to information regarding services, civil service rules, and employment, and as well as the popular on-line job application feature.
- **Develops and adopts the state's foundation human resources system, including the personnel rules.** Currently, the Department of Personnel:
 - As a result of the 2002 Personnel System Reform Act, is responsible for the approval of all new rules and rule changes. The Personnel director is the authorizing authority.
 - Is in the process of leading a comprehensive review of all rules, with the extensive involvement of stakeholders. The first round, which covered the majority of rules, has been completed and Eugene Matt, director, approved the changes on July 29, 2004. The next major round of reviews, governing leave and the Washington Management Service, is expected to begin in early 2005, with approval anticipated in spring. The effective date for all approved rules is July 1, 2005.
 - Is the central source for human resources research and development, and metrics.
 - Is responsible for the overall monitoring of the state's human resources system.
- **Assists state agencies in recruiting, assessing, and appointing employees throughout state government.** In fulfilling this core business function, Department of Personnel:
 - Provides consultation and assistance to agencies to help them recruit a diverse pool of qualified candidates, especially for those positions that are hard to fill and require a more targeted recruitment effort.
 - Maintains a statewide recruitment web site, and an electronic application and screening system that provides agencies immediate access to names of job applicants with the key competencies needed for a specific job.
 - Provides assistance and consultation to help agencies devise and administer effective assessment tools to ensure candidates are qualified.
 - Provides Executive Search Services (ESS), which offers executive recruitment resources to agencies and higher education. Includes job description development, search strategy, candidate assessment, recommendations, assistance in the development of interview questions, facilitation of the interview process and subsequent decision-making process, and full background checks.

- **Provides a wide range of professional development and career services to promote employees' practical skill development and productivity and to help agencies achieve their missions.** To achieve this end, the Department of Personnel:
 - Is working closely with agencies, General Administration, and the Labor Relations Office to develop a comprehensive training plan that supports Washington Works efforts, and is developing a comprehensive Leadership Development Program to support the Priorities of Government and civil service reform.
 - Delivers training in multiple formats, including classroom, print and online guidance materials, and e-Learning opportunities for all levels of employees.
 - Enables agencies to receive significant cost savings due to Personnel's buying volume.
 - Offers comprehensive management and leadership development programs.
 - Provides expert consultation and assistance in the areas of organizational development, workforce planning, and individual performance management.
 - Operates the Employee Advisory Program (EAP), which provides employees and family members confidential, no-charge assistance in identifying and resolving personal problems that may affect the employee's job performance, and assists agencies in addressing an employee's productivity issues or on-the-job behavioral problems.

- **Offers an array of human resources management consulting services that help agencies successfully achieve their missions.** The Department of Personnel:
 - Assigns a client services manager to each agency as a general point of contact for access to Personnel services. The client services manager can assess the agency's needs and connect it to the appropriate Personnel resources, and can provide specialized services in civil service reform deployment, performance management, diversity, small agency assistance, and coordinating information sharing within the human resources community. When agencies know whom to contact in Personnel for assistance with a specific need, they can do so directly.
 - Offers assistance with external contracts and internal services through the Organizational Consulting Service, which works with agencies to identify a contractor whose knowledge, skills, abilities, and consulting style best meet the agency's unique needs and desired outcomes. To assist in the implementation of Washington Works, Organizational Consulting Service provides immediate access to experienced consultants in all aspects of change management and performance management.

- **Administers the Combined Fund Drive (CFD).** Implemented in 1985 by Department of Personnel, this program:
 - Enables state employees and public agency retirees to contribute by payroll deduction to approximately 1,800 qualifying charitable organizations.
 - Consolidates the numerous charitable fund-raising campaigns that had been conducted on state worksites, thereby reducing non-work-related activity, and saves charities the time and expense of conducting multiple fund-raising campaigns, so more of the money raised can go to providing needed services.
 - Is self-supporting.
 - Raised \$67 million over 19 years, is #1 in the U.S. for giving among states of similar size, and is #4 for giving among all states (Washington is the 15th largest state by number of employees).

**DEPARTMENT OF PERSONNEL
ORGANIZATIONAL CHART
SEPTEMBER, 2004**



Department of Personnel Budget by Source and Program - 03-05 Biennial Budget

Program 010 Department of Personnel Technical Services

Total Budget \$18,055,000

Sources of Funding

Department of Personnel Services Account

(Fund 415) 16,432,000

Charging client agencies a fee for personnel services generates fund 415 revenue. Agencies provide Personnel with salary and wage information for all classified positions that are subject to the civil service laws. Based on this information, Personnel is statutorily allowed to charge a fee of up to 1.5% of these estimates; in fiscal year 2004, Personnel charged .43%. The fund 415 appropriations for the Personnel Appeals Board, Productivity Board, and Public Employment Relations Commission are also funded through this account. The personnel services rate charged to other agencies is a function of two variables: (1), the Department of Personnel, Personnel Appeals Board, Productivity Board, and Public Employment Relations Commission combined appropriation from fund 415, and (2), the total classified salaries of all merit system agencies.

Higher Education Personnel Services Account

(Fund 455) 1,623,000

Higher Education Personnel Services revenue (fund 455) is generated by charging higher education institutions a fee for personnel services. Institutions are charged a pro-rated fee based on Personnel's fund 455 appropriation and each institution's percentage of the higher education classified salary base. Personnel charges are not to exceed .5% of the total higher education classified salary base.

Program 500 Human Resource Information Services

Total Budget \$ 24,716,000*

Sources of Funding

Data Processing Revolving Account (Fund 419) \$ 24,716,000*

Personnel's non-appropriated Human Resources Information System Division operates from Fund 419. Revenue is generated two ways, depending on the type of service provided. One method includes the flat rate per warrant and employee record charged to agencies for its payroll, personnel, and training information tracking. The other is an individually negotiated charge based primarily on time, materials, and overhead costs. This is method is used for agency specific work requested.

*Includes \$10,592,000 towards the purchase of the new Human Resources Management System. This revenue was billed to general government agencies in proportion to their use of the current personnel/payroll system. (The remainder of the \$48,000,000 total cost of the new system is being funded through a certificate of participation.)

Five Major Issues Facing the Department of Personnel

1. Implementation of Civil Service Reform

- **Urgency** – Required by 2002 Personnel Services Reform Act.
- **Significance** – This is the first major overhaul of the civil service system in 44 years, and has sweeping effects on both the state and the higher education personnel systems. It affects all aspects of human resources management, including classification and compensation, recruitment and selection, performance management, layoff, disciplinary actions, appeals, training, and more.
- **Key players/stakeholders**
 - Governor
 - Department of Personnel alone, and in collaboration with the Office of Financial Management and the Department of General Administration as “Washington Works”
 - State government and higher education leadership and management
 - General government and higher education personnel system employees
 - Labor unions
- **Status/timeline**
 - In process and on schedule
 - Anticipate completion by June 30, 2008
- **Links for background**
 - <http://hr.dop.wa.gov/hrreform> (Department of Personnel Civil Service Reform)
 - <http://washingtonworks.wa.gov/> (Washington Works)
- **Staff contacts**
 - Sharon Whitehead, Deputy Director - <mailto:SharonW@DOP.wa.gov> - (360) 664-6348
 - Christina Valadez, Director, Civil Service Reform Project – <mailto:ChristinaV@DOP.wa.gov> - (360) 664-6340

2. Completion and activation of the new Human Resources Management System

- **Urgency** – The legislature authorized modernization of the state’s antiquated personnel/payroll computer system with a modern human resource management system. The timeline is integrated with the reforms that this supports.
- **Significance** – Essential to the implementation of the 2002 Personnel Services Reform Act. Enables multiple variables for human resources practices to support collective bargaining and civil service reform. Significantly enhances e-recruitment. Enhances data collection and reporting that support workforce management decisions. Some self-service options are available for managers and employees.

- **Key players/stakeholders**

- Department of Personnel alone, and in collaboration with the Office of Financial Management and the Department of General Administration as “Washington Works”
- State government leadership and agency management
- Information Services Board
- Department of Information Services
- Agency information technology departments
- Agency human resource employees
- End users / state agency and higher education employees

- **Status/timeline** - Agencies will convert in two groups with three releases: Release 1 – payroll; release 2 – features that support collective bargaining and civil service reform; and release 3 – special features. Releases 1 and 2 will be completed by July 1, 2005.

- **Links for background**

- <http://hrms.dop.wa.gov/> Human Resource Management System Implementation Project
- <http://washingtonworks.wa.gov/> Washington Works

- **Staff contacts**

- Tom Miller, Assistant Director, Human Resource Information Division - <mailto:TomM@DOP.wa.gov> - (360) 664- 6360
- Sharon Whitehead, Deputy Director - <mailto:SharonW@DOP.wa.gov> - (360) 664-6348

3. **Modifying the Department of Personnel business plan to allow for administering the results of collective bargaining**

- **Urgency** – Once the collective bargaining agreements have been signed, the Department of Personnel will immediately begin assessing the impact of the agreements on our business plan and change the plan accordingly. It is expected to affect our customers and the services we provide them, as well as our internal operations.

- **Significance** – This is the first time in the history of state government that the vast majority of employees will be covered by collective bargaining agreements. Various general government and higher education employees will be working under multiple agreements. It is imperative that all the systems be in place to support this diversity within our employee base, and to offer equal support to non-represented employees.

- **Key players/stakeholders**

- Governor’s Office
- Department of Personnel alone, and in collaboration with the Office of Financial Management and the Department of General Administration as “Washington Works”
- State government and higher education leadership and management
- Labor Relations Office

- **Status/timeline** – The agreements will take effect on July 1, 2005, and consequently all affected systems must be in place to accommodate them at that time.
 - **Links for background**
 - <http://washingtonworks.wa.gov/collective/default.htm> - Washington Works, Collective Bargaining
 - **Staff contacts**
 - Sharon Whitehead, Deputy Director - <mailto:SharonW@DOP.wa.gov> - (360) 664-6348
4. **Redefining the role, priorities, and services of the Department of Personnel as a result of civil service reform, and redeploying and training staff to provide the new or changed internal and external services that will be required.**
- **Urgency** - The passage of the 2002 Personnel Services Reform Act made it necessary for the department to immediately begin making changes so that it could support implementation of the act.
 - **Significance** - The 2002 Personnel Services Reform Act makes sweeping, substantive, and needed changes to the way that civil service has operated for 44 years. Since the Department of Personnel interprets and manages civil service policies and procedures, and offers a wide range of services that support the policies and procedures, it too must undergo sweeping and substantive changes. It is important to recognize that nearly every employee in the department is affected, that some will find their jobs to be significantly different, and that others will be required to change jobs. Many will require training to be successful in the new culture. Change management is the order of the times in the Department of Personnel.
 - **Key players/stakeholders**
 - Governor's Office
 - Department of Personnel alone, and in collaboration with the Office of Financial Management and the Department of General Administration as "Washington Works"
 - State government and higher education leadership and management
 - Labor Relations Office
 - **Status/timeline** – The Department of Personnel has an internal organization in place to manage this transition. Change management processes are underway throughout the department. It must have the greater part of its transition in place when the new personnel rules take effect on July 1, 2005.
 - **Links for background** – This issue is internal to the Department of Personnel and to the customers it supports. Consequently, there is no related information on Personnel's public website.
 - **Staff contacts**
 - Sharon Whitehead, Deputy Director - <mailto:SharonW@DOP.wa.gov> - (360) 664-6348

5. Preparing all levels of state government management to successfully carry out civil service reform and build a performance-based culture.

- **Urgency** - Mandated by the Governor's Office to parallel the implementation of civil service reform.
- **Significance** – The 2002 Personnel Services Reform Act is changing nearly all aspects of human resources management throughout the state government and higher education personnel systems. But the law itself is not sufficient to change the culture; people must also learn how to implement the intent of the law. For this reason, the Governor directed the Department of Personnel to create and implement a comprehensive Leadership Development program in support of the Priorities of Government, and to prepare state managers to successfully carry out civil service reform and build a performance-based culture. Program design includes identification of the core leadership competencies needed for management effectiveness in state government, and building a modern assessment process to measure and improve leadership skills.
- **Key players/stakeholders**
 - Governor's Office
 - Department of Personnel alone, and in collaboration with the Office of Financial Management and the Department of General Administration as "Washington Works"
 - State government and higher education leadership and management
 - Agency human resource staff
- **Status/timeline** – The project manager position has been filled and the program design is underway. By November 1, 2004, a standard program will be available, and Personnel will also offer programs customized to an agency's specific needs.
- **Links for background** - Once the Leadership Development Program has been launched, a link to program information will be positioned on the home page of the Department of Personnel's web site. <http://hr.dop.wa.gov/home.html> It will also be accessible from the Training home page. <http://hr.dop.wa.gov/training/Default.htm>.
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