



JIM STEINEKE

MAJORITY LEADER

STATE REPRESENTATIVE • 5th ASSEMBLY DISTRICT

(608) 266-2401
Toll-Free: (888) 534-0005
Rep.Steineke@legis.wi.gov

P.O. Box 8953
Madison, WI 53708-8953

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Testimony on Assembly Bill 373

Assembly Committee on State Affairs and Government Operations

It's no secret that the State of Wisconsin's workforce is facing a two-fold dilemma: an aging workforce and an inefficient hiring process for state workers. Within 10 years, nearly 40 percent of our state's employees will be eligible for retirement. Meanwhile, it can often take several months for the state to advertise a position, conduct interviews and make a hire. The overarching purpose of Assembly Bill 373 is to proactively address this growing problem by updating our state's recruiting process, rewarding exemplary employees, and providing a fair and reasonable due process system for the use of state employees.

Let me be very clear, it's important to first highlight that this bill maintains the integrity of our state's strong civil service protections. Since Governor La Follette approved Wisconsin's civil service law in 1905, Wisconsin has had a long, proud history of attracting the best and the brightest to work for the people of our state. This bill isn't looking to diminish this. Instead, with this legislation, we're simply taking steps to keep pace with a changing workforce and updating our current law to meet the needs of a 21st century job market.

This legislation includes changes in four areas: the hiring process, merit pay, the definition of "just cause," and the appeals process.

First, AB 373 seeks to modernize our state's hiring process to enable the state to attract top-quality employees. That's difficult to do under our state's current hiring structure which allows agencies an exorbitant amount of time to hire. The current expectation is for an agency to fill a position in 105 days. But some agencies have reported up to 239 days to hire and even eight months for certain IT positions. As an employer, when we're competing for the best and brightest to serve our state, it's naïve to think that applicants will wait for months before they find out if they have an interview or are offered a job. This bill expedites the hiring process by setting a 60-day hiring goal, allowing 30 days for an agency and the Division of Personal Management (DPM) to post a job and collect resumes, and 30 days for the agency to conduct interviews and make the final hire.

The entire hiring process by state agencies will also become more consistent under this bill. The Division of Personnel Management, formerly OSER, will serve as a centralized human resource agency and assist agencies with the task of posting vacancies. Each agency will still offer positions and make hires based upon their leadership's decision.

Another way that the state can reflect the best-practice hiring methods of the private sector is to transition towards a resume-based system. State agencies are currently required to administer an exam-based system to each applicant applying for a classified civil service position. As has been noted by myself and others in recent weeks, there have been instances where we've learned that these exams may be manipulated or serve as an ineffective tool in gauging an applicant's skills. For those who have applied for work in the private sector or have been involved in a hiring process, I believe most would agree that a resume-based system is a far more recognized tool in identifying an applicant's skillsets.

Also included in these hiring reforms is a measure to “ban the box.” In other words, unless a conviction record disqualifies applicants from a civil service position, the state would be prohibited from asking an applicant to supply information about a conviction record as a part of their application process. By including this provision, it provides every applicant going through this process with an equal opportunity and helps to further ensure we’re evaluating candidates based upon their experience and merit.

The hiring process reforms will continue to provide a preference for veterans and certain spouses of veterans in the hiring process for a classified position in the civil service. Under the bill, if a veteran or qualifying spouse of a veteran is included on a certification list, the appointing authority must offer an interview to the veteran or spouse of a veteran. Additionally, after interviewing candidates for a position, if minimum qualifications, skills, abilities, competencies, and knowledge are equal among the candidates, an appointing authority shall give a preference to the veteran. This replaces the current system where veterans and their spouses receive preference points which are applied during the process of creating a certification list for a position.

Once we attract top-quality employees to work for our state, our next challenge is to retain them. We want state employees to know that their service is valued and if their work is exemplary, they should be awarded accordingly. This bill requires the administrator of DPM to create a discretionary merit award program and provide additional funding to state agencies for the purpose of providing lump sum monetary awards to classified employees whose performance exceeds agency expectations. The bill establishes a sum of \$6 million to be used for these merit pay awards. Essentially, our goal is to create a system that values our workers potential by recognizing their skills and abilities.

This bill also moves to standardize the length of an employee’s probationary period as opposed to the current system of varying periods. In conversations with state agencies, a common concern was how critical a time the probationary period is in determining if an employee is a good worker or capable of their assigned duties. That’s why this bill changes the standard probationary period from six months to two years with a potential waiver after one year. For employees that excel in their positions early on, agencies will be free to reward their performance by waiving the second year of probation. For those that are not coming along as quickly, this allows them additional time to grow into the position before the agency has to make the ultimate decision about their long term prospects.

The bill also makes some common-sense changes in the way layoffs are conducted. Under this legislation, layoffs will no longer be based solely on retirement, but instead be determined largely upon employee job performance, while also considering factors such as seniority, disciplinary records and ability. Again, the goal is to have the best possible workforce serving the taxpayers.

Another common complaint we’ve heard from state agency officials is the fluid definition of “just cause.” Under current law, an employee who has received permanent status can only be terminated or demoted for “just cause.” However, with no clear definition, a cloud of confusion currently hangs over employees. That’s why this legislation clearly defines the term by outlining specific, egregious acts that would constitute the state’s ability to immediately part ways with an employee

AB 373 defines “just cause” to mean performance and personal conduct that is inadequate, unsuitable or inferior after progressive discipline. In some instances however, serious offenses may warrant immediate termination. Serious offenses are considered the following:

- Physical violence or harassment while on duty
- Being intoxicated, under the influence, or possession of a controlled substance while on duty
- Theft of state property
- Conviction of a crime, if it makes it impossible for the employee to perform their duties
- Falsifying business records
- Misuse or abuse of property, including intentional use of workplace equipment to download, view, solicit, seek, display or distribute pornographic material
- A serious violation of the state code of ethics
- No call/no show for any three working days in a calendar year

Taxpayers expect state agencies to take appropriate disciplinary action for misconduct. These reforms align the state on the side of common sense and eliminate gray area surrounding the state's ability to terminate employment. Ultimately, clarifying "just cause" gives employees certainty in their job by making it clear what is unacceptable workplace behavior.

In an instance where an employee appeals a decision issued by their employer, it can currently take several months and in some cases more than a year to resolve. At any given time there may be dozens of state employees on paid leave while waiting pending appeals, costing precious taxpayer dollars, and adding the burden of the employee's workload to other employees often costing the state even more because of overtime costs. With these reforms, due process in appealing a decision by the employer is maintained, however there will also be a straightforward appeals process that aims to reduce the dispute time to roughly 6 months.

To begin the grievance process, an employee must file a complaint challenging the adverse employment decision with the employee's appointing authority no later than 14 days after the employee is notified. The appointing authority then begins an investigation, meets with the employee, and issues a written decision no later than 14 days after receiving the complaint. To appeal the decision, an employee must file a complaint with DPM no later than 14 days after the decision. Within 30 days of receiving a complaint, the administrator must review the complaint and issue a written decision. If an employee wants to appeal the administrator's written decision, they can file an appeal with the Wisconsin Employment Relations Commission (WERC) no later than 14 days after the decision. If WERC determines that all of the procedural requirements for an appeal of an adverse employment decision have been satisfied, it will hear the employee's appeal under its standard process except that a decision must be made no later than 120 days after the appeal is filed.

In closing, I believe strongly that this bill represents an opportunity for the Legislature to be proactive in preserving the strength of our civil service system while keeping pace with a changing workforce. I believe this bill to be both pro-worker in its ability to reward our great state employees and pro-taxpayer in its ability to help streamline and further improve government efficiency. I am pleased to see the strong support this bill has already received, and I look forward to answering your questions.

October 15, 2015

Assembly Committee on State Affairs and Government Operations

Assembly Bill 373

Testimony of Deputy Secretary Cate Zeuske, Department of Administration

Good morning, Chairman Swearingen and committee members. Thank you for giving me the opportunity to testify before the Assembly Committee on State Affairs and Government Operations regarding Assembly Bill 373, the Recruitment and Retention Reform legislation. I am Cate Zeuske, Deputy Secretary of the Department of Administration. In my role as Deputy Secretary I have become involved in expanding shared services for Wisconsin state agencies. As such, I am happy to be here today and provide this committee with insight into how the shared human resources services under Assembly Bill 373 will positively impact State of Wisconsin employees and create more efficiency in state government.

Under Governor Walker's leadership, the administration has made it a priority to provide quality and efficient services to taxpayers and State employees. At the Department of Administration, we have been implementing lean government initiatives, developing the STAR project, and working on establishing a shared services model for state government, as directed in the most recent budget. With these important projects underway, DOA has already started to realize efficiencies in the services we provide to taxpayers and employees.

First, I would like to share with the committee what exactly Shared Services entails. The Shared Services Initiative for Administrative Function merges and delivers the 'back office, common or business operations (such as human resources, accounting, fleet, procurement, information technology and facility management) that are used by multiple agencies. Shared Services creates value by eliminating redundancy and offering efficient and effective services that enable each agencies' business division to focus its work on mission-critical and outcome orientated services

Further expanding on these goals and programs, Assembly Bill 373 requires DOA to consult with each state agency to develop a plan for assuming the responsibility of human resources services. DOA will have to finalize this plan by January 1, 2017.

As background, DOA currently provides HR and payroll services for 23 agencies and over 2,100 employees through the Division of Personnel Management. In addition to this shared services model, the department has the statutory authority to delegate authority to other large agencies to provide HR services directly to their employees. Assembly Bill 373 requires a fully developed plan for shared HR services across the enterprise, which will create efficiencies as well as quality customer service and uniform HR services for all state employees. Uniform practices in hiring, recruitment, retention, and discipline across the enterprise will ensure consistent application of human resources practices for all classified employees, regardless of position or agency.

In working to develop a shared services pilot program, as directed by the 2015-2017 biennial budget, DOA has looked towards Utah, Ohio, and Iowa— three states who have all successfully implemented shared services models for human resources and numerous other services as well. After studying these successful shared services models, DOA has learned important lessons that will make the HR shared services model in Assembly Bill 373 highly successful for Wisconsin's employees:

1. Stay flexible and take the time to do the process right – shared services is not a one size fits all program for each agency or for each shared service.
2. Human resources collaboration allows for important uniformity in the services that are offered to state employees.
3. Provide the best customer service for the human resources needs of all state employees and provide training for Supervisors and leadership in the agencies.
4. Create an environment that seeks improvements in order to ensure the most efficient and quality HR services for state employees endures

Further, DOA has looked toward businesses and the private sector experience of implementing shared services. In the private sector, the push towards uniform shared services across numerous business functions began in the 1990s. By looking towards the private sector and their methods of implementing shared services, DOA hopes to glean even more strategic planning and lessons learned in order to ensure that our plan creates efficient government without major disruptions to current work practices.

To put the Wisconsin state agency experiences with human resources services in context, a May 2015 review of State agency positions in human resources, payroll, benefits and affirmative action classifications found significant variability in the ratio of HR-related positions to agency FTE positions. The most efficient agency employed 1 HR position per 160 FTE, while the least efficient agency employed 1 HR position per 21 FTE. The average across all Wisconsin agencies was 1 HR position per 94 FTE.

We believe there is a significant opportunity to make state human resources and payroll operations more efficient by developing a plan for shared HR services in collaboration with other state agencies and the Division of Personnel Management, and adopting best practices that are working in agencies who employ a higher ratio of HR professional per FTE, using emerging technology and identifying best practices currently in other states.

For instance, with the ongoing implementation of the STAR enterprise resource planning system, the State will have the necessary technology and data to create and develop shared services across the enterprise. The STAR implementation is updating the technology used for procurement, finance, payroll, and human resources into one uniform PeopleSoft program across

the enterprise, replacing numerous outdated and cumbersome programs. With the successful launch of Phase 1 (procurement and finance) earlier this month, the State will soon discover how more accurate data can be used to realize efficiencies.

In addition, STAR will provide online tools for employees to manage their time and their personal information without the manual intervention of a payroll or benefits professional. We expect to begin realizing the benefits of these enhanced tools when the human resources portion of STAR goes live in early 2016.

Looking at other states' efforts to create shared human resources and payroll services, DOA found that Iowa was able to increase their HR to FTE efficiency by one-third. We also found that Utah was able to implement shared services for human resources without moving any of their employees. This experience leads us to believe there is a path to administer efficient, quality services while still keeping human resource professionals close to their customers, which maintains important face-to-face services and opportunities between HR professionals and FTE staff. DOA has determined that efficiencies can be found by analyzing upcoming retirements and position vacancies.

Assembly Bill 373 will align Wisconsin's HR services more closely with our most efficient agencies and the best practices gleaned from other states **and the private sector**. In addition, we believe a well-planned and thoughtful approach to shared services will maintain high service levels for state employees while ensuring taxpayers are receiving the best value for their hard earned dollars.

Again, thank you Chairman Swearingen and committee members for allowing me to testify on the importance of Assembly Bill 373. We will now be happy to take any questions from the committee at this time.



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

SCOTT A. NEITZEL
SECRETARY

Division of Personnel Management
101 E. Wilson Street, 4th floor
Post Office Box 7855
Madison, WI 53707-7855
Voice (608) 266-9820 Fax (608) 267-1020

**Testimony of Division of Personnel Management, Bureau of Merit Recruitment
& Selection Director Stacey Rolston
Assembly Committee on State Affairs and Government Operations
October 15, 2015**

Good morning Chairman and members of the Committee. Thank you for the opportunity to discuss the proposed language affecting Chapter 230, State Employment Relations and specifically the subchapter on Civil Service.

My name is Stacey Rolston and I am the Director of the Bureau of Merit Recruitment and Selection in the Division of Personnel Management at the Department of Administration (DOA). I am currently in an unclassified, appointed position in order to serve as the Bureau Director, but I am also on leave from my classified position at the Department of Corrections. I tell you this to clarify that I am a member of the classified civil service. Throughout my time as a member of the classified civil service, I have been hired, promoted, transferred, reassigned and served probation; all of which followed the principles of Chapter 230 as interpreted by the Division of Personnel Management and the Director of Merit Recruitment and Selection.

I have been a state employee for nearly 16 years and my profession has always been human resources with the exception of nearly five years where I served as acting Administrator and then Administrator under three different Secretaries at the Department of Corrections. I have worked at nearly every level of human resources from HR Specialist to HR Director at several agencies including the Departments of Employment Relations, Natural Resources, Transportation, Corrections and now Administration. Early on I focused my career on recruitment and selection but I also have experience in classification, compensation, employment relations, diversity and affirmative action, and policy development. My recruitment and HR experience spans from writing multiple choice exams to being on the development team for wisc.jobs, the official employment website for the State. I was also involved in IBIS, ACE Initiatives, HR Realignment and now the ongoing STAR and Shared Services initiatives. I have performed every human resource function from hiring to firing and from opening a work location to closing one.

With the experience as a civil service employee that I just mentioned across a wide array of positions, I am pleased to have an opportunity to discuss this legislation with you. I read the bill as an effort toward modernizing the State's hiring process in order to speed-up recruitment and increase employee retention without sacrificing the critical principles of civil service: merit requirements for selection, equal opportunity, fairness, just cause, transparency, and safeguards to protect the integrity of the system.

Throughout our proud history of civil service in Wisconsin, there have been periodic and necessary adjustments to reflect current needs and to prepare for the future. While I certainly have not been around for each of those adjustments I have absolutely benefited from numerous updates to the civil service law.

Without the changes passed in 1998, I would not have been hired. Prior to that time only Wisconsin residents were permitted to be state employees. As a Michigan resident going to school in Nebraska, I would have been deemed ineligible for civil service even though I was willing to move to Wisconsin for a career. In fact, prior to the 1998 changes, out of state recruitment was prohibited, meaning I might never have known about the opportunity. With the updates passed in 1998, the State was able to recruit the best and brightest employees, even if they were living outside of Wisconsin at the time.

Furthermore, prior to the 1998 changes, the number of candidates referred for interview was much smaller and there was a clear expectation that a hire be made on the original referral of names. Even further back in our civil service history, prior to 1979-1981, expanded certification, which permits adding qualified women and minorities to interview lists if the position is underutilized for either, was not an option. All of these changes throughout the history of the civil service law culminated with me and thousands of other exemplary state employees to serve in the civil service. In looking at these past changes, it is clear that updates and improvements are important to ensuring the civil service law allows the state to hire the best and most qualified candidate for the job.

Under today's statutory standard we have an expectation fill a position in 105 days after it has been authorized for hiring. That process includes an examination for each position. Under the bill, the State will have an expectation to fill a position in 60 days after it has been authorized for hiring, including a full selection process. I want to quickly clarify the civil service examination procedure. People often think there is a single State exam that all incoming employees have to pass – kind of like the SAT or ACT. Not so. In reality, there are a number of types of exams and a variety of assessment processes. The tools used should be based specifically on the needs of the position, the classification, the labor pool and the competition in the market. Today that may mean a resume review, a multiple choice exam, just a copy of your professional license or a 5 staged multi-day assessment process. You need a very different process to fill a single uniquely skilled IT job than you do to fill 25 Probation & Parole Agents from among thousands of candidates.

The proposed changes require all candidates to submit an application and resume but also require that the merit principle is maintained. The new language includes multiple references to selection processes or evaluation processes in place of the words exam or examination. This means the ability to add additional steps to the selection process when needed is maintained. Expanded certification continues for women, minorities and disabled persons. Preference is maintained for veterans and the safeguards for the processes remain intact. Safeguards include the provision that the Director develop all of these procedures for hiring by adhering to merit and to build a process across all of the State classified service.

In regards to disciplinary and firing procedures, the bill maintains just cause for employees and a clear intent toward progressive discipline is added. The grievance process is maintained along with an accelerated timeline to resolve any grievances. In total, a full challenge on a disciplinary action would now be completed in 120 days. In today's world cases can drag on for months and in some cases years. This elongated timeline is difficult for both the employer and the affected employee. The bill's effort toward expediency is understandable and important. The bill also requires development of a progressive discipline system which moves toward to an interest in consistency across the classified service. Today, the work rules vary widely by agency as does the progression track used by each agency. There is value in employees knowing and understanding a single system, with agency specific nuances, rather than learning a new process with new rules at each agency.

The bill also makes changes to the probationary period for new employees in an effort to standardize the probationary period for all classifications across the classified service. Today the standard is six months but many classifications are approved at 12 months, 18 months or in some cases two years. There have certainly been many cases where an employee can ultimately be successful in the job with more time on probation to learn but when forced to make a decision a six months, the supervisor may decide to separate rather than take the risk. Increasing the probationary period may allow supervisors to more accurately determine an employee's performance, which in turn will allow employees to be more successful.

Performance and performance evaluations are given a stronger role in our processes through the bill. Under current provisions, supervisors are required to give employees annual evaluations or forfeit their general wage adjustments. Additionally, in order to be eligible for a general wage adjustment the employee must have satisfactory performance. The bill puts the annual evaluation requirement into statute and adds a new tool with funding to grant discretionary lump sum awards for performance. This provision is in addition to the provisions which already exist in the State Compensation Plan. Performance has always been a part of the layoff process but through the bill it is now moved to a more prominent determining factor.

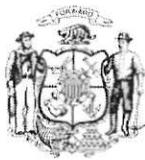
October 16, 2015

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The bill includes a few provisions that potentially add additional time to the hiring process but certainly aid in the effort toward transparency. Promotional opportunities must now be opened more widely to the public, reinstatement eligibility is eliminated other than in the event of layoff, and a check of the employee's personnel file is required before making a hire.

In short, just as has occurred historically, we are at a place in time when we must become more competitive and efficient at hiring. In an ever improving economy, we can't afford to be an employer with a hiring process that takes months to fill a position. We lose candidates every day due to timelines and complexity of process. No HVAC Specialist wants to drive to a Saturday exam center to take a multiple choice exam in a city away from home, when he or she can apply for a private sector job by completing an application and submitting job history or resume.

While there is a great deal of work ahead in order to enact the proposed changes, the language preserves what is right and important about civil service while attempting to modernize and expedite our hiring process. As I have over the course of my nearly 16 year career in state service, I am committed to providing HR related services to the agencies that provide vital services to taxpayers. I look forward to working with the very talented team of human resource staff within the Division of Personnel Management and across State government as we proceed. Thank you.



State of Wisconsin
Department of Financial Institutions

Scott Walker, **Governor**

Ray Allen, **Secretary**

October 15, 2015
Assembly Committee on State Affairs and Government Operations
Assembly Bill 373

Testimony of:
Secretary Ray Allen
Department of Financial Institutions

Good Morning Chairman Swearingen, committee members and thank you for giving me the opportunity to testify before your committee regarding Assembly Bill 373.

Wisconsin has a long history of being a leader in government reform and this legislation continues that tradition. Assembly Bill 373 seeks to reform the state's processes for recruitment and retention of employees in a way that will encourage the best to apply and the best to stay in state service. Simply put, certain key portions of the current civil service system are woefully outdated. They need to be modernized so that our state agencies are able to attract and retain the best and brightest employees. This bill addresses three important pieces of the recruitment and retention of employees:

- It will streamline the hiring process, a process that can take months and at times result in qualified applicants accepting other jobs before an offer can be made. A key component of this change is replacing the current self-exam process with a resume-based system. The current exam system often times leads to poorly matched, even unqualified "top candidates." The private sector uses resume-based recruitment, and it's time for the State of Wisconsin to get into the 21st century and employ the same recruitment method.
- Second, this bill will allocate money for state agencies to reward excellent job performance through the Discretionary Merit Compensation program. Making sure our top performers are rewarded for their excellent work sends a powerful message to the entire workforce – and state taxpayers – that we are serious about paying employees for their performance.
- Third, this bill will give agencies the ability to terminate employees who commit serious violations of our workplace rules – such as drug use, theft of state property, or threatening co-workers – in a timely manner.

These common-sense reforms have the support not only of DFI leadership, but of many of our front-line supervisors who themselves are covered by civil service laws. They are frustrated by hiring processes that take too long. For example, over the past five years, the average time it took to recruit, interview and hire for open positions at DFI took nearly four months. The maximum recruitment time for one of our positions was 239 days – nearly eight months. Delays such as these place an undue burden on the rest of our staff and, more importantly, impede our ability to provide timely customer service to our constituents. Under the changes being proposed, a hiring goal of 60 days would be set, which would be a very welcome improvement.

Our supervisors also are frustrated with disciplinary procedures that can take many months to resolve. For example: a DFI employee was cited on numerous occasions for insubordination, repeatedly falsifying his time card, and improper use of his state purchasing card. The employee eventually was terminated, but not before there were multiple grievance hearings covering the same subject matter. The process dragged on for months and cost DFI at least \$36,000. This would not have occurred under the reforms put forth in AB 373. These reforms would significantly reduce the length of a grievance process while still providing full due-process for the employee. This would be in the best interest of the agency, the employee and the taxpayers of Wisconsin.

In closing, I want to address what I believe is a common misconception about the current exam process. When you say the words “civil service exam,” I believe that many people think the exam is some sort of universal tool that measures the aptitude of the applicants. It’s not. In many cases, the “exam” is a self-assessment survey that gives applicants the opportunity to answer open-ended questions about themselves, or to rate themselves on a series of defined skills – the responses to which may or may not match the applicant’s real-life experience level.

In either case, the current “civil service exam” affords applicants the opportunity to engage in creative writing about themselves or overstate their own qualifications. The “score” that an applicant receives on his or her “civil service exam” can be very misleading. Let’s do away with that cumbersome and outdated part of the process and use resumes as the first step in identifying the most qualified candidates.

The common-sense reforms included in this bill will give us the ability to modernize our recruitment and retention efforts while at the same time maintaining and enhancing the core principles of Wisconsin’s civil service system. Just because something is 100-plus years old doesn’t mean it is somehow above change. The current system can be made more effective with these reforms. Let’s give our state agencies the tools they need to hire, reward and keep great employees.

Thank you for your time.



Scott Walker
Governor

Richard G. Chandler
Secretary of Revenue

Recruitment and Retention Reform Public Hearing Assembly Committee on State Affairs and Government Operations

Department of Revenue
Deputy Secretary Jack Jablonski
October 15, 2015

Introduction

Thank you for the opportunity to testify in favor of the Recruitment and Retention Reform legislation as introduced by Senator Roth and Representative Steineke.

The Walker administration has made it a priority to deliver taxpayer services in an efficient and effective manner. At the Department of Revenue, we have improved our ability to deliver quality and affordable government to taxpayers through the administration's ongoing efforts to combat waste and fraud.

The recruitment and retention reform bill as offered by the Legislature today is a continuation of these efforts that will modernize hiring practices, enhance integrity of the state employees that serve, and enable better management throughout state government.

Recruitment

At the Department of Revenue, hiring capable employees requires timeliness in recruiting and responding to applicants. Eliminating a cumbersome front-loaded exam process will allow us to hire quality candidates, while better expending resources on meaningful work.

A recent panel evaluating written examinations for an attorney position had more than 50 applications that required two attorneys and a compliance manager to spend a day and a half to grade them. Just as bad as the lost productivity is the barrier the examinations present to potential applicants. You will find few dedicated current state employees that think we should spend more time grading such examinations, especially since an interview process that holds more weight follows.

We believe the goal of 60 days to an employment offer can be met by moving to a resume-based screening system that is consistent with good hiring practices.

Having a shorter timeline to get to an employment offer will enable us to access the best set of candidates. Many of our managers grow frustrated by the length of time the hiring process takes – and are filled with stories of top candidates that we lost because other organizations make offers much quicker. We operate in a competitive environment and must move to update our hiring procedures accordingly. In a world where you can file a resume with the website Indeed.com and get a response from an employer in hours, a hiring timeframe of 150 days or even 100 days is laughable to today's graduates.

Probably many of you have heard how ridiculous some of these examples can be. In one case before I got to the agency, an employee applied in the summer of 2010 and did not hear back from DOR until six months later. I fear there are many examples where the state lost valuable talent because of our antiquated processes. In a time where more than 50% of DOR employees will be eligible for retirement in the next five years and 32% are eligible today, it is incumbent upon us to be competitive.

Retention

The second issue of retention is more than just about terminating employees that betray the public trust.

By and large, the state employees that I work with on a daily basis are committed to public service. However, it can take only a few employees to drag down morale and corrode a work unit.

It is not uncommon for groups of state employees to come to management, including me, asking for action against an employee that has performance or misconduct issues. Often, under our current set of laws, the solution requires a vast amount of time and resources to get results.

This legislation will significantly assist us in building a positive work environment. There are many changes that I would applaud in this regard:

Extending to two year probationary periods will ensure we are not burdened with employees for years because we did not have the necessary on-the-job experience to make a judgement at six months. For example, attorneys might not have completed a case in this timeframe for us to judge performance. An economist's first modeling project might extend beyond six months. There is no downside to extending the probationary period, and this provision is supported by the many managers and supervisors that are charged with making personnel decisions.

Improving the provisions regarding "just cause" for termination based on certain misconduct will maintain the integrity of state government. If an employee is stealing, falsifying records, or inflicting personal harm, we believe the ability to terminate should be easy and clear. Remarkably, the Department lost an arbitration case when terminating an employee who engaged in theft. We believe this reform legislation sends the right message – taxpayers deserve to be served with integrity, and state employees should not be tarnished by the actions of a few.

We also welcome changes on job abandonment, moving the number of days from 5 consecutive to 3 over a calendar year. One of our employees was absent 14 days without notification over less than a year and a half time frame. We were finally able to move to termination after a time consuming process. If we were able to terminate the employee after the third absence, we would have avoided a lengthy and costly 18 month process of reprimands and suspensions. Along the way, this employee consumed management time and added an additional 25 tardy appearances.

Finally, we believe the added resources for a discretionary merit award program will allow us to both incentivize and reward top employees. The Department of Revenue has worked to provide a very transparent DMC program since its origination in 2011, with input from employees and oversight from our full management team.

These retention measures will help maintain a positive work environment for state employees by eliminating those that betray the public trust and impugn the reputation of all state employees. Furthermore, it will provide the tools to reward and review employee performance.

Conclusion

Once again, thank you for the opportunity to testify. We are pleased that the Legislature is working with the administration to streamline hiring and prioritize merit and job performance, while providing management the resources consistent with best practices.



ACE

ASSOCIATION OF CAREER EMPLOYEES

Post Office Box 44578

Madison, WI 53744

Voice: (608) 848-9008

Fax: 848-9266

Email: ace@mailbag.com

The Association of Career Employees urges the Legislature to reject the civil service changes proposed in SB285/ AB 373

This legislation is not needed and does not address the problems that have been alleged to exist. The changes will not support hiring according to merit and will not encourage retention of employees. The examples given are unpersuasive and speak as much to administrative problems as to employee misconduct. By consolidating all hiring and personnel decisions in DOA, it is unlikely that hiring will be faster.

The proposed changes seem to have three major purposes:

I. TO ENABLE A PATRONAGE HIRING SYSTEM. Make it easier to hire according to political persuasion rather than merit. This will lead to a patronage system rather than an improved civil service system. Features of the proposed system that will help accomplish this end include the following:

- Consolidation of authority to hire all employees into the most political of all of the state agencies, the Department of Administration, and away from individual agencies and the supervisors and managers responsible for overseeing the job activities. Will supervisors and managers even have a significant role in the decision-making process?
- Dropping the exams that job candidates take in favor of a resume system. A resume system will provide less information about what employees know and the impact of their experiences and will allow selection to be more subjective. An achievement history questionnaire provides far more relevant information related to a specific job than does a resume.
- Eliminating the requirement that competition for a vacancy in the classified service must be limited to members of the classified service, and eliminating the authority of the director to limit competition for promotional opportunities in certain circumstances.

II. TO ELIMINATE CIVIL SERVICE PROTECTION FROM IMPROPER POLITICAL INTIMIDATION. Make state employment "at will" employment without protection for being terminated for political reasons. Features of the proposed system that will help accomplish this end include the following:

- Extension of the standard probationary period for all original and promotional appointments to permanent and seasonal positions in the classified service from six months to two years with a potential waiver after one year. During a probation period a person can be fired without showing just cause. At what point will employees be given full fringe benefits and relief from fear of arbitrary actions?
- Expanding the definition of just cause to include work performance or personal conduct that an appointing authority determines to be inadequate, unsuitable, or inferior. This is so broad that it could include policy disagreements, attending political events, making political contributions, and other activities that would not now be considered just cause.

III. TO CLEANSE THE RANKS OF EXISTING CLASSIFIED CIVIL SERVICE EMPLOYEES. Make it easier to get rid of classified state employees and therefore creating more vacancies to fill under the new rules.

- Limiting reinstatement privileges to permanent employees who are on layoff status.
 - Reducing the reinstatement period to three years instead of five years.
 - Eliminating reinstatement for employees who leave for any reason other than layoff.
 - Eliminating restoration rights for permanent employees in the classified service who are laid off on or after the effective date of the bill.
 - Permanently maintaining all employee files and prohibiting the removal of disciplinary records from employee personnel files. This means someone cannot overcome past mistakes and could lead to new managers looking for ways to get rid of long-term employees using the new just cause definitions.
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- Eliminating an employee's ability to "bump" a person of lesser seniority within the same classification range.

Stephanie Bloomingdale
Wisconsin State AFL-CIO
In Opposition of AB 373
October 15, 2015

Good morning/afternoon Mr. Chairman and members of the Committee. My name is Stephanie Bloomingdale and I am the Secretary-Treasurer of the Wisconsin State AFL-CIO. I appear before you today on behalf of the hard-working men and women of the Wisconsin State AFL-CIO to oppose AB 373, a bill that will dismantle Wisconsin's landmark civil service law by making significant changes that are not warranted. Without a doubt, these changes will open the flood gates for political payback and favoritism to the detriment of current, future, and potential state employees and ultimately the taxpayers and the citizens of Wisconsin.

I. Introductory Remarks

Wisconsinites, as you know, have long prided ourselves on the ability to run a clean government, free of corruption and patronage. Contrary to other state governments that have had high-profile cronyism, Wisconsin has not had a similar history of hiring workers because they volunteered for a political party or politician or because their resume lists a reference from a party boss. In fact, decades ago we rather astutely passed statutory safeguards to ensure avoidance of such corruption. These safeguards were specifically designed to ensure the integrity of our state operations and to ensure that taxpayer dollars were not paying the salaries of political bosses and their favorites.

For decades upon decades, Wisconsinites also prided ourselves in treating individual employees fairly, without the taint of politics encroaching on employment decisions that affect their jobs, careers, and families. Our civil service system ensures that current and potential state employees are treated equitably. In hiring and advancement, knowledge and ability are paramount. AB 373 is another bill that decimates our State's proud tradition of fairness on the job. This bill will make it more difficult for the 30,000 current state employees to be treated fairly in advancement, layoffs, and the myriad ways in which they now interact with their managers and the State Government.

II. Lack of Process is Undemocratic

But before I speak to the devastating changes that will happen with this bill, I also must speak to the deplorable process that the Legislature and this very Committee has employed for AB 373.

Once again, when this body – joined with the support of our Governor – decides to go after workers, it does so with no public debate and little public notice. This style of democracy is pointedly undemocratic.

Other than this hearing, which was given little public notice, this bill has had zero public debate. Civil Service was not a topic of discussion in any of the recent campaigns. Indeed, Governor Walker never once mentioned changing the civil service system during his campaign

for governor. In fact, in the lead-up to the passage of Act 10, Governor Walker claimed worker protections under current civil service law made collective bargaining for public sector workers unnecessary. Having stripped these workers of their rights to collective bargaining, these remaining protections are now being threatened.

It is simply outrageous that within three days of Governor Walker quitting his presidential bid after zero support for his anti-worker rhetoric, he returned to Wisconsin to attack workers by supporting legislation to destroy Wisconsin's landmark civil service laws, impacting over 30,000 workers and the public they serve. This legislation was introduced last week into the Assembly and the very next day this Committee gave notice of a hearing.

Once again, on behalf of Wisconsin's working people, I must ask: What's the hurry?

Any and all changes to the civil service system should be made in an open and inclusive way. These changes were developed in secret by the Walker administration and Legislative leaders. Such secrecy is unacceptable in any democratic government, but is particularly reprehensible in this building, which has for generations been known as the seat for open and transparent government.

III. Current Civil Service: History & Need

The civil service system came into law because citizens were growing tired of political parties ruling state government. Numerous safeguards were built in to the system to stop political patronage, ensure integrity in state government operations, and to foster public trust in our taxpayer-supported services.

The hallmark of the safeguards was, and continues to be, the examination. The exam is a blind test of knowledge and skill, to ensure that our state civil servants are hired based on *what* they know and not *who* they know. Resumes are terrific to clearly communicate who you know and what political ties you have. In this day and age, when political campaigns often seamlessly blend with governing, it is increasingly important to ensure that politics doesn't control who is hired or fired or promoted or laid off. The exam is just as much needed today as it was at the turn of the 20th century.

The bill authors have stated that the purpose of the legislation is to help solve the state's recruitment and retention problem. The Wisconsin AFL-CIO agrees that the state has a problem recruiting job applicants and retaining dedicated state employees. However, we vehemently disagree that this bill addresses our state's recruitment and retention problem. To be sure, this problem was created with the passage of Act 10. There has been no other singular piece of legislation that has caused such demoralization, retirements, resignations, frustration, and fear among state employees as Act 10.

Years ago, state employment used to be very competitive. There were dozens if not over 100 applicants for many open positions. This was because state jobs were good jobs, free of

poisonous politics. These were jobs that placed the state employees' families firmly in the middle class.

If legislators were serious about addressing the state's recruitment and retention problem, you would solve the problem by immediately reinstating collective bargaining for state employees, so that state employees have a meaningful voice on the job, can question and collaborate without fear of retribution, and feel valued for their skills and talents that they bring to the State.

Certainly, opening the door to political hires, prioritizing new employees over seasoned and dedicated state employees in layoff decisions, extending probation, and tightening application timelines will do nothing to address our recruitment and retention problem.

IV. Particular Egregious Changes & Effect

This 38-page bill is full of changes that will negatively impact our State's ability to operate a clean government and provide fairness to both potential and existing employees. I would like to briefly cover four of the most bothersome aspects of this bill:

1. Removing entrance exams for new job applicants and replacing them with a resume-only based system will make the hiring process entirely subjective, which civil service laws are meant to prevent. The competitive examination is open to all applications deemed qualified for a job. It is blind, and only the top scores move on. This process, our process, ensures that only the most qualified receive job offers. Moving to a resume-based only system, managers will not know whether job offers are made to the most qualified and are not guaranteed to have staff that possess the requisite job-related knowledge on day one. A resume certainly contains much information, but most relevant to the discussion at hand- resumes could easily include campaign experience and references, and the bill drafters know this. Without any blind examination, offers can be made based on political connections. This profound change in the hiring process promotes corruption and malfeasance in hiring of governmental personnel. This type of process will harm taxpayers who may have to foot the bill for incompetent political cronies. Again, people should be hired based on what they know not who they know.
2. Transferring the hiring authority to the Department of Administration, which is a direct extension of the Governor's office, will ensure that resumes of the Governor's political favorites will receive priority and attention. Again, politics should be kept out of hiring decisions. The process works best when Human Resources is not conflated with a partisan, elected office.
3. Extending the probationary period for new hires from 6 months to two years – or even 1 year - will create unstable services provided to taxpayers. State employees provide critically important services to taxpayers and citizens. We rely on them, and in turn should be fair to them and their families. Creating an environment where new hires could be fired for any reason after long after they were hired will cause tremendous instability

that will hurt us in the long run.

4. Changing the layoff process from seniority-based to subjective-based performance analysis is another affront to basic fairness. This process will allow a political new hire favorite to be kept on staff under the guise of performance, which is totally subjective.

V. Conclusion

In conclusion, process matters to the people of Wisconsin. The process used on this unnecessary & harmful bill flies in the face of our cherished tradition of clean and open government. If you are earnest and serious about solving the problem of recruitment and retention, then I urge you to restore the right of state employees to collectively bargain so that they can have a real & meaningful voice in their workplaces. I urge each Representative on this Committee to vote against this bill.