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# ARIZONA TAX RESEARCH ASSOCIATION

## **Brewer's state employee personnel reform will benefit all Arizonans**

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This is Arizona's centennial year. It's both a grand accomplishment to celebrate and an occasion that we should mark by making our state government more effective and efficient.

One of the biggest steps we can take toward modernizing state government is with a revamp of the outdated rules and regulations that govern its workforce. Our personnel system is practically as old as the state itself.

Patchwork fixes and incremental improvements won't do. Now is the time for fundamental reform.

Fortunately, Gov. Jan Brewer has proposed such a reform with HB2571, a measure sponsored by Rep. Justin Olson, R-Mesa with an assist from Rep. Justin Pierce, R-Mesa. This comprehensive measure strips away the reams of red tape preventing the state from hiring the most talented applicants, rewarding its best employees, and disciplining or, ultimately, terminating the weakest performers.

Why is this bill necessary?

Let's start with the problems in hiring a state employee. Currently, it takes too long to hire a first-rate applicant because — in the interest of "fairness" — every job opening must be advertised, a minimum of three viable candidates must be interviewed, and layer upon layer of review and approval is required before a job offer can be extended. In the meantime, the best candidates often slip away as they accept job offers from private companies not subjected to a similarly- excessive hiring process.

Secondly, once an employee is hired into the current covered system, their opportunity to earn a salary increase is limited. Individual employees with covered status are generally not eligible for a pay hike, but instead, must wait for the Legislature to approve a salary bump for an entire set of employees. That means every employee, from the best performer to the weakest link, receives the same financial reward.

The result? Low employee morale and an ongoing disincentive to go the extra mile for taxpayers.

Worst of all, the current personnel system has hamstrung state supervisors in their ability to effectively deal with low-performing employees. The existing structure is bogged down with so many employee protections that it can take months, or even years, to remove a problem employee. Even after a rigorous process of reporting and incident documentation, an

independent board can overturn a dismissal without a thought for how that action will impact the agency or the supervisor's ability to manage the workforce.

Brewer's plan will retain protections against unlawful discrimination and safeguard against political coercion. It will also go a long way toward making our state government function a bit more like a private business, with employee performance and accountability valued most. With one-third of the state workforce eligible to retire within the next five years, it's critical that we put in place a personnel system that allows the state to attract the best talent and retain the highest-performing workers.

Personnel reform has already been successfully implemented in Georgia, Florida and Indiana. In fact, agencies such as the Arizona Department of Gaming, Arizona Office of Tourism and the Arizona State Retirement System already operate with fully uncovered workforces. Now is the time to extend those reforms through the rest of state government. This is something that will benefit all Arizonans, regardless of whether they work for the state.

Not surprisingly, some public employee unions are opposing changes to Arizona's archaic personnel system, suggesting it will result in Tammany Hall-type favoritism in state government. However, I doubt that fear is shared by the hardworking state employees who work in a system that is so different from the private sector that it undermines the public's confidence in state government.

Arizona taxpayers deserve a more efficient and effective state personnel system and so do the state employees who are trapped in a culture that not only doesn't reward hard work, it reinforces the worst stereotypes of public employees.

— Kevin McCarthy is president of the Arizona Tax Research Association.