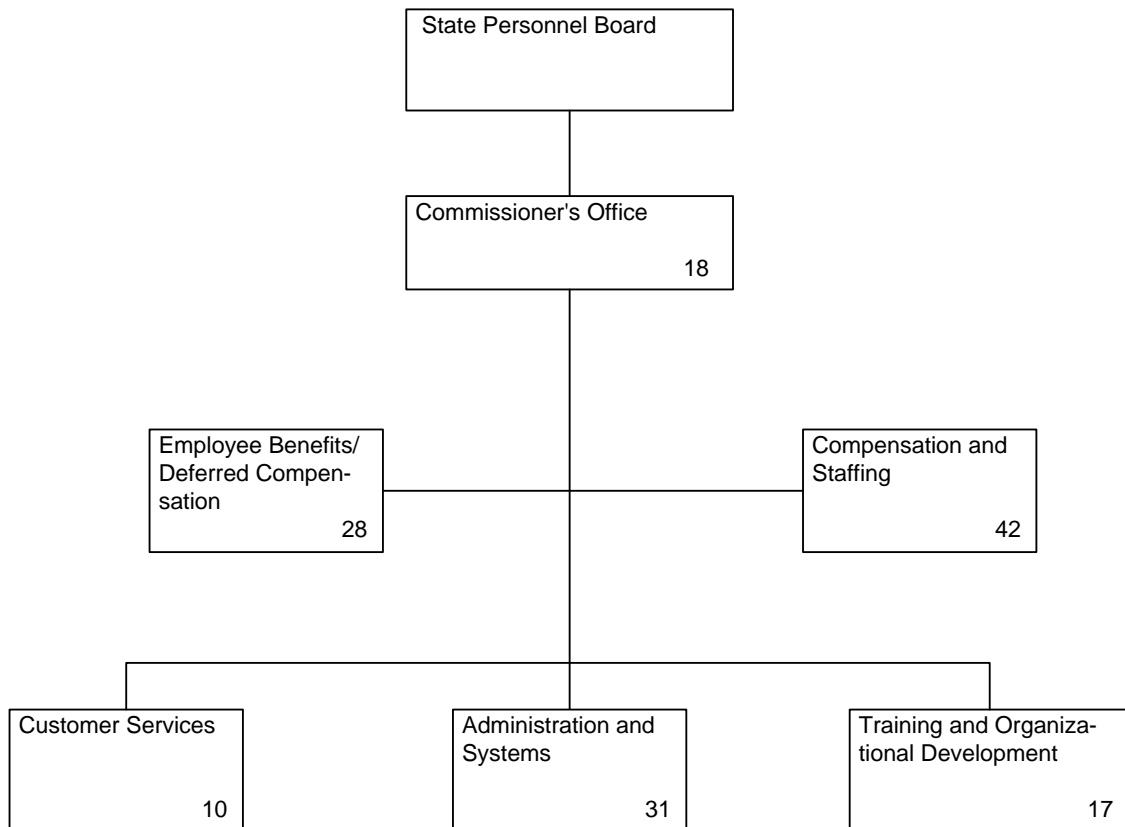


MERIT SYSTEM OF PERSONNEL ADMINISTRATION

Total Budgeted Positions -- 146



MERIT SYSTEM OF PERSONNEL ADMINISTRATION

Financial Summary

Expenditures, Current Budget, and Agency Requests

Budget Classes / Fund Sources	FY 2000 Expenditures	FY 2001 Expenditures	FY 2002 Current Budget	FY 2003 Agency Requests		
				Adjusted Base	Enhancements	Totals
Personal Services	\$7,236,315	\$7,490,161	\$8,426,738	\$8,294,817	\$202,329	\$8,497,146
Regular Operating Expenses	964,633	1,071,552	1,030,568	1,126,141	17,324	1,143,465
Travel	107,145	146,106	107,263	107,263	5,087	112,350
Equipment	33,768	23,585				
Real Estate Rentals	747,294	764,368	651,119	651,119		651,119
Per Diem and Fees	1,287,290	402,406	394,850	335,350		335,350
Contracts	597,965	1,434,867	844,740	915,783		915,783
Computer Charges	2,886,035	2,422,301	1,883,665	1,769,665		1,769,665
Telecommunications	158,748	170,164	184,400	184,400		184,400
Payments to the State Treasury						
Total Funds	<u>\$14,019,193</u>	<u>\$13,925,510</u>	<u>\$13,523,343</u>	<u>\$13,384,538</u>	<u>\$224,740</u>	<u>\$13,609,278</u>
Less Federal & Other Funds:						
Other Funds	<u>\$14,019,193</u>	<u>\$13,925,510</u>	<u>\$13,523,343</u>	<u>\$13,384,538</u>	<u>\$224,740</u>	<u>\$13,609,278</u>
Total Federal & Other Funds	<u>\$14,019,193</u>	<u>\$13,925,510</u>	<u>\$13,523,343</u>	<u>\$13,384,538</u>	<u>\$224,740</u>	<u>\$13,609,278</u>
TOTAL STATE FUNDS	\$0	\$0	\$0	\$0	\$0	\$0
Positions	145	143	146	146	4	150

MERIT SYSTEM OF PERSONNEL ADMINISTRATION

Financial Summary

Current Budget and Governor's Recommendations

Budget Classes / Fund Sources	FY 2002 Current Budget	FY 2003 Governor's Recommendations				Totals
		Annualizers and Adjustments	Budget Reductions	Adjusted Base	Enhancements	
Personal Services	\$8,426,738	(\$161,235)		\$8,265,503		\$8,265,503
Regular Operating Expenses	1,030,568	95,573		1,126,141		1,126,141
Travel	107,263			107,263		107,263
Equipment						
Real Estate Rentals	651,119			651,119		651,119
Per Diem and Fees	394,850	(59,500)		335,350		335,350
Contracts	844,740	71,043		915,783		915,783
Computer Charges	1,883,665	(114,000)		1,769,665		1,769,665
Telecommunications	184,400			184,400		184,400
Payments to the State Treasury			\$820,675	820,675		820,675
Total Funds	\$13,523,343	(\$168,119)	\$820,675	\$14,175,899		\$14,175,899
Less Federal & Other Funds:						
Other Funds	\$13,523,343	(\$168,119)	\$820,675	\$14,175,899		\$14,175,899
Total Federal & Other Funds	\$13,523,343	(\$168,119)	\$820,675	\$14,175,899		\$14,175,899
TOTAL STATE FUNDS	\$0	\$0	\$0	\$0		\$0
Positions	146			146		146

MERIT SYSTEM OF PERSONNEL ADMINISTRATION

Budget Summary

Governor's
Recommendations

ADJUSTMENTS TO CURRENT BUDGET

FY 2002 AGENCY APPROPRIATIONS	\$13,523,343
Annualizers:	
1. Annualize the cost of the FY 2002 salary adjustment.	80,000
Non-recurring Items:	
2. Eliminate funding for a one-time computer equipment purchase.	(9,000)
Other Adjustments:	
3. Reduce personal services to reflect the 4.09 percentage point reduction to the employer contribution rate for the Employees' Retirement System.	(244,461)
4. Reflect DOAS rate and other personal services adjustments.	1,799
5. Increase contract funding related to the charitable contributions program.	3,543
Budget Reductions:	
6. Add agency funds to reflect a payment to the state treasury comprised of the agency assessment portion of the savings from the ERS rate reduction (\$212,070) and 5% of the remaining agency assessment funds (\$608,605).	820,675
	\$14,175,899
ADJUSTED BASE	\$14,175,899
TOTAL FY 2003 AGENCY FUNDS	\$14,175,899

RECOMMENDED APPROPRIATION: The Merit System of Personnel Administration is funded from assessments and contract fees. The FY 2003 recommended assessment to be levied on all state agency authorized positions for providing a base level of statewide services should be no more than \$147 per authorized position.

MERIT SYSTEM OF PERSONNEL ADMINISTRATION

Roles and Responsibilities

The Merit System of Personnel Administration is the state's central agency for assisting state agencies in recruiting qualified individuals for positions within the executive branch of state government. The agency is also the state's central recordkeeping agency for state employee data and the central means of monitoring state personnel practices.

SB 635, which the General Assembly approved during the 1996 session, decentralized the state's personnel administration system. The legislation transferred responsibility for a variety of personnel recruitment and administration duties from the Merit System to state agencies.

COMMISSIONER'S OFFICE

The Commissioner's Office provides overall direction, leadership, and management of the agency. Functions covered by the office include legal services, marketing and public relations, and policy analysis and development. The office also coordinates requests for proposal processes for statewide benefit plans and contract negotiations and management.

ADMINISTRATION AND SYSTEMS

The Administration and Systems Division furnishes administrative and technology support to the Georgia Merit System and, to a lesser degree, other state agencies. Administrative services provided by the division include budgeting, financial services, mailroom operations, purchasing, and strategic planning. Technology services provided by the division include long-range information planning, design and maintenance of the FLEX system that supports the Flexible Benefits program, and design and maintenance of custom applications (PM Tools, Atlas, etc.) used by the Georgia Merit System and other state agencies.

COMPENSATION AND STAFFING

The Compensation and Staffing Division assists state agencies with recruiting, hiring and retaining employees who will get the state's business done for the best dollar value. Staff members perform job market research and analysis, develop and implement equitable pay and

rewards processes, design and administer competency-based screening procedures, and develop and maintain model processes. This section is also responsible for conducting evaluations of agency personnel practices pursuant to Act 816.

CUSTOMER SERVICES

The Customer Services Division is responsible for managing the state's charitable contributions, employee recognition, and employee suggestion programs. In addition, staff members provide counseling and education on equal employment opportunity and management and employee relations issues. Employees of the division also assist state agencies with general human resource services such as personnel policy consultation and rule interpretation.

EMPLOYEE BENEFITS

The Employee Benefits Division administers the Flexible Benefits Plan available to state employees. The plan includes benefits such as group term and dependent life insurance, accidental death and dismemberment insurance, dental insurance, disability insurance, legal insurance, and medical and childcare spending accounts. Staff members maintain employee eligibility records, monitor contractors, and work to improve benefit plans and products.

TRAINING AND ORGANIZATION DEVELOPMENT

The Training and Organization Development Division is responsible for providing training and workforce development assessments, production and delivery of skill-based employee training programs, management training on the state's pay for performance and results-based budgeting processes, and assistance to agencies in development and implementation of customized performance improvement strategies. This section also coordinates agency use of the Georgia Merit System Training Center.

AUTHORITY

Titles 20 and 45 of the Official Code of Georgia Annotated.

MERIT SYSTEM OF PERSONNEL ADMINISTRATION

Strategies and Services

The Merit System of Personnel Administration utilizes an assortment of programs and services in monitoring and coordinating personnel administration and benefit plans within state government. Since the enactment of SB 635 in fiscal year 1997, the Merit System has evolved from its traditional role as the central personnel administration authority for state agencies to one of consultation, technical support, and review. This new role is reflected in the following review of a sample of the system's current strategies and services.

WORKFORCE PLANNING

A major initiative for the Georgia Merit System is to facilitate the development of a Workforce Planning Strategy for state government. Workforce planning is the strategic framework used to examine workforce dynamics such as turnover, diversity, and worker competency gaps in an effort to develop cohesive approaches for the remedy of issues.

During the 2000 session of the General Assembly, the Governor and the Legislature recognized the benefits of a strategic planning approach for development of the state's workforce and asked each agency to use such an approach on an annual basis. In its role as lead agency in this initiative, the Merit System has developed planning guidelines with the assistance of an interagency committee of select department heads and their designees. System staff worked closely with Office of Planning and Budget and Georgia Technology Authority employees to present an integrated process for strategic planning in January 2001. Agency staffs were trained during the legislative session on the first phase of the workforce planning process and 56 agencies later submitted plans.

In this first year of implementation, trends and issues have been noted that require immediate attention to ensure that state program outcomes are not jeopardized. Agencies uniformly report being affected by the same labor supply and demand dynamics found in the private sector. These include an aging workforce coupled with a decline in the number of people entering the workforce, an increasing number of jobs requiring more complex technical skills, and increasingly competitive salaries. Successful workforce planning will enable agencies to address the challenges identified before they become full-blown problems.

TOTAL REWARDS COMPENSATION

Compensation is often viewed as the rate of pay only. However, as the workforce changes and the labor market tightens, employers in both the public and private sectors are being forced to look at the total compensation or rewards package – this includes base pay, benefits,

incentive and bonus pay, and work/life issues. The combination of these four variables is referred to as Total Rewards. While monetary values cannot be assessed for work/life issues, they can be assessed for the remaining three components. Employers must be familiar with the value of these variables in their own organizations and how this compares to the value of Total Rewards packages offered by competitors. This is especially critical in today's labor market in which a substantial portion of the current workforce is of retirement age and competition is fierce for both "generation x" employees and returning retirees. The Merit System is currently taking several steps in order to effectively address Total Rewards issues facing state agencies. These include engaging an outside consultant to complete a Total Rewards assessment for state jobs, developing an incentive award program, and implementing a pilot program on benefits planning and education.

DIVERSITY

The Georgia Diversity Initiative was recently created and implemented in order to develop a workplace that is inclusive and meets the varying needs of its diverse members and to attract, develop, and retain a highly competent, diverse workforce and a cadre of vendors and service providers. To lead the way towards achievement of these objectives, the Georgia Diversity Advisory Council was established. The Merit System Commissioner chairs the council and members are currently working on several strategic interventions that are critical to the success of the diversity initiative.

E-GOVERNMENT INITIATIVES

The Merit System fully supports the Governor's mandate to move the state's business processes to web-enabled applications. The agency is seizing the opportunity to streamline business processes and make information more readily accessible to the public and to agency customers. Included in the current fiscal year appropriations were enhancement funds for the E-Learning project, which is designed to provide state managers and employees more training and development opportunities not limited by time or location. A customized web course for training state managers on Performance Plus will serve as the initial e-learning option available to agency customers. The Merit System continues to offer an on-line application and recruitment system for applicants seeking jobs with the state. Implemented in January 2000, the web application allows applicants to enter their resume once and apply for multiple positions as they are advertised. The site displays an average of over 350 job vacancies on any given day and is used by 74 state agencies.