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REINVENTING THE STATE CIVIL SERVICE

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REINVENTING THE STATE CIVIL SERVICE

What Principles Should Guide the Legislature in Rethinking and Reinventing the Structure and Nature of the State Civil Service?

Summary

There is currently much talk about the need for the public sector to "restructure" or "reinvent" itself. Generally, reinvention involves a fundamental rethinking of the way public services and functions are organized and delivered. It involves challenging the traditional ways of doing things; searching for new and better ways to do the tasks that need to be done; not doing tasks that are no longer needed.

No reinvention of the way public services are organized and delivered can ignore the central facet of a government's operations—its work force. The state depends on nearly 200,000 state civil service employees to carry out the tasks of state government, as do the people of California.

In this piece we discuss the origins and background of the civil service, and highlight evidence of problems caused by current civil service laws and rules. These include (1) departure from the system's original merit principles, (2) preoccupation with process over results, (3) impediments to effective conduct of programs, and (4) barriers to personal and career development of employees.

Our findings point in a compelling direction—that the Legislature should begin a fundamental rethinking, or "reinvention," of the state civil service system in order to make it again serve the state, its employees and the public. We conclude by offering a set of basic principles to assist the Legislature in this important effort and recommend that the Legislature begin hearings to start the process to revamp the state's civil service system.

OVERVIEW

Historical and Legal Foundations

California's current system of state civil service employment dates back to the November 1934 election, when the voters approved Proposition 7, adding what is now Article VII to the State Constitution.

The principal concern that led to establishment of the current civil service system was two-fold in nature: (1) to prohibit a political "spoils" approach to state government jobs and (2) to assure instead a competent, efficient work force. This theme is well displayed in the official argument in favor of Proposition 7 in 1934:

> The purpose of this Constitutional Amendment is to promote efficiency and economy in State Government. The sole aim of the Act is to prohibit appointments and promotions in State service except on the basis of merit, efficiency and fitness ascertained by competitive examination. Appointments of inefficient employees for political reasons are thereby prohibited, thus eliminating the 'Spoils System' from State employment.

Under civil service, all appointments and promotions must be made under a general system based on merit determined by competitive examination. All state employees are in civil service unless specifically exempted by the Constitution. These constitutional exemptions include all employees of the legislative and judicial branches, the University of California, the California State University, the Governor's office and the Lieutenant Governor's office. The Governor's various appointments are also exempt. Within the state's executive branch, practically all employees outside the very top ranks of management (such as department directors and deputy directors) are in the civil service. Currently there are almost 200,000 civil service employees in California state government.

In the sixty years since enactment of Proposition 7, an edifice of statute, rules, and practices has been built upon the constitutional framework. This includes:

- The State Civil Service Act, enacted in 1937 and modified from time to time since.
- The Ralph C. Dills Act, enacted in 1977, providing for collective bargaining between the state and rank-and-file civil service employees of terms and conditions of employment.

- Rules, guidelines and decisions issued by the State Personnel Board (SPB) on the *merit* aspects of personnel matters (such as entry-level and promotional examinations and disciplinary appeals).
- Rules, guidelines and decisions issued by the Department of Personnel Administration (DPA) on the *non-merit* aspects of personnel matters (such as collective bargaining, compensation, and employee training).
- Rules and practices of other state departments, to the extent personnel responsibilities are delegated to them by the SPB, the DPA, or by law.
- Extensive case law, rendered by the courts to interpret all of the above.

In this report we speak of the civil service *system* in a broad sense, to include not only the merit aspects governed by the Constitution and the Civil Service Act, but the full complex of laws, rules and practices listed above as they relate to civil service employees. Below we briefly describe the basic features of the current system. (It should be noted that the descriptions below, by their brief nature, do not convey the full flavor of complexity of these processes. In fact, complexity is a distinguishing hallmark of the civil service system.)

Classification and Hiring

The SPB has established 4,486 job classifications in the California civil service. Each classification delineates a distinct job title and duty description. Positions in each classification generally must be filled on the basis of a competitive examination that is specific for the classification.

The hiring process has two distinct phases. The first is the examination phase, in which one attains eligibility to be considered for hiring. The second is the hiring phase, in which candidates interview for an advertised position opening. The two events can be widely separated in time, in many cases by several years.

Examinations may consist of one or more of the following:

- A written test (usually multiple choice).
- An oral test (similar to an interview).
- A performance test (such as heavy equipment operation or typing).
- Agility/physical ability tests (usually for law enforcement classifications).

Alternatively, some examinations consist solely of filling out an application that asks for information on one's education and experience.

For many exams, existing law requires the award of additional test points for veterans, widows and widowers of veterans, and incumbent state employees. After the award of additional points, the scores of test-takers are re-ranked. These rankings create an "eligibility list."

Departments may interview and hire candidates from a job classification eligibility list. They are constrained by law, in most instances, to select candidates according to two alternative rules:

- Under the "rule of three names" departments may consider only the top three names on the list (which may contain many names). If more than three names received equal scores the order of these names on the list is determined at random.
- Under the "rule of three ranks" (usually applied for professional, scientific and administrative classes) departments may consider candidates in the top three "ranks" of a list. (A rank is a grouping of identical test scores.) A candidate in the fourth rank, for example, is not "reachable" unless at least one of the upper ranks has been "cleared" by all persons in the rank either accepting or declining a job offer.

An eligibility list may be used for one to six years.

The SPB has delegated to departments the design and conduct of examinations for most classifications. If requested, the SPB will conduct examinations and charge requesting departments a fee to cover the SPB's cost.

Probation and Tenure

The SPB establishes for each classification a probation period of either six months or one year. Generally, persons entering a classification from outside the civil service—or newly promoted into a classification—hold their appointment subject to satisfactory completion of the probation period. During this period the employee may be rejected from the position for, among other things, "failure to demonstrate merit, efficiency, fitness and moral responsibility." An employee may appeal a probationary rejection to the SPB, but the burden of proof is on the employee to demonstrate that there is no substantial evidence to support the rejection or that it was made in fraud or bad faith.

After the probation period, successful employees are considered permanent (tenured) civil service employees. The State Civil Service Act states that: "Tenure of civil service employment is subject to good

behavior, efficiency, the necessity of the performance of the work, and the appropriation of sufficient funds."

Promotion

The system places strong emphasis on promotion from within the civil service. Accordingly, many promotional examinations are open only to current civil service employees or, in some cases, only to current employees of the department giving the exam. Moreover, in some examinations in which both state employees and outside candidates compete, state employees are awarded additional points to their examination scores.

Compensation

For each classification the DPA establishes salary ranges specifying a minimum and maximum pay rate, with one or more "steps" in between. For rank-and-file employees the salary ranges are determined through collective bargaining agreements negotiated between the DPA and employee representatives. These agreements also determine benefits and various other terms and conditions of employment. For non-represented employees, the DPA directly determines salaries, benefits and other terms and conditions.

Apart from promotions from one classification to another, pay rates generally increase over time in two ways. Periodically, employees receive cost-of-living-adjustments (COLAs). In addition, employees who receive a good performance evaluation annually receive "merit salary adjustments" (MSAs) until they reach the top of the classification salary range. (For additional detail on compensation please see our overview of employee compensation issues in the *Analysis of the 1995-96 Budget Bill.*)

Discipline

The state employs a three-phased system of discipline consisting of (1) preventive, (2) corrective and (3) disciplinary or "adverse" actions. Preventive actions cover a wide range of steps that may be taken to minimize the occurrence of serious discipline problems. These steps include the setting of reasonable work objectives, employee training and staff development, and provision of regular feedback regarding job performance. Corrective actions range from reminders of expected performance to informal or formal counseling sessions to written letters of warning. For the vast majority of employees discipline problems either do not arise or are resolved through corrective actions. As in any

large organization, however, serious problems of discipline do arise and require formal disciplinary action.

In state employment this ultimate disciplinary phase is referred to as "adverse action." Adverse actions range in severity from formal letters of reprimand to dismissal from employment. Government Code Section 19572 identifies 24 specific grounds for adverse action. These include problems such as incompetency, inefficiency, insubordination, drunkenness on duty, and discourteous treatment of the public or other employees.

State law and rules (some necessitated by court rulings that have treated civil service employment as a form of property right) provide for an appeals process for employees wishing to contest adverse actions. First, an employee is entitled to a "Skelly" hearing (named after a State Supreme Court decision). The "Skelly" hearing affords an informal forum for the employee to present his or her case to a high-level departmental officer that the proposed adverse action be modified or withdrawn. If, after the Skelly hearing, the department proceeds with an adverse action, the employee may appeal the action to the SPB. At the SPB the case receives a full evidentiary hearing before an administrative law judge, whose recommended decision is considered for final judgment by the five-member board. The board takes one of four actions: (1) sustains the adverse action, (2) revokes the action, (3) modifies the action to provide for a *less* severe sanction, or (4) approves a settlement agreed to by the parties.

If an employee is dissatisfied with the outcome of the SPB appeal, he or she may petition a court for adjudication. An employee also may file separate appeals to the SPB alleging that adverse action resulted from discrimination on the basis of age, gender, sexual orientation, race, religion, disability, national origin, ancestry or marital status. Discrimination appeals also may be brought before the Fair Employment and Housing Commission and/or the federal Equal Employment Opportunity Commission.

Concerns With the System

In our review of the state's civil service system, we found numerous indications that the system is no longer operating in an optimal manner for either the state, its employees or the public. Our review included the following:

- Discussions with a wide range of parties and observers, including current and former staff of the DPA and the SPB, civil service

employees in managerial, supervisorial and rank-and-file positions in state government, employee union representatives, academicians, and various interested parties outside California state government.

- Review of testimony from groups and individuals who appeared before the "Little Hoover" Commission, the National Commission on the State and Local Public Service, and the California Constitution Revision Commission.
- Review of literature on civil service systems and other public- and private-sector systems, and efforts at civil service reform in the federal government and in other states.
- Or own collective experience in reviewing the state's programs and operations.

In this review we found a wide range of problems, some broad, some specific, yet all ultimately connected as part of a larger whole. In some cases the evidence is subjective or anecdotal. On their own, these bits of evidence might not be cause for great concern. Viewed collectively, however, we find the evidence points in a compelling direction—that the Legislature should begin a fundamental rethinking, or "reinvention," of the state civil service system in order to make it again serve the state, its employees and the public.

We outline below significant findings from our review of the state civil service system.

Departure From the Original Merit Principles

The core foundation of the civil service is the merit principle—that people should attain appointment and promotions in state service on the basis of qualifications and merit in performance. In several significant respects we find that laws, rules and practices which have been added since the system's inception have departed from this core principle. We cite some examples below.

Merit Salary Adjustments Lack Merit

As described in the background section of this piece, employees who have not reached the maximum of a salary range are eligible to receive annual "merit salary adjustments" (MSAs). Originally, these were conceived to accomplish what the name implies—a pay raise earned by meritorious performance. Over time MSAs seem to have degenerated into a virtually automatic entitlement. For example, in the 1993 calendar year, more than

99 percent of eligible state employees received an MSA. Most state employees work well and conscientiously. One therefore would expect a high percentage to receive MSAs. The current MSA practice, however, appears to merely reward employees for time spent on the job.

Seniority-Driven Layoffs

At times it becomes necessary, due to fiscal constraints, or desirable, due to policy decisions, to reduce the size of state departments or programs. Under existing law and rules regarding layoffs, seniority is the dominant factor in the layoff process. This involves an elaborate "bumping" process, under which a chain reaction of demotions and transfers is set off, more senior employees bumping less senior employees from positions in successive rounds until the least senior employees are bumped out of state service. The state's layoff process is complex. The DPA estimates that it takes up to eight months or longer to implement the layoff process.

In addition to the complex nature of the layoff process, it also does not (1) take into account specific job performance or (2) recognize talented, but less senior, employees who have superior performance and exhibit a high potential for advancement in state service. Furthermore, the layoff "bumping" process causes significant disruption to state programs, not necessarily limited to programs within the department that initiated the layoff. This is the result of not only the loss of time and talent, but also because of the arbitrary nature of placing "bumped" employees in positions for which they may have limited program knowledge or aptitude.

Extra Exam Points Can Shut Out Excellent Candidates

As mentioned earlier, for many hiring examinations extra points are awarded to veterans, widows and widowers of veterans, and incumbent state employees. For example, one examination conducted recently resulted in a hiring list consisting *exclusively* of veterans and incumbent state employees. Well over a hundred outside candidates who attained the *highest* score in this exam (before the awarding of extra points) *cannot even be considered for hiring*. Thus, in this case, the rules undermined the purpose of holding open examinations, which is to maximize the pool of highly qualified candidates for potential hire. The award of extra points to an individual because he or she happens to be a veteran or a state employee has no direct connection with the individual's ability to fulfill job requirements.

System Often Impedes Efficient and Effective Conduct of State Programs

One of the stated purposes of the State Civil Service Act is "...to promote economy and efficiency in the state service." This principle also was emphasized in the 1934 campaign for the constitutional amendment creating the current system. Our review indicates that the principle is not being well served. The examples below illustrate this.

Costly Exam Process Does Not Serve Hiring Needs

For a host of reasons, the state's examination process is exceptionally costly. One reason is because each job classification (4,486 at the latest count) requires its own examination. Examinations tend to be logistically demanding and, in many cases, the number of applicants is overwhelming. The process of oral tests—three-person panels examining one applicant at a time—is inefficient and expensive.

Yet despite all the time and resources expended, the process does not consistently provide a department with the best possible candidates for specific positions. The arbitrary shrinkage in eligible candidate pools caused by the award of extra exam points for veterans and state employees has been noted above in another context. Another example is provided by the "rule of three names." This rule, required for many job classifications by law, places three individuals at the top of an eligibility list. Departments may consider only these three for hiring, even if dozens or even hundreds passed the exam. No testing method devised can identify from a large or moderately sized group the *three* people best suited for a particular job. Department personnel officers, in fact, have complained to us that they often feel forced by this rule to hire candidates who are not the best-suited for the open positions. In addition, in cases where there are multiple openings, it may be the only way to reach better candidates who are farther down an eligibility list. Such job-person mismatches, at best, are an inefficient use of state resources. At worst, these mismatches can produce long-lasting personnel problems.

Finally, the logistical demands and costs of examinations cause departments to schedule examinations for some classifications at intervals of several years. This results in eligibility lists that become obsolete over time. High quality candidates on the list accept jobs elsewhere during the long intervals between exams and hirings. Other promising candidates may not be on the current eligibility list because at the time the last examination was held they might not have been eligible to take it or may not have been interested. These individuals, however, cannot be

considered until the department goes through the laborious exercise of another examination and the creation of a new list.

Explicit and Hidden Costs of Adverse Action Appeals

The process for appeals of adverse actions provides another example of disproportionate costs and counterproductive effects on state operations. As discussed in the background part of this piece, employees may appeal adverse actions (which range from letters of reprimand to dismissal) to the SPB. Here they are afforded a quasi-judicial forum, with legal representation at full evidentiary hearings presided over by administrative law judges (ALJs), and final reviews of ALJ recommendations by the five-member board. This process costs the SPB at least $2.5 million each year (charged to the departments whose actions are appealed) for the ALJs and their support. (In the 1994 Budget Act the Legislature appropriated an additional $2.2 million on a one-time basis to address the backlog of appeals.) For the 1995-96 fiscal year the DPA projects their attorney and related costs at $1.3 million (again, charged to the departments whose adverse actions are before the board). We have not identified the amounts spent directly by departments in preparation for, and participation in, adverse action hearings.

Over the last ten years the number of adverse action appeals brought to the board each year has grown from approximately 1,400 to 2,000, paralleling the growth rate in the civil service work force. Over the same time period the *average* time to decide an appeal doubled from six to 12 months. (Statute dictates a *maximum* of six months.) Clearly, the process is time-consuming and expensive. Moreover, much of this time and expense is consumed on matters such as letters of reprimand, five-day suspensions without pay, and even failures to pass the probationary phase of hiring (which isn't even a disciplinary matter). Existing law gives the SPB discretion to review these and other these types of cases without full evidentiary hearings, but the board has adopted a rule automatically assigning all appeals to full hearings.

The above indicates that the explicit costs of the adverse action process are high. The hidden costs may be higher still. Many managers and supervisors find the prospect of having to navigate the appeals process so prohibitive, in terms of time, expense and disruption to operations, that they avoid taking disciplinary actions that are warranted. This approach produces a series of negative consequences, including productivity losses and reduced morale among co-workers. It usually comes back to haunt the manager (or his or her successor) and the department, as unaddressed discipline problems worsen.

Process Dominates Substance and Results

Our review found numerous indications of concern for process dominating concern for substance and results. The SPB disciplinary review process provides dramatic evidence of this. We describe that example and another below.

Adverse Action Appeals

As noted above, many supervisors refrain from taking warranted adverse actions against employees because of the high procedural costs. According to many observers, far too many adverse actions are overturned by the SPB simply on technicalities (such as incomplete documentation records). Under the current process, no distinction is made between major and minor adverse actions, as we have noted above.

In a recent, and major, instance the SPB itself was overruled on a procedural issue by a state appellate court. The court ruled last year in *California Correctional Peace Officers Association v. SPB* that the SPB loses jurisdiction when the board fails to decide appeals within the statutory six-month period for SPB review. Accordingly, the court nullified the board's decisions in approximately 50 adverse actions. Initially, the court ruled that all the adverse actions were overturned and ordered the reinstatement of dismissed employees with back-pay. The court later amended the ruling to provide instead that the employees were now free to challenge the adverse actions in courts of law. This ruling has created something of a crisis for the handling of adverse actions generally since the precedent potentially affects hundreds of other appeals.

Administrative Procedure Act Ties State's Internal Operations in Knots

The Administrative Procedure Act, administered by the Office of Administrative Law (OAL), was enacted by the Legislature in 1979 to reduce the complexity, and improve the clarity and legal consistency, of state regulations. The legislation was intended to minimize unnecessary regulatory burden on private firms and citizens. Over the years, however, the OAL has repeatedly interpreted the act as applying to the state's internal personnel policies. In one 1990 determination the OAL concluded that a DPA policy requiring state employees to fill out sick leave forms specifying the nature of the illness is a state regulation, and is therefore not legally enforceable unless and until the DPA promulgates the policy as a formal regulation. Among other things, this process would require the DPA to (1) prepare detailed documentation in

support of its proposed regulation, (2) provide public notice and receive comments, (3) respond to each comment received, (4) hold a public hearing (if requested by anyone), and (5) submit the regulation and final documentation to the OAL for its review and approval.

Recently, the SPB had to inform state departments that it could not issue any guidelines or clarifying instructions concerning departments' preparations of affirmative action goals and timetables (as required by the state's law on affirmative action in civil service) because the OAL had determined that the guidelines are regulations subject to the Act. The SPB memo stated that up to two years might be required to promulgate the guidelines as regulations. Meanwhile, of course, departments are not relieved of their obligations to prepare and submit goals and timetables.

System Hinders Full Personal and Career Development

The examples below indicate that the current system also hinders opportunities for growth for employees.

Employees Forced Into Confining Job Classifications and Career Tracks

As mentioned above, the state has created 4,486 separate job classifications. As of February 1995, a total of 726 of these classifications had *only one incumbent*. The minute distinctions between classifications often border on the ridiculous. The stultifying effects of this classification maze, however, are serious for employers and employees alike.

One of the problems for employers—an increased number of costly examinations—has been noted above. Another problem facing employers is the inability to readily adapt to changing needs in both the workplace and the delivery of services. The rigidity of the classification definitions also poses barriers, both procedural and psychological, to the formation of project-or task-specific teams, within and among departments. They often create organizational tunnel vision. For employees, the confining classifications inhibit broadening career and personal development.

To its credit, the DPA has recognized that the current proliferation of job classifications is a serious problem and has proposed an alternative, on a pilot basis. According to a January 30, 1995, notification letter to the Legislature, the DPA will experiment with "broad banding" within the department. This will involve consolidating 15 classifications into four job "bands" to allow employees greater breadth in their duties

and experience and allow the department greater flexibility in matching staff resources with changing tasks.

Lack of Lateral Entry

The system creates numerous barriers to lateral entry into the civil service, including extra exam points for current state employees, and the frequent use of exams closed to outside candidates. This, we believe, works to the detriment of employees as well as the state. In advocating the elimination of such barriers in state governments across the country, the National Commission on the State and Local Public Service points to the desirability of encouraging "...free movement between the public and private sectors. Many of the skills they require are interchangeable, and it is in the nation's long-term best interest to have its workers understand both worlds."

System Does Not Actively Recruit Top Candidates to State Service

The quality of any organization depends ultimately on the quality of the people who work for it, and the test of any personnel system is its effectiveness in this regard. We find that too often the state pursues a passive strategy toward attracting the best candidates for civil service or that the ponderous nature of the system creates its own barriers to recruitment, as shown by the examples below.

Lack of Centralized Employment Information

The state lacks a centralized source of employment information that can be easily accessed by people interested in state service. There is only one physical location in the entire state where a complete posting of exam and position announcements can be viewed (the SPB headquarters in Sacramento) and that location is not staffed. Centralized information about state employment opportunities also is not available on any computer networks.

Lack of Recruitment at Colleges and Universities

Some civil service veterans we spoke with remember a time when state departments actively recruited on college and university campuses to fill entry level professional positions. This effort has largely disappeared. Instead, the state now takes a *passive* approach to the filling of these positions and waits for candidates to present themselves for consideration.

Departments rely heavily, in some cases almost exclusively, on the promotion of employees in nonanalytical positions (various support functions) into analytical positions, under rules allowing time spent in state employment to be equivalent to higher education degrees. While many competent employees are available under this approach, the civil service managers we spoke with feel the quality of analytical/professional staff has declined due to the lack of recruitment of top university graduates. A number of factors have contributed to the decline of such recruiting, including hiring freezes ordered by the Governor.

We believe this problem has serious implications for the future quality of the civil service from bottom to top, and should be a matter of special concern to the Legislature.

Special Problems in Information Technology

The state in the last several years has experienced a series of costly and highly publicized problems in the area of information technology, which led the Governor to appoint a Task Force on Government Technology Policy and Procurement. Among the task force's findings and recommendations were several in the area of personnel policy. The task force observed that: "Few state IT [information technology] employees possess the technical skill sets needed to implement current IT solutions." The task force also stated that: "The civil service system does not facilitate a regular or timely infusion of new people, new thinking, or creativity from the outside—elements that are critical to meet the needs of a rapidly changing discipline like IT."

The Department of Motor Vehicles (DMV), site of a recent particularly egregious problem with implementation of a computer system now finds itself stymied by civil service barriers in its attempt to reorganize its information technology operations. Specifically, the DMV is interested in heading the reorganized office under a new "chief information officer" position. The department believes that an open search is necessary to secure the best possible candidates for this position. The DMV, however, finds that its options to seek outside candidates are constrained by a variety of civil service rules, and the department's reorganization plans are on hold.

PRINCIPLES FOR CHANGE

We believe that the breadth and the seriousness of the problems noted above point in a compelling direction—that the Legislature should begin a fundamental rethinking, or "reinvention", of the state

civil service system in order to make it again serve the state, its employees and the public.

Such a fundamental review would parallel similar efforts under way in other states and the federal government (under the Vice President's ongoing National Performance Review), and would be consistent with recent findings and recommendations directed at state and local governments by the National Commission on the State and Local Public Service. The timeliness of this "reinvention" effort is further underscored by the present work of the California Constitution Revision Commission, which will be presenting its initial report to the Legislature In August 1995.

In Figure 1 (see next page), we suggest a set of guiding principles to assist the Legislature in reviewing and crafting specific proposals directed at a reinvention of the state civil service.

Begin Process to Revamp the State's Civil Service System

We believe the Legislature should begin a fundamental rethinking, or "reinvention," of the state civil service system. Specifically, we recommend that the Legislature begin holding hearings to fully solicit the views of state officials, employees and their representatives, and the public on this vital and far-reaching subject. Through these hearings, the Legislature can develop necessary legislation and foster necessary administrative changes.

Based on our findings, we believe the Legislature should approach the subject with its collective mind open to a wide range of alternative system models, rather than limit itself to consideration only of incremental changes at the "edges" of the current system. We hope the above principles will serve as a helpful guide for this process. In addition, we will continue to look at ways to improve specific aspects of the state's civil service system and, where indicated, to recommend specific statutory or administrative changes.

Figure 1

Principles for Reinventing California's Civil Service System

- **The Public Comes First**
  Every other principle underlying the design of a good civil service system should tie back to this one.

- **Base Fully on The Merit Principle**
  This was the core foundation of the civil service established by the State Constitution in 1934. The principle is as appropriate now as it was then.

- **Guard Against Politicization and Patronage**
  Although societal and legal changes have diminished the threat of a return to a "spoils" system in state service, it is not an obsolete concern. Any system of state service must contain safeguards against politicization and patronage.

- **Make Adaptable to Change**
  The system must have the ability to adapt to change, including change in the state's demographics, the organization of work, and the conceptions of work and career on the part of employees.

- **Promote Excellence in State Service and, Thereby, Efficient and Effective Delivery of Services to The Public.**
  A good system should foster a culture of excellence. The state should not be content with mediocrity in the public service.

- **Promote Full Use and Development of Employees' Talents and Ideas**
  The civil service system must provide an attractive place for people to work and to grow in talent and fulfillment. Employees must feel that their contributions make a difference—that they are engaged in valuable (and valued) public service.

- **Promote a Workforce Representative of The State's People.**
  We believe this is an important principle for any organization, but particularly so for government in a representative democracy. We also believe this principle can and should be implemented in harmony with the other principles enunciated above.

Legislative Analyst's Office

Recent Reports

Common Cents (October 1993). This is a graphically oriented booklet that provides basic information on state and local government finances in California.

Crime in California (January 1994). This is a graphically oriented booklet that provides basic information on trends in crime and policy implications of these data.

California K-12 Report Card (February 1994.) This booklet compares the performance of California students with those in other states.

School-to-Work Transition: Improving High School Career Programs (February 1994). This report provides information on "school-to-work" programs and makes recommendations to the Legislature on how best to implement such programs in California.

Cal Facts—California's Economy and Budget in Perspective (April 1994). This booklet is a graphically oriented reference document answering frequently asked questions concerning the state.

State Spending Plan for 1994-95 (August 1994). This report summarizes the budget plan adopted for 1994-95.

Implementing New Federal Education Legislation (February 1995), Report 95-1. This report discusses issues involved in the state's implementation of three recently enacted federal laws: Goals 2000, School to Work, and Elementary and Secondary Education.

Analysis of the 1995-96 Budget Bill (February 1995). This report presents the results of our detailed examination of the Governor's Budget for 1995-96.

The 1995-96 Budget: Perspectives & Issues (February 1995). This report provides perspectives on the state's fiscal condition and the budget proposed by the Governor for 1995-96, and identifies some of the major issues facing the Legislature.

Recent Papers

Information Technology: An Important Tool for a More Effective Government (June 16, 1994).

Bonds and the November 1994 Ballot (August 9, 1994).

The President's Welfare Reform Proposal: Fiscal Effect on California (August 11, 1994).

The Federal Crime Bill: What Will It Mean for California? (September 27, 1994).

California Defense Conversion: Technology Reinvestment Project (December 27, 1994).

Accommodating Prison Population Growth (January 6, 1995).

The "Three Strikes and You're Out" Law—A Preliminary Assessment (January 6, 1995).

An Overview of the 1995-96 Governor's Budget (January 20, 1995).

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