

## 8380 Department of Personnel Administration

The Department of Personnel Administration (DPA) is the Governor's chief personnel policy advisor. The Department represents the Governor as the "employer" in all matters concerning state employer-employee relations. The Department is responsible for all issues related to salaries, benefits, and position classification. For rank and file employees, these matters are determined through the collective bargaining process and for excluded employees, through a meet and confer process. Specifically DPA:

- Represents the Governor in negotiations with the employee labor organizations regarding terms and conditions of employment.
- Sets the terms and conditions of employment for employees excluded from collective bargaining (managers, supervisors, and confidential employees).
- Manages salaries, benefits, classifications, and administers all aspects of the terms and conditions of employment for state employees except for merit-related matters (merit-related matters are those involving hiring, promoting, and disciplining state employees).
- Administers the tax-deferred savings program for state employees.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Classification and Compensation	33.2	39.4	52.3	\$4,695	\$5,363	\$6,134
20 Labor Relations	18.4	23.9	25.8	2,690	4,329	4,207
25 Legal Services	39.1	49.7	49.7	5,359	8,079	8,119
40.01 Administration	31.5	37.1	37.1	3,668	4,339	4,190
40.02 Distributed Administration	-	-	-	-3,668	-4,339	-4,190
54 Benefits Administration	58.0	66.3	68.1	41,144	46,389	47,484
99 Unclassified (Benefit Payments)	-	-	-	21,199	27,719	27,719
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>180.2</b>	<b>216.4</b>	<b>233.0</b>	<b>\$75,087</b>	<b>\$91,879</b>	<b>\$93,663</b>
<b>FUNDING</b>				<b>2005-06*</b>	<b>2006-07*</b>	<b>2007-08*</b>
0001 General Fund				\$29,815	\$34,107	\$33,693
0367 Indian Gaming Special Distribution Fund				31	296	-
0821 Flexelect Benefit Fund				20,576	27,649	27,598
0915 Deferred Compensation Plan Fund				9,444	11,829	12,760
0995 Reimbursements				13,847	16,598	18,212
8008 State Employees' Pretax Parking Fund				1,374	1,400	1,400
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$75,087</b>	<b>\$91,879</b>	<b>\$93,663</b>

Note that the expenditures for funds 0821 and 8008 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Government Code, Title 1, Division 1, Chapters 10.3 and 10.5; Government Code, Title 2, Division 5, Part 2.6; and California Code of Regulations, Title 2, Division 1, Chapter 3.

### MAJOR PROGRAM CHANGES

- An increase of \$173,000 in reimbursement authority and 2.0 two-year limited term positions (1.9 PYs) for the Classification and Compensation Division for workload associated with California Department of Corrections and Rehabilitation activity as required for the court-appointed receivership.
- An increase of \$149,000 in General Fund and 2.0 positions (1.9 PYs) for the Labor Relations Division to address workload associated with estimating the cost of collective bargaining issues.
- An increase of \$726,000 in Deferred Compensation Funds and \$202,000 in reimbursement authority for the Benefits Division to fund increased costs for the Third Party Administrator for the Savings Plus Program.
- An addition of 2.0 positions (1.9 PYs) and the redirection of \$139,000 in operating expenses for the Benefits Division to establish a communications and publications team to disseminate employee benefit information.

\* Dollars in thousands, except in Salary Range.

## 8380 Department of Personnel Administration - Continued

- An increase of \$1,056,000 in reimbursement authority and 11.5 positions (10.9 PYs) to implement DPAs portion of the Fi\$Cal Project.

### DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• SPP's Third Party Administrator's Cost and Financial Audit	\$-	\$-	-	\$-	\$928	-
• Staffing for CDCR Lawsuits	-	-	-	-	173	1.9
• Reappropriation	-	296	-	-	-	-
• Other Baseline Adjustments	508	533	-	-55	871	-
<b>Totals, Baseline Adjustments</b>	<b>\$508</b>	<b>\$829</b>	<b>-</b>	<b>-\$55</b>	<b>\$1,972</b>	<b>1.9</b>
<b>Policy Adjustment Descriptions</b>						
• Office of Financial Management and Economic Research Augmentation	\$-	\$-	-	\$149	\$-	1.9
• Financial Information System for California (Fi\$Cal)	-	-	-	-	1,056	10.9
• Communications and Electronic Publications Request	-	-	-	-	-	1.9
<b>Totals, Policy Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$149</b>	<b>\$1,056</b>	<b>14.7</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$508</b>	<b>\$829</b>	<b>-</b>	<b>\$94</b>	<b>\$3,028</b>	<b>16.6</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 CLASSIFICATION AND COMPENSATION

The Classification and Compensation Division provides a variety of human resource services, including the development of policy relative to classification and compensation standards and the Career Executive Assignment (CEA) program; consultation to departments and agencies on position allocation and effective personnel management practices; technical expertise in resolving complex personnel management issues; the development and implementation of pay letters, layoff and State Restriction of Appointments (SROA) programs, the state's exempt employee program, and verification of qualifying state service for purposes of calculating service credit; the development and implementation of innovative personnel management concepts designed to address workforce challenges including succession planning, pay incentive programs, and a reduced workforce.

#### 20 LABOR RELATIONS

The Labor Relations Division represents the Governor through the collective bargaining process and presents the state's management position in negotiations with the exclusive representatives (typically unions) of the 21 bargaining units. Collective bargaining issues include wages, hours, and working conditions for represented employees. The Division is responsible for setting the pay and benefits of employees excluded from the collective bargaining process including supervisors, managers, executives and confidential employees. (Confidential employees are generally those whose work assignments expose them to information that is sensitive or confidential in nature.) The Division provides cost estimates for collective bargaining proposals regarding changes to compensation, benefits, and working conditions. The Division is responsible for determining appropriate compensation levels for the state's employees through a salary survey program.

#### 25 LEGAL

The Legal Division represents the state in all labor relations matters. The Division also represents agencies in areas such as personnel and discipline matters and wage and hour claims. The Department's attorneys are also called upon to provide legal representation in employment law, such as claims under the Americans with Disabilities Act and the Family Medical Leave Act.

#### 40 ADMINISTRATION

The Department of Personnel Administration's Executive Office provides strategic planning and direction for the Department as well as advice to the Governor's Office on all matters involving state employer-employee relations. The Administration Program also provides staff support and service to the Department's line programs including fiscal, personnel, contract, procurement, information technology, and telecommunications services.

#### 54 BENEFITS ADMINISTRATION

The Benefits Administration Program administers a comprehensive employee benefit package designed to assist the state in attracting and retaining a qualified and diversified workforce. Benefits include health, dental, vision, employee assistance,

\* Dollars in thousands, except in Salary Range.

## 8380 Department of Personnel Administration - Continued

safety/wellness, life insurance, long-term disability insurance, and legal services. The Benefits Administration Program also manages the master service agreement with the State Compensation Insurance Fund to provide for the state's workers' compensation program. The Savings Plus Program administers a tax-deferred savings program for state employees to supplement their future retirement in addition to the Alternative Retirement Program.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2005-06*	2006-07*	2007-08*
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>CLASSIFICATION AND COMPENSATION</b>			
	<b>State Operations:</b>			
0001	General Fund	\$3,418	\$4,430	\$3,972
0995	Reimbursements	1,277	933	2,162
	<b>Totals, State Operations</b>	<b>\$4,695</b>	<b>\$5,363</b>	<b>\$6,134</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>LABOR RELATIONS</b>			
	<b>State Operations:</b>			
0001	General Fund	\$2,432	\$3,420	\$3,596
0367	Indian Gaming Special Distribution Fund	31	296	-
0995	Reimbursements	227	613	611
	<b>Totals, State Operations</b>	<b>\$2,690</b>	<b>\$4,329</b>	<b>\$4,207</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>25</b>	<b>LEGAL SERVICES</b>			
	<b>State Operations:</b>			
0001	General Fund	\$1,215	\$1,769	\$1,784
0995	Reimbursements	4,144	6,310	6,335
	<b>Totals, State Operations</b>	<b>\$5,359</b>	<b>\$8,079</b>	<b>\$8,119</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>54</b>	<b>BENEFITS ADMINISTRATION</b>			
	<b>State Operations:</b>			
0001	General Fund	\$22,750	\$24,488	\$24,341
0821	Flexelect Benefit Fund	751	1,330	1,279
0915	Deferred Compensation Plan Fund	9,444	11,829	12,760
0995	Reimbursements	8,199	8,742	9,104
	<b>Totals, State Operations</b>	<b>\$41,144</b>	<b>\$46,389</b>	<b>\$47,484</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>99</b>	<b>BENEFIT PAYMENTS</b>			
	<b>Unclassified:</b>			
0821	Flexelect Benefit Fund	\$19,825	\$26,319	\$26,319
8008	State Employees' Pretax Parking Fund	1,374	1,400	1,400
	<b>Totals, Unclassified</b>	<b>\$21,199</b>	<b>\$27,719</b>	<b>\$27,719</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	53,888	64,160	65,944
	Unclassified	21,199	27,719	27,719
	<b>Totals, Expenditures</b>	<b>\$75,087</b>	<b>\$91,879</b>	<b>\$93,663</b>

### EXPENDITURES BY CATEGORY (Summary By Object)

	1 State Operations	Positions			Expenditures		
		2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES							
	Authorized Positions (Equals Sch. 7A)	180.2	227.0	227.0	\$11,438	\$13,618	\$13,829

\* Dollars in thousands, except in Salary Range.



**8380 Department of Personnel Administration - Continued**

<b>1 STATE OPERATIONS</b>	<b>2005-06*</b>	<b>2006-07*</b>	<b>2007-08*</b>
Adjustment per Section 3.60	-1	2	-
<b>Totals Available</b>	<b>\$1,248</b>	<b>\$1,330</b>	<b>\$1,279</b>
Unexpended balance, estimated savings	-497	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$751</b>	<b>\$1,330</b>	<b>\$1,279</b>
<b>0915 Deferred Compensation Plan Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$9,796	\$11,712	\$12,760
Allocation for employee compensation	-	101	-
Adjustment per Section 3.60	-8	16	-
Transfer to Legislative Claims (9670)	-3	-	-
<b>Totals Available</b>	<b>\$9,785</b>	<b>\$11,829</b>	<b>\$12,760</b>
Unexpended balance, estimated savings	-341	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$9,444</b>	<b>\$11,829</b>	<b>\$12,760</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$13,847	\$16,598	\$18,212
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$53,888</b>	<b>\$64,160</b>	<b>\$65,944</b>
<b>4 UNCLASSIFIED</b>			
<b>2005-06* 2006-07* 2007-08*</b>			
<b>0821 Flexelect Benefit Fund</b>			
APPROPRIATIONS			
Government Code Sec 1156 (claims paid)	\$19,825	\$26,319	\$26,319
<b>TOTALS, EXPENDITURES</b>	<b>\$19,825</b>	<b>\$26,319</b>	<b>\$26,319</b>
<b>8008 State Employees' Pretax Parking Fund</b>			
APPROPRIATIONS			
Government Code Section 1156.1	\$1,374	\$1,400	\$1,400
<b>TOTALS, EXPENDITURES</b>	<b>\$1,374</b>	<b>\$1,400</b>	<b>\$1,400</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>	<b>\$21,199</b>	<b>\$27,719</b>	<b>\$27,719</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)</b>	<b>\$75,087</b>	<b>\$91,879</b>	<b>\$93,663</b>

**FUND CONDITION STATEMENTS**

	<b>2005-06*</b>	<b>2006-07*</b>	<b>2007-08*</b>
<b>0258 Work and Family Fund <sup>S</sup></b>			
BEGINNING BALANCE	\$349	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Transfers and Other Adjustments:			
TO0001 To General Fund per Government Code Section 16346	-349	-	-
Total Revenues, Transfers, and Other Adjustments	-349	-	-
Total Resources	-	-	-
FUND BALANCE	-	-	-
<b>0821 Flexelect Benefit Fund <sup>N</sup></b>			
BEGINNING BALANCE	\$8,285	\$8,517	\$9,249
Prior year adjustments	2,163	-	-
Adjusted Beginning Balance	\$10,448	\$8,517	\$9,249
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215100 Surplus Money Investments (DPA)	330	226	226
216600 Fees and Licenses (Administrative Fees)	264	600	600
261900 Escheat of Unclaimed Checks	18	-	-

\* Dollars in thousands, except in Salary Range.

## 8380 Department of Personnel Administration - Continued

	2005-06*	2006-07*	2007-08*
299600 Other:			
Employee Contributions - Health Care	9,453	13,359	15,395
Employee Contributions - Dependent Care	8,580	14,196	17,171
Total Revenues, Transfers, and Other Adjustments	<u>\$18,645</u>	<u>\$28,381</u>	<u>\$33,392</u>
Total Resources	\$29,093	\$36,898	\$42,641
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
8380 Department of Personnel Administration			
State Operations	751	1,330	1,279
Unclassified	19,825	26,319	26,319
Health Care Reimbursement Account	(10,046)	(13,486)	(13,486)
Dependent Care Reimbursement Accounts	<u>(9,779)</u>	<u>(12,833)</u>	<u>(12,833)</u>
Total Expenditures and Expenditure Adjustments	<u>\$20,576</u>	<u>\$27,649</u>	<u>\$27,598</u>
FUND BALANCE	\$8,517	\$9,249	\$15,043
<b>0915 Deferred Compensation Plan Fund <sup>N</sup></b>			
BEGINNING BALANCE	\$5,533,061	\$7,045,885	\$8,606,110
<b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>			
Revenues:			
215600 Interest on Investments (Participants)	494,756	494,756	494,756
221100 Other (Employee Contributions)	1,015,937	1,066,734	1,066,734
250300 Surplus Money Investments (DPA)	272	268	300
299900 Fees and Licenses (Administrative Fees)	<u>11,310</u>	<u>10,300</u>	<u>10,800</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,522,275</u>	<u>\$1,572,058</u>	<u>\$1,572,590</u>
Total Resources	\$7,055,336	\$8,617,943	\$10,178,700
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
0840 State Controller (State Operations)	3	4	6
8380 Department of Personnel Administration (State Operations)	9,444	11,829	12,760
Other Disbursements:			
Payments to Participants			
9670 Equity Claims of California Victim Compensation and Government Claims Board and (State Operations)	4	-	-
Total Expenditures and Expenditure Adjustments	<u>\$9,451</u>	<u>\$11,833</u>	<u>\$12,766</u>
FUND BALANCE	\$7,045,885	\$8,606,110	\$10,165,934

**CHANGES IN AUTHORIZED POSITIONS**

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	180.2	227.0	227.0	\$11,438	\$13,618	\$13,829
<b>Workload and Administrative Adjustments:</b>				<b>Salary Range</b>		
Transfer from Program 54, Benefits Administration:						
Sr Mngmt Auditor	-	-1.0	-	5,211-6,286	-75	-
Transfer to Program 40, Administration:						
Sr Mngmt Auditor	-	1.0	-	5,211-6,286	75	-
<b>Totals, Workload &amp; Admin Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Proposed New Positions:</b>						
Program 10, Classification and Compensation:						
Personnel Program Advisor	-	-	4.0	5,970-6,584	-	304
Staff Program Analyst	-	-	0.5	4,898-5,955	-	35
Staff Personnel Program Analyst	-	-	6.0	4,912-5,926	-	408

\* Dollars in thousands, except in Salary Range.

## 8380 Department of Personnel Administration - Continued

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Research Analyst II	-	-	1.0	4,467-5,431	-	63
Office Technician (T)	-	-	1.0	2,598-3,157	-	38
Graduate Student Assistant Program 20, Labor Relations	-	-	1.0	1,740-2,634	-	22
Staff Services Manager I	-	-	1.0	4,912-5,926	-	65
Office Technician (T) Program 54, Benefits	-	-	1.0	2,598-3,157	-	35
Associate Governmental Program Analyst	-	-	1.0	4,255-5,172	-	57
Graphic Designer II	-	-	1.0	3,583-4,355	-	48
<b>Totals, Proposed New Positions</b>	-	-	<b>17.5</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,075</b>
<b>Total Adjustments</b>	-	-	<b>17.5</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,075</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>180.2</b>	<b>227.0</b>	<b>244.5</b>	<b>\$11,438</b>	<b>\$13,618</b>	<b>\$14,904</b>

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