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Report to the Mississippi Legislature

Issue Brief: Effect of Agencies Being Exempted from Mississippi State Personnel Board's Purview

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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December 16, 2020

Honorable Tate Reeves, Governor
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Members of the Mississippi State Legislature

On December 16, 2020, the PEER Committee authorized release of the report titled ***Issue Brief: Effect of Agencies Being Exempted from Mississippi State Personnel Board's Purview.***

A handwritten signature in cursive script, reading "Lydia Chassaniol".

Senator Lydia Chassaniol, Chair

This report does not recommend increased funding or additional staff.

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Effect of Agencies Being Exempted from Mississippi State Personnel Board's Purview

Conclusion: Although state law required agencies exempt from MSPB purview to provide annual reports detailing personnel actions taken while being exempted, PEER determined that agencies subject to this requirement—i.e., departments of Corrections, Human Services, and Child Protection Services—did not provide the required reports. Therefore, the Legislature had no metrics with which to determine the impact of the agencies being exempted from MSPB purview. In addition, for three of the agencies reviewed by PEER—i.e., departments of Marine Resources, Education, and Corrections—salary increases were not granted consistently within job classes while the departments were exempt from MSPB purview. PEER identified examples of employees in the same job class within the departments being given raises of different amounts and percentages of increase, which is contrary to the state's compensation plan.

Background

In 1980, the Mississippi Legislature established the Mississippi State Personnel Board (MSPB) for the statewide coordination of public personnel administration. MSPB is responsible for maintaining a merit system, operating a classification and compensation system, tracking employee compensation expenditures, and providing for employee development, among other tasks. The Legislature empowered MSPB to function as a high control/high service personnel agency with the authority to enact considerable control over state agency resources and the compensation policies of the departments and agencies of state government. State agencies have complained that MSPB's centralized control limits their ability to dismiss employees who do not meet the expectations of their supervisors and impedes agency managers from rewarding the employees they count on to do the work of the agency. In 1988, the Mississippi Legislature began the practice of temporarily removing agencies from MSPB's purview on a case-by-case basis.

State Agencies Evaluated

PEER reviewed legislation enacted by the Legislature during the 2010 through 2020 Regular sessions. This report addresses the impact Legislature-granted exemptions for this period have had on the budget and workforces of the following agencies:

- Mississippi Department of Marine Resources (MDMR);
- Mississippi Department of Education (MDE);
- Mississippi Department of Corrections (MDOC); and,
- Mississippi Department of Human Services (MDHS).

Why do Agencies Seek Exemptions from MSPB Purview?

Agencies believe they need greater flexibility in carrying out both compensation policy and their ability to remove or reassign staff without MSPB oversight or control; however, PEER was unable to identify the justification submitted to the Legislature by each agency as the basis for an exemption from MSPB purview.

Is MSPB taking any action to address the topics of concern that drive agencies to seek exemption?

To address issues described in this report, and potentially limit agencies requesting exemptions from MSPB purview in the future, MSPB contracted with Kenning Consulting, Inc., to develop a new state classification and compensation system. The goal of the contract is to redesign the state's current system to create a new classification plan that provides flexible job descriptions that are up to date in terms of duties performed and minimum qualifications that will allow agencies to recruit and hire better qualified individuals. The new system also aims to provide a new compensation plan that offers flexibility to each agency while increasing the level of control the Legislature has on agency spending.

Report Conclusions

1 During its exemption, MDMR granted 174 salary increases (to 115 people), totaling approximately \$331,000. MDMR also experienced separations at a rate higher than the agency's rate for the previous year.

2 During its exemption, MDE granted 382 salary increases (to 292 people), totaling approximately \$2.3 million. The department also experienced separations at a rate higher than the agency's rate for the year previous year.

3 During its first year of exemption, MDOC granted 1,061 salary increases (to 903 people), totaling approximately \$2.3 million. During an extended exemption period (for the first six months), MDOC granted 361 salary increases (to 343 people), totaling approximately \$872,000. MDOC also experienced separations at a rate lower than the agency's rate for the year previous year.

4 During its four-year exemption from MSPB purview, MDHS experienced separations at a rate lower than the agency's rate for the year previous to the exemption being granted. Additionally, MDHS's granted exemption from compliance with the minimum qualifications established for state service positions could create potential issues when the exempted positions return to MSPB purview.

5 MISS. CODE ANN. Section 25-9-127 (8) (1972) establishes measures for evaluation of action taken by agencies during granted exemptions from MSPB purview. PEER analysis found that no agency subject to these measures filed the reports required under the statute. Additionally, while exempt from MSPB purview, MDE hired one employee for a salary that was in excess of the maximum salary outlined in state law.

6 Prudent management dictates that prior to major changes in agencies' operations, management should develop strategies backed by detailed planning and analysis for any implemented changes. PEER was unable to identify the justification submitted to the Legislature by each agency as the basis for an exemption from MSPB purview. An agency-created "road map" could potentially be utilized as additional oversight for agency action during its granted exemption.

Recommendations

1. To help assess the impact of any future legislative action granting state agencies exemption from MSPB purview, the Legislature should consider amending MISS. CODE ANN. Section 25-9-127(8) to include that exempted agencies should provide a copy of these reports to the PEER Committee, the MSPB, and the Legislative Budget Office.
2. The Legislature should consider requiring each requesting agency provide quantifiable measures showing what actions will be taken under the authority of the exemption to improve the operational efficiency and/or effectiveness of the agency.



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Senator Lydia Chassaniol, Chair | James A. Barber, Executive Director

A copy of the full report is available at: www.peer.ms.gov

Issue Brief: Effect of Agencies Being Exempted from Mississippi State Personnel Board's Purview

Introduction

Authority

The PEER Committee, under the authority found in MISS. CODE ANN. Section 5-3-51 et seq. (1972), reviewed the effect of agencies being exempted from the purview of the Mississippi State Personnel Board (MSPB).

Purpose, Limitations, and Scope

State agencies often assert that Mississippi's centralized personnel administration limits their ability to dismiss employees who are not meeting the expectations of their supervisors and impedes agency managers from rewarding the employees they count on to do the work of the agency. In response to such assertions, the Legislature, in 1988, began the practice of temporarily removing agencies from MSPB's purview on a case-by-case basis.

PEER reviewed legislation enacted by the Legislature during the 2010 through 2020 Regular Sessions and identified four agencies that were granted temporary exemptions from MSPB purview, as listed below:

- Mississippi Department of Marine Resources (MDMR);
- Mississippi Department of Education (MDE);
- Mississippi Department of Corrections (MDOC); and,
- Mississippi Department of Human Services (MDHS).

During the period 2010 to 2020, the Legislature granted exemption from MSPB purview to two additional agencies that were not included in PEER's review due to circumstances unique to the agencies. These agencies include:

- Mississippi Department of Child Protection Services (MDCPS);¹ and,
- Mississippi School of the Arts.²

In conducting this review, PEER sought to answer the following questions:

- From what MSPB oversight do agencies seek exemption?
- What has been the impact on state agencies' budgets and workforces?
- Is MSPB taking any action to address the topics of concern that motivate agencies to seek exemptions?

¹ Prior to its creation in 2016, MDCPS was a division of the Mississippi Department of Human Services (MDHS). The Legislature exempted MDCPS from MSPB overview at its creation and personnel actions during its transition from MDHS were not readily available.

² As of January 1, 2020, Senate Bill 2625 (2019 Regular Session) removed all administrative, instructional, and non-instructional employees of the Mississippi School of the Arts from the purview of MSPB. Because this exclusion is permanent, PEER did not include analysis of this action in its report.

- What general conclusions can be drawn about agencies' actions during exemption from MSPB purview?

Method

In conducting this review, PEER:

- reviewed relevant bills enacted by the Legislature;
- reviewed relevant sections of state law;
- interviewed staff from MSPB and the affected agencies, as applicable;
- reviewed analytical and contractual data from MSPB; and,
- reviewed financial and operational data of the exempted agencies from before and during the exemption periods.

Background

In this chapter, PEER discusses how MSPB's regulations and operations impact the administration of state agencies to explain why agencies seek exemptions from MSPB purview.

History of the Mississippi State Personnel Board

In 1980, the Mississippi Legislature established a centralized personnel system—the Mississippi State Personnel Board (MSPB)—for the statewide coordination of public personnel administration. MSPB is responsible for maintaining a merit system, operating a classification and compensation system, tracking employee compensation expenditures, and providing for employee development, among other tasks. The Legislature empowered MSPB to function as a high control/high service personnel agency with the authority to make decisions impacting the use of personal services resources by many of Mississippi's state agencies.

Personnel Administration in Mississippi State Government Prior to the MSPB

In the 1970s, Mississippi state government functioned with two low control/low service personnel agencies, the Classification Commission and the Merit Council, with limited responsibility over the personnel practices of state agencies.

During the 1970s, the Mississippi Classification Commission and the Merit Council had limited control over state agency personnel practices. The Merit Council managed merit-based selection criteria and evaluation for certain federally funded jobs such as those at the Mississippi Employment Security Commission, the Department of Public Welfare, and the Department of Health. The Classification Commission established uniform job classes for a variety of positions in state government.

These agencies had no control over compensation of employees; consequently, state agency managers could pay employees what their agencies' funding could support without regard for what other agencies paid for the same or similar work. Further, agencies had no limit on the number of positions they could fill aside from their line-item appropriation for personal services funds.

During the late 1970s, Mississippi experienced examples of the patronage system that affected some state agencies. Additionally, concerns arose over the growth in personnel budgets that necessitated the development of an agency with the capability to place controls on the growth of government. This control function would develop into the position management function of the MSPB. Finally, the state became a party to lawsuits, notably *Walls v. Department of Public Welfare*, 730 F. 2d 306 (5 Cir, 1984), that showed that Mississippi's method of selecting employees, even those covered by the Merit Council, did not provide protection against lawsuits alleging the discriminatory impact of selection criteria.

Creation of the Mississippi State Personnel Board

In 1980, the Mississippi Legislature created a high control/high service personnel agency for state government.

By 1980, the Legislature discerned that more oversight was needed for the state's personnel system and thereby created the MSPB (see MISS. CODE ANN. Section 25-9-101 et seq. [1972]). Section 25-9-101 gave a clear statement of legislative purpose in creating the MSPB by providing:

It is the purpose of this chapter to establish in the State of Mississippi a system of personnel administration based on sound methods of personnel

administration governing the establishment of employment positions, classification of positions and the employment conduct, movement and separation of state employees; to build a career service in government which will attract, select and retain the best persons, with incentives in the form of equal opportunities for initial appointment and promotions in the state service; to establish a system of personnel management that will ensure the effective and efficient use of employees in the state service; and to perform such other duties as may be specified in this chapter or any other law.

Succeeding sections in Chapter 9, Title 25, made clear that the MSPB was to have broad authority to administer the classification, selection, and compensation for positions in state service. Additionally, the new agency had position management responsibility. Under the Statewide Personnel Law, all agencies defined in MISS. CODE ANN. Section 25-9-107 (1972) whose positions were placed under the authority of the MSPB could only fill employment positions authorized by the Legislature. Any authorized position had to be classified as prescribed by the MSPB and compensated in accordance with policies and procedures established by the MSPB. Under this system, the MSPB had considerable control over how positions under its authority were compensated and could also, through its authority to approve position changes (called reallocations and reclassifications), exercise considerable control over the ways agencies could spend their personal services appropriations.

Additionally, succeeding CODE sections provided that the MSPB would be responsible for providing a broad range of services to the agencies whose positions were under its authority. MISS. CODE ANN. Section 25-9-119 (1972), a section setting out the powers of the State Personnel Director, provides in part that the State Personnel Director shall have the authority:

(c) To submit for board approval proposed rules and regulations which shall require a uniform system of personnel administration within all agencies included in this chapter. Such rules and regulations, when approved by the board, shall be binding upon the state departments, agencies and institutions covered by this chapter and shall include provisions for the establishment and maintenance of classification and compensation plans, the conduct of examinations, employee recruiting, employee selection, the certification of eligible persons, appointments, promotions, transfers, demotions, separations, reinstatement, appeals, reports of performance, payroll certification, employee training, vacation and sick leave, compensatory leave, administrative leave, standardized recordkeeping forms and procedures for leave earned, accrued and used, and all other phases of personnel administration.

(j) To cooperate with appointing authorities in the administration of this chapter in order to promote public service and establish conditions of service which will attract and retain employees of character and capacity and to increase efficiency and economy in governmental departments by the improvement of methods of personnel administration with full recognition of the requirements and needs of management.

By enacting a comprehensive statute, the Mississippi Legislature, through Chapter 303, *Laws of 1980*, empowered the MSPB to be a high control/high service agency³ with broad authority necessary to carry out the purposes of the law.

³ Service and control levels dictate how integrated and authoritative the MSPB's actions are to the operations of the agencies they serve.

From What MSPB Oversight Do Agencies Seek Exemption?

State agencies often assert that MSPB limits their ability to make executive decisions regarding their employees. This chapter discusses the responsibilities of MSPB and its methods of carrying out those responsibilities in order to explain why state agencies request exemptions from MSPB purview.

What are MSPB's Primary Responsibilities and How Does It Accomplish Them?

State law charges MSPB with the primary responsibilities of maintaining a merit system, operating a classification and compensation system, tracking employee compensation expenditures, and providing for employee development. It accomplishes these responsibilities through considerable control over state agency resources and the compensation policies of the departments and agencies of state government.

As highlighted previously in this report on page 4, state law charges MSPB with the primary responsibilities of maintaining a merit system, operating a classification and compensation system, tracking employee compensation expenditures, and providing for employee development, among other tasks.

To accomplish its statutory mission, MSPB exerts considerable control over state agency resources. Positions in state service are under the classification and selection controls of the agency. Persons hired into these positions are given considerable protection from arbitrary discipline and dismissal and may only be dismissed for cause or under certain fiscal conditions requiring a reduction in force. See MISS. CODE ANN. Section 25-9-127 (1972).

In conjunction with its responsibility to control positions is the authority of the MSPB to manage and control the compensation policies of the departments and agencies of state government, currently known as the Colonel Guy Groff Variable Compensation Plan (VCP). Under the Variable Compensation Plan, provided for in MISS. CODE ANN. Section 25-9-147 (1972), MSPB, with input from state agencies, establishes the starting and ending salaries for the job occupation codes in state government (job classes) and determines how much compensation can be given to state employees in those occupational codes.

Mississippi's State Variable Compensation Plan

MSPB is charged by state law with the creation and annual maintenance of the State's variable compensation plan, a set of policies and procedures created by the MSPB to ensure that compensation of state service employees/positions is done in accordance with all applicable state/federal laws.

A variable compensation plan is a collection of administrative policies and procedures put in place to govern and direct the compensation of a designated group of individuals. These plans include many factors, that can include, but are not limited to:

- Jobs included in the plan;
- Minimum qualifications for each various position;
- Duties of each position;
- Criteria for when an employee is eligible for an increase in salary; and,
- Types of increases an employer can use to raise an employee's salary.

As a component of the responsibilities outlined in state law, MSPB is charged with the creation and ongoing management of Mississippi's variable compensation plan. MISS. CODE ANN. Section 25-9-147 (1972) provides:

The State Personnel Board shall review on an annual basis the variable compensation plan adopted by the Legislature at the Regular Session of 1981 and subsequently implemented by the State Personnel Board. Each state department or agency subject to the variable compensation plan shall prepare an annual written report under the direction of the head of that department or agency outlining the impact which the plan has had on that department or agency during the preceding fiscal year. Such department or agency report shall be submitted to the State Personnel Board and shall become a part of the board's annual review of the variable compensation plan. After conducting its annual review of the plan and studying the report of each department or agency, the State Personnel Board shall prepare a written legislative report, to be submitted to the members of the Mississippi Legislature prior to January 1 of each year. This written report shall accurately reflect the effect of the variable compensation plan on the various departments or agencies subject to the plan. From and after July 1, 1985, the plan shall be named the "Colonel Guy Groff State Variable Compensation Plan."

State Service Personnel Property Rights

MISS. CODE ANN. Section 25-9-127 (1) 1972 grants state employees working in positions covered by MSPB personal property rights to their positions.

Relative to the control mission of the MSPB was the enactment of provisions of law giving state service personnel property rights⁴ in their employment. MISS. CODE ANN. Section 25-9-127 (1) (1972) provides:

(1) No employee of any department, agency or institution who is included under this chapter or hereafter included under its authority, and who is subject to the rules and regulations prescribed by the state personnel system may be dismissed or otherwise adversely affected as to compensation or employment status except for inefficiency or other good cause, and after written notice and hearing within the department, agency or institution as shall be specified in the rules and regulations of the State Personnel Board complying with due process of law; and any employee who has by written notice of dismissal or action adversely affecting his compensation or employment status shall, on hearing and on any appeal of any decision made in such action, be required to furnish evidence that the reasons stated in the notice of dismissal or action adversely affecting his compensation or employment status are not true or are not sufficient grounds for the action taken; provided, however, that this provision shall not apply (a) to persons separated from any department, agency or institution due to curtailment of funds or reduction in staff when such separation is in accordance with rules and regulations of the state personnel system; (b) during the probationary period of state service of twelve (12) months; and (c) to an executive officer of any state agency who serves at the will and pleasure of the Governor, board, commission or other appointing authority.

This provision effectively eliminated the patronage system in state government and ensured that most employees could retain their positions unless their employer had cause to dismiss them. The Employee Appeals Board (EAB), housed at the MSPB, has the authority to hear any appeals of employee grievances that result from agency actions that adversely affect the employment rights of state service personnel.

⁴ By establishing employment in a state service position as a property right, employees filling these positions may not be deprived of such without due process of law.

What has been the Impact on State Agencies' Budgets and Workforces?

This chapter will address the impact exemptions granted by the Legislature have had on the budgets and workforces of the following agencies:

- Mississippi Department of Marine Resources (MDMR);
- Mississippi Department of Education (MDE);
- Mississippi Department of Corrections (MDOC); and,
- Mississippi Department of Human Services (MDHS).

Mississippi Department of Marine Resources

During its 2014 Regular Session, the Legislature granted MDMR a six-month exemption from MSPB purview (beginning April 16, 2014, and ending October 17, 2014). During its exemption MDMR granted 174 salary increases (to 115 people), totaling approximately \$331,000. MDMR also experienced separations at a rate higher than the agency's rate for the previous year; had a decrease in filled PINs; experienced an increase in its projected annual costs for all PINs of approximately 7%; and had an increase of approximately \$2,300 in the average salary of its filled PINs.

During its 2014 Regular Session, the Legislature passed Senate Bill 2579, granting the Mississippi Department of Marine Resources (MDMR) an exemption from MSPB purview, beginning on April 16, 2014, and ending October 17, 2014. The bill granted MDMR an exemption from compliance with:

- the provisions of MISS. CODE ANN. Section 25-9-127 (1972) which grants and defines the personal property rights of state service employees in their employment (see page 6); and,
- Mississippi's Variable Compensation Plan as established under MISS. CODE ANN. Section 25-9-147 (1972) (see page 6).

Variable Compensation Plan Exemption

During its exemption from MSPB purview, MDMR granted 174 salary increases (to 115 people), totaling approximately \$331,000. For these salary increases, the average employee received a raise of approximately \$1,900.

PEER obtained reports from MSPB that detail all salary actions taken by MDMR during its exemption from MSPB purview. For the six-month period reviewed, MDMR granted a total of 174 salary increases to 115 employees. MSPB's report classifies these increases according to the code assigned to them in the state's payroll/personnel system. Exhibit 1, page 8, shows a breakdown of these salary increases:

Exhibit 1: Salary Actions Taken by the Mississippi Department of Marine Resources During Exemption from the MSPB’s Purview, April 16, 2014, through October 17, 2014

Action	Number	Average Increase	Total Increases
Educational Benchmarks	1	\$1,755.11	\$1,755.11
Reclassifications	29	\$1,618.80	\$46,945.14
Reallocations	26	\$2,677.36	\$69,611.27
Intra-Agency Promotions	8	\$5,477.35	\$43,818.83
Jobs Excluded from MSPB	110	\$1,537.26	\$169,099.05
TOTAL	174	\$1,903.62	\$331,229.40

NOTE: See the Appendix, page 22, for a definition of these actions.

SOURCE: Mississippi State Personnel Board data.

While MDMR granted these salary increases during its exemption from MSPB purview, PEER notes that some of these increases could have occurred even if MDMR had continued to be subject to MSPB purview.

Personnel Terminations and Separations

During its exemption from MSPB purview, MDMR experienced separations at a rate higher than the agency’s rate for the year previous to its exemption.

MDMR experienced 27 separations, including 10 dismissals, during its six-month exemption from MSPB purview. When annualized for comparative purposes, this number of separations shows a frequency greater than what MDMR experienced for the year previous to the department’s exemption from MSPB purview—i.e., 33 separations, including 5 dismissals.

Impact on MDMR’s Budget and Workforce

During its exemption from MSPB purview, MDMR experienced an increase in its projected annual costs for all PINs of approximately 7%, had a decrease in filled PINs, and had an increase in the average salary of its filled PINs of approximately \$2,300.

During its exemption period, MDMR experienced an overall decrease in its number of employees. MDMR’s vacant PIN count increased by a total of seven PINs through a combination of the loss of three active employees and an increase of four total PINs.

In light of the increase in total PINs and the granted salary increases, MSPB staff estimated that MDMR’s total projected annual cost for all PINs, including salaries and fringe benefits,⁵ increased from approximately \$8.25 million to \$8.81 million—an increase of approximately 7%.⁶

While MDMR was able to provide information on actual expenditures for several periods (including before, during, and after the department’s removal from MSPB purview), the various reports provided were not directly comparable to each other due to differences in reporting periods. As such, PEER computed MDMR’s average monthly expenditure for personal services salaries. For the six-month period following its exemption from MSPB

⁵ MSPB estimates current fringe benefits expenses at 39.7% of total salary and estimates fringe benefits expenses on salary increases at 27.9% of total salary.

⁶ These estimates use the actual salary for filled PINs and the listed starting salary for vacant PINs.

purview, MDMR increased its average personal services salaries expenditures by approximately 4.8%.

While the increase in actual expenditures is lower than the projected total annual salary cost increase estimate, it must be noted that this increase occurred despite a decrease in total filled PINs, meaning that MDMR paid more in salaries for fewer filled spaces. MSPB staff's analysis showed that MDMR's average salary of filled PINs increased over the exemption period by approximately \$2,300.

Mississippi Department of Education

During its 2014 Regular Session, the Legislature granted MDE a two-year exemption from MSPB purview (for Fiscal Years 2015 and 2016). During its exemption MDE granted 382 salary increases (to 292 people), totaling approximately \$2.3 million. It also experienced separations at a rate higher than the agency's rate for the year previous; had a decrease in filled PINs; experienced an increase in its projected annual costs for all PINs of approximately 4%; and had an increase of approximately \$3,800 in the average salary of its filled PINs.

During its 2014 Regular Session, the Legislature passed House Bill 454, granting the Mississippi Department of Education (MDE) a two-year exemption from MSPB purview, beginning July 1, 2014, and ending June 30, 2016. With the exception of its school attendance officer positions, the bill granted MDE exemption from compliance with:

- the provisions of MISS. CODE ANN. Section 25-9-127 (1972) which grants and defines the personal property rights of state service employees in their employment; and,
- the state's Variable Compensation Plan.

Variable Compensation Plan Exemption

During its exemption from MSPB purview, MDE granted 382 salary increases (to 292 people), totaling approximately \$2.3 million. For these salary increases, the average employee received a raise of approximately \$6,100.

For the two-year period MDE was exempted from MSPB purview, MDE granted a total of 382 salary increases to 292 employees. MSPB's report classifies these increases according to the code assigned for them in the state's payroll/personnel system. Exhibit 2 shows a breakdown of these salary increases:

Exhibit 2: Salary Actions Taken by the Mississippi Department of Education During Exemption from the MSPB's Purview, FYs 2015 and 2016

Action	Number	Average Increase	Total Increases
Reallocations	36	\$8,829.71	\$317,869.71
Inter-Agency Transfer	14	\$8,324.99	\$116,549.92
Intra-Agency Promotions	87	\$10,727.16	\$933,263.26
Special Compensation Plans	209	\$3,133.37	\$654,875.24
Generic Salary Increases	36	\$8,898.41	\$320,342.58
TOTAL	382	\$6,133.25	\$2,342,900.71

NOTE: See the Appendix, page 22, for a definition of these actions.

SOURCE: Mississippi State Personnel Board data.

As previously stated, some of these granted salary increases (such as educational benchmarks, reclassifications, reallocations, and intra-agency promotions) may have occurred even if MDE had continued to be subject to MSPB purview. Additionally, the salary increases related to special compensation plans would have happened because these increases are detailed in state law.

Personnel Terminations and Separations

During its exemption from MSPB purview, MDE experienced separations at a rate higher than the agency's rate for the year previous to its exemption.

MDE experienced 254 separations and 78 dismissals during its two-year exemption from MSPB purview. This number of separations and dismissals was greater than what MDE experienced for the year previous to the department's exemption from MSPB purview—i.e., 108 separations and nine dismissals.

Impact on MDE's Budget and Workforce

During its exemption from MSPB purview, MDE experienced an increase in its projected annual costs for all PINs of approximately 4%, had a decrease in filled PINs, and had an increase in the average salary of its filled PINs of approximately \$3,800.

While exempted from MSPB's purview, MDE experienced a decrease of 26 active employees and made the decision to abolish a total of 11 existing PINs. The net effect of these decisions is that when MDE returned to MSPB purview it had 15 more vacant PINs than when it became exempted.

Even with the decrease in total PINs, MSPB staff estimated that the MDE's total projected annual cost for all PINs, including salary and fringe benefits, increased from approximately \$44.8 million to \$46.5 million, an increase of approximately 4%. Data from MDE shows that the total of actual expenditures on personal services salaries decreased from \$38,501,120 to \$37,970,456 during the time MDE was exempted from MSPB purview. However, because of the reduction in filled PINs over the same time period, this level of reduction results in an increase of approximately \$3,800 to the average salary of filled PINs.

Mississippi Department of Corrections

During its 2015 Regular Session, the Legislature granted MDOC a one-year exemption from MSPB purview (for Fiscal Year 2016). During this exemption MDOC granted 1,061 salary increases (to 903 people), totaling approximately \$2.3 million and leading to an increase of approximately \$1,200 in the average salary of its filled PINs. During its 2016 Regular Session, the Legislature extended MDOC's exemption for an additional year (for Fiscal Year 2017). For the first six months of this exemption MDOC granted 361 salary increases (to 343 people), totaling approximately \$872,000. MDOC also experienced separations at a rate lower than the agency's rate for the year previous and had a decrease in filled PINs for both periods respectively.

During its 2015 Regular Session, the Legislature passed Senate Bill 2804, granting the Mississippi Department of Corrections (MDOC) a one-year exemption from MSPB purview, beginning July 1, 2015, and ending June 30, 2016. The bill granted MDOC exemption from compliance with the provisions of MISS. CODE ANN. Section 25-9-127 (1972).

Unlike the bills authorizing MDMR's and MDE's exemptions from MSPB purview, S.B. 2804 did not include the language granting MDOC's executive director "exemption from State Personnel Board rules, regulations and procedures." This difference in wording created a conflict between S.B. 2804 and MDOC's Fiscal Year 2016 appropriation bill (Senate Bill 2855) that contained the standard compliance language regarding cost neutrality and the agency's projected annual cost.

This discrepancy led MSPB staff to seek an Attorney General opinion⁷, which stated that MDOC was still bound by the cost neutrality provisions, meaning that any actions taken by MDOC would have to be cost neutral in order for MSPB to be legally permitted to process them.

During its 2016 Regular Session, the Legislature passed House Bill 1498, which extended MDOC’s exemption from MSPB purview for an additional year—from July 1, 2016, through June 30, 2017. The bill brought MDOC’s exemption more into alignment with the exemptions granted to MDMR and MDE and provided exemption from compliance with:

- the provisions of MISS. CODE ANN. Section 25-9-127 (1972) which grants and defines the personal property rights of state service employees in their employment; and,
- the state’s variable compensation plan.

Variable Compensation Plan Exemption

During its first year of exemption from MSPB purview, MDOC granted 1,061 salary increases (to 903 people), totaling approximately \$2.3 million. For these salary increases, the average employee received a raise of approximately \$2,100. For the first six months of its second year of exemption, MDOC granted 361 salary increases (to 343 people), totaling approximately \$872,000. For these salary increases, the average employee received a raise of approximately \$2,400.

During the first year of its exemption from MSPB purview, MDOC was not exempted from the state’s variable compensation plan. Any salary actions taken by MDOC during this period had to be cost neutral for MSPB to legally process. During the first year, MDOC granted a total of 1,061 salary increases to 903 employees. MSPB’s report classifies these increases according to the code assigned for them in the state’s payroll/personnel system. Exhibit 3 shows a breakdown of these salary increases:

Exhibit 3: Salary Actions Taken by the Mississippi Department of Corrections During Exemption from the MSPB’s Purview, FY 2016

Action	Number	Average Increase	Total Increases
Educational Benchmarks	67	\$699.44	\$46,862.72
Reclassification	604	\$1,803.28	\$1,089,180.91
Jobs Excluded From MSPB	4	\$21,600.00	\$86,400.00
Reallocations	8	\$5,147.30	\$41,178.43
Inter-Agency Transfer	5	\$6,699.66	\$33,498.32
Intra-Agency Promotions	88	\$5,477.72	\$482,038.94
Career Ladder Increase	256	\$1,363.86	\$349,148.95
Changes in Hours Worked	2	\$15,225.91	\$30,451.81
Generic Salary Increases	27	\$4,229.95	\$114,208.66
TOTAL	1,061	\$2,142.29	\$2,272,968.74

NOTE: See the Appendix, page 22, for a definition of these actions.

SOURCE: Mississippi State Personnel Board data.

From July 1, 2016 through December 31, 2016, MDOC granted 361 salary increases to 343 employees. Exhibit 4, page 12, shows a breakdown of these salary increases:

⁷ 2015 WL 9264844.
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Exhibit 4: Salary Actions Taken by the Mississippi Department of Corrections During Exemption from the MSPB’s Purview, July 1, 2016 through December 31, 2016

Action	Number	Average Increase	Total Increases
Educational Benchmarks	24	\$1,328.69	\$31,888.49
Reclassification	189	\$1,866.73	352,812.86
Reallocations	2	\$4,907.24	\$9,814.48
Inter-Agency Transfer	2	\$5,240.84	\$10,481.68
Intra-Agency Promotions	48	4,680.63	\$224,670.45
Career Ladder Increase	83	\$1,802.93	\$149,642.90
Generic Salary Increases	13	\$7,099.81	\$92,297.47
Total	361	\$2,414.43	\$871,608.33

NOTE: See the Appendix, page 22, for a definition of these actions.

SOURCE: Mississippi State Personnel Board data.

Again, PEER notes that some of these granted salary increases (such as educational benchmarks, reclassifications, reallocations and intra-agency promotions) may have occurred even if MDOC had continued to be subject to MSPB purview.

Personnel Terminations and Separations

During its first year of exemption from MSPB purview, MDOC experienced separations at a rate lower than the agency’s rate for the year previous to its exemption. For the first six months of its second year of exemption, MDOC experienced separations at a rate lower than either the agency’s rate for the year previous to its exemptions or its first year under exemption from MSPB purview.

During the first year of its exemption from MSPB purview, MDOC experienced 671 separations, including 140 dismissals. This level of separations was less than what MDOC experienced the year previous to MDOC’s exemption from MSPB—i.e., 957 separations, including 210 dismissals.

For the first six months of FY 2017, MDOC experienced 245 separations, including 47 dismissals. This level of separations and dismissals shows a frequency less than what MDOC experienced for the year previous to the department’s separation from MSPB and the first year exempted from MSPB purview. Separation and dismissal data for the remainder of FY 2017 was not available for analysis.

Impact on MDOC’s Budget and Workforce

During its first year of exemption from MSPB purview, MDOC experienced an increase in its projected annual costs for all PINs of approximately 0.2%, had a decrease in filled PINs, and had an increase in the average salary of its filled PINs of approximately \$1,200. For the first six months of its second year of exemption, MDOC experienced a decrease in its projected annual costs for all PINs of approximately 0.2% and had a decrease in filled PINs.

During its first year of being exempted from the MSPB’s purview, MDOC experienced a net decrease in its number of employees (both actual and projected). The total net loss of actual employees for the period was 250 employees, but this was offset by a decrease in total PINs of 67, meaning that at the end of the first year MDOC had 183 more vacant PINs than when it became exempted from MSPB purview.

Even with this decrease in total PINs, MSPB staff estimated that MDOC’s salary increases would cause MDOC’s total projected annual cost for all PINs, including salary and fringe

benefits, to increase from approximately \$125.9 million to \$126.2 million (an increase of 0.2%). MSPB staff also estimated that MDOC's salary adjustments could increase the average salary for filled PINs by approximately \$1,200.

MSPB staff's estimates are mirrored by actual expenditure data from MDOC, which shows that total personal services salaries increased for this first year period. However, increases in MDOC's actual expenditure data are not as clear as with some earlier examples. During this same period, MDOC experienced an increase in overtime pay of approximately \$7.8 million with expenditures for regular salaries decreasing by approximately 5% for the same period.

During its second year being exempted from MSPB's purview, MDOC experienced an additional net decrease in its number of active employees of 239. For the full two-year period, MDOC experienced a decrease in total PINs of 91 and an increase in vacant PINs of 398.

MSPB analysis of the salary increases granted by MDOC for the first six months of FY 2017 estimate that MDOC's total cost of all PINs would decrease by approximately 0.2%. This is most likely due to the continued increases in vacant PINs MDOC experienced over that period.

For the full two fiscal years, actual expenditure data from MDOC shows that total personal services salaries decreased from approximately \$111.9 million to \$109.4 million (a decrease of 2.2%). While total expenditures may have decreased during MDOC's time exempted from MSPB's purview, when viewed with the increase in vacant PINs, the savings are not quite as significant (total MDOC PINs decreased by approximately 3% and vacant PINs increased by over 100% for the same period).

Mississippi Department of Human Services

During its 2016 Regular Session, the Legislature granted MDHS a three-year exemption (later extended an additional year) from MSPB purview (for Fiscal Years 2017-2020). During its exemption MDHS experienced separations at a rate lower than the agency's rate for the year previous; had a decrease in filled PINs; experienced an increase in its projected annual costs for all PINs of approximately 10%; and had an increase of approximately \$4,900 in the average salary of its filled PINs. Additionally, MDHS's granted exemption from compliance with the minimum qualifications established for state service positions could create potential issues when the exempted positions return to MSPB purview.

During its 2016 Regular Session, the Legislature passed Senate Bill 2179, granting the Mississippi Department of Human Services (MDHS) an exemption from MSPB purview, beginning on July 1, 2016, and ending on June 30, 2019.⁸ The bill granted MDHS an exemption from compliance with:

- the provisions of MISS. CODE ANN. Section 25-9-127 (1972); and,
- minimum job qualifications established by MSPB for state service positions (see pages 15 and 16 for more information on minimum qualifications.⁹)

Unlike other agencies reviewed, MDHS's language did not provide the department with the authority to adjust salaries outside the variable compensation plan established by MSPB. The Legislature later extended these exemptions in the 2019 Regular Session with the passage of House Bill 714.

⁸ Prior to the bills in the 2016 and 2019 sessions, MDHS was granted exemption from having to go through the MSPB or use qualifications set by MSPB in employing a family protection specialist for the Department. This exemption was granted to MDHS in Chapter 649, *Laws of 1994*.

⁹ Language from the bill states that any employee hired on or after July 1, 2019 (later extended to July 1, 2020), by MDHS shall meet the criteria established by the MSPB as it presently exists for employment.

Personnel Terminations and Separations

During its exemption from MSPB purview, MDHS experienced separations at a rate lower than the agency's rate for the year previous to its exemption.

For the four-year period reviewed, MDHS experienced 505 separations, which shows a smaller decrease in separations when compared to the number of separations MDHS experienced (790) during the fiscal year before its exemption from MSPB purview.

Impact on MDHS's Budget and Workforce

During its exemption from MSPB purview, MDHS experienced an increase in its projected annual costs for all PINs of approximately 10%, had a decrease in filled PINs, and had an increase in the average salary of its filled PINs of approximately \$4,900.

During its exemption from MSPB's purview, MDHS experienced a decrease in its number of employees. For the period reviewed, MDHS abolished 67 PINs and experienced an increase in vacant PINs of 276 (a vacancy rate more than double the rate experienced when MDHS left MSPB purview).

For the period reviewed, MDHS's projected annual cost for all PINs increased from approximately \$67 million to \$73.6 million, an increase of approximately 10%. This projected increase is exacerbated by the fact that MDHS's PIN count decreased over the same period. The average salary for filled PINs for the same period increased from \$29,569.88 to \$34,476.77 (an increase of approximately 16.6%).

MDHS's total expenditures for personal services salaries decreased over the review period when compared to expenditures from the year prior to MDHS leaving MSPB purview. The total expenditures decreased from \$79.7 million to \$78.5 million (a decrease of approximately 1.5%). However, as with other areas, when this decrease is taken into account with MDHS's reduction in both total PINs and filled PINs, it shows that during the period MDHS was exempt from MSPB purview, costs in this area increased on a per employee basis.

Impact of Minimum Qualifications

During its exemption from MSPB purview, MDHS was granted exemption from compliance with the minimum qualifications established for state service positions. This exemption could raise potential issues when exempted positions return to MSPB purview. These could include, but not be limited to, issues with access to educational benchmarks, qualification for career track/ladder advancement, and access to the protection and property rights granted to other state service positions/employees.

As a component of its responsibilities, MSPB is tasked with creating and maintaining a system of minimum qualifications for state service positions. This system is developed by MSPB, with the assistance of each agency, to outline the elements necessary in a candidate to complete the assigned duties of a specific employment position. Some of these factors include:

- required skills;
- educational background;
- years of experience; and,
- potential physical requirements.

PEER was unable to assess how the exemption of minimum qualifications may have impacted the operations of MDHS. However, MSPB staff highlighted some potential issues that may arise subsequent to the conclusion of this type of exemption (MDHS's and the

Mississippi Department of Child Protection Services' exemptions ended June 30, 2020). These issues could include, but may not be limited to, access to educational benchmarks or career track/ladder advancement when employees lack the current initial qualification prerequisites for the positions they hold.

Additionally, the protections outlined under the provisions of MISS. CODE ANN. Section 25-9-127 (1972) require that an individual be hired and satisfy specific requirements—for example, being hired through a defined competitive process or satisfying a probationary period. If an existing employee is currently working in a position protected under this provision but did not earn the position in the manner described for protection under the EAB, would the employee be afforded the same level of protection and property rights as other employees who did satisfy all the job requirements?

Is MSPB Taking Any Action to Address the Topics of Concern that Motivate Agencies to Seek Exemption?

This chapter will discuss MSPB's actions to address the topics of concern that motivate agencies to seek exemption through the development of a new state classification and compensation system.

MSPB's Development of a New Classification and Compensation System

To address issues described in this report, and potentially limit agencies requesting exemptions from MSPB purview in the future, MSPB staff contracted with Kenning Consulting, Inc., to develop a new state classification and compensation system. The contract will run from May 7, 2020, through June 30, 2022, and is a firm fixed-price contract that is not to exceed \$356,700.

One principal motivating factor for seeking exemption from MSPB purview is relief from the requirements of the Variable Compensation Plan. According to MSPB staff, the Legislature developed the plan in 1981 with strict controls on salary increases. The plan shifted the path of salary growth from individuals or groups of individuals in agencies to system-wide realignments (job classification salary range increases based on market data) and cost-of-living adjustments (COLA).

However, with the exclusion of a 3% state-wide realignment granted by the Legislature through the appropriations process in 2019, no component of the Variable Compensation Plan (realignment, COLA, merit pay, longevity, etc.) has been funded since 2007.¹⁰ According to MSPB staff, without these increases or funding, job classifications and employee salaries have fallen behind the market while the strict rules governing salary movement are still in place.

MSPB staff cited the above-mentioned stressors as one of the potential reasons agencies have requested to be removed from MSPB purview. Essentially, this means that agencies are trying to create a way to increase the compensation of their employees. MSPB staff cited the results of their analysis on salary increases given and average salary increases for active PINs as possible indicators. PEER is unable to comment on the veracity of this assertion because no information was available to substantiate each salary increase given by all the agencies.

To help address these issues, and potentially limit agencies requesting exemptions from MSPB purview in the future, MSPB staff, with the knowledge of all branches of state government, began the process of hiring a consultant to redesign Mississippi's classification and compensation system.

MSPB staff issued a request for proposal (RFP) on February 14, 2020. After reviewing proposals from four organizations, MSPB staff selected Kenning Consulting, Inc. The contract between MSPB and Kenning Consulting, Inc. will run from May 7, 2020, through June 30, 2022, and is a firm fixed-price contract that is not to exceed \$356,700.

The goal of the contract is to redesign the state's current system to create a new classification plan that provides flexible job descriptions that are up to date in terms of duties performed and minimum qualifications that will allow agencies to recruit and hire better qualified individuals. The new system also aims to provide a new compensation plan that offers flexibility to each agency while increasing the level of control the Legislature has on agency spending.

¹⁰ According to MSPB, agencies have had the flexibility to realign agency-specific classifications using dollars appropriated to their agency that were not specifically designated for realignment.

What General Conclusions Can Be Drawn About Agencies' Actions During Exemption from MSPB Purview?

This chapter will discuss what general conclusions can be drawn about agency actions taken during exemption from MSPB purview. These conclusions include:

- lack of assessment metrics for evaluation of exemption effectiveness; and,
- ineffectiveness of established controls for exemption oversight.

Lack of Metrics for Evaluation of Exemption Effectiveness

MISS. CODE ANN. Section 25-9-127 (8) (1972) establishes measures for evaluation of action taken by agencies during granted exemptions from MSPB purview. PEER analysis found that no agency subject to these measures filed the reports required under the statute. Additionally, while exempt from MSPB purview, MDE hired one employee for a salary that was in excess of the maximum salary outlined in state law.

In an effort to evaluate the impact of agencies being granted exemptions from MSPB purview, the Legislature included language in MISS. CODE ANN. Section 25-9-127 (8) (1972) that states:¹¹

Any state agency whose personnel actions are exempted in this section from the rules, regulations and procedures of the State Personnel Board shall file with the Lieutenant Governor, the Speaker of the House of Representatives, and the members of the Senate and House Accountability, Efficiency and Transparency Committees an annual report no later than July 1, 2016, and each year thereafter while under the exemption. Such annual report shall contain the following information:

- (a) The number of current employees who received an increase in salary during the past fiscal year and the amount of the increase;*
- (b) The number of employees who were dismissed from the agency or otherwise adversely affected as to compensation or employment status during the past fiscal year, including a description of such adverse effects; and*
- (c) The number of new employees hired during the past fiscal year and the starting salaries of each new employee.*

Subsequent to the introduction of this requirement, the Legislature granted exemptions from MSPB purview to the following agencies:

- Mississippi Department of Corrections (July 1, 2016 - June 30, 2017);
- Mississippi Department of Human Services (July 1, 2016 - June 30, 2020); and,
- Mississippi Department of Child Protection Services (July 1, 2016 - June 30, 2020).

During fieldwork for this review, PEER requested that each agency listed provide copies of all reports filed under this statute. Staff of each agency responded that they could not find any reports that had been filed with the officials required by state law. In addition, PEER was unable to identify any justification submitted to the Legislature by each agency as the basis for an exemption from MSPB purview. Further, PEER could not identify any reliable data with which to

¹¹ This change in statute was added through House Bill 1498 during the Legislature's 2016 Regular Session, as MISS. CODE ANN. Section 25-9-127 (6) (1972).

determine whether an agency's staff was more or less productive after the agency was removed from MSPB's purview.

Additionally, PEER was made aware that while exempted from MSPB purview, the Mississippi Department of Education granted a salary that was in violation of MISS. CODE ANN. Section 25-3-39 (1) (a) (1972) which states:

Except as otherwise provided in this section, no public officer, public employee, administrator, or executive head of any arm or agency of the state, in the executive branch of government, shall be paid a salary or compensation, directly or indirectly, greater than one hundred fifty percent (150%) of the salary fixed in Section 25-3-31 for the Governor...

MDE granted a salary of \$195,000 to a new hire, which is in excess of the salary maximum outlined in state law of 150% of the Governor's salary of \$122,160.¹² MSPB staff forwarded this information to the Office of the State Auditor and the employee's salary was reduced to be in compliance with state law (as of June 1, 2016). Had MDE staff filed the reports required under the statute, the information about this employee's starting salary would have been available for review. While the statutory reports are meant to provide a summary agency spending at large, they could be utilized to prevent minor issues in agency spending plans.

Additionally, had the MDE employee been hired by the agency while under the purview of MSPB, control elements established in MSPB's operational policies and procedures would have prevented the agency taking such action, and required that the employee's salary conform with state law.

Ineffectiveness of Established Controls for Exemption Oversight

Prudent management dictates that prior to major changes in agencies' operations, management should develop strategies backed by detailed planning and analysis for any implemented changes. PEER was unable to identify the justification submitted to the Legislature by each agency as the basis for an exemption from MSPB purview. An agency-created "road map" could potentially be utilized as additional oversight for agency action during its granted exemption.

When state agencies are removed from the purview of MSPB, effective methods of oversight are important to assure agencies continue to operate under effective policies and procedures in conformity with state and federal statutes.

Prudent management dictates that prior to major changes in agencies' operations, management should develop plans for any implemented changes that are backed by detailed planning and analysis. As such, when requesting exemptions from MSPB purview, these agencies should be able to provide the Legislature with detailed plans that outline what quantifiable measures will be implemented, and what corresponding improvements in operational efficiency and/or effectiveness can be expected. This type of analysis can create a "road map" that could be used by the Legislature (or other evaluating organizations like PEER) to evaluate the impact of changes made by the organization during its exemption.

In addition, an agency-created road map could potentially be utilized as additional oversight for agency decisions during its granted exemption.

PEER's analysis of salary increases granted by the three agencies (MDMR, MDE, and MDOC) noted that salary increases were not applied consistently within classes. PEER identified examples of employees in the same job class within the three agencies being given raises of different amounts and percentages of increase. Additionally, PEER identified instances of individuals, with the same job description and current salary, being given salary increases of differing amounts.

¹² MISS. CODE ANN. Section 25-3-31 (1972) outlines the Governor's salary at \$122,160. As such, the maximum allowable salary for a state service position is \$183,240 (\$122,160 x 150%).

PEER's salary analysis also identified instances of individuals being given multiple salary increases. For example, one individual was given three salary increases while the agency was exempt from MSPB purview, raising the employee's salary from \$40,862.72 to \$69,748.35 (an increase of 71%).

As stated on page 16, MSPB staff cites the results of their analysis on salary increases given and average salary increases for active PINs as possible indicators that agencies are looking to exemptions from MSPB purview as a way to circumvent the existing variable compensation plan and provide raises to its employees. PEER is unable to comment on the veracity of this supposition because no information was available to substantiate each salary increase given by all the agencies.

Even if this was the motivation for some agencies to request an exemption from MSPB purview, PEER's salary analysis also shows that a byproduct of these exemptions was the ability of each agency (MDMR, MDE, and MDOC) to grant salary increases to favored employees. For example, MDE's average salary increase was approximately \$6,100 even when including 18 special compensation salary increases of \$500 or less.

PEER realizes that compensation structures can vary depending on several factors such as qualifications necessary to perform a stated job, job responsibilities, years of experience, or educational minimums. However, a fair salary structure should endeavor to compensate employees of the same job classification equally.

If agencies are required to outline what prospective actions will be taken while under exemption from MSPB purview, it may be more difficult for agencies to compensate favored employees or provide salary increases that could potentially be inequitable.

Recommendations

1. To help assess the impact of any future legislative action granting state agencies exemption from MSPB purview, the Legislature should consider amending MISS. CODE ANN. Section 25-9-127(8) (1972) to include that exempted agencies should provide copies of reports required by Section 25-9-127(8) (1972) to the PEER Committee, the MSPB, and the Legislative Budget Office. By requiring agencies to submit reports to these three agencies there will be another level of oversight regarding state agencies' compliance with state law reporting requirements.
2. The Legislature should consider requiring each agency requesting to be exempted from MSPB purview to provide quantifiable measures showing what actions will be taken under the authority of the exemption to improve the operational efficiency and/or effectiveness of the agency.

Appendix A: Glossary of Personnel Management Terms

This appendix contains a glossary of frequently used personnel management terms and a definition for their use within this memo.

- **Career Ladder Increases** - increases to title/pay change within an approved series that are mandated by statute. The only defined statutory career ladders are Mental Health Direct Care Workers, Correctional Officers, and Conservation Officers. (Ex. Correctional Officer I to Correctional Officer II)
- **Changes in Hours Worked** - increases in salary due to an increase in the number of hours worked (Ex. a part-time employee who is required to work 20 hours per week and then being required to work 30 hours per week)
- **Educational Benchmarks** - increases in salary attributable to completion of employee training and/or development programs. These policies are for the purpose of providing employees opportunities to continue acquiring professional skills, knowledge, and expertise. These include advanced degrees, licensure, or certification obtained after hire.
- **Generic Salary Increases** - increases in salary due to agency head flexibility (If a position is covered under MISS. CODE ANN. Section 25-9-107 (c) (xvi), an agency may award a new employee up to 25% above the starting salary for that position's classification).
- **Jobs Excluded from MSPB** - increases in salary for occupational classifications and/or agencies that are not under the salary-setting authority of MSPB. These include physicians, nurse practitioners, attorneys, dentists, veterinarians, select job classes at Education and Mississippi Development Authority as well as the Military Department and Supreme Court.¹³
- **Inter-Agency Transfer** - increases in salary when an employee changes positions not within the same master agency (ex. an employee is promoted from Accountant/Auditor IV at MDOC to Accounting/Auditing Bureau Director at MDOT).
- **Intra-Agency Promotions** - increases in salary when an employee changes positions within the same master agency (ex. an employee is promoted from Accountant/Auditor IV to Accounting/Auditing Bureau Director at the same agency).
- **Realignments** - increases in salary due to a change in salary market conditions for a position. These increases adjust the effective range for a position and affect all employees within that job class.
- **Reclassifications** - increases in salary due to title/pay change within an approved series (ex. Administrative Assistant I to Administrative Assistant II). The MSPB ratifies a list of approved series prior to the start of each fiscal year.
- **Reallocations** - increases in salary due to title/pay change not within a series (ex. Accountant/Auditor I to Special Projects Officer III). These are typically for positions that are misclassified or have taken on additional duties where a better title would fit.
- **Special Compensation Plans** - compensation plans ratified by the MSPB each year in order to compensate employees within selected occupational classes based on a demonstrated inability to compete satisfactorily for employees in terms of pay or availability (ex. Academic Teacher pay plans and compulsory school attendance officers).

Source: Mississippi State Personnel Board

¹³ For purposes of this report, this salary increase category may also represent salary increases granted by agencies exempted from MSPB purview that did not fall into one of the approved MSPB categories.

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