

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.