

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6917**

**BILL NUMBER: HB 1785**

**DATE PREPARED:** Jan 17, 1999

**BILL AMENDED:**

**SUBJECT:** State merit employment.

**FISCAL ANALYST:** Susan Preble

**PHONE NUMBER:** 232-9867

**FUNDS AFFECTED:  GENERAL  
 DEDICATED  
 FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill amends the policies and purposes of the State Personnel Act by adopting the current federal standards for merit systems of personnel administration. It provides that classified service vacancies shall be filled by means approved by the State Personnel Director in accordance with merit system principles. It repeals provisions that require the State Personnel Director to administer tests and certify eligible lists. It retains preference for military veterans and reconciles language on disqualification of applicants with the federal Americans with Disabilities Act. It also makes conforming and other technical amendments.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill will lower some administrative expenses as a result of the adoption of the current federal standards for merit systems of personnel administration. It repeals the requirement that the State Personnel Department administer tests and certify eligible lists, which will eliminate the testing and list certification process. The current practice is to fill vacancies with prospective employees who have been tested and placed on what is called the "eligibles list". This bill will allow the State Personnel Department to determine whether an individual is qualified to fill a vacancy only by reviewing and analyzing the individual's education, work history, and other factors. The State Personnel anticipates that any costs saved will be used to enhance staff training on the new selection process.

Another expense that will be avoided with the elimination of the eligibles list is the cost of making the list selection computer program Year 2000 compliant. The eligibles list certification process will not be a part of the Year 2000 compliant Government Management Information System (GMIS), a new system that has been purchased by the state for \$5.6 M to handle state personnel, procurement and financial functions.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Personnel Department

**Local Agencies Affected:**

**Information Sources:** Keith Beesley, State Personnel Department, (317) 232-3062.