



STATE EMPLOYEES' APPEALS COMMISSION

Mitchell E. Daniels, Jr., Governor

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Adam M. Horst
State Budget Director
212 State House
Indianapolis, IN 46204-2796

September 20, 2012

Re: Agency Overview for the State Employees' Appeals Commission (FY 2014-15)

Dear Mr. Horst:

We are pleased to provide you this Agency Overview as part of the Biennial Budget Proposal for the State Employees' Appeals Commission (SEAC or Commission). SEAC hears and investigates qualified appeals from state employees as set forth in Indiana's Civil Service System, which was a major change to state employment management that became effective in July, 2011. See, I.C. 4-15-2.2 (Civil Service System); and I.C. 4-15-1.5 (SEAC's enabling statute). In this process, SEAC fairly and impartially renders decisions as to the validity of state employee appeals or lack thereof, neutrally encourages settlement efforts by parties, and may provide recommendations to the State Personnel Department. SEAC's goal in conducting proceedings is nothing less than prompt and excellent public service to state employees, state agencies, and the public. Hearings are conducted in accordance with the Administrative Orders and Procedures Act (AOPA, I.C. 4-21.5-3). The Commission, which is the ultimate authority and whose five (5) members are appointed by the Governor, usually meet bimonthly to conduct public business and to hear any legal objections from Non-Final Orders issued by Administrative Law Judges (ALJ).

SEAC is supported by the undersigned Chief ALJ/Director (a full time employee), a legal intern position to provide a student-lawyer opportunity, and limited administrative staffing. SEAC continues and presently intends to collaborate with its sister agency, the Office of Environmental Adjudication (OEA) to share the efficiency and expense of administrative staffing and other miscellaneous office expenses. In 2011 alone, SEAC processed about 178 appeals, and continues to receive appeals in 2012 at a brisk pace. Finally, we highlight that SEAC engaged in a rapid modernization program since September 2011 coinciding with a change of leadership and the new Civil Service System. SEAC has adopted a uniform case management (CMO) system to handle all Civil Service cases in a prompt, procedurally consistent manner, significantly reduced its prior merit act case backlog, upgraded to the electronic recording of evidentiary hearings, and created and launched an informative public website, which has received very positive public feedback. SEAC will continue these upgrade efforts. SEAC's budget request is designed to further improvement and efficiency in the organization, while continuing an excellent public service.

A. MISSION STATEMENT

SEAC's mission is established by the Indiana General Assembly by statute, I.C. 4-15-1.5-1,6. This enabling statute requires SEAC to undertake the following:

- a. Hear and investigate appeals from state employees as set forth in I.C.4-15-2.2-1, 42 (the Civil Service System, effective July 1, 2011), and fairly and impartially render decisions as to the validity of the appeals or lack thereof. Hearings are conducted in accordance with the Administrative Orders and Procedures Act (AOPA);
- b. Conduct the business of the Commission under I.C. 4-15-1.5 and the Civil Service System; and
- c. Recommend to the Director of the Indiana State Personnel Department (SPD) such changes, additions, or deletions to personnel policy which the Commission feels would be beneficial and desirable.

SEAC will fully carry out its duty to impartially and fairly hear qualified state employees' appeals under the Civil Service System. SEAC will also make recommendations to SPD as it deems appropriate per I.C. 4-15-1.5-6. It is SEAC's policy goal to provide reliable, prompt and excellent service to the parties and constituents before the Commission. SEAC intends to resolve all cases brought before it within approximately twelve (12) months, depending on the complexity of the matter.

Finally, SEAC encourages amicable, informal resolution or settlement of complaints before the Commission. SEAC participates in making referrals for mediation in the free Shared Neutrals program. However, SEAC only serves in a neutral, judicial role in assisting the parties to reach settlement, and does not require a party to settle a given dispute. Any party is free to exercise their right to request an evidentiary hearing under the Civil Service System, assuming the Commission has jurisdiction over the matter.

B. ACCOMPLISHMENTS AND CHALLENGES

The primary challenge is that SEAC is a budget lean agency in comparison to its appeal load. The resolution of each Civil Service System case can involve significant legal or factual questions, and require substantial Agency judicial resources depending on the particular case. Processing the appeals also requires significant office and administrative assistance support. Secondary challenges include that SEAC continues to modernize its technological proficiencies. SEAC's present appropriation (2012-2013) is adequate to provide sufficient funds for the Chief ALJ, a part time legal intern, the equivalent of a part to a full time staff salary, and minimum funds to operate and modernize technology and equipment.

These same challenges, however, have also been part of SEAC's success story and significant accomplishments over the last year. In the last year, SEAC has successfully implemented its adjudicative step of the Civil Service System with a new case management (CMO) system. We have also sharply reduced the Commission's prior merit act case backlog. We continue to harmoniously work with our sister agency, the OEA to share staffing and resources. SEAC participates in the free Shared Neutrals service offering mediation to state ALJ matters. Additionally, SEAC has rapidly modernized its electronic recording system and added a webpage for public information. One primary goal for this coming budget cycle is to continue with efficient and high quality public service, continue to reduce backlog and to further refine the CMO system.

Overall, it is the Commission's challenge and ongoing accomplishment to continue to deliver excellent service in carrying out employee appeal resolution from the present through FY 2014-2015.

C. OBJECTIVES FOR OPERATIONS & AGENCY INITIATIVES

SEAC intends nothing less than timely, cost and management efficient and high quality service to state employees, state agencies and the public with respect to adjudicating Civil Service System employee complaints. In the last year, SEAC has implemented a case management system, reduced the backlog of prior cases, collaborated with a sister state agency to share resources, launched a website, started electronic recording and preservation of hearings, determined to host a law clerk or intern to provide a legal educational opportunity, and made many other operational changes to improve performance in all aspects. SEAC will continue all these efforts in FY 2014-2015. Operational goals include, among others, refining the integration of helpful technology into SEAC's process, to continue review of the case management system, to further develop the website and to further reduce backlog.

D. SEAC's KEY PERFORMANCE INDICATORS

The Commission has performed well on its key performance indicators. Specifically, the Commission has been reporting to the Office of Management and Budget quarterly on three key performance indicators as follows:

1. Average time (months) to close Civil Service System cases decided on the merits

This metric was added in the fall of 2011. Presently, the Commission has required an average of 12 months (or less) to close Civil Service cases even that involve evidentiary hearings, briefing or significant contests on the merits. Green zone performance has been achieved by the Agency.

2. Percentage of complaints resolved without the need for an evidentiary hearing

This percentage has been a solid 87-90% (green to high yellow zone performance) driven primarily by neutrally encouraging settlements and the efficient intake and case management system that ensures parties work up cases.

3. Percentage of non-final orders administered by an administrative law judge (ALJ) affirmed the Commission (the ultimate authority)

This percentage presently and historically remains at a green zone performance target of about 95% average. The Commission is appropriately exercising its discretion and duty to review or modify some orders, but the Commission is generally pleased with ALJ performance.

E. ORGANIZATIONAL CHART

SEAC's organizational chart has changed to provide greater efficiency and optimize public service. The Agency previously had two full time employees, a Chief ALJ and ALJ. The Agency now has a Chief ALJ & Director (Judge Raff) with the previous Chief ALJ retiring, and the previous second ALJ position has been converted to an intermittent legal intern position. The Agency plans to share about the equivalent of a full time administrative staff position with another agency, OEA.

F. ADDITIONAL REMARKS AND CLOSING

The Commission's challenge and ongoing accomplishment is to continue to deliver excellent service in carrying out employee appeal resolution from the present through FY 2014-2015. The budget assumptions mentioned above assume that the caseload does not drastically increase due to some unforeseen circumstance. A drastic increase in caseload would require more judicial resources and office expenditures to be accounted for. There are no programs to be reduced, and SEAC has successfully made the switch to the Civil Service System.

Sincerely,

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