

## Modernizing Florida's Civil Service: A Necessary Beginning for Meaningful Change

Florida TaxWatch has worked for a number of years in behalf of the bi-partisan effort to modernize Florida's Career Service. In 1986 it recommended legislation to create a performance-based compensation and personnel system coupled with increased public management authority, accountability and other system improvements to the architecture of state government. Since then TaxWatch has partnered with a number of reform-minded groups seeking to modernize state government: Partners in Productivity, the Florida Taxation and Budget Reform Commission, and the Commission for Government by the People. Unfortunately, none of the incremental efforts at reform has been fully successful in moving beyond a litany of reform and bringing about meaningful change.

Today, more than 60 percent of the public does not trust state government to do what is right most of the time. Contrast that with what is happening in the private sector. The United States economy today is the envy of the world. Economists attribute much of that success to great strides made in recent years by the private sector at improving productivity through enhanced efficiencies and improved effectiveness. Floridians have every right to expect their government to be just as modern and productive as the private sector.

A thorough, major overhaul of Florida's Career Service is required if Florida is to keep pace with productivity in the private sector. This requires, in turn, that a number of fully implementable improvements be made to Florida's Career Service. Once implemented, a truly modern civil service for Florida state government must adhere to the following principles if the changes are to be sustainable:

 ***Meaningful management and supervisory authority and accountability for public service results and unit costs.*** In order to be held to reasonable standards of performance, managers and supervisors must be given the authority necessary to get the job done in the most efficient and effective way. They and their employees should be held accountable for both the quality of their performance and the associated unit costs. Full accountability requires activity-based standards and reasonable measures of performance.

 ***An inviting, challenging workplace and culture that provides employees with opportunities for career growth and mobility.*** A recent study by Paul C. Light, Director of the Brookings Institute Governmental Studies program, suggests that pay alone will not make government more competitive vis-a-vis

the private or nonprofit sectors. Far from discounting the importance of better pay as a means of competing for talent, Light notes that, increasingly, the message to government recruiters, based on 1000 graduates that he has interviewed over the past 25 years, is simple: "Make the work more inviting."

 ***Compensation that is competitive with the private sector for recruitment/retention/promotion purposes.*** Competing for talent in a seller's labor market has become a major challenge in the public, private and nonprofit sectors. Faced with an unprecedented tight labor market, Florida government has no choice but to compete for workers on the same terms as do others. To be competitive, Florida must be able to recruit and hire state employees from among the best and most talented pool of candidates, and this means that they be paid accordingly.

 ***Compensation/career advancement tied to the application of good performance measures and outcome performance (individuals and groups).*** Establishing and maintaining a workable effort-performance linkage with performance-outcomes and tying pay and career advancement to performance, requires performance measures that can be administered with equity and precision. This requires that the performance appraisal process itself be monitored and held accountable to assure that all parties to the process perceive exemplary good performance being rewarded.

 ***An ability by managers to reward meritorious performance by employees and to sanction unacceptable, under-performance.*** Present restrictions and practices of Florida's Career Service make it cumbersome for managers to reward deserving performance or to sanction employees whose performance is lacking. Floridians deserve a Civil Service wherein employees are afforded a protected status that is equal to, but does not exceed that available to private- or nonprofit-sector workers.

 ***A flexible compensation benefits system (defined contribution retirement option).*** During the 2000 Florida Legislature, Florida TaxWatch supported legislation that was enacted and signed into law which, effective June, 2002, affords state employees a defined contribution (DC) option to the present defined benefit (DB) retirement plan. In contrast to the DB plan which provides a guaranteed benefit, regardless of investment return and requires a six-year period to vest, employees who choose the DC plan will have immediate portability and be able to control their own investments to fit their level of "risk" tolerance. TaxWatch supported adoption of the DC plan because it will provide state employees with more market-driven retirement benefits and provide state government with a better recruitment tool and potentially lower costs. It will continue to monitor the structuring of the DC plan, all related developments henceforth and the plan's ultimate implementation.

It bears repeating -- once state employees are recruited and on board, it is imperative that they be properly managed and held to high standards of accountability based on their performance. The overarching standard required of any meaningful effort to modernize state government through Career Service reform, of necessity, must be very high. Without proper implementation and accountability at the highest levels the best of reforms will fall short of their target and fail. Florida government workers would stand to gain a lot from a thorough, well thought-out overhaul of Florida's archaic Career Service, but it is the citizen-taxpayers of Florida who would benefit the most from a long-overdue modernization of the current system.

#### **ENDNOTE**

1. Paul C. Light, "The Empty Government Talent Pool: The New Public Service Arrives," *Brookings Review*, (Winter 2000), p. 23.

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This report was researched and written by  
Keith G. Baker, Ph.D., Senior Vice President and Chief Operating Officer.  
T. O'Neal Douglas, Chairman; Dominic M. Calabro, President and Publisher

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