

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 9/20/2000	<i>subject</i> PRE-APPROVAL PROCEDURES FOR CERTAIN POSITION ACTIONS	<i>item</i> D-310
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1. Purpose and Scope

This item authorizes the use of pre-approval procedures for the processing of certain position transactions. Its purpose is to allow State departments and agencies, the Department of Civil Service (DCS) and the Division of the Budget (DOB) to follow streamlined procedures for processing certain classification actions, thereby improving the efficiency of personnel management and minimizing the unnecessary and redundant review of routine position transactions.

Nothing in this item is intended to supersede the existing authority of the Division of the Budget, the Department of Civil Service or the Office of the State Comptroller (OSC) to review and approve requested position, personnel or payroll transactions or to implement such transactions in the absence of an agency request.

2. Statement of Policy

The State must have the flexibility to manage its personnel resources with minimum administrative expense and to assure that agencies can respond quickly and appropriately to changing personnel needs. Procedures to review and approve routine position transactions should accommodate the requirements of agencies, DOB and DCS, without imposing rigid, bureaucratic regulations and extraneous workload demands. The efficient processing of position actions should provide opportunities for agencies to exercise some discretion within clearly defined and understood guidelines.

Budget Policy and Reporting Manual ("BPRM") Item D-310, issued on October 3, 1996, authorized DOB's preapproval of certain classification and compensation ("cc") actions requested by State agencies and departments. Effective upon issuance of a Budget Bulletin, or some other official transmittal, concerning implementation of the New York State Electronic Personnel System (NYSTEP), this revision of D-310 extends that approach, and provides that DOB pre-approval of selected position actions - those which have positive or neutral Financial Plan impacts - is hereby granted for all State agencies and departments (See Section 7, "Effective Date", below). Continuance of such "basic" pre-approval status is subject to adherence by the requesting agency or department to the limitations and restrictions outlined below. In accordance with this policy, agencies which continue to adhere to agreed upon financial, programmatic and workforce goals, and which continue to submit and maintain accurate and timely position information as required by the Division of the Budget in accordance with the State Finance Law, will no longer be required to submit classification and compensation forms or transactions to DOB for review and approval for selected title and position management actions. The procedures described in the balance of this document are intended to implement this policy.

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Implementation of the State's new payroll system (PaySR) and of the New York State Electronic Personnel System (NYSTEP) will require changes in many traditional procedures, including those used to establish and modify positions, to process the State payroll and to link Personal Service costs to the correct appropriation. For example, to take advantage of the improved information processing to be made available through PaySR and NYSTEP, in the near future DOB will significantly change procedures for creating and approving Personal Service (PS) Schedules, and intends to automate that process to the maximum extent possible. Other administrative procedures may be temporarily modified in order to facilitate the State's transition to these new computer systems. During this transition period agencies should continue to follow established procedures and directives, such as the "Guidelines for Preparing Schedules of Positions" (April 10, 1998), until otherwise notified.

3. Pre-Approval Procedures: Selected Transactions

Pre-approval procedures intended to improve and expedite the processing of position actions apply only to transactions with fiscal or staffing implications affecting solely the requesting agency. Transactions which have direct multiple agency or statewide implications are not subject to these pre-approval procedures. Prohibited transactions include, but are not limited to: re-allocations of classes of positions to new grades; and the transfer of items between different agencies.

Single agency transactions which will be processed following these pre-approval procedures include:

- the re-classification of an existing item to an existing title at the same grade or at a lower graded position within the same fund/account/program structure (currently requested on a CC-2A or a CC-2 form and transmitted to DOB via a CC-2A or CC-4R form; under NYSTEP, to be accomplished via an on-line transaction);
- the abolition of positions (BD-98). However, when those actions are undertaken as part of a multi-agency vacancy reduction effort, and processed using the BD98a form, DOB approval will still be required.

Agencies may *not* "package" or "link" these transactions to other title and position management transactions and thereby obtain pre-approval of those transactions. For example, an agency may wish to abolish an existing position and also create one or more new positions, arguing that the aggregate annual costs associated with the new position(s) are less than or equal to the costs of the abolished position i.e. that the net effect of all of the transactions in the "package" is financially neutral or beneficial. In such a case DOB pre-approval is granted *only*

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for the abolition of the requested position; the agency must still obtain DOB's explicit approval, through processing of a "cc" form or a NYSTEP transaction, for the creation of any new position.

However, agencies which have been granted "enhanced" pre-approval (as described more fully in Section 4, below) are authorized to implement more complex or comprehensive adjustments to their title and position structures, without obtaining DOB approval of the individual transactions comprising such changes.

Pre-approval procedures will be in effect for all State agencies and departments for the transactions listed above, except for those organizations which fail to meet their fiscal, programmatic or workforce goals, or which fail to submit required position information as required by the Division of the Budget in accordance with the State Finance Law. Traditional procedures for processing title and position management actions for such agencies, which require DOB approval of individual classification and compensation requests, will remain in effect for those agencies and departments which do not meet these standards.

The extension of temporary positions and the approval of seasonal position rosters will continue in accordance with existing practice. In the absence of an agency request and in accordance with applicable provisions of the Civil Service Law, DOB retains its authority to abolish positions through processing and approval of a BD98 or BD98a form.

DOB's determination that an agency has failed to continue to qualify for pre-approval of its position transactions in the categories noted above will be conveyed via letter from the appropriate DOB Deputy Director to the Director of the Division of Classification and Compensation of DCS, to the Office of the State Comptroller and to the agency. DOB review of specific compensation and classification transactions will be necessary for such agencies until and unless that decision is subsequently rescinded by DOB.

At that time, the Director of Classification and Compensation, the Office of the State Comptroller and the agency will receive written notification from the appropriate Deputy Director of the Division's decision to preapprove the agency's eligible position transactions.

The Division of the Budget will continue to review and approve all other documents (such as PS Schedules) prepared in accordance with applicable provisions of the State Finance Law which are required to effect position transactions, including those transactions which are pre-approved and those which are approved by DOB on a case-by-case basis.

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4. Enhanced Pre-Approval of Position Transactions

Agencies are encouraged to negotiate agreements with DOB that allow the Division to pre-approve additional title and position management transactions. As is true for the "basic" pre-approval procedures outlined above, these enhanced pre-approval procedures apply to position transactions with fiscal or workforce implications affecting only the requesting agency. Transactions which have direct multiple agency or statewide implications are not subject to these procedures. Prohibited transactions include, but are not limited to: reallocation of classes of positions to new grades; statewide reclassification of existing positions to different titles; and the transfer of positions between agencies.

Single agency transactions which may be processed following these enhanced pre-approval procedures include:

- C the creation of new items (currently requested on a CC-1 or CC-1A form and transmitted to DOB on a CC-4N or CC-1A form; under NYSTEP, will be accomplished via an on-line transaction);
- C the reclassification of items within an agency, including reclassifications to higher graded positions, with or without: a line item change, or movement of the position to a new division/ institution/ facility (currently requested on a CC-2 or CC-2A form and transmitted to DOB on a CC-4R or a CC- 2A form; under NYSTEP, will be accomplished via an on-line transaction);
- C a change in a position's item number, funding source, organizational placement or the payroll agency of a position where there is no reclassification of the position, including "Code 74" transactions (currently requested and transmitted to DOB on a CC-2A form; under NYSTEP, will be accomplished via an on-line transaction).

If the enhanced pre-approval procedure is adopted, it must apply to all of the transactions listed above as well as to those transactions which are pre-approved in accordance with Section 3 of this Item.

As is true for agencies for which enhanced pre-approval procedures have not been adopted, the extension of temporary positions and the approval of seasonal position rosters will continue in accordance with existing practice.

These procedures will be applied, on an agency-by-agency basis, subject to agreement with DOB. Agencies which received pre-approval for eligible position transactions in accordance with the October 3, 1996 version of this BPRM Item are automatically granted enhanced pre-approval authority.

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The Division's determination that an agency has qualified for enhanced pre-approval of all of its transactions in the categories noted above will be conveyed via letter from the appropriate DOB Unit Chief to the Director of Classification and Compensation of the Department of Civil Service, to OSC and to the agency. That letter will constitute DOB enhanced pre-approval of the above position transaction requests made by the agency and no further review by DOB of specific compensation and classification forms or screens, as required by the Department of Civil Service, will be necessary.

DOB retains authority to rescind these enhanced pre-approval procedures for any agency and to re-impose more stringent controls and approval procedures in accordance with the Division's continuing statutory responsibilities, should such action be necessary. At that time, the Director of Classification and Compensation, the Office of the State Comptroller and the agency will receive written notification from the appropriate DOB Unit Chief of the Division's decision to require DOB review of individual classification and compensation actions requested by the agency.

The Division of the Budget will continue to review and approve all other documents prepared in accordance with applicable provisions of the State Finance Law which are required to effect personnel transactions, including those transactions which are pre-approved and those which are approved by DOB on a case-by-case basis.

The following section specifies the procedures to be followed to qualify agencies for enhanced pre-approval of their eligible title and position management activities.

How Agencies Apply for Enhanced Pre-Approval

- a. Upon enactment of the budget, agencies should arrange to provide to their budget examination unit the information required to qualify for enhanced pre-approval of their eligible position transactions. Agencies may be requested to provide:
 - C information on proposed or anticipated modifications in personnel needs and staffing structures expected to occur during the year as a result of statutory changes in programs, the planned expiration of temporary positions or other factors;
 - C an agency Fiscal/Personnel plan;
 - C historical comparisons of planned revenues/receipts and disbursements/expenditures for special revenue fund appropriations, and;
 - C any other information requested by the DOB unit.

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- b. For transactions governed by these enhanced pre-approval procedures, agencies should continue to submit necessary classification and compensation requests and documentation to the Department of Civil Service. Forms or screens submitted by agencies should have all the fields normally completed by the budget examiner filled in (number of positions approved, effective date, expiration date, salary rate, etc.). The accuracy of the dollar amounts will be the responsibility of the agency.

Division of the Budget (DOB) Review of Enhanced Pre-Approval Applications

- a. The Budget Division will review a plan, to be negotiated with each agency, which identifies fiscal, workforce and programmatic goals and policies for the agency for the fiscal year. Should DOB and an agency fail to agree on a plan for enhanced pre-approval of all eligible position transactions, the agency will retain "basic" DOB pre-approval for the abolition of positions and for the reclassification of existing positions, as described more fully in Section 3 of this document. Examination units should inform agencies of the plans, projections and other analyses that will be necessary to negotiate the enhanced pre-approval process. Budget examiners will meet with agency representatives to discuss those materials, resolve outstanding issues and to determine if the enhanced pre-approval process is appropriate in the context of the agency's fiscal resources and program responsibilities.
- b. The decision to grant enhanced pre-approval of all of an agency's above noted position transactions will be made in the context of DOB's broad statutory authority for oversight of State finances, the agency's current staffing patterns and personal service budget, the multi-year fiscal impact of these transactions, established State personnel policies and the mission and organizational structure of the agency. Enhanced pre-approval should not be granted to any agency which consistently fails to provide DOB and OSC with current, accurate and timely documents necessary to process payroll and position actions. Examination units will also notify their agencies of the circumstances under which the Division would rescind enhanced pre-approval authority and require separate DOB approval of individual cc transactions.
- c. Examination units should stipulate the content and format for periodic reports to be submitted by the agency to substantiate its adherence to the agreements underlying DOB's decision to grant enhanced pre-approval for the agency's position transactions. These reports may include information on planned vs. actual costs, staffing levels, progress in implementing programmatic changes, and other factors.

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- d. Consistent with established policy, budget examination units will continue to review and approve other documents required by the State Finance Law reflecting any position transaction executed pursuant to this item. The Division will continue to forward copies of those documents to the agency, the Office of the State Comptroller, the Department of Civil Service and the Legislature. Budget examination units are encouraged to maintain records showing the number and kind of position transactions approved for each agency.

The Department of Civil Service

- a. The Division of Classification and Compensation shall have the opportunity to review the position transactions permissible under the enhanced pre-approval agreements reached between DOB and agencies to assure conformance with departmental needs and compatibility with the requirements of the State's personnel system.
 - b. For transactions approved in accordance with this item, the department is authorized to rely on this notification to signify DOB approval of such transactions. The Department will cite the Budget Division's pre-approval policy in place of the otherwise required DOB signature on the appropriate classification form or Title and Position Management screen. Therefore, the Department will not forward documentation on such transactions to DOB for its approval. The Department is, however, to provide DOB with periodic reports on the classification and compensation transactions it has processed, in a format and at intervals which are mutually acceptable.
 - c. The Division of Classification and Compensation will continue to exercise its statutory authority to classify, reclassify and ascertain the duties and responsibilities of all positions in the Classified Service even though "basic" or enhanced pre-approval has been granted by the Division of the Budget.
5. Summary Table - Transactions Eligible for Pre-approval or Enhanced Pre-approval

The attached table provides a quick reference for those who wish to determine which position transactions are eligible for pre-approval or enhanced pre-approval, and whether such authority is granted to agencies automatically or is subject to explicit DOB approval.

6. Waivers

These procedures and policies may be modified at the discretion of the Director of the Budget.

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7. Effective Date

The procedures and policies contained in the prior version of BPRM Item D-310, dated October 3, 1996, will be in force and effect until issuance of a Budget Bulletin, or another official transmittal, concerning implementation of NYSTEP.

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**PRE-APPROVAL OF POSITION ACTIONS
IN ACCORDANCE WITH
BPRM ITEM # D-310**

Transaction	Form or Transaction Screen	Pre-Approved ?	Which Agencies/ Departments ?
Reclassification to same grade or lower graded existing title; same fund/account/program structure	CC-2A or CC-4R	Yes	All, unless rescinded by DOB
Abolition of position(s)	BD-98	Yes, but <u>not</u> BD98a	All, unless rescinded by DOB
Create new position	CC-1A or CC-4N	Enhanced Only	If DOB approved
Reclassification with/without: line item change; move to new facility/division/institution/etc.	CC-2A or CC-4R	Enhanced Only	If DOB approved
Change item #, payroll agency, organizational placement, funding source; no reclassification requested.	CC-2A	Enhanced Only	If DOB approved
Affects more than one agency.	All shown above	No	None