

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* 1st as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 2. ADMINISTRATION

CHAPTER 5. DEPARTMENT OF ADMINISTRATION - PERSONNEL ADMINISTRATION

PREAMBLE

1. Sections Affected Rulemaking Action
R2-5-503 Amend
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
Authorizing statute: A.R.S. §41-763
Implementing statute: A.R.S. §41-783(3)
3. The effective date of the rules:
September 8, 1998
4. A list of all previous notices appearing in the Register addressing the final rule:
Notice of Docket Opening: 2 A.A.R. 883, 02/02/96
Notice of Proposed Rulemaking: 3 A.A.R. 2056, 08/08/97
Notice of Public Information: 4 A.A.R. 1077, 05/08/98
5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:
Name: Gordon Carrigan, Human Resources Generalist
Address: 1831 West Jefferson, Room 104
Phoenix, Arizona 85007
Telephone: (602) 542-4784
Fax: (602) 542-2796
6. An explanation of the rule, including the agency's reasons for initiating the rule:
The current rule, adopted December 31, 1986, authorized the Director of the Department of Administration to establish a performance appraisal system for all state service employees that was designated as the Performance Planning and Evaluation System. The rule includes a general statement and the frequency of review. The established system no longer fits the needs of state service. The submitted rule provides flexibility to agencies by deleting the reference to a specific system and by allowing each agency to develop its own performance appraisal system for general use. The submitted rule adds parameters for establishing performance rating levels and adds guidelines for reviewing ratings. Also, the submitted rule clarifies the frequency of appraisal for probationary employees.
7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable
8. The summary of the economic, small business, and consumer impact:
The submitted rule will not affect small businesses and consumers. The impact will be upon employees who will be receiving performance evaluations. Any financial impact should be restricted to costs for printing new forms and should range from minimal to moderate, depending upon agency size and number of employees. Administrative expenses for processing performance evaluations should remain as usual.
9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):
The addition of "Prior to achieving permanent status" was made to subsection B.2. to improve clarity. It was not a substantive change. Other stylistic changes were made as suggested by GRRC staff to conform to Secretary of State requirements.

- 10. A summary of the principal comments and the agency response to them:
No comments were received from the general public.
- 11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
Not applicable
- 12. Incorporations by reference and their location in the rules:
None
- 13. Was this rule previously adopted as an emergency rule? If so, please indicate the Register citation:
No
- 14. The full text of the rules follows:

TITLE 2. ADMINISTRATION

CHAPTER 5. DEPARTMENT OF ADMINISTRATION
PERSONNEL ADMINISTRATION

ARTICLE 5. CONDITIONS OF EMPLOYMENT

Section

R2-5-503. Performance Planning and Evaluation Appraisal System

ARTICLE 5. CONDITIONS OF EMPLOYMENT

R2-5-503 Performance Planning and Evaluation Appraisal System

- A. General. ~~The Performance Planning and Evaluation System established by the Director outlining the responsibilities of the employee and the standards for carrying out these responsibilities shall be used to evaluate the performance of all state service employees. The Director shall establish a performance appraisal system to evaluate the job performance of all state service employees. An agency head may adopt an alternate employee performance appraisal systems system, subject to the approval of the Director, as being job-related.~~
- B. Frequency.
 - 1. ~~A supervisor shall evaluate a Permanent permanent status employees employee shall be evaluated at least annually.~~
 - 2. ~~Prior to achieving permanent status, a supervisor shall evaluate a Probationary probationary status employees employee shall be evaluated at least twice in during the probationary period; normally~~

- a. ~~At the end midpoint of the third probationary period, and fifth months~~
- b. ~~Thirty days prior to the end of the probationary period.~~

C. Performance rating

- 1. The performance appraisal system established by the Director shall contain performance rating levels that distinguish among standard, above standard, and below standard performance. The system shall contain numerical points to apply to each performance rating level established.
- 2. An agency that adopts an alternate employee performance appraisal system shall provide performance rating levels and points appropriate to that system.
- 3. The Director shall establish a procedure for converting the performance rating levels of an approved alternate employee performance appraisal system to the Department of Administration rating levels to achieve consistency in human resources actions for which performance levels are a factor.

- D. Review. An employee may file a written request for a review concerning an overall performance rating or a specific performance rating. Each agency head shall adopt a performance evaluation review procedure subject to the approval of the Director.