

**Report to the Streamlining Commission
Advisory Group on Civil Service and Employee Benefits**

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SECURE Louisiana's Future

A Progress Report by the Department of State Civil Service

Provided by the
Department of State Civil Service

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INTRODUCTION

In 1993, the Select Council on Revenues and Expenditures in Louisiana's Future, "SECURE," was established to study our state government and "to recommend changes that will improve government services, make wiser use of public dollars and enhance Louisianians' lives..."¹. The SECURE Final Report, issued in April 1995, contained recommendations designed to produce a "leaner, more productive state government"² and "modernize human resource functions"³. A number of these recommendations dealt with aspects of the state's workforce governed by the State Civil Service Commission and the Department of State Civil Service.

The State Civil Service Commission ("CSC") and the Department of State Civil Service ("DSCS") embraced the SECURE recommendations and initiated a comprehensive plan for civil service reform, referred to as ASCEND 2020. The ASCEND 2020 initiative transformed the focus and function of DSCS from a traditional transactional role to a strategic advisory role. Through ASCEND 2020, authority for human resource transactions was decentralized and delegated directly to agencies. Civil Service Rules were extensively revised to expand managerial flexibility. The compensation plan and the hiring process were completely revised. A new performance management system was implemented and a statewide managerial training curriculum was established.

As a result of the SECURE/ASCEND 2020 reform Louisiana's current human resource system is one of the most progressive in the nation, ranked fourth among all states by the Pew Center on the States in 2008. Progress on the various components of the SECURE/ASCEND 2020 reform effort has been documented in a variety of reports issued by the Department of State Civil Service. This report presents an itemized comparison of the original SECURE recommendations to the actual reforms implemented as of October 2009.

1. *SECURE Louisiana's Future - Final Report*: April 1995, p. 2

2. *Ibid*, p. 23

3. *Ibid*, p. 29

SECURE RECOMMENDATIONS AND CURRENT STATUS

All of the recommendations included in the section of the SECURE Final Report, titled “A Leaner, More Productive State Government” (pp 23 – 32) are presented below. They have been numbered here for ease of reference. (Page numbers refer to the SECURE Final Report.) While not all of these SECURE recommendations are within the scope and authority of the State Civil Service Commission and DSCS (some require action by the legislature or other authority) they are included here to maintain the integrity of the original SECURE recommendations.

SECURE Recommendation 1: Limit state spending growth to a maximum of 2 percent for at least the next five years. (p. 25)

STATUS: Requires legislative action.

SECURE Recommendation 2: Prioritize all state programs and use these priorities to determine base funding and staff allocation decisions. (p. 26)

Status: Requires legislative action.

SECURE Recommendation 3: Adopt the SECURE organization standards as the criteria for evaluating present and future staffing levels. (p.27-28)

- a. **Layers of management:** Eliminate one-to-one reporting relationships. Limit layers of management to four or five, with a maximum of six for very large organizations.
- b. **Span of Control:** Allocate one manager per 10 staff and possibly higher. Highly technical, policy, or non-repetitive functions may dictate a span of control as low as one manager per five staff.
- c. **Clerical Staffing Levels:** A reasonable level of clerical staff is 15% or less of total staff.
- d. **Vacancies:** Eliminate non-shortage vacancies that have been open for more than six months. Long-term vacancies generally demonstrate that the organization has adapted by successfully reengineering related functions.
- e. **Consolidation of units.** Consolidate units with two to five staff into larger, more efficient units. Consolidate regional administration where possible.
- f. **Restructuring through process reengineering.** A restructuring should be accompanied by at least a 25% reduction in the number of tasks performed.
- g. **Retraining for enhanced skills.** Increase productivity by providing training opportunities for employees to learn new skills or “retool” old skill. Managers must learn to accept more responsibility and eliminate unneeded work.

- h. Headquarters staffing reductions. To reduce administrative overhead while continuing to provide needed services, the largest percentage reductions in staffing should be at central and regional headquarters.**
- i. Cut 1100 -1200 positions from the Department of Health and Hospitals**
- j. Cut 650 – 700 positions from the Department of Social Services**
- k. Cut 650 – 825 positions from the Department of Transportation and Development**
- l. Cut 750-800 from the Department of Public Safety and Corrections**
- m. Cut 10-20 from the Department of Education**

STATUS: Although the CSC and DSCS have no authority or control over the organizational structure of state agencies (programs are established legislatively and each agency head determines the organizational structure of his/her agency including layers of management, etc.), we have taken action to provide tools and support to agencies to facilitate organizational restructuring:

- Training (3f & g) – In 2002, the CSC adopted rules establishing minimum mandatory training requirements for all classified employees who hold supervisory or management positions. Some of the mandatory classes for managers include “Managing and Improving Work Processes” (2 days), “Planning and Accountability” (2 days) as well as classes on performance management. Note: these CSC training requirements apply only to classified employees; unclassified employees are not governed by CSC rules.
- Restructuring and Staff Reductions (3a, b, e, f, and h-m) – Since 1995, the CSC and DSCS have made a number of rule changes and revised procedures to simplify downsizing and restructuring processes while continuing to minimize liability risk. The most recent rule changes were adopted in June 2009. These changes eliminated the practice of “bumping” in layoffs, and emphasize skill and performance rather than seniority. The new rules give agency heads wide latitude to reorganize their remaining staff as needed to maximize effectiveness.

Informational Note re. recommendation 3c – The table below indicates the percentage of clerical staff in the classified service was 15.5% in fiscal year 08/09.

Distribution of Classified Employees by
Occupational Group FY 08/09

Service/Maintenance	6.18%
Officials and Administrators	6.44%
Technicians	7.34%
Skilled Crafts	8.35%
Protective Services	10.34%
Paraprofessionals	11.86%
Clerical	15.50%
Professionals	33.95%

SECURE Recommendation 4: Restructure certain state government agencies to reflect program priorities and achieve cost efficiencies. (p. 29)

- **Group related functions to minimize administrative costs**
- **Avoid fragmentation of policy direction and service delivery among departments with related missions and programs**
- **Establish clear lines of authority to increase accountability for results**
- **Assign organizational units with programs and service delivery responsibilities to departments with closely related missions**
- **Consolidate the functions of the Department of Elections and Registration in the Department of State and abolish the Department of Elections and Registration**
- **Consolidate the programs of the Department of Natural Resources, the Department of Wildlife and Fisheries and the Governor’s Office of Coastal Activities under a single Department of Natural Resource, Wildlife and Fisheries**
- **Abolish boards and commissions that are inactive and investigate the status of others**

STATUS: Requires legislative action.

SECURE Recommendation 5: Create a new Department of Human Resources to manage the state’s most precious resource – its people. (p. 30)

- a. **Create a process by which department heads can appeal to Civil Service and/or the Division of Administration for relief when cost savings can result from suspending overly restrictive state regulations.**
- b. **Develop a strategic plan to restructure the state’s classification system and reduce the number of classifications.**
- c. **Develop equitable and consistent compensatory time practices in accordance with requirements of the Fair Labor Standards Act.**
- d. **Reduce the number of job applicant tests that Civil Service Administers.**
- e. **Implement a meaningful Performance Appraisal System statewide to evaluate and reward employee performance.**

STATUS:

The Department of State Civil Service was completely restructured in 2000, when authority for personnel transactions was decentralized directly to agency heads. The new DSCS structure established agency centered assistance teams, redirected resources to expand the training function and created a new accountability program. In this agency centered model, each state

agency has an assigned assistance team consisting of a service coordinator and functional specialists who provide advice, consultation and support of the full spectrum of human resource matters, including performance management, compensation, staffing, etc. The DSCS training program provides training to all classified supervisors and managers. The accountability program regularly audits and reports on agency human resource practices to evaluate compliance with rules and statutes and to identify and promote best practices. The DSCS staff has been reduced by 29% (from 132 to 94) since the SECURE study was initiated. Currently, 70% of DSCS staff resources are allocated to agency assistance and training.

- a. The CSC has adopted rules which enable state agencies to request exceptions to any civil service rule for rational business reasons, not limited to those involving cost savings.
- b. Since 1995, the classification and compensation system for classified employees has been completely restructured. In 1999, DSCS contracted with the Hay Group to conduct a comprehensive Total Rewards analysis of the state's system. As a result, the traditional "GS" general schedule was replaced with six occupationally-based schedules to allow for more targeted, rapid response to changing market needs. A Dual Career Ladder program was established to enable agencies to retain highly skilled employees in technical, scientific and engineering fields while reducing layers of supervision. The number of classifications was reduced by more than 50%, from 3700 to under 1400 today. Position classification authority has been decentralized to agencies. New pay rules were established that give agency heads greater discretion to compensate individuals or employee teams for extraordinary performance, proficiency, educational achievement, performance of extra duties, to recruit highly talented candidates or to retain employees with particularly valuable skills. Currently, a complete revision of the current pay rules is under consideration by the CSC, schedule for public hearing in December 2009. These proposed rules will further expand agencies' flexibilities for optimizing the effectiveness of their compensation policies to meet their specific staffing needs.
- c. The overtime rules governing classified employees were revised in 1999, 2002 and 2006 to standardize agency practices in conformance with FLSA guidelines and to maintain currency with federal changes.
- d. Since 1995, the DSCS has made sweeping changes to the recruiting and selection system for classified employees. The hiring process has been completely automated and decentralized through the LA Careers system which was implemented in February 2009. The DSCS continues to provide central administration of twelve pre-employment assessments for jobs where this has proven to be the most cost-effective, legally-defensible method of managing large applicant pools. Agencies use the results of these assessments to narrow their selection pools, but are no longer restricted by a "rule-of-five" or "top-down" limitation.
- e. In 1997, the existing "Service Rating" performance appraisal system in which employees were simply rated as either "satisfactory" or "unsatisfactory" was replaced with the Performance Planning and Review or "PPR" system. The PPR system requires

supervisors to annually establish performance expectations for each classified employee and then to rate the employee's performance using a 5-point scale. Training in use of the PPR system is mandatory for all classified supervisors and managers. In 2002, the DSCS proposed rules that would have varied employee's pay increase eligibility based on the level of the PPR rating. However, the proposal was not adopted by the CSC because many agencies still had more than 10% of their employees unrated. Since 2002, agency compliance with the PPR system has continued to improve. The CSC is currently conducting hearings on a similar proposal to vary employee's pay increase eligibility based on their ratings. That proposal is scheduled for final hearing in December 2009.

SECURE Recommendation 6: Authorize the Department of Human Resources to develop a new compensation and benefits plan for new state employees. (p. 30)

- a. The current classification system includes 3700 classifications.**
- b. Nearly one-quarter of the workforce has reached the top of the salary range**
- c. The benefits program encourages state employees and teachers to take early retirement and leave after they have gained the experience to be their most productive.**
- d. Employees have to pay a larger share of their medical premiums than their peers in other states and not all employees are covered by disability insurance**
- e. Excessive leave policies enable employees to accumulate leave days and apply them to retirement.**
- f. The new benefits plan should include:**
 - o A defined contribution retirement plan**
 - o Disability benefits**
 - o Reduction of leave to levels comparable to the private sector**
 - o A cap on the conversion of leave to retirement**
 - o Retirement at age 65 for state employees to collect full benefits**
 - o Retirement at age 60 for police, firemen, prison guards, game wardens and others involved in hazardous activities.**

STATUS:

The CSC and DSCS administer the uniform compensation plan that provides the structure through which classified employees' wages and leave benefits are determined. The Office of Group Benefits, within the Governor's office administers the employee health insurance programs. The retirement programs for state employees and teachers are administered through separate retirement systems (LASERS, TRSL, etc.) within the Department of Treasury.

- a. The current classification system includes fewer than 1400 jobs. See item 5b above.

- b. Currently, less than 2% of classified employees are at the top of their salary range.
- c. – f. Changes to the retirement plans are governed by the respective retirement systems. The CSC and DSCS regularly work with these systems to provide and exchange information regarding proposed changes and we will continue to do so.

SECURE Recommendation 7: Reinvest one-third of the savings achieved from staff reductions into a pool for funding pay increases for state employees, to make salaries more competitive with southeastern states and private industry. (p. 31)

RESULTS: Requires legislative action.

SECURE Recommendation 8: Increase funding and opportunities for training and development of state managers and employees. (p 31-32)

- a. Each agency designate a training officer/coordinator and conduct a review of annual training needs.
- b. Each agency assign a liaison to the centralized training office or Comprehensive Public Training Program to aid in the coordination of agency training to maximize resources and obtain favorable prices
- c. Management development training be made mandatory for all supervisors and managers.

STATUS:

Increases in funding for training would require legislative action.

- a. Each agency has a designated training coordinator who interfaces with the Comprehensive Public Training Program and DSCS.
- b. See a. above.
- c. In July 2002, the CSC adopted rules establishing minimum mandatory training requirements for all classified supervisors and managers. First-line supervisors are required to complete 5 courses (36 hours total); managers are required to complete 10 courses (73 - 90 hours). These classes are offered statewide on regular schedule. (These training requirements do not apply to unclassified employees.)

CONCLUSION

The Select Council on Revenues and Expenditures in Louisiana's Future, "SECURE," summarized its purpose as: "*to outline, advocate and even demand immediate and continual change.*"⁴ When the SECURE report was published in 1995, the State Civil Service Commission and the Department of State Civil Service immediately set to work to accomplish the changes recommended by SECURE. We were delighted when the SECURE Chairman, Mr. G. Lee Griffin, was appointed to the State Civil Service Commission in 1998, where he continues to serve today.

In the years since 1995, we have successfully implemented all of the SECURE recommendations that were within our authority. We are proud to be able to report that we have completed the specific recommendations made by SECURE. We are even more proud to report that we have gone beyond the 1995 recommendations and made the pursuit of continual change – the pursuit of continual improvement – an integral and inseparable part of our mission. We were pleased when our human resource system was ranked fourth among the fifty states by the Pew Center on the States in 2008. We are committed to exceeding these past accomplishments by making Louisiana's human resource system even better in the future.

⁴ *SECURE Louisiana's Future - Final Report*: April 1995, p. 2

