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Advisory Group on Civil Service and Employee Benefits

Minutes of Meeting
Monday
November 16, 2009

I. CALL TO ORDER

A meeting of the Advisory Group on Civil Service and Employee Benefits was held on Monday, November 16, 2009, in the John J. Hainkel, Jr. Room at the State Capitol in Baton Rouge, Louisiana. The chairman, Representative Jim Morris, called the meeting to order at 10:00 a.m.

II. ROLL CALL

The secretary called the roll and the following was noted:

MEMBERS PRESENT:

Representative Jim Morris, Chairman
Representative Kevin Pearson
Representative Karen St. Germain
Representative Mike Danahay
Lansing Kolb

MEMBERS ABSENT:

STAFF PRESENT:

Laura Gail Sullivan, Coordinator
Ann S. Brown, Analyst
Michelle Pickering, Secretary
Evelyn McWilliams, Fiscal Analyst

Clark Gradney, Budget Analyst
Karen LeBlanc, Senior Auditor
Camille Pampell Conaway,
Governor's Office, Policy Adviser

WITNESSES:

Beth Scioneaux, Department of Education, Claiborne Bldg., Baton Rouge, Louisiana
June Gillis, Louisiana Department of Wildlife and Fisheries, Baton Rouge, Louisiana
Janice Lansing, Louisiana Department of Wildlife and Fisheries, Baton Rouge,
Louisiana
David R. Sweaney, ACT/Work Keys, 1860 Barnett Shoals Road, #103, Athens GA
30605
Randy Davis, Secretary of State, 8585 Archives Avenue, Baton Rouge, Louisiana
70809
Eve Kahao Gonzales, Louisiana Public Service Commission, Post Office Box 91154,
Baton Rouge, Louisiana 70821
Suzette Meiske, Division of Administration, Post Office Box 94095, Baton Rouge,
Louisiana
Barbara Goodson, DOA and Comprehensive Public Training Program, 1201 N. 3rd
Street, Room 1-170, Clairborne Bldg., Baton Rouge, Louisiana 70802
Karen Puckett, Comprehensive Public Training Program, 1201 N. 3rd Street, Room 1-
170, Clairborne Bldg., Baton Rouge, Louisiana 70802
Karen LeBlanc, LLA, 1600 N. 3rd Street, Baton Rouge, Louisiana
David Greer, LLA, 1600 N. 3rd Street, Baton Rouge, Louisiana
Laura Pate, Department of Economic Development, 1051 N. 3rd Street, Baton Rouge,
Louisiana
Steven Grissom, Department of Economic Development, 1051 N. 3rd Street, Baton
Rouge, Louisiana
Vince Sagnihene, Louisiana Department of Environmental Quality, 502 North Street,
Baton Rouge, Louisiana
Karen Schexnayder, Louisiana Department of Environmental Quality, Post Office Box
4301, Baton Rouge, Louisiana
Stephen C. Dabadie, Louisiana Military Department, 5445 Point Clair Road, Carville,
Louisiana
Herbert Fritts, Louisiana Military Department, 5445 Point Clair Road, Carville,
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Clyde Cuidry, Louisiana Military Department, 5445 Point Clair Road, Carville,
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Wanda S. Raber, Department of Social Services, Baton Rouge, Louisiana
Ruth Johnson, Department of Social Services, 629 N. 4th Street, Baton Rouge,
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Charles F. Castille, Department of Health and Hospitals, 628 N. 4th Street, Baton
Rouge, Louisiana 70821
Alan Boxberger, Office of Juvenile Justice, 7919 Independence Blvd, Baton Rouge,
Louisiana 70896
Michelle Smith, Office of Juvenile Justice, 7919 Independence Blvd, Baton Rouge,
Louisiana 70896
Gwen Jones, Office of Juvenile Justice, 7919 Independence Blvd, Baton Rouge,
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Thomas Bickham, Corrections, 504 Mayflower, Baton Rouge, Louisiana
Debbie Smith, Department of Veterans Affairs, Post Office Box 94095, Capital Station,
Baton Rouge, Louisiana
Tom Burbank, Department of Veterans Affairs, Post Office Box 94095, Capital Station,
Baton Rouge, Louisiana
Jerome Zeringue, Office of Coastal Protection and Restoration, 450 Laurel Street,
Baton Rouge, Louisiana
Garret Graves, Office of Coastal Protection and Restoration, 450 Laurel Street, Baton
Rouge, Louisiana
Diane Smith, Office of Coastal Protection and Restoration, 450 Laurel Street, Baton
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Mark S. Riley, Governor's Office of Homeland Security and Emergency Preparedness,
7667 Independence, Baton Rouge, Louisiana
Clarence Lymon, Department of Revenue, Baton Rouge, Louisiana 70802
Renee Ellender-Robene, LWC, 1000 23rd Street, Baton Rouge, Louisiana 70804
Benny Soulier, Louisiana Workforce Commission, Baton Rouge, Louisiana
Bob Harper, Department of Natural Resources, Baton Rouge, Louisiana
Mary Ginn, Department of Natural Resources, Baton Rouge, Louisiana
Michael Bridges, Louisiana Department of Transportation and Development, 1201
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Susan Pellegrin, Louisiana Department of Transportation and Development, Post
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Robert Boland, Department of State Civil Service, Post Office Box 9411, Baton
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Kenyetta Sewell, Department of State Civil Service, Post Office Box 9411, Baton
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Jean Jones, Department of State Civil Service, Post Office Box 9411, Baton Rouge,
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Judy McGimsey, Department of State Civil Service, Post Office Box 9411, Baton
Rouge, Louisiana 70804
Shannon Templet, Department of State Civil Service, Post Office Box 9411, Baton
Rouge, Louisiana 70804

IV. DISCUSSION:

Representative Jim Morris asked that all cell phones either be turned off or silenced. He informed the audience that the advisory group would be receiving information, education, and testimony related to state workforce issues. He called on the Legislative Auditor's Office.

Karen LeBlanc, Senior Auditor, Legislative Auditor's Office. She said that they were going to provide the advisory group with an overview of the performance audit report that was issued on Civil Service and staffing across state agencies.

Representative Morris commented that he wanted to know where the information came from, why they chose that information, and any problems they may have run into collecting the information.

Karen LeBlanc said that they began the audit back in April, due to legislative interest in Civil Service Reform as well as some streamlining initiatives that took place back then. She said that the audit primarily focused on four topics: staffing in state agencies, hiring and compensation, employee productivity, and discipline and performance management. She said the general methodology and place they collected data from was Civil Service laws and rules and other requirements. They interviewed HR staff at 18 state agencies as well as Civil Service personnel, researched other states and best practices and finally they analyzed ISIS (Integrated State Information System) data. She said that they had relied on ISIS data for most of their analysis. ISIS is the statewide accounting system which contains a great deal of information on state employees. Higher education does not report to ISIS, therefore, higher education was not included in the audit report except where noted. The first objective was to try to determine exactly how many state employees there were in state government. She said that it was often difficult to determine the exact number of employees because it depended on how employees were categorized. They are categorized in a number of ways, either by actual people (or head count) versus FTE. They are often reported as classified employees or unclassified employees and either as TO or non-TO (Table of Organization). She said that it was also difficult because not all state employees were reported in some of the employee counts. Legislative and judicial employees are often not included in any employee count, because they were not comprehensively reported anywhere centrally, as well as contract employees. Agencies employ a number of contractors to carry out some of the functions that they are unable to carry out themselves, the number of contract employees in those contracts are not reported. The actual headcount versus FTE for all executive branch employees which included higher education as well as quasi-state entities, such as boards and commissions, housing authorities, etc. Higher education and state agencies were generally about the same with state agencies comprising the majority of state employees. Higher Education as of June 30, 2009 was at 46,098 and state agencies at 51,657. There are approximately 62,012 (62%) classified state employees and 38,474 (38%) unclassified employees. These figures include higher education. Classified state employees are governed by Civil Service Rules whereas unclassified are not. Employees can also be categorized as TO and non TO. Each year the legislature appropriates the number of TO positions that an agency can have through HB 1 and the appropriations process. The audit shows that there are 45,898 TO positions in state agencies for fiscal year 2009, however, the actual number of TO positions in ISIS is 42,075 which is less than what was appropriated. There are also non TO positions which were not reported as part of the budget process and were not appropriated by the legislature as positions. These are usually found in the "other charges" category and there are approximately 7,000 of those employees. Contract employees who are not really reported to anyone, there are approximately 16,000 active contracts as of June, 2009, that total over \$7 billion.

Representative Morris inquired as to whether or not all contracts contained state employees.

Karen LeBlanc replied possibly not. She said that there was no way that they could look at every single contract and determine which ones would be the type of contract that might augment staff. So the director at the office of contractual review, identified the major types of contracts that would likely employ people and those are the ones that were included in the analysis.

Representative Morris inquired as to the number of employees that any one of the 16,000 active contracts might have contained, on a long term basis.

Karen LeBlanc responded that she did not know. They could break down each contract if that was what the advisory group wanted. There is information on each contract that was reported in ISIS, but not necessarily detailed information. She said they could also get the number of certain contracts in one agency.

Representative Morris inquired how far back some of the active contracts went.

Karen LeBlanc answered that a lot of them were recurring contracts, however, some of them were also hurricane recovery type contracts which was why the number was so large at this time. She said what they were recommending with the contracts was that somehow in the process, that FTE be reported as part of that approval process, especially since the streamlining commission was interested in outsourcing and privatization. She thought knowing the number of employees that were going to be employed with a certain contract would be valuable for assessing the benefit cost effectiveness.

Representative Morris inquired as to the type of information compiled relative to contracts.

Karen LeBlanc replied that they had used the contracting component within ISIS which she thought was called CFMS. Data was pulled for all active contracts that were in effect as of June, 2009.

Representative Morris inquired as to whether or not she had a brief synopsis on each of the contracts.

David Greer responded they would see what they had and get back to the advisory group.

Karen LeBlanc replied that she had a breakdown of the types of contracts by agency that was included in the 16,000. She said they included in their analysis consulting contracts, personal contracts and professional contracts, and had a breakdown of each of those types of contracts within each agency.

Karen LeBlanc stated that the audit's next objective was to determine how Louisiana compared with other States with the number of state employees. She said they had used the 2007 US Census Data and found that Louisiana ranked 13th for having the most state employees per capita on a per 10,000 resident basis.

Representative Danahay inquired whether or not the numbers and rank could have changed since the 2007 US Census Data.

Karen LeBlanc responded definitely, because the number of FTE's back in 2007 was 84,000 and currently that number is 91,000, so yes, it could have changed. She said the other thing to consider is that Louisiana offers unique services that other states do not, such as the charity hospital system. Other states may also provide some of their services at a local level where Louisiana provides services at a state level.

Objective three: What is Louisiana's ratio for supervisors to staff in state agencies? There was basically no data reported on this to ISIS or to Civil Service, so the methodology used was to group actual employees and job titles into different levels of work and then evaluate the PPR data. The result was that the statewide average was one to four. They found that 22% of supervisors supervise only one staff person. She said there were limitations to this analysis, and generally unclassified personnel were not included; however, some unclassified personnel did participate in PPR even though they were not required to do so. She said that some unclassified employees had job titles, but they were not classified job titles, so they would not correspond to the levels of work that the classified jobs do, and were not included in this analysis. Supervisors are suppose to enter their personnel information or personnel number when they rate someone, but a lot of them did not enter their personnel number. There were about 1,600 unclassified supervisors and employees included in this data.

Representative Morris inquired as to the term "a lot" and what that meant.

Karen LeBlanc answered approximately 2,600.

Representative Morris inquired 2,600 out of how many.

Karen LeBlanc replied out of about 8,000.

Representative Morris inquired as to whether or not these where from or for one particular department or if they were scattered.

Karen LeBlanc responded that they did not look at that, and offered to get that data for the advisory group.

Representative Morris stated that he would like to have that information.

Karen LeBlanc advised the group that the audit report did recommend that that be a required field in ISIS.

Representative Danahay inquired as to whether or not they knew why it had not been reported.

Karen LeBlanc responded that she thought it was just not required.

Representative Danahay stated the structure of Civil Service is such that for people to advance, and become better paid they have to be moved into a supervisory position and questioned that move if that particular person did not possess the trait or quality that it takes to be in a supervisory positions.

Karen LeBlanc replied, that was mentioned in the audit report because that has traditionally been the way that employees were rewarded. Civil Service has a designation called a "dual career ladder" which is currently being used by approximately 300 employees. She said what that does is recognize that everyone does not have supervisory skills and they don't need to, but they may have specialized technical or expertise that might be needed in that agency. So they are designated as a dual career ladder employees and they are not required to supervise. The audit report recommends that they consider expanding this tool in some agencies. There are a lot of special pay mechanisms out there that Civil Service has rules for that agencies could use to reward and retain their employees instead of promoting them. The audit report also recommends that agencies use those more.

Representative Danahay commented that was one of the points in HR 6 that he put forth was to look at possibly reducing those pay bands so that there was a wider band that could be used to pay people more without going through the promotion process.

Representative Morris inquired about the limitations provision.

Karen LeBlanc continued with objective four: Does the state require agencies to justify their staffing levels? She said that basically there was no mechanism for agencies that required them to evaluate their staff on a routine basis. As part of the budget process they may have to justify new staff, but there was no routine evaluation. The Legislative Auditor's report recommended that agencies engage in strategic workforce planning. Other states, like Texas and Georgia have mandated this for their state agencies. She said basically what that does is help the agency align its staff with a strategic plan which would also show what staff would be needed to carry out the goals and objectives of that agency. It was her belief that was a good way for the legislature and other decision makers to evaluate how agencies were carrying out functions and what resources they needed. Civil Service already has a group in place that does some workforce planning on a limited basis and would be in support of this recommendation.

The next topic up for discussion was Hiring and Compensation.

Objective five: Does the state's hiring process ensure that agencies are able to hire employees in a timely manner. The audit report found that Civil Service was actually pretty progressive in the area of hiring with the use of technology by implementing an on-line hiring system in February called La Careers which allows agencies to manage their own hiring process on line. She said that some of the agencies interviewed claimed that the process was not as efficient as it could be, and she thought that was primarily due to the increase in the number of applications that were being received which was about 260,000 since February. Some of the system's screening capabilities were not currently being used by all

agencies which would reduce the number of applications that they had to review by using supplemental questions.

Representative Morris inquired about the 260,000 applications and asked if that were for all jobs that could be found in state government.

Karen LeBlanc answered that was right.

Representative Morris inquired as to whether or not that seemed like a process that we could go through and get rid of a lot of the applications that were just sitting there so that the supervisors did not have to review each and every one of them.

Karen LeBlanc replied that she thought the supplemental questions would help with that. They would have to meet minimum qualifications, so they would have to ask certain questions for everyone, but thought that they could develop supplemental questions to find the most desirable candidate. It was her opinion that would narrow down that field.

Shannon Templet responded that the number of applications had increased tremendously with the implementation of the La Careers system. Through that, every agency has to announce every state job that they want to hire for. Supplemental questions have been issued for particular jobs that pertain or deal with individuals applying for the PET (professional entry level) jobs and clerical positions. It was her opinion that the longer the system stayed in effect the better the agencies would get at utilizing the supplemental questions and Civil Service would certainly do their part in trying to help them do that.

Representative Morris inquired as to the areas where the high rates of turnovers were in employment and wondered if they were keeping a continuous pool of applications ready and if that was something that the agencies had been able to utilize as well.

Shannon Templet answered yes sir, through the system, they could have continuous job announcements, so they receive applications on a continuous basis.

Karen LeBlanc continued with objective six: How does Civil Service determine the appropriate levels of compensation for state employees? The report showed that every year Civil Service conducted an annual salary study and analyzed data on comparable jobs in other states and in the private market and developed recommendations for their annual pay plan. Last year they recommended a three to ten percent increase for certain pay grades. In lieu of that, they also recommended a two to five percent overall one time payment for all state employees. She said that has passed the Civil Service Commission, but had not yet been implemented.

Objective seven: What is the average salary for classified and unclassified employees? As of June 30, 2009, the average salary for full time classified was \$43,670. and for full time unclassified \$52,713.

Representative Morris inquired about the benefit package and asked Civil Service if they had a cost value for that.

Shannon Templet answered no, not specifically. She said those average figures for salaries was for executive branch agencies only.

Karen LeBlanc replied this did not include higher education.

Shannon Templet stated that the numbers she gave to the joint budget included higher education and those numbers for classified employees, the average is around \$41,000 and the unclassified is around \$60,000.

Representative Pearson inquired as to whether or not these figures included the LSU Health Sciences Center.

Shannon Templet answered yes sir. She said generally the classified employees at the universities are clerical level employees.

Karen LeBlanc continued with objective eight: What is the turnover rate in state agencies? She said the average turnover rate for classified employees was about 14%.

Representative Morris inquired relative to turnovers and the cost associated with that in so far as training, etc.

Karen LeBlanc responded \$48 million to \$193 million in 2008.

Representative Morris inquired relative to the turnovers and asked if the agencies were finding out why their employees were leaving, other than to just say personal reasons. He wanted to know if the agencies were breaking down what that "personal reason" was.

Shannon Templet answered that was done at the agency level. She said that a lot of agencies have an exit interview and they ask their employee why they were leaving. However, people don't always have to tell the truth or put personal reason and don't go into that. She said that they try to capture that data.

Representative Morris stated that he would like to see more of an exit interview, so that on the front end that employees know that if they leave they were going to have to provide the agency with some information. He wanted to see if there was a way to explain to them that this would help the agency understand and hold on to some of their critical need employees. He thought that there could just be a better way of doing this.

Shannon Templet replied that there was that capability in the ISIS HR system for those agencies who use that system for their personnel and payroll system, because they could list the reasons for separation.

Representative Morris really wanted something done with the exit interview because it was his opinion that it was costing an extreme amount of money to get folks back in and trained. He thought that Civil Service should look at it.

Karen LeBlanc stated the audit report actually had a couple of recommendations relating to turnovers. She said that she did not believe they could mandate agencies to do exit interviews, but they could encourage them to perform them. It was also recommended that they revise some of the reasons, because "personal" could be anything. The last recommendation relative to turnovers is that Civil Service collect the reasons and report those as part of their report.

Representative Morris commented that he would like to see this tracked on a more routine basis and then see if there was anything that could be done relative to the cost associated with the turnover rate.

Karen LeBlanc stated that Veterans, Corrections and Health and Hospitals have a very high rate of turnovers which was generally expected given the critical services that these agencies provide. She said high percentages could also be seen in those agencies that were fairly small, so if only one or two people leave, it shows up as a high turnover rate.

Karen LeBlanc continued with objective nine: Are state employees required to document productivity? They looked at time keeping a little; however, most employees are negative time employees which means that they do not have to enter the actual hours worked into ISIS for the purposes of payroll, nor do they have to document what they actually worked on. She said in their office they had to document everything they worked on all of the time every 30 minutes. It was her opinion that time keeping was really not an assurance of productivity, it was more of a performance management function.

Objective ten: How do state agencies discipline employees? Civil Service rules outline the requirements agencies must follow to formally discipline employees, but they do not outline what type of infractions result in a formal action. Agencies generally develop policies related to that; some agencies had those policies, some did not. She said over the last three years, there were 1,946 formal actions. The most prevalent formal action was reducing an employee's pay which was 58%. Other actions were resignations, demotions, and resignations to avoid dismissal. Employees generally do not appeal these actions. From fiscal 2007 to 2008 there were 283 appeals, most of which were either denied or dismissed.

Representative Danahay inquired relative to the infraction policies and asked if that was done on an agency level and if it varied from agency to agency. He inquired as to whether or not it was at the discretion of the agency head.

Karen LeBlanc replied there were general Civil Service rules that had to be followed related to disciplinary actions, however, they do not specify what specific action would result from a disciplinary action.

Shannon Templet answered yes, it was at the discretion of the agency head.

Representative Danahay inquired as to whether or not the varied level of disciplinary infraction lead to more appeals.

Robert Boland answered that all managers were different as well as job positions. Being on time may be critically important for one agency, and not as critical for another agency. It was his opinion to set a policy statewide would take away that managerial discretion and would create more appeals.

Representative Danahay inquired as to whether or not Civil Service reviewed the policies of the agencies.

Robert Boland replied that Civil Service did not review the agency's policies. He said when an appeal is filed, what the Referees and the Commission looked at, was whether the facts standing alone were justified by the penalty given, and whether or not it violated a policy, or followed an internal policy. He said this was relevant at the hearing, but only minimally relevant.

Representative Danahay commented that it was more like what was seen in the private sector where there was that flexibility for managers to manage their employees by their own views.

Robert Boland stated that Civil Service had spent a lot of time, money, and energy teaching managers by empowering them, and making them know that they have the power to do things, and then teaching them how to do it.

Representative Morris inquired whether or not Civil Service knew how many employees were on probation since being hired.

Shannon Templet responded that they could provide the advisory group with that information.

Representative Morris commented the reason he asked was because the audit report indicated that one way to improve the disciplinary process is for agencies to use longer probationary periods. Some agencies had a six month probationary period, but had the capability to go out two years. He wanted to know whether or not an employee who was under probation could participate in merit pay raises and other benefits.

Shannon Templet answered yes, from day one.

Karen LeBlanc stated that Corrections, Health and Hospitals, and Public Safety each have a higher number of disciplinary actions because those agencies have stricter disciplinary policies, so that was to be expected.

She said that one of the audit report's recommendation was for agencies to utilize the longer probationary period because employees could be terminated during this probationary period without cause. That would allow agencies more time to evaluate their employees to make sure that they were right for that agency. She said that during fiscal year 2009 about 1,700 probational employees were terminated.

She said that another suggested improvement was capturing the reasons for the disciplinary actions so that the agencies could look at trends and patterns and determine what kind of problems they were having in their agency in order to address those issues.

Representative Morris inquired whether or not there was a way to track whether or not an agency was actually having manager problems.

Karen LeBlanc replied they could possibly look at the formal disciplinary action and group those by job level or job title and that might tell you whether or not it was a manager or staff person that had the disciplinary action. She said that they could also look at their PPR ratings and see what kinds of ratings they had. She thought that might focus on some of the problems.

Shannon Templet stated that it was her belief that the agencies might currently be managing that. Just because it was not reaching the Civil Service level did not mean that the agencies were not managing that and noticing employees.

Representative Morris commented that he thought that Civil Service should be interested in finding out this information.

Shannon Templet answered that they would get that information back to the advisory group.

Karen LeBlanc continued with her discussion, the last topic was Performance Management. Objective eleven: How do state agencies evaluate their employees? State agencies use the PPR (Performance Planning Review) process. She said that this instrument was developed in 1997 by Civil Service as a means to enhance communication with, and productivity of employees. Employees are rated in six to eight areas on a one-to-five scale. Generally employees do receive a merit increase as a result of their PPR rating. The audit report found that 94% of classified employees received merit increases in fiscal year 2009, and that most employees received pretty good ratings, most of them being rated at "meets expectations" or higher. Using the ISIS data, they looked at whether or not the merits that were issued, were done in accordance with Civil Service Rules meaning did the employee have the correct rating, and did they have evidence of a PPR. They found that a

small percent, less than one percent, did not have evidence of a PPR documented in ISIS, and a couple of them had a "poor" or "needs improvement" rating, and got a merit increase as well. Civil Service also conducts audits and looks at PPR compliance and what they found in their last cycle was a 92% compliance rate within the agencies relative to the rating requirement and a 68% compliance with PPR planning requirements.

Representative Morris asked that they break that down just a little bit more.

Shannon Templet replied that supervisors were required to conduct a PPR rating which included a planning session that had to be done within 30 days from when they hire an employee or whenever they promoted someone into a new job.

Representative Morris commented looking at the percentage, he was interested in the eight percent of people under the compliance and rating requirement and asked what did they not do.

Shannon Templet responded what Civil Service looks for in their audit is to see if the rating was actually completed. She said in order for it to be a complete process, it had to be done timely, it had to have the supervisor's signature as well as the employee's signature. If the PPR missed even one of those areas, even if it was conducted, if it was a day late, then it was not compliant. If it did not have an employee signature then it was not compliant.

Representative Morris inquired as to whether or not that was something they could go back and do at a later date.

Shannon Templet replied that all Civil Service was looking for when they looked at the rating was simply to see if the managers were meeting the Civil Service requirements.

Representative Morris inquired as to whether or not Civil Service kept a running chart of the same managers that might not be in compliance over and over.

Shannon Templet answered that every agency had to report to Civil Service once a year. Civil Service gives an annual report to the Civil Service Commission of those agencies who have low ratings on their PPR planning. Those agencies actually have to appear before the Civil Service Commission and explain why they are having a problem in that area. She said that if they do an accountability audit and their PPR ratings are much lower than they should be, those managers are asked to appear before the Commission at that time to explain. Usually once that is done, they will put policies in place to ensure that it doesn't happen again.

Representative Morris inquired whether or not Civil Service had information dating several years back showing who had complied, who had not complied and who was continuously having problems in this area, etc.

Shannon Templet answered yes, they had that information.

Representative Morris asked that the advisory group be furnished with that information.

Karen LeBlanc continued with the audit report and said that they found that about 10,000 employees were not rated in fiscal year 2007. 8,962 of those not rated were classified employees who are required to be rated; however, that did not mean that they did not receive their merit increases, because a lot of the time it is not the employee's fault, but rather the fault of the supervisor.

Representative Morris inquired relative to some of the reasons supervisors were not rating their employees.

Karen LeBlanc replied that unclassified employees were not required to be rated, but there were just a few of them. Ratings for the classified employees were either done untimely, never done, had no signatures on the PPR, copies were not provided, employees were on extended leave or transferred from one agency to another, etc. She said that the audit report does not determine how many of the 10,000 not rated actually received a merit increase, but thought that it would have been all right if they had. It is not prohibited.

Shannon Templet responded that it was up to the agency head to determine whether or not an employee received their merit increase, so they could, in fact, have an unrated rating and still receive a merit increase if they were eligible for one.

Karen LeBlanc stated that Civil Service just issued a rule that would hopefully take care of that because now they were going to require that in order for the supervisor to get a merit increase themselves, they are actually going to have to rate their employees.

Shannon Templet commented that that rule was passed and went into effect on June 30, 2009.

David Greer commented that that rule would not apply to the unclassified supervisors. It only applies to those under the control of Civil Service which are classified supervisors.

Karen LeBlanc stated that Act 377 that just passed requires that unclassified supervisors - certain ones are trained on the PPR process and would tie their merit increase as well to the PPR ratings; however, Civil Service does not have any authority over them to enforce that and make sure that those supervisors comply with that.

Objective twelve: How can existing tools be used to improve performance management? Civil Service has developed a number of special pay mechanisms for

agencies to use in order to reward, retain, and recruit employees. It was her opinion that either agencies were not aware of the pay mechanisms, or do not always use them. She said that 15% were given a special pay mechanism and three percent received a reward and recognition award in 2009. In addition, legislative reward programs have not been used by agencies since 2005, the gain sharing and incentive awards programs had given out 14 awards from 2002 to 2005, but have not been used since then. Optional pay is generally used for additional duties, and special interest rates are used by Corrections and DHH to attract people to those positions that are hard to fill and that have a lot of turnovers. Those options are available for agencies to use.

Representative Morris asked for the audit's recommendation on this.

Karen LeBlanc answered the audit's recommendation is that Civil Service should continue to encourage state agencies to take full advantage of existing special pay and rewards and recognitions policies to provide employees with both monetary and non-monetary rewards for high performance.

Representative Morris inquired as to whether or not the process was so cumbersome that a manager simply says that they are not going to bother with it.

Karen LeBlanc replied that she thought with the legislative award program it was, but was not aware of what the problem was with the special pay.

Representative Morris commented that this was discussed in appropriations and wondered if any of it had been corrected.

Shannon Templet responded the rewards and recognitions, and the special pay tools that the agency could utilize would have to go before the Civil Service Commission with a policy. Once the Commission approves that policy, then the agency has the discretion to utilize that policy however they want. There are a few things that do have to go before the commission, just for public knowledge, especially certain optional pay that would be given to a high level administrator with additional duties. Some of the pay rules that Civil Service was actually proposing would expand the pay rules allowing the agencies a little more discretion in those areas. Those proposals are on the table for December 9, 2009.

Representative Danahay stated that he knew that some of the legislative awards were cumbersome and that some steps that would have to be followed are such that the agency head would just not want to fool with that. He inquired relative to the funding of those programs and asked if that fell on the agency.

Shannon Templet answered no. In the gain sharing program, the legislature has funding set aside for that so that would not come out of the Agency's budget. However, on the rewards and recognition - most of the pay rules that are in place comes for that comes from the agency.

Representative Danahay stated, so the agencies would have to incur the cost of that before they could make that award.

Shannon Templet answered yes, they do.

Representative Danahay commented that was something that he was looking at was possibly somehow moving that legislative award funding into the recognition award so that whenever the agencies are able to make those awards that they are reimbursed in their agency budget so that it would not hurt them budget-wise. He thought this would help the agency head to more likely participate in those programs, if some funding were available to incur that cost.

Shannon Templet replied with the gain sharing, the legislative awards, the employee would have to do something that would incur a cost savings for the agency, whereas some of the other rewards were based on performance or recognition for their duties or skills.

Representative Danahay commented that would still have to be funded through the agency's budget.

Karen LeBlanc continued her discussion with Objective thirteen: What additional performance management initiatives should the state further develop? She said that the two initiatives that the audit report looked at were generally already being done by Civil Service and were considered best practices in the area of performance management. The first one looked at maybe expanding the use of broadbanding which basically collapses salary grades and job classification into wider pay bands, allowing agencies to move and compensate employees without having to go through the formal reclassification process. She said that as of June 30, 2009, there was actually about 1,600 job titles currently in use by state employees and about 1,000 of those have ten or fewer employees in them.

Representative Morris stated that Civil Service was right in their classification span, but that there was also another way to figure it which might carry those numbers out.

Shannon Templet inquired as to whether or not he was talking about the number of job titles that they have, the 1,400 job titles that Civil Service has.

Representative Morris answered yes.

Shannon Templet replied that they were at around 3,700 job titles quite a few years ago. She said they have worked very diligently to decrease that number. She said that 1,400 job titles were actually reported to the Governing Magazine on the states. The way they classify job titles for them was, for instance, if they had a job title that was an accountant, one, two, or three and it fell in what they call a career progression group, when that is reported to Governing, it is reported as one job title, because it is based on a persons skills and the level of independence that they move between jobs. It was her opinion that it

was a simplified form of broadbanding. In the 1,400 job titles, Civil Service is only counting accountant one, two, and three as one job title, as an entry level accountant type position. That is how it is reported to Governing and it is documented that, that is the way it is counted.

Representative Morris inquired whether or not that was a procedure that was acceptable by the organizations that they were required to report to.

Shannon Templet answered yes, sir.

Karen LeBlanc replied that the 1,600 job titles that the audit found were currently in use.

Shannon Templet stated that they do still have, even though they have abolished positions, they have agencies who still have people in job titles that the job titles were actually abolished. Civil Service is currently working with agencies to get those employees moved out of those job titles and moved into something else.

Representative Morris inquired as to how long that would be allowed to drag on.

Shannon Templet answered that they would like it to be completed within six months after a job title was abolished.

Representative St. Germain inquired as to who actually abolishes the job titles.

Shannon Templet answered that the Department of State Civil Service.

Karen LeBlanc continued with the second initiative, pay for performance, basically what this does is give agencies the ability to link employee compensation to actual performance. Civil Service is currently developing rules to address this issue. She said that pay for performance is a best practice, although very challenging to implement. Some of the challenges include ensuring that the process was consistent, objective, and based on measurable expectations. She said that some of the complaints heard from employees was that it is a very subjective process. So any measure taken to decrease that subjectivity would be needed. Encouraging agencies to link employee expectations that are outlined on the PPR to overall agency performance. It was her belief that having measurable expectations that were linked to agency performance as well as some agreement as to how those expectations would be measured between the supervisor and the staff would also help decrease some of the subjectivity of the process. She said that Civil Service already had an alternative PPR form that agencies could use to customize those expectations to individual employees. The audit report recommended to increase agency oversight over that process and Civil Service oversight to look at the quality of the PPR and not just the compliance of it. It is also recommended that all supervisors are trained and rated included unclassified

supervisors. Lastly, is the funding issue, ensuring that there is adequate funding to fund the variable performance adjustments.

Representative Morris inquired as to whether or not the Division of Administration had to approve the merit pay raises from a budget aspect or whether or not it was just taken out of the confines of an agency's budget.

Shannon Templet answered that it was her belief that the Division of Administration had to approve that through the budget process.

Kenyetta Sewell also answered that when the Commissioner of Administration submits the governor's budget, it could or could not have merit pay in it. She said the merit pay was included in the budget recommendation for 2009/2010.

Representative Morris inquired as to whether or not there would be any affect in that process if Civil Service Commission changed the merit pay raise.

Kenyetta Sewell answered no, it would not affect that process.

Representative Morris inquired as to whether or not there was anything in place to take that control out of the Division of Administration's hands.

Kenyetta Sewell answered no.

Representative Pearson inquired as to whether or not a comparison was done with other states relative to merit pay.

Karen LeBlanc replied that they did a little bit of comparison, but mostly relied on what Civil Service had done in that regard. What they had found was that six other states have implemented some form of pay-for-performance.

Shannon Templet responded that when Civil Service looked at variable increases based on performance, which was not just merit increases, but all of the rules, because if you want to look at a total rewards package, you have to look at more than just the increase that is received based on the annual PPR rating. She said that is was very hard to compare state to state because everyone was set up differently, but there were six other states that have variable increases like this.

Shannon Templet informed the advisory group, before closing, that they currently have 6,337 employees on probation.

She provided a handout to the advisory group entitled "Staffing in State Agencies" and "Department of State Civil Service Staffing and Personnel Issues in State Agencies". For further details on these reports and to see chart graphs, please refer to the handouts which could be found on the streamlining commission's website.

Representative Morris called on the Comprehensive Personnel Training Program.

Barbara Goodson appeared before the advisory group on behalf of the Division of Administration.

Karen Puckett appeared before the advisory group as the acting director of the Comprehensive Training Program. The Comprehensive Public Training Program is provided for in R.S. 42:1261-1265. These statutes were put in place in 1986, the training program within the Division of Administration with review by the Department of Civil Service and the training agency designated as the Division of Administration. The program is open to all state employees: Local government employees may attend unfilled classes for a fee of \$50. The agency budget is made up of fees assessed to state agencies, mostly through interagency transfer. They pay a percentage based on their classified salary budget.

Representative Morris inquired as to how often classes are available.

Karen Puckett answered they train approximately 17,000 people a year with a continuous schedule of 3,000 to 4,000 classes a year that are available for employees. Additional structured training could be provided to agencies upon request.

Representative Morris inquired as to how long a typical class last.

Karen Puckett answered most of the classes were half a day to a full day.

Barbara Goodson replied that satellite classes were also available to those employees who are unable to travel.

Karen Puckett responded they use compressed video for the structured training program for DHH's Office of Community Developmental Disabilities, and for training corrections for Correctional Security Supervisors.

Representative St. Germain inquired as to whether or not this program was similar to the incumbent worker training program in the way that the incumbent worker training program trains people in the field and not in a class setting.

Karen Puckett replied that these classes were designed primarily for state employees whereas the incumbent worker training was private, but that the two programs were similar. The policy board was set up by statute as well as an advisory board made up of different representatives to advise on activities done by the CPTP office three times a year. The board has the authority to award certification to any person completing the certification programs offered by CPTP.

Barbara Goodson commented that Kathleen Randall represents the House on the board and Jerry Guillot represents the Senate.

Karen Puckett continued her presentation, the CPTP is based on a competency model. The Louisiana Managerial and Supervisory Survey was designed with input from 5,000 highly qualified supervisors in state government to determine the knowledge, skills, and abilities that would be needed in state government. The competencies include time-management, motivation, customer service, etc. Most of the courses are managerial and

supervisory courses, though some are for general state employees. A full range of workforce development initiatives is provided, if necessary, to meet the learning and development needs of managers and supervisors in state government. The Civil Service Commission mandates supervisory training for first-line supervisors, middle managers, and upper-level classified employees. Unclassified employees are not required to participate in the program, however several agencies have mandated by policy that those employees avail themselves of the mandatory training.

Representative Danahay inquired whether or not an assessment was done at the end of the program to see which employees might or might not be managerial material.

Karen Puckett replied that an assessment was done in the Strategies for Supervisory Success course where the employee takes the LMSS instrument and rates themselves as to how competent they feel they are and where they feel like they need additional assistance as far as training.

Representative Danahay inquired whether or not an independent assessment was done of employees to determine if they were qualified for a managerial or supervisory position.

Karen Puckett answered that that kind of assessment was not done. That decision would be a discretionary one by the agency. The CPTP is agency driven, so employees could not self-select which class to go to because the agencies have to determine and approve who they want to send to the training class.

Representative Morris inquired as to how many different training course titles existed.

Karen Puckett responded they have about 100 different course titles, plus 500 on an online library.

Representative Morris asked for a list of those titles.

Karen Puckett replied that she would be happy to provide the advisory group with that information.

Representative Morris inquired as to how often they reevaluate the programs.

Karen Puckett responded that they do a needs assessment every four years in state agencies to determine if what they are teaching is still current and meeting the needs of the agencies. They redesign existing curriculum and create new courses to meet the results of the assessment.

Representative Morris inquired whether or not an agency could require an unclassified employee to take the training class.

Karen Puckett answered yes, all of the Health Care Services Division hospitals have required that all of their unclassified employees take the mandatory supervisory training

required by Civil Service. That agency would be responsible for tracking this themselves since it is not reported to Civil Service.

Barbara Goodsom commented that GOHSEP was an unclassified agency and they utilize the program extensively.

Representative Pearson inquired about the budget for the online learning license of \$93,500.

Karen Puckett replied that the \$93,500 was a yearly fee that allows up to 10,000 people to access more than 500 courses in a year's time.

Representative Pearson inquired as to who that was through.

Karen Puckett responded that Mind Leaders was their current vendor. They renew the license every three years and would request additional information from other vendors in the spring.

Representative Pearson inquired if they knew how much the online courses were used.

Karen Puckett answered that over the past two years, they have had their vendor deactivate any person who had not been active because they had more people than they could train. The Department of Public Safety Office of State Police has implemented a structured training program where they require a series of classes for their officers before they can test for promotion. They test once a year for Captain, Major and Sergeant. The Department of Transportation has also implemented a structured training program for all positions within their agency and have built in promotional ladders that require a certain level of training be completed before they are eligible for promotion. CPTP has taken some of the existing curriculum and re-modified and customized it for agencies upon request, such as the Workforce Commission's PPR process and writing classes for the Office of Community Services within DSS. One of the benefits the program has to address specific needs is the assistance through the contract with LSU.

Representative Morris inquired as to whether or not there was ever a time during a year when classes were not being held.

Karen Puckett replied that they have classes every week. Sometimes a particular day of the week will not have a scheduled class somewhere, but any given day there could be one to seven classes being held.

Representative Morris inquired as to the differences of what they do and what Civil Service does with this type of program.

Karen Puckett responded that CPTP teaches management, supervisory skills, and generally applicable skills training to state employees. Civil Service predominantly teaches employees how to utilize the rules, how to handle and correct performance, and how to discipline between the PPR classes, Common Myths classes, Civil Service Essentials, and

Documenting for Discipline. Anything else that deals with managing employees, motivating employees, productivity issues, problem-solving skills, strategic planning, workforce planning, succession planning, etc. are all topics under CPTP.

Representative Morris inquired as to whether or not there were any overlapping classes.

Karen Puckett answered of the mandatory training required by the Civil Service Commission, CPTP provides 69% of the courses and Civil Service provides 31%. In addition to the mandatory training, CPTP provides competency-based management development programs with many courses that can be used to earn certificates. She said that Civil Service conducts the Group One classes which consist of PPR, Documenting for Discipline, Common Myths that Affect Good Supervision, and Civil Service Essentials for Supervisors. Based on the analysis done by the Division of Workforce Development of the course materials, those courses are taught at a knowledge-based appropriate level for those topics. The CPTP LSU courses are taught at an application level, so the content of the courses are developed so that it is experiential learning, skill building, and synthesis-based activities so when the employee returns to work they can immediately implement and apply what they learned in the class.

Representative Morris inquired as to whether or not there were any conflicting or duplication of education or training.

Barbara Goodson replied that there was a cooperative working arrangement between CPTP and Civil Service. The CPTP office handles the paperwork for scheduling the Civil Service classes.

Karen Puckett responded that the logistics and administrative functions for both CPTP and Civil Service classes were handled by the their office.

Barbara Goodson commented that Civil Service taught classes that dealt with Civil Service rules. CPTP classes focus more on the management, supervisory, and educational level.

Karen Puckett said that the program was designed to meet the current training needs of employees. They do not have the money to train everybody who wants to be a supervisor at some point in the future. This issue puts some people at a disadvantage because by the time they become a supervisor, they may not know some things they should already know how to do since they would not have been eligible for supervisory training until that point. Some of the non-supervisory classes provide preparatory training, but they do not have the resources to train employees for jobs they do not already have.

Representative Morris commented that he thought that when a supervisor was hired, that person should already have several of those skills.

Representative Pearson inquired about the budget for the online license.

Karen Puckett responded that the online learning is generic. State culture and experiential learning is not built into the courses. Many of the online courses are computer skills, writing, grammar, and customer service courses that are not done frequently with live instructor courses.

Representative Pearson inquired about the budget for the live instructor courses.

Karen Puckett answered that the average class size was about 36 people at one time, and about 17,000 people a year.

Representative Morris inquired as to whether or not their results were in line with other states and if all other states did this type of training.

Karen Puckett replied that most other states do the same type of training. Louisiana is a member of the Certified Public Manager Consortium which is a national consortium of agencies that have management and supervisory training for their employees. The consortium has adopted and implemented the competency model that Louisiana uses. The program is getting national recognition for the types of training they provide. Every course is rated at least a 4.2 when evaluated. Many large state agencies offer training programs outside of their human resources office.

Representative Morris inquired as to whether or not each agency put a portion of their funding into this training program, whether they utilize it or not.

Karen Puckett responded yes.

Representative Morris inquired as to whether or not it was done on a percentage basis.

Karen Puckett answered that it was a percentage of their classified salary budget. For example, GOHSEP did not pay any money because they do not have any classified employees. She said that her office has come up with a mechanism to bill them so they can collect money in order to service their needs.

Representative Morris inquired as to whether or not a manager or agency head had to pay more money if they wanted an unclassified employee to attend the training program.

Karen Puckett answered that they would not have to pay extra. They take anybody that the agency wants to train until they run out of money.

Representative Morris inquired as to how often they ran out of money.

Karen Puckett replied that they have had to turn agencies away a few times because they did not have enough funds. They would never be able to meet the training needs if every agency used up the amount of money they paid to CPTP.

Representative Morris inquired as to how far back they kept records on those people who utilized the training.

Karen Puckett answered that they kept records as far back as 1979.

Representative Morris stated he would like to look at the records going five years back to include the agencies that have utilized the program and the cost associated with that.

Karen Puckett replied that she could tell him what the agencies had paid, but could not tell him how much was spent proportionately on how many people came to the classes.

Representative Danahay inquired as to whether or not she could provide information relative to what an agency's funding was to the program and the number of participants

Karen Puckett responded that she could provide the advisory group with an agency's funding and the number of participants. She said that they would have that information, along with the list of programs, to them in the next day or two.

She provided a handout to the advisory group entitled "Comprehensive Public Training Program". For further details and information, please refer to the handout which could be found on the streamlining commission's website.

Representative Morris asked for information from the public and asked Ms. Sullivan to read some of those suggestions and comments that had been received by the advisory group.

Laura Gail Sullivan advised the advisory group and the audience that they had discussed a number of ways the public could submit ideas for consideration through the online website in a previous meeting. They had read the recommendations pertaining to Civil Service, Employee Benefits, and Employee Compensation, and the other agencies that the advisory group had been assigned. She said the recommendation list was updated on a weekly basis, and the following recommendations would cover the last two weeks of submissions from the public. She read the comments into the record:

- Require all public servants, employees and elected officials convicted of crimes to reimburse the state for the cost of prosecution;
- Remove benefits other than salary for every unclassified position;
- Make all positions other than secretaries, undersecretaries and assistant secretaries classified;
- Make all manager and department head positions classified;
- Dissolve all temporary appointments unless they are 100% federally funded or paid for with grants;
- Prohibit rehiring of retirees and temporary positions or on contract;
- Restrict application of the policy requiring a doctor's certificate to return to work as it forces the employee to go to the doctor, thereby raising the cost of the state's health insurance program - some agencies require a doctor's certificate for any sick leave claimed.

Representative Morris addressed the advisory group's recommendations.

Representative Morris commented that recommendations AGCS 1 through AGCS 7 were ready for final action and he asked for a motion to approve these recommendations, in globo.

Representative Pearson made a motion to approve recommendations AGCS 1 through AGCS 7, in globo, there being no objections the recommendations were moved forward to the full commission.

Representative Morris commented that recommendations AGCS 9 through AGCS 13 were ready for final action and he asked for a motion to approve these recommendations, in globo.

Representative Pearson made a motion to approve recommendations AGCS 9 through AGCS 13, in globo, there being no objections the recommendations were moved forward to the full commission.

Representative Morris commented that recommendations AGCS 15 through AGCS 29 were ready for final action and he asked for a motion to approve these recommendations, in globo.

Representative Pearson made a motion to approve recommendations AGCS 15 through AGCS 29, in globo, there being no objections the recommendations were moved forward to the full commission.

Representative Morris informed the advisory group and the audience that AGCS 8: The Department of State Civil Service should be redesigned to provide 21st Century working conditions and workforce management, including market equivalence for wages and salary, full decentralization of employment decisions, and seamless exit and re-entry into the system would be deferred until next week because it was a recommendation that had multiple parts to it, so it was possible that it may be broken down into smaller recommendations.

Representative Morris stated that they would take the information they received with SECURE as well as everything else that Civil Service compiled and clean that recommendation up for the next meeting.

Recommendation number 14 (AGCS #14) had been moved forward at a previous meeting, but they were now asking that it be withdrawn. He asked for a motion for AGCS #14 to be withdrawn at the request of the PSC. He said that PSC was there to explain why the recommendation may or may not work.

Eve Gonzales, Executive Secretary for the Louisiana Public Service Commission, appeared before the group and verified that the PSC was requesting that AGCS #14 not be moved forward because they were undergoing major transformations with the LPSC. She said due to the recent filling of some new positions, they would have a need for travel.

Lansing Kolb moved to withdraw AGCS #14; there being no objection, the recommendation was withdrawn.

Representative Morris asked for a motion to correct the numbering text on the agenda, the recommendation appearing as AGCS #30 was actually AGCS #31 and should be changed accordingly.

Representative St. Germain moved to confirm that AGCS #30 should be AGCS #31; there being no objection, the motion was approved.

Representative Morris stated that the real AGCS #30 was withdrawn at the commission level, but asked Bob Harper to speak on that recommendation.

Bob Harper, Undersecretary of the Department of Natural Resources, appeared before the group to speak on recommendation AGCS #30 which was previously withdrawn at the commission level. His office was currently continuing their discussions with the Division of Administration and Wildlife and Fisheries about the movement of the state land office and would like to have that recommendation delayed until they could finalize their discussions.

Randy Davis, representing the Secretary of the State, appeared before the group to speak on recommendation number six (AGCS #6): The Commercial Division of the Secretary of State's Office should operate on a full cost recovery basis. He said the administrative fees charged by the Secretary of State's Office to the Commercial Division were set up in Title 49. Some fees were established through the Administrative Procedure Act. Many revenues that are collected through additional fees on services the office provides were used to help address the budgetary needs of the agencies. Over time, those revenues also support other aspects of the Secretary of State's office, particularly the Administrative Program and the Archives Program. For the fiscal year ending 2008-2009, the Commercial Division collected about \$13.3 million in self-generated revenue; of that amount, about \$4.3 million was used for the direct operations of the Commercial Division. Therefore, approximately nine million dollars went towards the other services. If they went to a full cost recovery, they would have to reduce their fees to reflect the actual cost of running the Commercial Division. They may be able to allocate one to two million dollars of the administrative costs back to the Commercial Division for the support service they provide them, but six to seven million dollars would have to be supplanted by general fund revenue or the ability of the Administrative Program or Archives Program to function would be severely impacted.

Representative Morris commented that he understood that Secretary Dardenne was concerned about the recommendation and he appreciated where the office was at, and he did not know what the solution to the recommendation was. He said that he would have to discuss it further with the chairman of the streamlining commission, Senator Donahue.

Randy Davis stated that Secretary Dardenne had indicated that there may be other agencies or entities that would be in a similar situation where they collect more fees for a particular function which also contribute to running the agency in other areas. If that were the case, those fees would have to be supplanted with general fund money or services that were provided would need to be cut back.

Representative Morris stated that they understood the concern, and he did not think that this recommendation would be able to move forward at this time but he wanted to get

more clarification from Chairman Donahue. He stated that he wanted to get the recommendation out of the in globo approval and asked Ms. Sullivan to explain the proper procedure.

Laura Gail Sullivan stated that there would need to be a motion to reconsider the in globo vote as it related to AGCS #6 and have it come up for consideration on its own.

Representative St. Germain moved to reconsider the in globo vote as it related to AGCS #6 only. There being no objection, the vote was reconsidered.

Laura Gail Sullivan stated that the group would now need to take action on AGCS #6.

Representative Morris asked for a motion to withdraw AGCS #6.

Lansing Kolb moved to withdraw AGCS #6; there being no objection, the recommendation was withdrawn.

Representative Morris called on Dr. Sweaney.

David Sweaney, Regional Manager for the ACT Work Keys, appeared before the advisory group. He said Work Keys is an ACT product that addresses the issue of allowing people to move and continue in their education. It is similar to a college-entrance exam, but is for the workplace. The Work Keys program has three parts. The first part is job profiling to analyze a job and determine what level of skill a person needs to learn the job. The second part is skill assessment to measure an individual's skill level. The skills are communication skills, problem-solving skills, and interpersonal skills.

Representative Pearson inquired if Louisiana was part of the program from the private workforce or the public workforce.

David Sweaney stated that the program was part of both workforces. He referred back to his presentation and gave examples of different skill levels and the questions that would go with those levels. The most recent skills added to the program are soft skills - performance, talent and fit - that pertain to work habits, work attitudes, tendency toward risky behavior, etc. He explained job profiling. Job analysts are trained by ACT and go to a place of employment sit down with people who do the job to establish a task list of what they do in the job. The third component of the Work Keys program is targets for instruction to efficiently close skill gaps. A job title may not always mean the same job. For example, a licensed practical nurse could work in an emergency room, a doctor's office, or a weekend clinic - same job title but three different duties. Work Keys merges the different duties together and create the skill levels for an occupational profile that is adequate for the majority of employers. He explained the Career Readiness Certificate. According to their database, they have profiled almost 17,000 jobs. Every five years, the database is updated. Approximately 40 states have agreed to give bronze, silver, gold, and platinum level certificates for those people who score accordingly on the skill levels.

Representative Pearson inquired who made the agreement with the other states.

David Sweaney did not know who made the agreement in Louisiana. He stated that he knew the community and technical college system was very active up front, but he was not sure if it was that system who made the agreement. The agreement varies from state to state.

Representative Pearson inquired if the certificates were used for state employment.

David Sweaney stated that in the database, many of the jobs would be people employed by the state. There may be jobs where many people are employed that need to be profiled.

Representative Pearson inquired as to who pays for the testing.

David Sweaney stated that he thought a state agency paid for the testing, but he was not positive.

Representative Pearson inquired about the difference between the higher skills pay of the silver applications and the gold applications and why it was so drastically different.

David Sweaney stated that the level five skills would be similar to college entrance level skills.

Representative Pearson inquired what it would take for a person to move from a level four to a level five.

David Sweaney estimated that it would take an average of 20 hours for a person to move up a level, 60 hours in total to move up in the three levels. The targeted curricula generally are made available to resident of the state at any hour of the day to those people who have internet access.

Representative Morris inquired how the state of Louisiana could utilize the program.

David Sweaney stated that since the program was already in existence in Louisiana, any way to tap into the program would be a great savings of time, money, and energy. If state jobs were announced and had been profiled, employees could be hired based off of their Work Keys levels. If their job is removed, they could be transferred to another job based off of their skill levels.

He provided a handout to the advisory group entitled "Work Keys - ACT An Overview". For further details and information, please refer to the handout which could be found on the streamlining commission's website.

Representative Morris reminded the audience and agencies that the advisory group was looking for answers to a series of questions asked of each of them by the advisory group as well as any discussion or explanation they felt necessary. He said based on the legislative audit report relative to the first question asked - re: supervisor - employee ratio, he did not feel it was necessary for each agency to get into to that unless they had a dispute with any of the findings by the audit report.

Representative Morris called on Wildlife and Fisheries.

Janice Lansing replied that she had not seen the report. It was her understanding, however, from the testimony that it indicated that the average was one to four and thought that was what Wildlife and Fisheries was.

Representative Morris stated that another question asked of each agency was how their organization would be impacted if there was a layoff procedure or some type of separation procedure put in place. It was his belief that those individuals eligible to retire would be the ones that would be more receptive to agreeing to an incentive of this nature. However, it was not the advisory group's intention to be disruptive or dilute the workforce to the point where all upper management would be leaving the agency. The other question was what obstacles that the agency might face if they were forced to reduce their size by 15%.

Janice Lansing responded that they tried to provide some things that could be considered. She said that she had to look at the questionnaire in terms of what the ultimate goal would be, whether that would be just to reduce the headcount or was it to reduce the headcount and know that they would also be reducing the services.

She said within the Department of Wildlife and Fisheries, they have an authorized TOs in the current year of 783, there were 53 job appointments in restricted appointments, and 53 students in WAEs (when actually employed) temporary type help. Imminent retirements, there are two that have already made plans and started their retirement preparations. She said they currently have 120 employees in the current fiscal year who are eligible to retire, both in DROP and out of DROP, 19 of those are in DROP, and 27 are currently working after DROP. There are a total of 248 employees eligible for retirement within the next five years. There are two employees that are re-hired retirees. She talked about succession planning and said that they actively encourage mid-level managers to participate in decision making and mentor with upper level management on a continuous basis. She said that part of that was because of the way that their job titles were structured in Wildlife and Fisheries because they almost have to hire from within because of the progression groups, so she said that they work really hard to make sure that they were mentoring those folks to make sure that they were groomed for leadership positions. This allows the employees the opportunity to show their strong leadership skills and management potential for successful knowledge transfer as those retirements occur. She said that they aggressively seek to double-encumber key positions as soon as they were made aware of impending retirements, but are not always made aware of retirements until the time that that employee enrolls in the retirement program.

Regarding obstacles and some recommendations of some things that they would like the advisory group to consider, if the goal is just a 15% reduction of headcount positions, then that would mean that 117 positions for the department of Wildlife and Fisheries. If they lost that, they would have to contract out, hire temporary staff or completely do away with some of the services that they currently provide. She said that they could not continue doing everything that they do today with no service level impact, losing 117 positions.

Regarding a layoff plan, it was her belief that the current most recently revised layoff rules would allow them to achieve an effective layoff plan.

Regarding early retirement incentives, she said that they would have to be more substantial than what was available today and less complicated.

She said that they were not certain that they would want all of their top level folks to retire. Currently, 69% of their top level managers who could retire within the next five years. Of the 122, about 15% in the current year that could retire. She said that it was significant for them and while they do aggressively work on "knowledge transfer", there is still a lot of institutional knowledge there that she thought was still valuable to the agency. There may be a gap for a period of time in terms of that knowledge, expertise transfer that could be filled, if they could rehire those retirees as WAEs, she said they could currently do this. The benefit of this was that that employee does not earn leave, would not have any other benefits, and would not pay into LASERS again, because all of that was set; however, there is a current prohibition that they could not earn more than 50% of the salary that they were making when they terminated. It was her opinion that this was a deterrent for some to come back to work.

Representative Pearson inquired relative to the complications of the retirement incentives.

Janice Lansing replied that the retirement incentive now was a formula based on calculations relative to salary savings, etc. It was her opinion that it was just very complicated to make happen.

Representative Pearson inquired relative to those employees who had retired not coming back to work.

Janice Lansing responded that they could currently come back to work as a WAE (when actually employed) which meant hour for hour, and they are paid an hourly rate. However, over the course of a year, they could not earn more than 50% of the salary that they had when they terminated.

Representative Pearson inquired as to whether or not that also included their retirement.

Janice Lansing answered that was correct. She said that if a 30 year employee retired and only got 75% of their highest three year average, and if they stay for 40 years, they would get 100%.

Representative Pearson commented that they chose to retire at 75%, they could have continued . . .

Janice Lansing replied that she was couching the recommendation in terms of retirement incentives.

Representative Pearson inquired relative to the wildlife enforcement agents and asked if their retirement was any different.

Janice Lansing responded that their retirement was a little bit different.

June Gillis also responded that their retirement was 25 years at 75% and 100% at 30 years.

Representative Pearson inquired as to the number of employees working past DROP.

Janice Lansing answered in the current year there was 27 employees who were working out of DROP.

Representative Morris inquired relative to the non TO that the department had, and said that the legislative auditor's report showed the agency at around 97 people.

Janice Lansing replied that she thought that they were counting job appointments, restricted appointments, student and WAEs which was everything they had that was not in their authorized TO that was appropriated.

She said that a good majority of the agency's job appointments were funded with federal funds because they did have a lot of federal dollars, particularly in light of the recent hurricanes that came through that they had to administer.

Representative Morris inquired relative to their ongoing contracts.

Janice Lansing responded that a large portion of their contracts had to do with the federal aid money that they are given and they contract with universities and other individuals to do statistical analysis or research on certain types of animal related type functions or fish related type functions.

Representative Morris commented to the advisory group and the audience that it bothered him to see a sentence in an audit report that says "there is really no way to determine the cost of services to the state of Louisiana because we are not able to count the number of employees".

Janice Lansing asked if that meant that they were not able to determine how many employees they had through contracts.

Representative Morris stated that he thought that was what they were saying from the aspect that wildlife and fisheries because that agency has a large amount of contracts, and if there was actually people there working for those contracts, that maybe even could be an employee of the state of Louisiana. It was his belief that the legislature and people were not getting a true cost measure of that nor were they being insightful of the cost of what true government is. He said the sentence he was referring to said that the office of contractual review after looking at all of the contracts, said that contract employees were not included in the employee count because state agencies were not required to report contract employees. As a result, the true number of staff necessary to carry out the required functions of

government could not be determined. He said that as a legislator he had a problem with not being able to define where the actual number of state employees were. Whether they are the ones carried as TOs, FTEs, non TOs or contracts and now he was mindful of the fact that there are contracts that could carry a number of employees who might be out there working for the state. He said that the audit looked at 16,000 active contracts for all of the agencies which was valued at over \$7 billion dollars. He said that he was trying to figure out how to get a grasp on that.

Janice Lansing responded that she would be happy to provide the advisory group with that information.

She said regarding contracting, if that is an option for them if they lose 15% of their workforce and they want to hire some of the folks that they lost, for example if they had to lay off some biologists and then wanted to turn around and contract them, she said that she would not be allowed to do that because there was an ethics prohibition that they could not contract with the same state agency doing the same work for a period of two years. She said that was an obstacle. In addition to that, she said that the contract laws would have to be revised, because there was currently a limit that you had to RFP, so if it was over \$50,000 you had to go out and bid. She said that was not necessarily a bad thing, but that it was not just as easy as it might seem, that if they eliminate 117 positions that they could find easy ways to go back and capture staff to perform those services.

Representative St. Germain wanted her to be sure and include a list of the services that the contract provides and what it would cost if those services had to be done in house when submitting her information to the advisory group.

Janice Lansing responded that those contracts that the agency had with universities, she did not consider an employee, but what she would consider is that they have a contract with a company who was an individual who was performing FEMA related type work because they did not have the staff, time, resources or the expertise that she had in order to do that. She said in that case, she would call that an employee. She said that they would be happy to mark it and flag any way the advisory group wanted.

Representative St. Germain commented the plainer and simpler.

Representative Morris stated that what they were essentially looking at was how many warm bodies did wildlife and fisheries have no matter what the classification was.

Janice Lansing replied that it has never been required to be reported that way, but that did not mean that it could not be.

Representative Morris stated that he just wanted to know the true number of people that were actually out there working, and the services that they were performing.

Representative Pearson commented that the audit report, dated June 30, 2009, stated that wildlife and fisheries had 803 classified employees and 40 non-classified.

Janice Lansing responded that they were cut 17 positions for the current year.

Representative Pearson inquired as to whether or not that number could be broken down into enforcement versus not.

Janice Lansing answered absolutely, they were budgeted that way.

Representative Pearson inquired as to whether or not they knew that information.

Janice Lansing answered that they had 257 enforcement personnel with 236 of those being enforcement agents. So, they have an authorized TO of 257 which include some clerical and communication employees, while 236 are actually enforcement agents.

Representative Morris inquired whether or not any of the wildlife and fisheries supervisor - employees made up the 22% under the ratio aspect of audit report.

Janice Lansing replied that she was not aware of any, unless there was a situation out in the field offices where there was a limited number of people working in a particular office. She said that their average was one to four, she would look up that information and let the advisory group know.

Lansing Kolb inquired as to whether or not they received any general fund dollars.

Janice Lansing answered that they do not have general funds that supported their operations. She said from time to time they would receive legislative line item appropriations for specific purposes, but did not have general fund support.

Representative Morris called on the Department of Education.

Beth Scioneaux appeared and testified answering the questions posed by the advisory group. She said that one thing the advisory group was interesting in knowing was relative to the retirees. They actually have 172 staff members that were currently eligible to retire. In addition to that, there were 67 more employees that were eligible to retire in the two subsequent fiscal years. All of the staff was disbursed throughout the agency whether it be in the support services area or in the education arena. They are currently working to right size the organization, knowing that they had so many individuals eligible to retire, and were working on an implementation of a retirement incentive in anticipation of the upcoming budget cuts, she said that they were hoping that would help right size and right purpose their organization.

Representative Morris commented that he thought that just retiring people would not be enough to get the state where it needs to be as it relates to cost. It was his opinion that the state was not really saving anything by doing that, and wanted her to be mindful of any incentive that they might offer especially financially and thought that it should be targeted to those positions that could be abolished.

Beth Scioneaux replied that they were mindful of that because depending on the result of the retirement incentive she said they were going to implement some type of layoff measure and said that would depend on the result of the layoff incentive. She said that they had downsized a lot over the last few years. They lost 182 positions and were down

considerably in their workforce already and would be targeting whatever layoff they implemented to eliminate those positions that they felt they could really do without.

Representative St. Germain inquired as to whether or not the 182 positions were a wide variety of positions or just across the board any early retirement or done through layoff.

Beth Scioneaux responded that about 50 of those positions were layoffs in the prior fiscal year, some from the consolidation of different activities, some were vacancies, it was just kind of a combination of things.

Representative Morris inquired relative to the number of TO listed in the audit report if it is correct the education department is running at about 1,800 plus for TOs.

Beth Scioneaux answered that was not correct. TOs in the agency as of today was about 575 and the other positions were non-TOs.

Representative Morris commented that shows a number of 1,981.

Beth Scioneaux responded that it sounded like the audit report might have included the recovery school district which has employees, but those were deemed to be non TOs because they operate more like a school district, they are not a TO on the books.

Representative Morris inquired that she get that information for the advisory group.

Representative Pearson inquired as to the fiscal year they were talking about using for the retirement incentive.

Beth Scioneaux replied that they were going to use this fiscal year and would be implementing something shortly and if necessary she said they would to it again in the spring and was trying to get it ready for the next fiscal year.

Representative Morris inquired relative to the questions asked by the advisory group under the retirement eligible individuals, he thought that offering the incentive to these folks would not be a cost saving measure, however, if a separation package was offered to them, he wanted to know how that would affect the agency.

Beth Scioneaux answered that they would examine each individual who would come forward and want to take advantage of the incentive. They may have exclusions for some of the individuals currently allowed by Civil Service policy because of the historical knowledge or the benefits to the agency would be such that they would not be included in the benefit. Each position would have to be examined very closely to make sure that the ones that do retire would not have to be replaced. Because of the loss of positions previously, they were really running very tight in the work that needed to continue.

Representative Morris inquired as to the obstacles the agency would face as result in the reduction of the workforce.

Laura Gail Sullivan clarified for the advisory group and the audience the questions that were asked by the advisory group. When the Department of Education talked about offering a retirement incentive, they were referring to the current layoff avoidance measure that was a part of the Civil Service rules where the department would get to select who might be eligible to take advantage of that incentive because it was a part of your layoff avoidance measure. In the e-mail you were asked about obstacles you might face and tools that you could use to help you reduce your employment levels if you needed to and some of the tools that were offered as examples, included retirement incentives, or early retirement packages. There is a difference between saying that the agency is going to do a retirement incentive under the layoff avoidance measure and when the chairman asked about the tools that were offered if the state offered a retirement incentive package to everyone and you did not get to say who was eligible and who was not - would that affect the agencies ability to continue to perform the services that the agencies do.

Beth Scioneaux answered yes, that she did believe that if the state offered a retirement incentive it would put, particularly their agency, who was currently very lean because they have already lost so many positions, it would put the agency at some disadvantage, because they have so many federal programs and so many statutes that they have to implement no matter what. The children still need the services. They would prefer to have some choice as to what positions were eliminated. Having someone come in and say that these certain people had to go would create some difficulty at this point in continuing the agencies services.

Representative Morris inquired as to whether or not she knew of any areas where the agency was carrying a portion of the 22% where there was one supervisor to one employee.

Beth Scioneaux answered that she could not think of any areas where that might be the case. She said they generally have one to six or one to nine within the agency, sometimes it was one to twelve, it just depended on the area.

Representative Morris reminded her to get a hold of a copy of the legislative auditor's report to work out some of her disputes with what was reported.

Representative Morris inquired relative to the number of contract by the agency which carried almost 900 of the 1,600 active contracts. He wanted to know about the employee out there working on these contracts, were they temporary, full time or was this something that was continuous from year to year.

Beth Scioneaux replied that the organization had a core group of people that were TO that run the jobs that had to continue from year to year. On top of that the agency receives one time money, whether it be from the feds, or from the state to implement programs. Generally for those types of programs, they are not awarded TOs, they ask for non TOs, because they know that their job might be limited. She said that they did not have employees in the agency whether they be TO or non TO to run every program. There are services that the school districts require particularly in the federal program or grants which has very specific regulations that the agency needs contracts for to fulfil their requirement of the grant. She said that any of the contracts that were in place were basically to fulfil those requirements of the grants. Professional development, which was one of the biggest

categories, training that the districts need for their teachers and their administrators. She said so they have a combination of activities there whether it be contracts, TOs or non TOs in order to manage over 100 different grants that they receive in order to provide the services to the school districts.

Representative Pearson inquired as to the amount of money being paid out in some of these contracts and asked if there was another way that some of the work the contracts did could be done. It was his opinion that this may be an area where the state was spending excess funds.

Beth Scioneaux responded that if BESE had a particular task that they want explored with regard to the MFP, because it is a national recognized school finance formula, they did need that expertise. The agency has so many federal programs and are scrutinized heavily by federal auditors and legislative auditors, and would prefer not to have any issues with the way that those grants were managed, so they contract out for that to make sure that they get the expertise in that area as well.

Representative Morris commented that the advisory group was going to want to know how many FTEs that were actually utilized relative to contracts, and was going to recommend that that be a requirement.

Representative St. Germain inquired whether or not the contracts were done annually and asked them to take a look at what they were doing and what could be eliminated for the sake of the next two or three years. She also wanted to know what they provide and at what level they provide those services whether it was K-12, etc. so that we were not just cutting numbers across the board.

Representative Morris called on the National Guard.

Stephen Dabadie, Director of the State Military Department, appeared before the group.

Clyde Guidry, Deputy Director of Operations, appeared before the group.

Herbert Fritis, Deputy Director for Administration, appeared before the group.

Stephen Dabadie stated that they have 707 authorized TOs, all unclassified. Additionally, they have 29 contract employees who are 100% federally reimbursed. The TOs support two programs: Military Affairs Program and Education Program. The Military Affairs Program was authorized 406 state employees, and 179 of those are federally reimbursed through cooperative agreements. The rest are state funded at 100%. There are 301 employees under the Education Program. That program operates three youth challenge programs under a cooperative agreement of 60% federal and 40% state. That will change next fiscal year to 75% federal and 25% state. A Job Challenge Program teaches a skill to go out into the workforce after they complete the Youth Challenge Program with 21 state funded employees. They have 52 eligible retirees: eleven in DROP, thirteen that are working after DROP, and four certified teachers that teach GED in the Youth Challenge Program that were re-employed after retirement. There are four imminent retirees for the beginning of the

next year. The 15% reduction would equate to about 106 personnel. Over the last year, they took a reduction of 52 TOs, and still have eight of those left to go. That would put at risk about 38 education programs which could decrease the amount of people needed to teach the kids.

Representative Morris called on the Department of Environmental Quality.

Vince Sagnibene, Undersecretary of DEQ, appeared before the group.

Karen Schexnayder, HR Director of DEQ, appeared before the group.

Vince Sagnibem stated that currently at DEQ, of 933 TOs there are 20 unclassified and ten of those are guards. 72 employees are eligible for retirement: 21 participants in DROP, 34 out of DROP, and eight re-hired retirees. Employee ratios: one to five supervisor to employees, one to five managers to employees, one to seven administrators to employees, one to five executives to employers. He said that overall their average ratio was 1.2 to 5.5. They cut 39 positions in 2009 which was about \$2.9 million and another 20 positions later in 2009 which was another \$1.4 million for a total of 59 positions for about \$4.4 million. Going forward, it is the goal of the department to achieve \$1.2 million by cutting another 20 TOs and possibly another 35 for July. This would bring the department total number of cuts to 115 of the 933 positions. That would put the department right at 12.3% of their workforce.

Karen Schexnayder stated that the department did have a succession plan. They do identify their retirees - those that were eligible for immediate retirement and those within the next five years. She said that they encourage their employees to let them know about their retirement plans as soon as possible, so they could start identifying the talent pool to start the competitive process. Depending on the situation there are some things that could be done once they learn that someone was retiring, the position could be announced and be filled through competitive detail, if the department was not sure of the applicant. She said the department could also utilize the double encumbering of the position which is allowed by Civil Service for one year, as well as the WAE (when actually employed) which is a part time position which would allow a retiree to come back to assist with training.

Regarding the obstacles the department might face with a reduction in workforce, she said should the department come to the point of having a layoff, they would utilize the Civil Service rules that are in place and that would be to consider the retirement incentive and a probationary layoff, possibly, or a permanent position, employee layoff.

Vince Sagnibene stated that they were going to be closing the library effective December 31st. He said that they have also been able to cut some administrative positions from the lab.

Representative Morris inquired relative to the contracts that the department had. He said that the advisory group was looking for warm bodies that might be employed within the contracts. It was his opinion that the advisory group might be moving forward with a requirement to actually have the contractor list the amount of employees that are utilized to carry on the services to the state of Louisiana.

Vince Sagnibene replied that they have about 60 contracts. He said that he could provide the advisory group with a list of each one of them and what they do. Some of the contracts are UST (underground storage tanks) contracts funds for cleaning filling stations. They have contracts for physicals, air monitoring - the air data is sent out to be monitored, etc. He said that they had taken a hard look at this and were looking at ways to possibly cut back on some of the contracts the department had. He said that they were currently working with Commissioner Strain on other types of contracts.

Representative Morris called on the Department of Transportation and Development.

Michael Bridges, Undersecretary for the Department of Transportation and Development. He said that the department, five years ago, embarked on a self imposed downsizing and reduced their workforce by 10%. This was done without laying off anyone, it was done through attrition. He said that even though they have reduced their TO, their operating budget had increased 29%. It increased because it is driven by salary increases, the benefit increases, and the work did not go away. The work still had to be done, so they did more outsourcing, more privatization. It was his opinion that a reduction in workforce would not necessarily result in a reduction in the operating budget, unless the services are also cut. He said that DOTD has a lot of contracts because over 80% of their design was contracted out to consultant engineers and supplement with consulting contracts or accountants, etc, because the job still has to be done. He said that one of the administrative tools that the department was looking for is to allow the reduction in service resulting from the elimination of programs and functions. It was his belief that you could identify the lowest performing services and cut those, rather than diluting the soup by using across the board cuts. Another idea the department had was to transfer 5,000 miles of roads to local government. These are roads that are less traveled. It was his belief that this would "right-size" the state's system. He said in comparison to other state DOTDs, we have a higher percentage of roads on the state system than the average. Transferring mileage to the locals, along with money through the parish transportation fund, then that would require fewer TOs at the state DOTD. Other suggestions for administrative tools for downsizing would be to provide incentives for private companies to hire state employees and develop a uniform state-wide plan for personnel reductions which would include layoff plans, severance pay to entice eligible employees to retire, early retirement plans, consideration for workforce diversity, determine if seniority is a weighting factor, determine if advance notice of layoff action and COBRA support. It was his opinion that a lot of employees would have issue with being laid off and having no insurance.

Budgetary considerations, he said they would need to modify or increase their budget during that period of time that they would be laying off, if they were going to be using a severance package to entice people to retire. They would have to increase funding for early retirement programs.

Representative Morris commented that it was his understanding that offering an incentive package would utilize the savings that the department would have from that employee.

Michael Bridges replied that it depended upon which time of the year is was that they retired; however, that would be up to the employee. It was his belief that the savings would be seen in the following year.

Representative Morris inquired as to why the department would think that it would need an increase in money in order to lay people off.

Michael Bridges responded that the department was budgeted for employees salaries and benefits. If you are providing additional incentives, he said that would have to be budgeted as well. Each department develops their budget six months to a year before they actually go into the next year. The department would have to budget for those employees who did wait until the last minute, you would have paid them for that entire year, plus the incentive.

Representative Danahay inquired whether or not those vacant positions, due to the attrition process, were eliminated.

Michael Bridges answered that they had removed the TO. The position may have been filled, but then another one was left vacant somewhere else within the organization. The on-board employees, or warm bodies, went down by that 10%.

Representative Danahay inquired as to whether or not the department continued to receive the funding for the open TO if the position that become vacant was not eliminated.

Michael Bridges replied that the organization is made up of funded positions and non-funded positions. He said that funded positions went down, after a new budget year - if say they had 100 TOs cut, then they would have 100 fewer funded positions in that next year.

Representative Danahay inquired as to whether or not they received any funding on those 100 positions and asked if that was what the department did.

Michael Bridges answered that's correct, they received no funding for those positions, that is what the department did.

Michael Bridges continued with his discussion relative to budgetary issues saying that the budget would have to be modified to support increased pay benefits for increased distribution of work because there would be employees working overtime or extra duty.

HR management considers the human element associated with personnel reductions and considers not only those employees affected by the reduction but those employees asked to pick up the workload or waiting for the next waive of reductions. It was his opinion that the department needed to be forthright with the employees and develop a detailed communication strategy including reasons for the layoff, reviewing all positions for re-distribution of the work that still had to be done.

Representative St. Germain inquired whether or not the department actually saved money by the reductions that they had already put into place or whether or not it increased the cost.

Michael Bridges replied that as the number of positions went down, the department was still responsible for providing services. He said that they tried to cut back on some of those services as much as they could, for instance grass cutting, they went to fewer cycles during the year or they would out-source that service. He said that they had out-sourced, meaning they were paying a contractor, or entering into an agreement with a city or parish to cut the grass, but it still cost. That is why even though their TO had gone down, the operating budget had increased.

Representative St. Germain asked for a simple list comparing numbers, where they had this many people in a certain position that the department was using out in the field doing a particular service, but now the department is paying for a contractor to do the same service.

Michael Bridges responded that there was currently a lot of discussion going on relative to in-house services versus out-sourcing services. It was his opinion that there was still a lot of analysis that still needed to be done.

Representative Pearson inquired relative to the early retirement that was going to be afforded to the employees and asked if that was something that the department was still considering or discussing. He wanted to know if the department had any takers.

Michael Bridges answered that it was an option that the department had put forth. If the goal was to be able to entice people to retire that would be one tool to use in accomplishing this. He said that there were no takers, it got vetoed.

Susan Pellegrin stated that the new Civil Service rule allows a retirement incentive, which is a lump sum that is awarded to the individual who elects to take the early retirement incentive. She thought that was what Mr. Bridges was alluding to when talking about the increased cost for the early retirement incentive. She said that the department has not elected to use this up to this point, but it is available.

Representative Pearson commented that he thought that as we move closer to the end of the year, it became less and less valuable because 50% of the savings in a fiscal year would be nothing. At the beginning of the year, you could have basically given them half of their salary to leave early. He thought now, the employee would not think that it would be worth leaving early. It was his opinion that this department and some other departments missed the early retirement incentive opportunity because at this late point in the year there would be no way to incent someone to leave early.

Michael Bridges replied that it all depended on what the end goal was.

Representative Pearson commented that the goal was the concern of the number of state employees.

Michael Bridges responded that from the department's stand point, they have reduced and cut 140 something positions from last year. He said they had seen a wave of retirements and currently had some that were ready to go out of the door. They are currently fighting to be able to manage that through succession planning and thought they were

making very significant efforts in identifying who could step up and do that same work. He said the department saw a huge amount of talent and knowledge base walk out of the door in the past four years. The department does not necessarily want to encourage retirement at this point, they are at that point where he thought they needed to be able to do it in a more orderly fashion in order to transfer that knowledge to the next person.

Representative Pearson inquired as to the task of grass cutting and asked if it cost the department more to out-source this task. He inquired as to how that worked and where the best dollars savings was, doing it all through DOTD or through other means.

Michael Bridges answered that there was nothing you could say about one being better than the other. He said that it was a mixture that the department needed to have with out-sourcing and in-house. Typically the smaller, more spread out type of work was something that the department wanted to do in-house and the concentrated jobs where a contractor could come in and get the work done. The department contracts out all of their construction such as road work, etc.

Representative Pearson inquired as to whether or not local government might be willing to do something like that.

Michael Bridges replied that the department actually enters into inter-governmental agreements with locals. He said that the department pays them to maintain traffic signals and other services. As to whether or not it is cost effective doing it in-house or out-sourcing, he thought that a good analysis should be done in order to be able to quantify it both ways.

Laura Gail Sullivan clarified that there was an Act passed that was a re-authorization of the early retirement and payroll reduction act. It was not an incentive because it provided for an actuarially reduced benefit for anyone that might take it. She said that last week when LASERS was here and testified about the past incentive packages, they were not asked to testify about the payroll reduction act and its ramifications, but the specification was made that usually if the department wanted an early retirement incentive that was not going to affect the UAL or provide for any new liabilities of other sorts, that they would look for words like "actuarially reduced" or "cost neutral". She thought that LASERS would come back and present information, if that was what the advisory group wanted, on what has happened in the uses of the payroll reduction act, but thought that not very many people take it, the lessening or the relaxing of the eligibility is usually only something very few people are looking for because the actuarial reduction could be very substantial to their benefit and it would be a reduction in their benefit for the rest of their lives.

Susan Pellegrin stated that she thought the department had about 14 employees who took that early retirement act last year.

Michael Bridges said for fiscal year 2010 the department's approved TO is 4,704 employees, 43 of them were frozen with the recent governor's executive order, and had about 50 to 80 vacancies. He said that there were a lot of turnovers in the districts and thought that it took a long time to refill those positions, due to advertising issues and hiring process. However, the department was aggressively trying to fill those positions. Of the employees at the department, those eligible for retirement as of the date of the meeting were

776, employees currently in DROP 336, employees past DROP 261, and 15 re-hired retirees. The department had 959 supervisors and 3,745 staff members which comes out to be a . . .

Susan Pellegrin answered the department had a 1 to 3.8 supervisory - non supervisory ratio.

He provided a handout to the advisory group entitled "Commission on Governmental Streamlining Advisory Group on Civil Service and Employee Benefits, DOTD Responses to Question Regarding Practical and Legal Obstacles in Reducing Positions". For further details and information, please refer to the handout which could be found on the streamlining commission's website.

Representative Morris called on the Department of Natural Resources.

Mary Ginn appeared and testified that the department had actually provided information to the advisory group relative to the questions being asked regarding succession planning efforts and the ratio of supervisors to staff. The department has 399 TO positions with 378 of them being filled. There are 21% of DNR employees who will be eligible for retirement at the end of the fiscal year, and over the next five years, about 60%. They actually do informal succession planning, in that the department does do double encumbering of positions when someone retires for up to a year, they have some mentoring and other activities like that to try to provide for coverage, because a lot of their top level employees were retiring. She said that they also utilize the talent pool in order to be able to do promotions. The department thought about a retirement incentive, but knew that that was a problem for the retirement system because most retirements were not cost neutral. She thought that if the Division of Administration could authorize an expansion of the Civil Service rule that provided for layoff avoidance and for the 50% savings that could be passed along to the employee, if that could be offered by the division and not make it as part of a layoff avoidance plan, just anyone who would be eligible to retire could get 50%, and make it actually 50%, and not have the offset of the 300 hours that they would be paid or any compensatory time that they would be eligible for. It was her belief that the department might not save money this fiscal year, it may actually cost money, however, it would be future savings. She said that the knowledge drain would be detrimental to their workforce and asked that any employee who would retire from a position that was truly needed, that position be allowed to be refilled, and allow the department to lose a lesser position as a result of internal promotions.

Another idea the department had was to urge contractors to have employees who were displaced as a result of streamlining functions - make that a requirement that they offer positions to the public employees who lost their jobs, as long as they had satisfactory performance. They also thought about flattening organizational structures, possibly reducing the number of positions within the organization by expanding the use of dual career ladders to include positions not currently included. She said that this would require work by Civil Service to expand and approve those positions so the departments could reorganize. She said that dual career ladders were non-supervisory level jobs. The department's ratio of supervisors to employees is about 1 to 3.39, it is a lower level because of the scientific and technical nature of the positions of the Department of Natural Resources.

Representative Morris inquired as to the department contacts. He said the audit report shows that their department had 170 plus contracts for a substantial amount of money and asked them to address that.

Bob Harper answered that the department had approximately \$2.6 million in consultant services contacts. These are contracts that vary from one to three years. In terms of legal contracts the department has \$659,000 worth of legal professional services contracts currently active for periods of one to three years. He said that what he thought the advisory group was looking for would not be difficult for them to come up with FTE equivalence, these were actual cost reimbursements. He said they receive monthly invoices by the hour out of each one of the contracts. He said that he thought they could easily convert 2000 hours in a year to one full time equivalent, so they could tell the advisory group monthly or annually how many hours they were paying for the contracts. If the advisory group was trying to get an account of the number of employees that were being paid for through the contracts. It was his opinion that this worked for the department because their contracts were all cost-reimbursable, they do not pay based on deliverables, they have to actually invoice the department for the hours the employee works. He said that they could come up with an hourly account fairly easily.

Representative Morris inquired as to the 22% of those individuals who have a one to one supervisory ratio and asked if their department had any of that.

Bob Harper replied that the department had a contract section that had three employees in it, there was a supervisor, an assistant supervisor and one analyst, but that is the nature of these organizations where there are sections, like a purchasing section, etc. it only has two or three people in that section.

Representative Morris called on the Workforce Commission.

Representative Morris inquired about the work that they had started with Civil Service.

Benny Soulier answered as a result of the recommendation in the last meeting, a group from the Office of Workforce Development met with the Civil Service staff on November 10, 2009, to discuss and plan for a rapid response initiative for any potential event in the future for state employees and other types of programs that could be implemented. He said that he thought there was another session planned for educating Civil Service staff on the various programs that they had to offer and to come up with a plan for getting that information out to all of the employees before any such type of action would be implemented so that they could address those various issues long before any potential layoff would actually occur. He said that he would provide the advisory group with any further updates as they become available.

Renee Robene testified relative to the questions asked by the advisory group. She said that their current TO count is 928, employees currently eligible for retirement is 81, employees in DROP is 47, employees post-DROP is 53, re-hired retirees is 34 and out of this 34 only four are full time employees, the remaining 30 are part time, employees eligible for retirement for 2010 to 2015 is 197. The supervisor to employee ratio is 1 to 4.3 which

differs a little bit from what was listed in the audit report which she thought might just be methodology and timing.

Representative Morris inquired as to whether the difference was up or down.

Renee Robene answered that they were a little bit up. She thought that when they did the PPR analysis was at 1 to 3.77, the other analysis they did which was more similar to the one that the department did where they counted supervisor to staff. It was her opinion that they would just have to look at their analysis and timing of the positions.

Representative Danahay inquired relative to the number of TO positions and asked about warm body positions.

Renee Robene answered 874.

Representative Morris also inquired relative to the agency's contracts and that amount of money.

Benny Soulier answered that the agency had a total of 370 plus contracts, the majority of those are the incumbent worker training program contracts as well as contracts with local workforce investment boards where the majority (80%) of all of their . . . He said that their federal dollars actually had to be contracted out to the local boards. From a money aspect it was about \$272 million that also includes a lot of the hurricane money that came in as well as stimulus dollars. In terms of consulting contracts they do have a number of large contracts that were specifically related to unemployment insurance redesign which is pretty much for IT consultants to come in and actually work on the redesign initiative. He said that he would have to get information relative to the employee number as it related to contracts. He said that there were a number of contracts for court reporters in the worker's compensation court systems throughout the state and maybe one or two contracts with West staff.

Representative Danahay inquired as to whether not the department had seen an increase in personnel when they received those federal and stimulus dollars.

Benny Soulier replied that they had made sure not to hire additional permanent employees or establish any permanent programs so that they would not end up having to reduce their services or staff once the one-time revenues expired. He said they tried to expand their level of services using temporary employees and then would scale back down once the federal funds actually start to decline.

Representative Danahay inquired as to whether or not those positions would go away once the funds went away.

Benny Soulier answered yes, sir they would.

Representative Morris inquired as to the 22% of those who had one on one supervisor employee ratio.

Benny Soulier answered that he thought they had a number of those. He thought that part of it was that over the years they have used that for promotional opportunities. He also thought that by reducing the number of employees and positions as they became vacant, those positions should have been eliminated. Now they have to take a look at every single position that becomes vacant, eliminate it and try to make a determination as to whether or not a supervisor should be hired or to eliminate the supervisor position and add front line staff where ever that was possible. In addition to just the normal attrition, the department went through a major integration of program services throughout the state where they actually integrated local municipal employees with state employees so that they could combine all of the resources necessary in a local area and thought that might have resulted in that one on one ratio. He said that officially in ISIS, the state's system, there may be a one to one ratio, however, what is not shown is that they were actually supervising non state employees.

Representative Morris inquired relative to the obstacles faced by the department and the tools utilized.

Benny Soulier replied that he did not really see any obstacles with the Civil Service rules and the ability to go in and eliminate 15%, should that become necessary. He said that they could do that through attrition or through the regular layoff types of tools that were available to the department. The issue with that would be that the demand for their services today were in more demand than ever and the majority of their funds are grant funds, federal funds which are position driven. So if a position was eliminated, they could possibly just send the money back to Washington and they would just send it out to another state. He said that since the department did not receive any general funds, they would not be contributing to the deficit reduction effort.

He provided a handout to the advisory group entitled "Louisiana Workforce Commission", dated November 16, 2009. For further details and information, please refer to the handout which could be found on the streamlining commission's website.

Representative Morris called on the Department of Revenue.

Clarence Lymon appeared and testified with respect to the department's TOs. He said primarily from 2000 to 2010 the department had experienced a reduction of approximately 204 in the tax collection program. As of the date of the meeting, the department has about 138 employees out of the 819 TO positions (17% of their workforce), that could retire today if they opted to do so. 36% of the employees within the Department of Revenue could retire within the next five years, if they elected to do so. He said that a 15% reduction in their TO would mean about 123 employee loss to the agency which would place a tremendous hardship on the department and their ability to carry out their mission which is to fairly and efficiently collect and administer the taxes for the state of Louisiana. As for as the hindrances to staff reductions, if they were required to do, so their thoughts were that the Civil Service rules that were currently in place were certainly not a hindrance at all especially with respect to the changes that were made as of the end of the last fiscal year. It was his belief that it had given their agency the ability to make any changes that were necessary if they, in fact, had to do any major reductions in their workforce. He said that there were

sufficient tools available to maintain and keep on pertinent staff with respect to expertise and other requirements for key personnel.

As for any retirement incentive plans, their response primarily was that they believed that most incentive plans would require some type of economic payout on behalf of the state which they thought might be cost prohibitive at this time. With respect to past things that were put on the table that were available to state employees, of which a few took advantage, one being the purchase of service time. He said that he thought that was cost neutral to the state in that the employee paid for the entire amount of that process.

Laura Gail Sullivan explained purchase of service credit saying that it was permitted in LASERS which was often referred to as "air time". When it was first adopted in Louisiana, an individual could purchase the service for both eligibility and benefit calculation purposes. It was later changed so that they could only purchase the benefit calculation. She thought that what was being suggested was perhaps the renewal, or a window of opportunity for people to purchase their retirement eligibility and it should be cost neutral because the individual who wants to make the purchase pays the full actuarial cost. She said the limit on the amount of service a person can purchase is five years and that was a federal limit for tax qualified plans.

Clarence Lymon stated that another thing they considered with respect to local governments was with respect to leave balances, perhaps those employees with a certain amount of time of retirement eligibility could potentially have enough leave accumulated such that if that balance was translated into service time, then perhaps that could get them to retire which could potentially be an incentive to some employees who were within two to three years of retirement and have judiciously used their leave such that they might actually have three years of leave on the books. He was not sure as to how that would translate to cost for the state, he did not know whether or not it would be cost neutral for the state. They currently had 39 employees eligible to retire, currently in DROP 56, completed DROP 37 who were still with the department and 6 re-hired retirees currently working for the department and thought that all of those were part time.

He said that the department would certainly not have any problems with providing the advisory group with information relative to FTEs potential contracts might translate into.

Representative Morris called on the Office of Homeland Security.

Mark Riley appeared and testified. He said that they were a relatively new agency having been formed by the Louisiana Homeland Security Act of 2006. He said that they were the emergency preparedness response and recovery agency for the state of Louisiana and coordinate all of those efforts across the state. He said that they were one program with five activities, those activities being the executive branch, homeland security, emergency management, management finance and disaster recovery. Currently GOHSEP has 167 permanent TO positions and 295 non TO positions for a total of 462. All of the non TO positions were related to federal grant programs which were referred to as long term temporary positions, as the programs wind down like the recovery programs for Katrina and Rita, those employees would ramp down also as they are no longer needed. He said of the 462 employees currently in the budget, 19% are general fund supported and the others are

either statutory dedication funds, self generated, or federal. Almost 80% of the agency's employees are currently funded through some type of federal grant program. The data on retired employees, as of November, 2009, there are only one who is eligible. However, for fiscal year 2010 there will be seven employees eligible for retirement, none in 2011 and in carrying that out to five years, the agency would have three additional employees for a total over that period of eleven employees eligible for retirement within the agency. He said the department had a five year recovery reduction plan which depended on the speed of the recovery or whether not there was another disaster. He said the obstacles that the agency would encounter if required to downsize by 15% - he said that if they had to scale down, they could only do it by eliminating entire activities and a large part of what they do is support local governments in their preparedness for response to storms and was afraid that would be the first casualty of that loss.

Representative Danahay inquired as to the amount of federal funding the agency received and asked as those recovery dollars, or federal dollars, go away did the positions go away with the funding.

Mark Riley answered yes sir. He said that they were currently managing \$12 billion in grant funding for recovery which takes a lot of people in order to do that, about 1,700 applicants, 45,000 different projects across the state and as that ramps down, as those projects are finished, and the close out process was done with the federal government, those employees would go away.

Representative Danahay inquired as to whether or not LRA fell under their agency.

Mark Riley answered no, sir. LRA was more of a policy strategic level, they were more of an operational level, and operated the nuts and bolts of the grants programs.

Representative Danahay commented that the LRA was scheduled to expire and asked if it was a possibility they could end up falling under their agency.

Mark Riley replied that there were some functions that would need to continue, but did not know at what level this was taking place, such as temporary and long term housing issues, the individual assistance program, etc. He said that he did not know where that responsibility would end up.

Representative Danahay inquired as to whether or not the agency's personnel was unclassified.

Mark Riley answered that is correct, by statute they are all unclassified.

Representative Danahay commented that he thought there was a constitutional amendment to make that a permanent position.

Mark Riley replied that there was some discussion between their agency and Civil Service as to whether the statutory provision itself is constitutional. That issue will be on the ballot next November.

Representative Morris called on the Office of Coastal Protection and Restoration.

Garret Graves appeared and testified that in February of last year they started a major reorganization within state government to take the state's restoration protection and all of the state's coastal efforts and put them under one roof. Previously the Department of Natural Resources did coastal restoration, the Department of Transportation and Development did hurricane protection, the Department of Environmental Quality had jurisdiction in water quality as does the Department of Health and Hospitals. The Department of Wildlife and Fisheries exercises jurisdiction over some of the coastal resources as well. He said beginning last year state government took all of the entities that carried out the different functions of this type of work and housed them under one organization and established the Office of Coastal Protection and Restoration. Today the agency has fewer than 150 people carrying out in excess of \$4 billion of work per year. He said that there was an extraordinary surge in activity in regard to coastal resilience, hurricane protection and coastal restoration that began in 2008. Congress in late 2007 authorized \$24 billion in hurricane protection and coastal restoration work. He said prior to that authorization there was less than \$500 million in authorizations in South Louisiana for hurricane protection and coastal restoration. In response, Congress has appropriated \$16 billion in funding to fulfill those authorizations. Had the agency maintained the previous dollar to staff ratio that was in place prior to last year, today the organization would have in excess of 2000 employees, instead they have less than 150 employees. The administrative rate is less than one percent. They went from carrying out approximately \$30 million in work with 20 projects to \$4 billion in work with 250 projects with 150 employees. It was his opinion that they had one of the most intense public works efforts in the nation and one of the lowest efficiency rate in terms of less than one percent of administrative rate. He said they have one of the lowest administrative rates in state government. Over 98% of the agency's funds were being contracted out. The question relative to what it would do to the organization if it had to be cut 15%, he said that he did not believe that they could even answer that question, considering the fact that they went from having dollar to staff ratio of 2000 employees down to less than 150.

Diane Smith informed the advisory group that their agency had 144 authorized TO of which eleven position were currently vacant, three positions that were TO from GOCA that were on loan to the agency, however, those positions are currently considered part of the Office of Coastal Protection and Restoration, there are ten non TO positions, three WAE positions and one contract employee. So there is currently actually a total of 161 positions of which 17 are vacant and would be held vacant as the agency continues to go through the reorganizational discussions with Civil Service. She said they had fourteen employees who were currently eligible to retire, three of which are the WAEs and within the next five years there will be 28 employees who would be eligible to retire. Staff is funded through statutory dedications and federal funds, they have no general fund dollars. She said that even though the agency is fairly young, they did look at succession planning and one of the things that they have been doing was using the dual career ladder positions in lieu of supervisory which are very highly technical positions. Most of the agency positions are engineers and scientists so they had a little bit lower ratio of supervisor to staff. She said that there were currently one to two and were working with Civil Service to increase that to one to four. The DCL handles highly technical projects, but they also help mentor and train lower level staff to bring them on line. The agency is looking at cross training where they can train some people

to learn other skills if they had to be shifted with the least amount of supervision. If a critical position was to become vacant, they are going to look at double encumbering that position, maybe having to hire someone and have someone there to train them if needed as well as looking at existing staff and training them, ramping them up where that could be done. The tool that the agency was looking at was flattening their organizational structure somewhat to where they have a lower supervisor to staff ratio.

Garret Graves commented that they were more than just working with Civil Service, they actually had a new organizational chart and were going to be eliminating two levels and will be more than doubling the agency's current supervisor to staff ratio.

Jerome Zeringue also commented relative to the flattening of the organization, it would not only increase the supervisor to staff ratio, but will also be increasing efficiency.

Garret Graves stated due to the under resource nature of the agency in the past, there has not been a lot of hurricane protection and coastal protection on the North Shore. He said that within the past two years they have carried out about \$60 million worth of projects and have some additional work planned.

Representative Pearson inquired as to whether or not that work would qualify as hurricane protection.

Garret Graves replied, restoration; although they did have a few protection projects, however, those are much smaller projects compared to restoration and that had to do with the federal funding source. He said that they are developing a comprehensive plan for the North Shore that they have dedicated a million dollars to so that they could develop a hurricane protection plan. As you know the corps process takes 40 years. He said that they were trying to do this on their own rather than relying upon the corp's process.

Representative Pearson inquired relative to the 24 miles of coast that was lost and asked if we had captured any of that back.

Garret Graves responded since hurricane Katrina, the state has lost an additional 340 square miles of land in coastal Louisiana and as a result of the funds that the legislature provided last year and this year, there are currently projects underway that will establish approximately 12 square miles of land. He felt that they were slowing the trend and by the end of the next calendar year, they were projecting that they would have the lowest rate of loss that our state has ever seen.

Representative Pearson inquired as to whether or not the universities were providing them with the graduates that the agency needed to hire in your agency's field of work.

Garret Graves answered that they have experienced a lot of challenges because of all the national engineering firms, etc., that are coming to Louisiana because of the surge in activity and have lost some of their engineers as a result of that. He said they have started two programs with the universities. The first one is the development of a new contracting mechanism whereby they would be allowed to give additional points to contractors that integrate the universities and the university students into their project process. Secondly,

they are developing a coastal science research consortium with universities in Louisiana. He said that it was their hope to bring in Deltorace which was the Netherland's research entity where they would try to have a coastal science clearing house and really be a global center for coastal science.

Representative Morris called on the Department of Veteran's Affairs.

Representative Morris commented that the audit report showed that their office had a substantial amount of turnovers within their agency and asked them to address that.

Debbie Smith said that she had previously sent in some information to Representative Morris, but wanted to give the advisory group an overview of their agency. She said the Department of Veteran's Affairs consists of 816 authorized positions. 720 of those positions are at the war veteran's homes and they have five of those, the Louisiana war veteran's home in Jackson, Northeast in Monroe, Southwest in Jennings, Northwest in Bossier City and Southeast in Reserve so the bulk of the agency's employees are at the war veteran's homes. 803 of the 816 are classified, thirteen are unclassified and approximately 56 are in WAE positions. The agency currently has 31 employees that are eligible to retire right now, seven have completed DROP, eight is currently in DROP, one re-hired retiree. She said that they had 72 employees that would be eligible for retirement within the next five years including key positions. The agency does have some cases where there is a supervisor supervising one employee. Some of their programs only consist of two employees, the director and executive assistant or the specialist and analyst. The others could be anywhere from one to ten or fifteen. Cutting the agency by 15% would be over 120 employees which would devastate the department. She said that the bulk of the department's employees are direct patient care for their 24 hour facilities, but would do what was required of them.

Tom Burbank commented that the agency's core mission was to serve veterans and their families and felt that the homes were a major part of their operation whether they were utilized on a part time basis or a permanent one. He said with that many employees a 15% reduction would be very devastating. He said that they have restructured the delivery of services and care to the veterans by way of doctors, pharmacies, therapy services, etc. and were looking at contracting out more services. He was also looking at pooling aspects at some of their locations in trying to save some additional funds there and thought they were moving in the direction that he felt was consistent with the fiscal situation that the state was facing.

Representative Morris inquired relative to their high turnover rate and the cost associated with that.

Debbie Smith replied that Civil Service compiles a turnover report every year, and for the last two years the agency's war veteran's home were at the top of that report. She said that they do have exit interviews that are conducted. Sometimes employees choose to do these and then sometimes they simply fail to come back to work, they call in and just say that they would not be coming back, therefore an exit interview could not be conducted on that particular employee. She felt that since then, their turnover rate had come down a bit. They are working hard to address the problems associated with the turnover rate and was

not specifically sure of the cost, but thought that it was a high cost for the turnover rate because they had to spend funds on training new employees each time an employee severed their services with the department.

Representative Morris inquired as to the type of employees they were talking about.

Debbie Smith responded certified nursing assistants.

Representative Morris inquired as to whether or not the state trains them to be certified nursing assistants or did they go to school and then be hired by the agency.

Debbie Smith answered that they come into the agency certified and those who are not certified, they have an in house training facility for them and the department provides the training. Once they become certified, then they are put on the floor at these homes. There are specific duties that they are not allowed to do until they become certified and that is done in house.

Representative Morris commented that the audit report showed 39% plus of a turnover rate for the department.

Debbie Smith replied that was found in the war veterans homes, because the veteran's assistance counselors and head quarters, stay until they retire. The turnover rate is with the war veteran's homes, the certified nursing assistance, they are lower level positions. It was her belief that reason was because the certified nursing assistant's could go to a neighboring agency that was paying more per hour.

Representative Morris inquired as to who that might be.

Debbie Smith responded that it depended on where they were located. The home in Jackson, the neighbor is East Feliciana State Hospital, there is Villa and the prisons all of whom pay a little bit more per hour than the department does.

Representative Morris inquired as to how much more.

Debbie Smith replied that she was not really sure, but they were leaving for the higher paying position. She said that they had tried giving them an incentive to at least sign something stating that they would stay after the training. However, that did not always work either, they would stay through their training and then leave anyway.

Tom Burbank commented that that was a very mobile industry. He said that they had a lot of institutional knowledge but felt that someone else could step in and understand what needed to be done and thought that sort of knowledge could be learned quickly. He said that the department was heavily involved with reducing the state general funds, the federal dollars are going up and the state general fund is going down, it went from 14 to 12. It was his belief that it was easier to replace HR knowledge than fiscal knowledge, but it was still institutional knowledge that was critical and wanted Civil Service to take a look at that transition. He said that he had previously been involved with a program called "PREP" (pre-

retirement education program) that was brought in from South Carolina to get to people early enough to help them prepare for retirement. It was his belief that we should take a real serious look at transferring that institutional knowledge, having a program that would actually do that and not rely on each department.

Representative St. Germain inquired relative to the CNAs and losing them from the department to another agency to do the same job where they might be getting paid more.

Debbie Smith responded that Civil Service plans to implement a special interest rate statewide in order to cut out some of the competitiveness. She said that she thought that it was a region problem, because the turnover rate for the war veterans home in Monroe was very low because the competition was not there.

Tom Burbank also responded that they were a 24 hour seven day operation which he thought could be some stressful positions.

Representative Morris inquired relative to the cost of training for the CNAs.

Debbie Smith answered that she was not sure what the cost was, but allowing the individual to be trained by the department was far less expensive for them than it would have been for them to go to a vo-tech school. The department saves them a lot of money and time with on-the-job training and formal training in house.

Representative Morris inquired relative to the requirement that they stick around for any length of time after the training.

Tom Burbank responded that the department would do an analysis on that and get back with the advisory group.

Debbie Smith replied that they ask them to sign something, but that does not work. After they sign off on the document, they stay that specific amount of time and then leave.

Representative Morris inquired as to the amount of training that was involved.

Debbie Smith answered that it was about six months of training. If they went to a vo-tech school, it would take them longer than six months.

Representative Morris inquired relative to the pay for this type of job once they were certified.

Debbie Smith replied with the special interest rate they were brought in at around a little over eight dollars per hours.

Representative Morris inquired relative to the pay while they were in training.

Debbie Smith responded that they receive minimum wages while training, they are considered a nursing unit aide at that time. She said that she thought it was an incentive to keep them employed by giving them an increase in pay to eight something per hour once

they became certified. They start as nursing assistant one and then after a certain amount of experience they would be promoted to a two which she thought was another incentive. However, because of the competition, she said the department was still not able to keep them.

Representative Morris called on the Department of Public Safety and Corrections.

Thomas Bickham appeared and testified relative to the department's overview and how they currently stand. Their current table of organization is 5,985 which consists of 5,889 classified positions and 96 unclassified positions. As of the date of the meeting they have 43 job appointments which brought the department to a total of 6,038. He said compared to last year, due to consolidations, reductions and budget cuts the department had implemented, from a warm body perspective, they were down 687 positions from this time last year to the date of the meeting. This was done by double bunking some of the dormitories which allowed them to shut down ten dormitories and still have the same operational capacity. The Steven Hall reception center in Tallulah was converted to a sheriff's facility that operates as a re-entry facility for the female population, a population that previously had no re-entry services at the local level administered to them. The department is also implementing cameras in the towers. From a contracts perspective, the department had eleven teachers, 24 for medical services which include optometry, pharmacy, rad-techs, x-ray techs and other positions like that. One was for software development and they also had veterinarian services as well because some of institutions still rely on horses.

In regard to the department's retirement statics, they currently have 667 employees that are eligible to retire, of that 267 are out of DROP and working past the DROP stage, 69 of them are in DROP and within the next five years the department had the possibility of losing an additional 918 employees. He said the agency was very new to succession planning and workforce development and was taking steps to up that. He said the department was on line with the audit report as it related the ratio issues, one to four. He also said that the department had some employees that supervise only one person. It was his belief that over the years in order to retain well trained staff they promoted them into a higher positions. This also insured that the department retained the amount of expertise that was required for a specific level to do a certain job.

As far as the obstacles that the department would face if required to take a 15% reduction - he felt from a public safety perspective the department could not continue to keep cutting across the board at their facilities. They would have to look at actually shutting down correctional institutions if they were forced to take an additional 15% cut. The department was also looking at dual career ladders.

Lansing Kolb inquired as to whether or not more prisoners could be safely paroled back into the community.

Thomas Bickham replied that would take some legislative changes in order to be able to do that, but thought that there were certain classes of offenses that could benefit from that. He said the department's number one priority is re-entry because 46% of the inmates that are released usually come back within a five year period. The department is taking steps for getting them some sort of vocational training, educational training, a housing plan

when they are released, a continuum of care plan because he said that they did not want to see the folks coming back to the department. He said Senator Hainkel was right, we cannot build our way out of this problem. We have to find a way to keep these folks from coming back, we can't build more prisons, that is not going to solve the problem.

Representative Danahay inquired relative to the department high rate of turnover and asked if there was any particular reason that might be occurring.

Thomas Bickham replied the bulk of the turnover was in the correctional officer positions. It is a difficult position to hold, it is hard and stressful, the department is a 24/7 operation. He said they have experienced as high as a 36% turnover rate in that particular job title and that this job title makes up roughly three quarters of the department's workforce. He said over time, the department has been able to implement some special interest rates and other things to reward people to stay, as well as premium pay and thought that they have reduced the turnover rate a bit, but was probably still in the 22% range. It is a constant problem. He said unfortunately, when the economy is poor, their pool of applicants increases, so the department was currently seeing more applicants for jobs.

Representative Danahay inquired as to whether or not the positions he was referring to were federally mandated.

Thomas Bickham responded that they were under federal court supervision for many years, however, came out of that in the early 1990s. The key to that was certification through the American's Correctional Association, there are still certain standards that are mandated in order for the department to maintain that certification, such as maintaining certain staffing levels, and provide certain services to the inmates. He said that we were one of seven states in the entire country that has received and maintained the accreditation for so long.

Representative Danahay inquired as to whether or not the department has to maintain some of those positions no matter what.

Thomas Bickham answered yes, sir that is correct.

Representative Morris inquired relative to the cost of the training for a corrections officer.

Thomas Bickham replied that they were required to go through an abbreviated certification process, however, did not know what the cost associated with that was. He said that he would get that information and provide it to the advisory group.

Representative Morris inquired whether or not they went to an independent agency to get the certification.

Thomas Bickham responded no sir, the department had its own cadet classes that are done at various institutions.

Representative Morris inquired as to whether or not the cadets were utilizing that certification to go to other divisions of law enforcement or was that the same type of certification that was being used.

Thomas Bickham answered that they probably do lose some of their employees to the other departments, but thought that people just wanted to get out of that type of work completely because it is such a stressful and difficult job to do continually.

Representative Morris inquired relative to the ratio that was utilized at the prison facilities.

Thomas Bickham replied that it was pretty consistent across board, the department had a pretty good one to four ratio throughout all of the job series.

Representative Pearson inquired whether or not there were enough probational and parole officers.

Thomas Bickham responded the probational and parole officers currently have a very high case load. He thought that the southern average was probably about 75 or 76 and Louisiana is over 100 per officer. He said the department would have to do some things on the probation and parole side in order to accept those folks, if there was a higher number of people being released to parole.

Representative Pearson inquired as to whether or not probation and parole officers were more trained than cadets.

Thomas Bickham answered they go through a similar process, however, they are required to have a college degree. He said that being a probation and parole officer was also a difficult job because every day, day in and day out, they were dealing with criminals.

Representative Pearson inquired relative to the requirements that had to be followed and asked if there were any federal requirements that stated we had to have a certain number of inmates per room, cable TV, etc.

Thomas Bickham replied he was not aware of any type of requirement relative to cable TV.

Representative Pearson inquired as to whether or not the department provided cable TV in their facilities.

Thomas Bickham responded that they provide a very limited number of television shows for the inmates to watch.

Representative Pearson inquired relative to the dental and health care that was afforded to the inmates.

Thomas Bickham answered the department was required, constitutionally mandated, to provide them with a minimum level of medical services.

Representative Morris inquired relative to the correctional facility in Homer and asked how many wardens were there.

Thomas Bickham replied that they had one warden at David Wade who was head of the institution and an assistant warden four who was over the Forcht Wade facility. He said they were considered a satellite of the David Wade Correctional Institute.

Representative Morris inquired about the other wardens under that one warden at David Wade.

Thomas Bickham responded that there were two assistant wardens under the head warden.

Representative Morris inquired as of when, because he had heard that there were more.

Thomas Bickham answered that there were two deputy wardens, and beneath them there are assistant wardens. There are two deputy warden fours at the facility and one deputy warden four at Forcht Wade Correctional center.

Representative Morris commented that would be a total of five correct.

Thomas Bickham answered yes, sir.

Representative Morris inquired as to the number of those employees who were furnished a house on the facility.

Thomas Bickham replied that he thought the wardens and the deputy wardens were afforded homes.

Representative Morris inquired whether or not that was for every facility that we have.

Thomas Bickham responded that it depended on how many houses were at the facilities historically, going back to David Wade, he said that he could not give the advisory group the exact number, but thought that there were more houses beneath the deputy warden and the assistant warden level that people were allowed to live in.

Representative Morris inquired as to the number of homes and employees living in those homes within all of the facilities in the state of Louisiana.

Thomas Bickham answered that he would have to get that information for the advisory group. However, Angola basically has a small town within it's footprint.

Representative Morris inquired as to whether or not it was more than five and less than 500.

Thomas Bickham answered yes sir it is.

Representative Morris inquired as to the type of pay range the deputy wardens were in.

Thomas Bickham replied without having any of that information in front of him, he would have to guess the low \$70s to mid \$80s.

Representative Morris commented and we furnish some of those folks with housing as well.

Thomas Bickham answered yes, sir.

Representative Morris inquired as to what the next rank, or classification under warden.

Thomas Bickham responded there is warden, deputy warden, assistant warden, and then it goes to Colonel.

Representative Morris inquired as to the number of colonels at David Wade.

Thomas Bickham answered that he thought there were five colonels.

Representative Morris commented that he wanted to know the cost of the homes, how many there were at each facility, who was in those homes, and the criteria utilized to put someone in a home. He said that is a benefit to those individuals.

Thomas Bickham replied that he would get back to the advisory group with that information. He said that it was possible that some of the homes could be housing the director of maintenance, they are a 24/7 operation and it was beneficial to the employee and to the agency to have those employees who work on the grounds to be within easy access.

Representative Morris commented that it could actually be a requirement to have someone stay on the grounds.

Thomas Bickham responded that they could stipulate that, but did not know for sure that it had been done, but thought that is was very beneficial to have those individuals housed on the grounds, especially in Angola's case.

Representative Morris stated that he understood the benefits of having it that way and asked if it was a requirement.

Thomas Bickham answered no, sir.

Representative Pearson inquired relative to contracting out for state prisoners at local jails or parish jails and asked if the rate was uniform across all of them.

Thomas Bickham replied yes, sir, roughly half of the population was in either parish or municipal jails, and it is a straight per diem of \$24.39 per inmate per day.

Representative Pearson inquired as to whether or not that was more than what the state could provide the services for.

Thomas Bickham stated that there was a difference between a jail and a prison. The local jails are basically a lock and feed operation, you lock them up and feed them. That's what you get for \$24.39 a day. As part of the re-entry program the department was going to supplement the per diem and were, in fact, currently doing it in Caddo parish where they are providing additional services for the re-entry program, at an additional \$6.70 a day per inmate on top of the \$24.39.

Representative Pearson inquired as to whether or not this was a disincentive for them to allow them to go back into the community and asked if the program the department was utilizing with Caddo parish was a trial program.

Thomas Bickham answered no, sir, it was a program that the department would be expanding to nine other institutions across the state. He said that they had seen the re-entry program in action and the recidivism dropped from 47% down to 38%.

Representative Morris called on the Department of Youth Development and Juvenile Justice.

Alan Boxberger appeared and testified saying the agency currently has 1,187 authorized TO, 122 employees who are currently eligible for retirement, 30 employees that are in DROP, 35 employees that are working post DROP, 18 re-employed retirees and 259 employees that will be eligible for retirement within the next five years. As to succession planning, he said that they had been a stand alone agency for approximately five years and were still in transition from a correctional model to a therapeutic model so they did not have a lot of institutional knowledge under the new model on which to develop succession planning as everyone within the agency was still in the learning process. Moving forward the agency would implement a more formal instrument for succession planning. He said they focus strongly on staff development training and leadership training. It was the agency's goal to encourage growth and leadership skills so that future managers and supervisors could start with these capabilities to be able to move the organization forward. They have utilized double encumbrances in some limited instances as part of managing their workforce. They monitor and limit employees from engaging in out of state travel and training so as to minimize investment in employees who will be leaving the state workforce in the future. They review overlapping job duties in an effort to identify potential savings and have eliminated positions identified as unnecessary and not critical to the agency's functions. He said that a 15% reduction in positions for the Office of Juvenile Justice would be a reduction of 178 positions and the obstacles of reducing the staff by this amount would be more problematic in nature than procedural. It was his belief that the instruments outlined and detailed by Civil Service could be utilized by the agency in order to downsize, but did want to make sure that everyone was aware that they serve an involuntary client base in that they provide treatment and services to youths that are adjudicated into their care by the court system. The agency is statutorily required to serve and provide for public safety, youth safety, education and treatment. In their secure care setting, they have three facilities that provide 24/7 supervision year round to male youths and have contracted with an additional

facility for approximately 15 to 20 female youths. The erosion of additional staff positions would diminish the agency's capacity to perform the statutorily mandated services under a therapeutic model of treatment for adjudicated youth. This would infringe upon the principles of reform initiated by the state legislature in 2003 which enabled the state to move out from under federal court oversight in a court ordered settlement agreement in 2006. Staff reductions would also impact the agency's probation and parole division which would increase case loads beyond industry standards and would negatively impact recidivism among youth in the state.

As for outsourcing and contract services, or warm bodies, they shifted a large amount of resources around. He said they used to house more than 2000 youths in secure care settings and were now down to approximately 450. In conjunction with lowering that number in secure care, the number of youth provided services through the community was increased. So a lot of resources were diverted into community based programs which were provided through contracts. There was nothing in their contracts that stipulated they had to identify how many employees they hired, etc. He said they would have to change their contracts or could request that information from the contractors in the future. He said they did contract between \$65 million and \$75 million a year for various community based programs.

Representative Morris called on the Department of Social Services.

Ruth Johnson appeared and testified that DSS was currently arranged into four agencies, the Office of the Secretary, the Office of Family Support, the Office of Community Services and the Office of Rehabilitation Services. The office of the Secretary has 268 positions, the office of Family Support 2,485, community services 1,818, and Louisiana Rehabilitation Services 364 for a total of 4,935 positions. There are 111 vacancies, 63 non TO positions filled and for emergency preparedness they have 91 WAEs on standby should there be an emergency. The department's current supervisory to staff ratio averages about one to five. She said that one of the streamlining recommendations was to reduce DSS staffing ratio to one to eight, and they have already started looking at that. She said they were looking at all work units and all work processes to identify where they could consolidate units to make sure that they have bigger spans of control, looking at supervisory positions to separate the work that some supervisors do from the supervisory duties themselves to make sure that those are covered while still being able to reduce the supervisor to staff ratio. The department was identifying units with high turnovers and/or diverse functions which may require smaller spans of control like child welfare. You would not want a one to eight ratio in child welfare, you would want to keep it at about one to five. Looking at creating worker positions so that you do not have to have supervisory responsibilities to get paid for your technical knowledge. They are eliminating and redistributing work units that do not contribute to the agency's mission and then stressing the efficient use of the PPR system. Currently DSS has about 1,400 employees that could retire within the next five years, there are 291 employees that are currently employed at DSS that have completed DROP. DSS has 167 offices across the state. She said that they have proposed in this coming budget and also in their streamlining report to collapse DSS down to one single agency. With that they would be able to streamline and reduce the amount of administrative staff in the state office, currently each of the three program agencies have an assistant secretary over it with the

related support staff. What they were talking about doing was going to one assistant secretary for the one agency.

How do they get there? DSS is currently contracted to start modernizing their business practices. They are looking at not only the information technology aspect of modernizing the business practices, but also the actual work flow within the offices, the modernization efforts will include a customer service call center, computer access through a web based enrollment system, so that clients and providers could do self service which would reduce the amount of staff interaction needed, electronic case records, payment provider management and document imaging. In looking at redesigning the business processes they were looking at eliminating the silos between the multiple agencies, because there were a lot of duplicated efforts in gathering client information. The department was talking about having one repository for the data and then all of the programs that need access to that data could get to it from that one repository center. In family assistance there are 75 different offices. The department is talking about collapsing those down to 20 regional processing centers. She said that DSS would streamline and eliminate non-essential functions by reorganizing and consolidating their organizational model, re-engineering and streamlining their business process, closing those multiple parish offices and creating the regional service centers, maximizing technology to maintain their service delivery with less staff, reducing mid-level management and support positions to obtain the one to eight span of control where it is feasible and then creating a more mobile workforce.

A 15% reduction of staff to DSS would be about 740 employees and would be broken down as follows: Administration 40, public assistance 373, child welfare 273 and Louisiana Rehabilitation Services 54. In the fiscal year 2010 budget they reduced the administrative program by 26 positions and in the 2011 budget they propose to reduce that by another six. The public assistance program has been reduced by 65 positions last year and the department would be proposing another reduction of 189 in the 2011 budget. She said so another 740 positions would affect the efficiency of the administrative operations. Insufficient staff to support information technology, human resources, fiscal, all of the office of management and finance functions, a potential increase in audit findings and delays in procurement of goods and services, etc. She said in Public Assistance it would increase the wait time for public assistance applications to be processed, increase risk of data processing errors which would result in federal penalties, such as with the food stamp program where you have to maintain a certain accuracy rate or the federal government would penalize you. Reducing the staff to perform child care licensing would effect the reviews that are performed at the day care centers. In child welfare, they would have to close the ten smallest offices, and this would reduce also family services and home based services for high risk families, loss of local access to child welfare services, reduce the availability of 24/7 child protection investigations. She said that a lot of their programs were federally funded. DSS is about 40/60 federally funded for administration so any performance deficiencies would result in penalties or reduced funding. She said in order to accomplish a reduction of that size, their attrition would not be able to keep pace, so they would actually have to go into layoffs. At that point they would have to go through Civil Service and have their layoff plan approved, for their modernization, their outsourcing contracts and then rewrite job descriptions which would be a significant amount of work. She said that they lose about 66 positions a month and ask that additional consideration be given to early retirement

incentives, greater pay flexibility, the dual career ladder, or expanding the bands in the pay scales - things like that, she thought would help them be able to retain staff.

She provided a handout to the advisory group entitled "DSS Streamlining Presentation", November 16, 2009. For further details and information, please refer to the handout which could be found on the streamlining commission's website.

Representative Morris called on Department of Health and Hospitals.

Charles Castille appeared and testified relative to the overall DHH budget. He said that the budget for this year is about \$8.1 billion, \$6.5 billion of that has no TO associated with it all which is the Medicaid program. The Medicaid programs makes payments to provider, public providers, etc. Talking about the TO for DHH is only talking about 20% of the budget. As of this year, their allocated TO for the department is 11,322, however as a result of the executive order the department was unallocated 124 positions so that in effect, the department's literal TO is 11,198. In 1996 the department had almost 14,000 FTEs within the department. Currently they have 11,800. The difference between the TO and the FTEs obviously are the non TO positions. So basically the department has seen a reduction since 1996 of about 3,200 employees. Some of those went to the districts, but the vast majority of these have actually been a reduction. He said the loss of Medicaid eligibility workers over the last few years, over an 18 month period, was 15%. They were able to do that in Medicaid primarily because of technology and by simplifying the process. The case load for the Medicaid eligibility are some of the highest in the country. He said when it came to Medicaid eligibility what they have actually seen over the last many years is an increase in Medicaid eligibility. They service approximately 1.2 million people in the Medicaid program. He said right now if they had to take a 15% cut, they would have to close an institution. Part of their budget process was going to be a significant number of reductions in employees, a lot of that would be associated with closure of facilities. The department's ratio for employees is about the state average one to four and knew of a few instances where there was one supervisor supervising someone else, which happens as a result of trying to keep a valued worker who isn't necessarily a good supervisor, but in order to be able to keep that individual, you put them in a supervisory position. He thought the issue of the dual career ladder made a lot of sense and was something that they had been working with Civil Service for many years now and thought that it needed to be expanded. The department has 1,662 employees who are eligible to retire, 306 currently in DROP, 295 have completed DROP and 58 re-hired retirees. In terms of succession planning, they have for many years followed the process particularly in the higher level positions where they try to do a double incumbency and have a person working with the person leaving. The level of potential cuts that have to be made, he felt that the commission and the legislature would be faced with some tough decisions so that you don't just downsize a facility because money is not always saved by downsizing. Actually what it would take would have to be some elimination of some facilities. Doing that would create some savings, but for some of these folks at institutions who are still going to need care could be provided in the private sector and generally at a cheaper rate.

Representative Danahay inquired relative to facility closures and asked if that would include Earl K. Long or Lady of the Lake.

Charles Castille replied no, Earl K. Long was not part of DHH, it is part of the LSU system. It was his opinion that the developmental disabilities centers could be looked at. He said some states have very few of them, maybe just one and some have none. Louisiana has eight or nine.

Representative Danahay inquired as to whether or not they were utilizing the private sector for this.

Charles Castille responded that it could be done in the private sector, that's what other states do, as well as going to a community based service as opposed to providing services in an institutional setting. He thought that was the current national trend. It was his opinion that a large number of people in institutions could do quite well in the community and they have providers within the community that can provide that service at a lower cost. However, closing an institution, the services don't go away, those individuals still need those services, and he thought that a lot of the employees who work in state facilities could easily migrate to some of these other private providers, but it would be a different model.

Representative Morris call on the Division of Administration.

Barbara Goodson stated that the Division of Administration has lost approximately 74 positions in the last year. The division has lost strategic TO and positions in sections such as State Purchasing, Buildings and Grounds, Facility Planning, etc. However, they have had to add several positions in the federally funded Disaster Recovery Program and the Louisiana Recovery Authority that was moved to them last year. In regards to the question of what happens when the federal money runs out, most of those positions are temporary, unclassified. They may be TO, or they may be non-TO FTE, but they have regarding the bulk of those positions, are temporary in nature. The division's goal is to take the federal money and put it back into the communities to help repair damage from the storms.

Suzette Meiske stated that their projected retirements in the division was 236 people, or 22%. Over the next five years, that percentage goes up to 40%. They are developing a formal succession plan that should be in place at the next fiscal year. Informally, their sections work with the HR office whenever they lose an employee, particularly a long-term one, to examine their way of business and develop new ways by using different technology or using the TO spots somewhere else more productively.

Barbara Goodson stated that the commissioner has encouraged them to look at outsourcing if it makes sense. They will have RFP's on the street for Risk Management, Buildings and Grounds, and a portion of some of the services for Group Benefits.

Representative Danahay inquired as to whether or not outsourcing was cost-effective or beneficial to the state.

Barbara Goodson stated that she did not think a form had been developed.

Representative Danahay stated that as they move forward, before they outsourced he thought they should make sure outsourcing was beneficial to the state.

Barbara Goodson stated that she had looked at it, but another element comes in with staffing up and getting the money out quicker. If it was more cost-effective to do everything in house, then there would need to be an evaluation of the time-frame of how they will house employees versus getting a contractor who has office space and people who can mobilize quickly.

Representative Danahay stated that the term of the contract was also a factor.

Representative Morris called on the Department of Economic Development.

Steven Grissom stated that LED has 131 appropriated TOs and one non-TO. They are the smallest executive department across state government. The supervisor to employee ratio is just under one to four. They currently have thirteen retirement eligible employees, and expect four additional employees to become retirement eligible over the next year. They have five positions that supervise one individual, and in some cases there is a senior level professional and a junior level professional working together since they are a small agency.

Representative Morris asked Mr. Grissom to talk about LED's contracts.

Steven Grissom stated since January 1, 2008, LED has entered into 81 outside consulting contracts, for a total contract amount of \$13.8 million. They have contracts in addition to that number for other types of services such as legal services, other non-profits and cooperative endeavor agreements. They have a wide range of contracts with different organizations throughout the state that are putting certain economic development programs into practice, and many of those are associated with specific line items as well as certain services that those non-profits are able to provide.

Representative Morris inquired if a lot of those contracts were long term and are renewed every year.

Steven Grissom stated that some contracts are renewed, but not many are long term in nature. Many of the contracts are with entities they have worked with in the past, in particular some of their cooperative endeavor agreements with non-profits. Most consultant contracts were not of a recurring basis and would typically be focused on specific projects. They have an overall marketing and advertising contract that is a three-year contract for professional services and for ad placement services associated with their overall national branding awareness and marketing program. They renewed that contract a year ago, so they are one year into a three-year contract.

Representative Morris inquired what the value of that marketing and advertising contract was.

Steven Grissom stated that the value of that contract is a little over five million dollars a year.

Representative Morris called on the Department of State Civil Service.

Shannon Templet stated that there were a few things that were mentioned today that they were already looking at. Some of those things are in conjunction with HCR 6 that was passed last year. The expansion of the dual career ladders are being looked at. Agencies that have jobs in the scientific or technical area could have 20% of their jobs in dual career ladders, and Civil Service expanded that to 25% of their total jobs. They are looking at expanding that into other job titles. Another thing that is already being done is the flattening of organizations.

Representative St. Germain inquired about the issue of losing the certified nursing assistants position to a different agency.

Shannon Templet stated that they have a little data on that issue. Their turnover data that the Department of State Civil Service completes is actually losing from a state agency all together, so the transferring from one agency to another is not counted as a turnover. The Veteran's Home had the high turnover for two years in a row, and after Civil Service worked with them on a few things that percent of turnover was decreased this past year.

Representative St. Germain inquired if the Veteran's Home was counting it as a turnover.

Shannon Templet stated that she did not know how they were counting it. They had looked at private sector with those type of jobs in a nursing home facility, and the turnover for that job in this state is a little lower than that same job in private industry nursing homes. Although the turnover is high, some of it is the nature of the work.

Representative Morris asked Ms. Templet to explain flattening an agency.

Shannon Templet stated that they were trying to get away from focusing so much on the number of people that a person supervises in order to be able to pay them at a higher level. So it could be taking out a middle management level or broadening some bands to allow more pay flexibility for certain skills or certification or license that they have. It is a variety of things because different agencies have different needs.

Representative Danahay stated that in flattening or broadbanding, the number of pay scales would be reduced which would make it broader so that people can be moved through those pay scales without having to go through the reclassification process.

Representative St. Germain inquired if employees were positive about this process.

Shannon Templet stated that she could not speak for an employee. In her opinion, when there are layers employees see them as promotional career opportunities to continue to improve themselves and increase their pay. She thought employees may be hesitant about moving to some type of broadbanding. However, when moving broadbanding or flattening of an organization, other pay mechanisms would need to be in place. The department has other pay mechanisms in place now and is looking to expand those. The commissioners recognized some employee comments in regard to the pay hearing, so a meeting would be held at a time period where employees could attend to give their comments.

Representative Danahay stated that employees could be moved within the different pay bands without having to reclassify them. With this system, there would be a greater emphasis on training and education in those pay bands rather than promotion, whereas the down side is that the promotional aspect is lost in many cases.

Representative Morris asked Ms. Templet to discuss the dual career ladder.

Shannon Templet stated that, currently, the dual career ladder is for scientific and technical jobs only. These jobs include engineers, scientists, etc., and it allows the agencies to pay those individuals more money without becoming supervisors in order to do it. They are looking at expanding the dual career ladders within those job classes and to other job classes. In the nation, Louisiana is one of the few states that has a dual career ladder program.

Representative Morris inquired if she had any comments on the Work Keys program.

Shannon Templet stated that she would let Jean Jones speak on that topic.

Jean Jones, Deputy Director of State Civil Service, appeared before the group. She stated that she is familiar with the Work Keys program. The process done by the program is typical for any development of an assessment. Louisiana partnered with ACT to be one of the employers that provided information upon which they built that assessment. Since they initially built the assessment, they have gone on to develop the training piece. There is a cost to administer each of the assessments, each component of the assessment to each person, and for the training. She believed that the assessments were being used by some of their education facilities. They do not use it as the main assessment for the few jobs that they use assessments for in Louisiana because the assessments they are using are at lower costs.

Representative Morris inquired how much lower the cost was to use the assessments that they were using.

Jean Jones stated that she did not know what the Work Keys program fee schedule was. What the Civil Service Department has done is contract with developers similar to ACT to develop employment assessments specific for Louisiana. When they have the contracts, one of the provisions is that they own it and do not have to pay a per head administration cost, which saves the state dollars.

Representative St. Germain inquired if there was staff that administered the assessment.

Jean Jones stated that the Department of State Civil Service did not have staff that administers the assessment. She believes the Louisiana Workforce Commission has staff that does that. The technical colleges have also used it.

Representative St. Germain inquired if the technical colleges were still using it.

Jean Jones stated that she did not know how extensively it was being used or which populations are eligible for the use.

Representative Morris inquired about the overlap aspect of CPTP and Civil Service, and how many different courses did Civil Service have.

Shannon Templet stated that the Civil Service's website offered a free service to people to take an assessment test in regard to their supervisory skills and it will guide them to the CPTP courses that they would need to enhance the areas where they need more skills.

Representative Morris inquired if there were four employees who administered those tests.

Shannon Templet stated that they have three trainers and an assistant.

Judy McGimsey, Division Administrator at the Department of Civil Service, stated that they have a manager and three trainers as well as one part time person that they share. She stated that for the most part, the earlier testimony was accurate. She did not think there was an overlap of courses for Management Development. They have always seen it as a cooperative effort on the part of the Department of Civil Service and the CPTP program and the Division of Administration as opposed to focusing on the differences of what they are trying to accomplish. They are all trying to accomplish having managers and supervisors in state government that know how to do their jobs and do them well. She clarified that the Department of Civil Service does teach beyond just the Civil Service rules. The CPTP courses teach theory and application of theory which is important to understand when managing people and work. The Department of Civil Service supplements the CPTP course work and teaches practical applications of information that a supervisor or manager in Louisiana needs to know.

Representative Morris inquired how many categories the Department of Civil Service had with their programs.

Judy McGimsey stated that they teach five classes specifically for CPTP. In addition to that, their trainers provide human resource development training, training for compensation issues, training for discipline, courses for attorneys on disciplinary process, etc.

Representative Morris inquired how many different employees Department of Civil Service taught through the year.

Judy McGimsey stated that the information could be found in the previous week's meeting information.

Shannon Templet stated that they have a pre-test and a post-test as another form of an assessment.

Judy McGimsey stated that they see anywhere from a 20-40 point difference between the pre-test and the post-test. She stated that the Department of Civil Service does the billing of agencies per number of classified employees for CPTP because that is similar to the way that their funding is provided.

Representative Morris informed the advisory group and the audience that recommendations should be e-mailed to Laura Gail Sullivan.

Representative Morris informed the advisory and the audience that they would be meeting again next week.

ADJOURNMENT

Representative Danahay made a motion to adjourn without objection. There being no further business, the meeting was adjourned at 6:25 p.m.

Representative Jim Morris, Chairman

11/23/09
Date Approved