

Commission on Governmental Streamlining Advisory Group on Civil Service and Employee Benefits

DOTD Responses to Questions Regarding Practical and Legal Obstacles in Reducing Positions

These responses are provided in response to an email received from Ms. Laura Gail Sullivan on October 14, 2009. The responses are categorized as requested in the areas of administrative, budgetary (financial), and HR management (managerial tools). Additionally, a category has been included on options to mitigate workforce reductions. It should be noted that DOTD has voluntarily or mandatorily reduced its workforce more than 10% in the last four years through attrition. No layoffs were involved. However, the 10% cut in employees has not translated into budgetary savings. Over the last 4 years DOTD's budget has increased by 29% driven by increases in salaries and benefits but also by a 78% increase in contracted services. Consequently, cuts in employment must be joined with cuts in existing services.

Administrative – This category considers administrative tools and options to effect a workforce reduction. The development of a statewide, uniform plan is stressed so as not to pit one agency against another.

- Allow the reduction in service resulting from elimination of programs and functions.
- Expedite the transfer of approximately 5000 miles of state-owned roads to local governments.
- Provide incentives for private companies to hire state employees affected by reductions.
- Develop an uniform state-wide plan for personnel reductions which includes:
 - Layoff plans
 - Severance pay to entice eligible employees to retire
 - Early retirement plan
 - Consideration for work force diversity
 - Determine if seniority is a weighting factor (Civil service intervention)
 - Determine advance notice of layoff action (30-60 days)
 - COBRA support

Budgetary – This category considers that there are upfront costs associated with many reduction plans that should be considered in the short term so as to potentially reap savings in the long term.

- Modify or increase budget to fund severance plans
- Increase funding for early retirement programs
- Modify budgets to support increased pay benefits for increased distribution of work
- Modify or increase budgets to support job separation benefits
- Modify or increase budgets to support outsourcing of services not eliminated

HR Management – This category 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 wave of reductions.

- Develop a detailed communication strategy including
 - Reasons for layoff clearly defined

- Review of all positions to distribute work
- Individual meetings with affected employees
- Individual meetings with employees that will receive additional work
- Prepare leadership for expected reactions including:
 - Affected employees
 - Remaining employees (survivor guilt)
 - Security: Sabotage, employee emotional state
- Career enhancement tools: job fairs, skills training
- Develop a move forward plan
- Revisit PPR expectations

Options to Mitigate Layoff – This category suggests mechanisms to reduce budget shortfalls without reducing workforce

- Eliminate vacant positions (already in process)
- Temporary reductions in workday/work week (without a commensurate reduction in service)
- Permanent reduction in workday/work week (without a commensurate reduction in service)
- Suspension of merit Increases
- Hiring freezes

Other information requested (data as of 10-19-09)

- Employees eligible for retirement as of today – 776
- Employees currently in DROP – 336
- Employees past DROP – 261
- Rehired retirees – 15
- Supervisory positions – 959
- Staff positions - 3745