

ADVISORY GROUP ON Efficiency and Benchmarking **PROPOSAL#:** AGEB # 10
SUBJECT: Reduction of State Workforce **DATE ADOPTED BY ADVISORY GROUP:** 8-24-09
COMMISSION ACTION: _____ **DATE:** _____

RECOMMENDATION: To direct state government to reduce the number of state government positions by at least 5,000 positions for each year of the next 3 years pro-rata by department through vacancies and attrition and without reducing the quality of products or services. Department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process reengineering restructuring, retraining for enhanced skills and headquarters staffing reductions. Department heads should increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. To use twenty percent of the savings to increase compensation for employees taking on additional responsibilities.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
<p>To direct state government to reduce the number of state government positions by at least 5,000 positions for each year of the next 3 years pro-rata by department through vacancies and attrition and without reducing the quality of products or services. Department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process reengineering restructuring, retraining for enhanced skills and headquarters staffing reductions. Department heads should increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. To use twenty percent of the savings to increase compensation for employees taking on additional responsibilities.</p>	<p>Legislature, Governor</p>	<p>To save money by reducing workforce and overhead costs and to increase efficiency by making the state more consistent among other states in total workforce.</p>	<p>Statutory amendment and Executive Order</p>		

According to the United States Bureau of Labor Statistics, in 2008 Louisiana had 275 state government employees per 10,000 population, ranking Louisiana 8th in the country. Louisiana ranked 1st among southern states. The national average was 223 state government employees per 10,000 population. Assuming a population of 4.3 million people, Louisiana has 22,000 more state government employees per 10,000 population than the national average.

The Louisiana Government Streamlining Commission recommends to the legislature of the State of Louisiana that all departments of Louisiana state government be directed to reduce the number of state government positions by 5,000 positions for each year of the next 3 years. The reductions should be pro-rata by department; that is, the number of positions to be reduced each year by each department should be derived by multiplying the percentage of total state government positions located in that particular department by 5,000. This number should be considered the minimum number of reductions for a department. Vacancies, rather than layoffs, should be used to achieve the elimination of positions.

Department heads should be directed to manage the assimilation of the reduction of positions through reorganization efforts, which will require more than simplistic across-the-board cuts. In order to maximize productivity and streamline costs, department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process reengineering restructuring, retraining for enhanced skills and headquarters staffing reductions. More specifically, department heads should limit layers of management, with no more than six for large departments. One manager should

supervise no less than 10 staff, and more if possible. Highly technical, policy or non-repetitive functions may require a span of control as low as 1 manager per 5 staff. A reasonable level of clerical staff is 15% or less of total staff. Units with 2 to 5 employees should be consolidated into larger, more efficient units, and regional administration should be consolidated where possible. Restructuring should include an analysis of the number of tasks performed by each departmental employee and, through process reengineering, the number of tasks should be reduced by 25%. Department heads should also seek to increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. Additionally, the largest percentage reductions in staffing should be at central and regional headquarters.

These staff reductions should not be allowed to reduce the quality of services or products provided by each department. If a department head does not believe he can achieve the staff reductions without reducing quality, he should notify the governor as soon as possible so that the governor can replace him with a department head who can achieve the staff reductions without impacting quality.

The Commission also recommends that 20% of the savings achieved from these staff reductions be used to increase the salaries of employees who assume new and additional responsibilities as a result of the staff reductions and reorganizations.