

Responses to the 2002 Annual LSCPM Conference Panel Discussion with:

Don Hutchinson, Secretary, Dept. of Economic Development

Mark Drennen, Commissioner, Division of Administration

Andy Kopplin, Chief of Staff, Office of the Governor

Allen Reynolds, Director, Dept. of Civil Service

1. Explain the impact of proposed airport near Donaldsonville on the whole state.

Private investors are financing the airport development. The property was sought because it was near the Mississippi River and Interstate 10. In addition, there is no need to displace any people because most of the property is farmland. The investors will have invested billions of dollars, and are requesting about \$400 million from the state. However, at this time, the state is unable to make this commitment because of a lack of funds.

2. The Advocate has run many front-page stories this year about how bad Louisiana's economy is, and about the "brain drain" going on. What are your thoughts about how real these problems are? What needs to happen to improve Louisiana's economy?

The Dept. of Economic Development is working on many endeavors to improve the economy, and has been very successful, and will continue to work with companies to move to this state and build employment opportunities.

3. Is the Technology sector going to expand in Louisiana? What's the economic outlook for the next 5 years?

Yes, the Technology sector will be expanding. Avondale Shipyard is a good example whereby new virtual 3D software will be available for potential businessmen, etc. to see what the ship looks like without having to visit the site. UNO is a poster child where \$25 million in state funds are being matched to gain \$80 million from the federal government for a Navy Maritime endeavor which will create 1500 Information Technology jobs on the campus, and other jobs as a spin-off. Red River Farming will offer high tech jobs and is moving to Shreveport. The outlook for the next 5 years looks very good.

4. Do you foresee a 2-year budget cycle in Louisiana?

A 2-year budgeting cycle makes revenue forecasting difficult. It will be 18 months in the future.

5. Are we going toward more privatization of state services?

No. Not really

6. What state functions have already been privatized?

Some prisons have been privatized, for example, Tallulah. This is not widespread. DHH is contracting certain functions, asking the question, should I make it or buy it, and then making a determination based on the response.

7. How much more are we spending in recurring costs on the new buildings built a year ago next year than 5 years ago?

We will be spending \$13 million dollars over the next 20 years. After that, the buildings will belong to the state and we will be saving money. Some money is also going into a maintenance fund . If you look at lease vs. rent, we will be saving \$500 million over the life of the buildings.

8. Can the government, the cabinet, and the administrative leaders improve the state by putting a more positive spin on state government by publicly and regularly praising its primary resource, the hard work and competence of state workers and raising their compensation?

Louisiana positives are on the Governor's web pages, 5-6. The requirements for being placed on the Governor's web are that someone besides you has to say you're good. This includes veritable information such as: worked hard to adjust out of whack salaries. This area needs to be brought to market rates. They will continue to do what they can.

9A. My agency is scheduled to move into the new Galvez Building next year. The building has been built with its entrance on the opposite side from the Galvez Parking Garage.

The result of this is that employees, including handicapped employees, will have to cross North Street, and go all the way around to the other side of the building to get to work each day. One of my employees is handicapped.

9B. What are your comments about how this situation could have arisen, and can anything be done to help the situation?

The reason it was done that way is because there a 2-city block area that was vacant. The building should be closest to the face of the state capitol. The parking garage was also next to the Galvez Building. Provisions for handicap parking will be reviewed.

10. What's the future of Civil Service?

I expect to see the system continue in existence for the foreseeable future. We will continue to adjust policies as needed to assure that agencies can meet the challenges facing them.

11. Do you think your role is changing to a partner with management versus a protector of the employee?

Our role is to provide policies that enable agencies to hire and retain the people needed to perform the agency mission. To do that we must consider the needs of agencies and employees. We will maintain strong audit and appeals functions to assure that agencies are acting within existing policies and that they are being effective in managing their human resources.

12. Explain how you determine if an agency or Section has an employee retention problem.

We look at turnover statistics by agency and by job. The average turnover last year was about 15%. Two years ago the average was 22.7%, so there has been some

improvement. There is not a single standard rate that we consider to be a problem. That will vary by agency and job. In addition, we do not include losses to other state agencies in our turnover figures. We will also look at those figures in assessing retention.

13. What can be done to help increase pay scales needed for those jobs which have no market value comparison because no one else does the same type job in the state? What can be done to recognize hard working and competent state workers by giving them real raises/promotions?

The pay ranges for these jobs are set using our evaluation system, which compares all jobs using 9 factors. All jobs will be included in one of the pay schedules currently under development. In addition, the current ranges for the general and medical schedules have been adjusted by two percent each year for the last two years. One more such adjustment is scheduled for May 2003. Finally, as I pointed out in my remarks, the average salary for classified employees has increased at a compounded annual rate of approximately 4% for the last ten years while the cost of living during that period has increased by only about 2% per year.

In terms of recognizing state employees, rules have been adopted which allow agencies to provide one-time payments and/or base pay adjustments to individual employees and groups. Last year approximately 4,200 state employees received \$2.6 Million under these programs. Additionally, classified employees may be considered for and awarded a merit increase of 4% provided their performance warrants it.

14. Can raises be tied to federal pay raises like the legislative pay is?

This is possible to do, but funding would have to be made available.

- 15A. State workers have not had a real raise while other groups have. How do you break the vicious cycle that prevents state workers from improving?

As I mentioned in response to question 13, compensation for state employees has increased faster than the cost of living. The biggest problem in providing a general increase is the cost – almost \$20 million per percent. It is extremely difficult to find \$100 million for a general increase. As a result we have had to look for other options like structure adjustments and new pay schedules.

For example: Civil Service and the Legislature respond that:

- 1- You are not alone, everyone is asking for a raise; or**
- 2- You are within the Southeast average.**

- 15B. Is dual career DCL an answer?

This program is being designed to provide more flexibility to agency heads in building their top level staffs as well as to recognize career employees for outstanding work. Although compensation will be addressed, it is not the primary motivation behind the program.

16. Will there ever be “pay” equality within agencies and among different agencies?

I don't quite know what is meant here, but I will do my best. Our goal is to provide a class and compensation program that assures that employees with similar duties and responsibilities are placed within the same pay ranges. Individual agencies must have some flexibility within that overall program to address specific problems. They do that by using variable hiring rates, flexible retention rates, special pay and other optional pay tools. Since their needs and problems differ, the use of these tools will vary to some degree.

17. Why can Human Resources at some agencies upgrade employees within Human Resources and other sections cannot (ie. Why does HR have so much control?)

Agency Human Resource Offices are responsible for managing the HR program within an agency. They receive substantial training from us and are subject to oversight by our staff.

18. Are there any thoughts of writing the Family Leave provision (because of extensive abuse?)

Family leave is a federally mandated program that we must follow. I am not aware of serious abuse of the program. We will be happy to look into any specific cases.

19A. Can a policy be added where employees who are over a certain age and have a medical disability, but have (4000 hours) sick leave be required to retire? Long term disabilities reduce work staff.

We can certainly consider some changes to the sick leave policies; however, any change will be controversial. As things stand right now, I don't think we could force these employees to retire.

19B. The state could save a tremendous amount of money if leave accumulations were reduced, has this been reviewed?

From what I have seen, our annual leave policies are similar to other states. Our sick leave program, however, is more generous. We probably need to look seriously at alternatives such as long and short-term disability programs.

20A. The Performance Planning and Review form we have had for the last few years has a numeric number rating system of 1 through 5. Giving a rating a "1" or "2" requires solid documentation. My Administrator believes that a "5" requires perfection, hardly anyone deserves to get a "5".

Documentation is required for any rating of 1 or 2; however, no documentation is required for ratings of 3 or higher. We do strongly encourage supervisors to maintain documentation to support any rating, as this enhances the communication necessary for the most effective use of the PPR system. It is our recommendation that the further a supervisor moves away from a 3 rating (higher or lower), the stronger the documentation should be. In the circumstances you describe, we recommend that supervisors present their documentation to the higher level supervisor for discussion.

20B. The end result of this is that employees who are really good get a "4". My employees who are just pretty good get a "4". I don't know if my experience is typical or not. But I am a

little frustrated. Not only can I not give my good employees a monetary reward, I can't even give them an outstanding rating. Is there anything that can be done about this?

This is something that should be discussed with your Human Resources Director first. There are ways to recognize excellence in state government. As I mentioned in response to another question, over 4,000 employees received one time payments or base pay adjustments last year. You should look into that with your HR Director.

21. Describe the pay-scale changes that will be implemented during the next year.

The maximums of the medical and general schedules will be adjusted by about 2% on 5/14/03. We will be presenting a proposed new pay schedule of scientific and technical jobs to the Civil Service Commission in January 2003. Separate schedules for social service jobs and administrative jobs will be presented to the Commission in August 2003.

22. When will CPMs gain status as extraordinary qualifications on Civil Service ratings?

We do consider these in experience and training ratings when asked to do so by agencies.

23. Do you miss the DOTD Cafeteria?

Absolutely.

We would like to thank our panel: Don Hutchinson, Secretary, Dept. of Economic Development; Mark Drennen, Commissioner, Division of Administration; and Andy Kopplin, Chief of Staff, Office of the Governor for a very informative talk, and especially for Mr. Allen Reynolds, Director, Dept. of Civil Service who was not able to stay; however, answered the questions for us following the conference.