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*Agency of Administration*

**TO: Joint Fiscal Committee  
Government Accountability Committee  
House Committee on Government Operations  
Senate Committee on Government Operations**

**FROM: Maribeth Spellman, Commissioner** 

**DATE: October 27, 2014**

**SUBJECT: Position Pilot Program**

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In accordance with Act 179, Sec. E.100(d), Secretary of Administration Jeb Spaulding has approved the attached position pilot request from the Agency of Transportation (VTrans).

The written description required by Act 179, Sec. E.100(d)(4), including the method for evaluating the cost-effectiveness of the positions, as provided by VTrans, is attached for your information.

The Department of Human Resources fully supports this request and we believe the request is an appropriate use of the Position Pilot.

#### **Summary of Agency of Transportation's Position Pilot Request**

VTrans proposes creating 24 positions at this time to achieve cost savings by reducing consultant costs and hiring additional staff. VTrans spent over \$20 million on consultants in FY14, adding these positions will reduce consultant costs by over \$1 million.

VTrans also expects to reduce overtime costs, draw down additional federal funds, and receive more state fund revenues through the investment in new staff. In addition to cost savings, and equally important, the new positions will assist VTrans with advancing their strategic plan goals, improving outcomes for the travelling public, and achieving efficiencies in the Agency.

Any questions should be directed to Molly Paulger at 828-3517.

c: Secretary Spaulding  
Secretary Searles  
M. Paulger

## VTRANS POSITION PILOT REQUEST

### I. SUMMARY:

VTrans received 78 staff requests for new positions. At this time, we are requesting 24 positions -- 23 fulltime and 1 limited service. Short and long term funding is available for these positions and in some cases additional dollars will be accessed through these proposed employees. We anticipate increasing our position request in six months, after we have discussed with legislature and are able to assess and document our initial savings and efficiencies.

### II. JUSTIFICATIONS FOR NEW POSITIONS

#### 1. Cost Savings

The primary benefit of adding these new positions is to achieve cost savings by reducing our consultant costs. In FY 14, over \$20,000,000 was spent on consultants. Knowing that consultants cost 25% more than state employees for the same service, we know we can achieve savings in this area. By employing these individuals, VTrans will manage its current workload more efficiently and effectively at a lower cost. Predicting the exact cost savings is difficult given that projects and consultant deployment changes from year to year. However, in total, VTrans estimates cost savings totaling \$1,361,000 in fiscal year 2014 dollars had we had hired the recommended positions.

#### 2. Achievement of our Strategic Plan Goals

Collectively, this investment in new employees will help us to achieve the top goals of our strategic plan, as follows.

- **Provide a safe and resilient transportation system** – safety in rail and aviation will be improved. Depth of bench for overall emergency response and recovery will be improved.
- **Preserve, maintain and operate the transportation system in a cost effective manner** -- reduction in consultant costs, improvement of oversight and better maintenance and operations on rail, aviation and highway systems.
- **Cultivate and continually pursue innovation, excellence and quality customer service** – greater opportunities for innovation, and better customer service from people employed, trained and inculcated in VTrans missions, values and goals.
- **Develop a work force to meet the strategic needs of the Agency** – Succession Planning – 18% of our workforce will be eligible for retirement at the end of 2015 and by 2023 that grows to 45%. New staff allows for better transfer of information, skills and knowledge. In each of the areas of new staff investment, we anticipate staff turn-over that must be managed proactively.

#### 3. Financial Savings and Efficiency

- **Oversight of consultants.** The overhead to procure, execute, administer, issue work orders, process payments, validate work completed, and close out contracts adds both time and money. The amount of money is estimated to be in the tens of thousands of dollars annually. Further analysis of savings will be performed during the pilot with tracking tools being implemented along the way.
- **More efficient processes in DMV means transportation fund dollars coming in faster for less cost.** DMV must implement software changes to be more efficient. DII currently requests the hiring of outside consultants to project manage the software implementation. Rather than spend money on outside consultants, DMV would hire a project manager to manage several projects and lead the department toward greater skill building and fuller utilization. A full-time dedicated project manager would cost approximately \$80,000 year and can work on several projects simultaneously. Hiring contract project management professionals for each project can cost well over \$100,000/fiscal year depending on the size and scope of the project.
- **More efficient processes mean greater capacity to get more work done with the same number of people.** Industry standards estimate a 20 – 25 % reduction in staff costs by engaging in a process improvement activities. Early estimates in the Right of Way Process indicate the potential of savings over a \$ 1million dollar in staff costs in 3 years.
- **Reduce overtime.**
  - i. **PPAID** – We expect a reduction of overtime of almost \$20,000
  - ii. **Highway** – We also expect a reduction in overtime in the highway division. An estimate is not available at this time.

#### 4. Increased state and federal funds

- **Policy and Planning – Grants** –VTrans has one individual who has brought in over \$100 million in discretionary grants. There are additional grants we could apply for and need to supplement his efforts to increase the number and amount of funds for VTrans.
- **DMV Enforcement** – The Commercial Vehicle Enforcement (CVE) Unit currently receives several pools of funds but does not, on an annual basis draw down all available dollars. The CVE unit will shift sources of funding on current positions in order to free up dollars to fund the CR pilot position.

#### 5. Resilience - ability to respond to crises for less cost and without delaying planned projects

- **Rail** – For the past three years, the rail section has responded to 6 – 8 emergency events a year which unnecessarily delays projection in the regularly planned program. These planned projects are often critical maintenance projects and necessary to ensure safe rail travel in Vermont.
- **Highway** – If Irene taught us anything it is how critically important it is for the Agency to be nimble and staffed at a capacity that allows a migration of available staff to deploy to an incident at a moment's notice. In order for the State of Vermont to remain resilient we need an adequately populated, trained, and experienced bench to pull from.

### III. PROPOSAL:

#### Department of Motor Vehicles – 2 positions

##### ***Commercial Vehicle Safety Officer, DMV***

The Department of Motor Vehicle Commercial Enforcement Unit has 21 sworn law enforcement officers who enforce the laws and regulations related to commercial vehicle safety issues. They also have the responsibility of conducting Commercial Reviews on carriers who have been identified as having issues related to committing serious traffic violations, hours of service compliance, driver fitness, drug and alcohol violations, vehicle maintenance, hazmat compliance and financial responsibility. Inspections have detected 58% more serious violations than the national average. While DMV has used one of its sworn officers to conduct these reviews, the reviews have reduced the position's roadside enforcement inspections by 62%. In order to complete more reviews without reducing the level of roadside enforcement, the department would hire a new, non-sworn position to conduct the reviews. FHWA would cover 80% of these costs and the state would cover 20%. Fines related to the CR would easily cover the additional state costs on a yearly basis. This investment would support safer roads and continued work force development.

##### ***Project Manager, DMV***

DMV is responsible for bringing in 100% of the transportation funds revenue. Investment in DMV translates to bringing in dollars more efficiently and effectively. Historically DMV has been well served by 5 project managers who implement legislative mandates and process improvement projects. In the last two years more of the projects are technical and complex IT related projects requiring a higher level of expertise and training than is currently available. In order to maximize use of the current staff, and meet the Department of Information and Innovation's requirements for project managers, DMV would hire a certified, professional project manager to lead the project managers and work in close collaboration with IT staff and all other divisions. The use of the software and the ability to reallocate contracted project management consultant costs will save DMV hundreds of thousands of dollars over multiple years. Furthermore the DMV Project Manager will assist DMV in improving workforce development and assist in further improvements in internal and external customer satisfaction.

#### Highway – 15 positions

##### ***Civil Engineers or Technicians, Highway***

In FY 2014, the Highway Division spent over \$20,000,000 in consultants, and has been in double digits for a number of years with no end in sight with current staffing levels. Consultants cost 25% more to provide the same service. Additionally the oversight, quality control, and administration requirements result in additional VTRANS costs. Through the position pilot we intend to hire 15 civil engineers or technicians to replace work currently being done by

consultants. A conservative estimate indicates that we would spend \$1,500,000 (\$100,000x15) to replace \$2,000,000 in consultant costs. We expect additional costs savings and other nonmonetary benefits such as succession planning to be realized. Further analysis and tracking tools will be implemented as new positions are developed.

**Policy Planning and Intermodal Development – 5 positions**

***AOT Planning Coordinator II, Policy and Planning***

Currently the Policy and Planning Section has one Planning Coordinator III dedicated to on demand policy research and analysis services to the secretary, deputy secretary and other executive staff. Additional responsibilities include grant writing (generating over \$100 million during the last five years), and managing and participating in major studies that guide major investments and policy decision by the agency. In FY 2014, the current employee logged over 250 in overtime hours. Additionally \$720,000 in consultant services contracts are in the FY 2015 budget. With an additional planning coordinator it is estimate that overtime hours could be reduced by almost \$20,000 and at least \$109,000 of consulting costs could be eliminated.

***Civil Engineer VIII, Rail Program***

Over the past three years, the rail section has been responding to approximately 6 – 8 emergencies a year. With only two engineers on staff, consultants are brought in to handle the additional volume. In addition to higher costs, oversight of consultants takes time away from scheduled projects. With an additional engineer we expect a consultant cost savings of \$95,000 annually and greater capacity to meet the regularly scheduled projects. In addition the position will manage the crossing maintenance program and assist with the FRA Bridge Management program. This position will be funded with 50% state dollars and 50% federal funds.

***Go! Vermont Program Manager, Public Transit***

The Go! Vermont program has grown significantly since 2010. To manage the program's we have hired outside consultants to manage different aspects of the program. The pilot position can expect to reduce consultant services by \$67,000. The current Program Manager will no longer function in dual roles and preparation will be started for the pending retirement of the current Director of Public Transit.

***Marketing Specialist, Public Outreach***

With two FTE's in public outreach and a growing demand for customer information and interface, we often resort to hiring outside consultants to do construction outreach work, basic video production, graphic design, social media support and copy writing. Hiring a pilot position will allow for consultant costs savings of about \$62,000 and allow for better oversight, coordination and integration with other communication activities.

***Aviation Operation Specialist, Aviation Section – Limited Service Position***

Currently 1 FTE covers the entire 10 state owned airports. With 28 runways, 8 fuel farms, 37 buildings, 1.7 million square feet of apron, the current operations specialist has too much to keep track of and there is significant concern of burnout. The new specialist will decrease operating costs by attending to maintenance costs before they become a crisis. While we believe this position is necessary once needs are attended to, the needs of the airports may decrease. Therefore a limited service position is the suggested.

#### **Finance and Administration – 2 positions**

##### ***Manager of Performance, Innovation, and Excellence - Finance and Administration***

We propose the creation of a Performance, Innovation and Excellence (PIE) section within Finance and Administration. The section would be led by a new (pilot) position and charged with promoting process improvement, innovation and excellence throughout the agency by leading process improvement activities, promotion and support of innovation and performance measurement. A fully dedicated leader is a critical requirement to champion innovation and continuous improvement throughout VTrans and to oversee current Business Process Management and activities.

##### ***Administrative Assistant, Legal (conversion of temporary position to permanent)***

Currently the staff of VTrans Legal Section has 4 VTrans focused lawyers supported by one administrative position. A temporary administrative assistant was in place for over two years but recently reached available hours. This position would replace the temporary position. VTrans has experienced a significant increase in construction claims (both as to dollar volume and legal/factual complexity). In part, this is a delayed effect of the increased size of the VTrans construction program. Moreover, Vermont now has law firms which specialize in representing contractors in construction claim cases, which means that the contractors' lawyers are filing more aggressive public record requests, as well as engaging in more sophisticated pre-hearing discovery (document requests, interrogatories, depositions, etc.). The Transportation Board also has become more demanding in its filing requirements – for example, now wanting 10 copies of voluminous legal filings, hearing exhibits, etc. Current volume and complexity of claims requires additional assistance beyond the one administrative FTE. The Attorney General has requested this position be added to support workload. Funding will come from replacing the current temporary position. Total costs will be slightly higher.

#### **IV. MONITORING AND REPORTING:**

In order to assess the impact of the position pilot on reduced costs and an increased ability to deliver on our mission, VTrans will require quarterly reports on the impact of the position pilot. These reports will serve as the basis for our annual report on the pilot.

Position Classification Name	DeptID	Organization Name	Position Classification	Grade	Step	Base Salary	Health	Dental	Retirement	Life	EAP	Benefit Total	Medicare	OASDI	Total Salary + Benefits	Estimated State	Estimated Federal
Commercial Veh Enfrmnt Insp	8100002100	Department of motor vehicles	631100	23	03	48,776	17,575	676	8,346	202	34	26,833	707	3,024	79,340	59,505	19,835
Project Manager	8100002100	Department of motor vehicles	068600	28	08	77,605	17,575	676	13,278	321	34	31,884	1,125	4,811	115,425	115,425	0
Civil Engineer V	8100001100	Transportation - program development	128300	24	15	65,400	11,746	676	11,190	271	34	23,917	948	4,055	94,320	56,592	37,728
Civil Engineer III	8100001100	Transportation - program development	128100	22	07	52,333	6,391	676	8,954	217	34	16,272	759	3,245	72,609	43,565	29,044
Civil Engineer III	8100001100	Transportation - program development	128100	22	07	52,333	6,391	676	8,954	217	34	16,272	759	3,245	72,609	43,565	29,044
Civil Engineer III	8100001100	Transportation - program development	128100	22	08	54,101	17,575	676	9,257	224	34	27,766	784	3,354	86,005	51,603	34,402
Civil Engineer IV	8100001100	Transportation - program development	128200	23	08	45,876	17,575	676	7,849	190	34	26,324	665	2,844	75,709	45,425	30,284
Civil Engineer IV	8100001100	Transportation - program development	128200	23	07	55,390	17,575	676	9,477	229	34	27,991	803	3,434	87,618	52,571	35,047
Civil Engineer IV	8100001100	Transportation - program development	128200	23	08	57,346	17,575	676	9,812	237	34	28,334	832	3,555	90,067	54,040	36,027
Civil Engineer V	8100001100	Transportation - program development	128300	24	02	49,816	11,746	676	8,524	206	34	21,186	722	3,089	74,813	44,888	29,925
Civil Engineer V	8100001100	Transportation - program development	128300	24	14	72,280	17,575	676	12,367	299	34	30,951	1,048	4,481	108,760	65,256	43,504
Civil Engineer VI	8100001100	Transportation - program development	128400	25	07	64,210	17,575	676	10,986	266	34	29,537	931	3,981	98,659	59,195	39,464
Civil Engineer VI	8100001100	Transportation - program development	128400	25	15	79,019	17,575	676	13,520	327	34	32,132	1,146	4,899	117,196	70,318	46,878
Civil Engineer VI	8100001100	Transportation - program development	128400	25	10	68,536	17,575	676	11,727	284	34	30,296	994	4,249	104,075	62,445	41,630
Civil Engineer VII	8100001100	Transportation - program development	128500	26	12	77,085	11,746	676	13,189	319	34	25,964	1,118	4,779	108,946	65,368	43,578
Civil Engineer VII	8100001100	Transportation - program development	128500	26	13	79,310	11,746	676	13,570	328	34	25,964	1,150	4,917	108,946	65,368	43,578
Civil Engineer VII	8100001100	Transportation - program development	128500	26	04	60,154	17,575	676	10,292	249	34	28,826	872	3,730	93,582	56,149	37,433
AOT Planning Coordinator II	8100002200	Transportation - policy & planning	127200	25	02	52,790	11,746	676	9,032	219	34	21,707	765	3,273	78,535	54,975	23,561
Marketing Specialist	8100002200	Transportation - policy & planning	478100	22	04	47,486	6,391	676	8,125	197	34	15,423	689	2,944	66,542	39,925	26,617
Civil Engineer VIII	8100002300	Transportation - rail	228000	27	06	68,307	17,575	676	11,687	283	34	30,255	990	4,235	103,787	51,894	51,894
Go! VT Program Manager	8100005800	Transportation - public transit	TBD	24	03	51,626	13,698	676	8,833	214	34	23,455	749	3,201	79,031	47,419	31,612
State Arprt Oper Spec	8100000200	Transportation - aviation	138000	22	02	44,346	11,746	676	7,588	184	34	20,228	643	2,749	67,966	67,966	0
Business Process Manager	8100000100	Transportation - finance & administration	137603	27	03	64,022	12,782	676	10,954	265	34	24,711	928	3,969	93,630	46,815	46,815
Administrative Assistant A	8100000100	Transportation - finance & administration	050100	17	02	33,883	6,391	676	5,797	140	34	13,038	491	2,101	49,513	29,708	19,805
						<b>1,422,030</b>						<b>599,266</b>			<b>2,127,683</b>	<b>1,349,979</b>	<b>777,704</b>