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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: November 12, 2014

SUBJECT: Position Pilot Program – Status Report

Overview

Section E.100(d) of Act 179 established a position pilot program with the goal of assisting participating departments in more effectively managing cost of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers. The organizations authorized to participate in the position pilot were the Agency of Transportation (AOT), the Department of Children and Families (DCF), the Department of Environmental Conservation (DEC), and the Department of Buildings and General Services (BGS). Section E.100(d)(6) requires that, “[o]n or before November 2014, the Commissioner of Human Resources shall provide the Joint Fiscal Committee and the House and Senate Committees on Government Operations a report of any employee impacts such as reduction in force rights that may arise from the implementation of the Pilot.” Accordingly, this report is submitted for your consideration.

Current status

I am pleased to report that the position pilot has not resulted in reduction in force in the pilot organizations and there have been no reports of the program resulting in negative impacts to employees. The pilot has resulted in a positive impact on employees in part because departments have used the pilot to convert temporary positions to classified positions in cases where the work is more appropriately performed by classified employees (either limited service or permanent). The Department for Children and Families, AOT and DEC have all submitted

requests and created positions under the position pilot. The position requests have been reasonable, based on organizational needs, and reflect a deliberate process by the requesting organizations.

The Department for Children and Families made requests for positions under the pilot on two occasions.

- In July 2014, DCF requested 27 positions in family services as part of their response to rapid systems change to address recent child fatalities. The flexibility provided by the position pilot had an incredibly positive impact on both workload and morale. Prior to the pilot caseloads averaged 21 to 1. With the position pilot DCF was able to bring that ratio down to 16 to 1; closer to the recommended national average of 12 to 1. The only challenge reported by DCF was difficulty finding enough qualified candidates, especially in Washington County.
- At the end of August 2014, DCF was authorized to convert up to 113 temporary positions in the Health Access Eligibility Unit (HAEU). To date we have created 73 positions for HAEU to convert from the temporary positions. The DCF reports that the conversion of the 73 positions helped them with both recruitment and retention and has greatly reduced the high turnover in temporary employees.

The Department of Environmental Conservation made one request for positions under the pilot.

- DEC requested 17 positions and is still in the process of recruiting and interviewing to fill the requested positions. DEC first concentrated on creating nine positions to help address their use of temporary staff to do ongoing and full-time work. Two of the positions were filled with former temporary employees.
- Eight of the requested positions will be used to address key areas of need and critical program initiatives in alignment with their FY 2013-2015 Strategic Plan.

The Agency of Transportation made one request under the pilot on October 23, 2014. The positions were effective November 11, 2014. AOT asked to create 24 positions at this time to achieve cost savings by reducing consultant costs through hiring classified employees. AOT spent over \$20 million on consultants in FY14, and anticipates these positions will reduce consultant costs by over \$1 million. AOT 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 AOT with advancing their strategic plan goals, improving outcomes for the travelling public, and achieving efficiencies in the Agency.

Discussions are ongoing with the Department of Buildings and General Services on appropriate use of their pilot authority within current budgetary constraints. BGS has identified eight positions which they intend to create once they are able to identify financial resources to support those positions on an ongoing basis.

Attached you will find pilot position detail by Agency or Department. The lists indicates if the position is filled or vacant. If the position resulted in the reduction of the use of temporary employees you will find notes to that effect.

Moving forward

Since coming to DHR in September of this year, Deputy Commissioner Kari Miner and I have made it a priority to visit with every Agency and Department within State government to listen and learn what is working well and what is not working well in relation to human resource functions and services. Organizations have consistently relayed to us their frustration over the lack of flexibility they have to adjust organizational focus based upon changing organizational needs. In short, it is difficult to deliver the high quality services Vermonters rightly deserve if organizations do not have the flexibility to structure their organizations in a way that most effectively and efficiently deliver those services. The Legislature's willingness to authorize the position pilot has been greatly appreciated by the organizations trusted with this responsibility and is being viewed throughout State government as a positive first step in a continuing conversation about organizational structure and position management.