

Association of Managerial Employees in the Connecticut State Service (AMECSS)

To: Benjamin Barnes, Secretary
Office of Policy and Management

From: Ellen Blaschinski, President
Association of Managerial Employees in the Connecticut State Service

Date: January 20, 2011

Re: Cost Savings Proposals

The Association of Managerial Employees in the Connecticut State Service (AMECSS) is an organization that represents members who are state employees that are not covered by the State Employees Relations Act of 1975. Currently AMECSS represents approximately 300 non-union managers in Connecticut State service. Our membership consists of state employees with many years of state service, many who at one time enjoyed the privilege of union representation. It is our goal to ultimately gain the right of organization and representation for our members. Currently all terms of employment and benefits that cover state employees are negotiated between SEBAC and the administration and impact directly state managers yet our members have no voice or representation in the negotiations.

AMECSS is committed to ensuring the efficient delivery of services to Connecticut's citizens and is pleased to share some suggestions for cost savings/revenue enhancements below. AMECSS is ready to work cooperatively with the Administration to improve state service, minimize costs and develop workable solutions to the budget challenges ahead. Our proposals include:

1. Voluntary Leave: current statutory language prohibits the use of multiple days of leave without pay. This language could be broadened to allow up to 90 days leave in a calendar year where programmatic services are not harmed and savings are realized by the state and employees who can afford to "give back" part of their salary are enabled to do so. Adding an option of "buying" a pre-set number of days in advance for the year may encourage more participation as well. Allowing the cost of the leave to be spread over the entire year rather than taking a large salary reduction in a single paycheck may entice additional volunteers. Attached you will see a specific suggestion submitted by one AMECSS member that illustrates the potential savings in just one state agency, in just one area of a larger agency.

2. Early Retirement Incentive for State Managers: in lieu of layoffs of employees there may be state managers eligible for retirement. The Administration can provide an early retirement incentive program to managers.
3. Contracts: move to a purchase system for contracts whereby not for profit contractors are listed on the DAS approved vendors list and their services are "purchased" similar to other purchases in the state procurement system.
4. Contracts: institute automatic carryover of contract funds for not for profit organizations for six months beyond the end of the fiscal year. Currently it takes up to six months to get signed contracts for funds that are authorized in the budget (at conclusion of current fiscal year) for the subsequent fiscal year. If Item 3 implemented this may become unnecessary.
5. Contracts: to expedite the contract process, allow agencies to approve contracts without outside agency approvals for contracts with not for profit organizations that are less than \$250,000.
6. Facilities: using the State Office Building calculate potential for cost savings by changing to energy efficient light bulbs, placing timers on motors for fans/equipment, changing building access to 7 AM to 8 PM only during the week. Eliminate security guards on weekends. Replace copy machines, faxes with common copy centers. Extrapolate savings to all state owned facilities and add to terms of any leased space.
7. Consolidate administrative services: with more attendance entered electronically determine if payroll functions can be consolidated statewide. Explore similar options for Human Resources, Fiscal Services, Affirmative Action and Adjudication/Hearing/Legal services. Utilize the Department of Administrative Services SMART Unit model, which provides human resource support to a number of smaller state agencies.
8. Freedom of Information Costs: each state agency responds to these requests separately and each municipality. Electronic record keeping systems exist which can minimize the costs to government agencies for ensuring the required transparency into the work of government. Employees spend significant amounts of time pulling, copying/scanning, redacting files for use by the public.

Multiple agencies may be responding to the same FOI request simultaneously. Explore systems which electronically warehouse state records in one location and prevent the duplication of FOI searches by multiple agencies. Currently the actual cost of this transparency is in no way covered by the "per page" fee charged for the records.

9. Redeployment v. Layoff: where programmatic services are no longer a priority, redeploy staff to areas of programmatic need.

10. Maximize Federal Reimbursement/Grant Funding: in many programmatic areas the staffing is adequate to execute the programs not necessarily develop competitive grant proposals to bring additional federal resources into Connecticut or to maximize the resources/reimbursement that the State receives from federal partners. This offers an opportunity for redeployment rather than layoff.

11. Review contract services: opportunities may exist for state employees to perform services currently provided by outside vendors.

12. Supplies: eliminate the printing of the annual DEP state fishing and hunting booklets. Explore each agency for printing expenses that no longer may be essential.

13. Overtime: require each agency to reduce their overtime expenditures by 25% from the previous year's actual overtime costs. Each agency will be required to develop a spreadsheet with the actual amount of overtime paid each pay period during calendar year 2010 and then use no more than 75% of that amount during the corresponding pay period in 2011. The Thursday following a pay period each agency will report their actual overtime per pay period and the corresponding overtime from the previous year's pay period to the Governor's Office/OPM. Staff that are freed up as a result of other cost saving measures (e.g. closing a prison, closing a community college, closing Southbury Training School) could be reallocated to state facilities that have high overtime costs.

14. Overtime: review and revise as necessary staffing schedules in agencies that provide direct care services that meet client needs and also mitigate the need for overtime. For example, are current staffing schedules such that on weekdays the amount of staff scheduled exceed program demands while the bare minimum are scheduled for weekends resulting in excessive overtime for weekend staff coverage. When necessary to meet the 25% reduction in overtime, assign "out of coverage" supervisory staff and place them "in coverage".

Additional suggestions which were submitted to AMECSS directly by our members are attached. Managerial employees are characterized by many as the best place to achieve savings in the state budget, we respectfully suggest that Managerial employees are one of the best resources to identify and implement potential savings in the state budget. Managers often have longstanding knowledge of agency operations and know where the best solutions to reduce expenditures exist in a budget without harming the most vulnerable people that we serve. We hope we have the opportunity to work cooperatively to fix the state budget problems. State managers like all state employees have accepted a wage freeze (no raises since 2007), changes to health insurance, and wage reductions (in the form of 5 furlough days) and yet we received no assurance of no layoffs nor are we scheduled to receive any wage increases in the future. State managers have been part of the solution in the past and we are ready to be part of the answer to improving state services within the state's means in the future. We look forward to continued opportunity to work with the Administration.

Member Suggestions:

Within the DOC – Unified School District #1 there are approximately 250 educators. **Many** of these educators would **voluntarily work a ten-month position** as outlined in the P-3B Contract. Not all educators are able to (myself included...but I am no longer in a bargaining unit), but many would be willing to volunteer as they have children at home and would welcome their summers off as the public schools have always had. For the approximately 40 days the education staff work in the summer times approx. \$300.00 per day for each educator, think of how much the State could save if even 100 educators volunteered to take the summer off (approx. \$1,200,000 a year). Of course, that would have to be negotiated.

Also, I think with the budget the way it is, inmates should either NOT be paid for going to school or work or they should earn less. Currently, the pay is \$.75, \$1.25, or \$1.75 per day, depending on the job. With over 18,000 inmates in the system with those who are sentenced getting paid to either work or go to school, the savings could be huge. I am not sure how many inmates do get paid...but even if it is 10,000 of them times \$.75 a day times 360 days a year...that amounts to over \$2,000,000 per year.

Employee health insurance is a major cost to State Government.

Many state employees have spouses or parents that have family health insurance coverage through their employers that extends to the state employee creating redundancy and double coverage. There is no incentive for state employees to cancel their state health care coverage, other than to save their share of the premiums (but this is a mere fraction of the state's cost for coverage.) even though the employee may not need the coverage. Perhaps it makes sense to offer cash or other incentive for state employees to cancel their state health insurance coverage (a year at a time) and only continue on their spouses or other family member's plan. I would think this would save the State of Connecticut \$ thousands for every employee who opts out. (There are likely many employees that would do this if we showed them how and also helped them to understand that they can restore coverage when they need to or when they retire, without penalty.

If the state of CT offered \$500 (or if we wanted larger net savings we could offer free vacation days or early dismissal,) this might be enough incentive. Key to this option would be that employees would be assured that they could opt back in to state coverage without difficulty if they needed to.

There are suggestions to merge the Teacher's Retirement Board (TRB) with the Treasurers', Education or possibly Comptrollers. TRB's weakness is an old database system and our small number of employees.

They also have outdated statutory language that requires the state to pay 50% of outside state purchases of our members, these purchases of outside state years should be paid by the member at 100%, ultimately relieving some of the burden on the state's responsibility to the Teacher Pension fund. TRB is in leased space expiring in April of 2013.

Cost Saving Ideas

- Offer overtime hours to staff in the lowest level qualified and part time positions first, lowering hourly rates and reducing time and a half payouts.
- Stop or at least cap the practice of adding overtime to base salary when calculating pensions.
- Eliminate traditional sick leave, replacing it with a lower number of flexible sick/ vacation days with the bulk added to a disability bank usable only to cover extended, medically documented illness.
- Use GPS monitoring on all state cars with regular daily reporting to direct supervisors. In a recent discussion with a Director of a Private Provider Agency, he told me that their gasoline savings alone paid for the service his agency purchased. There would be time savings as well by eliminating unauthorized trips and stops, fewer accidents and complaints related to speeding.
- Monitor gasoline used in relation to miles driven for all state vehicles. Refer unusually high gas usage for investigation. In a recent case, an employee was reported having been seen filling gas cans at state gas pump. Manual analysis

of data for that one vehicle showed a pattern of unusually high amounts of gasoline pumped by this employee going back many months. This analysis could easily be automated and could detect and therefore prevent possible theft.

- Look into whether it would be less expensive to lease vehicles directly rather than through DAS. Types of vehicles available from DAS are limited which often results in not having the best vehicle for the specific use. Increase the number of vehicles available where it would be a cost effective alternative to mileage reimbursement and decrease the number where reimbursing mileage is more efficient.
- In DDS homes, look at locating clients' day/work programs close to their residence and in the same direction for more efficient transportation routes – lower mileage, less fuel, less staff time, fewer vehicles.
- For DDS group homes where there is no identified programmatic reason for clients to be involved in grocery shopping, utilize delivery options such as Stop and Shop's Peapod. This would make it easier to ensure food purchased corresponds to menu items and quantities needed, eliminate staff time spent out shopping and may decrease cost.
- Investment in upgrading available technology **and** improving skills in using it could result in many efficiencies, not to mention a decrease in worker frustration!

Information Technology – The State needs to invest in technology applications to improve efficiency and streamline processes. A comprehensive review of IT operations and an identification of the areas the State should perform in-house vs. out-sourcing needs to be done. This will allow for identifying those IT positions to be re-filled as they are vacated, and those that should be eliminated through attrition. In the rapidly changing technology environment, it may be more appropriate to hire outside contractors for specialized application development rather than expecting in-house personnel to keep up.

Specific to the Department of Transportation, the Federal Highway Administration allows the State to develop an indirect cost rate associated with the management of the federal-aid highway program, including the implementation of technology. Although the State would need to front the costs, these costs could then be recovered from the federal government the following fiscal year. A defined indirect cost rate specific to technology allows for the Department to operate smarter while having a negligible affect on the Capital Program.

Centralized vs. De-centralized – Generally speaking, there needs to be better alignment between decision making and assignment of staff. It is inefficient to have centralized decision making for contracts, purchasing, and information technology while having staff previously responsible for these activities at the various Agencies. A concentration of centralized decision making is inefficient due to the level of coordination and “checking” required by the Agencies. Managers and staff in the agencies are preparing justifications and submittals for approval rather than making decisions and moving forward.

An overall management decision needs to be made as to which model is desired – if it's centralized decision making then staff should also be centralized; however, I think it's much more efficient to organize de-centralized and tell the Agencies to work within their budgets and have the purchasing, contracts, and information technology personnel within the Agencies perform that work. The mantra of pushing down and providing decision making then also needs to be followed through within the Agencies. Having de-centralized to the Agency, but then centralized within a large Agency such as DOT is also inefficient.

Regional planning agencies – Reduce the number of Regional Planning Agencies. Connecticut has ten Metropolitan Planning Organizations (MPO's) while New York has thirteen. The number creates great inefficiencies throughout State government based on the number of planning organizations the State Agencies are required to coordinate with. In addition, the number of Regional Planning Agencies makes it difficult to develop an integrated statewide strategic Transportation Plan. Planning Agencies could either be organized by counties or another idea is to follow the model of the Transportation Investment Areas (TIA's).