Regular Session, 2011

HOUSE BILL NO. 306

BY REPRESENTATIVE RICHARD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

STATE EMPLOYEES: Requires certain reductions in the number of positions in the executive branch of state government

AN ACT

To enact R.S. 39:84.2, relative to reducing employment in the executive branch of state government; to require the abolition of positions by certain units of government; to provide definitions and procedures; to provide for implementation and rules; to provide for legislative oversight; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:84.2 is hereby enacted to read as follows:

§84.2. State Government Employment Reduction Program

A. Program established. The State Government Employment Reduction Program is established to provide for a reduction in the number of positions of employment in the executive branch of state government by a minimum of five thousand positions for each of three successive fiscal years, beginning with the 2011-2012 Fiscal Year. Such reduction in positions shall be accomplished as provided in this Section.

B. Definitions. (1) "Administrative head" shall mean the official within the employment reduction unit who has the authority to abolish positions and cause the preparation of reorganization studies and plans for the employment reduction unit. If there is more than one such official within the employment reduction unit, "administrative head" shall mean all such officials acting jointly for the employment reduction unit.

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(2) "Employment reduction unit" shall mean each of the following:

(a) Each of the twenty departments of the executive branch of state government, including all offices, agencies, and governmental entities or units included in each, shall constitute a separate employment reduction unit, except that the Department of Education shall not include those entities included in Subparagraph (b) of this Paragraph.

(b) The following postsecondary education entities shall each constitute a separate employment reduction unit:

(i) The Board of Regents and all postsecondary education agencies and entities that are not part of one of the postsecondary education systems of the state shall constitute a separate employment reduction unit.

(ii) The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and system offices and administration shall constitute a separate employment reduction unit.

(iii) Except as provided in Items (iv) through (vii) of this Paragraph, each postsecondary education institution under the jurisdiction of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College shall constitute a separate employment reduction unit. For purposes of this Subparagraph, "postsecondary education institution" also shall include but not be limited to the Pennington Biomedical Research Center, the Louisiana State University Agricultural Center, the Paul M. Hebert Law Center, and the Louisiana State University School of Veterinary Medicine.

(iv) Except as provided in Item (v) of this Subparagraph, the Louisiana State University Health Sciences Center at New Orleans, including the Health Care Services Division, shall constitute a separate employment reduction unit.

(v) Each medical center under the jurisdiction of the Louisiana State University Health Sciences Center at New Orleans shall constitute a separate employment reduction unit.

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(vi) Except as provided in Item (vii) of this Subparagraph, the Louisiana State University Health Sciences Center at Shreveport shall constitute a separate employment reduction unit.

(vii) Each medical center under the jurisdiction of the Louisiana State University Health Sciences Center at Shreveport shall constitute a separate employment reduction unit.

(viii) The Board of Supervisors of Southern University and Agricultural and Mechanical College and system offices and administration shall constitute a separate employment reduction unit.

(ix) Each postsecondary education institution under the jurisdiction of the Board of Supervisors of Southern University and Agricultural and Mechanical College shall constitute a separate employment reduction unit.

(x) The Board of Supervisors for the University of Louisiana System and system offices and administration shall constitute a separate employment reduction unit.

(xi) Each postsecondary education institution under the jurisdiction of the Board of Supervisors for the University of Louisiana System shall constitute a separate employment reduction unit.

(xii) The Board of Supervisors of Community and Technical Colleges and the Louisiana Community and Technical College System offices and administration shall constitute a separate employment reduction unit.

(xiii) Each postsecondary education institution under the jurisdiction of the Board of Supervisors of Community and Technical Colleges shall constitute a separate employment reduction unit.

(c) The division of administration and all agencies and entities under the jurisdiction of the division of administration, including but not limited to those agencies placed in the governor's office by R.S. 36:4.1, shall constitute a separate employment reduction unit.

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(d) The office of the governor and all agencies and entities within the office of the governor, excluding those included in Subparagraph (c) of this Paragraph, shall constitute a separate employment reduction unit.

(e) The office of the lieutenant governor and all agencies and entities within the office of the lieutenant governor, excluding the Department of Culture, Recreation and Tourism, shall constitute a separate employment reduction unit.

(3) "Position" means each authorized/appropriated position as provided in the General Appropriation Act or as set by the commissioner of administration as authorized by the General Appropriation Act.

(4) "Reduction factor" means the factor or percentage, as determined by the commissioner of administration pursuant to Subsection C of this Section, by which the number of positions in each employment reduction unit shall be multiplied to determine the number of positions by which the total number of positions in the employment reduction unit shall be reduced as required by this Section.

C. Commissioner of administration; establishment of baseline numbers of positions and reduction factors. (1) By not later than September 15, 2011, the commissioner of administration shall establish the baseline number of positions for each employment reduction unit and the reduction factor applicable to each employment reduction unit.

(2) The commissioner of administration shall establish the baseline number of positions for each employment reduction unit by determining the total number of positions that were authorized and appropriated for each employment reduction unit as of June 30, 2011.

(3) The commissioner of administration shall establish the reduction factor for each employment reduction unit by determining the percentage of all authorized and appropriated positions for the executive branch of state government as of June 30, 2011, that were authorized and appropriated for each employment reduction unit on that date.

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D. Employment reduction required. For each of the three fiscal years beginning with Fiscal Year 2011-2012, each employment reduction unit shall reduce the baseline number of positions for the employment reduction unit by abolishing a number of positions at least equal to five thousand multiplied by the reduction factor for the employment reduction unit.

E. Management to implement reduction. (1) The reduction of positions required by Subsection D of this Section shall be accomplished by attrition only; that is, each position abolished to accomplish the required reduction of positions shall be a position that is vacant at the time it is abolished.

(2) The reduction of positions required by Subsection D of this Section shall be accomplished without any reduction in the quality or quantity of the work product of the employment reduction unit. If the administrative head of the employment reduction unit determines that the required abolition of positions cannot be accomplished without reducing the quality or quantity of the employment reduction unit's work product, the administrative head shall so notify the governor and the commissioner of administration. If so notified, the governor shall take such steps as are available to him to assure that the required position reductions are made without any reduction in quality or quantity of work product.

(3)(a) The administrative head of each employment reduction unit shall accomplish the required reduction by planned reorganization and management. The administrative head of each employment reduction unit shall conduct appropriate reorganization studies and develop such reorganization plans as shall be necessary to accomplish the abolition of at least the required number of positions without any reduction in the quality or quantity of the work product of the employment reduction unit. Such studies and plans shall address how the employment reduction unit will abolish positions and not fill abolished positions while maintaining the quality and quantity of work product, and shall address such matters as layers of management, span of control, clerical staffing levels, unit consolidation, process reengineering, retraining for enhanced skills, and headquarters staffing reductions.

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(b) At a minimum, such reorganization studies and plans shall provide that:

(i) Each employment reduction unit having a baseline number of positions in excess of three thousand shall reduce the number of management layers to not more than six and reorganization plans for such units shall detail how this is to be accomplished.

(ii) Each manager shall supervise no fewer than ten persons, except that for highly technical or non-repetitive functions each manager shall supervise no fewer than five persons and reorganization plans shall justify the necessity for a manager to supervise fewer than ten persons.

(iii) Organizational entities within an employment reduction unit that have two to five positions shall be consolidated into larger and more efficient entities. Regional administration shall be consolidated to the extent possible. Position reductions at central and regional headquarters of the employment reduction unit shall exceed the number of position reductions that are not at central and regional headquarters.

F. Implementation, including rule making. The commissioner of administration shall provide for the implementation of this Section. The commissioner of administration may promulgate such rules as shall be necessary to provide for such implementation.

G. Legislative oversight. The Joint Legislative Committee on the Budget shall oversee the implementation of this Section. Each employment reduction unit shall submit reports at least annually to the committee and at such other times as the committee may require. Such reports shall at a minimum include a summary of findings of reorganization studies and provisions of reorganization plans, an account of positions abolished, and such other information as the committee may require.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

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vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Richard HB No. 306

Abstract: Establishes the State Government Employment Reduction Program to provide for reducing the number of employment positions in the executive branch of state government by at least 5,000 for each of three successive fiscal years, beginning with FY 2011-2012. Provides relative to such program and implementation and oversight thereof.

Proposed law establishes the State Government Employment Reduction Program to reduce the number of employment positions in the executive branch of state government by a minimum of 5,000 positions for each of three successive fiscal years, beginning with FY 2011-2012. Provides for such program as follows:

(1) Requires that the commissioner of administration establish the baseline number of positions for each employment reduction unit and the reduction factor applicable to each employment reduction unit by not later than Sept. 15, 2011. Provides that the baseline number of positions is the total number of positions that were authorized and appropriated for each employment reduction unit as of June 30, 2011. Provides that the reduction factor is the percentage of all authorized and appropriated positions for the executive branch of state government as of June 30, 2011, that were authorized and appropriated for each employment reduction unit on that date.

(2) Provides for reduction of positions in each employment reduction unit based on the proportion of total positions that are attached to each unit. Requires that for each of the three fiscal years beginning with FY 2011-2012, each employment reduction unit shall reduce the baseline number of positions for the employment reduction unit by abolishing a number of positions at least equal to 5,000 multiplied by the reduction factor for the employment reduction unit.

(3) Identifies each of the following as a separate employment reduction unit:

(a) Each of the 20 departments of the executive branch of state government, including all offices, agencies, and governmental entities or units included in each, except that the Dept. of Education shall not include those entities included in (b) below.

(b) Each of the following postsecondary education entities is a separate employment reduction unit:

(i) The Board of Regents and all postsecondary education agencies and entities that are not part of one of the postsecondary education systems of the state.

(ii) The LSU board of supervisors and system offices and administration.

(iii) Except as provided in (iv) through (vii) below, each postsecondary education institution under the jurisdiction of the LSU board of

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supervisors. (Postsecondary education institution also shall include but not be limited to the Pennington Biomedical Research Center, the LSU Agricultural Center, the Paul M. Hebert Law Center, and the LSU School of Veterinary Medicine.)

(iv) Except as provided in (v) below, the LSU Health Sciences Center at New Orleans, including the Health Care Services Division.

(v) Each medical center under the jurisdiction of the LSU Health Sciences Center at New Orleans.

(vi) Except as provided in (vii) below, the LSU Health Sciences Center at Shreveport.

(vii) Each medical center under the jurisdiction of the LSU Health Sciences Center at Shreveport.

(viii) The Southern University board of supervisors and system offices and administration.

(ix) Each postsecondary education institution under the jurisdiction of the Southern University board of supervisors.

(x) The University of La. System board of supervisors and system offices and administration.

(xi) Each postsecondary education institution under the jurisdiction of the University of La. System board of supervisors.

(xii) The Board of Supervisors of Community and Technical Colleges and La. Community and Technical College System offices and administration.

(xiii) Each postsecondary education institution under the jurisdiction of the Board of Supervisors of Community and Technical Colleges.

(c) The division of administration and all agencies and entities under the jurisdiction of the division of administration, including but not limited to those agencies placed in the governor's office by R.S. 36:4.1.

(d) The office of the governor and all agencies and entities within the office of the governor, excluding those included in (c) above.

(e) The office of the lieutenant governor and all agencies and entities within the office of the lieutenant governor, excluding the Dept. of Culture, Recreation and Tourism.

(4) Defines terms, including:

(a) "Administrative head" – the official within the employment reduction unit who has the authority to abolish positions and cause the preparation of reorganization studies and plans for the employment reduction unit. If there is more than one, "administrative head" means all such officials acting jointly for the employment reduction unit.

(b) "Position" – each authorized/appropriated position as provided in the General Appropriation Act or as set by the commissioner of administration as authorized by the General Appropriation Act.

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(5) Requires that the required reduction of positions shall be accomplished by attrition only, that is that each position abolished shall be a position that is vacant at the time it is abolished.

(6) Also requires that the reduction of positions be accomplished without any reduction in the quality or quantity of the work product of the employment reduction unit. Requires the unit's administrative head to notify the governor and the commissioner of administration if he determines that the required abolition of positions cannot be accomplished without reducing the quality or quantity of the unit's work product. If so notified, requires the governor to take steps available to him to assure that the required position reductions are made without any reduction in quality or quantity of work product.

(7) Further requires the administrative head of each employment reduction unit to accomplish the required reduction by planned reorganization and management. Requires each such administrative head to conduct reorganization studies and develop reorganization plans necessary to abolish at least the required number of positions without any reduction in the quality or quantity of the work product of the unit. Requires that such studies and plans address how the unit will abolish positions and not fill abolished positions while maintaining the quality and quantity of work product. Requires that such studies and plans address such matters as layers of management, span of control, clerical staffing levels, unit consolidation, process reengineering, retraining for enhanced skills, and headquarters staffing reductions. Requires that, at a minimum, such plans and studies provide for:

(a) Reduction of management layers to a maximum of six, for each employment reduction unit having a baseline number of positions in excess of 3,000. Requires the unit's reorganization plans to detail how this is to be accomplished.

(b) Supervision of no less than 10 persons by each manager, or not more than five for highly technical or non-repetitive functions. Requires reorganization plans to justify the necessity for a manager to supervise less than 10 persons.

(c) Consolidation of organizational entities within an employment reduction unit that have two to five positions into larger and more efficient entities and consolidation of regional administration to the extent possible. Requires that position reductions at central and regional headquarters of the employment reduction unit exceed the number of position reductions not at such headquarters.

(8) Requires the commissioner of administration to provide for the implementation of <u>proposed law</u> and authorizes him to promulgate rules necessary therefor.

(9) Requires the Joint Legislative Committee on the Budget to oversee implementation of <u>proposed law</u>. Requires that each employment reduction unit submit reports at least annually to the committee and at other times the committee requires, such reports at a minimum to include a summary of reorganization studies and plans, an account of positions abolished, and other information the committee may require.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 39:84.2)

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