

**Louisiana Board of Regents**

# **RESPONSE REPORT**

**Act 1000  
2010 Regular Legislative Session**

**April 1, 2011**

## Overview

This report is in response to Act 1000 of the 2010 Regular Legislative Session by Senator Jack Donahue:

*“ . . . to require the Board of Regents to establish and implement an agency attrition analysis process; to provide for reports to the Commission on Streamlining Government . . . ”*

In recent years, the Legislature has had an increased desire to understand the staffing levels, salaries and positions within the postsecondary education system. In this past year alone, legislative action required information on:

- administrative staffing at each institution participating in the GRAD Act;
- a table of organization for postsecondary education in the General Appropriation Bill (HB 1); and
- the attrition analysis process of Act 1000 (addressed herein).

The postsecondary education systems in the state and the Board of Regents are committed to doing their part to address the current budgetary downfall and the severe decline in revenues expected through FY 2012-13. By focusing on creating efficiencies and greater effectiveness in managing employee attrition, these agencies have been active in helping to reduce the cost of state government.

## Employee Attrition

Act 1000 requires the Board of Regents to set “a goal to reduce personnel by five percent annually for three years.” The attrition goal is to be achieved through a process that analyzes:

- (1) *General staffing needs of each higher education system.*
- (2) *The state general fund cost associated with the filling of each vacant position.*
- (3) *Any other information necessary to properly evaluate whether to retain or eliminate each vacant position.”*

### Five Percent Annual Reduction Goal:

The postsecondary education system has been making strategic reductions in positions over the last several years even as student enrollments have been increasing. The following chart shows the changes in full-time equivalent (FTE) positions from June, 2008 to March, 2011.

|                  | Civil Service FTE as of |            |              | Change                     |         |
|------------------|-------------------------|------------|--------------|----------------------------|---------|
|                  | June, 2008              | July, 2010 | March, 2011* | June, 2008 to March, 2011* |         |
| LCTCS System     | 4,076                   | 3,730      | 3,524        | -552                       | -13.54% |
| UL System        | 8,833                   | 8,071      | 8,224        | -609                       | -6.89%  |
| Southern System  | 2,472                   | 2,211      | 2,147        | -325                       | -13.15% |
| LSU System       | 18,794                  | 18,741     | 18,168       | -626                       | -3.33%  |
| Board of Regents | 83                      | 76         | 71           | -12                        | -14.30% |
| LOSFA            | 135                     | 134        | 135          | 0                          | 0.00%   |
| LUMCON           | 75                      | 83         | 73           | -2                         | -2.67%  |
| <i>Total</i>     | 34,468                  | 33,047     | 32,342       | -2,126                     | -6.17%  |

Source: Civil Service Report

FTE is a calculated number that takes into account the expected workload of employees. For example, an employee hired to work 40 hours a week equates to one FTE, while two 20 hour a week employees also equate to one FTE. It does not equal the number of employees nor the number of positions. It also does not take into account vacancies. Act 1000 has a stated goal of reducing personnel by five percent annually for three years beginning in FY 2010-11, using 2007-08 as the baseline. As of March, 2011, the postsecondary education system has reduced FTE by 6.17% since June, 2008.

General Staffing:

The Table of Organization (TO) in HB 1 lists the number of positions authorized for each agency and includes vacant positions. The TO does not take into account the workload of employees but instead is position driven. FY 2010-2011 is the first year that the Legislature has set the TO for postsecondary education in the budget. That TO total was 34,569. Many in higher education noted that the TO proposed in HB 1 was based on a summer count, a time when staffing is at the lowest point of the year, and thus may not accurately account for the staffing needs of the enterprise. In FY 10-11, the Board of Regents distributed the TO to the systems based on information from the state budget office and Civil Service. The systems then distributed the TO at the institutional level.

State General Fund Staffing Costs:

Means of financing is important in postsecondary education because many positions are funded through external sources (i.e. federal grants and auxiliary services). If those funds were not available for the specific work, many of those positions would not be needed or filled. The Board of Regents has worked with the Division of Administration (DOA) to identify positions that are 100% externally funded. As a result, the higher education TO in 2011-12 Executive Budget has been reduced by the 6,004 positions that are 100% externally funded. The next step for DOA and the Board of Regents is to identify those positions which are partially funded by external sources and determine a method to report on those positions and their impact on state general funds. Being able to isolate the positions and the portion of the salaries funded by external sources will assist in determining the state general fund cost associated with filling each vacant position.

An analysis of salaries would be necessary to analyze both the cost of general staffing needs for postsecondary education as well as any potential savings from staffing reductions. The latest available comparative average salary information is listed below. It should be noted that in 2009-10, all salaries for full-time instructional faculty at Louisiana’s public institutions ranked **below** the SREB average.

|                        | 2009-10 Average Salaries<br>Full-Time Instructional Faculty of All Ranks |             |                        |
|------------------------|--|-------------|------------------------|
|                        | <i>Louisiana</i>   | <i>SREB</i> | <i>LA rank in SREB</i> |
| Four-Year Institutions | \$65,474   | \$73,450    | 13 out of 16           |
| Two-Year Institutions  | \$50,587   | \$51,799    | 7 out of 16            |
| Technical Colleges     | \$40,112   | \$42,611    | 5 out of 6             |

Source: SREB State Data Exchange

Evaluation of Vacancies:

The TO for 2010-11 was 34,569, while the TO in this year’s executive budget is 27,703. This reduction is a result of two significant items. First, the removal of 6004 positions funded 100% by external sources (primarily federal grants and auxiliary services); and secondly, the

removal of another 862 positions considered to be vacant by the state budget office from the TO for FY 2011-12.

In surveying all the higher education systems, Regents has determined that as of March 25, 2011, there are approximately 1600 vacancies. This leaves approximately 750 to be distributed among all campuses of higher education. If each of the 862 positions were filled at the average faculty salary for all instructors/all ranks (\$61,201) and completely funded by state general funds, additional costs would have been roughly \$52.7 million.

Regents will work closely with the system offices to determine the most efficient and effective allocation in order to meet the needs of the students.

### **Agency Attrition Analysis Process**

The Board of Regents has begun to work with the systems to develop a process to use in analyzing the staffing needs of their institutions. However, it was quickly realized that there are data gaps within and among the systems as well as inconsistent reporting of personnel, both of which must be addressed in order to complete the development of the agency attrition analysis process.

All executive department agencies, except postsecondary education institutions, report employee data including salary, position description, and personnel numbers through a DOA software system commonly referred to as ISIS. Civil Service uses ISIS to report on personnel matters, including those of the public postsecondary system. However, most of postsecondary education institutions use their own software systems for payroll and personnel management and have limited access to ISIS. Institutional software systems do not easily interface and there are inconsistencies in the use and reporting of the data. Examples include method for reporting of employees in dual positions, adjunct faculty, student employees and graduate assistants, vacancies, and work-effort. There were also inconsistencies in definitions, the use of coding and the reporting of positions funded by external sources.

The Board of Regents convened a meeting on March 1, 2011 with Civil Service and all postsecondary education systems to review the available statewide data regarding personnel and salaries and to identify areas for improved data collection. Together, the agencies are working to address reporting requirements, standardize terminology, and institute a seamless, non-duplicative reporting process. Once the reporting requirements are standardized, the Board of Regents will design reporting specifications and conduct classes with the human resource managers at the systems and campuses to ensure reporting is consistent throughout postsecondary education. An update on this collaborative work was presented at the March 23, 2011 meeting of the Board of Regents. Additionally, as previously discussed, the Board of Regents is also working with the DOA to clarify reporting of employees funded by external sources.

### **Summary**

Postsecondary education has responded to the call to reduce FTE and TO, even during a period when headcount enrollment has increased. Actual reductions of 6.17% from FY 2007-08 to March 2011 have exceeded the proposed 5% goal of Act 1000. With the anticipated reductions proposed in the executive budget, the Board of Regents will evaluate the needs of each system in allocating the remaining vacancies. However, data collection standards must be in place and data gaps must be addressed to complete the attrition process set out in the Act.

The Board of Regents, the systems and the institutions of postsecondary education are committed to continue their examination of employee attrition to ensure the entire postsecondary education enterprise uses the state's resources in the most effective and efficient manner as we work to increase the educational attainment levels of the citizens of Louisiana.

The Board of Regents has worked with both the DOA and Civil Service to more accurately report personnel information. The Board of Regents will continue these efforts to develop a streamlined process that will also assist with the employee data reporting issues among postsecondary education and the state. This process will focus on isolating positions funded partially by external means of financing, eliminating duplication, and increasing transparency. It is through this collaboration that the Board of Regents will be able to work with the systems to more appropriately analyze the staffing needs of postsecondary education in Louisiana and provide input on such to the Governor and Legislature.