

OYA *In the Loop*

December 12, 2008

Salary Package in the Governor's Recommended Budget

I have heard some questions about the figures used to determine the salary package included in the Governor's Recommended Budget for the 2009-11 biennium and what it means for state employees. To put this in context, we need to remember that we are in a recession and that the money available is less than the amount we need to continue our programs as we operate them today. The Governor had many difficult decisions to make as he crafted his budget. To his credit, he did not make across the board reductions. Instead, he prioritized his budget to emphasize those program areas needed to position Oregon for sustainable and prosperous future. That is true leadership and it is difficult, but it is exactly the right thing to do.

The Governor's salary plan and how it will be implemented will be bargained for represented employees. The Governor will make final decisions on the salary package for management service and unrepresented employees after the Legislature has adopted the 2009-11 budget.

The Governor's plan is based on these assumptions:

- Assumes that the state will cover the increased cost for health insurance premiums up to 5 percent for 2010 and up to an additional 5 percent for 2011.
- No cost of living increases in 2009-11.
- Merit steps continue as usual. A new top step will be added to most salary ranges on 6/30/09 as bargained previously.
- Requires the creation of a system under which employees would take one day of unpaid leave each quarter. The logistics of this would need to be bargained and would include discussions about the impact on 24/7 operations, such as OYA.
- The Governor is required by law to include in his plan salary increases for specified state elected officials as recommended by the Public Official's Compensation Commission. The Legislature will determine whether to fund these salary increases.

The bargaining process begins soon and these issues will be discussed at the table. The Legislature will ultimately decide the amount of money in the salary package and DAS will work with agencies to develop strategies for what will be implemented. We will keep you informed as we learn more.

Employee Services Update

The Employee Services team has been busy charting their course for the new year, starting with a name change. Starting January 1, the unit will be known as Human Resources to not only be consistent with the profession nationwide, but also to reemphasize the HR team's commitment to advancing the collective knowledge, skills and abilities of OYA's employees.

The HR team recently identified values and guiding principles that they would like to share with you (attached).

Belinda Teague, our HR manager, is the architect of many changes in HR. "We eagerly look forward to improving our services to you and welcome your thoughts about how we can enhance your work life."

HR services include benefits counseling, recruitment and career counseling, employee relations, labor management relations, personnel rules, policies and collective bargaining agreements. It's really shaping up to provide all employees with guidance and counseling regarding their position responsibilities and career growth.

I applaud the progress the HR team has made to date. They have, [every one of them](#), embraced integrity, reliability and accountability in their daily work.

Budget Scenarios Submitted

The discussion of four concurrent budget activities can be confusing, so I've broken them out for you. Remember from earlier discussions that there are two main players: (1) the Governor, who through DAS has asked for reductions and (2) the Legislature, through its Legislative Fiscal Office, which has asked for reduction scenarios.

1. Governor's across the board cut of this biennium's budget: Earlier this week DAS asked us to implement our plans to reduce this biennium's budget by 1.2 percent. Since there are about six months left in the biennium, the real impact is being calculated as [5](#) percent of our remaining allotment. Your supervisors will let you know the impact on your teams. Needless to say, we need to cut back on all spending that is not essential.
2. The Legislative Fiscal Office asked how we would reduce this biennium's budget by [5](#) percent, which is effectively 20 percent of our remaining allotment. Scenarios 1 and 2 are laid out on the attachment called LFO 5% 07-09 reduction ITL.pdf.
3. Additionally, we submitted to the Legislative Fiscal Office a plan to reduce next biennium's budget by 20 percent. The attachment, LFO 20% reduction ITL.pdf is divided into two sections. The top shows reductions that were already accepted by the Governor and reflected in the Governor's Recommended Budget. These comprise 13.78 percent of the 20 percent scenario. The bottom shows additional 6.22 percent reductions we would have to take to achieve the 20 percent scenario.
4. On top of these reductions and reduction scenarios, our budget is out of balance. The largest part of our problem is overtime costs in our facilities (\$2.8 million). I am talking

with our Assistant Directors about management actions needed to absorb about \$3.7 million in this biennium's budget to bring it back in line.

Culture/Climate Survey's Comments Section

The purpose of the comments sections was to give employees the chance to tell us about things that might not have been covered by the survey questions. The staff response on the comments section of the Culture/Climate Survey was robust. Many comments were duplicates, some were unique, and all were read and taken seriously by the cabinet, including Fariborz and me.

The staff who provided comments were promised anonymity and confidentiality. The commentors were frank and sometimes provided their own names or some context in which their identities could be determined. They also named other people, sometimes making allegations of improper behavior. I want to be transparent, but transparency does not include violating a promise of confidentiality. Therefore, I am not going to make these comments public. Instead, we have developed a list of themes that came out of the comments to share with you. By the way, at the end of this In The Loop, I will give you my definition of transparency.

The themes you'll see below are telling. About half of our staff who completed the survey filled out the comments section. The comments covered a wide gamut of topic areas.

Accountability

- Line staff are held to a different level of accountability than managers
- Overall accountability is lacking
- Represented employees and managers are not held accountable
- The management and scheduling of vacation and time off is inconsistent
- Better time tracking/accounting for managers is needed

Transparency

- There is an environment of secrecy
- Agency communication needs to be improved.
- The agency lacks transparency

Management/Leadership

- Decision making excludes line staff input and is top-down.
- Agency managers provide poor leadership
- The agency is reactive rather than proactive
- Managers should model the desired behavior
- We should improve succession planning
- OYA has a good 'ole boys network that controls hiring decisions
- Managers should do a better job of listening to staff
- Micro management exists in parts of the agency
- Line staff and manager need clear expectations
- Managers should to walk the talk

- Fear of retaliation keeps staff from speaking out about issues
- Performance appraisals are given irregularly
- OYA has family members working together in the same unit
- Favoritism exists (promotional opportunities)
- Nepotism exists
- There are too many committees and they prevent us from doing the real work
- Low morale exists
- Staff has little trust of top management
- Trust and respect for and by the managers is lacking
- Confidentiality should be respected

Staff recognition/development

- There is little or no employee recognition
- Line staff are treated as secondary
- OYA should pay more attention for staff development
- All employees should receive more positive feedback
- There is no recognition of hard work
- Safety and security need to be emphasized

Other

- There should be more focus on treatment
- OYA needs more mental health treatment and resources for youth

All of the assistant directors are creating action plans from the information they received from the survey as well as the comments. These plans will be written to enhance areas in which the survey showed room for improvement.

Again, my thanks for your participation and continuing interest in the survey and its outcomes. It will take all of us working together to address the concerns we heard.

Transparency

My Random House Webster's College Dictionary, published in 2000, defines transparent as: "... so sheer as to permit light to pass through... easily seen through, recognized, or detected... easily understood; manifest; obvious... candid... frank... open..."

I believe that in my role of Interim Director, transparency means that I will tell you everything I know truthfully and promptly, but I will not breach a promise of or a legal requirement of confidentiality. I expect our Assistant Directors to model that behavior for our management team and I expect our management team to be open and transparent with the people they supervise. We can do our very best only when we have current and accurate information.

Right now our agency has great challenges in front of it; every employee has the right to know what the challenges are and how we are addressing them so that they can make

suggestions and contribute to the solutions. The management team has an obligation to listen carefully to these ideas and suggestions.

Our most pressing challenge is our current budget and our budget for the next biennium. We all will have to work hard to meet the goals given us by the Governor and the Legislature. Having accurate and timely information will help all of us understand the context of our work and help us achieve our goals. Next Thursday, I will be given a fiscal status report about our current budget. I will share with you what I learn and my ideas about how we must proceed to balance our budget.

Thank you for all you do for the youth we serve and for Oregon.

~Bobby