

970079

# Performance Report



## Department of Employee Relations

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# AGENCY PERFORMANCE REPORT

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## EMPLOYEE RELATIONS DEPT

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**AGENCY : EMPLOYEE RELATIONS DEPT****MISSION**

The Department of Employee Relations provides services which support the human resource management function of state agencies so the executive branch can recruit and retain a high quality workforce to carry out the business of government. It is the mission of Employee Relations to provide and refine high quality services which meet the human resource needs of our customers. Specifically to:

Develop assessment capabilities for identifying changes in the state's work places, labor pool and markets.

Develop our capacity to quickly adapt to our changing environment.

Authorization for the department's function can be found in M.S. 43A. Employee Relations' primary customers are state agencies, state employees, union representatives, and job applicants.

**GOALS**

- To assist state agencies in compliance with affirmative action and equal opportunity laws, identify and remove barriers to employment of protected group members, ensure equal employment opportunity and maintain a work environment that welcomes, respects and values its employees. (M.S. 43A.19)
- To retain protected group member employees and develop diversity and equal opportunity programs in preparation for the jobs of tomorrow.
- To increase the number of minorities, women and persons with disabilities in the executive branch workforce and in the decision-making process of state government.
- To increase awareness of and voluntary compliance with the provisions of the ADA requiring fair and equal access to employment and government programs, services, and activities.
- To represent the state in collective bargaining with the exclusive representatives of state executive branch employee bargaining units. (M.S. 43A.06)
- To provide management training and interpret management's perspective for negotiated collective bargaining agreements.

- To represent the state in various quasi-judicial proceedings, including grievance arbitrations, interest arbitration and unit determination hearings.
  
- To monitor compliance of local government subdivisions with the Local Government Pay Equity Act. (M.S. 471.991 et. seq.)
  
- To develop a model for workforce planning and redeployment services which is integrated with strategic direction and provides state agency customers with proactive information regarding work trends, demographics, and their implications, building organizational capabilities, effective reutilization of human resources, training needs/resource requirements, and reduction in force to enhance planning and decision-making throughout the executive branch.
  
- To administer and maintain a classification plan that ensures equity among different kinds of work while supporting organizational flexibility and employee redeployment and development. (M.S. 43A.01 and 43A.07)
  
- To provide state managers with an efficient, effective and attractive recruiting and selection system which provides qualified candidates for vacant positions. (M.S. 43A.01 and M.S. 43A.10-15)
  
- To equip managers and supervisors with skills necessary to effectively meet customer needs.
  
- To create and support opportunities to maximize the productivity of the state's workforce.
  
- To deliver comprehensive training programs that meet current needs of all state employees and addresses future needs of a changing state workforce.
  
- To provide state employees and other eligible persons with quality, cost-effective and competitive life insurance, hospital, medical and dental benefits through provider organizations. (M.S. 43A.22)
  
- To improve the quality and accessibility of information available to state employees and other eligible persons, enabling them to take more responsibility for their choices regarding life insurance, hospital, medical, and dental benefits through provider organizations. (M.S. 43A.22)
  
- To ensure that state employees work in a safe and healthy environment by preventing accidents, illnesses, and diseases. (M.S. 43A.22 to 43A.31)

- To resolve workers' compensation claims effectively and efficiently in accordance with applicable laws and program policies and procedures. (M.S. 176)

- To provide statewide plans to: public employees and other eligible persons with life insurance, hospital, medical and dental benefit coverage (PEIP); and private employees with the advantages of a large pool for insurance purchasing (MEIP) to advance the welfare of the citizens of the state. (M.S. 43A.316(1))

The department has two programs: Human Resource Management and Employee Insurance. The Human Resource Management Program includes the following activities:

**Staffing:** Staffing assists state agencies in attracting and maintaining a qualified workforce to accomplish their business objectives, while adhering to merit system principles. This activity conducts much of the day-to-day operations of the state human resource function including: recruitment of job applicants, development and administration of job-related examination procedures, referring successful applicants to state agencies with vacancies, and administering the state's classification system. Newer functions of the division include workforce planning, computerized resume scanning and skills identification, and redeployment of state workers.

**Office of Diversity and Equal Opportunity:** This activity provides statewide policy direction and technical assistance necessary for state agencies to carry out their responsibilities under federal and state equal employment opportunity laws. In the past biennium the group has worked to develop a mentorship program and improve the state's recruitment efforts. Efforts of this unit help create a state workplace that welcomes, respects, and values people of all abilities, cultures, races, genders, and ethnic backgrounds.

**Office of the State ADA/Disability Coordinator:** This office establishes state policies and procedures and provides technical assistance and training to the executive branch which assists state agencies/campuses in complying with the Americans with Disabilities Act (ADA).

**Human Resource Development Services:** This activity is the state's centralized training unit which works to increase access, reduce cost, and improve the quality of training resources available to our workforce. It delivers a variety of training courses to state employees, such as statutorily mandated supervisory and managerial courses, performance management, and sexual harassment. It also partners with other agencies to provide training on emerging needs, such as American Sign Language training. The group plays a key role in the development of new employee skills which leads to a qualified state workforce.

**Labor Relations and Compensation:** This activity is responsible for negotiating 7 collective bargaining agreements covering 12 bargaining units of 33,638 employees. The activity also administers these contracts, including grievance handling, arbitration presentation, training, and statewide labor relations policy development. The work also includes investigations into employee misconduct in state agencies. The compensation section collects data dealing with salary and salary administration practices and, in addition, provides compensation information which is used by the department in preparing compensation plans and in negotiating union contracts.

**Pay Equity:** This activity monitors and enforces the compliance of 1,640 jurisdictions with the Local Government Pay Equity Act. The purpose of the act is to eliminate sex-based wage disparities in local government. Currently 97% of all jurisdictions are in compliance.

**Administrative Services:** This division provides internal support services to the department, including budgeting and accounting, personnel, employee training and development, information systems, office management, records management, centralized statewide personnel files, word processing, data entry, and mail

delivery. The division also provides personnel transaction processing for executive branch agencies.

The Employee Insurance Program includes the following activities:

**State Group Insurance:** This activity administers an insurance benefit program for state employees, including the executive, legislative, and judicial branches, and their dependents, the University of Minnesota, semi-state agencies, and retirees. Administration of the program includes enrollment, premium collection and payment, resolution of coverage and claims disputes, and management of reserves. This activity also includes the health promotion programs aimed at promoting healthy lifestyles and preventing injuries and illnesses for state employees and their families.

**State Workers' Compensation:** This activity is a self-insured program which administers workers' compensation benefits for injured state employees. Its purpose is to ensure that state employees work in a safe and healthy environment, and that costs due to work-related injuries and illnesses are minimized. This group manages all claims activity, including accepting and denying claims, payment of indemnity benefits, coordination of rehabilitation and return-to-work activities, and legal representation. This program covers employees of the executive, legislative, and judicial branches of state government and some quasi-state agencies such as the State Fair and the Historical Society.

**Minnesota Employees Insurance Program (MEIP):** This activity provides a statewide health insurance purchasing tool established for Minnesota-based private businesses as part of the 1992 MinnesotaCare health care legislation.

**Public Employees Insurance Program (PEIP):** This activity is a statewide health-dental-life insurance pool, which was established to help Minnesota's public employers (including counties, cities, townships, school districts, local units of government, and other jurisdictions) purchase health care coverage for employees.



The department's goal is to achieve the following outcomes:

Improvements in speed, value-added, responsiveness and quality in the services we deliver to our customers.

Reengineered processes which will reduce bureaucracy for our state agency customers and job applicants.

A pilot program integrating the state's employee insurance program and the state's workers' compensation program resulting in a single 24-hour coverage program which will streamline insurance administration, control costs, reduce sick and disability leave, and improve the quality of service and medical care received by state employees.

A flexible workforce with broad competencies supported by a proactive career development system.

Improved ability to promptly investigate employee misconduct resulting in the reduction of expensive monetary settlements, an increased number of sustained grievances, and reduced workplace disruption.

A statewide recruiting strategy casting the State of Minnesota as an employer of choice, with particular emphasis on recruitment and retention of minorities and persons with disabilities.

An emphasis on prudent and value-conscious health care purchasing that interacts responsibly with the health care marketplace.

An emphasis on effective, quality services to promote the health and well-being of state employees and other covered persons through coordinated benefits management.

## **EMPLOYEE PARTICIPATION**

The Worker Participation Committee for the Department of Employee Relations was established in May 1996 to begin the assembly of the agency performance report. Members of the committee were selected to be representative of all activity areas and bargaining units and consisted of both employees and supervisors. Training on development of the Performance Report was held after committee members were selected and before work began. Training objectives addressed development of performance information for establishing clear goals and objectives, providing information on program success and enhancing accountability. The committee met regularly, starting in late June. Initial meetings addressed technical and software reporting issues, while subsequent meetings addressed initial development of a rough draft report. During these meetings, issues related to improving the delivery of programs and services, and identifying barriers to the delivery of services were discussed. The outcomes of the discussions are contained within the performance report itself. Development of solutions to problems shared by managers, supervisors, and staff is an ongoing process that continues past the report development process.

Date : December 16, 1996

## Agency Expenditure Summary

F.Y. 1996

NAME	(in thousands \$)	% of \$	FTE	% of FTE
AGENCY: EMPLOYEE RELATIONS DEPT	\$284,678	100.0%	192	100.0%
PROGRAM: HUMAN RESOURCE MGMT	\$7,410	2.6%	93	48.3%
BACT: DIVERSITY	\$384	0.1%	8	4.1%
MACT: AMERICANS WITH DISABILITY ACT		0.0%		0.0%
BACT: LABOR RELATIONS & COMPSATN	\$816	0.3%	10	5.4%
BACT: STAFFING SERVICES	\$1,721	0.6%	36	18.7%
BACT: HUMAN RESOURCE DEVELOPMENT	\$844	0.3%	7	3.7%
PROGRAM: EMPLOYEE INSURANCE	\$277,268	97.4%	99	51.7%
BACT: STATE GROUP INSURANCE	\$3,793	1.3%	46	24.2%
BACT: PEIP	\$231	0.1%	3	1.3%
BACT: MEIP	\$286	0.1%	2	1.1%
BACT: STATE WORKERS' COMP	\$3,465	1.2%	48	25.1%

**Agency** : EMPLOYEE RELATIONS DEPT

**Program** : HUMAN RESOURCE MGMT

**EXPENDITURES AND STAFFING :**

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$7,410	2.60%
From Special Revenue Funds	\$844	
From Agency Funds	\$99	
General	\$6,467	
Number of FTE Staff:	93	48.30%

**GOALS :**

Goals are itemized in our mission statement.

**DESCRIPTION OF SERVICES :**

The Human Resource Management Program provides policy and leadership in the areas of recruitment, affirmative action, employee development, classification and compensation, and bargaining agreements negotiation and administration. Issues associated with these activities are recruitment and retention of protected group members, employee development and training, and effective and efficient selection and classification processes.

Our customers consist of the Governor's staff, agency heads, legislature, union representatives, minority councils, agency managers and supervisors, human resource professionals, employees and job applicants.

**PROGRAM DRIVERS :**

Recent demographics show that the makeup of the population is becoming more diverse. As one of the largest employers in Minnesota, it will be critical that our programs refocus on recruiting and retaining protected group members, in order to develop a more inclusive workforce that draws on the talents of all Minnesotans.

As a part of that program refocus, we are streamlining our selection processes, and simplifying the classification processes. In the areas of training and development, we are continually revising our program content and structure, not only to make our operations cost effective, but also to meet the changing needs of our customers, while remaining competitive with private industry training choices.

Agency : EMPLOYEE RELATIONS DEPT

Program : HUMAN RESOURCE MGMT

BACT : DIVERSITY

#### EXPENDITURES AND STAFFING :

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$384	0.13%
General	\$384	
Number of FTE Staff:	8	4.12%

#### GOALS :

- Assist state agencies in compliance with affirmative action and equal opportunity laws, identify and remove barriers to employment of protected group members, ensure equal employment opportunity, and maintain a work environment that welcomes, respects and values its employees. (M.S. 43A.19)
- Retain protected group member employees and develop diversity and equal opportunity programs in preparation for the jobs of tomorrow. (No Statutes Cited)
- Increase the number of minorities, women and persons with disabilities in the State Executive Branch workforce and in the decision-making process of state government. (No Statutes Cited)

#### DESCRIPTION OF SERVICES :

The Office of Diversity and Equal Opportunity (ODEO) programs ensure that there is equal opportunity for all people at all levels of employment. Through targeted mentorship and trainee internship, affirmative action, recruitment, and diversity programs, ODEO provides state managers and supervisors the policy framework and technical assistance necessary to carry out their responsibilities under federal and state equal employment opportunity laws, and affirmative action regulations. The Office of Diversity and Equal Opportunity provides technical assistance to state agencies in expanding employment opportunities for protected group members in the work environment.

#### BACKGROUND INFORMATION :

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),  
OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR  
(FFY), BIENNIUM YEARS (BY)

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
W	FY	Agency affirmative action plans reviewed	150	150
A	FY	Trainee/Internship Program participants	15	22

#### PROGRAM DRIVERS :

Sufficient funding to support this activity ( mandated by state and federal legislation), is the primary driver. The availability of funds for executive administration of the program within the Department of Employee Relations, in addition to individual program execution with agencies, will determine how close agencies will come to meeting their goals for hiring and retaining a diverse workforce. Without adequate funding, trainee, intern, and mentorship programs will not develop into full-fledged operations. Proactive and preventative training programs in the fields of diversity, internal conflict/dispute resolution, and workplace environment issues must also be adequately funded in order to support the fledgling intern and mentorship programs.

- Goal 1** : Assist state agencies in compliance with affirmative action and equal opportunity laws, identify and remove barriers to employment of protected group members, ensure equal employment opportunity, and maintain a work environment that welcomes, respects and values its employees.
- Objective 1** : Increase training and educational forums for state agencies which will increase skills in the areas of recruitment and retention, resulting in more advancement opportunities for targeted groups.
- Measure 1** : The number of agencies participating and conducting their own programs for cultural diversity celebrations increase 10% F.Y. 98 and F.Y. 99 over the base year of F.Y. 95.

**Goal 1** : Assist state agencies in compliance with affirmative action and equal opportunity laws, identify and remove barriers to employment of protected group members, ensure equal employment opportunity, and maintain a work environment that welcomes, respects and values its employees.

**Objective 1** : Increase training and educational forums for state agencies which will increase skills in the areas of recruitment and retention, resulting in more advancement opportunities for targeted groups.

**Measure 2** : Increase percentages of protected group members employed in the State workforce by 5% annually as measured over the base year of F.Y. 94.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Women Managers - Percentage</b>						
<b>Actual</b>		33.20%	34.43%	36.08%		
<b>Women Supervisors - Percentage</b>						
<b>Actual</b>		30.52%	31.59%	35.21%		
<b>Women Professionals - Percentage</b>						
<b>Actual</b>		43.36%	45.52%	47.36%		
<b>Women Others - Percentage</b>						
<b>Actual</b>		55.45%	56.31%	53.19%		
<b>Total Women - Percentage</b>						
<b>Actual</b>		47.72%	50.08%	49.33%		
<b>Minority Managers - Percentage</b>						
<b>Actual</b>		5.77%	6.33%	5.70%		
<b>Minority Supervisors - Percentage</b>						
<b>Actual</b>		3.20%	3.03%	2.83%		
<b>Minority Professionals - Percentage</b>						
<b>Actual</b>		6.65%	6.29%	6.31%		
<b>Minority Others - Percentage</b>						
<b>Actual</b>		5.06%	5.86%	5.90%		
<b>Total Minority - Percentage</b>						
<b>Actual</b>		5.58%	5.71%	5.79%		
<b>Disabled Managers - Percentage</b>						
<b>Actual</b>		6.77%	6.79%	6.80%		



**EMPLOYEE RELATIONS DEPT****1996 Agency Performance Report****Disabled Supervisors -  
Percentage**

Actual	8.39%	8.23%	8.18%
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**Disabled Professionals -  
Percentage**

Actual	5.26%	6.61%	5.87%
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**Disabled Others -  
Percentage**

Actual	7.25%	6.33%	5.79%
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**Total Disabled -  
Percentage**

Actual	6.52%	6.59%	6.04%
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**DEFINITION :**

Affirmative action programs are based in state and federal equal opportunity laws and are designed to identify and remove barriers that contribute to disparities of protected group members in employment. Affirmative action programs require executive branch agencies to submit biennially, affirmative action plans for review and approval to ensure compliance with the state's affirmative action law. Calculation of percentage of protected group member populations in the state workforce is made and compared to relative population of the overall workforce, in order to assess performance results on an annual basis.

**RATIONALE :**

The Department of Employee Relations Office of Diversity and Equal Opportunity (ODEO) must monitor the efforts and progress of the affirmative action programs. Minn. Stat. Sect. 43A.19 and 43A.191.

**DATA SOURCE :**

EEO 4 Reports, Affirmative Action Reporting System in SEMA4, Personnel Payroll System in SEMA4, Protected Group Report, Non-list Hire Report.

**DISCUSSION OF PAST PERFORMANCE :**

In 1995, DOER/ODEO introduced legislation amending Minn. Stat. Sect. 43A.19 and 43A.191 requiring agencies to include in their affirmative action plan a recruitment plan, a retention plan, and a resolution procedure. An agency's promotion of awareness, acceptance, and appreciation for diversity and affirmative action will also be considered when assessing its compliance with the state affirmative action programs. ODEO has written administrative procedures to promulgate the legislation.

ODEO created training modules on diversity, affirmative action, and prevention of sexual harassment. In 1995 and 1996, ODEO delivered to supervisors and managers CORE training in the metropolitan area and greater Minnesota. ODEO created a Diversity Journal to provide state agencies and employees with information about cultural events celebrated annually. ODEO partnered with private industry to facilitate diversity awareness through yearly video conference and quarterly "Sharing Diversity" forums in which approximately 1,000 people participated.

**PLAN TO ACHIEVE TARGETS :**

ODEO will continue to provide leadership to state agencies in implementing the state's affirmative action programs and train state agencies in understanding state and federal equal opportunity and anti-discrimination laws. Additionally, it will provide state agencies with skills and resources to develop, implement, and assess the effectiveness of their own affirmative action programs.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The success of the state's affirmative action, mentorship and trainee internship, recruitment and diversity programs depends on statewide leadership and the work of each state agency. Success within an agency is determined by the agency's level of commitment and resources dedicated to the process.

**Goal 2** : Retain protected group member employees and develop diversity and equal opportunity programs in preparation for the jobs of tomorrow.

**Objective 1** : Improve retention levels of protected group members by creating opportunities for entry into the state's workforce and subsequent advancement opportunities.

**Measure 1** : The turnover rate of protected group employees in the state's workforce will be reduced by 10% F.Y. 98 and F.Y. 99 over the base year of F.Y. 95.

- Goal 2** : Retain protected group member employees and develop diversity and equal opportunity programs in preparation for the jobs of tomorrow.
- Objective 1** : Improve retention levels of protected group members by creating opportunities for entry into the state's workforce and subsequent advancement opportunities.
- Measure 2** : The estimated number of participants as mentors and mentees will increase by 10% F.Y. 98 and F.Y. 99 over the base year of F.Y. 95.

- Goal 2** : Retain protected group member employees and develop diversity and equal opportunity programs in preparation for the jobs of tomorrow.
- Objective 1** : Improve retention levels of protected group members by creating opportunities for entry into the state's workforce and subsequent advancement opportunities.
- Measure 3** : 

The number of successful mentorship programs will increase by 10% F.Y. 98 and F.Y. 99 over the base year of F.Y. 95.
--

- Goal 2** : Retain protected group member employees and develop diversity and equal opportunity programs in preparation for the jobs of tomorrow.
- Objective 1** : Improve retention levels of protected group members by creating opportunities for entry into the state's workforce and subsequent advancement opportunities.
- Measure 4** : The number of state agencies participating in mentorship and trainee internship programs will increase by 10% F.Y. 98 and F.Y. 99 over the base year of F.Y. 95.

F.Y.1993      F.Y.1994      F.Y.1995      F.Y.1996      F.Y.1997      F.Y.1998

#### DEFINITION :

To increase opportunities for protected group members to enter the state's workforce and be eligible for promotions and advancement.

#### RATIONALE :

The Department of Employee Relations Office of Diversity and Equal Opportunity (ODEO) must monitor the efforts and progress of the affirmative action programs. Minn. Stat. Sect. 43A.19 and 43A.191.

#### DATA SOURCE :

State of Diversity Report, Retention Survey, DAC Report, Glass Ceiling Taskforce Report.

#### DISCUSSION OF PAST PERFORMANCE :

In 1995, the Office of Diversity and Equal Opportunity (ODEO) conducted a retention survey to identify patterns of employment by state agencies of protected group members, as well as patterns of separation. The ODEO, in conjunction with the Diversity Action Council, established a Mentorship and Trainee Internship Program. The intent of the program was to establish a partnership between state agencies, unions, schools, colleges, community based organizations and the private sector. In a coordinated effort, the private and public sectors are working together to increase employment opportunities for protected group members.

#### PLAN TO ACHIEVE TARGETS :

Continue phases of the Mentorship and Trainee Internship Program statewide to identify and develop measures to expand the state's workforce through the increase of protected group members. Further develop strategic goals and objectives to provide the foundation for the planning process of the program's effectiveness.

#### OTHER FACTORS AFFECTING PERFORMANCE :

The success of the Mentorship and Trainee Internship, Diversity, Affirmative Action and Recruitment programs statewide is determined by the agency's level of leadership, commitment, and amount of resources dedicated to the process.

- Goal 3** : Increase the number of minorities, women and persons with disabilities in the State Executive Branch workforce and in the decision-making process of state government.
- Objective 1** : Develop a model for workforce diversity management to recruit, retain and increase the number of protected group members in all areas of state government, including state boards and commissions.
- Measure 1** : 

The number of protected group members in state employment applicant pools will increase 15% in F.Y. 98 and F.Y.99 as measured by F.Y. 97.
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- Goal 3** : Increase the number of minorities, women and persons with disabilities in the State Executive Branch workforce and in the decision-making process of state government.
- Objective 1** : Develop a model for workforce diversity management to recruit, retain and increase the number of protected group members in all areas of state government, including state boards and commissions.
- Measure 2** : 

The estimated number of participants as trainees in the trainee internship program will be seventy-five by the end of F.Y. 99.
--



- Goal 3** : Increase the number of minorities, women and persons with disabilities in the State Executive Branch workforce and in the decision-making process of state government.
- Objective 1** : Develop a model for workforce diversity management to recruit, retain and increase the number of protected group members in all areas of state government, including state boards and commissions.
- Measure 3** : 

The number of protected group members serving on the state boards and commissions will increase 10% by year 1999 as measured by base year 1994.
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- Goal 3** : Increase the number of minorities, women and persons with disabilities in the State Executive Branch workforce and in the decision-making process of state government.
- Objective 1** : Develop a model for workforce diversity management to recruit, retain and increase the number of protected group members in all areas of state government, including state boards and commissions.
- Measure 4** : Two (2) community forums will be conducted to inform protected group members of the function and purpose of state boards and commissions by F.Y. 98 and F.Y. 99.

F.Y.1993F.Y.1994F.Y.1995F.Y.1996F.Y.1997F.Y.1998**DEFINITION :**

Affirmative Action and Equal Employment Laws have established a path towards creating and maintaining a work environment that is diverse. Recruitment efforts are directed towards achieving representation of all protected group members in all areas of state government, employment policy making, advocacy and administration. Diversity efforts include creating and participating in programs that promote awareness and accountability on diversity issues.

**RATIONALE :**

The Department of Employee Relations Office of Diversity and Equal Opportunity (ODEO) must monitor the efforts and progress of the affirmative action programs. Minn. Stat. Sect. 43A.19 and 43A.191.

**DATA SOURCE :**

Resume bank, state agencies' participation in the Statewide Recruitment Resource Group, and the number of applicants participating in the open appointment process in multi-member state agencies (state boards and councils).

**DISCUSSION OF PAST PERFORMANCE :**

In 1995, the Office of Diversity and Equal Opportunity (ODEO) created the Statewide Recruitment Resource Group to enhance recruitment techniques and create forums to develop recruitment strategies and exchange information.

"The Reflections of the Community," the Equal Opportunity Recruitment Directory published in March of 1995, is an excellent tool for state recruiters to reach a large population of protected group members. The automated resume bank is also an excellent tool to classify job applicants.

Since 1993, the Office of Diversity and Equal Opportunity:

- Created and promoted a strong network between the state and the private sector:  
1994, 1995, 1996: Diversity Video conferences  
1996: "Sharing Diversity Forum" (4/96)
- Participated in supporting the dissemination of information to promote cross-cultural understanding in partnership with the Minnesota Cultural Diversity Center:  
1995, 1996, 1997: Chronology of World Cultural Events
- Promoted diversity training throughout the state:  
Diversity training: CORE  
Instate/Outstate presentations

**PLAN TO ACHIEVE TARGETS :**

The Office of Diversity and Equal Opportunity (ODEO) plans to continue to support effective recruitment strategies as well as maintain networks with both the state recruiters and the community. ODEO will work closely with the Secretary of State's Open Appointments Office to identify vacancies in the multi-member agencies and provide information of vacancies to protected group members in the community.

ODEO will continue to work extensively with community organizations, the private sector and other state agencies to create ways of supporting diversity in the workplace. The Office of Diversity and Equal Opportunity will network with various entities to promote diversity efforts such as "Sharing Diversity Forum" (1997) and Diversity Vide conference (1997).

**OTHER FACTORS AFFECTING PERFORMANCE :**

The success of the state's affirmative action, mentorship and trainee internship, recruitment, and diversity programs depends on statewide leadership participation. Success within an agency is determined by the agency's level of commitment and resources dedicated to the process.

**Agency** : EMPLOYEE RELATIONS DEPT  
**Program** : HUMAN RESOURCE MGMT  
**BACT** : DIVERSITY  
**MACT** : AMERICANS WITH DISABILITY ACT

**EXPENDITURES AND STAFFING :**

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure		0.00%
Number of FTE Staff:		0.00%

**GOAL :**

- Increase awareness of and voluntary compliance with the provisions of the ADA requiring fair and equal access to employment and government programs, services and activities. (No Statutes Cited)

**DESCRIPTION OF SERVICES :**

Ensure state agencies/campuses comply with the Americans with Disabilities Act (ADA), Title I (employment) and Title II (employment and program accessibility) and the Minnesota Human Rights Act (MHRA) (P.L. 101-336). Assist entities in program compliance. Assistance involves setting up a program structure, acquiring staff, conducting training programs to orient staff towards implementing statute guidelines, and monitoring program compliance.

**Goal 1** : Increase awareness of and voluntary compliance with the provisions of the ADA requiring fair and equal access to employment and government programs, services and activities.

**Objective 1** : Provide statewide training to 40% of employees within the Executive Branch and provide technical assistance as requested on the legal requirements and practical approaches to Title I and Title II compliance with a 85% satisfaction rating by end of F.Y. 1998.

**Measure 1** : Number of staff, number trained, training evaluations, number of calls for technical assistance and customer satisfaction with both training and technical assistance.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Training Staff</b>						
Actual		0	1	1		
<b># Trained</b>						
Actual		100	2,300	4,200		
<b>Evaluation rating</b>						
Actual		98%	97%	95%		
<b>Technical Assistance Staff</b>						
Actual		0	1	1.25		
<b># Calls</b>						
Actual		923	3,860	1,803		
<b>Evaluation rating</b>						
Actual		Not meas.*	Not meas.*	Not meas.*		
*Survey in the process of being completed.						

**DEFINITION :**

**RATIONALE :**

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

1. A 1994 survey of agency ADA coordinators indicated major areas of need related to ADA compliance. The results of this survey were used to establish the start-up direction for this office. A follow-up survey, including measures of internal agency stakeholder satisfaction, is currently underway and will establish the baseline for subsequent performance reports.
2. This office publishes a bi-monthly ADA Bulletin as part of providing technical assistance statewide. A 1996 Reader Survey was conducted to determine stakeholder satisfaction level and additional technical assistance needs as related to this bulletin. The results of this survey indicated a 98% satisfaction rating for the bulletin, however, the rate of response (10%) was very low.
3. All agencies have received notification of the availability of 5 core ADA curriculum for in-agency training. These curriculum include: 1) ADA 101 and Determining Eligibility; 2) The Reasonable Accommodation Process; 3) Job Analysis, Essential Functions and Position Descriptions; 4) Americans with Disabilities Act/Family Medical Leave Act/Minnesota Workers' Compensation Act (ADA/FMLA/MWCA) Intersection or Collision; and 5) Title II Fair and Equal Access to Programs, Services and Activities. To date, the following agencies have requested and completed training:

Training Completed	1*	2*	3*	4*	5*
Labor & Industry	X	X	X	X	
Administrative Hearings	X	X			
Agriculture	X	X			
Moose Lake RTC	X				
Veterans Home - Minneapolis	X	X			
Veterans Home - Hastings	X		X		

\*Refers to course title identified in previous paragraph.

4. A Title I train-the-trainer model will be developed and delivered in 1997 to increase the availability of qualified ADA trainers to assist this office in providing statewide training and meet this objective.
5. Title II training on the basic requirements and methods to technology for all MnSCU entities in October 1996 and for all agencies in May 1997.
6. This office is currently discussing the possibility of a statewide ADA training conference to be presented by the Council of State Government, the National Association of Counties and National Association of Cities for state, county and city staff.
7. This office will continue to offer the core curriculum on a quarterly basis through the Human Resource Development Services (HRDS) course catalog.
8. New ADA Coordinator training sessions will be offered at various regional locations at least twice each year.

**OTHER FACTORS AFFECTING PERFORMANCE :**

1. Limited staff directly impacts the ability to meet the training and technical assistance needs of the Executive Branch.
2. Limited office and agency training resources has a negative impact on paying the basic costs involved in providing training materials.
3. Training is provided based on registrations or invitation by specific agencies. Lack of clear commitment to voluntary compliance negatively affects the success of this objective.

- Goal 1** : Increase awareness of and voluntary compliance with the provisions of the ADA requiring fair and equal access to employment and government programs, services and activities.
- Objective 2** : Establish an ADA monitoring mechanism to ensure the Executive Branch is complying with the Americans with Disabilities Act and prepare a report of compliance to the Office of the Governor on a bi-annual basis.
- Measure 1** : Number, type and cost of accommodations/modifications requested/denied, number of Equal Employment Opportunity Commission or Department of Justice complaints received and their status, training provided to agency staff on Title I and Title II requirements and updates to the programmatic self-evaluations.

F.Y.1993F.Y.1994F.Y.1995F.Y.1996F.Y.1997F.Y.1998**DEFINITION :****RATIONALE :****DATA SOURCE :**

1996 is the first year that a compliance report is being required from each agency within the Executive Branch. The reports will be received 9/1/96 and be compiled to summarize the measurements cited above to establish a baseline. This office has been unable to obtain any data to indicate the number, type or status of any ADA lawsuits or settlements involving the Executive Branch.

**PLAN TO ACHIEVE TARGETS :**

The Title II satellite training described in Objective #1 will form the basis of programmatic access reporting in subsequent years.

The results of the annual report will provide direction for this office to provide additional training and technical assistance to any agency in which compliance activities are lagging.



**OTHER FACTORS AFFECTING PERFORMANCE :**

1. While the Office of ADA Coordinator resides within the Department of Employee Relations (DOER), DOER does not currently have statutory authority for Title II compliance activities. Statutory authority is currently a legislative item for the current session.
2. Limited staff and resources preclude initiating an audit procedure or a statewide survey of the general public to determine to what extent members of the general public with disabilities are satisfied with the accessibility to state government services.
3. Limited office and agency training resources has a negative impact on paying the basis costs involved in providing training materials.
4. Training is provided based on registrations or invitation by specific agencies. Lack of clear commitment to voluntary compliance negatively affects the success of this objective.

Agency : EMPLOYEE RELATIONS DEPT  
 Program : HUMAN RESOURCE MGMT  
 BACT : LABOR RELATIONS & COMPSATN

**EXPENDITURES AND STAFFING :**

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$816	0.29%
General	\$816	
Number of FTE Staff:	10	5.43%

**GOALS :**

- Represent the state in collective bargaining with the exclusive representatives of state executive branch employee bargaining units. (M.S. 43A.06)
- Provide management training and interpret management's perspective for negotiated collective bargaining agreements. (No Statutes Cited)
- Represent the state in various quasi-judicial proceedings, including grievance arbitrations, interest arbitration, and unit determination hearings. (No Statutes Cited)
- Monitor compliance of local government subdivisions with the Local Government Pay Equity Act. (M.S. 471.991 et seq.)

**DESCRIPTION OF SERVICES :**

The Labor Relations and Compensation Bureau is established by statute to perform the duties assigned to the Commissioner under the Public Employees Relations Act (PELRA) at M.S. 179A.01 et seq. These duties include meeting and negotiating collective bargaining agreements with the exclusive representative of the various bargaining units to which state employees have been assigned. The collective bargaining agreements must address the terms and conditions of employment, compensation, and insurance benefits for state employees. Collective bargaining agreements have been re-negotiated every two years to coincide with the biennial budget cycle of state government. Once agreements have been finalized, the administration of these agreements includes ongoing consultation and training of management personnel throughout state government. Bureau staff also represent management when employee grievance disputes are appealed to the final stage of binding neutral arbitration.

## BACKGROUND INFORMATION :

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),  
OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR  
(FFY), BIENNIUM YEARS (BY)

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
W	FY	Grievances	410	450
W	FY	Arbitrations	11	12
A	FY	Negotiation sessions	N/A	225
A	FY	Labor Management meetings	40	36

## PROGRAM DRIVERS :

- Goal 1** : Represent the state in collective bargaining with the exclusive representatives of state executive branch employee bargaining units.
- Objective 1** : To meet with each exclusive representative every two years and resolve all provisions of the collective bargaining agreements through negotiation, with subsequent approval of the agreements by the Legislature.

**Measure 1** : Ratio = Number of employee bargaining units: Number of agreements finalized through the negotiation process. \*

\*Higher education bargaining units have been excluded throughout.

\*\*The collective bargaining agreement with the Law Enforcement Unit #1 (BCA Agents, State Troopers, and DNR Conservation Officers) was finalized in an interest arbitration.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
Number of employee bargaining units						
Actual		6:7**		7:7		
Target		100%		100%		100%

**DEFINITION :**

**RATIONALE :**

Successful completion of contract negotiations must ensure that settlements are within the parameters set by the Governor's Office and that they are ratified by the Legislative Commission on Employee Relations. Ultimate approval by the Legislature is more relevant than the timeliness of the negotiation process.

**DATA SOURCE :**

Service population includes agency management, employees, and exclusive representatives.

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**

- Goal 2** : Provide management training and interpret management's perspective for negotiated collective bargaining agreements.
- Objective 1** : To provide timely training and information to management personnel on the newly negotiated provisions of the collective bargaining agreements and to provide ongoing training to newly appointed supervisors in state executive branch government.
- Measure 1** : Average numerical rating given based upon evaluation forms submitted by trainees at completion of the training courses.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
Number of training sessions/agreement summaries provided						
Actual		7/7		7/7		

**DEFINITION :****RATIONALE :**

Effectiveness of training and level of satisfaction of training received can be quantified numerically. Written comments provide valuable feedback for evaluating overall strengths of the training course and areas recommended for improvement. Perception of participants is relevant for evaluating overall course effectiveness.

**DATA SOURCE :**

Service population is agency management.

**DISCUSSION OF PAST PERFORMANCE :****PLAN TO ACHIEVE TARGETS :**

Were it possible to measure whether or not and to what degree training objectives were implemented and carried out in the work environment, this measure would be a much greater tool for evaluating effectiveness of the training delivered. Ongoing consultation with management on a day-to-day basis can provide valuable feedback relative to this measure.

**OTHER FACTORS AFFECTING PERFORMANCE :**

- Goal 3** : Represent the state in various quasi-judicial proceedings, including grievance arbitrations, interest arbitration, and unit determination hearings.
- Objective 1** : Provide ongoing consultation to management personnel on all labor relations issues arising in the day-to-day administration of the collective bargaining agreements.
- Measure 1** : Quantification of consulting activity effectiveness over a two year period still to be determined.

<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

**DEFINITION :****RATIONALE :**

Outside of statutory agreements, this is the most important function of the Labor Relations Unit. Actual time spent in consultation fluctuates from year to year. There is less time available for consultation during the bargaining year, however, the converse is true in non-bargaining years. Again, actual time spent in consultation is ultimately less important than the effectiveness of consulting activities.

**DATA SOURCE :****DISCUSSION OF PAST PERFORMANCE :****PLAN TO ACHIEVE TARGETS :**

Development of new measures that would be able to indicate a level of success/effectiveness in ongoing consultations.

**OTHER FACTORS AFFECTING PERFORMANCE :**

**Goal 3** : Represent the state in various quasi-judicial proceedings, including grievance arbitrations, interest arbitration, and unit determination hearings.

**Objective 2** : To conduct labor arbitrations for cases appealed and scheduled by the various exclusive representatives.

**Measure 1** : Number of labor arbitrations conducted.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Number of labor arbitrations conducted</b>						
<b>Actual</b>	22	11	21	21		

**DEFINITION :**

**RATIONALE :**

The number of arbitrations conducted is not an indicator of good or bad. A high number of arbitrations could be the result of well informed employees exercising given rights or it could indicate otherwise. A low number of arbitrations cannot be interpreted, per se, that all is well. Additionally, a "win vs. lose" outcome measurement tally is not an effective determinant of results. The outcome of the proceeding is not always a valid indicator of the quality of the presentation.

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**

**Goal 4** : Monitor compliance of local government subdivisions with the Local Government Pay Equity Act.

**Objective 1** : To review the implementation reports filed by local government subdivisions for compliance.

**Measure 1** : Ratio = Number of implementation reports filed/number of implementation reports reviewed.

\*All jurisdictions were required to report in 1992 (F.Y. 93); thereafter, all jurisdictions were required to report once every three years. By random selection, each jurisdiction was assigned a reporting year of 1994 (F.Y. 95), 1995 (F.Y. 96), or 1996 (F.Y. 97).

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Number of implementation reports filed/reviewed</b>						
<b>Actual</b>	1600/1600	n/a*	361/361	610/610		

**DEFINITION :**

**RATIONALE :**

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**



**Goal 4** : Monitor compliance of local government subdivisions with the Local Government Pay Equity Act.

**Objective 2** : Using the statutory authorities provided, to achieve an annual compliance rate of 90-100%.

**Measure 1** : Percent of reporting jurisdictions in compliance.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Percent of reporting jurisdictions in compliance</b>						
<b>Actual</b>	99.7%	n/a	96%	97%		

**DEFINITION :**

**RATIONALE :**

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**

Agency : EMPLOYEE RELATIONS DEPT

Program : HUMAN RESOURCE MGMT

BACT : STAFFING SERVICES

#### EXPENDITURES AND STAFFING :

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$1,721	0.60%
General	\$1,721	
Number of FTE Staff:	36	18.68%

#### GOALS :

- Develop a model for workforce planning and redeployment services which is integrated with strategic direction and provides state agency customers with proactive information regarding work trends, demographics and their implications, building organizational capabilities, effective reutilization of human resources, training needs/resource requirements and reduction in force to enhance planning and decision-making throughout the Executive Branch. (No Statutes Cited)
- Administer and maintain a classification plan that ensures equity among different kinds of work while supporting organizational flexibility and employee redeployment and development. (M.S. 43A.01 and 43A.07)
- Provide state managers with an efficient, effective and attractive recruiting and selection system which provides qualified candidates for vacant positions. (M.S. 43A.01 and 43A.10-15)

#### DESCRIPTION OF SERVICES :

This division is responsible for the initiation, development, delivery and maintenance of a variety of human resource services and systems that assist state Executive Branch agencies in acquiring and retaining the workforce capabilities needed to accomplish their business strategies. Consultation and program delivery are provided in such areas as workforce planning, recruitment, assessment, selection, retention, job classification and evaluation, employee development planning, and redeployment including reductions in force.

**Goal 1** : Develop a model for workforce planning and redeployment services which is integrated with strategic direction and provides state agency customers with proactive information regarding work trends, demographics and their implications, building organizational capabilities, effective reutilization of human resources, training needs/resource requirements and reduction in force to enhance planning and decision-making throughout the Executive Branch.

**Objective 1** : Based on customer survey of Executive Branch agencies served during the biennium, at least 75% of respondents will indicate workforce planning consulting services, expertise and materials assisted them in meeting their business needs.

**Measure 1** : Percentage of customers responding who felt that services assisted the agency in meetings its business needs, indicating resources, tools and techniques were effective in achieving the agency's business goals.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Services rated satisfactory</b>						
<b>Actual</b>	N/A	N/A	N/A	N/A	--	75%

#### DEFINITION :

Percent of respondents who rate services as satisfactory or better, based on a survey of Executive Branch human resource and line managers who received services from the Staffing Division during the biennium.

#### RATIONALE :

Measures the quality of the state's workforce planning/preparedness model and its ability to effectively serve agencies' business needs.

#### DATA SOURCE :

Biennial survey of agency human resource and line manager in Executive Branch agencies receiving services from the Staffing Division during the biennium.

#### DISCUSSION OF PAST PERFORMANCE :

N/A

#### PLAN TO ACHIEVE TARGETS :

Continue current workforce planner position and expand the skills of other division staff; identify and develop a variety of workforce planning and preparedness services, tools, techniques, etc. to ensure alternatives are available to address agency needs.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The success of workforce planning within an agency is determined by the agency's commitment and resources dedicated to the process. For instance, an agency - particularly, its senior management - must be committed to the model and process. Sufficient resources of time, people, data, communication, etc. must also be available. An agency's strategic goals and objectives are the foundation for the workforce planning process to be effective.

- Goal 1** : Develop a model for workforce planning and redeployment services which is integrated with strategic direction and provides state agency customers with proactive information regarding work trends, demographics and their implications, building organizational capabilities, effective reutilization of human resources, training needs/resource requirements and reduction in force to enhance planning and decision-making throughout the Executive Branch.
- Objective 1** : Based on customer survey of Executive Branch agencies served during the biennium, at least 75% of respondents will indicate workforce planning consulting services, expertise and materials assisted them in meeting their business needs.
- Measure 2** : Percentage of respondents who indicate action plan framework assisted in employee development, recruitment and/or redeployment of the agency's workforce.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
Usefulness of plan rated satisfactory						
Actual	N/A	N/A	N/A	N/A	--	75%

**DEFINITION :**

Percent of respondents who rate the action plan framework as satisfactory or better in assisting in employee development, recruitment and/or redeployment, based on a survey of Executive Branch human resource and line managers who received services directly from the Staffing Division during the biennium.

**RATIONALE :**

Measures the quality of the state's workforce planning/preparedness model and its ability to effectively serve agencies' business needs.

**DATA SOURCE :**

Biennial survey of agency human resource and line manager in Executive Branch agencies receiving services from the Staffing Division during the biennium.

**DISCUSSION OF PAST PERFORMANCE :**

N/A

**PLAN TO ACHIEVE TARGETS :**

Continue current workforce planner position and expand the skills of other division staff; identify and develop a variety of workforce planning and preparedness services, tools, techniques, etc. to ensure alternatives are available to address agency needs.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The success of workforce planning within an agency is determined by the agency's commitment and resources dedicated to the process. For instance, an agency - particularly, its senior management - must be committed to the model and process. Sufficient resources of time, people, data, communication, etc. must also be available. An agency's strategic goals and objectives are the foundation for the workforce planning process to be effective.

**Goal 1** : Develop a model for workforce planning and redeployment services which is integrated with strategic direction and provides state agency customers with proactive information regarding work trends, demographics and their implications, building organizational capabilities, effective reutilization of human resources, training needs/resource requirements and reduction in force to enhance planning and decision-making throughout the Executive Branch.

**Objective 2** : 100% of the Executive Branch agencies utilizing the workforce planning model in their strategic planning efforts will derive employee training and development initiatives from workforce planning data and gap analysis generated in order to better match employee development efforts with organizational needs.

**Measure 1** : Number of agency training departments utilizing workforce planning data for development of employee training and development initiatives.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Agencies using data</b>						
Actual	0	0	0	1	2	4
<b>Agencies using model</b>						
Actual				1	2	4
<b>% using data</b>						
Actual	0%	0%	0%	100%	100%	100%

#### DEFINITION :

"Percentage using data" is the number of Executive Branch agencies using workforce data for employee training and development initiatives divided by the total number of Executive Branch agencies using the workforce planning model.

#### RATIONALE :

Measures the success of the workforce planning model in serving as a basis for employee training and development.

#### DATA SOURCE :

Based on information from the Staffing Division's workforce planning coordinator.

#### DISCUSSION OF PAST PERFORMANCE :

N/A

#### PLAN TO ACHIEVE TARGETS :

Continue to provide agencies with information about the benefits to them of using strategic planning and the workforce planning model. Provide training to Staffing Division employees so sufficient staff are available to meet agency requests for consultation services.

**OTHER FACTORS AFFECTING PERFORMANCE :**



**Goal 1** : Develop a model for workforce planning and redeployment services which is integrated with strategic direction and provides state agency customers with proactive information regarding work trends, demographics and their implications, building organizational capabilities, effective reutilization of human resources, training needs/resource requirements and reduction in force to enhance planning and decision-making throughout the Executive Branch.

**Objective 3** : Increase percentage of classified employees redeployed within state service by 5% each year until it reaches at least 50% of total non-seasonal layoff transactions per year.

**Measure 1** : Classified employees redeployed in state service as a percentage of annual non-seasonal layoff transactions.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Employees redeployed in place of permanent layoff</b>						
<b>Actual</b>	82	33	125	124		
<b>Non-seasonal layoff transactions</b>						
<b>Actual</b>	237	173	366	400		
<b>% employees redeployed</b>						
<b>Actual</b>	34.6%	19.1%	34.2%	31.0%	36%	41%

#### DEFINITION :

"Percent employees redeployed" is the number of classified, Executive Branch employees redeployed in place of permanent layoff divided by the total of all non-seasonal layoff transactions for classified, Executive Branch employees. "Employees redeployed" are those who were notified of permanent layoff but who moved to other state employment - via transfer, demotion or accepting a lesser employment condition - during the layoff notice period and prior to permanent layoff. Figures exclude unclassified employees who are not covered by layoff provisions of most state contracts and plans and are, by law, ineligible to move to other state jobs via transfer or demotion. Only employees notified of permanent layoff are considered because employees on seasonal off are expected to return when work resumes at the start of each subsequent season.

**RATIONALE :**

The Staffing Division is responsible for maintaining the selection and job-filling process, including redeployment of current employees, for appointments to the classified service of the Executive Branch. In addition, the division offers special services and information to assist state agencies and employees to avert permanent layoffs. This measure focuses on the effectiveness of efforts to reduce the substantial human and economic effects of layoff by, instead, redeploying the state's human resources.

This measure under-reports the true number of permanent layoffs who ultimately find employment within state service since it considers only those transactions which actually avert permanent layoff. It does not include employees who are laid off but later return to state employment via subsequent appointment or recall. However, the measure used more accurately reflects the effectiveness of redeployment efforts because of the human and economic costs incurred in any permanent layoff, even one of relatively short duration.

**DATA SOURCE :**

Figures for employees redeployed and total non-seasonal layoffs are based on counts of relevant transactions processed through the state's payroll system during the fiscal year. Payroll information is updated each biweekly payroll period.

**DISCUSSION OF PAST PERFORMANCE :**

N/A

**PLAN TO ACHIEVE TARGETS :**

The Labor/Management Human Resource Innovations Committee has established a Redeployment Subcommittee and is presently funding a position in the Department of Employee Relations to provide redeployment services.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Most aspects of layoff and position-filling are governed by collective bargaining agreements. Layoff activity and, therefore, the number of employees needing services are determined by state agencies. Reduced turnover, reduced budgets and agency decisions not to fill vacancies will affect the availability of positions for redeployment. Results are not adjusted (nor is information available to do so) for employees who choose to accept permanent layoff. For example, in agencies experiencing repeated layoffs and instability, employees may choose to accept layoff and look elsewhere even though state employment options are available.

- Goal 2** : Administer and maintain a classification plan that ensures equity among different kinds of work while supporting organizational flexibility and employee redeployment and development.
- Objective 1** : During each biennium, the percentage of acceptable evaluations for Executive Branch positions evaluated during that biennium will exceed the industry standard by at least 10%.
- Measure 1** : Percentage of acceptable evaluations for Executive Branch positions evaluated during the biennium.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Industry acceptance</b>						
<b>Actual</b>		80%		80%		80%
<b>State acceptance</b>						
<b>Actual</b>		90%		91%		90%

**DEFINITION :**

"Acceptable evaluations" are derived from independent quality inspections and correlation reviews of position evaluations. These compare the state's most recent evaluations to its existing evaluations and against rating standards in other governmental jurisdictions and the private sector. The state acceptance percentage is calculated by dividing the number of acceptable evaluations (total evaluations reviewed minus evaluations revised based on review results) divided by the total number of evaluations reviewed.

**RATIONALE :**

This measure addresses the quality and effectiveness of the job evaluation system which is the basis for the classification of positions and for recommended compensation of incumbents. The Staffing Division is responsible for maintaining the job classification plan for all positions in the Executive Branch (M.S. 43A.07). When a job does not match any existing class, the compensation level needs to be reviewed, or a new class is requested, Executive Branch positions are evaluated using a point evaluation method. These evaluations serve as a guide for assignment of the position within the state's classification and compensation plans. Job evaluations also serve as the basis for determining and reporting equitable compensation relationships as required by M.S. 43A.01, subdivision 3, and M.S. 43A.05, subdivision 5.

**DATA SOURCE :**

The Department of Employee Relations contracts for completion of independent quality assurance and correlation reports. The practice has been to request a correlation review every five years and a quality inspection every two years. The last correlation study was completed in March 1990, and the last quality inspection in November 1995. Results of these reviews are shown below:

Review dates	March 1990	Dec. 1991	May 1994	Nov. 1995
Period covered	1984-1989	1/90-12/91	1/92-12/93	10/94-9/95
Ratings reviewed	39	229	335	127
Changes implemented	4	18	34	12

Additional background information comes from the Chief Classification Analyst's Annual Report.

**DISCUSSION OF PAST PERFORMANCE :**

DOER, in cooperation with other Executive Branch agencies, provides a job evaluation system which consistently exceeds industry quality standards. In early 1995, DOER implemented a new version of the guide charts which serve as the basis for evaluation. Despite this change, the most recent review indicates no loss in evaluation quality.

**PLAN TO ACHIEVE TARGETS :**

Continue program of extensive theoretical and practical training required for certification as a rater; independent review of ratings by Chief Classification Analyst; advanced training for certified raters based on concerns identified in quality inspections and on issues and trends in job evaluation.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Selected state agencies conduct job classification administration and maintenance activities, including job evaluations. The effect of these changes is unknown; however, all evaluations will be included in the pool from which inspection and correlation studies are conducted. Because of changes to the guide charts used for evaluation, DOER has initiated a review of "Special Condition" ratings. (This is a part of the overall rating reflecting special working conditions such as physical effort and exposure to heat, cold and other safety hazards.) This review is likely to generate rating changes.

**Goal 2** : Administer and maintain a classification plan that ensures equity among different kinds of work while supporting organizational flexibility and employee redeployment and development.

**Objective 2** : Increase average number of employees (excluding temporary and emergency appointees) per Executive Branch job class by at least 10% per year until it reaches an average of 20 employees/class. Additionally, decrease single incumbent job classes to no more than 25% of total Executive Branch job classes by the end of the biennium and then maintain no more than 25% in future biennia.

**Measure 1** : Average number of employees and single incumbent job classes as a percent of total non-academic, Executive Branch job classes.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Employees</b>						
Actual	32,625	32,483	33,306	33,791*		
<b>Job classes</b>						
Actual	2219	2222	2269	2295		
<b>Single incumbent classes</b>						
Actual	740	718	730	712		25
<b>% single incumbent classes</b>						
Actual	33%	32%	32%	31%		
<b>Employees/class</b>						
Actual	14.7	14.6	14.7	14.7	16.2	17.8

#### DEFINITION :

"Percent single incumbent classes" is the number of job classes having only one active employee divided by the total number of existing job classes, based on figures as of the end of each fiscal year. Counts do not include faculty and academic administrative classes. Employees per class is the number of classified and unclassified Executive Branch employees in active payroll status as of April divided by the number of active job classes as of the end of the fiscal year. Employee figures from April, rather than the fiscal year end, are used to ensure inclusion of MnSCU employees other than faculty and academic administrative staff. Employee counts exclude temporary and emergency appointees in the classified service since these are short-term appointments which temporarily inflate the number of employees in a class but do not reflect actual broadening of the class concept and use. Counts do not include faculty and academic administrative classes and employees.

#### RATIONALE :

To support organizational flexibility and employee redeployment and development, the class plan needs to move away from agency-specific, single use classes and towards a system of classes with broader application. This measure reflects the Staffing Division's success in eliminating or merging single use classes into a smaller number of classes with broader applicability. If the Staffing Division is successful in moving to a classification system of broader classes, the average number of employees per class should rise because the same number of employees are being employed in a smaller number of more widely defined and used classes.

**DATA SOURCE :**

Single incumbent classes and employee counts are identified from state payroll system data. The number of active job classes is reported by the Chief Classification Analyst at the end of each fiscal year.

**DISCUSSION OF PAST PERFORMANCE :**

N/A

**PLAN TO ACHIEVE TARGETS :**

Reduction in single incumbent classes will be achieved by creating a broader, more generally applicable job class through the merger of several single use job classes having similar duties or by moving incumbents to other existing classes and abolishing the single incumbent classes.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The Department of Employee Relations has no control over a number of single incumbent classes such as commissioners, deputy commissioners, executive secretaries of boards, constitutional officers, etc. Agencies have to support the move away from agency-specific, single use classes which they have strongly endorsed in the past as the way to meet their needs. Certain effects on employees' terms and conditions of employment must be bargained; reactions of exclusive representatives may make decreasing single incumbent classes and consolidating jobs classes difficult.

- Goal 3** : Provide state managers with an efficient, effective and attractive recruiting and selection system which provides qualified candidates for vacant positions.
- Objective 1** : Increase passing applicants by 2.5% per year until they are at least 75% of applicants who participate in the testing process for unlimited, classified vacancies in the Executive Branch.
- Measure 1** : Passing applicants as a percent of total applicants who participated in the testing process.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
# passing applicants						
# taking exam						
% passing						
Actual	N/A	N/A	N/A	N/A	65.0%	67.5%

**DEFINITION :**

"Percent passing" is the number of applicants receiving a passing final score during the fiscal year divided by the total number of applicants who participated in a testing process during the fiscal year. Figures are based on applicants who received a final score during the fiscal year. Only testing for unlimited, classified vacancies is considered because other positions (temporary, unclassified, etc.) do not require formal application, tracking, testing, and scoring.

**RATIONALE :**

Measures the effectiveness and efficiency of the state's recruiting and communication activities by assessing its ability to target recruiting and devote resources to the best qualified candidates, rather than expending efforts drawing in and screening large numbers of general applicants. Because of statutory requirements for testing, scoring, and notification, significant time and money can be devoted to processing marginal applicants, decreasing resources available for attracting, screening, and referring the best qualified applicants.

**DATA SOURCE :**

State's applicant tracking system. Data updated continuously and reported at the end of each fiscal year for applicants who received a final score during that year.

**DISCUSSION OF PAST PERFORMANCE :**

N/A. This is a new measure. Because of a change in applicant tracking systems and routine purging of data, complete information for past years is not available. However, preliminary figures from calendar 1996 indicate the passing rate is currently around 65%.

**PLAN TO ACHIEVE TARGETS :**

Channel recruiting resources towards identifying and attracting the best qualified applicants for available openings, rather than providing job information broadly. Improve materials so that potential applicants are better able to self-assess their likelihood of success. Focus systems and procedures on the best qualified.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Performance data will be affected by inclusion of results from recruiting and test administration conducted by state agencies other than DOER. (The Executive Branch has a shared applicant processing and tracking system which does not differentiate the data used for this measure by agency.) Efforts to make the state's Executive Branch an "employer of choice" are likely to increase applications as state government is perceived as a more attractive employment opportunity. A rise in unemployment would also drive up application volume.



- Goal 3** : Provide state managers with an efficient, effective and attractive recruiting and selection system which provides qualified candidates for vacant positions.
- Objective 2** : Increase the percentage of unlimited, classified vacancies in the Executive Branch filled from the first list of names referred to the agency from an eligible list to 80% per year by F.Y. 2000.
- Measure 1** : Percent of unlimited, classified vacancies in the Executive Branch filled from the first list of names referred from an eligible list.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
# filled from first referral						
# of vacancies filled from referrals						
% filled from first referral						
Actual	N/A	N/A	N/A	N/A	65%	70%

**DEFINITION :**

"Percent filled from first referral" is the number of vacancies filled from the first list of names referred from an eligible list to an agency with a vacancy divided by the total number of vacancies filled by appointment from a referral. Figures are based on referrals where the effective date of the appointment was within the fiscal year. Only unlimited, classified vacancies are included because other positions (temporary, unclassified, etc.) do not require referral of names from eligible lists. Figures exclude vacancies which are not filled by DOER referral of an eligible list (e.g., jobs covered by the Cooperative Placement Program for which the Department of Economic Security screens and refers candidates).

**RATIONALE :**

If the state is attracting quality applicants and matching them to individual vacancies, managers should successfully appoint from among the first group of names referred.

**DATA SOURCE :**

State's applicant tracking system. Data updated continuously and reported at the end of each fiscal year for appointments effective during that year.

**DISCUSSION OF PAST PERFORMANCE :**

This is a new measure. F.Y. 1997 will provide the data for a baseline measure to track future performance.

**PLAN TO ACHIEVE TARGETS :**

The current recruiting and selection system is based on job classes which contain from one to hundreds of positions. Therefore, the process recruits and test for qualifications important to the majority of jobs in the class. Especially in larger job classes, the competencies necessary for an individual job may vary from the profile for the class as a whole. The Staffing Division is currently reengineering its processes and technology to implement and support a system based on matching applicants more closely to individual jobs, rather than job classes.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Successfully matching candidates to jobs relies on accurate and complete skill information about applicants and jobs. Hiring managers must be able and willing to devote the time and attention necessary to provide quality information. Agencies often find applicants indicate availability but then refuse less than full-time jobs (especially for evening and night shifts, both within and outside the Metro area). Re-verifying candidates' availability choices prior to each referral is prohibitively expensive and the result may be that agencies must request additional referrals to find sufficient candidates.

- Goal 3** : Provide state managers with an efficient, effective and attractive recruiting and selection system which provides qualified candidates for vacant positions.
- Objective 3** : Increase the percent of appointees who pass probation and achieve permanent status in unlimited, classified vacancies in the Executive Branch to 97.5% of new hires by F.Y. 2000.
- Measure 1** : Percent of appointees who pass probation and achieve permanent status in unlimited classified vacancies in the Executive Branch.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Probationary periods</b>						
<b>Actual</b>	5,342	5,331	6,642	5,236		
<b># separated during probation</b>						
<b>Actual</b>	119	151	197	210		
<b>% achieving permanent status</b>						
<b>Actual</b>	97.8%	97.2%	97.0%	96.0%	96.25%	96.5%

**DEFINITION :**

"Percent achieving permanent status" is the number of probationary appointments in the fiscal year less the number of employees terminated before completion of probation (i.e., not achieving permanent status) divided by the total number of probationary periods (completed or terminated) during the fiscal year.

**RATIONALE :**

The probationary period verifies the quality of the selection process against actual job performance. If recruiting and selection processes are effective in matching candidates to individual vacancies, those appointed should succeed. Certifying an employee to permanent status indicates the supervisor finds all aspects of the employee's job performance acceptable. Because of the costs associated with selecting and training a new hire, bad selection decisions also have a financial impact on agencies.

**DATA SOURCE :**

State's payroll system.

**DISCUSSION OF PAST PERFORMANCE :**

N/A

**PLAN TO ACHIEVE TARGETS :**

The current recruiting and selection system is based on job classes which may contain one to hundreds of positions. Therefore, the process recruits and test for qualifications important to the majority of jobs in the class. Especially in larger job classes, the competencies necessary for an individual job may vary from the profile for the class as a whole. The Staffing Division is currently reengineering its processes and technology to implement and support a system based on matching applicants more closely to individual jobs, rather than job classes.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Success on the job is affected by many variables. Even when a manager and candidate are frank in assessing suitability in terms of these "softer" aspects of the job and the organization, actual time on the job may reveal a lack of compatibility neither had anticipated. The job market also affects turnover and retention decisions. If other quality candidates are available, supervisors are unlikely to give "the benefit of the doubt" to appointees who are questionable in any way. If jobs are plentiful, appointees are less likely to try to hold on to an employment situation.

- Goal 3** : Provide state managers with an efficient, effective and attractive recruiting and selection system which provides qualified candidates for vacant positions.
- Objective 4** : Decrease median days elapsed from the application closing date of an examination to establishment of a list of eligible candidates to 30 days for written tests, 10 days for experience and training ratings (E&T's), and 15 days overall by F.Y. 2002.
- Measure 1** : Median days elapsed from application closing date to date eligible list established for written tests, experience and training ratings (E&T's) and overall.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Median days elapsed:</b>						
<b>Actual</b>	*	*				
<b>For written tests</b>						
<b>Actual</b>	43.6	42.9	48.0	36.5	39.6	37.7
<b>For E&amp;T's</b>						
<b>Actual</b>	13.3	22.0	21.0	14.0	16.7	15.4
<b>For all exams</b>						
<b>Actual</b>	N/A	N/A	31.0	21.0	23.4	21.8

**DEFINITION :**

"Median days elapsed" is calculated from the number of days between the date an exam closes for application and the date the resulting list of qualified candidates is established by the Staffing Division and available for referral to the agency. This is the time elapsed while the Staffing Division processes applications and schedules, administers, and scores tests. Figures are based on eligible lists established as the result of exams announced during the fiscal year. Only figures for exams announced and administered by the Staffing Division are included since agencies determine and control timelines for examinations which they conduct. Figures also exclude open continuous exams (those with no established closing date). Individuals may apply and test for these jobs at any time. When vacancies occur, names are referred from the already existing eligible list. Average (median) turnaround for referral from those lists by the Staffing Division is one day.

Because of the factors described below (see "Discussion of Past Performance"), figures for F.Y. 1995 and F.Y. 1996 - taken individually - are anomalous. Targets for future years were calculated from combined 1995 and 1996 data. The larger number of cases should provide more stable and realistic results. Overall, figures for 1995 and 1996 were: 41.5 days for written tests, 18.0 days for E&T's, and 25.0 days for all exams.

**RATIONALE :**

Measures the normal turnaround experienced by agencies from the end of recruiting to the availability of the new list for the filling of a vacancy. Turnaround time is important to state agencies which have vacancies they are waiting to fill from the new list. It is also important because, as the time lengthens, applicants - especially the best qualified - find other employment or lose interest and drop out of the process.

**DATA SOURCE :**

State's applicant tracking system.

**DISCUSSION OF PAST PERFORMANCE :**

Median turnaround for written tests had remained fairly constant over time at about 43 days. The increase in 1995 related to a change in computer systems. Because of conversion, written tests could not be scheduled or scored for a number of weeks. The new system, while more comprehensive and flexible, is also significantly more complicated to learn and use. The large decrease in 1996 resulted from review and revision of the scheduling and scoring processes and more proficient use of the new system's capabilities. Results for experience and training ratings tend to be less consistent. Because E&T's require individual review and scoring of each application, turnaround is highly susceptible to the complexity and volume of exams announced, the number of applications to be rated, and the number and expertise of raters. The decrease in 1996 resulted from a lower volume of exams, as well as new technology.

**PLAN TO ACHIEVE TARGETS :**

The Staffing Division is currently examining and reengineering its processes and technology. Reductions will be achieved through additional software applications, streamlining of procedures, and elimination of current mandates and requirements which add no value to the quality of the final product.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Agencies, rather than the Staffing Division, determine announcement and examining volume. DOER has little control over the number of requests received or the volume of applicants. Frequently, agencies participate in application screening and their ability and willingness to devote sufficient resources to this function affects timelines.

**Agency** : EMPLOYEE RELATIONS DEPT  
**Program** : HUMAN RESOURCE MGMT  
**BACT** : HUMAN RESOURCE DEVELOPMENT

**EXPENDITURES AND STAFFING :**

	<b><u>(\$ in Thousands)</u></b>	<b><u>Percent of Department</u></b>
Total Expenditure	\$844	0.30%
From Special Revenue Funds	\$843	
General	\$1	
Number of FTE Staff:	7	3.70%

**GOALS :**

- Equip managers and supervisors with skills necessary to effectively meet customer needs. (No Statutes Cited)
- Create and support opportunities to maximize the productivity of the state's workforce. (No Statutes Cited)
- Deliver comprehensive training program that meets current needs of all state employees and addresses future needs of a changing state workforce. (No Statutes Cited)

**DESCRIPTION OF SERVICES :**

Human Resource Development (HRD) Services is a shared responsibility among DOER's HRD Services, other state agencies, agency managers and supervisors, and individual employees. HRD's role in this joint effort is to advocate and coordinate services that will assist agency management and employees in gaining access to high quality, cost-effective training and development.

- Goal 1** : Equip managers and supervisors with skills necessary to effectively meet customer needs.
- Objective 1** : Within one year, increase the number of training options available through the Supervisory/Management Development Core training programs by 50% as measured against training modules currently available.
- Measure 1** : Total number of hours spent in Core training programs annually divided by the number of employees.

F.Y.1993F.Y.1994F.Y.1995F.Y.1996F.Y.1997F.Y.1998**DEFINITION :**

The Supervisory and Management Development Core programs were designed in 1990, in order to meet the requirements of the Administrative Procedure. These programs currently include training modules on the most technical aspects of management and supervision (Collective Bargaining, Managing Sick Leave, Writing Position Descriptions, Ethics, etc.), as well as soft skills training (Performance Management, Leadership, Managing Workgroups and Teams).

**RATIONALE :**

Administrative Procedure 43A.21 requires classified managers to complete 80 hours of training within one year after their initial appointment. The Management Development Core program (36 hours) is a required portion of the mandatory 80 hours. Supervisors are required to complete 48 hours of training through the Supervisory Core training program sponsored by DOER.

**DATA SOURCE :**

The data source which determined the number and nature of training modules in the Core programs is unavailable. In order to collect data in the future, we have assembled a steering committee comprised of program customers. We will also be conducting surveys and focus groups to help us identify other methods of assessing program effectiveness (in addition to post-training surveys).

**DISCUSSION OF PAST PERFORMANCE :**

The Core training programs as they currently exist have in the past met all requirements of the law. However, other than class evaluations which are completed after the training, further measurement of effectiveness has been lacking. In the past, DOER has determined which topics should be included in the Core programs. A significant change in practice and procedure will include development of topic menus, so that managers and supervisors (in conjunction with their own managers) can choose the training modules that best meet their needs.

**PLAN TO ACHIEVE TARGETS :**

Two staff members have been designated to work on the Core renovation project. We will tap into the expertise of state managers and supervisors, DOER staff, bargaining unit representatives, and representatives from the technical and community college systems.



**Goal 2** : Create and support opportunities to maximize the productivity of the state's workforce.

**Objective 1** : Improved work communication and performance management by state work groups.

**Measure 1** : Improvement on at least one of five goals in customer organization's work communication as measured by differences between pre- and post-training evaluation surveys (.025 significance level in matched-pair t test).

F.Y.1993

F.Y.1994

F.Y.1995

F.Y.1996

F.Y.1997

F.Y.1998

**DEFINITION :**

**RATIONALE :**

Self-evaluation forms of performance effectiveness are completed by trainees both at the beginning of course training and again upon completion. If course training objectives are effective (and learned by trainees), scores from the second self-evaluation forms will show improvement over the first self-evaluation forms completed by each trainee.

Higher scores on post-evaluation forms are indicative that training objectives were learned and that delivery of training (methodology) was effective.

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**

Effectiveness of performance management training in the workforce relative to improved job performance is difficult to measure due to variation in agency working environment (climate and attitudes), management commitment, and budget constraints. However, enhanced communication skills can assist any organization in achieving its goals.

- Goal 3** : Deliver comprehensive training program that meets current needs of all state employees and addresses future needs of a changing state workforce.
- Objective 1** : Analyze current schedule of class curriculum to determine overall level of satisfaction of curriculum offered as perceived by customers.
- Measure 1** : Numerical ratings calculated from post training class evaluations should average 4.2 or above. (Rating of 1.0 is low and 5.0 is high.)

**Goal 3** : Deliver comprehensive training program that meets current needs of all state employees and addresses future needs of a changing state workforce.

**Objective 1** : Analyze current schedule of class curriculum to determine overall level of satisfaction of curriculum offered as perceived by customers.

**Measure 2** : Average number of attendees per class will be 20.

F.Y.1993

F.Y.1994

F.Y.1995

F.Y.1996

F.Y.1997

F.Y.1998

**DEFINITION :**

**RATIONALE :**

Customer perception of level of satisfaction with course curriculum mix can be determined by tracking numerical ratings, levels of enrollment per class and frequency of classes given. Solicitation of customer comments regarding relevance of curriculum offered gives HRD Services valuable information on individual class success.

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**

**Goal 3** : Deliver comprehensive training program that meets current needs of all state employees and addresses future needs of a changing state workforce.

**Objective 2** : Design a "Leader's Guide to Proposals" that will assist HRDS course trainers in preparing timely proposals for solicitation of specialized training modules.

**Measure 1** : Number of hours needed to complete a proposal.

F.Y.1993

F.Y.1994

F.Y.1995

F.Y.1996

F.Y.1997

F.Y.1998

**DEFINITION :**

**RATIONALE :**

In developing curriculum proposals, data such as course objectives, media used, geographical area to be solicited, and necessary regulatory content must be considered. The leader's guide would address all of these areas, allowing the trainer to prepare a concise proposal efficiently, uniformly, and in a timely manner. Presently, preparation time for the request for proposal process is not recorded. An optimal median preparation time is estimated to be 32 hours.

**DATA SOURCE :**

**DISCUSSION OF PAST PERFORMANCE :**

**PLAN TO ACHIEVE TARGETS :**

**OTHER FACTORS AFFECTING PERFORMANCE :**

- Goal 3** : Deliver comprehensive training program that meets current needs of all state employees and addresses future needs of a changing state workforce.
- Objective 3** : Develop a revised marketing plan to promote the HRDS training curriculum. The marketing plan will consist of enhanced course brochures, offer different forms of media for advertisement (videos in the agency, public access television), and promote revised course curriculum for existing classes offered.
- Measure 1** : Success of new market plans will be measured by level of customer feedback and positive fluctuation in class enrollment as compared with current enrollment levels.

F.Y.1993F.Y.1994F.Y.1995F.Y.1996F.Y.1997F.Y.1998**DEFINITION :****RATIONALE :****DATA SOURCE :****DISCUSSION OF PAST PERFORMANCE :****PLAN TO ACHIEVE TARGETS :****OTHER FACTORS AFFECTING PERFORMANCE :**

**PROGRAM DRIVERS :**

- Goal 1** : Provide state employees and other eligible persons with quality, cost-effective and competitive life insurance, hospital, medical, and dental benefits through provider organizations.
- Objective 1** : Purchase health coverage for FY 1995 and FY 1996 so that the trend in premiums is at or below the trend in the Consumer Price Index (CPI) and the trend in the Milliman & Robertson Health Cost Index.
- Measure 1** : Trend in State Employee Group Insurance Program (SEGIP) premium rates each fiscal year.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>SEGIP Health Price Trend</b>						
Actual	5.9%	4.2%	-.4%	-2.3%	3.6e%	
<b>Medical Services CPI</b>						
Actual	7.1%	5.9%	5.8%	2.9%	N/A%	
<b>Milliman &amp; Robertson Health Cost Index Trend</b>						
Actual	6.7%	2.6%	2.8%	1.9%	N/A%	

**DEFINITION :**

Trend is the rate of increase or decrease (expressed as a percentage) from one period to a subsequent period. Annual trends are used in this report which represent rates of change from identical periods twelve months apart.

**RATIONALE :**

Health premiums are by far the largest component of insurance benefit costs. This outcome measure demonstrates whether we are succeeding in controlling these costs and maintaining premium levels which are competitive. By comparing the SEGIP price trend with the CPI, the state can see whether the trend in prices for the SEGIP program is in line with the regional CPI for medical services. By comparing the SEGIP price trend with the Health Cost Index, the state can see whether the trend in prices for the SEGIP program is in line with the national Medical Care GNP excluding Medicare.

**DATA SOURCE :**

SEGIP Price Trend -- the trend in the weighted average premium rate on a per contract basis for the State Employees Group Insurance Program. Premium and enrollment data are available directly to the Department of Employee Relations through its contracts, enrollment systems and insurance carrier reports.

Weighted average premium rate -- calculated by multiplying the premiums for employee and dependent coverage by the number of contracts in each plan and dividing the sum by the total contracts.

Consumer Price Trend (CPI) -- a statistical measure of changes in prices of goods and services bought by urban wage earners and clerical workers, compiled by the Bureau of Labor Statistics of the Department of Labor.

CPI medical services cost -- one component of the overall CPI specific to the change in purchases of medical services. An annual trend for the CPI medical services cost for the North Central geographic region is used in this report. CPI is available monthly from the U.S. Department of Labor, Bureau of Labor Statistics.

Health Cost Index Trend -- derived from the Health Insurance Trend Model (HITM) for a typical \$250 deductible Comprehensive Major Medical Plan. The HITM is developed by Milliman & Robertson, Inc. and is published on a nationwide basis. Based on the Milliman & Robertson, Inc. Health Cost Guidelines and several national health care databases, the model is a close representative of trends in the Medical Care GNP (Hospital, Physician, and Drug) excluding Medicare. It is available monthly from the Health Cost Index Report published by Milliman & Robertson, Inc.

**DISCUSSION OF PAST PERFORMANCE :**

The program is one of the longest operating examples of the managed competition approach in health insurance purchasing. The program, now in its seventh year of managed competition, has achieved many outcomes projected by managed competition theorists, including significant health care cost savings and, expansion of managed care in rural areas.

**PLAN TO ACHIEVE TARGETS :**

Continue to evaluate effectiveness of the managed competition approach to purchasing health coverage and explore other purchasing models.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Although purchasers' actions can affect the rate of increase, health care costs are also greatly affected by external factors including the introduction of new drugs, equipment and procedures; changes in the average age and other demographic characteristics of the covered population; and public health factors such as new diseases (e.g., AIDS) and behavior patterns (e.g., gun-related injuries).



- Goal 1** : Provide state employees and other eligible persons with quality, cost-effective and competitive life insurance, hospital, medical, and dental benefits through provider organizations.
- Objective 2** : By the year 2000, reduce the State Employee Group Insurance Program C - section delivery rate to no more than 15 per 100 deliveries (15%).
- Measure 1** : C-section delivery rates for the State Employee Group Insurance Program for calendar years 1993 - 1995.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>C-section</b>						
<b>Actual</b>	17.51%	17.49%	17.46%	NA%	NA%	NA%
<b>Target</b>	15%	15%	15%	15%	15%	15%
<b>Benchmark</b>	17.51%	17.51%	17.51%	17.51%	17.51%	17.51%

**DEFINITION :**

The State Employee Group Insurance Program has established an Outcomes Task Force to measure and track outcomes affecting the quality of care rendered to state employees and their dependents. The task force has identified three measures which we are tracking: C-sections, mammography, and annual diabetic eye exams.

**RATIONALE :**

All of the health plans use the data collection methods developed for HEDIS (Health Plan Employer Data Information Set) 2.0 and 2.5, which are the data specifications developed by the National Committee on Quality Assurance (NCQA).

**DATA SOURCE :**

Actual - the sum of the C-sections divided by the total number of births in a calendar year.

Target - the percentage of C-sections developed as the national target in Healthy People 2000.

Benchmark - the 1993 actual C-section delivery rate.

**DISCUSSION OF PAST PERFORMANCE :**

The C-section rate in the State Employee Group Insurance Program is declining at a very slow rate, from 17.51% in 1993 to 17.46% in 1995.

**PLAN TO ACHIEVE TARGETS :**

Work with the Outcomes Task Force to identify current health plan initiatives to bring the C-section rate into line with the Healthy People 2000 objective. Where it is feasible, identify projects which may be able to be done across all carriers, as well as in worksites.

**OTHER FACTORS AFFECTING PERFORMANCE :**

As a large purchaser of health care, the State Employee Group Insurance Program may have some influence on the health plans' agenda for improving the quality of care, but ultimately each plan will determine the activities necessary to reach the objective.

- Goal 1** : Provide state employees and other eligible persons with quality, cost-effective and competitive life insurance, hospital, medical, and dental benefits through provider organizations.
- Objective 3** : Mammography - Continue to maintain or exceed the 1995 State Employee Group Insurance Program average of 80% for women aged 50 and older who have received a mammogram within the preceding two years.
- Measure 1** : The mammography rate for women 50 and older who received a mammogram within the preceding two years.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Mammograph</b>						
<b>Actual</b>	66.79%	75.46%	80.24%	NA%	NA%	NA%
<b>Target</b>	60%	60%	60%	80%	80%	80%
<b>Benchmark</b>	66.79%	66.79%	66.79%	66.79%	66.79%	66.79%

**DEFINITION :**

The State Employee Group Insurance Program has established an Outcomes Task Force to measure and track outcomes affecting the quality of care rendered to state employees and their dependents. The task force has identified three measures which we are tracking: C-sections, mammography, and annual diabetic eye exams.

**RATIONALE :**

All of the health plans use the data collection methods developed for HEDIS (Health Plan Employer Data Information Set) 2.0 and 2.5, which are the data specifications developed by the National Committee on Quality Assurance (NCQA).

**DATA SOURCE :**

Actual - All women aged 52-64 who had been in the State Employee Group Insurance Program as of December 31 divided by the number of women who had a mammogram in the previous two years.

Healthy People 2000 target - 60%.

New SEGIP Target - percentage of mammography exams conducted in 1995.

Benchmark - the 1993 actual percentage of mammography exams.

**DISCUSSION OF PAST PERFORMANCE :**

Healthy People 2000 has established a national objective of 60% for mammography exams. While we acknowledge that this objective was established by some of the best experts in the country, we also would like to recognize that the State Employee Group Insurance Program far exceeds that objective and has for the three years that we have collected outcomes data. In light of the high performance of our health plans, we feel it is appropriate in this instance to deviate from the Healthy People 2000 objective, and set a new level at 80% or more.

**PLAN TO ACHIEVE TARGETS :**

Work with the Outcomes Task Force to identify current health plan initiatives that will increase or maintain the mammography rates.

**OTHER FACTORS AFFECTING PERFORMANCE :**

As a large purchaser of health care, the State Employee Group Insurance Program may have some influence on the health plans' agenda for improving the quality of care, but ultimately each plan will determine the activities necessary to reach the objective. The second factor affecting performance is HEDIS 3.0 that has been issued in draft form by the National Committee on Quality Assurance. If it is adopted as it is currently drafted, it does contain some changes in the specifications on how we measure mammography rates.

- Goal 1** : Provide state employees and other eligible persons with quality, cost-effective and competitive life insurance, hospital, medical, and dental benefits through provider organizations.
- Objective 4** : Annual Diabetic Eye Exams - By the year 2000, increase to at least 55% the percentage of diabetics in the State Employee Group Insurance Program who have had a retinal examination in the preceding calendar year.
- Measure 1** : The percentage of diabetics in the State Employee Group Insurance Program who have had a retinal examination in the preceding calendar year.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Annual Diabetic Eye Exams</b>						
<b>Actual</b>	46.03%	51.61%	51.91%	NA%	NA%	NA%
<b>Target</b>	55%	55%	55%	55%	55%	55%
<b>Benchmark</b>	46.03%	46.03%	46.03%	46.03%	46.03%	46.03%

**DEFINITION :**

The State Employee Group Insurance Program has established an Outcomes Task Force to measure and track outcomes affecting the quality of care rendered to state employees and their dependents. The task force has identified three measures which we are tracking: C-sections, mammography, and annual diabetic eye exams.

**RATIONALE :**

All of the health plans use the data collection methods developed for HEDIS (Health Plan Employer Data Information Set) 2.0 and 2.5, which are the data specifications developed by the National Committee on Quality Assurance (NCQA).

**DATA SOURCE :**

Actual - the number of diabetics receiving an eye exam in the previous calendar year divided by the total number of diabetics.

Target - percentage of diabetic eye exams that are feasible in the State Employee Group Insurance Program.

Benchmark - the 1993 actual percentage of diabetics receiving eye exams.

**DISCUSSION OF PAST PERFORMANCE :**

There currently are no national, state, regional or local objectives that have been established by independent organizations for diabetic eye exams. As a result, the objective was established in collaboration with health plans in recognition of what has been achieved and what is realistically possible given the barriers that exist to identifying and tracking diabetics. The percentage of diabetics receiving an annual eye exam in the State Employee Group Insurance Program has gradually increased from 46% in 1993 to just under 52% in 1995.

**PLAN TO ACHIEVE TARGETS :**

Work with the Outcomes Task Force to identify current health plan initiatives to increase the percentage of diabetics who receive an annual eye exam. Where it is feasible, identify projects which may be able to be done across all carriers, as well as in worksites.

**OTHER FACTORS AFFECTING PERFORMANCE :**

As a large purchaser of health care, the State Employee Group Insurance Program may have some influence on the health plans' agenda for improving the quality of care, but ultimately each plan will determine the activities necessary to reach the objective. The second factor affecting performance is HEDIS 3.0 that has been issued in draft form by the National Committee on Quality Assurance. If it is adopted as it is currently drafted, it does contain some changes in the specifications on how we measure diabetic eye exam rates.

**Goal 2** : Improve the quality and accessibility of information available to state employees and other eligible persons, enabling them to take more responsibility for their choices regarding life insurance, hospital, medical, and dental benefits through provider organizations.

**Objective 1** : Work with individual health plans to improve their service and quality so that employee opinion of overall health care on the 1995 biennial employee satisfaction survey exceeds 84.5%.

**Measure 1** : Employee's overall satisfaction with the quality of their health care.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>State Health Plan</b>						
<b>Actual</b>	85%		80%			
<b>Target</b>			84.5%		84.5%	
<b>Group Health Inc.</b>						
<b>Actual</b>	79%		80%			
<b>Target</b>			84.5%		84.5%	
<b>Medica Premier</b>						
<b>Actual</b>	91%		86%			
<b>Target</b>			84.5%		84.5%	
<b>Medical Primary</b>						
<b>Actual</b>	80%		81%			
<b>Target</b>			84.5%		84.5%	
<b>HealthPartners (formerly MedCenters)</b>						
<b>Actual</b>	87%		88%			
<b>Target</b>			84.5%		84.5%	
<b>First Plan HMO</b>						
<b>Actual</b>	85%		86%			
<b>Target</b>			84.5%		84.5%	
<b>Average</b>						
<b>Actual</b>	84.5%		83%			
<b>Target</b>			84.5%		84.5%	

#### DEFINITION :

Employee's overall satisfaction with health care -- Percentage of state employee survey respondents reporting that they are extremely satisfied or very satisfied (5 or 6 on a 6-point scale) with the health care they receive through their health plans. This measure is based on the average of responses to seven questions concerning: overall quality, results of adults' primary care, results of children's primary care, results of specialty care, quality of adults' primary care, quality of children's primary care, and quality of specialty care.

Target - the average from the 1993 employee satisfaction survey.

**RATIONALE :**

Managed care health plans influence many aspects of health care delivery. Patients' satisfaction with their health care bears directly on which plan they choose during open enrollment. By improving carrier performance and providing employees with this information, it empowers employees to seek out quality, cost-effective health care.

**DATA SOURCE :**

A random survey of state employees concerning their perceptions and experiences with their health plans. The survey has been conducted in 1991, 1993 and 1995 and will be repeated every two years. The 1993 questionnaire is based in part on the following sources: 1991 DOER Survey; the 1992 National Committee for Quality Assurance Michigan Project Survey; and the 1991 Group Health Association of America Consumer Satisfaction Survey.

**DISCUSSION OF PAST PERFORMANCE :**

The survey conducted for F.Y. 1993 established the baseline for measuring future performance. The 1995 survey returned relatively high ratings in overall quality of care for all health plans.

Both the 1993 and 1995 surveys targeted the following as areas for improvement:

- Quality of the health plan's customer service.
- Access to after-hours care, urgent care, and emergency care.
- Ability of members to find a primary care doctor they are satisfied with.

The agency continues to work with each of the health plans as they respond to these challenges. Some examples of improvement efforts include:

- Changing open enrollment materials to be more user-friendly and more readily available to employees.
- Piloting a phone care project in a portion of greater Minnesota.
- Supporting the development of an urgent care center in northern Minnesota.
- Expanding customer service training.

**PLAN TO ACHIEVE TARGETS :**

The health plans develop a quarterly workplan to address the areas needing improvement. This work plan is shared with the agency during the year through meetings with the health plans.



**OTHER FACTORS AFFECTING PERFORMANCE :**

The agency works with participating health plans to review the survey results, including areas they are doing well and areas where improvement is indicated. As a large purchaser the agency can have some influence on the plans' management and agenda for improvement, but ultimately each plan's rating will be determined by its own activities and the quality of participating health care providers.

**Goal 2** : Improve the quality and accessibility of information available to state employees and other eligible persons, enabling them to take more responsibility for their choices regarding life insurance, hospital, medical, and dental benefits through provider organizations.

**Objective 2** : Work with individual health plans to improve their service and quality so that employee opinion of their health plan as measured on the 1995 biennial employee satisfaction survey exceeds 81%.

**Measure 1** : Employee's overall satisfaction with their health insurance plans.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>State Health Plan</b>						
<b>Actual</b>	82%		73%			
<b>Target</b>			81%		81%	
<b>Group Health Inc.</b>						
<b>Actual</b>	75%		79%			
<b>Target</b>			81%		81%	
<b>Medica Premier</b>						
<b>Actual</b>	82%		79%			
<b>Target</b>			81%		81%	
<b>Medica Primary</b>						
<b>Actual</b>	78%		81%			
<b>Target</b>			81%		81%	
<b>HealthPartners (formerly MedCenters)</b>						
<b>Actual</b>	87%		84%			
<b>Target</b>			81%		81%	
<b>First Plan HMO</b>						
<b>Actual</b>	82%		88%			
<b>Target</b>			81%		81%	
<b>Average</b>						
<b>Actual</b>	81%		81%			
<b>Target</b>			81%		81%	

#### DEFINITION :

Employee's overall satisfaction with their health plan -- percentage of state employee survey respondents reporting that they are extremely satisfied or very satisfied (5 or 6 on a 6-point scale) with their chosen health plans. This measure is based on responses to the question: "All things considered, are you satisfied or dissatisfied with having [Health Plan Name] as your health plan?"

Target - the average from the 1993 employee satisfaction survey.

**RATIONALE :**

Managed care health plans influence aspects of health care delivery. Patients' satisfaction with their health plan bears directly on which plan they choose during open enrollment. By improving carrier performance and providing employees with this information, it empowers employees to seek out quality, cost-effective health care.

**DATA SOURCE :**

A random survey of state employees concerning their perceptions and experiences with their health plans. The survey has been conducted in 1991, 1993, and 1995 and will be repeated every two years. The 1993 questionnaire is based in part on the following sources: 1991 DOER Survey; the 1992 National Committee for Quality Assurance Michigan Project Survey; and the 1991 Group Health Association of America Consumer Satisfaction Survey.

**DISCUSSION OF PAST PERFORMANCE :**

The survey conducted for F.Y. 1993 established the baseline for measuring future performance. The average rating of employees' overall satisfaction with their health plans remained at 81% from the 1993 survey to the 1995 survey. Employees' overall satisfaction ratings ranged in 1993 from the lowest rated plan's score of 75% to the highest rated plan's score of 87%. This range increased in 1995 to be a low score of 73% and a high score of 88%.

Both the 1993 and 1995 surveys targeted the following as areas for improvement:

- Quality of the health plan's customer service.
- Access to after-hours care, urgent care, and emergency care.
- Ability of members to find a primary care doctor they are satisfied with.

The agency continues to work with each of the health plans as they respond to these challenges. Some examples of improvement efforts include:

- Changing open enrollment materials to be more user-friendly and more readily available to employees.
- Piloting a phone care project in a portion of greater Minnesota.
- Supporting the development of an urgent care center in northern Minnesota.
- Expanding customer service training.

**PLAN TO ACHIEVE TARGETS :**

The health plans develop a quarterly workplan to address the areas needing improvement. This work plan is shared with the agency during the year through meetings with the health plans.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The agency works with participating health plans to review the survey results, including areas they are doing well and areas where improvement is indicated. As a large purchaser the agency can have some influence on the plans.

- Goal 3** : Ensure that state employees work in a safe and healthy environment by preventing accidents, illnesses, and diseases.
- Objective 1** : Maintain an incidence rate that is at or below the incidence rate for other employers in Minnesota each fiscal year.
- Measure 1** : The incidence rate is the number of reportable claims based on 200,000 employee hours worked.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Workers' Compensation Program</b>						
<b>Actual</b>	7.4%	7.8%	7.2%	6.3%		
<b>Minnesota</b>						
<b>Actual</b>	8.6%	8.7%	8.7%	NA%		
<b>Local Governments</b>						
<b>Actual</b>	8.3%	8.5%	8.8%	NA%		

**DEFINITION :**

Incidence rate is a standard industry term used to describe the frequency of claims that are OSHA (Occupational Safety and Health Act) recordable occurring per 200,000 employee hours worked. An OSHA recordable injury or illness must be work related and require medical treatment other than first aid. This formula, which is the total number of hours worked divided by 200,000, then divided into the number of claims, is used by the U.S. Bureau of Labor Statistics to measure performance.

The rate for Minnesota represents all employers in the state, both public and private. The rate for local governments represents local units of government within Minnesota, such as cities and counties.

**RATIONALE :**

Actual claims reduction based on the identification and prevention of injury, illness, and disease is often difficult to quantify due to the multi-focused approach needed to effectively manage the overall claims process and affect long term costs. However, focus on frequency of claims, prevention of injuries, and attention to employee safety concerns has proven to be effective. Use of this measure will allow the state to compare its performance to that of other employers.

Some of the benefits proactive safety management include the following:

- Better compliance with federal and state OSHA guidelines
- Increased identification of indoor air quality concerns and resolution of those concerns
- Increased identification of specific injuries such as cumulative trauma disorders and the development of ergonomic workplace modifications.

**DATA SOURCE :**

Program data is generated by the Department of Employee Relations' GenComp system. The number of hours worked is from the state's payroll system. Data pertaining to other Minnesota employers is compiled by the U.S. Bureau of Labor Statistics and published by the Minnesota Department of Labor and Industry. Data pertaining to local governments is compiled by the Minnesota Department of Labor and Industry. The program's data is reported by fiscal year and the other data is reported by calendar year.

**DISCUSSION OF PAST PERFORMANCE :**

The program's past performance indicates that we have met our objective. The program will continue to track the workers' compensation incidence rate as a measure of performance.

**PLAN TO ACHIEVE TARGETS :**

Continued attention to safety and ensuring a healthy work environment should produce a favorable incidence rate.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Individual agencies' ability to initiate and maintain safety functions is based largely on commitment from senior management and budgetary support. Each agency operates autonomously and determines its own level of commitment and support for each program.

**Goal 4** : Resolve workers' compensation claims effectively and efficiently in accordance with applicable laws and program policies and procedures.

**Objective 1** : Contain workers' compensation benefit costs for FY 1995 and FY 1996 so that any increase is at or below the percent of change in the state average weekly wage (SAWW) or the percent of change in the MN state average employee wage for indemnity benefits, and the inflation rate for workers' compensation medical costs.

**Measure 1** : The percent of increase in the program's indemnity costs compared to SAWW and MN state average wage.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Percent increase (decrease) for the Program</b>						
<b>Actual</b>	4.99%	3.6%	(10.7)%	(10.9)%		
<b>SAWW percent increase (decrease)</b>						
<b>Actual</b>	3.6%	5.4%	1.7%	2.6%		
<b>MN State average employee wage percent increase (decrease)</b>						
<b>Actual</b>	3.1%	0%	3.5%	1.2%		

#### DEFINITION :

Idemnity benefits are compensation dollars paid to employees for lost time from work and permanent lost of function. The program's percent of change is computed by subtracting the previous year's costs from the current year's costs then, dividing the result by the previous year's costs.

#### RATIONALE :

Our program objective is to contain costs while delivering appropriate services and benefits to injured workers. Indemnity benefits can be influenced by a number of factors such as severity of the injury and wage inflation. Because indemnity payments represent more than 50 percent of total benefit costs, we have selected this outcome measure to show the program's performance from year to year compared to the changes in employee wages.

#### DATA SOURCE :

The program's data source is the Workers' Compensation GenComp system; SAWW percent of change rate is provided to us by the Minnesota Department of Labor and Industry; and the average MN State employee wage is provided by the Department of Employee Relations, Information Systems.

**DISCUSSION OF PAST PERFORMANCE :**

We have made significant changes in how we administer workers' compensation claims in F.Y. 93 and F.Y. 94. Specifically, we have brought our claim specialists' caseloads in line with the industry average (F.Y. 1993), and we have reengineered the processes for administering benefits (F.Y. 1994). The program has maintained the changes instituted in F.Y. 93 and F.Y. 94 in F.Y. 95 and F.Y. 96.

**PLAN TO ACHIEVE TARGETS :**

By continuing to keep our claim specialists' caseloads in line with the industry average, the claim specialists will be better able to proactively manage claim issues.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Severity of the injury

Changes in the law

Court and regulatory decisions

Other state agencies' ability to limit the occurrence of work-related injuries or illnesses

Return-to-work policies of state agencies



- Goal 4** : Resolve workers' compensation claims effectively and efficiently in accordance with applicable laws and program policies and procedures.
- Objective 1** : Contain workers' compensation benefit costs for FY 1995 and FY 1996 so that any increase is at or below the percent of change in the state average weekly wage (SAWW) or the percent of change in the MN state average employee wage for indemnity benefits, and the inflation rate for workers' compensation medical costs.
- Measure 2** : The percent of increase in the program's medical costs compared to the percent of change for medical costs for the consumer price index (CPI).

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Percent increase/(decrease) for the program</b>						
<b>Actual</b>	21%	(25.9)%	(19.9)%	12.6%		
<b>CPI percent of increase/(decrease)</b>						
<b>Actual</b>	7.4%	5.9%	4.8%	4.5%		

**DEFINITION :**

Medical benefits are payments made on behalf of or to employees for medical services. The CPI percentage of change is based on a calendar year. The program's percent is computed by subtracting the previous year's costs from the current year's costs, then dividing the result by the previous year's costs.

**RATIONALE :**

Because medical payments represent more than 35% of total benefit costs, we have selected this outcome measurement to show the program's performance from year to year. The program's medical costs are not only influenced by the increased costs for medical services, but also the statutory guidelines under Chapter 176A.

**DATA SOURCE :**

The program's data source is the Workers' Compensation GenComp system; the percent of change is published by the U.S. Bureau of Labor Statistics, CPI Detailed Report.

**DISCUSSION OF PAST PERFORMANCE :**

The increase in medical costs in F.Y. 1993 can be attributed, in part, to a court decision which required us to retroactively pay additional medical costs on previously reduced hospital bills. Furthermore, we experienced a significant increase in prescription costs due to an increase in claims for prescriptions. In F.Y. 1994, the program contracted with a certified managed care plan to oversee the delivery of health care services as allowed under M.S. 176.1351. F.Y. 1996 shows an increase in medical costs compared to F.Y. 1995. There are a number of reasons for the increase in costs. The program experienced an increase in the number of claims in F.Y. 1996 as a result of the higher education merger, and the managed care vendor began doing total medical care management rather than focusing only on episodic care.

**PLAN TO ACHIEVE TARGETS :**

We will continue to contract with a managed care plan to oversee the delivery of health care services and to monitor and contain total claim costs while ensuring appropriate services to the injured worker.

**OTHER FACTORS AFFECTING PERFORMANCE :**

Severity of the injury

Changes in the law

Court and regulatory decisions

Other state agencies' ability to limit the occurrence of work-related injuries or illnesses

Return-to-work policies of state agencies

- Goal 4** : Resolve workers' compensation claims effectively and efficiently in accordance with applicable laws and program policies and procedures.
- Objective 2** : Ensure that payments processed within 30 days for FY 1995 and FY 1996 is at or above 98%.

**Measure 1** : The percentage of payments processed within 30 days.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Percent paid promptly by program</b>						
<b>Actual</b>	90%	98%	99%	98%	98%	98%
<b>Percent paid promptly by managed care plan</b>						
<b>Actual</b>	NA%	52%	99%	98%	98%	98%

#### DEFINITION :

In accordance with M.S. 16A.124, invoices must be paid within 30 days and shall be equal to or better than the Department of Finance's goal of 98%; therefore, the number of bills paid within that timeframe measures timeliness of operations. Beginning July 1, 1993, payments to medical providers such as hospitals and clinics were processed by the managed care plan. The program continues to process benefit payments to injured workers and to rehabilitation, legal, and miscellaneous vendors. The percentage is derived by dividing the number of payments processed within 30 days by the total number of payments processed.

#### RATIONALE :

Timeliness of operations is essential in this program to provide appropriate services and to avoid penalties due to late payments. Monitoring the promptness of payments measures the efficiency of the program.

#### DATA SOURCE :

Data concerning the promptness of payments processed by the Workers' Compensation Unit is obtained from the program's GenComp system for F.Y. 1996 and from the Department of Finance for F.Y. 1993-95. Data concerning the promptness of payments processed by the managed care plan is provided by United HealthCare.

#### DISCUSSION OF PAST PERFORMANCE :

Over the past four years, the program has strived to improve its payment process to reach the state's goal of 98%. With the delegation of the processing of medical invoices to the managed care plan, payments processed by the worker' compensation unit has reached the 98% goal. The managed care plan experienced difficulties with start-up and implementation of processing medical invoices, but, they are now maintaining an average of 98%.

- Goal 5** : Provide statewide plans to: public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage Public Employees Insurance Program (PEIP); and private employers with the advantages of a large pool for insurance purchasing Minnesota Employers Insurance Program (MEIP), to advance the welfare of the citizens of the state.
- Objective 1** : Increase the number of: participating public employer groups for F.Y. 1995 and F.Y. 1996 by 10% in PEIP; participating private employer groups for F.Y. 1995 and F.Y. 1996 by 100 for MEIP; and maintain a retention rate at or above 85% for both programs.
- Measure 1** : The number of participating employer groups in PEIP and MEIP each fiscal year.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>PEIP Performance</b>						
Actual	60	68	82	91	N/A	N/A
Target	50	66	75	90	100	N/A
<b>MEIP Performance</b>						
Actual	N/A	101	277	357	N/A	N/A
Target	N/A	N/A	201	377	457	N/A

**DEFINITION :**

Participating employer groups are the number of public employers offering benefits to employees through PEIP and the number of private Minnesota employers offering benefits to employees through MEIP.

**RATIONALE :**

Because the program is voluntary, employer group enrollment is tangible evidence of whether or not the program is meeting employers' needs. By providing a unique, multi-carrier pool structure with employee-level choice based on "managed competition," the program gives employers an employee benefits option not available from any other source.

**DATA SOURCE :**

Actual - the number of participating employers at the specified point in time per the program's contractor for enrollment and premium billing administration.

Target - calculated by multiplying the number of actual participating employers in PEIP from the previous year by 110%, and calculated by increasing the number of actual participating employers in MEIP from the previous year by 100.

**DISCUSSION OF PAST PERFORMANCE :**

PEIP has grown steadily since its inception, primarily in greater Minnesota, with the addition of public jurisdictions with 30-100 employees.

MEIP was implemented in July 1993 with first groups enrolling in November 1993. The program has grown steadily since its inception.

**PLAN TO ACHIEVE TARGETS :**

A targeted marketing plan will be used to increase the number of participating public employers in PEIP.

MEIP will utilize a variety of marketing sales techniques to reach small employers, including direct mail, advertising, public relations, and independent agents. Additionally, the results of a market survey will be used to help determine strategy.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The attractiveness of the programs may be affected by a variety of marketplace developments beyond the agency's control. Because the programs are voluntary and have guarantee issue provisions, the programs may become less competitive if adversely selected.

- Goal 5** : Provide statewide plans to: public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage Public Employees Insurance Program (PEIP); and private employers with the advantages of a large pool for insurance purchasing Minnesota Employers Insurance Program (MEIP), to advance the welfare of the citizens of the state.
- Objective 1** : Increase the number of: participating public employer groups for F.Y. 1995 and F.Y. 1996 by 10% in PEIP; participating private employer groups for F.Y. 1995 and F.Y. 1996 by 100 for MEIP; and maintain a retention rate at or above 85% for both programs.
- Measure 2** : The retention rate (i.e., groups choosing to renew participation in PEIP and MEIP) each year.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>PEIP Performance</b>						
Actual	100%	89%*	93%	94%	N/A	N/A
Target	85%	85%	85%	85%	85%	N/A
<b>MEIP Performance</b>						
Actual	N/A	N/A	93%	87%	N/A	N/A
Target	N/A	N/A	85%	85%	85%	85%

**DEFINITION :**

Retention rate - Among groups eligible to remain in the program after their initial or subsequent two-year commitments, the percentage that choose to remain in the program.

**RATIONALE :**

This measure reflects group loyalty or retention rather than absolute enrollment levels. Employers joining the program commit to a two-year membership period. When that period expires, they can leave the program or re-enroll for another two years. A high retention rate indicates that, not only was the program attractive initially, but remains attractive to employers who have direct experience with it.

**DATA SOURCE :**

Group retention data is calculated from enrollment data provided by the program's contractor for enrollment and premium billing administration.

**DISCUSSION OF PAST PERFORMANCE :**

PEIP has been successful in retaining the vast majority of groups after the initial 2-year contract proposals. This is due to competitive rates and excellent customer service provided to enrollees by program staff and vendors.

MEIP has exceeded its retention goals in 1995 and 1996.

**PLAN TO ACHIEVE TARGETS :**

PEIP will continue to maintain competitive rates for both new business and renewal groups. Competitive rates combined with excellent service will assist in meeting retention goals for PEIP groups.

MEIP plans to maintain a very high level of service to enrollees, agents, and employers and to work toward minimal rate increases.

**OTHER FACTORS AFFECTING PERFORMANCE :**

The attractiveness and competitiveness of the program may be affected by a variety of marketplace developments beyond the agency's control.

\*Please note that this figure reflects two school districts that terminated because they merged with other districts and two cities that had only one employee which dropped group coverage. If you discount these four groups, it gives PEIP a 94% retention rate. In subsequent years, only groups that voluntarily did not renew were counted.

**Goal 5** : Provide statewide plans to: public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage Public Employees Insurance Program (PEIP); and private employers with the advantages of a large pool for insurance purchasing Minnesota Employers Insurance Program (MEIP), to advance the welfare of the citizens of the state.

**Objective 2** : Increase the number of participants in PEIP for FY 1995 and FY 1996 by 10%.

**Measure 1** : The number of participating employees in PEIP each year.

	<u>F.Y.1993</u>	<u>F.Y.1994</u>	<u>F.Y.1995</u>	<u>F.Y.1996</u>	<u>F.Y.1997</u>	<u>F.Y.1998</u>
<b>Performance</b>						
<b>Actual</b>	2,350	2,561	2,653	3,008	N/A	N/A
<b>Target</b>	1,450	2,585	2,817	2,918	3,309	N/A

#### DEFINITION :

Participating employees are those employees of participating public employers choosing coverage under PEIP's programs.

#### RATIONALE :

Ideally, the program will attract a large number of groups and a large number of employees which will represent an attractive business opportunity for health insurers.

#### DATA SOURCE :

Enrollment data is provided by the program's contractor for enrollment and premium billing administration.

#### DISCUSSION OF PAST PERFORMANCE :

The program has grown steadily since its inception. The transition from two self-insured options to four fully-insured options was completed on January 1, 1995. The performance of the new offerings is too new to critique.

#### PLAN TO ACHIEVE TARGETS :

A targeted marketing plan will be used to increase the number of participating employees.

#### OTHER FACTORS AFFECTING PERFORMANCE :

The attractiveness of the program may be affected by a variety of marketplace developments beyond the agency's control.



**Agency** : EMPLOYEE RELATIONS DEPT  
**Program** : EMPLOYEE INSURANCE  
**BACT** : STATE GROUP INSURANCE

**EXPENDITURES AND STAFFING :**

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$3,793	1.33%
From Special Revenue Funds	\$388	
Revolving	\$3,405	
Number of FTE Staff:	46	24.15%

**GOALS :****DESCRIPTION OF SERVICES :**

It is essential to have a healthy and productive workforce in order to carry out the responsibilities of state government. Employee insurance benefits are an important part of total employee compensation and key to attracting and retaining a high-quality workforce. The state employee group insurance program (SEGIP) manages employee insurance benefits to support the state's goals as an employer and to enhance employee health through wellness programs.

Historically, large increases in health insurance premiums have posed a major challenge to the program and to all other health insurance purchasers. The program meets this challenge through a unique "managed competition" approach to health insurance purchasing which emphasizes employee choice of plans and rewards insurers who provide quality coverage most efficiently.

SEGIP benefits include health, dental, life and disability insurance, health promotion services, and pre-tax spending accounts for dependent care and medical/dental expenses. These benefits are available to executive branch employees and to other organizations authorized to participate including the University of Minnesota, the legislative and judicial branches of state government, and smaller organizations including legislative commissions, employee credit unions, and state employee unions. SEGIP's State Employee Health Promotion Program works to develop practical and educational resources that state agencies can use to encourage healthy behavior and lifestyle choices among their employees.

**BACKGROUND INFORMATION :**

**MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),  
OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)**

**DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR  
(FFY), BIENNIUM YEARS (BY)**

<b><u>Type</u></b>	<b><u>Based</u></b>	<b><u>Measure</u></b>	<b><u>1994-95</u></b>	<b><u>1995-96</u></b>
W	FY	Number of employees covered (1)	42,836	48,478
W	FY	Number of dependents covered (1)	61,106	69,062
W	FY	Number of employees in medical/dental pre-tax accounts	6,046	N/A
W	FY	Number of employees selecting optional life (1)	22,031	22,672
W	FY	Number of employees selecting optional short term disability (1)	20,103	20,473
W	FY	Number of employees selecting optional long term disability (1)	14,980	15,881
UC	FY	Average premium per employee	\$300.97	\$265.74

**PROGRAM DRIVERS :**

For most state employees, the terms of employment, including insurance benefits, are determined through collective bargaining. Ten different labor unions represent almost all (95%) of the state's workforce. The cost of insurance benefits is a major factor in the state's total compensation budget and a significant collective bargaining issue. Changes in medical care technology, and state and national health care reform efforts will also affect the cost of premiums, benefit levels, and delivery of systems. Health alliances between physicians, hospitals, and payers (HMOs, insurance companies) are forming integrated systems, which will change the way health care is delivered and purchased. Legislative initiatives will impact the entire health care industry and thus, impact the program.

(1)Numbers do not include University of Minnesota employees and dependents.

Agency : EMPLOYEE RELATIONS DEPT

Program : EMPLOYEE INSURANCE

BACT : PEIP

#### EXPENDITURES AND STAFFING :

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$231	0.08%
Revolving	\$231	
Number of FTE Staff:	3	1.30%

#### GOALS :

#### DESCRIPTION OF SERVICES :

PEIP is available to public employers and retirees of public employers. The program includes group medical, life insurance, and dental coverage. The health care plan is modeled after the State Employees Group Insurance Program, which allows employee choice and rewards insurers who provide cost-effective care.

The program's start-up and operating funds were financed by a budget which was approved by the Legislature and was repaid within three years. Agency staff direct the operations to comply with applicable laws, rules, and regulations; provide technical expertise; and oversee marketing and administration.

#### BACKGROUND INFORMATION :

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),  
OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR  
(FFY), BIENNIUM YEARS (BY)

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
W	FY	Number of participating employer groups	82	91
W	FY	Number of covered employees	2,653	3,008

**PROGRAM DRIVERS :**

The design and marketing of the program are fundamental to the program's success. Additional factors that can influence the growth of the program include general market conditions and competition. Changes in medical care technology, and state and national health care reform efforts will also affect the cost of premiums, benefit levels, and delivery of systems.

Agency : EMPLOYEE RELATIONS DEPT  
 Program : EMPLOYEE INSURANCE  
 BACT : MEIP

**EXPENDITURES AND STAFFING :**

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$286	0.10%
Revenue Funds	\$286	
Number of FTE Staff:	2	1.10%

**GOALS :****DESCRIPTION OF SERVICES :**

The cost of health care has increased substantially over the past several years. For employers that offer coverage to their workers, increases in costs have diminished profitability. Some employers have opted not to offer coverage, to decrease benefits, or to increase employee contributions toward the cost of care.

MEIP, in conjunction with insurance reform, was designed to provide a health care alternative for private employers. The program is modeled after the State Employees Group Insurance Program, which allows employee choice and rewards insurers who provide cost-effective care.

The program's initial start-up and operating funds were directly appropriated by the Legislature and will be repaid within five years. Agency staff direct the operations to comply with applicable laws, rules, and regulations; provide technical expertise, and oversee marketing and administration.

**BACKGROUND INFORMATION :**

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),  
 OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR  
 (FFY), BIENNIUM YEARS (BY)

**EMPLOYEE RELATIONS DEPT****1996 Agency Performance Report**

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
W	FY	Number of participating employer groups	277	357
W	FY	Number of covered employees	1,968	2,790

**PROGRAM DRIVERS :**

The design and marketing of the program are fundamental to the program's success. Additional factors that can influence the growth of the program include general market conditions, competition from other purchasing pools, and public acceptance of the program. Changes in medical care technology, and state and national health care reform efforts will also affect the cost of premiums, benefit levels, and delivery of systems. Although it is not quantifiable, the influence that the program has in the general marketplace can also be considered an indicator of success.

**Agency** : EMPLOYEE RELATIONS DEPT

**Program** : EMPLOYEE INSURANCE

**BACT** : STATE WORKERS' COMP

#### EXPENDITURES AND STAFFING :

	<u>(\$ in Thousands)</u>	<u>Percent of Department</u>
Total Expenditure	\$3,465	1.22%
From Special Revenue Funds	\$3,361	
General	\$104	
Number of FTE Staff:	48	25.14%

#### GOALS :

#### DESCRIPTION OF SERVICES :

Workers' compensation benefits payable to injured state employees by state agencies are administered by this self-insured program. The program is responsible for the management of all claims activities including accepting and denying claims; payment of indemnity, rehabilitation, medical, and legal benefits; coordination of rehabilitation and return-to-work activities; and legal representation for the state as the employer. It also oversees consulting services in occupational safety, industrial hygiene, and injury prevention. Effective July 1, 1993, the program contracted with a certified managed care plan to provide a specialized network of health care professionals, utilization management, and medical bill processing. This program covers employees of the executive, legislative and judicial branches of state government and quasi-state agencies such as the State Fair and Historical Society.

#### BACKGROUND INFORMATION :

MEASURE TYPES: ACTIVITIES (A), EFFICIENCY (E), OUTPUT (O), OUTCOMES (OC),  
OTHER DATA (OD), UNIT COSTS (UC), WORKLOAD (W)

DATA BASED ON: CALENDAR YEAR (CY), FISCAL YEAR (FY), FEDERAL FISCAL YEAR  
(FFY), BIENNIUM YEARS (BY)

<u>Type</u>	<u>Based</u>	<u>Measure</u>	<u>1994-95</u>	<u>1995-96</u>
W	FY	Number of new claims	3,820	3,890

**EMPLOYEE RELATIONS DEPT****1996 Agency Performance Report**

W	FY	Number of open claims ending 6/30/xx	2,129	2,096
W	FY	Number of new claims in formal litigation	108	104
W	FY	Number of open litigated claims	104	158
UC	FY	Average program administrative cost per new claim	\$658	\$693
UC	FY	Average managed care plan cost per new claim	\$169	\$189
UC	FY	Average program administrative cost per litigated claim	\$570	\$489
UC	FY	Average outside counsel cost per litigated claim	\$2,318	\$2,630
UC	FY	Average medical cost per medical only claim (includes rehab)	\$232	\$284
UC	FY	Average medical cost per lost time claim (includes rehab)	\$1,915	\$2,188
UC	FY	Average indemnity cost per lost time claim	\$6,919	\$6,813
W	FY	Average open lost time caseload per claims specialist	114	99
A	FY	Number of safety consultations and industrial hygiene projects	124	238
A	FY	Number of payment transactions processed by program	26,552	20,592
A	FY	Number of payment transactions processed by managed care plan	18,121	18,161
A	FY	Number of agency training sessions conducted by program staff	64	93
A	FY	Number of job evaluations	228	252

**PROGRAM DRIVERS :**

There are several factors that can influence the number of workers' compensation claims submitted and the costs associated with them. Increases in the number of claims submitted could be the result of an unsafe work environment, aging workforce, or changes in technology. For instance, increased use of computer technology has brought about an increased risk of carpal tunnel syndrome just as the decreased use of asbestos has brought about a decreased number of lung disease claims. Any increases in the number of claims submitted increases the demand on program staff. The Americans with Disabilities Act (ADA) affects the workers' compensation system when employees return to work after a work-related injury or illness. The law requires that "reasonable accommodations" be made for employees with disabilities. This requires additional efforts from the program's disability management team and state agencies. Any changes to the State workers' compensation statutes, rules, or regulations could have a positive or negative impact on claims costs. Containing medical costs creates challenges for the program in providing necessary services and ensuring that injured workers have access to quality health care. Related to the increase in medical and health care costs is the growing value for preventive health programs and industrial safety programs, which could decrease the need for health care services.