

From: Glenda Barry
Sent: Thursday, July 07, 2011 1:30 PM
To: All/Only CDLE Employees
Subject: Request to Limit Retention Areas

This message is being sent on behalf of Executive Director Golombek:

Dear colleagues –

By now you are all aware that our current budget situation will likely necessitate staff reductions in the Unemployment Insurance section which will impact the entire Division of Employment and Training over the coming months. As we begin to plan, we recognize the tremendous impact these reductions will have on the staff. This is never an easy process to go through.

I have given a great deal of thought to this situation and talked with many of you about the impact of these staff reductions on our work. After much consideration, I have submitted the attached letter to the State Personnel Board, requesting permission to limit employee retention areas to the Division of Employment and Training within our Department. What this means is that, pursuant to § 24-50-124(l), C.R.S. and Personnel Board Rule 7-17, I am asking the Board to limit retention areas as follows: laid off or displaced employees may "bump" to any vacant position within the Department for which the employee qualifies; however, "bumping" of occupied positions will be limited to the Division of Employment and Training. This request will be heard at the July 19th Board meeting.

The decision to request limited retention rights was not an easy one. As you will see in the attached letter, we will continue to do all we can to find opportunities to lessen the number of staff reductions that will ultimately take place. In accordance with Board Rule 7-17, a copy of the attached letter was also mailed to the homes of employees in the Division of Employment and Training.

I appreciate your continued support in this very challenging situation.

Sincerely,

Ellen

JOHN HICKENLOOPER
Governor

ELLEN GOLOMBEK
Executive Director

KRISTIN CORASH
Deputy Executive Director



DEPARTMENT OF LABOR AND EMPLOYMENT
OFFICE OF THE EXECUTIVE DIRECTOR

633 17th St, Suite 1200
Denver, Colorado 80202-3629

July 6, 2011

State Personnel Board
c/o Kristin Rozansky, Director
633 17th Street, 13th Floor
Denver, Colorado 80202

RE: Limit of retention areas

Dear Ms. Yerger, Ms. Shea-Reid, Mr. Lucero, Mr. Marquez, and Mr. Djokic:

I am writing to request your approval of a limitation of retention rights to major divisions within the Department of Labor and Employment, pursuant to § 24-50-124 (I), C.R.S. and amended Personnel Board Rule 7-17.

Our Department has six major organizational units:

Executive Director's Office
Division of Employment and Training
Division of Workers' Compensation
Division of Oil and Public Safety
Division of Labor
Industrial Claims Appeals Office

The Department of Labor and Employment currently employs approx. 1046 employees, of which 876 are in the Division of Employment and Training. The Division of Employment and Training consist of three primary sections: Labor Market Information, Workforce Programs, and Unemployment Insurance. As the frontline entity responsible for the administration of employment related services including unemployment benefits, this division in the past 3-4 years has experienced an unprecedented increase in its workload. In order to meet this increased demand, the number of employees in this division was increased by an additional 250+ employees, increasing the normal FTE of about 700 to over 900. The majority of new employees hired in this division were brought on as Permanent Part-Time employees, with a plan to reduce hours once the economy improved. Applicants for these new positions were notified prior to accepting these positions of our plan. The increase in FTE was only possible using one-time Federal funding and was limited to the Unemployment Insurance section, within the Employment and Training Division. Despite those funds running out last year, we have been able to avoid any staff reductions to this point; however, we can no longer sustain the increased FTE with our projected funding.

As we plan for staff reductions in the Unemployment Insurance section, there is a realization that those reductions could have negative unintended consequences affecting customer service throughout the Department. The fact is that reductions will create a challenge this Department, and in particular, this division has not seen in over 20 years. The possibility of spreading this impact across

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the Department will increase tensions and undoubtedly affect morale and productivity in other areas. In divisions such as Workers' Compensation and Oil and Public Safety, the possibility of replacing a fully trained employee with a minimally qualified employee, with little to no knowledge of these programs, would be a detriment to the public. Similarly, other divisions and sections within the Department have left positions unfilled and learned to do more work with fewer resources, resulting in many of our staff adding new skills and responsibilities in their areas of expertise. To distribute reductions in areas that did not benefit from staffing increases would not only be inequitable, but would be counter-productive to the delivery of services to the citizens of Colorado.

Prior to staffing reductions taking place, we are doing all that we can to be proactive in finding opportunities to lessen the number of staff reductions that will ultimately take place. We have implemented a voluntary furlough program, and in the case of vacant openings, we currently are, and will continue to give deference to those employees in the Unemployment Insurance section. Additionally, to better manage this challenge, I have instituted a flexible hiring freeze which will continue for the foreseeable future. Our process requires appointing authorities to submit any request to fill a vacancy with a justification for the approval of the Executive Director. That justification must include the relative importance of the position, its funding source and, how the position to be filled is funded, an assurance that the appointing authority has contacted the other Department managers to determine whether there is there a current employee that would be suitable for a transfer to the vacant position.

Our request is to limit retention areas as follows: laid off or displaced employees may "bump" to any vacant position for which the employee qualifies as usual, but "bumping" of occupied positions *would be limited to the Division of Employment and Training*. This would allow us to better manage any potential layoffs with a minimum of disruption to other Division's core services.

Thank you for considering our request.

Sincerely,



Ellen Golombek
Executive Director



Jeffrey Fitzgerald
Unemployment Insurance Director

Cc: Kristin Corash, Deputy Executive Director
Wayne Peel, Chief Financial Officer
Glenda Barry, Human Resources Director
Kathy Nesbitt, Executive Director, Department of Personnel and Administration