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State Employee Training Programs, Department of Employment Relations

The Department of Employment Relations (DER) provides training to employees in all state agencies, including statutorily required training for all new supervisors in the classified service, other training specific to state government, and general employe development training. DER-sponsored courses represent 3 percent of all employe training expenditures reported through the State's accounting system from fiscal year (FY) 1993-94 through FY 1997-98. In FY 1997-98, expenditures for DER-sponsored courses totaled approximately \$272,400, and enrollments totaled 1,943.

Courses are taught by state employes working for DER and the Department of Administration and by vendors in the private sector. Course fees support one full-time equivalent position in DER and administrative costs associated with paying vendors, scheduling courses, and providing training facilities and course materials. DER training programs are also supported through the efforts of state employes who provide training as a small part of their position responsibilities. In FY 1997-98, this included approximately \$109,000 in general purpose revenue (GPR).

Vendor-taught Courses Do Not Cover Their Costs

Courses taught by state staff accounted for more than 60 percent of DER's total training revenue in each of the past five years. Vendor-taught courses accounted for less revenue but had higher fees: in FY 1997-98, 88.7 percent of vendor-taught course fees were more than \$100. In contrast, 51.9 percent of state-taught course fees were more than \$100.

Fee revenue has not been sufficient to cover DER's training costs in two of the past five years, largely because fees for vendor-taught courses are typically lower than costs, which include vendor charges and administrative expenses. In FY 1997-98, DER's costs to offer vendor-taught courses were approximately \$11,000 greater than the revenue these courses generated. To cover all of its costs, DER could increase course fees; however, state agencies are able to obtain similar training at a lower cost by negotiating directly with private vendors. In the past five years, 95.3 percent of the training that state employes received through private vendors was purchased directly by the 12 largest state agencies rather than through DER.

Agencies Are Concerned About Course Availability and Applicability

In addition to costs, agency training representatives have raised concerns about high course cancellation rates. In the past five years, DER cancelled 14.7 percent of the state-taught courses it offered, and 64.5 percent of its vendor-taught courses. Agency training representatives believe that the high cancellation rate for vendor-taught courses makes them too unreliable to be considered a meaningful component of training programs.

Our review of course evaluations indicated that individuals attending DER training courses rated both instructor knowledge and overall course quality highly. However, agency training representatives report dissatisfaction with the applicability of some training to job duties, which they believe hampers the effectiveness of DER-sponsored training. State agency training representatives and other reviews of DER training efforts have suggested DER should limit the extent to which it provides training directly, and focus instead on coordinating state training efforts. DER has been reluctant to do so because training course fees generate revenue to support its programs.

The Legislature Has Options for Addressing DER's Role in Employee Training

In considering the future of DER training programs, the Legislature could maintain DER's current training efforts and increase its spending authority, as recommended in the Governor's FY 1999-2001 biennial budget proposal. DER could

thereby continue to provide state-taught and vendor-taught training to other state agencies, which could also obtain training directly from private vendors. However, the Legislature may wish to make release of additional funds contingent upon approval by the Joint Finance Committee.

Alternatively, the Legislature could attempt to enhance DER's training coordination activities. Coordination activities could include assisting agencies in selecting appropriate vendors and negotiating a single contract to obtain the lowest price; serving as a clearinghouse of training availability; and developing strategies for evaluating vendor-taught courses to ensure their content is of high quality. These activities would likely require additional funding through either the assessment of fees or the appropriation of GPR.

As a third alternative, the Legislature could transfer most state employee training responsibilities from DER to state agencies and make each agency responsible for developing and scheduling courses to meet its own needs. Should DER's role in providing and overseeing training be eliminated, individual state agencies' responsibilities could be expanded to include contracting directly with vendors to provide statutorily required training for new supervisors in the classified service, or providing appropriate training with their own resources.

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