

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 293** SLS 10RS 788
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|-----------------------------|----------|--------------------------------|
| Date: April 30, 2010 | 12:35 PM | Author: DONAHUE |
| Dept./Agy.: | | Analyst: Evan Brasseaux |
| Subject: | | |

STATE AGENCIES EG DECREASE GF EX See Note Page 1 of 1

Requires annual internal review by each agency of employee vacancies and attrition rates with strategic reductions in positions by five percent, with reports to Commission on Streamlining Government. (8/15/10)

The proposed legislation requires the commissioner of administration to establish and implement an agency attrition analysis process to be used by each executive branch agency to review the historical employee vacancies, relative to authorized table of organization full and part-time positions, within each agency and reduce by five percent annually for three years by an equally proportionate reduction of positions across all salary ranges of equal increments, beginning in FY 11, the number of positions in each executive branch agency. On the first day of the month following the month in which the executive budget is submitted to the Joint Legislative Committee on the Budget, the commissioner of administration shall provide a written report to the Commission on Streamlining Government indicating the general fund dollar savings achieved as a result of the implementation of the agency attrition analysis process and the number of vacant positions eliminated and any other information relating to personnel numbers, costs, and historical vacancies.

| EXPENDITURES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Agy. Self-Gen. | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Ded./Other | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Federal Funds | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

A reduction of 5% of funded positions included in the T.O. of state agencies in the general appropriations bill for each of the next three years will result in an annual savings of approximately \$254m in FY11, an additional \$241m in FY12, and an additional \$229m in FY13, and reduce the number of authorized positions from 82,269 in FY 11 (54,595 or 67% classified; and 27,674 or 33% unclassified) to 70,536 in FY13. The aggregate savings through FY13 is estimated at \$725m. If the 861 positions in the ancillary bill were included in this calculation, an additional 123 positions would be reduced over three years with an additional savings of \$7.6 million (approximately \$2.5m annually). The annual savings is calculated at \$53,284 per classified position and \$79,110 per unclassified position. For classified employees, this amount is based on a \$40,988 annual salary amount and \$12,296 (30% of salaries) for related benefits.

The Legislative Fiscal Office anticipates that the reduction in T.O. will begin through attrition upon completion of the agency attrition analysis to be performed by the commissioner of administration. The figures shown above project the required 5% decrease in positions as provided in the legislation although it is unknown whether this reduction can be accomplished.

The Legislative Fiscal Office is not able to accurately estimate the savings by means of financing. However, assuming the ratio for the means of financing for the FY11 appropriation bill is similar to the means of financing utilized for the funding of positions, and assuming that this ratio would continue in subsequent fiscal years, the FY11 savings from the general appropriations bill would total \$254,202,974 with the following funding sources: \$71,176,833 general fund (28%); \$30,504,357 IAT (12%); \$25,420,297 self-generated (10%); \$30,504,357 statutory dedications (12%); and \$96,597,130 federal (38%).

The ability of individual agencies to sustain their pro-rata share of the personnel reductions through vacancies and attrition, and without any reduction in services cannot be ascertained at this time.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$100,000 Annual SGF Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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