

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

<b>Date:</b> June 5, 2010 10:37 AM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b>	<b>Analyst:</b> Evan Brasseaux
<b>Subject:</b>	

STATE AGENCIES RE DECREASE GF EX See Note Page 1 of 2

Requires the commissioner of administration and the Board of Regents to establish and implement an agency attrition analysis process. (8/15/10)

The proposed legislation requires the commissioner of administration to establish and implement an agency position attrition analysis process to be used by each executive branch agency to review the historical position vacancies, relative to authorized positions for each budget unit, program and subprogram. The commissioner of administration shall establish a process which requires the analysis of general fund staffing needs of each executive branch agency, the general fund cost associated with the filling of each vacant position, etc. Each executive branch agency shall report the results of its analysis to the commissioner of administration no later than January 15th of each year. The Board of Regents shall also establish an agency attrition analysis process to be used by each higher education system to review the historical employee vacancies, relative to authorized table of organization full and part-time positions funded in whole or part by the SGF, within each agency with a goal to reduce by five percent annually for three years by an equally proportionate reduction of such positions across all salary ranges of equal increments, beginning in FY 11.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
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
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
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
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed legislation will result in a significant but indeterminable reduction in state expenditures resulting from the elimination of state employees through attrition. The commissioner of administration will establish and implement an agency attrition analysis and shall establish a process which requires analysis of various factors which impact agency staffing. The proposed legislation does not mandate a specific goal for the reduction of state employees but does provide that the commissioner shall establish FY 08 as the base year for annual comparison of the number of authorized positions for each budget unit, program, and subprogram. The LFO cannot determine what such an analysis will conclude, however, for illustrative purposes, the fiscal note calculates a 5% annual attrition goal as is assigned to higher education, so as to give a magnitude of potential expenditure decrease (see below).

The Board of Regents shall also establish and implement an agency attrition analysis to be used by each higher education system to review the historical employee vacancies, relative to the authorized table of organization full and part-time positions funded in whole or in part by the SGF, with a goal to reduce by five percent annually for three years by an equally proportionate reduction of such positions across all salary ranges of equal increments beginning in FY 11.

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 would 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. Continued on page 2

**REVENUE EXPLANATION**

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

Senate                      Dual Referral Rules

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

*Robert E. Hosse*  
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**LFO Staff Director**

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**CONTINUED EXPLANATION from page one:**

Expenditures ctd.

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 goal of a 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.

The LFO requested information regarding this legislation from both the DOA and the Board of Regents on May 26th. The LFO has not received these responses as of the writing of this fiscal note.

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