LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office Fiscal Notes

Fiscal Note On: **SB 85** SLS 16RS 330
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date:	March 22, 2016 7:33 AM	**Author:**	GATTI
Dept./Agy.:	Civil Service		
Subject:	Supervisor Staff Ratios / Span of Control	**Analyst:**	Monique Appeaning

STATE AGENCIES   OR SEE FISC NOTE GF EX

Provides certain requirements for supervisors in state government. (8/1/16)

Proposed law required each agency within the executive branch to examine the supervisor-to-staff ratios within their agencies. Proposed law requires a minimum ratio of five employees to one supervisor which shall be maintained by each executive branch agency. Proposed law requires each executive branch agency to report annually to the State Civil Service Commission, the division of administration and the Joint Legislative Committee on the Budget as to the current ratio and the propriety of such ratio.

EXPENDITURES	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**5 -YEAR TOTAL**
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**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

There is no anticipated direct material impact/effect on governmental expenditures as a result of this measure associated with civil service employees, but it may create an impact among unclassified employees. State Civil Service (17-560) reports that requiring a minimum ratio of classified employees to classified supervisor would be addressed through a business reorganization in accordance with State Civil Service Rules. Under such rules, any classified employee whose job title is downwardly allocated (to reduce the number of classified supervisory positions) does not receive a cut in pay. The only financial savings an agency can achieve through mandated supervisory ratios is through future attrition. As a point of reference, the voluntary turnover rate for FY 15 was 12.38% statewide. However, the workload for the eliminated positions will need to shift or be eliminated or there may be a change in response time if the positions are not back-filled to address the workload requirements if the staffing level needs cannot accommodate the workload shifts. State Civil Service further indicated that the number of classified positions vary by the complexity of work. Complex and variable work lends itself to a narrower span of control, while routine and fixed work lends itself to larger spans of control. If the intent is for the organization to restructure to get an optimal span of control and keep the same number of classified employees, there is no savings to the State unless positions are not filled as they become vacant.

Conversely, unclassified employees are not governed by the same rules. The flexibility to downward allocate the number of managers to achieve employees for spans of control of five employees to one supervisor can be implemented. To the extent unclassified employees are downward allocated, an indeterminable level of savings may result.

The Division of Administration - Office of State Human Capital Management (21-821) estimates that there will be no fiscal impact relative to implementing this proposed legislation. The Division further explained that executive cabinet agencies currently operate on an average supervisor to staff ratio of 3.8 to 1. It is anticipated that executive cabinet agencies would utilize redistribution of subordinates as well as redistribution of supervisors with salary freezes to meet the 5.0 to 1 requirements based on work complexity or licensing requirements. The Office of State Human Capital Management assumes that the annual reporting requirement to the State Civil Service Commission, Division of Administration, and Joint Legislative Committee on the Budget would be conducted by existing agency staff with no implementation costs.

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REVENUE EXPLANATION

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

Senate   Dual Referral Rules   House

☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}   ☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}   ☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Continued Expenditure Explanation from Page One

NOTE: Article X. Section 10.(A)(1)(a) of the Louisiana State Constitution empowers the State Civil Service Commission in part with *"broad and general rulemaking and subpoena powers for the administration and regulation of the classified service, including the power to adopt rules for regulating employment, promotion, demotion, suspension, reduction in pay, removal, certification, qualifications, political activities, employment conditions, compensation and disbursements to employees, and other personnel matters and transactions..."*