

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 593** HLS 24RS 918
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2024 11:12 AM **Author:** HILFERTY
Dept./Agy.: New Orleans Sewerage and Water Board **Analyst:** Kimberly Fruge
Subject: Transfer of New Orleans Sewerage and Water Board

SEWERAGE/N O WATER BD EN INCREASE LF EX See Note Page 1 of 1
 Provides for a transfer of the employees of the New Orleans sewerage and water board from the city civil service system to the state civil service system
 Proposed law allows the New Orleans Sewerage and Water Board to employ a person who is not a New Orleans resident for any non-executive management position after the position as been advertised for 90 days. Under current law, employees of the Sewerage and Water Board must be New Orleans residents.
 Proposed law transfers the employees of the New Orleans Sewerage and Water Board from the New Orleans city civil service system to the state civil service system.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

NOTE: According to committee testimony on 4/5/25, proposed law as amended is not meant to transfer employees from the city civil service to the state civil service and instead is intended to allow the New Orleans Sewerage and Water Board to employ a person who is not a New Orleans resident for any non-executive management position after it has been advertised for 90 days; however, proposed law in its current posture includes the transfer of employees in Section 2 of the bill. If proposed law does not transfer employees from the city system then there will be no expenditure or revenue impact to state or local funds. This fiscal note contemplates the costs if the transfer does occur as indicated in Section 2 of proposed law.

Proposed law, in its current posture, will result in an indeterminable increase in Local Funds expenditures for the New Orleans Sewerage and Water Board and may lead to an increase in SGR expenditures for the State Civil Service to transfer employees from the city civil service. The Department of State Civil Service anticipates that the cost of adding the New Orleans Water and Sewerage Board to the state civil service system to be minimal, but is uncertain how much time, effort, and resources will be needed to add the employees to the system. To the extent the workload is greater than anticipated the department may realize an increase in expenditures.

According to a representative of the New Orleans Sewerage and Water Board, they currently do not pay any fees to be a part of the city civil service. Under the State Civil Service system, the Board would be responsible for paying the fees set forth in RS 42:1383, which is based on a percentage of annual gross salaries within the agency. The total fee the Board will be required to pay is indeterminable until State Civil Service is able to assess each position for the existing jobs. According to the New Orleans City Civil Service, there are approximately 1,230 classified employees at the Board.

The New Orleans City Civil Service is unable to estimate the impact of transferring the employees but expects any impact to be minimal.

REVENUE EXPLANATION

Proposed law will result in an indeterminable increase in SGR revenues for the Department of State Civil Service to incorporate the New Orleans Sewerage and Water Board into the state system. The department reports that the Board will be added to the Statewide Cost Allocation Plan and will charge the Board based on a percentage of annual gross salaries within the agency. The total revenue increase is indeterminable until the State Civil Service is able to assess each position for the existing jobs. According to the New Orleans City Civil Service, there are approximately 1,230 classified employees at the Board.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>	<p>Patrice Thomas Deputy Fiscal Officer</p>
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