

State of Louisiana Report on Turnover Rates for Non-Temporary Classified Employees Fiscal Year 2015-2016



Prepared for the Joint Legislative Committee on the Budget

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November 9, 2016

Summary of Request

Pursuant to the terms of Chapter 28 of Title 42 of the Louisiana Revised Statutes of 1950 (comprised of R.S. 42:1601), the Department of State Civil Service will submit to the Joint Legislative Committee on the Budget on or before December 15th each calendar year the following information:

- 1) *The turnover and turnover rate for each agency and the costs associated with the turnover.*
- 2) *The five job classifications with the highest turnover rates.*
- 3) *The five agencies and job classifications for which the cost of turnover is highest.*

Explanation of Data

Source: The data presented in this report is based upon an analysis of the number of classified employees serving in non-temporary positions who separated from state service during fiscal year 2015/2016, as reported by the employing agencies to the Department of State Civil Service.

Exclusions: The information in this report does NOT reflect the following.

- Separations of unclassified employees
- Separations of temporary classified employees
- Transfers of employees from one state agency to another

Voluntary Turnover: Separations from state service due to resignation, retirement or death.

Involuntary Turnover: Separations from state service through dismissal, layoff, separation during probationary period, or non-disciplinary removal.

Total Turnover: Voluntary Turnover + Involuntary Turnover

Turnover Rates: Turnover rates shown are calculated by comparing the number of non-temporary classified employees in state service on June 30, 2016 to the number of non-temporary classified employees who separated from state service during the previous twelve months.

Cost Estimates: Turnover costs provided in this report are estimates of productivity losses, calculated using the Mathis/Jackson Simplified Turnover Costing Model shown below.

In this model, if a job paid \$20,000 (A) and the benefits cost 40% (B), then the total annual cost for one employee would be \$28,000. Assuming 20 employees quit in one year (D) and it takes three months to become fully productive (E), the calculation in (F) results in a per-person turnover cost of \$3,500. Overall, the annual turnover cost would be \$70,000 for the 20 individuals who left (G).

Please note that the Mathis/Jackson model estimates cost of turnover based upon **VOLUNTARY SEPARATIONS ONLY**. Estimated turnover costs calculated using this model will vary, depending on the average length of time it takes a new hire to complete training to reach full productivity. Since the requisite training time for different jobs can vary widely, **we have provided two cost estimates; one based upon an average training period of three months and one on an average training period of twelve months.**

Mathis/Jackson Simplified Turnover Costing Model

Mathis, Robert L. & Jackson, John H. Human Resource Management, 10th Edition, Fig. 3-10, p. 90. U.S.: Southwestern, 2003

- A. = Typical annual pay for job
- B. = % pay for benefits times (x) annual pay
- C. = Total employee annual cost (A + B)
- D. = Voluntary quits in the past 12 months
- E. = Time to become fully productive (in months)
- F. = Per person turnover cost: {multiply (E÷12) x C x 50%*}
- G. = Annual turnover cost: (F x D)

*Assumes 50% productivity throughout the learning period (E).

The typical annual pay used for the turnover calculations in this report was based upon the average annual salary of non-temporary classified employees that voluntarily separated from state service during FY 15/16. The percentage of pay for benefits used for the calculations in this report is 23.08%. This figure includes retirement (6.5%)ⁱ, Medicare (1.45%)ⁱⁱ, and health insurance (15.13%)ⁱⁱⁱ.

The percent that the state pays for the unfunded accrued retirement liability is not included in this calculation. The Division of Administration has issued a budget memorandum setting the actuarial rate for the Unfunded Accrued Liability (UAL) at 30.9% for FY 15/16.

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Overall Turnover Rates

Fiscal Year 2015-2016

TURNOVER RATES FOR NON-TEMPORARY CLASSIFIED EMPLOYEES 15/16				
Number of Non-Temporary Classified Employees as of 6/30/16	Number of Separations from State Service <i>(Voluntary + Involuntary)</i>	Overall Turnover Rate <i>(Voluntary + Involuntary)</i>	Number of Voluntary Separations from State Service	Voluntary Turnover Rate
36,363	6,107	16.79%	4,777	13.14%

Turnover Rates by Agency Fiscal Year 2015-2016

DEPARTMENT	EMPLOYEES	TOTAL TO		VOLUNTARY TO	
		Separations	TO%	Separations	TO %
Executive Department	2250	203	9.02%	192	8.53%
Veterans Affairs	769	340	44.21%	224	29.12%
Economic Development	57	4	7.01%	3	5.26%
CRT	539	102	18.92%	94	17.43%
DOTD	4196	485	11.55%	402	9.58%
DPSC – Corrections	4559	1307	28.66%	963	21.12%
DPSC – Public Safety	1309	112	8.55%	107	8.17%
DYS – Office of Juvenile Justice	728	238	32.69%	178	24.45%
LDH	6287	1131	17.98%	834	13.26%
DCFS	3160	455	14.39%	410	12.97%
DNR	280	29	10.35%	28	10.00%
Revenue	643	45	6.99%	37	5.75%
DEQ	641	48	7.48%	42	6.55%
LWC	824	98	11.89%	90	10.92%
Wildlife and Fisheries	702	64	9.11%	57	8.11%
Civil Service Agencies	203	33	16.25%	27	13.30%
Higher Education	5370	903	16.81%	695	12.94%
Health Care Services	275	59	21.45%	46	16.72%
Education	320	41	12.81%	37	11.56%
Education – Other	321	64	19.93%	52	16.19%
Public Service Commission	65	8	12.30%	7	10.76%
Agriculture	489	32	6.54%	28	5.72%
Insurance	192	10	5.20%	9	4.68%
Lieutenant Governor	2	0	0%	0	0%
Secretary of State	368	27	7.33%	24	6.52%
Treasury	43	2	4.65%	2	4.65%
Retirement Systems	275	18	6.54%	18	6.54%
Housing Authorities	585	94	16.06%	64	10.94%
Ports and Levee Boards	908	123	13.54%	90	9.91%
Independent	3	0	0%	0	0%
Separations with No Incumbents ^{iv}	-	32	-	17	-
Totals	36363	6107	16.79%	4777	13.14%

Job Titles with Highest Voluntary Turnover Rates
Includes only those job titles with 50 or more incumbents
Fiscal Year 2015 - 2016

Job Title	6/30/16 Non-Temp Classified Employees	# Separations 15/16		Turnover Rates 15/16	
		TOTAL <i>(Vol+Invol)</i>	VOLUNTARY	TOTAL <i>(Vol+Invol)</i>	VOLUNTARY
Corrections Cadet	270	548	337	202.96%	124.81%
Residential Services Specialist 1	135	145	44	107.41%	32.59%
Juvenile Justice Specialist 1	115	92	66	80.00%	57.39%
Nursing Assistant 2	247	150	84	60.73%	34.01%
Child Welfare Specialist Trainee	62	35	30	56.45%	48.39%

Overall Cost Estimates of Voluntary Turnover
Fiscal Year 2015-2016

Estimated Cost of Voluntary Turnover based on 3-month average training time:
 $((3/12)*(\$38,860.96*1.2308)*0.5)*4,777 = \$ \mathbf{28,560,530.29}$

Estimated Cost of Voluntary Turnover based on 12-month average training time:
 $((12/12)*(\$38,860.96*1.2308)*0.5)*4,777 = \$ \mathbf{114,242,121.16}$

Estimated Cost of Voluntary Turnover by Major Department

Fiscal Year 2015-2016

Major Department	Estimated Cost of Voluntary Turnover (3 months)	Estimated Cost of Voluntary Turnover (12 Months)
Executive Department	\$1,714,359.46	\$6,857,437.84
Veterans Affairs	\$910,429.06	\$3,641,716.25
Economic Development	\$25,223.03	\$100,892.12
CRT	\$504,692.69	\$2,018,770.75
DOTD	\$2,550,716.66	\$10,202,866.63
DPSC – Corrections	\$5,123,078.36	\$20,492,313.43
DPSC – Public Safety	\$616,159.43	\$2,464,637.72
DYS – Office of Juvenile Justice	\$1,092,589.94	\$4,370,359.78
LDH	\$5,412,491.80	\$21,649,967.20
DCFS	\$2,572,554.44	\$10,290,217.74
DNR	\$230,278.58	\$921,114.30
Revenue	\$300,899.04	\$1,203,596.14
DEQ	\$330,469.04	\$1,321,876.17
LWC	\$688,827.24	\$2,755,308.94
Wildlife and Fisheries	\$473,763.31	\$1,895,053.24
Civil Service Agencies	\$175,645.98	\$702,583.91
Higher Education	\$3,261,516.15	\$13,046,064.61
Health Care Services	\$263,638.32	\$1,054,553.29
Education	\$381,992.43	\$1,527,969.71
Education – Other	\$281,649.94	\$1,126,599.75
Public Service Commission	\$55,870.20	\$223,480.78
Agriculture	\$202,099.45	\$808,397.78
Insurance	\$78,605.17	\$314,420.67
Secretary of State	\$164,284.92	\$657,139.68
Treasury	\$12,105.14	\$48,420.57
Retirement Systems	\$176,113.19	\$704,452.76
Housing Authorities	\$344,306.75	\$1,377,227.00
Ports and Levee Boards	\$616,168.60	\$2,464,674.38

Top 5 Departments with Highest Cost Estimates
Includes Jobs within Those Top 5 with Highest Estimated Turnover Costs
Fiscal Year 2015-2016

Jobs with the Highest Estimated Turnover Costs at Each of the Five Major Departments with the Highest Overall Cost Estimates using the Mathis/Jackson Model
(Based on Voluntary Turnover among Non-Temporary Classified Employees)

Major Department	Job Title	Voluntary Separations	Estimated Cost (3 Months)	Estimated Cost (12 Months)
Louisiana Department of Health	Corrections Guard/Therapeutic	61	\$294,356.20	\$1,177,424.78
	Registered Nurse 3	28	\$261,003.31	\$1,044,013.25
	Medicaid Analyst 2	39	\$231,199.40	\$924,797.60
	Residential Services Specialist 2	61	\$212,910.81	\$851,643.23
	Administrative Coordinator 3	33	\$164,932.59	\$659,730.36
DPSC - Corrections	Corrections Sergeant	299	\$1,322,387.24	\$5,289,548.96
	Corrections Cadet	337	\$1,298,726.78	\$5,194,907.10
	Corrections Sergeant Master	98	\$663,934.18	\$2,655,736.73
	Corrections Lieutenant	23	\$170,676.26	\$568,664.31
	Practical Nurse/Licensed 3	24	\$142,166.08	\$568,664.31
Higher Education	Custodian 2	83	\$253,014.46	\$1,012,057.84
	Administrative Coordinator 3	44	\$200,615.50	\$802,462.01
	Administrative Coordinator 4	32	\$180,793.00	\$723,172.00
	Administrative Assistant 3	31	\$140,714.43	\$562,857.70
	Custodian 1	55	\$138,137.56	\$552,550.24
Department of Children and Family Services	Social Services Analyst 2	98	\$544,877.64	\$2,179,510.56
	Child Welfare Specialist 2	55	\$359,823.73	\$1,439,294.94
	Child Welfare Specialist 1	50	\$266,495.82	\$1,065,983.26
	Child Welfare Specialist 3	27	\$200,995.43	\$803,981.74
	Social Services Analyst 1	37	\$158,451.96	\$633,807.86
Department of Transportation and Development	Mobile Equipment Operator 1	69	\$264,512.49	\$1,058,049.95
	Engineering Technician 4	25	\$153,322.22	\$613,288.87
	Engineering Technician 5	15	\$121,337.43	\$485,349.73
	Mobile Equipment Operator 1/Heavy	20	\$119,967.61	\$479,870.46
	Engineering Technician 7	11	\$111,750.00	\$447,000.00

ⁱ Memo from OPB dated September 2, 2014. FY 15/16 Regular State Retirement Rate of 30.9% (UAL) + 6.5% (Normal). The Mathis/Jackson Turnover Costing Calculation does not include UAL.

ⁱⁱ <http://www.irs.gov/taxtopics/tc751.html>

ⁱⁱⁱ OGB schedule of rates as of January 1, 2016. The annual cost of the Magnolia Local Plus (HMO) plan for the agency is \$5,880.72. The agency cost divided by the average salary of \$38,860.96 yields 15.13%.

^{iv} This category includes classified separations from state service for personnel areas that had at least one employee that left state service at some point during the fiscal year but has no employees as of the end of the fiscal year. In most cases, this is due to personnel area mergers/employee transfers or agency closures.