

State of Louisiana Report on Turnover Rates for Non- Temporary Classified Employees Fiscal Year 2014-2015



Prepared for the Joint Legislative Committee on the Budget

Byron P. Decoteau, Jr., Interim Director
Louisiana State Civil Service
December 7, 2015

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 2014/2015, 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.

Turnover Rates: Turnover rates shown are calculated by comparing the number of non-temporary classified employees in state service on June 30, 2015 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 14/15. The percentage of pay for benefits used for the calculations in this report is 20.73%. This figure includes retirement (6.1%)ⁱ, Medicare (1.45%)ⁱⁱ, and health insurance (13.18%)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 UAL at 25.5% for FY 14/15.

Contents

| | |
|--|---|
| Summary of Request | 1 |
| Explanation of Data | 1 |
| Contents | 3 |
| Overall Turnover Rates..... | 4 |
| Overall Cost Estimates of Voluntary Turnover | 4 |
| Job Titles with Highest Voluntary Turnover Rates | 4 |
| Estimated Cost by Major Department..... | 5 |
| Top 5 Departments with Highest Cost Estimates..... | 6 |

Overall Turnover Rates

Fiscal Year 2014-2015

| TURNOVER RATES FOR NON-TEMPORARY CLASSIFIED EMPLOYEES 14/15 | | | | |
|---|---|--|--|-------------------------|
| Number of Non-Temporary Classified Employees as of 6/30/15 | Number of Separations from State Service (Voluntary + Involuntary) | Overall Turnover Rate (Voluntary + Involuntary) | Number of Voluntary Separations from State Service | Voluntary Turnover Rate |
| 36,989 | 5,952 | 16.09% | 4,578 | 12.38% |

Overall Cost Estimates of Voluntary Turnover

Fiscal Year 2014-2015

Estimated Cost of Voluntary Turnover based on 3-month average training time:
 $((3/12)*(\$38,329.23*1.2073)*0.5)*4,578 = \$ 26,480,799.72$

Estimated Cost of Voluntary Turnover based on 12-month average training time:
 $((12/12)*(\$38,329.23*1.2073)*0.5)*4,578 = \$ 105,923,198.90$

Job Titles with Highest Voluntary Turnover Rates

Includes only those job titles with 50 or more incumbents

Fiscal Year 2014 - 2015

| JOB TITLE | 6/30/15 NON-TEMP CLASSIFIED EMPLOYEES | # SEPARATIONS 14/15 | | TURNOVER RATES 14/15 | |
|-----------------------------------|--|----------------------|-----------|----------------------|-----------|
| | | TOTAL (Vol+Invol) | VOLUNTARY | TOTAL (Vol+Invol) | VOLUNTARY |
| Juvenile Justice Specialist 1 | 69 | 93 | 65 | 134.78% | 94.20% |
| Corrections Cadet | 235 | 379 | 195 | 161.28% | 82.98% |
| Child Welfare Specialist Trainee | 69 | 38 | 32 | 55.07% | 46.38% |
| Residential Services Specialist 1 | 124 | 82 | 44 | 66.13% | 35.48% |
| Social Services Analyst 1 | 153 | 58 | 48 | 37.91% | 31.37% |

Estimated Cost by Major Department Fiscal Year 2014-2015

MATHIS/JACKSON VOLUNTARY TURNOVER COST ESTIMATES BY DEPARTMENT FY 14/15

| Major Department | # Non-Temp Classified Employees 6/30/15 | # Voluntary Separations FY 14/15 | Voluntary Turnover Rate | Estimated Cost (3 months) | Estimated Cost (12 Months) |
|---|---|----------------------------------|-------------------------|---------------------------|----------------------------|
| LOUISIANA HEALTH CARE SERVICES DIVISION | 281 | 37 | 13.17% | \$192,838.07 | \$771,352.28 |
| DEPARTMENT OF HEALTH AND HOSPITALS | 6463 | 735 | 11.37% | \$4,900,446.88 | \$19,601,787.51 |
| HIGHER EDUCATION | 5719 | 783 | 13.69% | \$2,502,821.37 | \$10,011,285.48 |
| DEPARTMENT OF CORRECTIONS | 4628 | 790 | 17.07% | \$4,309,727.92 | \$17,238,911.68 |
| DEPARTMENT OF CHILDREN & FAMILY SERVICES | 3279 | 446 | 13.60% | \$2,866,591.87 | \$11,466,367.49 |
| DEPT OF TRANSPORTATION AND DEVELOPMENT | 4174 | 410 | 9.82% | \$2,612,373.02 | \$10,449,492.09 |
| EXECUTIVE DEPARTMENT | 2140 | 175 | 8.18% | \$1,616,720.35 | \$6,466,881.39 |
| DEPARTMENT OF REVENUE | 643 | 60 | 9.33% | \$471,799.60 | \$1,887,198.41 |
| OFFICE OF JUVENILE JUSTICE | 729 | 176 | 24.14% | \$1,047,894.25 | \$4,191,576.99 |
| DEPARTMENT OF PUBLIC SAFETY | 1355 | 122 | 9.00% | \$816,246.23 | \$3,264,984.94 |
| VETERANS AFFAIRS | 759 | 200 | 26.35% | \$730,476.74 | \$2,921,906.98 |
| LOUISIANA WORKFORCE COMMISSION | 876 | 68 | 7.76% | \$466,807.37 | \$1,867,229.47 |
| DEPARTMENT OF ENVIRONMENTAL QUALITY | 646 | 43 | 6.66% | \$342,450.16 | \$1,369,800.65 |
| DEPARTMENT OF WILDLIFE AND FISHERIES | 695 | 67 | 9.64% | \$556,061.99 | \$2,224,247.95 |
| DEPARTMENT OF EDUCATION | 312 | 35 | 11.22% | \$346,052.61 | \$1,384,210.45 |
| DEPARTMENT OF AGRICULTURE | 466 | 52 | 11.16% | \$389,337.11 | \$1,557,348.43 |
| PORTS,LEVEE BOARDS,FRESH WATER DISTRICTS | 889 | 69 | 7.76% | \$423,018.36 | \$1,692,073.45 |
| DEPARTMENT OF CULTURE, RECREATION AND TOURISM | 554 | 74 | 13.36% | \$384,283.98 | \$1,537,135.91 |
| DEPARTMENT OF NATURAL RESOURCES | 294 | 25 | 8.50% | \$214,022.01 | \$856,088.05 |
| HOUSING AUTHORITIES | 586 | 63 | 10.75% | \$276,885.58 | \$1,107,542.32 |
| RETIREMENT SYSTEMS | 285 | 19 | 6.67% | \$173,742.54 | \$694,970.17 |
| DEPARTMENT OF STATE | 346 | 38 | 10.98% | \$257,162.82 | \$1,028,651.28 |
| EDUCATION – OTHER | 343 | 40 | 11.66% | \$207,694.38 | \$830,777.51 |
| CIVIL SERVICES AGENCIES | 153 | 17 | 11.11% | \$116,644.50 | \$466,577.99 |
| DEPARTMENT OF INSURANCE | 201 | 17 | 8.46% | \$129,804.28 | \$519,217.11 |
| DEPARTMENT OF ECONOMIC DEVELOPMENT | 54 | 5 | 9.26% | \$38,640.84 | \$154,563.38 |
| DEPARTMENT OF TREASURY | 41 | 4 | 9.76% | \$31,625.30 | \$126,501.21 |
| PUBLIC SERVICE COMMISSION | 73 | 8 | 10.96% | \$58,629.87 | \$234,519.47 |

Top 5 Departments with Highest Cost Estimates
Includes Jobs within Those Top 5 with Highest Estimated Turnover Costs
Fiscal Year 2014-2015

| 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 <i>(Based on Voluntary Turnover among Non-Temporary Classified Employees)</i> | | | | |
|---|--|-----------------------|------------------------------|-------------------------------|
| MAJOR DEPARTMENT | JOB TITLE | VOLUNTARY SEPARATIONS | ESTIMATED COST (3 Months) | ESTIMATED COST (12 Months) |
| Department of Health and Hospitals | Registered Nurse 3 | 35 | \$319,692.56 | \$1,278,770.23 |
| | Corrections Guard/Therapeutic | 48 | \$224,656.80 | \$898,627.19 |
| | Medicaid Analyst 2 | 32 | \$184,887.69 | \$739,550.75 |
| | Residential Services Specialist 2 | 52 | \$179,312.04 | \$717,248.14 |
| | Administrative Coordinator 3 | 36 | \$169,947.52 | \$679,790.06 |
| Department of Corrections | Corrections Sergeant | 284 | \$1,255,152.54 | \$5,020,610.17 |
| | Corrections Cadet | 195 | \$748,389.33 | \$2,993,557.33 |
| | Corrections Sergeant Master | 97 | \$655,692.12 | \$2,622,768.46 |
| | Corrections Lieutenant | 32 | \$228,150.48 | \$912,601.93 |
| | Probation and Parole Officer 2 - Adult | 23 | \$134,737.58 | \$538,950.31 |
| Department of Children & Family Services | Social Services Analyst 2 | 100 | \$589,986.99 | \$2,359,947.94 |
| | Child Welfare Specialist 2 | 60 | \$384,349.74 | \$1,537,398.95 |
| | Social Services Analyst 1 | 48 | \$203,686.06 | \$814,744.23 |
| | Child Welfare Specialist 1 | 36 | \$189,490.81 | \$757,963.22 |
| | Child Welfare Specialist 3 | 22 | \$185,689.50 | \$742,758.00 |
| Department of Transportation and Development | Mobile Equipment Operator 1 | 56 | \$200,688.80 | \$802,755.21 |
| | Mobile Equipment Operator 1 – Heavy | 29 | \$160,454.65 | \$641,818.61 |
| | Engineer 7 DOTD | 8 | \$136,912.89 | \$547,651.56 |
| | Engineering Technician DCL | 12 | \$122,467.30 | \$489,869.22 |
| | Engineering Technician 7 | 12 | \$122,222.46 | \$488,889.86 |
| Higher Education | Administrative Assistant 3 | 41 | \$169,276.64 | \$677,106.55 |
| | Administrative Coordinator 3 | 58 | \$163,213.39 | \$652,853.58 |
| | Police Officer 2-A | 26 | \$121,451.05 | \$485,804.19 |
| | Administrative Assistant 4 | 24 | \$104,584.90 | \$418,339.61 |
| | Administrative Coordinator 2 | 33 | \$96,054.24 | \$384,216.95 |

ⁱ Memo from OPB dated August 28, 2013. FY 14/15 Regular State Retirement Rate of 25.5% (UAL) + 6.1% (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 July 1, 2014. The annual cost of the HMO plan for the agency is \$5,051.04. The agency cost divided by the average salary of \$38,329.23 yields 13.18%.