

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

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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.

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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%.