



Louisiana Senate Finance Committee



FY20 Executive Budget

17 – Department of Civil Service

May 2019

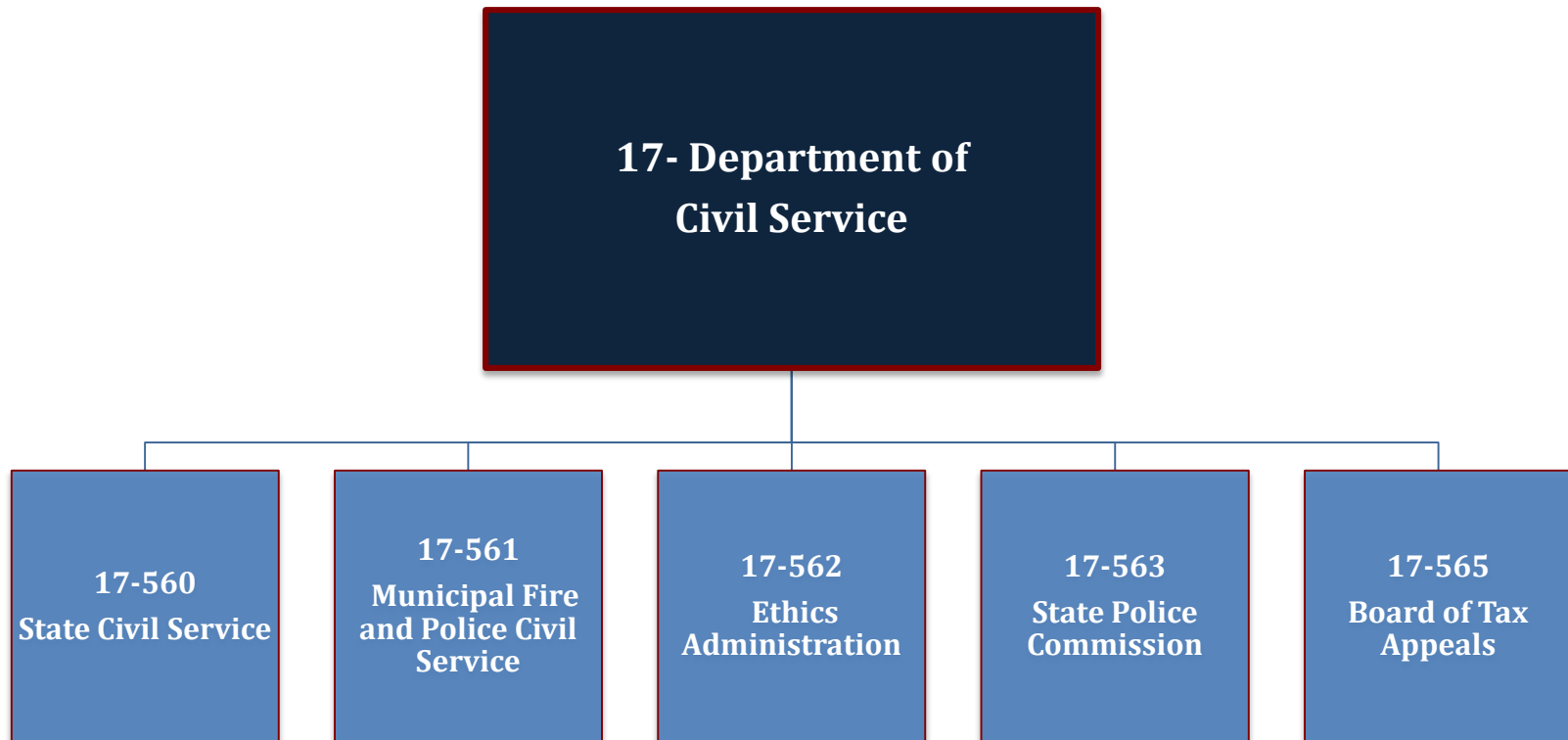
Sen. John A. Alario, President
Sen. Eric LaFleur, Chairman



FY20 Proposed Budget

Schedule 17 — Department of Civil Service

Departmental mission: “The mission of the State Civil Service is to provide human resource services and programs that enable state government to attract, develop, and retain a productive and diverse workforce that excels in delivering quality services to the citizens of Louisiana.”





FY20 Proposed Budget

Schedule 17 — Department of Civil Service

17-560: State Civil Service

- Administration — Provides administrative support to State Civil Service and the Commission, including legal, accounting, purchasing, and property control. Hears civil service employee appeals and maintains the official personnel and position records of the state.
- Human Resources Management — Develops, implements, and evaluates systems for job evaluation, pay, employment, promotion and personnel management. Establishes rules, policies, and practices.

17-561: Municipal Fire and Police Civil Service

- Administration — Administers a merit-based system of civil service for firefighters and police officers in all municipalities in the state having populations of not less than 7,000 nor more than 500,000 inhabitants and in all parish fire departments and fire protection districts regardless of population.

17-562: Ethics Administration

- Administration — Provides staff support for the Louisiana Board of Ethics which administers and enforces the state's conflicts of interest statutes, campaign finance disclosure requirements and lobbyist registration and disclosure laws. The Ethics Administration enforces compliance by government officials, public employees, candidates, and lobbyists and provides public access to disclosed information.

17-563: State Police Commission

- Administration — A constitutionally created entity that provides a separate merit system for the commissioned officers of Louisiana State Police. The program administers entry-level law enforcement exams and promotional exams, processes personnel actions, issues certificates of eligibles, and schedules appeal hearings and pay hearings.

17-565: Board of Tax Appeals

- Administrative — Provides an appeals board to resolve disputes between taxpayers and the Department of Revenue. Reviews and makes recommendations on tax refund claims, claims against the state, industrial tax exemptions, and business tax credits.
- Local Tax Division — Provides an appeals board to resolve disputes between taxpayers and local taxing authorities. Reviews and makes recommendations on tax refund claims against local tax authorities.



Department of Civil Service FY18, FY19, and FY20 Comparison

Total Funding — All Means of Finance

Total Funding	FY18 Actual	FY19 Enacted	FY19 EOB as of 12-1-18	FY20 Proposed	Difference FY19 EOB vs. FY20 Proposed
State Civil Service	\$ 11,385,561	\$ 12,304,648	\$ 12,304,648	\$ 12,580,285	\$ 275,637
Municipal Fire & Police Civil Service	\$ 2,173,365	\$ 2,334,588	\$ 2,334,588	\$ 2,384,413	\$ 49,825
Ethics Administration	\$ 4,339,271	\$ 4,365,871	\$ 4,365,871	\$ 4,604,180	\$ 238,309
State Police Commission	\$ 540,816	\$ 554,890	\$ 554,890	\$ 590,405	\$ 35,515
Board of Tax Appeals	\$ 1,199,677	\$ 1,462,688	\$ 1,462,688	\$ 1,516,479	\$ 53,791
TOTAL	\$ 19,638,690	\$ 21,022,685	\$ 21,022,685	\$ 21,675,762	\$ 653,077
Total Authorized FTEs	171	172	172	172	-

Note: FY19 Enacted includes a 24.2 percent preamble reduction of \$19.5 million SGF. **(-\$99,954)**

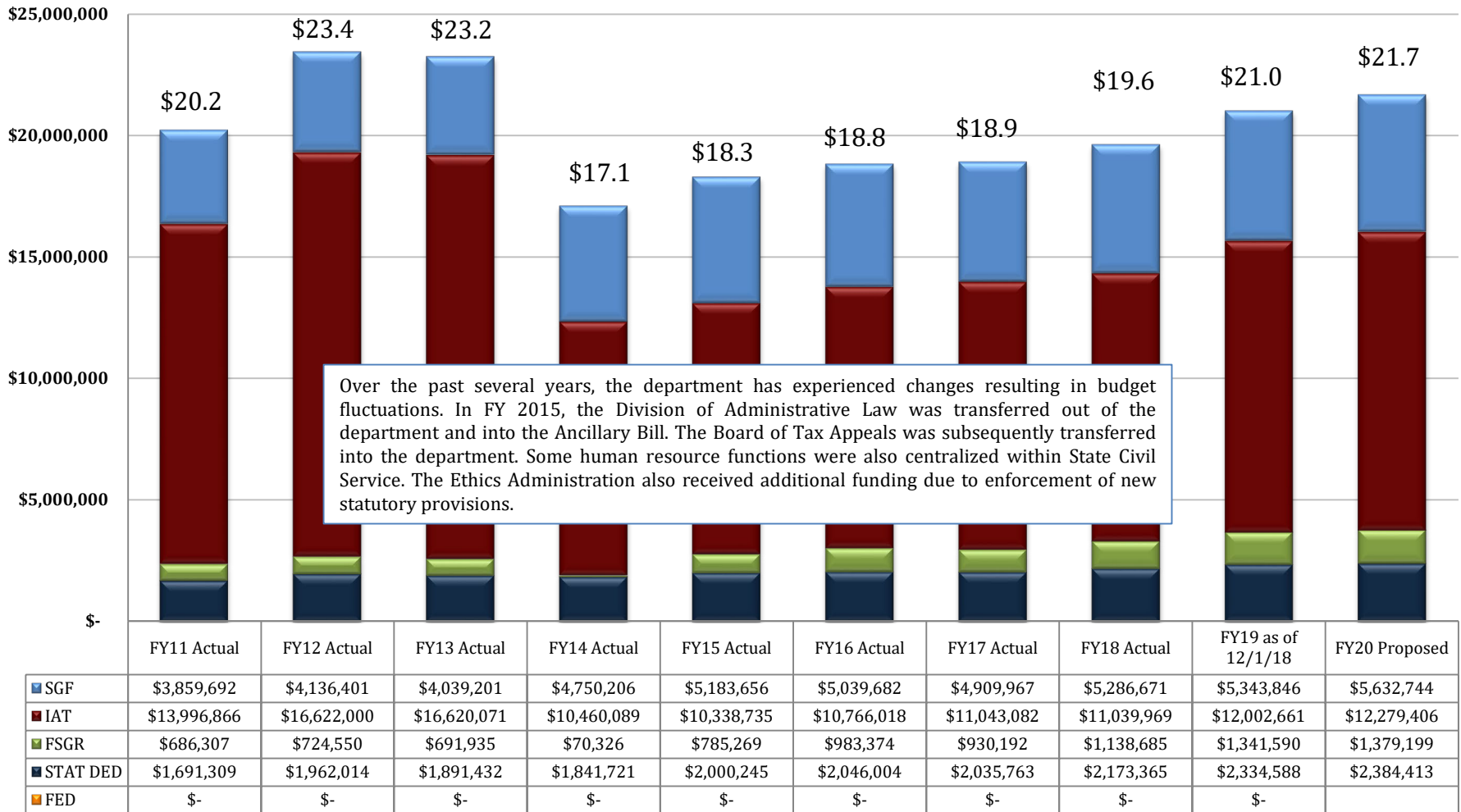


Department of Civil Service

Changes in Funding since FY11

**Total Budget by Fiscal Year and Means of Finance
(in \$ millions)**

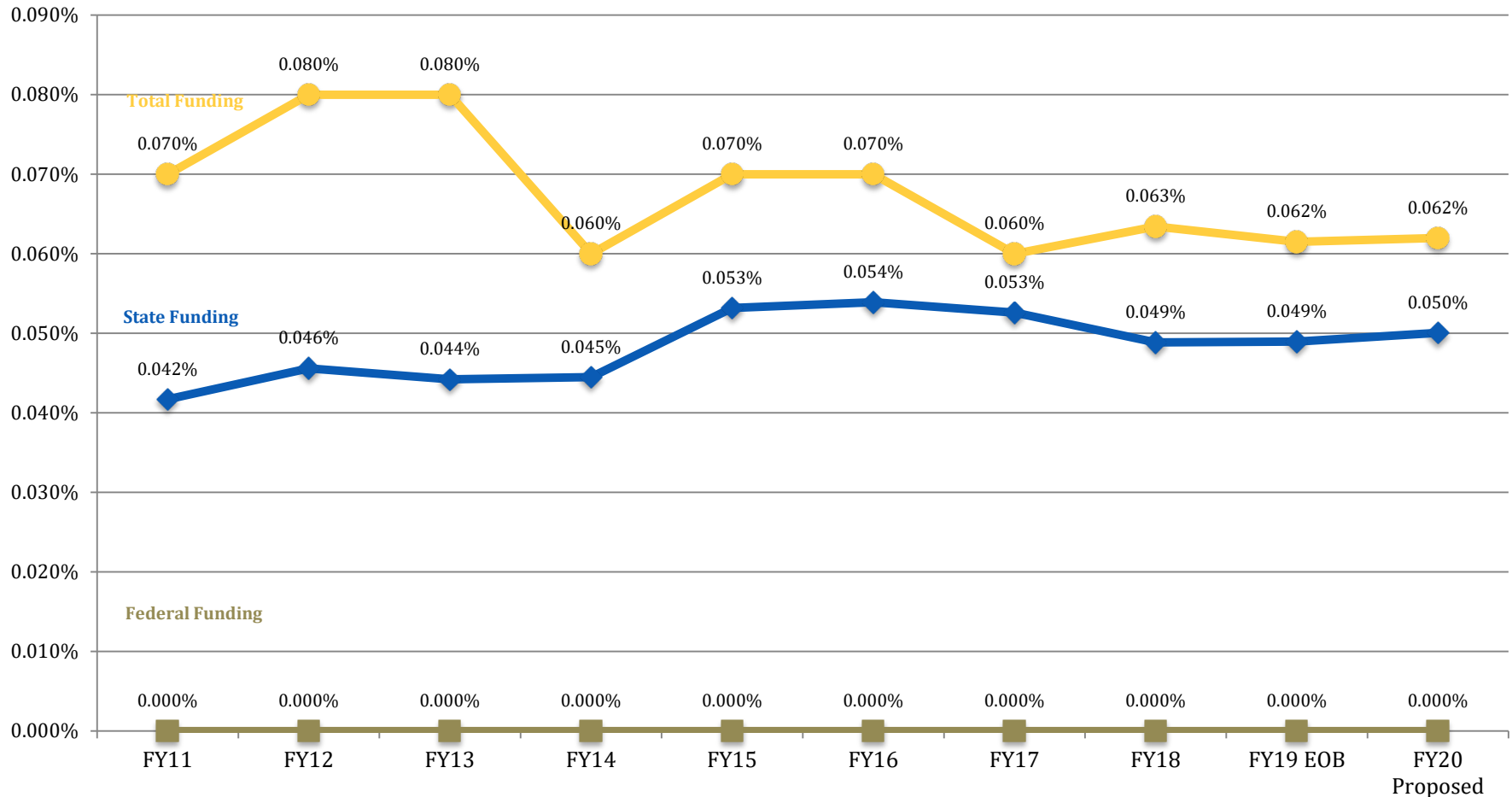
Change from FY11 to FY20 is +7.4.





Dept. of Civil Service Changes in Funding since FY11

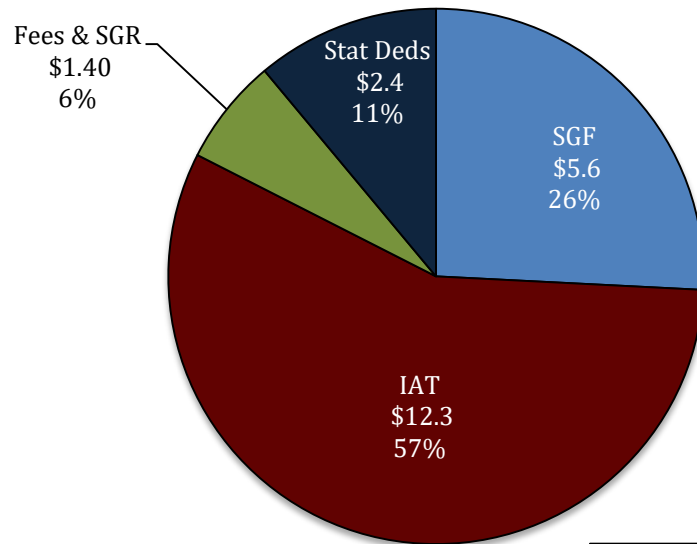
Dept. of Civil Service's Budget as a Portion of the Total State Budget





FY20 Proposed Means of Finance

**FY20 Proposed
Total Means of Finance**
(In Millions)



Total \$21.7 m.

Non-SGF Sources of Funding:

Non-SGF sources of revenue include **Interagency Transfers, Fees and Self-Generated Revenues, and Statutory Dedications.**

State Civil Service operates using transfers from all state budget units with classified employees and Fees and Self-generated Revenues from non-budgeted units with classified employees.

The **Municipal Fire and Police Civil Service** operates solely on monies within its statutory Dedication, the Municipal Fire and Police Civil Service Operating Fund (S). Revenue is collected from two and one-half hundredths of one percent of the gross direct insurance premiums received in the state in the preceding year by insurers doing business in the state.

The **Ethics Administration** is funded with state general fund and Fees and Self-generated Revenues derived from filing fees for all political action committees authorized by R.S. 18:1505; legislative lobbying registration fees authorized by R.S. 24:53I; and for executive lobbying registration fees authorized by R.S. 49:74G. Additionally, funds are collected for providing copies of reports, transcripts, and other documents.

The **State Police Commission** is funded with State General Fund and Interagency Transfers from the Department of Public Safety.

The **Board of Tax Appeals** is funded with State General Fund, Interagency Transfers, and Fees and Self-generated Revenues. The Interagency Transfers are from the Department of Revenue based on a reduction in distributions of local use tax to parish collectors. The Fees and Self-generated Revenues are derived from filing fees (\$250 per dispute, charged only on disputes over \$5,000); from charges for copies of hearing transcripts; and from local cases filed with the board pursuant to the Uniform Local Sales Tax Code.



Dept. of Civil Service

FY20 Proposed Means of Finance by Agency

17 — Department of Civil Service

FY20 Proposed Means of Financing by Agency

Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
State Civil Service	\$0	\$11,765,842	\$814,443	\$0	\$0	\$12,580,285
Administration and Support	\$0	\$11,765,842	\$814,443	\$0	\$0	\$12,580,285
Municipal Fire and Police Civil Service	\$0	\$0	\$0	\$2,384,413	\$0	\$2,384,413
Administration	\$0	\$0	\$0	\$2,384,413	\$0	\$2,384,413
Ethics Administration	\$4,428,682	\$0	\$175,498	\$0	\$0	\$4,604,180
Administration	\$4,428,682	\$0	\$175,498	\$0	\$0	\$4,604,180
State Police Commission	\$555,405	\$35,000	\$0	\$0	\$0	\$590,405
Administration	\$555,405	\$35,000	\$0	\$0	\$0	\$590,405
Board of Tax Appeals	\$648,657	\$478,564	\$389,258	\$0	\$0	\$1,516,479
Administrative	\$648,657	\$217,266	\$252,624	\$0	\$0	\$1,118,547
Local Tax Division	\$0	\$261,298	\$136,634	\$0	\$0	\$397,932
Dept. of Civil Service	\$5,632,744	\$12,279,406	\$1,379,199	\$2,384,413	\$0	\$21,675,762

Dedicated Funds	Source of Funding	FY18 Actual	FY19 EOB	FY20 Recommended
Municipal Fire & Police Civil Serv. Oper. Fund	Insurance premium taxes	\$2,173,365	\$2,334,588	\$2,384,413
TOTALS		\$2,173,365	\$2,334,588	\$2,384,413

Dedicated Fund Review Subcommittee recommendation FY2018 Review – Act 612 of 2018:

Municipal Fire and Police Civil Service Operating Fund = Reclassify as Fees & Self-generated Revenues



Significant Budget Adjustments Proposed for FY20

Statewide Adjustments to the Dept. of Civil Service Budget

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$100,427	\$243,106	\$16,612	\$47,409	\$0	\$407,554	0	Market Rate Classified
\$13,222	\$64,900	\$4,143	\$5,540	\$0	\$87,805	0	Civil Service Training Series Adjustment
\$22,270	\$76,082	\$6,490	(\$3,417)	\$0	\$101,425	0	Related Benefits Base Adjustment
\$79,418	\$174,656	\$10,808	\$35,076	\$0	\$299,958	0	Retirement Rate Adjustment
\$9,227	\$17,226	\$1,559	\$3,943	\$0	\$31,955	0	Group Insurance Rate Adjustment for Active Employees
\$2,860	\$15,875	\$1,013	\$1,877	\$0	\$21,625	0	Group Insurance Rate Adjustment for Retirees
\$113,740	\$71,732	\$9,354	\$26,236	\$0	\$221,062	0	Salary Base Adjustment
\$0	(\$49,231)	(\$3,143)	\$0	\$0	(\$52,374)	0	Attrition Adjustment
\$0	\$7,501	\$479	\$6,334	\$0	\$14,314	0	Acquisitions & Major Repairs
\$0	(\$50,953)	(\$3,253)	(\$1,500)	\$0	(\$55,706)	0	Non-Recurring Acquisitions & Major Repairs
\$26,180	\$1,982	\$127	(\$5,442)	\$0	\$22,847	0	Risk Management
\$2,501	\$4,782	\$305	\$0	\$0	\$7,588	0	Legislative Auditor Fees
(\$105,042)	(\$317,516)	(\$7,919)	\$0	\$0	(\$430,477)	0	Rent in State-Owned Buildings
(\$10)	\$168	\$10	\$0	\$0	\$168	0	Capitol Park Security
\$422	\$74	\$5	\$2	\$0	\$503	0	UPS Fees
\$350	\$0	\$0	\$140	\$0	\$490	0	Civil Service Fees
\$1,426	\$0	\$0	\$0	\$0	\$1,426	0	State Treasury Fees
\$2,204	\$8,228	\$348	\$2,303	\$0	\$13,083	0	Office of Technology Services (OTS)
\$9,219	\$0	\$0	\$0	\$0	\$9,219	0	Administrative Law Judges
(\$1,590)	(\$5,156)	(\$329)	\$324	\$0	(\$6,751)	0	Office of State Procurement
\$0	\$0	\$0	(\$80,000)	\$0	(\$80,000)	0	TOTAL NON-RECURRING OTHER ADJUSTMENT
\$12,074	\$13,289	\$1,000	\$11,000	\$0	\$37,363	0	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$288,898	\$276,745	\$37,609	\$49,825	\$0	\$653,077	0	Total Statewide Adjustments



Dept. of Civil Service Categorical Expenditures FY18, FY19, and FY20

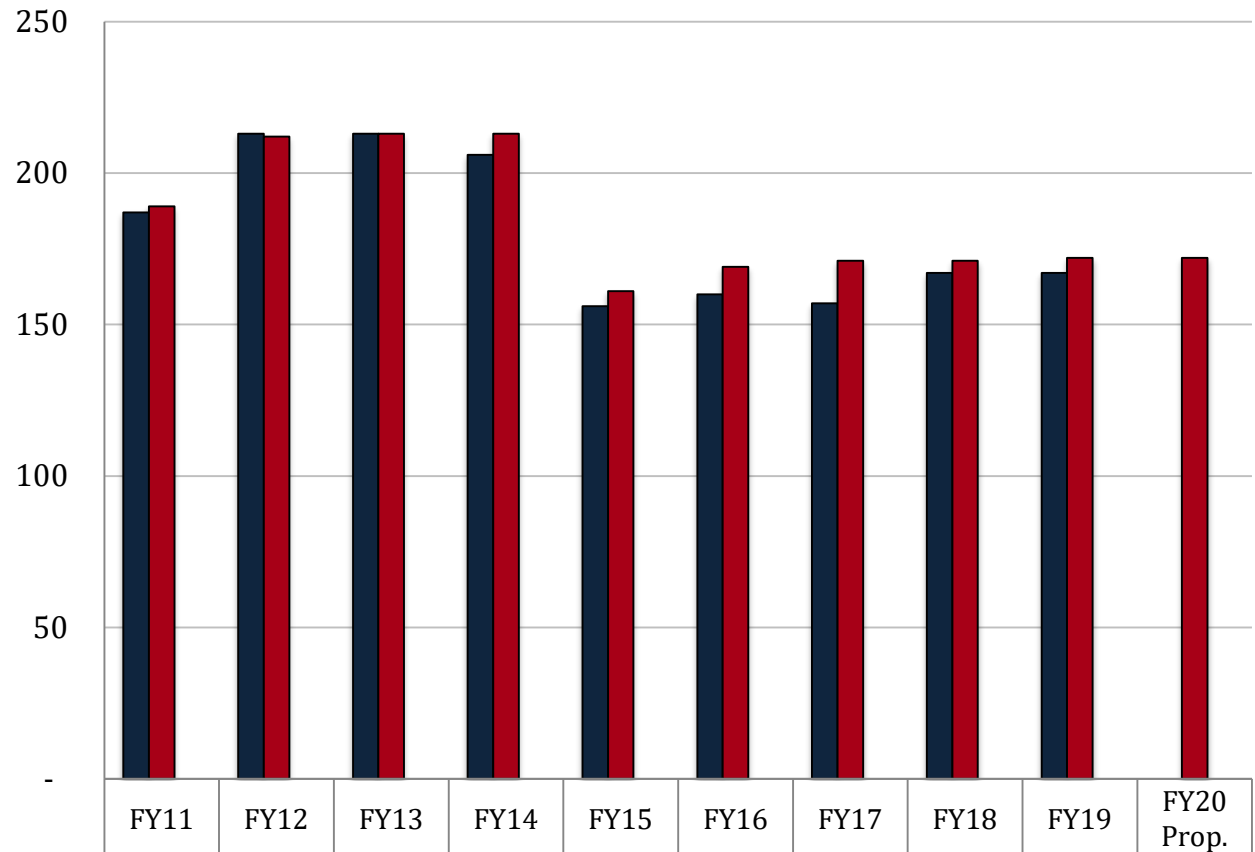
Expenditure Category	FY18 Actual	FY19 EOB (as of 12-01-18)	FY20		Difference FY19 to FY20
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$16,279,073	\$17,481,488	\$18,587,438	85.75%	\$1,105,950
Salaries	\$10,246,689	\$10,941,791	\$11,478,498	52.96%	\$536,707
Other Compensation	\$216,785	\$342,336	\$329,276	1.52%	(\$13,060)
Related Benefits	\$5,815,599	\$6,197,361	\$6,779,664	31.28%	\$582,303
Operating Expenses:	\$916,426	\$1,095,044	\$1,137,848	5.25%	\$42,804
Travel	\$110,487	\$131,327	\$146,562	0.68%	\$15,235
Operating Services	\$732,086	\$881,330	\$906,899	4.18%	\$25,569
Supplies	\$73,853	\$82,387	\$84,387	0.39%	\$2,000
Professional Services	\$159,075	\$315,075	\$245,075	1.13%	(\$70,000)
Other Charges:	\$2,108,941	\$2,075,372	\$1,691,087	7.80%	(\$384,285)
Other Charges	\$15,573	\$21,000	\$21,000	0.10%	\$0
Debt Service	\$0	\$0	\$0	0.00%	\$0
Interagency Transfers	\$2,093,368	\$2,054,372	\$1,670,087	7.70%	(\$384,285)
Acquisitions & Major Repairs:	\$175,175	\$55,706	\$14,314	0.07%	(\$41,392)
Acquisitions	\$175,175	\$55,706	\$14,314	0.07%	(\$41,392)
Major Repairs	\$0	\$0	\$0	0.00%	\$0
Total Expenditures	\$19,638,690	\$21,022,685	\$21,675,762	100.00%	\$653,077



Department of Civil Service

FTEs, Authorized Positions, and Other Charges Positions

Total FY20 Proposed Authorized Positions of 172 are 0.51% of Total State FY20 Proposed Authorized Positions of 33,675.



■ Total FTEs (as of July 1 of each fiscal year)	187	213	213	206	156	160	157	167	167	-
■ Total Authorized Positions (Enacted)	189	212	213	213	161	169	171	171	172	172
■ Authorized Other Charges Positions	-	-	-	-	-	-	-	-	-	-

Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

Data for Total Authorized Positions uses fiscal year enacted levels, except for FY20 Proposed.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



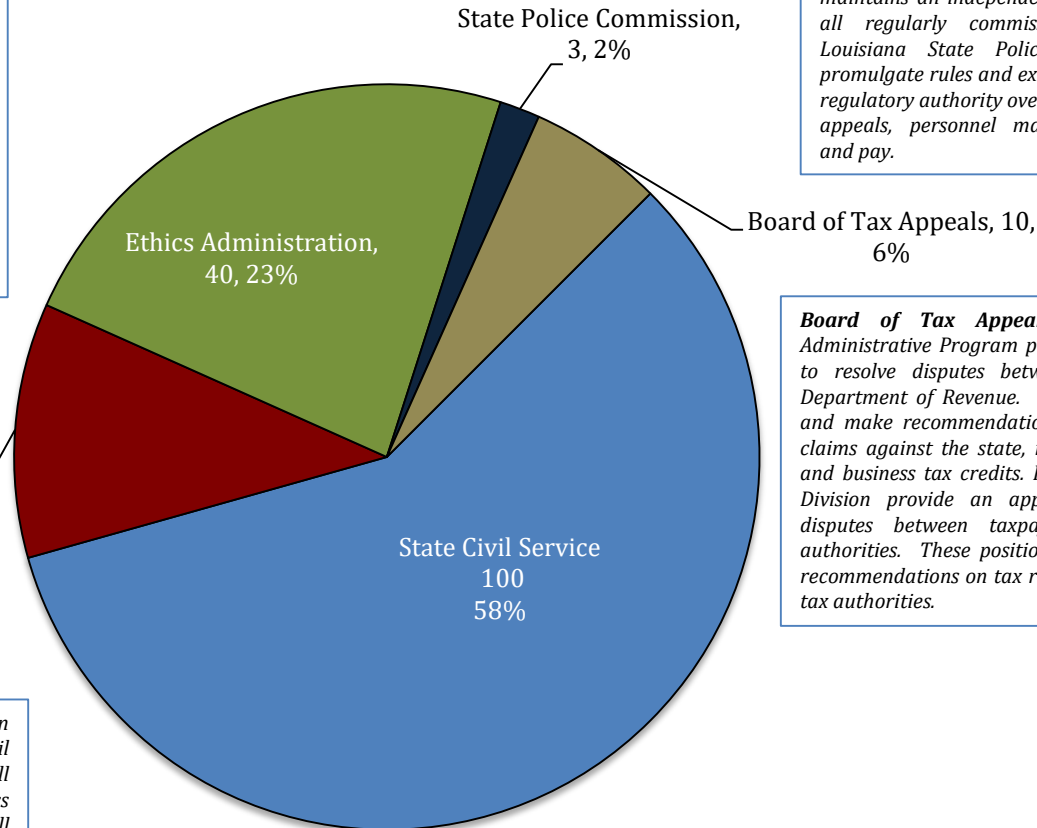
Department of Civil Service

FY20 Proposed Total Authorized Positions by Agency

Ethics Administration – Positions in this agency provide staff support for the Louisiana Board of Ethics which administers and enforces the state's conflicts of interest statutes, campaign finance disclosure requirements and lobbyist registration and disclosure laws. The Ethics Administration enforces compliance by government officials, public employees, candidates, and lobbyists and provides public access to disclosed information.

Municipal Fire and Police
Civil Service
19
11%

Municipal Fire and Police Civil Service – Positions in this agency administer a merit-based system of civil service for firefighters and police officers in all municipalities in the state having populations of not less than 7,000 nor more than 500,000 inhabitants and in all parish fire departments and fire protection districts regardless of population.



State Police Commission – The Commission maintains an independent civil service system for all regularly commissioned officers in the Louisiana State Police service. Employees promulgate rules and exercises administrative and regulatory authority over areas such as examining, appeals, personnel management, classification, and pay.

Board of Tax Appeals – Positions in the Administrative Program provide an appeals process to resolve disputes between taxpayers and the Department of Revenue. The positions also review and make recommendations on tax refund claims, claims against the state, industrial tax exemptions, and business tax credits. Positions in the Local Tax Division provide an appeals process to resolve disputes between taxpayers and local taxing authorities. These positions also review and make recommendations on tax refund claims against local tax authorities.

State Civil Service – Positions in State Civil Service provide administrative support and human resource management functions. Administrative functions include legal support, accounting, purchasing, and property control. These positions also hear civil service employee appeals and maintain the official personnel and position records of the state. Human resource management functions include development, implementation, and evaluation of systems for job performance, pay, employment, promotion and personnel management. These positions also establish rules, policies, and practices.



Department of Civil Service

Significant Budget Issues for FY20

Market Rate Pay Adjustments

- Beginning on July 1, 2018, Market Rate Pay Adjustments took effect. Traditional Performance Based Adjustments were suspended. A study by State Civil Service estimates that turnover costs the state as much as \$114 million annually. Research also showed that the state's civil service pay scales lagged behind the relevant public and private markets by as much as 5 to 28 percent.
- State Civil Service anticipates that Market Rate Adjustments will help to address some of the state's retention issues. After an initial 2% pay increase received by 38,000 classified employees on January 1, 2018, the state's six occupation-based pay schedules were changed. Each pay schedule became tied to their specific market. Subsequent to that time, eligible classified employees would receive annual tiered market rate adjustments. The amount of the annual increase would range between 4 and 2 percent depending on the employee's current rate of pay and their position in the relevant market. The pay increase would be less if the employee's pay were closer to the top of their relevant market pay rate.
- The proposed state general fund cost for Market Rate Adjustments in FY20 is \$24.5 million.

Statewide Changes to Employee Counts

- The number of statewide authorized positions proposed for FY20 has increased by 104. This is primarily due to the conversion of non-T.O. positions to authorized positions. This is due to an initiative by State Civil Service to reduce the number of positions residing outside of authorized T.O.
- Non-T.O. and Other Charges positions are decreased by a net 282 positions.
- The net change in total positions is a reduction of 178.



Comparison Adjustments to the State General Fund in the FY20 Continuation, Standstill and Proposed Budgets

CIVIL SERVICE	FY19 EOB	FY20 Proposed Budget	FY 20 Continuation Budget	FY20 Standstill Budget	DIFFERENCE					
					CONTINUATION OVER/(UNDER) FY19 EOB	STANDSTILL OVER/(UNDER) FY19 EOB	CONTINUATION OVER/(UNDER) STANDSTILL	PROPOSED OVER/(UNDER) CONTINUATION	PROPOSED OVER/(UNDER) STANDSTILL	PROPOSED OVER/(UNDER) FY19 EOB
STATE GENERAL FUND	\$5,343,846	\$5,632,744	\$5,676,447	\$5,646,402	\$332,601	\$302,556	\$30,045	(\$43,703)	(\$13,658)	\$288,898

Continuation Budget, Standstill Budget, and Proposed Budget

The approximately \$30,000 difference between the adjustments for the Continuation and Standstill Budgets results primarily from administrative increases included in the Continuation Budget. These include increases for additional testing, larger caseloads, journal dues, conference attendance, training, and legal research database subscriptions. The difference between the Proposed Budget and the Continuation and Standstill Budgets results from variations to both statewide and agency-specific adjustments. The difference is due primarily to administrative increases included in the Continuation Budget. Some of these increases were not included in the Proposed Budget. These include small increases for conference attendance, training, subscriptions, and dues.

Difference between the Governor's Proposed Budget (HB 103 by Rep. Leger) and House Bill No. 105 by Rep. Henry

For this agency, House Bill No. 105 reduces the state general fund proposed for FY20 by \$288,898. This is the amount of the increase proposed by the governor above the FY19 Existing Operating Budget. Decreases were made to the Ethics Administration (\$238,309), the State Police Commission (\$35,515), and the Board of Tax Appeals (\$15,014).

DEPARTMENT	EOB AS OF 12/01/2018	HB 103 REP. LEGER	HB 105 REP. HENRY	HB 105 OVER/(UNDER) HB 103
Civil Service	\$5,343,846	\$5,632,744	\$5,343,846	(\$288,898)



HAC Changes to HB105 and Comparison to the Proposed FY20 Budget

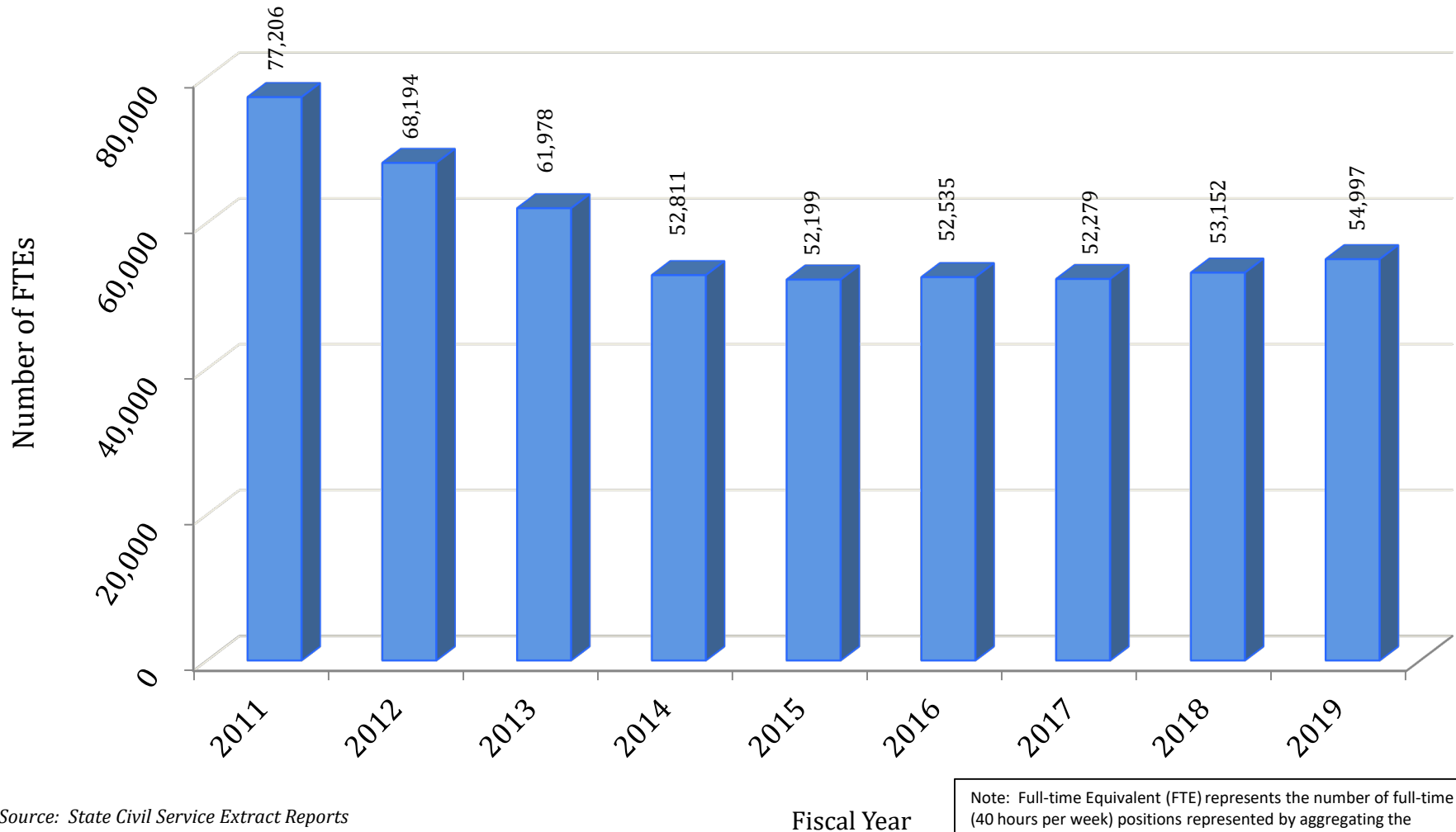
House Amendments to HB105 - Department of Civil Service

HB 105	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal	TOTAL
Original	\$5,343,846	\$12,279,406	\$1,379,199	\$2,384,413	\$0	\$21,386,864
Appropriations Amendments:	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal	TOTAL
Provides an increase of \$220,048 state general fund for the Ethics Administration	\$220,048	\$0	\$0	\$0	\$0	\$220,048
Provides an increase of \$33,225 state general fund for the State Police Commission	\$33,225	\$0	\$0	\$0	\$0	\$33,225
Provides an increase of \$12,399 state general fund for the Board of Tax Appeals	\$12,399	\$0	\$0	\$0	\$0	\$12,399
Engrossed	\$5,609,518	\$12,279,406	\$1,379,199	\$2,384,413	\$0	\$21,652,536
<i>Difference HB105 Original to HB105 Engrossed</i>	<i>\$265,672</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$265,672</i>
FY20 Proposed	\$5,632,744	\$12,279,406	\$1,379,199	\$2,384,413	\$0	\$21,675,762
<i>Difference HB105 Original to FY20 Proposed</i>	<i>(\$288,898)</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$288,898)</i>
<i>Difference HB105 Engrossed to FY20 Proposed</i>	<i>(\$23,226)</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$23,226)</i>



Department of Civil Service

Total Appropriated Full-Time Equivalents (FTEs) for Classified and Unclassified State Employees by Fiscal Year



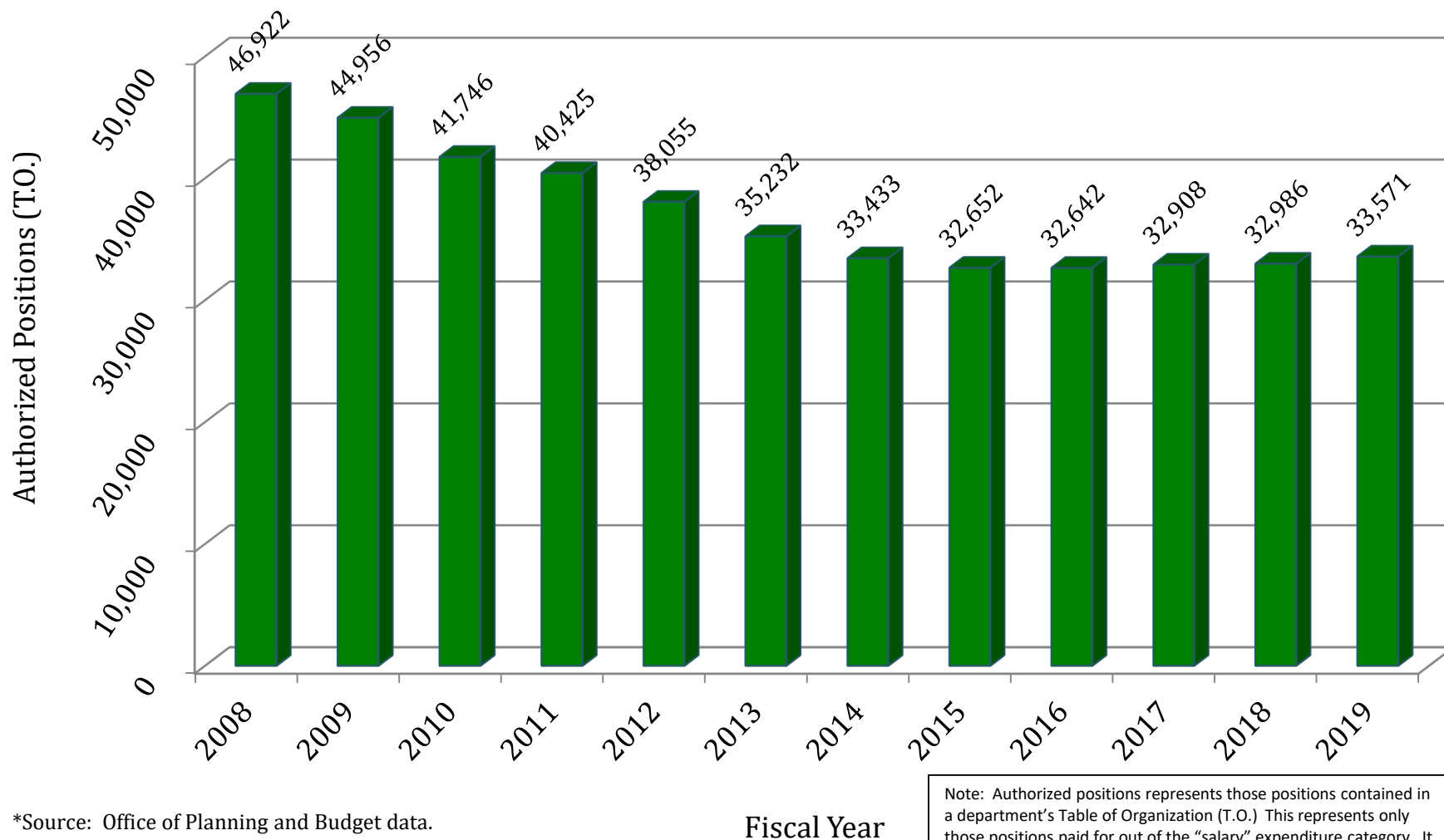
Source: State Civil Service Extract Reports
for the Office of Planning and Budget.

Fiscal Year



Department of Civil Service

Authorized Positions (T.O.) by Fiscal Year*



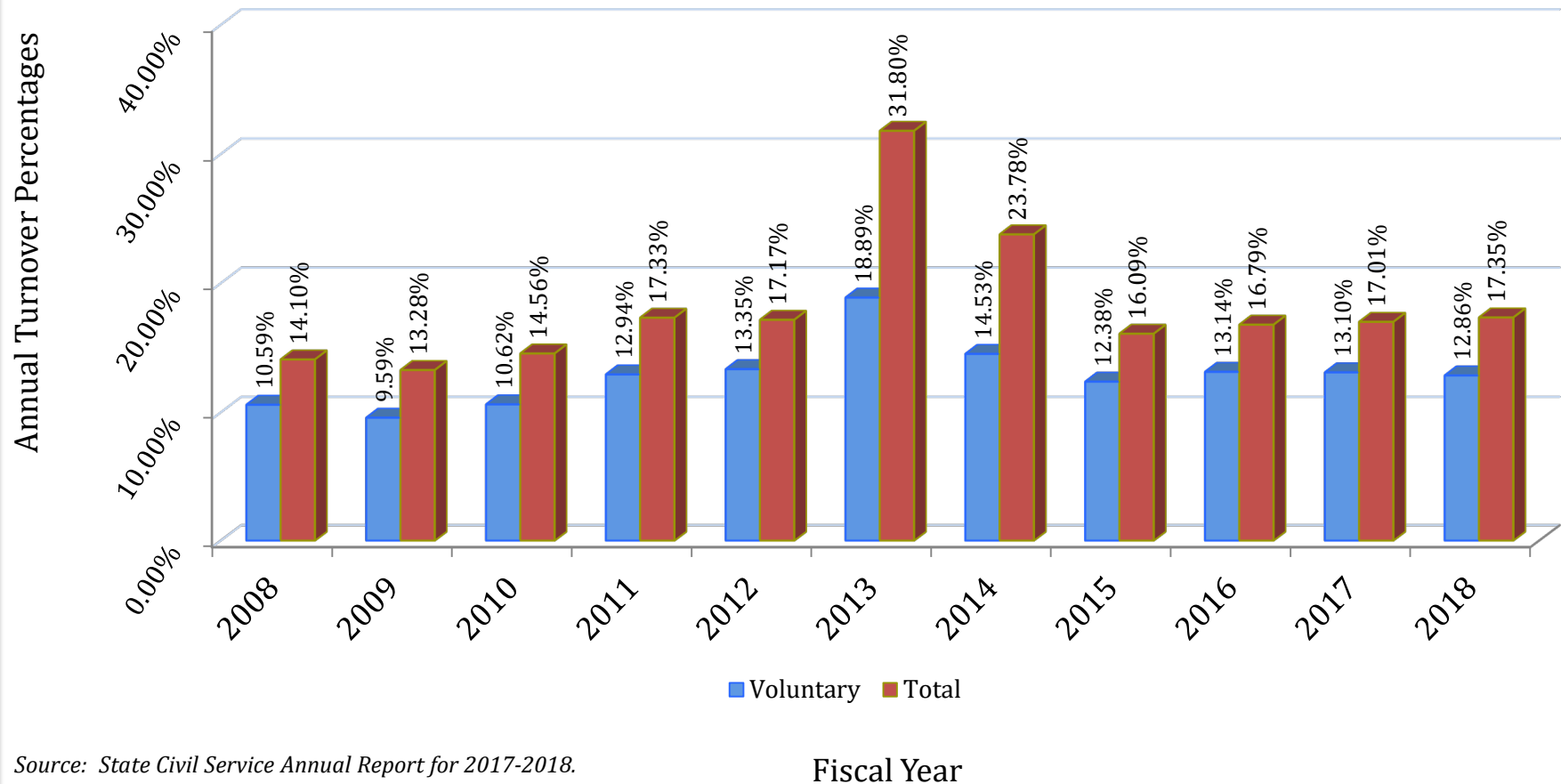
*Source: Office of Planning and Budget data.
HIED and LSU HCSD are excluded from this chart.

Note: Authorized positions represents those positions contained in a department's Table of Organization (T.O.) This represents only those positions paid for out of the "salary" expenditure category. It does not include "other compensation" or "other charges" positions.



Department of Civil Service

Voluntary and Total Turnover for Classified State Employees by Fiscal Year

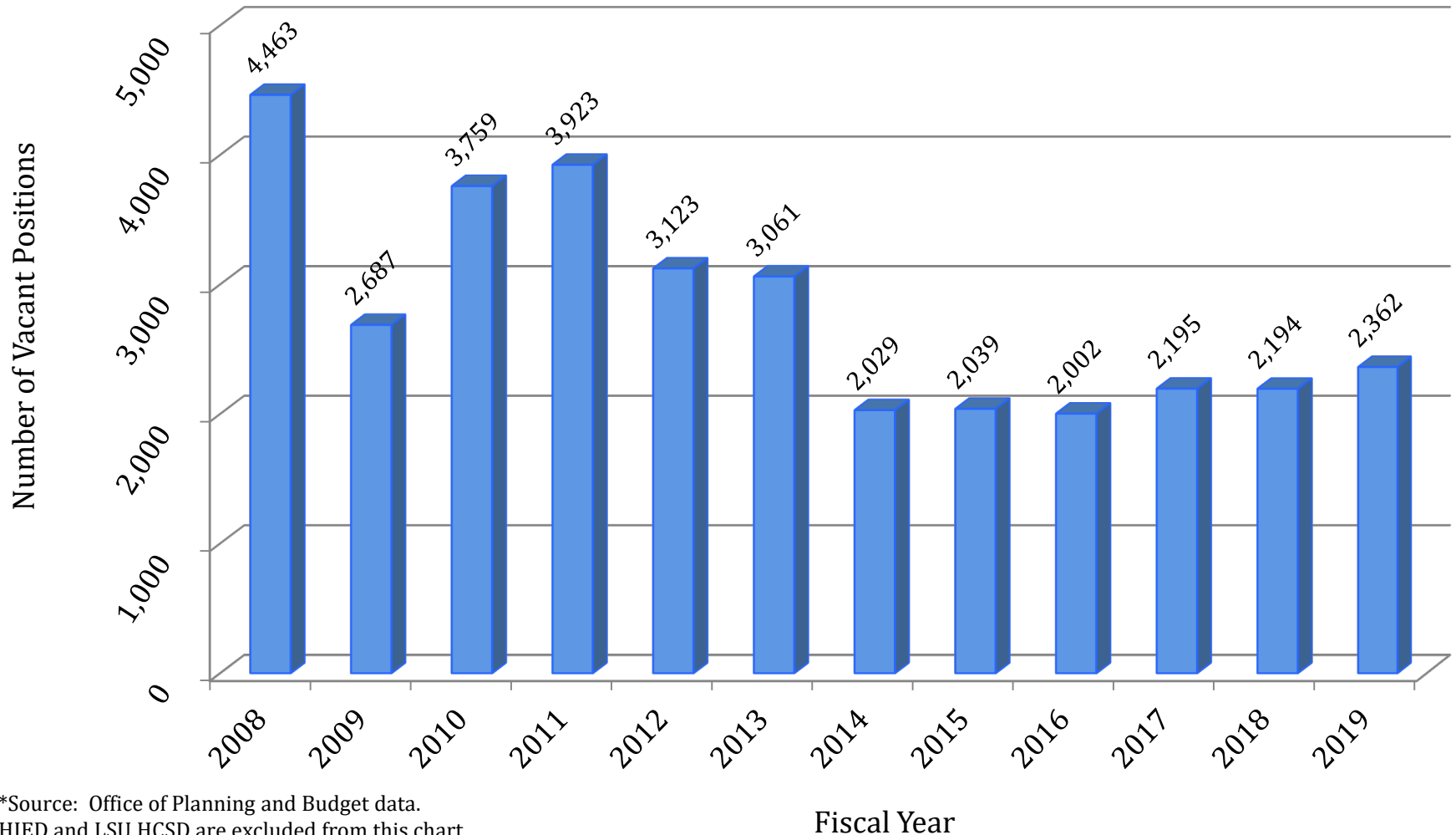


Source: State Civil Service Annual Report for 2017-2018.



Department of Civil Service

Vacant Positions by Fiscal Year*



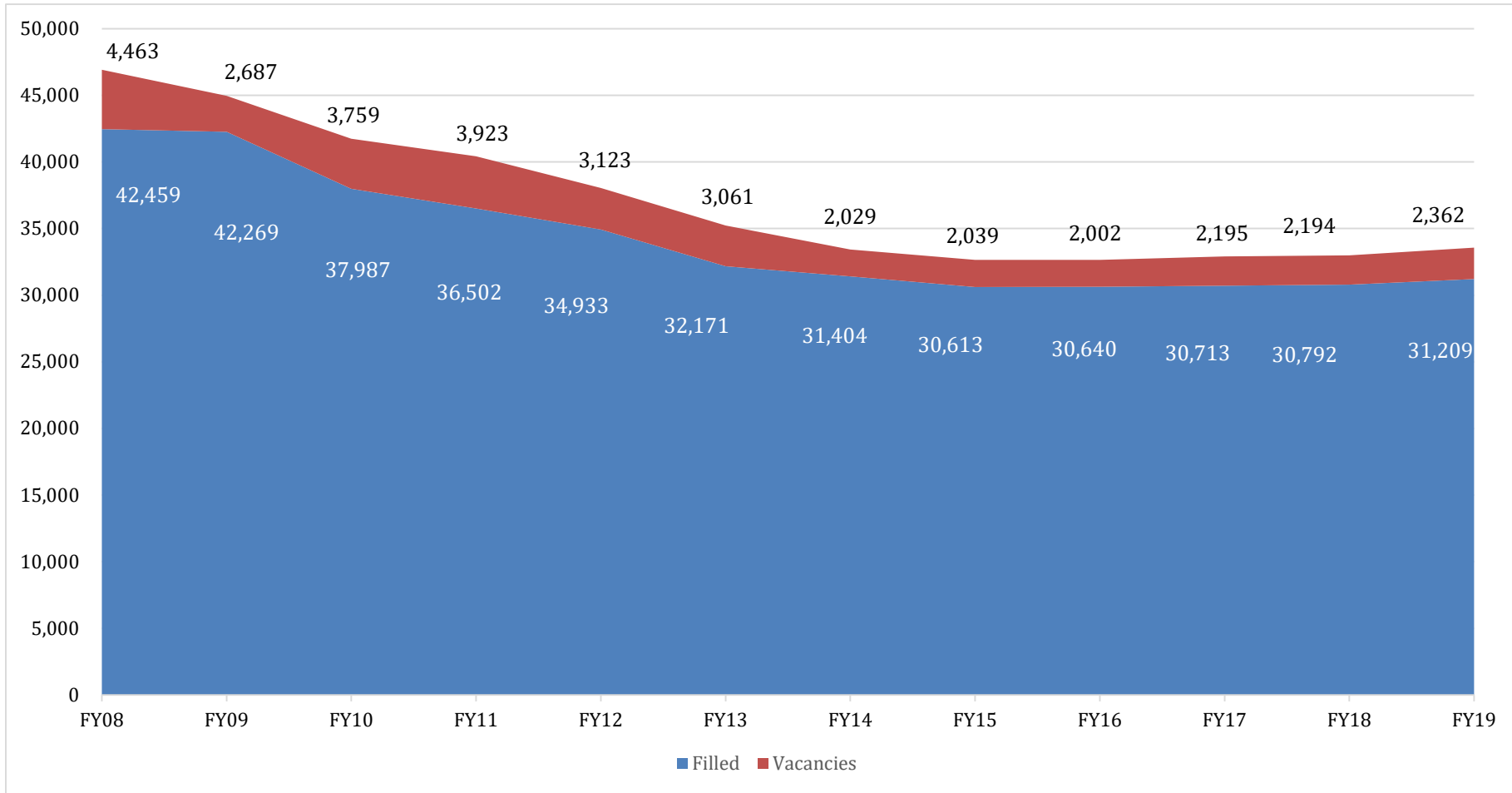
*Source: Office of Planning and Budget data.
HIED and LSU HCSO are excluded from this chart.

Fiscal Year



Department of Civil Service

**Comparison of Declining Filled Positions (T.O.)
vs. Number of Vacancies***

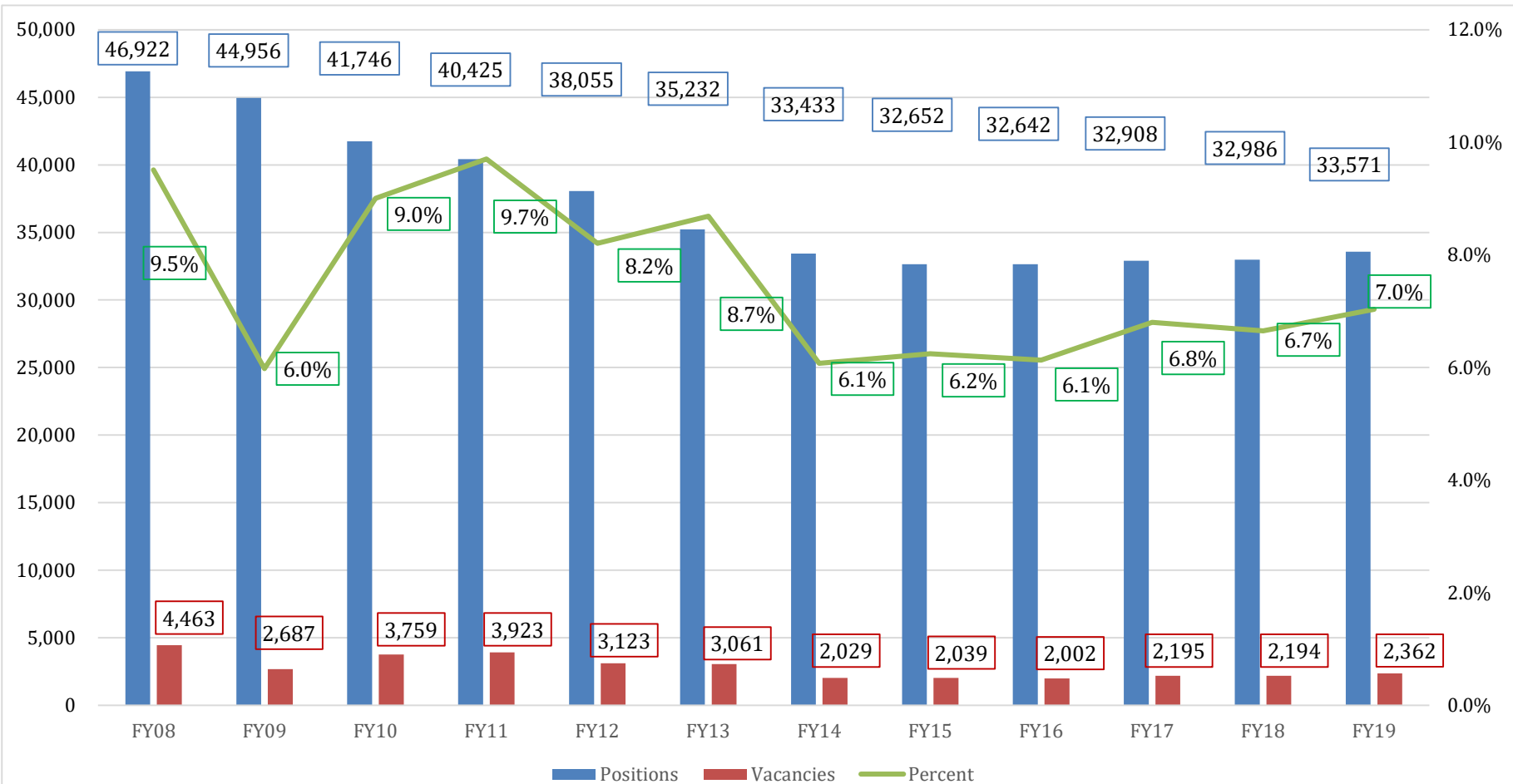


*Source: Office of Planning and Budget data.
HIED and LSU HCSD are excluded from this chart.



Department of Civil Service

Historical Trends in Position and Vacancy Counts by Fiscal Year*



*Source: Office of Planning and Budget data.
HIED and LSU HCSD are excluded from this chart.

Note: Percent shows vacancies as a percentage of total positions.