Text for ‘Trends in Staffing, Annual Rates of Pay, and Personnel Expenditures in Executive Branch Agencies’

*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Krista Baker-Hernandez. I’m a manager with LLA Performance Audit Services. This episode of LLA Reports focuses on our new report titled “Trends in Staffing, Annual Rates of Pay, and Personnel Expenditures in Executive Branch Agencies.”

The purpose of our audit was to update information from a February 2013 report.

To do that, we examined information related to the number of classified and unclassified employees in the executive branch of state government, the reasons employees left state government, trends in annual pay rates, the types of pay actions agencies took, and personnel-related expenditures – such as overtime, benefits and retirement, and professional services.

Our audit covered fiscal years 2013 through 2020.

In our 2013 report we found that the number of executive branch employees declined by almost 16 percent between fiscal years 2005 and 2012, while the annual rates of pay for these employees rose 14 percent over the same time period.

The most common reasons for people leaving state government between 2005 and 2012 were resignation, termination of temporary employment, and retirement.

In our latest report, we found the number of executive branch employees decreased between fiscal years 2013 and 2020, but annual rates of pay and expenditures for overtime, retirement and benefits, and professional services increased.

Specifically, the number of employees declined nearly 4 percent from 37,665 in fiscal year 2013 to 36,241 in fiscal year 2020. Voluntary resignations and retirements accounted for the majority of the decrease.

However, some agencies had more significant changes in the number of their employees than others.

For example, the number of Executive Department employees increased more than 13 percent. The Louisiana Department of Health had the second largest increase in that same period with a 9 percent rise in the number of its employees.

In contrast, the number of employees in the Lieutenant Governor’s Office declined by 48 percent, while the number of employees in the Louisiana Department of Education dropped almost 50 percent.

We also found that overall annual rates of pay in the executive branch agencies increased 5 percent from $1.7 billion dollars in fiscal year 2013 to $1.8 billion dollars in fiscal year 2020.

The increase was primarily due to the implementation of the State Civil Service Commission’s compensation redesign plan in fiscal year 2017, which allowed for market salary adjustments for eligible classified employees.

As a result, the median rate of pay for executive branch employees increased by more than 15 percent – from $35,838 dollars in fiscal year 2013 to $41,445 dollars in fiscal year 2020.

Other personnel expenditures such as overtime, retirement and benefits, and payments for professional services also increased between fiscal years 2013 and 2020.

Overtime rose by 59 percent, which agency officials attributed to emergency response operations and maintenance of staffing requirements.

The amount of overtime paid by departments varied significantly. Some agencies, such as the Department of Public Safety, the Department of Transportation and Development, and the Department of Children and Family Services had increases in overtime because of their work in the 2016 floods, Hurricane Isaac in 2012, and other disasters.

Staffing requirements and closure of public facilities also contributed to overtime in state agencies. Officials with both the Louisiana Department of Health and the Department of Corrections said the difficulty they have in finding staff for their facilities contributes significantly to their overtime expenditures.

Retirement and other benefits for executive branch employees also rose between 2013 and 2020 – increasing 30 percent from $831 million dollars to just over $1 billion dollars.

The largest increase came in the state’s portion of retirement contributions, which rose 50 percent, in part because of an increase in the number of retirees and the average benefit.

Expenditures for professional services rose as well – from $345 million dollars in fiscal year 2013 to $479 million dollars in fiscal year 2020. Professional services include accounting, legal services, and information technology consulting.

The Executive Department saw the largest increase in professional services expenses – going from $29 million dollars in 2013 to $163 million dollars in 2020 – a 467 percent rise. According to staff with the department’s Office of Technology Services, OTS had three large information technology contracts for projects related to Medicaid, the SNAP and TANF programs, and the Enterprise Architecture project.

In contrast, some agencies drastically reduced their professional services expenditures. For example, the Louisiana Department of Revenue cut professional services expenditures by 78 percent, while the Louisiana Workforce Commission cut its professional services expenditures by 60 percent, and the Department of Public Safety reduced its professional services expenses by more than 57 percent.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*