FISCAL IMPACT OF PROPOSED LEGISLATION — Measure: HB 4131-A

Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session
Legislative Fiscal Office

REVISED

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Measure Description:
Directs those agencies of state government with 100 or more employees that have not attained an 11 to 1 ratio of public employees to supervisory and managerial employees as of the effective date of the legislation, to increase ratio of public employees to supervisory employees by at least one public employee not later than October 31, 2012. If the ratio remains less than 11 to 1 after this date, then the agency is prohibited from filling supervisory or managerial employee positions until the agency has increased the ratio by at least one additional public employee, and by October 31st of each subsequent year must lay off or reclassify the number of supervisory or managerial employees needed to increase the agency’s ratio by at least one public employee.

Government Unit(s) Affected:
Bureau of Labor and Industries (BOLI), Department of Administrative Services (DAS), Department of Agriculture, Department of Consumer and Business Services (DCBS), Department of Corrections, Department of Education, Department of Energy, Department of Environmental Quality (DEQ), Department of Forestry, Department of Human Services (DHS), Department of Justice, Department of Revenue(DOR), Employment Department, Housing and Community Services Department, Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Transportation (ODOT), Oregon Health Authority (OHA), Oregon Military Department, Oregon Parks and Recreation Department (OPRD), Oregon State Police (OSP), Oregon Youth Authority (OYA), Public Employees Retirement System (PERS)

Summary of Fiscal Impact:
Please see analysis

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
The fiscal impact of the measure is indeterminate. Although it is assumed that some reduction in budgeted expenditures would be produced by the decrease number of supervisory and supervising manager the magnitude of that reduction and whether or not costs would simply shift in to other positions is unknown. It is not anticipated that significant cost savings would be realized through position elimination.

Further Analysis Required

The primary course of action proposed by the agencies subject to the measure is to make the required changes through the use of position reclassification. This may mean that a position would be reclassified from a supervisory or supervising management position to a non-supervising, non-management position or to a non-supervising, but still management position. The secondary course of action would be to decrease the number of supervisory or supervising management positions through attrition, replacing those vacancies with a non-supervisory position. In either of these cases, the change in total personal services expenditures is unknown and may be nominal. Of particular interest are the few instances where the non-supervisory position is paid higher than the supervisory position as is the case with the Department of Justice when attorneys working in an administrative capacity are paid less than attorneys practicing law.

Generally agencies would begin by reclassifying vacant supervisory positions. This would increase their ratio and may decrease their total budget, but would have a minimal impact on actual expenditures. Operational issues related to the attainment of the specified ratios were noted by the majority of agencies impacted that may result in increased overtime and workload for some employees as duties of supervisory employees are redistributed, but the dollar impact of these issues is unquantifiable. The figure below details the agencies identified as being subject to the measure. The Oregon Lottery may also be subject, but it has yet to be determined.

AGENCY	AGENCY COUNT	SUPERVISORY	NON-SUPERVISORY	CURRENT RATIO	
				SUP	NON
HUMAN SERVICES, DEPARTMENT OF	7842	769	7073	1	9
OREGON HEALTH AUTHORITY	4789	537	4252	1	8
TRANSPORTATION, DEPT OF	4742	466	4276	1	9
CORRECTIONS, DEPT OF	4588	430	4158	1	10
EMPLOYMENT DEPT	1534	152	1382	1	9
FISH & WILDLIFE, DEPT OF	1487	221	1266	1	6
JUSTICE, DEPARTMENT OF	1308	130	1178	1	9
POLICE, OREGON STATE	1262	217	1045	1	5
FORESTRY, DEPT OF	1220	172	1048	1	6
YOUTH AUTHORITY, OREGON	1180	137	1043	1	8
REVENUE, DEPARTMENT OF	1067	93	974	1	10
CONSUMER AND BUS SRVCS, DEPT O	1014	122	892	1	7
PARKS & RECREATION, DEPT OF	900	102	798	1	8
ADMINISTRATIVE SRVCS, DEPT OF	838	107	731	1	7
ENVIRONMENTAL QUALITY, DEPT OF	750	71	679	1	10
MILITARY, DEPT OF	551	52	499	1	10
AGRICULTURE, DEPT OF	550	57	493	1	9
EDUCATION, DEPT OF	458	52	406	1	8
PUBLIC EMPS RETIREMENT SYSTEM	369	41	328	1	8
PUBLIC SAFETY STANDARDS & TRNG	346	16	330	1	21
LIQUOR CONTROL COMMISSION	245	28	217	1	8
HOUSING & COMM SRVCS, DEPT OF	221	30	191	1	6
SECRETARY OF STATE	199	33	166	1	5
OR BUSINESS DEV DEPT	163	25	138	1	6
WATER RESOURCES, DEPT OF	153	22	131	1	6
PUBLIC UTILITY COMMISSION	144	25	119	1	5
ENERGY, DEPARTMENT OF	140	20	120	1	6
OR HEALTH LICENSING AGENCY	118	3	115	1	38
LABOR & INDUSTRIES, BUREAU OF	115	16	99	1	6
LANDS, DEPARTMENT OF STATE	108	18	90	1	5
VETERANS' AFFAIRS, DEPT OF	105	16	89	1	6
TOTAL	38,506	4,180	34,326	1	8
Change from re-classification	38,506	3,752	34,754	1	9
Change from attrition/elimination	38,140	3,814	34,326	1	9

Further Analysis Required

Two agencies are at or above the ratio required by the bill. The agencies highlighted in in the figure reported being at or above the ratio required under the bill based on information provided by the Department of Administrative Services to the agencies where the number of total employees (including supervisors) was compared to the number of supervisory employees to attain the ratio, but by the calculation used by the Legislative Fiscal Office (as shown in the figure above) that compares the number of non-supervisory positions the number of supervisory positions to attain the ratio, those agencies are not at or above the ratio required under the bill.

The lower portion of the figure illustrates the change in total positions, supervisory, and non-supervisory personnel using solely re-classification or attrition/elimination.