

GOVERNOR DAUGAARD'S RECOMMENDATION FOR STATE EMPLOYEE COMPENSATION PLAN

| | GENERAL FUNDS | FEDERAL FUNDS | OTHER FUNDS | TOTAL FUNDS |
|---|------------------|------------------|----------------|----------------|
| ACROSS-THE-BOARD INCREASE AND MARKET ADJUSTMENTS: The Governor is recommending all permanent state employees receive a 3.0% cost-of-living/maket adjustment increase. | \$ 9,772,471 | \$ 5,442,344 | \$ 11,678,982 | \$ 26,893,797 |
| ADJUSTMENT TOWARD JOB WORTH: The Governor is recommending the Performance and Compensation Equity (PACE) system established in FY1990 be continued to include 3.0% adjustments to employees who are paid under the job worth of their pay range. | \$ 2,797,040 | \$ 1,346,040 | \$ 1,828,378 | \$ 5,971,458 |
| PAY FOR PERFORMANCE: The Governor is recommending 0% to 4.5% performance-based adjustments to employees in the Career Band families established in FY2010. | \$ 585,673 | \$ 544,366 | \$ 1,587,957 | \$ 2,717,996 |
| TARGETED COMPENSATION ADJUSTEMENTS: Following a total compensation market analysis study, compensation adjustments are being recommended for a small number of mostly vocational jobs that are below market, experiencing high turnover, a decline in applicants, or are difficult to fill because of the nature of the work. | \$ 454,727 | \$ 224,340 | \$ 304,730 | \$ 983,797 |
| HEALTH INSURANCE INCREASE: The cost associated with the employer-paid portion of the state employee's health insurance plan for FY2015 is projected to increase by 18.6%. | \$ 6,756,462 | \$ 3,902,062 | \$ 7,286,652 | \$ 17,945,176 |
| TOTAL COST OF RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN: | \$ 20,366,373 | \$ 11,459,152 | \$ 22,686,699 | \$ 54,512,224 |
| REMAINING FY2014 COMPENSATION POOL: | \$ (32,711) | \$ (190,766) | \$ (464,725) | \$ (688,202) |
| TOTAL INCREASE FOR RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN: | \$ 20,333,662 | \$ 11,268,386 | \$ 22,221,974 | \$ 53,824,022 |

For FY2015, the state employee compensation plan is recommended as a pool in the Bureau of Finance and Management.