

GOVERNOR DAUGAARD'S RECOMMENDATION FOR THE FY2016 STATE EMPLOYEE COMPENSATION PLAN

	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
MARKET ADJUSTMENT	\$ 6,718,056	\$ 3,073,351	\$ 7,662,490	\$ 17,453,897

The Governor is recommending all permanent state employees receive a 2.0% pay increase or market adjustment. Employees in the career bands will receive market adjustments based on actual market movement of the job family.

Permanent Employees (excluding Career Band Employees)	Annual Adjustment	2.0%
Career Band Employees	Actual Market Adjustments	
	Nursing	0.0%
	Information Technology	1.1%
	Accountants / Auditors	1.7%
	Engineers	2.0%
	Environmental Scientists	6.6%

MOVEMENT TOWARD MARKET VALUE:	\$ 3,858,561	\$ 2,040,320	\$ 3,265,492	\$ 9,164,373
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As a result of the market analysis developed by the Total Compensation Work Group, the Governor is recommending moving all permanent employees under his control that are not currently in career bands from the Performance and Compensation Equity (PACE) system established in FY1990 into a new market-based General Pay Structure. The employees in the General Pay Structure are recommended to receive 2.5% movement towards their new market values. Employees remaining in the PACE system are recommended to receive 2.5% movement towards the job worth of their current pay grade.

CAREER BAND PAY FOR PERFORMANCE:	\$ 558,136	\$ 455,735	\$ 1,156,407	\$ 2,170,278
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The Governor is also recommending the continuation of the 0% to 4.5% performance based adjustments to employees in the Career Band families established in FY2010 to move them towards market value.

General Pay Structure Employees *	Movement Towards Market Value	2.5%
Career Band Employees	Performance-Based Adjustment	0% to 4.5%
Unclassified Employees		0%
<i>* includes PACE and other offices with established classifications and assigned pay grades</i>		

HEALTH INSURANCE INCREASE:	\$ -	\$ -	\$ -	\$ -
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No budget increase is recommended by the Governor for the employer-paid portion of the state employee's health insurance plan for FY2016.

TOTAL COST OF RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:	<u>\$ 11,134,753</u>	<u>\$ 5,569,406</u>	<u>\$ 12,084,389</u>	<u>\$ 28,788,548</u>
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REMAINING FY2015 COMPENSATION POOL:	\$ (935)	\$ (741)	\$ (3,595,785)	\$ (3,597,461)
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TOTAL INCREASE FOR RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:	<u>\$ 11,133,818</u>	<u>\$ 5,568,665</u>	<u>\$ 8,488,604</u>	<u>\$ 25,191,087</u>
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For FY2016, the state employee compensation plan was recommended as a pool in the Bureau of Finance and Management to be distributed to the agencies after moving PACE employees into the new General Pay Structure and the preliminary career band pay-for-performance scores and percentages have been calculated.