

**GOVERNOR DAUGAARD'S RECOMMENDATION FOR THE
FY2017 STATE EMPLOYEE COMPENSATION PLAN**

	<u>GENERAL FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL FUNDS</u>
MARKET ADJUSTMENT	\$ 9,236,940	\$ 4,058,267	\$10,166,930	\$23,462,137

The Governor is recommending all permanent state employees receive a 2.7% market adjustment. Employees in the career bands will receive market adjustments based on actual market movement of their job family.

Permanent Employees (excluding Career Band Employees)	Annual Adjustment	2.7%
Career Band Employees	Actual Market Adjustments	
	Accountants / Auditors	0.0%
	Information Technology	0.0%
	Nurses	1.0%
	Environmental Scientists	2.5%
	Engineers	2.7%

MOVEMENT TOWARD MARKET VALUE:	\$ 4,316,305	\$ 2,482,671	\$ 4,269,958	\$11,068,934
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For FY2017, the employees in the General Pay Structure established last year are recommended to receive 2.5% movement towards their new market values. The Career Band families are recommended to receive 0-4.5% increases, averaging 2.5%, based on pay-for-performance and position in range. The pay-for-performance increases will be applied to the employees' base salary or wage.

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 General Pay Structure and agencies with established classifications and assigned pay grades</i>		

HEALTH INSURANCE CHANGE:	\$ (1,453,652)	\$ (708,694)	\$ (1,566,777)	\$ (3,729,123)
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A decrease of \$275 per benefitted employee is recommended by the Governor for the employer-paid portion of the state employee health insurance plan for FY2017.

TOTAL COST OF RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:	<u>\$12,099,593</u>	<u>\$ 5,832,244</u>	<u>\$12,870,111</u>	<u>\$30,801,948</u>
REMAINING FY2016 POOL:	\$ (2,270)	\$ (312,180)	\$ (490,026)	\$ (804,476)
TOTAL INCREASE FOR RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:	<u>\$12,097,323</u>	<u>\$ 5,520,064</u>	<u>\$12,380,085</u>	<u>\$29,997,472</u>

For FY2017, the state employee compensation plan was recommended as a pool in the Bureau of Finance and Management to be distributed to the agencies after the preliminary career band pay-for-performance scores and percentages have been calculated.