

## Distribution of FY2014 Salary Package

### BFM Report for the Joint Committee on Appropriations

The state employee compensation package is typically comprised of several different components: an across the board increase; movement toward job worth (for the PACE system); and employer-paid health insurance increases.

Dating as far back as 1974, the salary package was proposed and appropriated as a pool of funds. During the appropriations process any adjustments by the legislature were made to the pool, and once the general bill was signed the funds were distributed to agencies according to the calculations used to determine the appropriated pool.

For FY2007, FY2008, FY2009 and FY2013, BFM chose to distribute the proposed salary package to each general bill center as part of the Governor's budget recommendation. In FY2009, the legislature added funds to the salary package which were appropriated in a pool, and for FY2010, FY2011, and FY2012 there was no salary policy.

For FY2014, BFM chose to return to the traditional practice of leaving the proposed salary package in a pool, for several reasons:

- Distributing the salary package after the general bill is finalized allows for the allocation to each general bill center to be based on more current information.
  - Legislative changes to the budget can be better taken into account.
  - Calculations that are based upon individuals in the workforce are more current.
- With a pool, the policy decisions regarding the comprehensive package are the same but the final distributions can be more accurate.
- The Bureau of Human Resources implemented a performance-based movement towards market component for the career banded job families in FY2014. With no history to base estimates on and experts warning that we needed that history, we decided to base the distribution on a round of preliminary performance scores. That process could not be completed until April.

	General	Federal	Other	Total
Recommended Salary Package	\$20,094,575	\$11,993,769	\$23,411,765	\$55,500,109
Amendments to the General Bill	(\$2,932,247)	(\$1,700,557)	(\$3,488,956)	(\$8,121,760)
<b>Appropriated Employee Compensation Pool</b>	<b>\$17,162,328</b>	<b>\$10,293,212</b>	<b>\$19,922,809</b>	<b>\$47,378,349</b>
Across the Board & Market Adjustments	(\$9,409,887)	(\$5,479,732)	(\$11,384,309)	(\$26,273,928)
PACE Movement Towards Job Worth	(\$2,705,350)	(\$1,479,378)	(\$1,962,109)	(\$6,146,837)
Career Banding Performance Increases	(\$431,696)	(\$392,932)	(\$1,183,897)	(\$2,008,525)
Employer Paid Health Insurance	(\$4,582,684)	(\$2,750,404)	(\$4,927,769)	(\$12,260,857)
<b>Total Salary Policy Distributions</b>	<b>(\$17,129,617)</b>	<b>(\$10,102,446)</b>	<b>(\$19,458,084)</b>	<b>(\$46,690,147)</b>
<b>Remaining Employee Compensation Pool</b>	<b>\$32,711</b>	<b>\$190,766</b>	<b>\$464,725</b>	<b>\$688,202</b>