



Recommended Salary Adjustment Fund & Compression Adjustments for FY 2005-06

Report to the Joint Legislative Commission on
Governmental Operations

Prepared by:
Office of State Budget and Management
Office of State Personnel

February 22, 2006

Summary

Section 29.15(a) of Session Law 2005-276 (Budget Bill) specifies any remaining appropriations in the Reserve for Compensation Increases may be transferred to the Salary Adjustment Fund and used for the following purposes:

- (1) Salary range revisions to provide competitive salary rates for affected job classifications in response to changes in labor market salary rates as documented through data collection and analysis according to accepted human resource professional practices and standards.
- (2) Reallocations of positions to higher-level job classifications to compensate employees for more difficult duties at competitive salary rates as documented through data collection and analysis according to accepted human resource professional practices and standards.

In addition, Section 29.18 of Session Law 2005-276 specifies that all permanent, full-time employees subject to the State Personnel Act shall be paid a minimum salary of \$20,112. This section also authorizes that up to \$750,000 from the Reserve for Compensation Increases may be expended in order to lessen salary compression and potential pay inequities that may result from implementing this minimum salary amount.

The Office of State Personnel (OSP), in consultation with the Office of State Budget and Management (OSBM), sent instructions to agencies detailing how funds for these purposes were to be requested. OSP Human Resource Partners followed-up with agencies to resolve issues before requests were finalized and submitted. OSP and OSBM reviewed all requests to ensure they met the legislative intent contained in Sections 29.15 and 29.18. OSP and OSBM recommend that \$9,322,653 (annualized amount) be authorized to expend at this time. FY 2005-06 increases would be effective January 1, 2006 or later. A summary of recommended agency allocations for the Salary Adjustment Fund and Compression Adjustments is included in Attachments A and B.

Recommended allocations include funding for many occupation groups, including Guardian ad Litem staff; maintenance mechanics; electricians; carpenters; ALE agents; SBI staff; foresters; Park Rangers; nurses; information technology staff; youth counselors; auditors; office support; financial managers; and attorneys. It estimated that SAF allocations will provide compensation increases to over 3,000 employees. Of these employees, 33% earn less than \$30,000 per year; 65% earn less than \$40,000 per year; and 78% earn less than \$50,000 per year.