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FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 2/9/17
 LAST UPDATED _____ HB _____

SHORT TITLE Study State Worker Compensation SM 21

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY17 | FY18 | | |
| N/A | N/A | N/A | N/A |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

State Personnel Office (SPO)

SUMMARY

Synopsis of Bill

Senate Memorial 21 (SM21) requests the State Personnel Office (SPO) study compensation for state workers and provide a long-term analysis of the issues that affect job retention and recruitment.

The memorial resolves that SPO be requested to study state employee compensation and propose a compensation structure that brings state employee pay grades in line with salaries paid for similar jobs within the region.

The memorial also resolves that SPO provide a long-term prognosis of the state's ability to retain, attract and compensate quality employees.

The memorial resolves that SPO be requested to work with state universities and colleges to determine what skills and qualifications are needed for state employment positions and to help craft curricula to address those job needs.

The findings and recommendations associated with SM21 would be reported by SPO no later than December 1, 2017 to the appropriate legislative interim committee.

FISCAL IMPLICATIONS

SM21 does not include an appropriation.

SPO indicates it compiles a classified service compensation update and so would incur little costs in complying with the provisions of SM21.

SIGNIFICANT ISSUES

The State Personnel Office (SPO) indicates it engaged in a compensation and classification project in late 2012 with the HayGroup and Kenning Consulting as paid contractors engaged to guide SPO in developing a compensation structure and classification framework for classified state employees. Compensation recommendations were included in the Governor’s budget proposal in 2014 and 2015. An outcome of the compensation and classification project of 2012 was the implementation of salary adjustments for certain correctional officers at the Corrections Department in 2016. Additionally, information technology (IT) employees received a “bring-to-minimum” pay adjustment in 2016. SPO is currently conducting a class study on engineering, architecture and surveying classified state employees’ jobs.

ADMINISTRATIVE IMPLICATIONS

The Higher Education Department (HED) indicates the ability of SPO to work with institutions of higher education to determine what skills and qualifications are needed for state employment positions and to help craft curricula to address those job needs falls outside of the authority granted to SPO.

OTHER SUBSTANTIVE ISSUES

SPO indicates it recommended establishing 11 occupationally based salary structures. Depending on funding availability, the salary structure plan would initially target salary structure adjustments for correctional, information technology, healthcare, police and security, and social services (CYFD only) classified state employees. The remaining salary structures—engineering, legal, scientific, trades and labor, management and general administration—may be implemented in successive fiscal years.

RAE/al