

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING  
COMPENSATION COMMON POLICIES**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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**TABLE OF CONTENTS**

Compensation Common Policies Overview .....	1
Summary: FY 2016-17 Request and Recommendation.....	4
(1) Base Salary Estimate.....	5
(2) Salary and Benefit Increases .....	6
(3) Health, Life, and Dental .....	13
(4) PERA Amortization Payments.....	14
(5) Compensation assumptions for new FTE.....	15
Summary Tables:	
All Compensation Common Policies.....	4
Base Salary Estimate.....	5
Salary Survey .....	11
Merit Pay.....	11
Shift Differential .....	12
STD .....	12
HLD .....	14
AED and SAED .....	15
Appendix (A) – Staff Recommendation Compensation Components by Department.....	17
Appendix (B) – Governor's Request Compensation Components by Department.....	22

## COMPENSATION COMMON POLICIES

### Overview

The Department of Personnel produces an annual Total Compensation Report to compare the State's compensation to prevailing market rates. The General Assembly is not required to follow the recommendations of the report, but the report expresses the professional opinion of the Department regarding how compensation should be annually adjusted. Once the report is finalized, the Department of Personnel works with the Office of State Planning and Budgeting to build the total compensation request for the following year, and directs executive agencies to apply consistent policies in their budget requests.

During the annual budget process, the Joint Budget Committee and the General Assembly finalize compensation common policies, which determine the amount of salary and benefit increases. Historically, in addition to salary and benefit increases, Committee policy establishes standard methods for calculating base salaries and for determining the cost of compensation for new FTE.

Compensation common policies generally apply to a subset of all compensation that excludes higher education institutions and the legislature. Higher education uses a lump sum budgeting format and the legislature follows a different process. In addition, a large portion of positions at the higher education institutions and the legislature are exempt from the constitutionally created State Personnel System, and so the compensation for those positions is not bound by the same job classes and pay ranges. However, there are still a significant number of positions at the higher education institutions and in the legislature that are part of the State Personnel System. Also, many of the exempt positions use the same retirement and insurance benefits as the personnel system. So, while the common policies are not usually developed to apply to the higher education institutions or the legislature, it is important to consider that the common policy decisions will impact expenditures by the higher education institutions and the legislature.

All of the staff recommendations in this document are based on the objective of providing state employees with prevailing compensation, based on the statutory guidance in Section 24-50-104 (1), C.R.S.:

*It is the policy of the state to provide prevailing total compensation to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent work force. For purposes of this section, "total compensation" includes, but is not limited to, salary, group benefit plans, retirement benefits, performance awards, incentives, premium pay practices, and leave.*

### **The FY 2016-17 Total Compensation Request**

The FY 2016-17 Annual Compensation Letter from the Executive Director of the Department of Personnel stated that base pay accounts for 76 percent and benefits account for 24 percent of the total compensation package, with the State at 0.2 percent below the prevailing market overall. The letter suggests that adjustments to individual employee compensation and the overall salary

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structure should be considered, but changes to benefits are not recommended. While base salaries are currently considered to be within the prevailing level, individual employee pay is projected to increase by three percent in the market over the next year. To maintain current alignment with the market, the State should consider merit pay adjustments.

Additionally, the letter recommends that range minimums and maximums for all occupational groups be increased by two percent; that Custodian and Police Officer class series be adjusted due to a difference of greater than 7.5 percent for two consecutive years; and that State Trooper classes receive a market-weighted average increase of 7.0 percent. The letter identifies a projected increase of 7.3 percent in medical costs and 3.0 percent in dental costs that would require an increase in the State's contribution in order to maintain the prevailing contribution level.

The FY 2016-17 total compensation request includes the following elements:

- **Salary Survey: No across-the-board increase.** The Salary Survey request includes: range adjustments for Custodian and Police Officer classes; range adjustments and a 7.0 percent increase for State Troopers; a 2.0 percent range adjustment for all occupational groups.
- **Merit Pay: A merit pay increase is not requested.**
- **Shift Differential: 100.0 percent of prior year actual expenditures.**
- **STD: Funding at 0.19 percent** of revised base salaries.
- **HLD: As defined by plan rates and employee experience.** The Health, Life, and Dental (HLD) budget amendment request for FY 2016-17 is based on employee health and dental elections as of July 2015 (and actuarial rates recommended in December 2015).

The FY 2016-17 total compensation request also includes the following statutorily-set rates for amortization payments for PERA's unfunded liabilities that are calculated on total statewide payroll.

- **AED: A blended rate of 4.8 percent** of revised base salaries.
- **SAED: A blended rate of 4.75 percent** of revised base salaries.

**Order of Operations**

The following tables illustrate the order of operations for calculating salary adjustments pursuant to State Personnel Rules.

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<b>Order of Operations - Employee Level</b>		
Base Salary		\$50,000
1. Salary Survey	1.0%	<u>500</u>
Revised Base (base plus SS)		\$50,500
2. Merit Pay	1.0%	<u>505</u>
Revised Base (base plus SS and MP)		\$51,005

Once the Salary Survey and Merit Pay adjustments are determined at the individual employee level, the adjustments are aggregated to the department level.

<b>Order of Operations - Department Level</b>		
Department Base Salary		\$1,000,000
1. Salary Survey	1.0%	<u>10,000</u>
Dept. Revised Base (base plus SS)		\$1,010,000
2. Merit Pay	1.0%	<u>10,100</u>
Dept. Revised Base (base plus SS and MP)		\$1,020,100
3. Shift Differential (Actual FY13-14)		<u>\$100,000</u>
Dept. Revised Base (base plus SS, MP, Shift)		\$1,120,100
4. AED	4.40%	49,284
5. SAED	4.25%	47,604
6. STD	0.22%	2,464

AED, SAED and STD are calculated on the department revised base salary comprised of base salary, Salary Survey, Merit Pay, and Shift Differential. Changes to the Salary Survey and Merit Pay percentages will change each of the elements which follow in the order of operations except for Shift Differential.

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**Summary: FY 2016-17 Request and Recommendation**

	<b>All Compensation Common Policies</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>					
Base Salary Estimate	\$1,571,277,034	\$851,957,516	\$372,169,289	\$177,045,899	\$170,104,330
PERA	163,117,347	88,669,511	39,081,337	18,041,309	17,325,190
Medicare (FICA)	22,785,395	12,354,123	5,397,591	2,567,167	2,466,514
Health, Life, Dental	212,840,783	121,658,599	49,072,519	24,607,647	17,502,019
Shift Differential	13,934,505	11,380,505	664,634	1,852,584	36,782
Salary Survey	26,239,328	16,105,033	5,803,242	2,509,381	1,821,672
Merit Pay	16,944,384	9,347,882	4,010,710	1,892,796	1,692,996
Short-term Disability	3,359,224	1,786,841	811,063	392,541	368,779
AED	70,148,339	37,702,271	16,785,015	8,036,512	7,624,541
SAED	<u>67,322,183</u>	<u>36,066,825</u>	<u>16,117,426</u>	<u>7,770,044</u>	<u>7,367,888</u>
<b>TOTAL</b>	<b>\$2,167,968,521</b>	<b>\$1,187,029,105</b>	<b>\$509,912,825</b>	<b>\$244,715,880</b>	<b>\$226,310,711</b>
<b>FY 2016-17 Request</b>					
Base Salary Estimate	\$1,617,588,327	\$888,147,082	\$388,386,566	\$182,763,788	\$158,290,891
PERA	169,853,738	94,380,492	40,701,146	18,645,217	16,126,883
Medicare (FICA)	23,455,030	12,878,135	5,631,604	2,650,075	2,295,216
Health, Life, Dental	215,303,326	123,786,912	49,085,624	23,180,161	19,250,629
Shift Differential	14,862,373	12,026,641	752,552	2,036,643	46,537
Salary Survey	8,635,009	2,621,111	5,180,943	453,513	379,442
Merit Pay	0	0	0	0	0
Short-term Disability	2,943,980	1,589,768	714,531	345,070	294,610
AED	77,062,774	41,678,718	18,888,371	8,879,531	7,616,154
SAED	<u>75,807,060</u>	<u>40,793,162</u>	<u>18,690,041</u>	<u>8,787,036</u>	<u>7,536,820</u>
<b>TOTAL</b>	<b>\$2,205,511,615</b>	<b>\$1,217,902,022</b>	<b>\$528,031,378</b>	<b>\$247,741,033</b>	<b>\$211,837,182</b>
<b>Increase/(Decrease)</b>	\$37,543,094	\$30,872,918	\$18,118,553	\$3,025,153	(\$14,473,529)
Percent Change	1.7%	2.6%	3.6%	1.2%	(6.4%)
<b>FY 2016-17 Recommendation</b>					
Base Salary Estimate	\$1,617,588,327	\$888,147,082	\$388,386,566	\$182,763,788	\$158,290,891
PERA	169,853,738	94,380,492	40,701,146	18,645,217	16,126,883
Medicare (FICA)	23,455,030	12,878,135	5,631,604	2,650,075	2,295,216
Health, Life, Dental	215,303,326	123,786,912	49,085,624	23,180,161	19,250,629
Shift Differential	14,862,373	12,026,641	752,552	2,036,643	46,537
Salary Survey	6,991,681	1,616,668	4,812,298	337,843	224,871
Merit Pay	24,089,209	12,774,838	6,325,716	2,322,492	2,666,163
Short-term Disability	3,031,652	1,656,877	726,000	346,889	301,886
AED	79,925,119	43,577,712	19,277,736	8,977,504	8,092,167
SAED	<u>78,636,723</u>	<u>42,669,532</u>	<u>19,075,327</u>	<u>8,883,989</u>	<u>8,007,875</u>
<b>TOTAL</b>	<b>\$2,233,737,178</b>	<b>\$1,233,514,890</b>	<b>\$534,774,569</b>	<b>\$250,144,601</b>	<b>\$215,303,118</b>
<b>Increase/(Decrease)</b>	\$65,768,657	\$46,485,785	\$24,861,744	\$5,428,721	(\$11,007,593)
Percent Change	3.0%	3.9%	4.9%	2.2%	(4.9%)
Difference from Request	\$28,225,562	\$15,612,868	\$6,743,191	\$2,403,568	\$3,465,936
Recommendation	1.3%	1.3%	1.3%	1.0%	1.6%
Above/(Below) Request					

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## (1) Base Salary Estimate

This common policy establishes a standard method for JBC staff to calculate the continuation personal services for each line item that includes a personal services component. The JBC has generally followed the same method for calculating the continuation personal services since FY 1995-96. This method is summarized in the table below.

<b>Prior year Long Bill</b>
+/- Any other prior year appropriation bills
+/- Supplemental bills recommended by the JBC in the current session
<b>= Current year appropriation</b>
+/- Annualizations of prior year legislation that were delineated in a fiscal note
+/- Annualizations of prior year budget decisions funded in the Long Bill
+/- The line item's share of any prior year salary increases provided in a centralized appropriation
+/- Technical adjustments, such as fund source adjustments
- Base personal services reduction, if applicable
<b>= Continuation funding</b>
+/- Staff recommendations on department change requests
+/- Other staff recommended adjustments
<b>= Staff recommendation</b>

**Request:** The Governor's request is consistent with the JBC's traditional method of calculating base continuation personal services. Although the budget requests from the Judicial Department and elected official agencies are not overseen by the Office of State Planning and Budgeting (OSP), these agencies calculate continuation personal services consistent with the OSPB budget instructions.

**Recommendation:** Staff recommends that the Committee continue the use of the established calculation of base continuation personal services, described above. The following table outlines the base salary estimate and PERA and Medicare (FICA) payments.

Base Salary Estimate					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>					
Base Salary Estimate	\$1,571,277,034	\$851,957,516	\$372,169,289	\$177,045,899	\$170,104,330
PERA	163,117,347	88,669,511	39,081,337	18,041,309	17,325,190
Medicare (FICA)	22,785,395	12,354,123	5,397,591	2,567,167	2,466,514
<b>TOTAL</b>	<b>\$1,757,179,776</b>	<b>\$952,981,150</b>	<b>\$416,648,217</b>	<b>\$197,654,375</b>	<b>\$189,896,034</b>
<b>FY 2016-17 Request and Recommendation</b>					
Base Salary Estimate	\$1,617,588,327	888,147,082	388,386,566	182,763,788	158,290,891
PERA	169,853,738	94,380,492	40,701,146	18,645,217	16,126,883
Medicare (FICA)	23,455,030	12,878,135	5,631,604	2,650,075	2,295,216
<b>TOTAL</b>	<b>\$1,810,897,094</b>	<b>\$995,405,708</b>	<b>\$434,719,316</b>	<b>\$204,059,080</b>	<b>\$176,712,990</b>
<b>Increase/(Decrease)</b>	53,717,318	42,424,559	18,071,099	6,404,705	(13,183,044)
Percent Change	3.1%	4.5%	4.3%	3.2%	(6.9%)

## **(2) Salary and benefit increases**

### **Salary Increases**

The total compensation request for salary increases includes the following:

1. No across-the-board Salary Survey increase.
2. No Merit Pay increase.
3. A 7.0 percent increase for State Troopers, pursuant to Section 24-50-104 (1) (a) (III), C.R.S.
4. Range adjustments for Custodian and Police Officer classes; range adjustments for State Troopers, pursuant to Section 24-50-104 (1) (a) (III), C.R.S.; and a 2.0 percent range adjustment for all occupational groups.

### **FY 2016-17 Pay Range Adjustments Request**

**Request and Recommendation:** Based on the Department's Total Compensation Report, adjustments to salary ranges by occupational group, job classification, or job series are requested for job classifications behind the market by greater than 7.5 percent for two years. The FY 2016-17 request is to increase salary ranges for Custodian and Police Officer classes guided by that standard. The request includes range adjustments for State Trooper classes pursuant to Section 24-50-104 (1) (a) (III), C.R.S. And the request includes a 2.0 percent range adjustment for all occupational groups to maintain the State's current total compensation structure with projected market increases.

**Staff recommends that the Committee approve the pay range adjustments request.**

### **Salary Survey Request**

**Request and Recommendation:** The request is for: (1) no across-the-board Salary Survey increase; (2) a 7.0 percent increase for State Troopers; and (3) increases related to employee salary adjustments for employees below the requested salary range minimums for all occupational groups.

**Staff recommends that the Committee approve the requested adjustments and across-the-board policy. Request and staff recommended amounts follow Merit Pay.**

### **Merit Pay Request**

**Request and Recommendation:** The request is for no Merit Pay increase.

**Staff recommends that the Committee approve an average 1.5 percent Merit Pay increase. Request and staff recommended amounts follow the Merit Pay discussion.**

### **Rationale**

As addressed in the total compensation issue brief in the Department of Personnel's briefing:

- The Milliman Total Compensation Report for FY 2016-17 identifies current state employee base salary at 2.9 percent below market.
- The Milliman Report projects individual employee pay to increase an additional 3.0 percent in the market over the next year.
- The Milliman Report recommends a merit pay increase which reflects the entirety of the market salary adjustment, estimated at a total cost of \$46.3 million.



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- The State Personnel Director's FY 2016-17 Annual Compensation Letter states: "... individual employee pay is projected to increase by 3% in the market. To maintain the current alignment with the market, the State should consider merit pay adjustments accordingly."

Staff recommends a merit pay adjustment at half of the recommended percentage in order to split the difference between the Total Compensation Report recommendation and the Governor's request. This will enable the State to more readily adjust to probable future increases. The State cannot indefinitely delay providing increases for state employee compensation during a time of economic growth and labor market and wage improvement and remain in compliance with statute to maintain prevailing compensation.

**Matrix Recommendation**

The recommended merit pay increase would provide raises for classified employees according to a formula that rewards performance, but also gives greater percentage increases to employees at the lower end of the pay range. The merit pay increase would be base-building for employees whose current salary falls in quartiles one, two, and three. Non-base-building awards would be made for employees whose current salary is at and above quartile four. Staff recommends the following merit pay matrix.

<b>JBC Staff Recommended 1.5 percent Merit Pay Matrix for FY 2016-17</b>					
<b>Performance Rating</b>	<b>Income quartile of class range</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>&gt;Q4</b>
3	3.0%	2.5%	2.0%	1.5%	1.0%
2	1.5%	1.25%	1.0%	0.75%	0.5%
1	0.0%	0.0%	0.0%	0.0%	0.0%

However, the Committee may wish to consider the following suggested matrix that the Department of Personnel submitted to staff regarding a 1.5 percent merit pay recommendation.

<b>Department of Personnel Suggested 1.5 percent Merit Pay Matrix for FY 2016-17</b>					
<b>Performance Rating</b>	<b>Income quartile of class range</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>&gt;Q4</b>
3	2.2%	2.1%	2.0%	1.9%	1.5%
2	1.5%	1.4%	1.2%	1.0%	0.8%
1	0.0%	0.0%	0.0%	0.0%	0.0%

Not including the Judicial Department, staff's recommended matrix would generate a net increase of \$21.6 million total funds, including \$10.3 million General Fund. Not including Judicial, the Department of Personnel's suggested matrix would generate a net increase of \$22.7 million total funds, including \$10.3 million General Fund.

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**The Judicial Department and Merit Pay**

Staff was unable to generate merit pay data using the standard merit pay matrix in the compensation template for the Judicial Department. Staff was informed by the Judicial Department analyst that the Judicial Department uses its own merit pay system. The Judicial Department provided its own cost figures for a 1.5 percent average merit pay adjustment which generated a net increase of \$10.4 million total funds, including \$10.1 million General Fund.

Staff was unable to determine how these numbers were generated, however staff was concerned that the General Fund impact was approximately as much as the total for all other departments. The following table outlines the 1.5 percent merit pay recommendation net increase-percentage change over the FY 2016-17 base salary, including PERA and Medicare for all departments.

<b>1.5 Percent Merit Pay Recommendation Net Increase-Percentage Change Over Base</b>					
	<b>TOTAL</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	1.51%	1.44%	1.58%	n/a	1.07%
Corrections	1.57%	1.56%	1.66%	n/a	n/a
Education	1.54%	1.54%	1.56%	1.54%	1.55%
Governor	0.88%	1.59%	1.54%	0.76%	1.62%
Health Care Policy and Financing	1.68%	1.66%	1.74%	2.11%	1.67%
Higher Education	1.61%	1.69%	1.60%	1.60%	1.63%
Human Services	1.44%	1.40%	1.51%	1.44%	1.66%
Judicial	3.17%	3.25%	1.63%	n/a	n/a
Labor and Employment	1.53%	1.69%	1.49%	1.67%	1.54%
Law	1.11%	1.10%	0.55%	1.23%	1.16%
Local affairs	1.52%	1.49%	1.49%	1.50%	1.59%
Military and Veterans Affairs	1.45%	1.36%	0.51%	n/a	1.52%
Natural Resources	1.40%	1.64%	1.36%	1.51%	1.09%
Personnel	1.51%	1.56%	1.44%	1.50%	n/a
Public Health and Environment	1.45%	1.40%	1.42%	1.51%	1.47%
Public Safety	1.67%	1.47%	1.74%	1.64%	1.67%
Regulatory Agencies	1.47%	1.69%	1.45%	1.73%	0.79%
Revenue	1.25%	1.29%	1.22%	0.00%	n/a
State	1.77%	n/a	1.77%	n/a	n/a
Transportation	1.53%	n/a	1.53%	1.44%	n/a
Treasury	1.95%	1.86%	2.10%	n/a	n/a
<b>TOTAL</b>	<b>1.77%</b>	<b>2.05%</b>	<b>1.49%</b>	<b>1.18%</b>	<b>1.55%</b>
<b>Excluding Judicial</b>	<b>1.46%</b>	<b>1.50%</b>	<b>1.48%</b>	<b>1.18%</b>	<b>1.55%</b>

As shown in the table, excluding the Judicial Department, the 1.5 percent merit pay increase generates a 1.46 percent increase over the base salary amount for total funds and a 1.50 percent increase over the base for General Fund. The Judicial Department's 1.5 percent merit pay increase generates a 3.17 percent increase over the base salary for total funds and a 3.25 percent increase over the base for General Fund in the Judicial Department.

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Because of this anomaly, staff recommends that the Committee, rather than fund the amount internally calculated and submitted by the Judicial Department for a 1.5 percent average merit pay increase according to their methodology, instead fund approximately half of the General Fund net increase amount submitted by Judicial as a reasonable equivalent to the 1.5 percent average merit pay increase provided for all other departments.

The following table outlines the elements related to an increase in merit pay and the net adjustments to provide the staff recommended 1.5 percent Merit Pay adjustment, including the recommendation for half of the net increase of General Fund for Judicial.

<b>FY 2016-17 November Request - All Departments</b>					
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Salary Survey	<b>\$8,635,009</b>	\$2,621,111	\$5,180,943	\$453,513	\$379,442
Merit Pay	<b>\$0</b>	\$0	\$0	\$0	\$0
AED	<b>\$77,720,077</b>	\$41,830,592	\$19,022,616	\$8,882,441	\$7,984,428
SAED	<b>\$76,457,513</b>	\$40,943,453	\$18,822,887	\$8,789,915	\$7,901,257
STD	<b><u>\$2,943,979</u></b>	<u>\$1,587,963</u>	<u>\$715,607</u>	<u>\$343,180</u>	<u>\$297,228</u>
<b>Total</b>	<b>\$165,756,577</b>	<b>\$86,983,120</b>	<b>\$43,742,053</b>	<b>\$18,469,049</b>	<b>\$16,562,355</b>
<b>Recommended 1.5 percent Merit Pay Increase</b>					
<b>All Departments including half of General Fund increase submitted by Judicial</b>					
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Salary Survey	<b>\$6,991,681</b>	\$1,616,668	\$4,812,298	\$337,843	\$224,871
Merit Pay	<b>\$24,089,209</b>	\$12,774,838	\$6,325,716	\$2,322,492	\$2,666,163
AED	<b>\$79,925,119</b>	\$43,577,712	\$19,277,736	\$8,977,504	\$8,092,167
SAED	<b>\$78,636,723</b>	\$42,669,532	\$19,075,327	\$8,883,989	\$8,007,875
STD	<b><u>\$3,031,652</u></b>	<u>\$1,656,877</u>	<u>\$726,000</u>	<u>\$346,889</u>	<u>\$301,886</u>
<b>Total</b>	<b>\$192,674,384</b>	<b>\$102,295,628</b>	<b>\$50,217,077</b>	<b>\$20,868,717</b>	<b>\$19,292,962</b>
<b>Change from FY 2016-17 November Request - All Departments</b>					
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Salary Survey	<b>(\$1,643,328)</b>	(\$1,004,443)	(\$368,645)	(\$115,670)	(\$154,571)
Merit Pay	<b>\$24,089,209</b>	\$12,774,838	\$6,325,716	\$2,322,492	\$2,666,163
AED	<b>\$2,205,043</b>	\$1,747,121	\$255,120	\$95,063	\$107,739
SAED	<b>\$2,179,211</b>	\$1,726,079	\$252,440	\$94,074	\$106,618
STD	<b><u>\$87,674</u></b>	<u>\$68,914</u>	<u>\$10,393</u>	<u>\$3,709</u>	<u>\$4,658</u>
<b>Total</b>	<b>\$26,917,808</b>	<b>\$15,312,508</b>	<b>\$6,475,024</b>	<b>\$2,399,668</b>	<b>\$2,730,607</b>

Staff's recommended 1.5 percent Merit Pay increase will cost an additional \$26.9 million total funds, including \$15.3 million General Fund.

The following table outlines the net increase percentage as compared to the salary base for all departments, including half of the General Fund submitted by Judicial.

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<b>1.5 Percent Merit Pay Recommendation Net Increase-Percentage Change Over Base</b>					
	<b>TOTAL</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	1.51%	1.44%	1.58%	n/a	1.07%
Corrections	1.57%	1.56%	1.66%	n/a	n/a
Education	1.54%	1.54%	1.56%	1.54%	1.55%
Governor	0.88%	1.59%	1.54%	0.76%	1.62%
Health Care Policy and Financing	1.68%	1.66%	1.74%	2.11%	1.67%
Higher Education	1.61%	1.69%	1.60%	1.60%	1.63%
Human Services	1.44%	1.40%	1.51%	1.44%	1.66%
Judicial	1.62%	1.62%	1.63%	n/a	n/a
Labor and Employment	1.53%	1.69%	1.49%	1.67%	1.54%
Law	1.11%	1.10%	0.55%	1.23%	1.16%
Local affairs	1.52%	1.49%	1.49%	1.50%	1.59%
Military and Veterans Affairs	1.45%	1.36%	0.51%	n/a	1.52%
Natural Resources	1.40%	1.64%	1.36%	1.51%	1.09%
Personnel	1.51%	1.56%	1.44%	1.50%	n/a
Public Health and Environment	1.45%	1.40%	1.42%	1.51%	1.47%
Public Safety	1.67%	1.47%	1.74%	1.64%	1.67%
Regulatory Agencies	1.47%	1.69%	1.45%	1.73%	0.79%
Revenue	1.25%	1.29%	1.22%	0.00%	n/a
State	1.77%	n/a	1.77%	n/a	n/a
Transportation	1.53%	n/a	1.53%	1.44%	n/a
Treasury	1.95%	1.86%	2.10%	n/a	n/a
<b>TOTAL</b>	<b>1.49%</b>	<b>1.54%</b>	<b>1.49%</b>	<b>1.18%</b>	<b>1.55%</b>
<b>Excluding Judicial</b>	<b>1.46%</b>	<b>1.50%</b>	<b>1.48%</b>	<b>1.18%</b>	<b>1.55%</b>

Reducing the General Fund increase by half, as submitted by the Judicial Department, brings the Judicial Department's increase relative to the salary base into the range calculated for all other departments. With that modification, the total statewide net increase on the salary base is projected at a 1.49 percent increase for all funds, including a 1.54 percent increase for the General Fund.

The following tables outline the Salary Survey and Merit Pay components as requested and recommended for FY 2016-17 in comparison to the FY 2015-16 appropriation.

**Recommendation: Staff recommends that the Committee approve the Salary Survey recommendation amounts as adjusted for the merit pay recommendation and the Merit Pay recommendation amounts.**

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Salary Survey (includes range adjustments, no across-the-board increase)</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>					
Salary Survey	\$26,239,328	\$16,105,033	\$5,803,242	\$2,509,381	\$1,821,672
<b>TOTAL</b>	<b>\$26,239,328</b>	<b>\$16,105,033</b>	<b>\$5,803,242</b>	<b>\$2,509,381</b>	<b>\$1,821,672</b>
<b>FY 2016-17 Request</b>					
Salary Survey	8,635,009	2,621,111	5,180,943	453,513	379,442
<b>TOTAL</b>	<b>\$8,635,009</b>	<b>\$2,621,111</b>	<b>\$5,180,943</b>	<b>\$453,513</b>	<b>\$379,442</b>
<b>Increase/(Decrease)</b>	(17,604,318)	(13,483,921)	(622,299)	(2,055,868)	(1,442,230)
Percent Change	(67.1%)	(83.7%)	(10.7%)	(81.9%)	(79.2%)
<b>FY 2016-17 Recommendation</b>					
Salary Survey	6,991,681	1,616,668	4,812,298	337,843	224,871
<b>TOTAL</b>	<b>\$6,991,681</b>	<b>\$1,616,668</b>	<b>\$4,812,298</b>	<b>\$337,843</b>	<b>\$224,871</b>
<b>Increase/(Decrease)</b>	(19,247,647)	(14,488,364)	(990,944)	(2,171,538)	(1,596,801)
Percent Change	(73.4%)	(90.0%)	(17.1%)	(86.5%)	(87.7%)
Difference from Request	(\$1,643,329)	(\$1,004,443)	(\$368,645)	(\$115,670)	(\$154,571)
Recommendation Above/(Below) Request	(19.0%)	(38.3%)	(7.1%)	(25.5%)	(40.7%)

<b>Merit Pay (not requested, recommended 1.5 percent)</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>					
Merit Pay	\$16,944,384	\$9,347,882	\$4,010,710	\$1,892,796	\$1,692,996
<b>TOTAL</b>	<b>\$16,944,384</b>	<b>\$9,347,882</b>	<b>\$4,010,710</b>	<b>\$1,892,796</b>	<b>\$1,692,996</b>
<b>FY 2016-17 Request</b>					
Merit Pay	0	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	(16,944,384)	(9,347,882)	(4,010,710)	(1,892,796)	(1,692,996)
Percent Change	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
<b>FY 2016-17 Recommendation</b>					
Merit Pay	24,089,209	12,774,838	6,325,716	2,322,492	2,666,163
<b>TOTAL</b>	<b>\$24,089,209</b>	<b>\$12,774,838</b>	<b>\$6,325,716</b>	<b>\$2,322,492</b>	<b>\$2,666,163</b>
<b>Increase/(Decrease)</b>	7,144,826	3,426,956	2,315,006	429,696	973,167
Percent Change	42.2%	36.7%	57.7%	22.7%	57.5%
Difference from Request	\$24,089,209	\$12,774,838	\$6,325,716	\$2,322,492	\$2,666,163
Recommendation Above/(Below) Request	n/a	n/a	n/a	n/a	n/a

**Shift Differential**

**Request and Recommendation:** The request includes \$14.9 million total funds, including \$12.0 million General Fund, to allow for shift differential appropriations at 100.0 percent of actual expenditures in the most recent fiscal year. This request represents a 6.7 percent increase over the FY 2015-16 appropriation. Shift differential is premium pay for employees who work weekends and holidays or hours outside the normal day-time hours. Departments only pay shift differential when it is the prevailing market practice for a job classification. The majority of shift

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**Staff Working Document – Does Not Represent Committee Decision**

differential payments occur in the Department of Corrections and the Department of Human Services, mostly for employees providing direct supervision or care in institutional settings.  
**Staff recommends that the Committee approve the request.**

<b>Shift Differential (100.0 percent of FY 2014-15 actual)</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>					
Shift Differential	\$13,934,505	\$11,380,505	\$664,634	\$1,852,584	\$36,782
<b>TOTAL</b>	<b>\$13,934,505</b>	<b>\$11,380,505</b>	<b>\$664,634</b>	<b>\$1,852,584</b>	<b>\$36,782</b>
<b>FY 2016-17 Request and Recommendation</b>					
Shift Differential	14,862,373	12,026,641	752,552	2,036,643	46,537
<b>TOTAL</b>	<b>\$14,862,373</b>	<b>\$12,026,641</b>	<b>\$752,552</b>	<b>\$2,036,643</b>	<b>\$46,537</b>
<b>Increase/(Decrease)</b>	927,868	646,136	87,918	184,059	9,755
Percent Change	6.7%	5.7%	13.2%	9.9%	26.5%

**Short-term Disability**

**Request:** The FY 2016-17 request is for short-term disability funding at a rate of 0.19 percent of revised base salaries. This compares to the FY 2015-16 rate of 0.22 percent. Short-term Disability is used to provide partial payment of an employee’s salary in the event that an individual becomes disabled and cannot perform his or her work duties. The benefit is not optional for employees who are eligible, but temporary employees are not eligible for the benefit.  
**Recommendation:** Staff recommends that the Committee approve the recommendation amounts as adjusted for the merit pay recommendation.

<b>Short-term Disability (0.19 percent of revised base salary)</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>					
Short-term Disability	\$3,359,224	\$1,786,841	\$811,063	\$392,541	\$368,779
<b>TOTAL</b>	<b>\$3,359,224</b>	<b>\$1,786,841</b>	<b>\$811,063</b>	<b>\$392,541</b>	<b>\$368,779</b>
<b>FY 2016-17 Request</b>					
Short-term Disability	2,943,980	1,589,768	714,531	345,070	294,610
<b>TOTAL</b>	<b>\$2,943,980</b>	<b>\$1,589,768</b>	<b>\$714,531</b>	<b>\$345,070</b>	<b>\$294,610</b>
<b>Increase/(Decrease)</b>	(415,244)	(197,073)	(96,531)	(47,471)	(74,169)
Percent Change	(12.4%)	(11.0%)	(11.9%)	(12.1%)	(20.1%)
<b>FY 2016-17 Recommendation</b>					
Short-term Disability	3,031,652	1,656,877	726,000	346,889	301,886
<b>TOTAL</b>	<b>\$3,031,652</b>	<b>\$1,656,877</b>	<b>\$726,000</b>	<b>\$346,889</b>	<b>\$301,886</b>
<b>Increase/(Decrease)</b>	(327,572)	(129,964)	(85,062)	(45,652)	(66,893)
Percent Change	(9.8%)	(7.3%)	(10.5%)	(11.6%)	(18.1%)
Difference from Request	\$87,673	\$67,109	\$11,469	\$1,819	\$7,276
Recommendation Above/(Below) Request	3.0%	4.2%	1.6%	0.5%	2.5%

### **(3) Health, Life, and Dental**

**Health, Life, and Dental**

This line item pays for the state contribution to health insurance, life insurance, and dental insurance. The state contribution for health insurance and dental insurance has four tiers based on employee, employee + spouse, employee + children, and family. There are no tiers for the state contribution to life insurance. Employees may choose from four different health benefit packages and two different dental benefit packages. The health plans range from high deductible plans to co-pay plans. The state contribution does not change based on the benefit package selected. If the employee chooses a richer benefit package, the employee pays the incremental difference in premiums. The vast majority of the appropriations are related to health insurance. The following table outlines the proposed FY 2016-17 monthly state contributions for Health, Life, and Dental components.

<b>FY 2016-17 Health, Life, and Dental Monthly State Contribution by Tier</b>					
<b>Tier</b>	<b>Description</b>	<b>Health</b>	<b>Dental</b>	<b>Life</b>	<b>Total</b>
1	Employee	\$465.62	\$25.92	\$8.84	\$500.38
2	Employee + Spouse	\$872.60	\$42.62	\$8.84	\$924.06
3	Employee + Child(ren)	\$866.78	\$46.44	\$8.84	\$922.06
4	Family	\$1,230.06	\$62.22	\$8.84	\$1,301.12

**Health Insurance**

**Request and Recommendation:** For FY 2016-17, the request identifies no changes to the FY 2015-16 targeted average 80.0 percent employer-paid premium and health plan rates. No additional budget amendment was submitted after the November 1 request.

**Staff recommends that the Committee approve the continuation of Health Insurance benefits in the request.**

**Dental Insurance**

**Request and Recommendation:** For FY 2016-17, the request identifies no changes for dental premiums or benefit plans.

**Staff recommends that the Committee approve the continuation of Dental Insurance benefits in the request.**

**Life Insurance**

**Request and Recommendation:** Life insurance provides a benefit of one times the employees' annual salary, up to a maximum of \$150,000. The premiums will increase 0.5 percent from the FY 2015-16 budgeted cost of \$8.80 per covered life per month to \$8.84 per covered life per month.

**Staff recommends that the Committee approve the Life Insurance component of the request.**

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Health, Life, and Dental</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>					
Health, Life, and Dental	\$212,840,783	\$121,658,599	\$49,072,519	\$24,607,647	\$17,502,019
<b>TOTAL</b>	<b>\$212,840,783</b>	<b>\$121,658,599</b>	<b>\$49,072,519</b>	<b>\$24,607,647</b>	<b>\$17,502,019</b>
<b>FY 2016-17 Request and Recommendation</b>					
Health, Life, and Dental	215,303,326	123,786,912	49,085,624	23,180,161	19,250,629
<b>TOTAL</b>	<b>\$215,303,326</b>	<b>\$123,786,912</b>	<b>\$49,085,624</b>	<b>\$23,180,161</b>	<b>\$19,250,629</b>
<b>Increase/(Decrease)</b>	2,462,543	2,128,314	13,105	(1,427,486)	1,748,610
<b>Percent Change</b>	1.2%	1.7%	0.0%	(5.8%)	10.0%

#### **(4) PERA Amortization Payments**

Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) are calculated on revised base salary, which includes base salary, salary survey, merit pay, and shift differential. They are commonly considered to be part of the total compensation package because payment amounts are calculated on total salary. However, these payments are primarily intended to be amortization payments for PERA's unfunded liabilities. Although by federal retirement fund rules they are considered employee compensation at the time an employee leaves PERA and withdraws the employee's share of amortization payments, these payments more accurately describe state payments to catch up past employee pension obligations rather than reflecting current employee compensation.

##### **Amortization Equalization Disbursement (AED)**

Pursuant to Section 24-51-411, C.R.S., the State contributes additional funds to assist in the amortization of PERA's unfunded liability. During the 2005 legislative session the General Assembly created a separate line item to provide funding for this commitment. By statute the AED rate increases 0.4 percent each calendar year until it reaches the maximum contribution rate of 5.0 percent for the calendar year 2017, except for judges where the state contribution remains constant at 2.2 percent.

**Request:** The request is based on the statutory blended rate of 4.8 percent for the fiscal year (4.6 percent for calendar year 2016 and 5.0 percent for calendar year 2017) applied to the revised base salary.

**Recommendation:** Staff recommends that the Committee approve amounts calculated using the statutory rate as adjusted for the Merit Pay recommendation.

##### **Supplemental Amortization Equalization Disbursement (SAED)**

Similar to the AED line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases contributions to PERA to amortize the unfunded liability. The SAED rate increases according to a statutory schedule by 0.5 percent each calendar year until it reaches the maximum contribution rate of 5.0 percent for the calendar year 2017, except for judges where the state contribution remains constant at 1.5 percent. Although the payment is



**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

made by the employer, the funding is supposed to come from money that would have otherwise gone to State employees as part of salary increases, pursuant to Section 24-51-411 (10), C.R.S.

**Request:** The request is based on the statutory blended rate of 4.75 percent for the fiscal year (4.5 percent for calendar year 2016 and 5.0 percent for calendar year 2017) applied to revised base salary.

**Recommendation:** Staff recommends that the Committee approve amounts calculated using the statutory rate as adjusted for the Merit Pay recommendation.

<b>PERA Amortization Payments</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>					
AED	\$70,148,339	\$37,702,271	\$16,785,015	\$8,036,512	\$7,624,541
SAED	<u>67,322,183</u>	<u>36,066,825</u>	<u>16,117,426</u>	<u>7,770,044</u>	<u>7,367,888</u>
<b>TOTAL</b>	<b>\$137,470,522</b>	<b>\$73,769,096</b>	<b>\$32,902,441</b>	<b>\$15,806,556</b>	<b>\$14,992,429</b>
<b>FY 2016-17 Request</b>					
AED	\$77,062,774	\$41,678,718	\$18,888,371	\$8,879,531	\$7,616,154
SAED	<u>75,807,060</u>	<u>40,793,162</u>	<u>18,690,041</u>	<u>8,787,036</u>	<u>7,536,820</u>
<b>TOTAL</b>	<b>\$152,869,833</b>	<b>\$82,471,880</b>	<b>\$37,578,412</b>	<b>\$17,666,567</b>	<b>\$15,152,974</b>
<b>Increase/(Decrease)</b>	15,399,311	8,702,785	4,675,971	1,860,011	160,545
Percent Change	11.2%	11.8%	14.2%	11.8%	1.1%
<b>FY 2016-17 Recommendation</b>					
AED	\$79,925,119	\$43,577,712	\$19,277,736	\$8,977,504	\$8,092,167
SAED	<u>78,636,723</u>	<u>42,669,532</u>	<u>19,075,327</u>	<u>8,883,989</u>	<u>8,007,875</u>
<b>TOTAL</b>	<b>\$158,561,842</b>	<b>\$86,247,245</b>	<b>\$38,353,063</b>	<b>\$17,861,493</b>	<b>\$16,100,042</b>
<b>Increase/(Decrease)</b>	21,091,321	12,478,149	5,450,622	2,054,937	1,107,613
Percent Change	15.3%	16.9%	16.6%	13.0%	7.4%
Difference from Request Recommendation	\$5,692,009	\$3,775,364	\$774,651	\$194,926	\$947,068
Above/(Below) Request	3.7%	4.6%	2.1%	1.1%	6.3%

## (5) Compensation assumptions for new FTE

When estimating funding required for new FTE, JBC staff generally use the same assumptions as Legislative Council Staff Fiscal Notes Staff. The Legislative Council Staff Fiscal Note assumptions point to the JBC policy to omit certain costs, unless the legislation adds more than 20.0 new FTE. The key components of the Legislative Council Staff Fiscal Note assumptions for compensation for new FTE include:

- Salaries at the minimum of the current year range for the job class unless sufficient evidence is provided to deviate from this policy;
- First-year impacts are prorated to reflect the effective date of the bill, and reflect the payday shift for General Fund employees;
- FTE assumptions are based on a work year of 2080 hours;

*JBC Staff Figure Setting – FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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- Certain benefits and operating expenses are estimated, but excluded from the total cost identified in fiscal notes, excluded items include:
  - Health, life, and dental insurance;
  - Short-term disability;
  - Amortization equalization disbursement;
  - Supplemental amortization equalization disbursement;
  - Leased space;
  - Indirect costs; and
- An exception is provided for large increases ("at least 20.0 new FTE") in staff.

**Request:** The Governor's request generally estimates salaries for new FTE at the minimum of the current year range for the job class, although there are exceptions with accompanying explanations and justifications. This part of the request is consistent with the LCS Fiscal Note assumptions. However, the Governor's request generally builds in the benefits and operating expenses that are excluded from the LCS Fiscal Notes.

**Recommendation:** **Staff recommends using the LCS Fiscal Note assumptions when estimating compensation for new FTE.** Although the JBC has not voted on a policy for this year, the Legislative Council Staff is following an established policy from prior years. If the JBC would like to change the policy, staff would recommend changing it for the 2017 legislative session, so that all bills and decision items in the current legislative session are treated uniformly and not prejudiced based on a mid-year change to the JBC's policies.

Both providing funding for new FTE at the current year salary rates and excluding certain benefits and operating expenses results in less than full funding for new FTE. Departments frequently experience delays in hiring for new programs and initiatives. If a department does manage to start on the date they expect, then the compensation policies for new FTE require the department to dedicate some vacancy savings or efficiencies toward the new staff in the first year of operations. Through this lens the policy can be viewed as making sure departments are really committed to needing the new FTE.

In the second year of operations, all excluded benefits and operating expenses are built into a department's budget through the normal process, with the exception of leased space, which would require a decision item. Costs for health, life, and dental insurance are re-estimated every year based on current enrollment. Similarly, the base salary assumptions that drive expenditures for short-term disability, AED, and SAED are recalculated each year.

## Appendix (A) Staff Recommendation Compensation Components by Department

The following tables outline the staff recommendation for compensation common policy components by department in Long Bill order.

<b>Health, Life, and Dental</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$2,242,231	\$889,679	\$1,325,131	\$0	\$27,422
Corrections	50,481,586	48,999,350	1,482,237	0	0
Education	4,834,979	1,802,970	653,174	429,949	1,948,885
Governor	9,237,137	517,114	442,692	8,149,403	127,927
Health Care Policy and Financing	3,434,070	1,230,952	337,578	104,755	1,760,786
Higher Education	1,823,867	5,210	1,136,133	245,528	436,997
Human Services	32,386,404	21,762,826	657,812	6,909,927	3,055,838
Judicial	36,329,051	34,046,108	2,282,943	0	0
Labor and Employment	9,668,761	423,939	3,576,396	58,884	5,609,543
Law	3,789,903	1,014,768	450,192	2,234,782	90,161
Local affairs	1,429,520	296,753	262,556	545,246	324,965
Military and Veterans Affairs	1,018,364	349,848	15,011	0	653,505
Natural Resources	13,095,267	2,458,650	9,952,512	341,893	342,211
Personnel	3,107,311	872,532	269,934	1,964,846	0
Public Health and Environment	10,623,757	1,195,990	4,028,737	1,097,803	4,301,227
Public Safety	14,522,200	3,236,631	9,991,215	763,489	530,865
Regulatory Agencies	4,186,649	119,053	3,790,660	236,639	40,297
Revenue	10,597,159	4,417,131	6,162,935	17,093	0
State	1,030,748	0	1,030,748	0	0
Transportation	1,207,811	0	1,127,886	79,924	0
Treasury	256,548	147,408	109,140	0	0
<b>TOTAL</b>	<b>\$215,303,326</b>	<b>\$123,786,912</b>	<b>\$49,085,624</b>	<b>\$23,180,161</b>	<b>\$19,250,629</b>

<b>Short Term Disability</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$30,859	\$11,951	\$17,992	\$0	\$916
Corrections	626,188	607,609	18,579	0	0
Education	78,591	23,868	12,645	6,327	35,751
Governor	159,637	11,569	8,729	137,093	2,246
Health Care Policy and Financing	55,951	20,897	4,661	1,416	28,977
Higher Education	22,610	358	13,808	3,622	4,822
Human Services	406,241	273,364	10,333	75,659	46,885

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Short Term Disability</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Judicial	514,068	486,262	27,806	0	0
Labor and Employment	142,100	6,776	56,055	1,019	78,250
Law	75,921	20,408	8,506	45,112	1,895
Local affairs	21,963	4,072	3,426	9,651	4,814
Military and Veterans Affairs	14,996	5,076	240	0	9,680
Natural Resources	181,617	28,456	143,248	5,087	4,826
Personnel	45,271	14,899	4,554	25,818	0
Public Health and Environment	179,153	20,063	64,823	19,393	74,874
Public Safety	230,598	57,433	154,173	11,553	7,439
Regulatory Agencies	69,179	2,027	62,663	3,978	511
Revenue	137,161	59,514	77,482	165	0
State	16,413	0	16,413	0	0
Transportation	19,422	0	18,426	996	0
Treasury	3,713	2,275	1,438	0	0
<b>TOTAL</b>	<b>\$3,031,652</b>	<b>\$1,656,877</b>	<b>\$726,000</b>	<b>\$346,889</b>	<b>\$301,886</b>

<b>S.B. 04-257 Amortization Equalization Disbursement</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$832,954	\$322,428	\$485,892	\$0	\$24,634
Corrections	16,180,216	15,709,009	471,207	0	0
Education	2,740,766	836,499	439,807	220,942	1,243,518
Governor	4,066,452	304,040	229,683	3,473,576	59,153
Health Care Policy and Financing	1,456,673	543,854	121,492	36,974	754,353
Higher Education	612,939	9,711	374,294	98,174	130,760
Human Services	10,584,356	7,121,182	265,978	2,003,728	1,193,468
Judicial	13,738,920	13,031,034	707,886	0	0
Labor and Employment	3,610,530	172,352	1,423,212	25,875	1,989,091
Law	1,917,999	515,564	214,878	1,139,674	47,883
Local affairs	568,622	105,371	88,831	249,714	124,706
Military and Veterans Affairs	389,944	131,799	6,189	0	251,956
Natural Resources	5,222,656	819,916	4,117,888	146,586	138,266
Personnel	1,145,635	376,908	114,668	654,059	0
Public Health and Environment	4,620,611	517,136	1,672,764	499,972	1,930,739
Public Safety	5,974,842	1,441,849	4,044,334	297,968	190,691
Regulatory Agencies	1,753,324	51,410	1,588,040	100,925	12,949
Revenue	3,485,402	1,509,130	1,972,078	4,194	0
State	434,103	0	434,103	0	0
Transportation	492,591	0	467,448	25,143	0
Treasury	95,584	58,520	37,064	0	0
<b>TOTAL</b>	<b>\$79,925,119</b>	<b>\$43,577,712</b>	<b>\$19,277,736</b>	<b>\$8,977,504</b>	<b>\$8,092,167</b>

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$824,278	\$319,070	\$480,831	\$0	\$24,377
Corrections	16,011,673	15,545,374	466,299	0	0
Education	2,712,216	827,785	435,226	218,640	1,230,565
Governor	4,024,096	300,874	227,291	3,437,394	58,537
Health Care Policy and Financing	1,441,500	538,188	120,227	36,589	746,496
Higher Education	606,554	9,610	370,395	97,151	129,398
Human Services	10,474,102	7,047,003	263,207	1,982,856	1,181,036
Judicial	13,139,959	12,441,045	698,914	0	0
Labor and Employment	3,572,920	170,557	1,408,386	25,605	1,968,372
Law	1,898,022	510,194	212,640	1,127,803	47,385
Local affairs	562,698	104,273	87,905	247,113	123,407
Military and Veterans Affairs	385,882	130,427	6,124	0	249,331
Natural Resources	5,168,253	811,375	4,074,993	145,059	136,826
Personnel	1,133,701	372,982	113,474	647,245	0
Public Health and Environment	4,572,480	511,750	1,655,339	494,764	1,910,627
Public Safety	5,912,603	1,426,830	4,002,205	294,864	188,704
Regulatory Agencies	1,735,060	50,874	1,571,498	99,874	12,814
Revenue	3,449,096	1,493,410	1,951,535	4,151	0
State	429,581	0	429,581	0	0
Transportation	487,460	0	462,579	24,881	0
Treasury	94,589	57,911	36,678	0	0
<b>TOTAL</b>	<b>\$78,636,723</b>	<b>\$42,669,532</b>	<b>\$19,075,327</b>	<b>\$8,883,989</b>	<b>\$8,007,875</b>

<b>Salary Survey</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$1,143	\$660	\$425	\$0	\$58
Corrections	104,680	104,126	554	0	0
Education	5,047	5,047	0	0	0
Governor	21,221	0	0	21,221	0
Health Care Policy and Financing	12,213	3,944	1,717	0	6,552
Higher Education	0	0	0	0	0
Human Services	399,791	272,448	17,048	75,059	35,236
Judicial	1,172,311	897,205	275,106	0	0
Labor and Employment	34,162	3,587	10,280	0	20,295
Law	16,553	8,276	1,861	857	5,558
Local affairs	2,336	314	1,224	311	487
Military and Veterans Affairs	26,029	12,134	299	0	13,596

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Salary Survey</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Natural Resources	14,507	1,959	11,643	905	0
Personnel	61,398	28,095	0	33,303	0
Public Health and Environment	28,713	2,187	13,722	373	12,431
Public Safety	5,004,181	252,618	4,416,085	205,333	130,145
Regulatory Agencies	12,231	0	11,718	0	513
Revenue	74,734	24,068	50,185	481	0
State	233	0	233	0	0
Transportation	198	0	198	0	0
Treasury	0	0	0	0	0
<b>TOTAL</b>	<b>\$6,991,681</b>	<b>\$1,616,668</b>	<b>\$4,812,298</b>	<b>\$337,843</b>	<b>\$224,871</b>

<b>Merit Pay</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$271,198	\$101,097	\$164,358	\$0	\$5,743
Corrections	5,698,257	5,531,321	166,936	0	0
Education	678,411	221,795	100,267	70,888	285,461
Governor	763,104	102,012	74,649	566,192	20,251
Health Care Policy and Financing	560,457	204,977	49,509	17,276	288,695
Higher Education	207,279	3,445	125,890	33,136	44,808
Human Services	3,632,934	2,420,067	97,263	663,053	452,551
Judicial	2,577,581	2,336,705	240,876	0	0
Labor and Employment	1,275,157	63,666	487,423	9,113	714,955
Law	444,802	113,880	24,413	299,820	6,689
Local affairs	188,930	34,075	31,532	79,995	43,328
Military and Veterans Affairs	139,255	47,257	1,552	0	90,446
Natural Resources	1,581,183	292,511	1,204,848	51,928	31,896
Personnel	384,605	130,714	35,857	218,034	0
Public Health and Environment	1,476,830	161,421	545,208	160,075	610,126
Public Safety	2,098,732	478,013	1,446,274	106,933	67,512
Regulatory Agencies	583,796	18,329	524,960	36,805	3,702
Revenue	1,165,853	490,696	673,723	1,434	0
State	162,943	0	162,943	0	0
Transportation	158,699	0	150,889	7,810	0
Treasury	39,203	22,857	16,346	0	0
<b>TOTAL</b>	<b>\$24,089,209</b>	<b>\$12,774,838</b>	<b>\$6,325,716</b>	<b>\$2,322,492</b>	<b>\$2,666,163</b>

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Shift Differential</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$0	\$0	\$0	\$0	\$0
Corrections	7,940,718	7,906,423	34,295	0	0
Education	110,489	110,261	0	228	0
Governor	94,672	0	0	94,672	0
Health Care Policy and Financing	0	0	0	0	0
Higher Education	0	0	0	0	0
Human Services	5,860,569	3,934,215	67,621	1,858,733	0
Judicial	0	0	0	0	0
Labor and Employment	14,797	0	0	0	14,797
Law	0	0	0	0	0
Local affairs	0	0	0	0	0
Military and Veterans Affairs	23,665	0	0	0	23,665
Natural Resources	41,899	0	41,899	0	0
Personnel	45,051	0	0	45,051	0
Public Health and Environment	23,038	0	14,803	160	8,075
Public Safety	537,745	72,242	427,749	37,754	0
Regulatory Agencies	0	0	0	0	0
Revenue	124,573	3,500	121,073	0	0
State	0	0	0	0	0
Transportation	45,157	0	45,112	45	0
Treasury	0	0	0	0	0
<b>TOTAL</b>	<b>\$14,862,373</b>	<b>\$12,026,641</b>	<b>\$752,552</b>	<b>\$2,036,643</b>	<b>\$46,537</b>

## Appendix (B) Governor's Request Compensation Components by Department

The following tables outline the Governor's request for compensation common policy components by department in Long Bill order.

<b>Health, Life, and Dental</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$2,242,231	\$889,679	\$1,325,131	\$0	\$27,422
Corrections	50,481,586	48,999,350	1,482,237	0	0
Education	4,834,979	1,802,970	653,174	429,949	1,948,885
Governor	9,237,137	517,114	442,692	8,149,403	127,927
Health Care Policy and Financing	3,434,070	1,230,952	337,578	104,755	1,760,786
Higher Education	1,823,867	5,210	1,136,133	245,528	436,997
Human Services	32,386,404	21,762,826	657,812	6,909,927	3,055,838
Judicial	36,329,051	34,046,108	2,282,943	0	0
Labor and Employment	9,668,761	423,939	3,576,396	58,884	5,609,543
Law	3,789,903	1,014,768	450,192	2,234,782	90,161
Local affairs	1,429,520	296,753	262,556	545,246	324,965
Military and Veterans Affairs	1,018,364	349,848	15,011	0	653,505
Natural Resources	13,095,267	2,458,650	9,952,512	341,893	342,211
Personnel	3,107,311	872,532	269,934	1,964,846	0
Public Health and Environment	10,623,757	1,195,990	4,028,737	1,097,803	4,301,227
Public Safety	14,522,200	3,236,631	9,991,215	763,489	530,865
Regulatory Agencies	4,186,649	119,053	3,790,660	236,639	40,297
Revenue	10,597,159	4,417,131	6,162,935	17,093	0
State	1,030,748	0	1,030,748	0	0
Transportation	1,207,811	0	1,127,886	79,924	0
Treasury	256,548	147,408	109,140	0	0
<b>TOTAL</b>	<b>\$215,303,326</b>	<b>\$123,786,912</b>	<b>\$49,085,624</b>	<b>\$23,180,161</b>	<b>\$19,250,629</b>

<b>Short Term Disability</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$30,397	\$11,772	\$17,722	\$0	\$903
Corrections	617,301	598,986	18,315	0	0
Education	77,459	25,329	11,387	8,125	32,618
Governor	158,356	11,404	8,601	136,138	2,213
Health Care Policy and Financing	55,072	20,569	4,588	1,393	28,522
Higher Education	22,274	353	13,602	3,568	4,751
Human Services	400,904	269,773	10,197	74,665	46,269



**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Short Term Disability</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Judicial	460,913	433,509	27,403	0	0
Labor and Employment	139,271	6,641	54,939	999	76,692
Law	75,164	20,214	8,464	44,602	1,884
Local affairs	21,653	4,014	3,378	9,515	4,746
Military and Veterans Affairs	14,795	5,008	237	0	9,550
Natural Resources	179,003	28,046	141,187	5,014	4,756
Personnel	44,651	14,695	4,492	25,464	0
Public Health and Environment	176,757	19,795	63,956	19,134	73,872
Public Safety	227,203	56,587	151,903	11,383	7,330
Regulatory Agencies	68,255	2,000	61,826	3,925	504
Revenue	135,605	58,839	76,603	163	0
State	16,148	0	16,148	0	0
Transportation	19,153	0	18,171	982	0
Treasury	3,646	2,234	1,412	0	0
<b>TOTAL</b>	<b>\$2,943,980</b>	<b>\$1,589,768</b>	<b>\$714,531</b>	<b>\$345,070</b>	<b>\$294,610</b>

<b>S.B. 04-257 Amortization Equalization Disbursement</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$821,554	\$318,215	\$478,945	\$0	\$24,394
Corrections	15,955,728	15,491,590	464,138	0	0
Education	2,054,352	675,152	301,250	214,983	862,967
Governor	4,033,755	299,653	226,473	3,449,347	58,282
Health Care Policy and Financing	1,434,489	535,695	119,586	36,269	742,939
Higher Education	604,024	9,563	368,879	96,749	128,833
Human Services	10,449,527	7,032,923	262,384	1,978,665	1,175,555
Judicial	12,386,719	11,689,102	697,617	0	0
Labor and Employment	3,560,693	169,727	1,404,033	25,483	1,961,450
Law	1,898,869	510,666	213,828	1,126,779	47,596
Local affairs	560,808	103,946	87,633	246,315	122,914
Military and Veterans Affairs	384,858	130,182	6,160	0	248,516
Natural Resources	5,156,204	807,711	4,067,023	144,575	136,895
Personnel	1,129,974	371,611	113,171	645,192	0
Public Health and Environment	4,560,041	510,563	1,651,263	493,142	1,905,073
Public Safety	5,888,263	1,422,743	3,983,953	293,683	187,884
Regulatory Agencies	1,729,990	50,621	1,567,171	99,342	12,856
Revenue	3,446,100	1,491,518	1,950,388	4,194	0
State	427,131	0	427,131	0	0
Transportation	485,797	0	460,984	24,813	0
Treasury	93,898	57,537	36,361	0	0
<b>TOTAL</b>	<b>\$77,062,774</b>	<b>\$41,678,718</b>	<b>\$18,888,371</b>	<b>\$8,879,531</b>	<b>\$7,616,154</b>

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$812,997	\$314,901	\$473,956	\$0	\$24,140
Corrections	15,789,522	15,330,219	459,303	0	0
Education	2,032,954	668,120	298,112	212,744	853,978
Governor	3,991,737	296,532	224,114	3,413,416	57,675
Health Care Policy and Financing	1,419,546	530,115	118,340	35,891	735,200
Higher Education	597,732	9,463	365,037	95,741	127,491
Human Services	10,340,677	6,959,663	259,650	1,958,054	1,163,310
Judicial	11,804,711	11,115,935	688,775	0	0
Labor and Employment	3,523,602	167,959	1,389,408	25,217	1,941,018
Law	1,879,090	505,347	211,601	1,115,042	47,100
Local affairs	554,966	102,863	86,720	243,749	121,634
Military and Veterans Affairs	380,849	128,826	6,096	0	245,927
Natural Resources	5,102,493	799,297	4,024,658	143,069	135,469
Personnel	1,118,203	367,740	111,992	638,471	0
Public Health and Environment	4,512,541	505,245	1,634,062	488,005	1,885,229
Public Safety	5,826,928	1,407,923	3,942,454	290,624	185,927
Regulatory Agencies	1,711,969	50,094	1,550,846	98,307	12,722
Revenue	3,410,204	1,475,982	1,930,071	4,151	0
State	422,682	0	422,682	0	0
Transportation	480,737	0	456,182	24,555	0
Treasury	92,920	56,938	35,982	0	0
<b>TOTAL</b>	<b>\$75,807,060</b>	<b>\$40,793,162</b>	<b>\$18,690,041</b>	<b>\$8,787,036</b>	<b>\$7,536,820</b>

<b>Salary Survey</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$7,298	\$3,803	\$3,262	\$0	\$233
Corrections	583,577	580,443	3,134	0	0
Education	6,591	6,591	0	0	0
Governor	24,320	0	0	24,320	0
Health Care Policy and Financing	56,903	19,245	6,898	898	29,862
Higher Education	0	0	0	0	0
Human Services	897,944	640,505	30,756	155,379	71,304
Judicial	1,172,311	897,205	275,106	0	0
Labor and Employment	150,603	6,210	51,807	0	92,586
Law	8,276	1,861	857	5,558	0
Local affairs	9,579	1,261	4,909	1,266	2,143
Military and Veterans Affairs	47,045	21,793	1,191	0	24,061

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Salary Survey</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Natural Resources	50,669	10,716	33,877	6,076	0
Personnel	81,876	35,647	1,045	45,184	0
Public Health and Environment	97,284	10,776	59,038	1,645	25,825
Public Safety	5,058,382	279,759	4,436,119	211,125	131,379
Regulatory Agencies	53,521	0	51,472	0	2,049
Revenue	326,822	105,296	219,611	1,915	0
State	1,071	0	1,071	0	0
Transportation	937	0	790	147	0
Treasury	0	0	0	0	0
<b>TOTAL</b>	<b>\$8,635,009</b>	<b>\$2,621,111</b>	<b>\$5,180,943</b>	<b>\$453,513</b>	<b>\$379,442</b>

<b>Merit Pay</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$0	\$0	\$0	\$0	\$0
Corrections	0	0	0	0	0
Education	0	0	0	0	0
Governor	0	0	0	0	0
Health Care Policy and Financing	0	0	0	0	0
Higher Education	0	0	0	0	0
Human Services	0	0	0	0	0
Judicial	0	0	0	0	0
Labor and Employment	0	0	0	0	0
Law	0	0	0	0	0
Local affairs	0	0	0	0	0
Military and Veterans Affairs	0	0	0	0	0
Natural Resources	0	0	0	0	0
Personnel	0	0	0	0	0
Public Health and Environment	0	0	0	0	0
Public Safety	0	0	0	0	0
Regulatory Agencies	0	0	0	0	0
Revenue	0	0	0	0	0
State	0	0	0	0	0
Transportation	0	0	0	0	0
Treasury	0	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**JBC Staff Figure Setting – FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Shift Differential</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Agriculture	\$0	\$0	\$0	\$0	\$0
Corrections	7,940,718	7,906,423	34,295	0	0
Education	110,489	110,261	0	228	0
Governor	94,672	0	0	94,672	0
Health Care Policy and Financing	0	0	0	0	0
Higher Education	0	0	0	0	0
Human Services	5,860,569	3,934,215	67,621	1,858,733	0
Judicial	0	0	0	0	0
Labor and Employment	14,797	0	0	0	14,797
Law	0	0	0	0	0
Local affairs	0	0	0	0	0
Military and Veterans Affairs	23,665	0	0	0	23,665
Natural Resources	41,899	0	41,899	0	0
Personnel	45,051	0	0	45,051	0
Public Health and Environment	23,038	0	14,803	160	8,075
Public Safety	537,745	72,242	427,749	37,754	0
Regulatory Agencies	0	0	0	0	0
Revenue	124,573	3,500	121,073	0	0
State	0	0	0	0	0
Transportation	45,157	0	45,112	45	0
Treasury	0	0	0	0	0
<b>TOTAL</b>	<b>\$14,862,373</b>	<b>\$12,026,641</b>	<b>\$752,552</b>	<b>\$2,036,643</b>	<b>\$46,537</b>