

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2012-13 STAFF FIGURE SETTING
RECOMMENDATIONS**

COMPENSATION-RELATED COMMON POLICIES

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

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Base Salary Assumptions

Description: Salaries are not centrally appropriated, but a number of benefits are calculated as a percentage of salaries, and so assumptions about the salary base for each department play an important role in determining the fiscal impact of common policies. The benefits that are calculated as a percentage of salaries include the state contributions to:

- Public Employee Retirement Association (PERA)
- Amortization Equalization Disbursement (AED)
- Supplemental Amortization Equalization Disbursement (SAED)
- Medicare portion of the Federal Insurance Contribution Act (FICA) tax, and
- Short-term disability insurance.

Request: In order to estimate the salary base for each department, the Office of State Planning and Budgeting (OSPB) asked the Department of Personnel to pull actual filled positions and associated salaries for June 2011 and then annualized those salaries. Departments were responsible for allocating the salaries by fund source. This methodology should result in an estimated salary base that is already reduced for vacancy savings, if the vacancy rate in June is representative of the typical vacancy rate for the Department for the whole fiscal year.

The executive branch has used a similar one-month snap shot to estimate the salary base for centrally appropriated benefits for several years. Using actual salaries for the whole fiscal year might produce a more accurate estimate of the salary base with vacancy savings, because a longer time horizon would tend to smooth out anomalies in the staffing pattern. However, the snap shot approach provides position by position detail that can be useful for analyzing policies with varying impacts for different positions.

Recognizing that June salaries might include anomalies, OSPB allowed departments to make adjustments for unusual variances in staffing patterns that may have made June unrepresentative for the upcoming fiscal year. These adjustments included additions and subtractions to annualize bills and budget decisions from prior years. Each adjustment had to be reviewed and approved by OSPB.

Staff Recommendation: For purposes of this presentation, staff assumed that these adjustments are reasonable and appropriate. However, in several cases the justifications provided by OSPB for the changes are not sufficiently detailed to evaluate the reasonableness of the modifications, and the adjustments are expressed in terms of FTE, rather than dollars, so that staff was not able to determine the magnitude of the impact on the total. After reviewing OSPB's written instructions to departments, staff has concerns that not all departments made adjustments to the June 2011 salary snap shot in a consistent way, and this is apparent in some of the explanations of the adjustments. To improve the process for next year, staff believes that OSPB needs to clarify the instructions regarding what types of adjustments to the salary snap shot are appropriate for departments, and train the OSPB staff that review the department requests on how to evaluate the adjustments. Also, OSPB should identify adjustments position-by-position for the JBC staff to improve the transparency of the process.

Staff recommends that the JBC's common policy allow each JBC analyst to review the adjustments made to the June 2011 salary snap shot for their departments and recommend changes to the base salary assumptions, if necessary. However, note that four departments account for 87.8 percent of the General Fund salaries that are appropriated based on common policies (Corrections, Judicial, Human Services, and Revenue), and variances in the salary base assumptions after these four departments would not likely result in major changes to the General Fund appropriations. For example, if the JBC staff found that the Department of Public Safety had inflated the base salary assumptions by 10 percent (not likely), the impact on the General Fund appropriation for AED, SAED, and short-term disability combined would be less than \$100,000.

As a test of whether the salary snap shot is a reasonable projection for FY 2012-13 salary expenditures, staff asked the four departments with the largest General Fund salary base to compare the snap shot to FY 2010-11 actual salary expenditures. For both the Department of Human Services and the Department of Corrections the difference from the snap shot to the full-year actual expenditures was less than 0.5 percent (\$2.4 million and negative \$1.5 million respectively). For the Judicial Department the difference was 2.2 percent, or \$4.1 million dollars, but some of that difference is attributable to districts holding positions vacant in FY 2010-11 to comply with budget cuts imposed by the General Assembly while those positions are not being held vacant in FY 2011-12. Also, the Judicial Department received funding to increase the number of positions in FY 2011-12. Similarly, the Department of Revenue received funding to expand staff for the Medical Marijuana program that explains a good portion of the 2.0 percent, or \$1.3 million, variance between the snap shot and the FY 2010-11 actual salary expenditures. Based on these comparisons, staff feels that the salary snap shot reasonably represents what the departments are likely to spend on base salaries in FY 2012-13, after adjusting for vacancies, at least for these four departments.

Staff recommends an adjustment to the base salary assumption submitted by OSPB for the Department of Natural Resources. Because the Department of Natural Resources uses a large number of state temporary FTE in the summer, using the June salary snap shot would over-state the need for the Department. The Department removed all the state temporary FTE from the base salary assumptions (1,137.4 FTE). However, the state is required to make contributions to PERA, AED, SAED, and Medicare for these positions. Staff worked with the Department to normalize the salaries for the state temporary employees for the fiscal year and added back the following to the base salary assumptions: \$179,785 General Fund, \$9,785,874 cash funds, \$113,029 reappropriated funds, and \$1,777,331 federal funds. There were other departments that similarly removed temporary employees, but these were on a smaller scale, and staff did not have time to correct every error in the budget submission.

For the Judicial Department for the courts and probation divisions staff used a December 2011 snap shot of the salary base. The Judicial Department had used a full-fill projection for the budget request, but provided the December snap shot so that the JBC could calculate centrally appropriated items from a similar vacancy-adjusted base as other departments.

For the Department of Corrections staff made an adjustment to the base salary assumptions to annualize budget decisions from prior years so that the figures would be consistent with the information from other departments. Specifically, staff made adjustments for the decommission of Fort Morgan and the restoration of the therapeutic communities reduction. Since the Department of Corrections did not submit position by position detail for the annualizations, staff estimated the salaries by taking the request for short-term disability for these annualizations and dividing by the short-term disability rate.

For informational purposes the tables at the end of this document include base salary estimates for the higher education institutions and the legislature. The figures for the higher education institutions are based on FY 2010-11 actual salaries paid from appropriated fund sources, allocated proportionally by fund source. The total salaries for the higher education institutions include salaries that are not eligible for PERA. The calculations of each benefit are based only on the subset of total salaries that are eligible for that benefit. The figures for the legislature are based on a *preliminary* estimate by Legislative Council Staff. The General Assembly has not yet developed a budget for FY 2012-13 and the figures for the legislature are intended just to provide the JBC with the approximate impact on the legislature if the common policies are applied to it.

Assuming that departments filled out the forms correctly, the base salaries listed in the tables at the end of this document include:

- Permanent full-time salaries
- Permanent part-time salaries
- Permanent seasonal salaries
- State temporary salaries

The base salaries do not include the following:

- Contract temporary salaries
- Contract services
- Overtime
- Shift differential
- Separation payouts for accumulated leave, and
- Non-appropriated salaries

These items are excluded from the base salaries for specific reasons associated with each item. Contract temporary salaries and contract services are not eligible for PERA, AED, SAED, or short-term disability insurance. Generally overtime should not accrue unless a department is filling in for vacancies, and then the overtime and associated benefits are funded from vacancy savings, and so historically no additional appropriations have been made to account for overtime. Shift differential has historically been appropriated in a distinct line item that includes the salaries and associated salary-related benefits. Separation payouts for accumulated leave are paid from vacancy savings.

Non-appropriated salaries are off-budget expenditures from federal grants or from cash sources with spending authority provided by a statute rather than the Long Bill.

Salary Survey and Senior Executive Service; and Performance-based Pay

Description: These two line items provide funding for salary increases to keep pace with prevailing compensation in the marketplace. Section 24-50-104, C.R.S., describes the policy of the state as providing prevailing total compensation to employees in the state personnel system.

Request: The **Governor** proposes no increase in funding, due to budget constraints. The **Judicial Department** requested limited salary survey increases for just the court judicial assistants and support services job classes, totaling \$1.4 million. The Judicial request is funded from the Judicial Stabilization Fund and a transfer from the Senior Judge Program.

The Department of Personnel's annual compensation survey, performed pursuant to Section 24-50-104 (4), C.R.S., found:

- \$57.7 million additional funds (\$31.1 million General Fund) would be required to match prevailing market salaries (including benefits calculated as a percentage of salary)
- The weighted average state salaries lag the market median by 5.2 percent and the market weighted average by 7.1 percent;
- "While the overall findings are within the target threshold as defined by the State (plus or minus 7.5 percent of the market) and by common compensation industry standards (within 5 to 10 percent of the market), adjustments are needed for the State to be prevailing."

Recommendation: **Staff recommends a common policy of no funding for the Salary Survey and Senior Executive Service or the Performance-based Pay line items.** The Judicial Department request will be considered in more detail during figure setting for the Judicial Department, but staff assumes the common policy will be applied, unless there is compelling evidence of a unique need for the Judicial Department.

Staff has concerns that failing to keep pace with the recommended salary increases in the annual compensation survey represents a short-term budget balancing solution and merely delays expenses for salary increases into a future year. Based on the Department of Personnel's comment that the findings are within a targeted threshold of the market, staff concludes that failing to fund the salary survey in FY 2012-13 will not dramatically impact the state's ability to recruit, motivate, and retain a qualified and competent workforce. However, if market compensation continues to increase, then the gap between state compensation and prevailing compensation will be larger in FY 2013-14 for failing to fund a salary increase in FY 2012-13.

On the other hand, staff would note that the expiration of SB 11-076, which temporarily reduced the state contribution and increased the employee contribution to PERA by 2.5 percent, effectively increases employee compensation. The Department of Personnel's annual compensation survey did not consider the impact of retirement benefits on total compensation. This is not necessarily the fault of the Department, since the statute calling for the annual compensation survey does not specifically

require an analysis of retirement benefits, but it is a short-coming of the survey. While it is generally easier to compare individual components of compensation to the market, ultimately the statutory goal in Section 24-50-104, C.R.S., is for total compensation to match the prevailing practice. If the state offers a component of compensation that exceeds the market, such as retirement benefits, then other components of compensation, such as base pay, should be adjusted accordingly. Comparing the value of the state's retirement benefits to the prevailing market requires complex analysis, due to diversity in the structure of market benefit packages, and such analysis is significantly beyond the scope of this document.

Finally, the staff recommendation takes into consideration the overall budget environment. The short-term need to balance the budget in FY 2012-13 may justify delaying until future years pay increases needed to keep pace with prevailing compensation.

Shift Differential

Description: The Shift Differential line item addresses the adjustment necessary to compensate employees for work performed outside of normal work schedules. These are second and third shift workers whose scheduled work hours fall outside of the regular Monday through Friday, 8:00 am to 5:00 pm work schedule. Typically, in order to sufficiently staff the second and third shifts, departments offer higher wages to employees willing to work non-traditional hours.

Request: The request is based on 80.0 percent of FY 2010-11 actual expenditures on shift, plus PERA and Medicare associated with the salaries.

Recommendation: **Rather than funding 80.0 percent of the FY 2010-11 actual expenditures on shift, staff recommends funding 100.0 percent, plus PERA and Medicare associated with the salaries.** Staff calculated the PERA adjustment to account for the pay date shift. The staff recommendation, plus the ripple effect on benefits that are calculated as a percentage of salaries, would result in appropriations that are approximately \$3.0 million higher than the request, including \$2.5 million net General Fund.

Several considerations contributed to the staff recommendation. First, shift differential is a legitimate expense of departments. Section 24-50-104, C.R.S., describes the policy of the state as providing prevailing total compensation to employees in the state personnel system. The prevailing total compensation includes higher pay for employees who work 2nd and 3rd shifts after the 8:00 am to 5:00 pm shift.

Second, staff can't find a logical reason for funding only 80.0 percent of the cost of paying for the shift differential in a centralized appropriation. The reason the Office of State Planning and Budgeting (OSPB) and the Department of Personnel provided for why the request is based on 80.0 percent of actual shift expenditures is that it has been done that way for as long as anyone at OSPB or the Department of Personnel can remember. Staff can't imagine a logical reason for providing 80.0 percent of the total cost in a centralized appropriation and 20.0 percent in the base personal

services line items. Other expenditures are generally funded 100.0 percent in the base or 100.0 percent in a centralized appropriation.

Funding only 80.0 percent of the shift differential in a centralized appropriation means that departments need to come up with the other 20.0 percent from the base personal services appropriation. This would be fine, if the base personal services appropriation includes an appropriation to cover the remaining 20.0 percent, but otherwise it forces departments to cut other expenditures to make up the remaining 20.0 percent. It doesn't seem likely to staff that departments were provided funding in the base personal services line items for the remaining 20.0 percent.

Staff speculates that the 80.0 percent funding was a cost-cutting measure at some point in time many years ago, and this practice has been carried forward to the current year. If so, however, the effect has not been to reduce shift expenditures, because these are valid and necessary expenses of the departments, but rather to force departments to come up with the money from base personal services appropriations. Generally, this requires departments to hold vacancies, but in some cases departments may be able to make up a portion of the money by not recycling vacancy savings into pay raises for other employees, reducing contract services (if there are contract services appropriated in the line item), or reducing operating expenses (where personal services and operating expenses are combined in a program line item).

If the JBC's intent is to force base personal services reductions, it would be more transparent and broad-based to just reduce the personal services line items and associated FTE, rather than funding 80.0 percent of shift differential. The staff recommendation will increase transparency, by more accurately reflecting the total cost of shift differential payments, rather than burying 20.0 percent of the cost in base personal services line items.

The staff-recommended increase benefits programs among the least well-positioned to manage the base personal services reductions implemented by the General Assembly in recent years. Shift differential expenses are primarily incurred by facilities that need supervision and care 24 hours per day, seven days per week. Ninety-three percent of the FY 2010-11 actual shift differential expenditures were by the 24/7 care facilities at the Department of Corrections and the Department of Human Services. It is difficult for these facilities to hold positions vacant without impacting the direct care staff to client ratios, which has ramifications for staff and client safety.

The staff recommendation will not directly impact state employee pay. Whether the JBC approves the staff recommendation or not, employees who work 2nd and 3rd shifts will still get shift differential. The staff recommendation will reduce pressure on department budgets that can lead to excessive vacancies and underutilization of the authorized FTE.

Public Employee Retirement Association (PERA)

Description: Contributions to PERA provide retirement benefits to state employees, and a portion of the PERA contributions replace social security. The PERA rates are different for judges and state

troopers than for the rest of state employees. The state contribution to PERA has historically been appropriated in personal services line items, rather than centrally appropriated.

Request: The Governor's request reflects the expiration of SB 11-076 that temporarily reduced the state contribution and increased the employee contribution to PERA by 2.5 percent. The Governor's request adds back the same amount of funding that was reduced in SB 11-076.

Recommendation: **Staff recommends the request.** Using the amounts from SB 11-076 results in a slightly different estimated General Fund impact than using the revised base salary assumptions employed for all the other compensation-related common policies. It also doesn't account for the pay date shift that will move one month worth of General Fund expenditures for the PERA increase from FY 2012-13 into FY 2013-14. However, the amounts from SB 11-076 have already been allocated by line item, and it is simple and seems equitable to just add back the same amount that was cut.

Amortization Equalization Disbursement (AED)

Description: Pursuant to S.B. 04-257, beginning in January, 2006, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. During the 2005 legislative session, the General Assembly created a separate line item to provide funding in each calendar year. The AED rate increases 0.4 percent each 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 a blended rate of 3.2 percent for the fiscal year (3.0 percent for calendar year 2012 and 3.4 percent for calendar year 2014) applied to the base salary assumptions plus shift differential.

Recommendation: **Staff recommends an increase of \$6.6 million, including \$3.0 million net General Fund, based on the statutory contribution rate and current base salary assumptions.**

The staff recommendation differs from the request due to:

- Higher base salary assumptions, described above;
- A larger shift differential recommendation, described above; and,
- A lower fiscal year blended rate for AED contributions associated with General Fund salaries, to account for the impact of the pay date shift.

As a result of the pay date shift, in FY 2012-13 the state will pay 7 months of AED at the calendar year 2012 rate and 5 months of AED at the calendar year 2013 rate.

Supplemental Amortization Equalization Disbursement (SAED)

Description: Similar to the Amortization Equalization Disbursement line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases employees' contributions to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund. During the 2006 legislative session the General Assembly passed S.B. 06-235, which added Supplemental AED payments. Per statute, the funding comes from money that would have otherwise gone to State

employees as part of salary increases. Even though no salary increases have been granted in recent years due to the economic downturn, the statutory contribution rate for SAED continues to increase 0.5 percent each calendar year until it reaches the maximum 5.0 percent in 2017, except for judges where the state contribution remains constant at 1.5 percent.

Request: The request is based on a blended rate of 2.75 percent for the fiscal year (2.5 percent for calendar year 2012 and 3.0 percent for calendar year 2014) applied to the base salary assumptions plus shift differential.

***Recommendation:* Staff recommends an increase of \$13.0 million, including \$8.0 million net General Fund, based on the statutory contribution rate and current base salary assumptions.**

The staff recommendation differs from the request due to:

- Higher base salary assumptions, described above;
- A larger shift differential recommendation, described above;
- Technical errors in the requests by the Judicial Department and by the Department of Education Department; and
- A lower fiscal year blended rate for SAED contributions associated with General Fund salaries, to account for the impact of the pay date shift.

As a result of the pay date shift, in FY 2012-13 the state will pay 7 months of AED at the calendar year 2012 rate and 5 months of AED at the calendar year 2013 rate.

Health, Life, and Dental

Description: This line item pays for the state contribution to health insurance, life insurance, and dental insurance. The state contributions for health insurance and dental insurance have four tiers based on employee, employee + spouse, employee + children, and employee + 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 minimal 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.

Request: The Governor requests no change in the state contribution for health insurance and life insurance, and a decrease in the state contribution for dental insurance. The Governor's request reflects updated estimates of the number of people enrolled by tier in the state insurance plans. The decrease in the state contribution for dental insurance is based on findings of the annual compensation survey that state rates were higher than the prevailing market.

The Governor requests keeping the state contribution for health insurance constant due to budgetary constraints. The annual compensation survey found that the state contribution to health insurance lags the prevailing compensation, both as a percentage of total premiums and in total dollars per employee. According to the Department, the weighted average state contribution to total premiums

is currently approximately 73 percent, while the weighted average contribution by employers in the market is 77 percent.

The table below summarizes the requested changes in dental rates. Overall dental premiums went up slightly.

FY 2012-13 Dental Rates	State	Employee Share - Projected	
	Contribution	Basic	Basic-Plus
Employee Only	23.74	5.02	18.44
Employee + Children	39.34	18.92	47.10
Employee + Spouse	38.30	17.30	44.12
Employee + Family	51.18	33.92	75.48

Change from FY 2011-12	State	Employee Share - Projected	
	Contribution	Basic	Basic-Plus
Employee Only	(0.06)	3.08	5.06
Employee + Children	(1.84)	13.08	19.50
Employee + Spouse	(0.70)	9.28	14.34
Employee + Family	(5.20)	22.00	31.50

FY 2011-12 Dental Rates	State	Employee Share - Projected	
	Contribution	Basic	Basic-Plus
Employee Only	23.80	1.94	13.38
Employee + Children	41.18	5.84	27.60
Employee + Spouse	39.00	8.02	29.78
Employee + Family	56.38	11.92	43.98

The table on the next page compares the projected total premiums for FY 2012-13 with the FY 2011-12 premiums, and the Department's estimate of what the state contribution would need to be to match prevailing compensation with the requested state contribution rates.

FY 2012-13 Rates	Total Monthly Premium - Projected			
	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	414.66	424.42	463.06	506.38
Employee + Children	798.60	812.24	903.14	967.96
Employee + Spouse	894.92	897.30	1,030.94	1,069.40
Employee + Family	1,277.86	1,280.12	1,465.02	1,525.98

Increase from FY 2011-12	Total Monthly Premium			
	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	11.50	13.52	18.60	45.14
Employee + Children	76.84	78.64	61.26	89.00
Employee + Spouse	17.18	1.84	38.78	11.14
Employee + Family	78.20	62.04	84.90	109.84

FY 2011-12 Rates	Total Monthly Premium			
	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	403.16	410.90	444.46	461.24
Employee + Children	721.76	733.60	841.88	878.96
Employee + Spouse	877.74	895.46	992.16	1,058.26
Employee + Family	1,199.66	1,218.08	1,380.12	1,416.14

FY 2012-13 Market Rates	Prevailing	Employee Share - Projected			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	404.72	9.94	19.70	58.34	101.66
Employee + Children	705.20	93.40	107.04	197.94	262.76
Employee + Spouse	733.24	161.68	164.06	297.70	336.16
Employee + Family	1,025.72	252.14	254.40	439.30	500.26

FY 2012-13 State Rates	State	Employee Share - Projected			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	368.42	46.24	56.00	94.64	137.96
Employee + Children	659.66	138.94	152.58	243.48	308.30
Employee + Spouse	623.42	271.50	273.88	407.52	445.98
Employee + Family	914.50	363.36	365.62	550.52	611.48

Difference	Employer	Employee Share			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	36.30	(36.30)	(36.30)	(36.30)	(36.30)
Employee + Children	45.54	(45.54)	(45.54)	(45.54)	(45.54)
Employee + Spouse	109.82	(109.82)	(109.82)	(109.82)	(109.82)
Employee + Family	111.22	(111.22)	(111.22)	(111.22)	(111.22)

Recommendation: Staff recommends the requested state contribution rates plus an increase in the state contribution rates for health insurance calculated to cost no more than \$4.0 million General Fund. Unfortunately, the JBC staff does not have the data to calculate the exact increases in the state contribution rates that \$4.0 million General Fund would buy. The relationship between the state contribution rates for different tiers and the total available General Fund is not linear and requires more detailed analysis by the Department of Personnel to calculate. Once the state contribution rates are determined, then the appropriations required from sources other than the General Fund can be calculated, as well as the appropriations by department. Rather than asking the Department of Personnel to run numerous scenarios with different state contribution rates, staff decided to express the recommendation as an incremental increase in net General Fund and leave the final recommendations by fund source and by department pending further calculations.

Staff worries that falling behind the recommended health, life, and dental increases in the annual compensation survey merely delays expenses into a future year. This is similar to the concern staff raised about the Salary Service and Senior Executive Service, and the Performance-based Pay. The Department projects that the state contribution rate is anywhere from \$436 to \$1,335 per year below the prevailing contribution rate, depending on the tier. If the General Assembly does not close the gap between the state contribution rates and the prevailing market contribution rates, then the recommended health, life, and dental increases in next year's annual compensation survey are likely to be even larger.

Staff estimates that increasing the state contribution rate to the prevailing market contribution rates identified by the Department would require \$15.2 million, including \$9.2 million net General Fund, using the same base enrollment assumptions and fund splits as the request. The Department has a significantly higher estimate of \$22.0 million total funds, but it is calculated on a different base and includes projected enrollment growth. If the state increased the state contribution rate to the prevailing market contribution rate there could be an increase in enrollment that would require greater appropriations. The staff recommendation assumes that funding the full prevailing market contribution rates is not feasible in the current budget environment, but recommends that the JBC pursue some incremental increase to minimize the distance that state contribution rates lag the prevailing contribution rates.

In the Governor's plan the increase in health premiums will exceed the increase in take home pay as a result of the higher state contribution to PERA for many lower paid employees with children. For a parent electing the least expensive benefit plan, or the United Health Care high deductible health plan, the employee's annual income would need to exceed \$36,883 to result in a net gain in compensation. The table below summarizes the break-even income where the benefit from the increased state contribution to PERA matches the increase in health premiums.

Increase from FY 2011-12	Employee Share of Monthly Premium			
	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	11.50	13.52	18.60	45.14
Employee + Children	76.84	78.64	61.26	89.00

Employee + Spouse	17.18	1.84	38.78	11.14
Employee + Family	78.20	62.04	84.90	109.84

Income where increased state PERA contribution matches increased premium

	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	5,518	6,490	8,928	21,667
Employee + Children	36,883	37,747	29,403	42,720
Employee + Spouse	8,246	883	18,614	5,347
Employee + Family	37,536	29,779	40,753	52,723

The staff calculation of the base funding required for the state contribution rates proposed by the Governor includes corrections of the following errors in the request:

- The State Historical Society and the Secretary of State used the wrong health and dental rates;
- The Treasurer used the wrong health rates; and,
- The Department of Human Services used the wrong dental rates.

After correcting for these errors, staff estimates that the Governor's proposed state contribution rates requires a net change of \$4.7 million total funds, including \$6.9 million net General Fund, to adjust for new assumptions about enrollment. The staff recommendation would add \$4.0 million General Fund to this amount, or half of the projected shortfall from prevailing contribution rates rounded down to the nearest million, with the amounts by department and from sources other than the General Fund pending further calculations by the Department of Personnel.

Short-term Disability

Description: The Short-term Disability appropriation 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 state temporary employees are not eligible for the benefit.

Request: The request is based on a continuing state contribution rate of 0.177 percent of employee salaries.

Recommendation: **Staff calculated the STD for the Department of Natural Resources using the FY 2012-13 STD rate multiplied by the base salary plus shift differential less state temporaries, but for all other departments staff took the lesser of the current appropriation or the request by fund source.** The request miscalculated the need for STD by applying the rate to state temporary positions as well as permanent positions. The salary templates do not include sufficient detail for the JBC staff to easily remove the state temporary employees. For the Department of Natural Resources the JBC staff had the detail to remove temporary employees, because the Department of Natural Resources had failed to include temporary employees in the original request. There is enough detail in the line item schedules to remove the temporary employees, but this would require a significant amount of data entry by each JBC staff. Staff decided that the difference in the need

for STD from the current appropriation was not material enough to warrant asking either the JBC staff or the budget staff for the departments to remove the temporary salaries and then recalculate the totals. The rate for STD is not changing in FY 2012-13, and so any changes are associated with new base salary assumptions. Staff is not recommending any increases in funding for STD, but in cases where the request was lower than the appropriation for a particular fund source, staff recommends the lower amount.

Pay Date Shift

Description: Senate Bill 03-197 shifted pay dates occurring in the last 14 days of June to July 1 of the next fiscal year. General Fund salaries that are shifted to the next fiscal year are budgeted in the next fiscal year, but cash and federally funded salaries are still budgeted in the fiscal year when the work is performed. Senate Bill 03-197 resulted in a one-time General Fund savings of \$70.5 million General Fund. At the hearing the Department estimated it would cost \$87.7 million General Fund to unwind the pay date shift with today's salaries.

Request: The Governor proposes reversing the pay date shift for state employees paid on a biweekly basis. For employees paid on a monthly basis the pay date shift delayed pay checks by one day. For employees paid on a biweekly basis, the pay date shift could delay pay checks by between 1 and 14 days. Employees paid on a biweekly basis already receive paychecks that are not subject to the pay date shift two weeks after work is completed. The pay date shift can potentially add another two weeks, so that an employee is not paid until four weeks after work is completed. The majority of employees paid on a biweekly basis are those who earn an hourly wage, rather than a salary. The typical pay rate for biweekly employees is lower than for monthly employees. The Governor argues that these factors add up to make it significantly more difficult for employees paid on a biweekly basis to manage the impact of the pay date shift on their personal budgets than for employees paid on a monthly basis to do the same.

	Monthly Employee	Biweekly Employee	Difference
Average Monthly Pay	\$4,542	\$3,408	\$1,134
Median Monthly Pay	\$4,107	\$3,032	\$1,075

The Governor's budget letter estimated the cost of reversing the pay date shift for employees paid on a biweekly basis at \$1.6 million General Fund, including benefits.

Recommendation: The JBC already voted to carry legislation to reverse the pay date shift for employees paid on a bi-weekly basis. The \$1.6 million estimate did not include information technology costs. Staff is not sure if this was an oversight, or if the system changes can be absorbed within existing appropriations. Also, undoing the pay date shift for employees paid bi-weekly may have small impacts on Medicaid financing that were not accounted for in the Governor's estimate. The final fiscal note may differ slightly from the Governor's request.

Personal Services Base Reduction/Vacancy Savings Factor

Description: In prior years the General Assembly has applied a reduction to personal services that has been described as either a base reduction or adjustment to account for vacancy savings achieved by a department.

Request: The Governor's request does not include any base personal services reduction.

Recommendation: **Staff recommends no base personal services reduction.** There are two types of vacancy savings: (1) Those associated with the amount of time a position is empty and a department is not paying anybody; and (2) Those that result from hiring somebody to fill a position at a lower pay grade than the person who left that position. The two types of vacancy savings impact the budget in subtly different ways, and so it can be important to determine which type of vacancy savings is being discussed, though both types are frequently conflated as simply "vacancy savings."

The vacancy savings from unfilled positions may be partially or wholly offset by other costs. These include payouts for accumulated leave, temporary services and/or overtime to cover for the unfilled position, and training required for a new person to perform the duties.

Vacancy savings from unfilled positions are one-time. Once the position is filled, the savings go away. However, if the turnover rate and length of time positions are unfilled are consistent, one could expect roughly the same level of one-time vacancy savings to recur every year. It would not be reasonable to adjust the base budget downward for the savings from unfilled positions every time a vacancy occurs, but the base budget could be adjusted downward once for the projected annual savings from unfilled positions, and then reasonably expected to stay at that reduced funding need in future years.

Vacancy savings from the difference in compensation between a previous employee and a new hire are ongoing. These savings can be taken from the budget every time there is a vacancy, as long as the new hires earn less than the previous employees. If there is no money to increase the compensation of new hires during their time with the state, then eventually when they leave they will be replaced with people making the same compensation. There will be no vacancy savings from a difference in compensation.

However, rather than providing a pot for pay raises and then taking the money away in vacancy savings, it may make more sense to assume that vacancy savings from differences in compensation are recycled by departments into pay raises for other employees. Assume a department hires one employee a year for four years at \$100 each to fill positions A, B, C, and D. Each year after hire those employees get a \$1 raise, so that in the fourth year the department is spending \$406 annually

on salaries. In the fifth year position A turns over and a new employee is hired at \$100, saving \$3. That \$3 in savings gets recycled into \$1 raises for positions B, C, and D. The department is still spending \$406 annually on salaries. In the sixth year position B turns over, saving \$3 that gets recycled into \$1 raises for positions A, C, and D, resulting in annual salary expenditures of \$406. The table below illustrates how this recycling scenario works.

Position:	A	B	C	D	TOTAL
Year	Salary	Salary	Salary	Salary	Salaries
1	100				100
2	101	100			201
3	102	101	100		303
4	103	102	101	100	406
5	100	103	102	101	406
6	101	100	103	102	406
7	102	101	100	103	406
8	103	102	101	100	406
9	100	103	102	101	406
10	101	100	103	102	406

This steady salary state will occur as long as the employee tenure is a factor of the number of positions. It will occur with different assumptions about how employees receive pay raises. A compensation system could be designed to reach a steady state with big pay raises in the first couple of years, to recognize greater competence as an employee masters the job, followed by declining or no increases in later years. Alternatively, a compensation system could be designed to reach a steady state with little or no raises during a long beginning apprenticeship, followed by big pay raises at the end to reward employees who stay and master the position. If the employee tenure is not a factor of the number of positions, then the total salary expenditures will fluctuate slightly around a steady state. A compensation system could be designed to fluctuate near a steady state with raises based strictly on merit, with no consideration for tenure, as long as the distribution of high achieving and low achieving salaries remains relatively constant over time. In all of these cases, the magic steady state could be predicted by extrapolating from the expected average compensation over the tenure of employees.

In reality, employees don't always have the exact same tenure or raises each year, but it could still be expected that total annual salaries would fluctuate around a steady state, if the population of employees is large enough, and trends in tenure and raises remain relatively constant. And, this steady state could be predicted using the expected average compensation during the average tenure of employees.

The legislature doesn't necessarily need to know how employees progress through the pay structure to budget to the steady state. There may be differing opinions about how much compensation should be based on merit versus tenure, or how much should be base-building versus one-time incentives, or how quickly employees should progress through the pay structure, or even if employees should progress through the pay structure. The prevailing average compensation per pay class will be reflective of the steady state in the market. Budgeting to the market average compensation for each pay class should provide sufficient funds for the state to compensate employees according to prevailing practices. Whether the way state employees move through the pay structure ultimately mirrors prevailing practices will depend on the policies of the Department of Personnel and the implementation of those policies by individual managers.

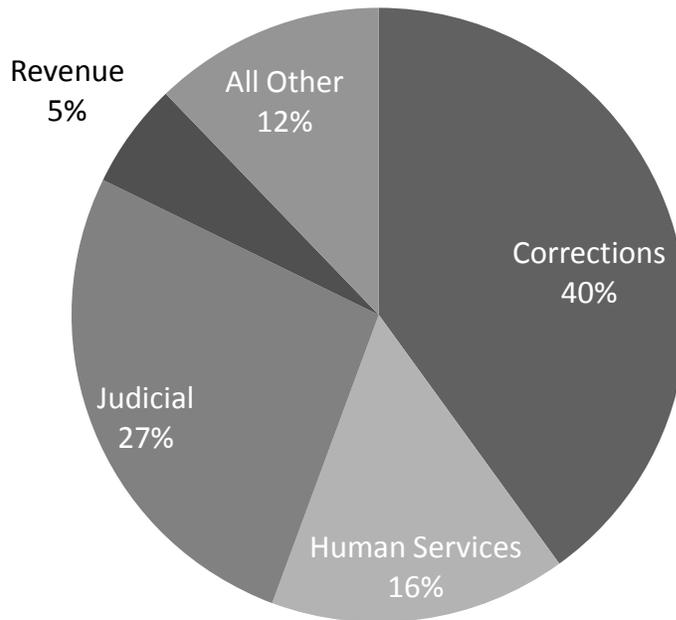
If the state is budgeting to the average market compensation, it would imply that there should be no annual vacancy savings factor applied to personal services line items for differences in compensation between outgoing and incoming employees. If the market is giving pay raises that exceed the recycled vacancy savings from differences in compensation, then the average market compensation will go up. If the market is giving pay raises that are less than the recycled savings from differences in compensation, or the market stops giving pay raises, then the average market compensation will go down. To the extent that there are vacancy savings from differences in compensation that are not getting recycled into pay raises for other employees, those vacancy savings will already be accounted for in the average market salary.

It also implies that there need not be an appropriation to move people through the pay structure in addition to an appropriation to bring salaries in line with the average market compensation. The appropriation to bring salaries in line with the average market compensation should be sufficient to provide funds to move people through the pay structure with recycled money from vacancy savings that result from differences in compensation. The General Assembly may want to divide the funds for keeping salaries in line with the average market compensation into different categories, with some money specifically designated for performance-based pay, or for non-base-building incentives. But, these appropriations should be a subset of, rather than an addition to, the money to bring salaries in line with average market compensation. Otherwise, these appropriations would grow state salaries beyond the prevailing market.

Base Salary Assumptions

FY 2012-13 Base Regular Pay	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	14,331,079	4,155,234	9,213,091	0	962,753	4,155,234
Corrections	315,961,371	306,455,334	9,506,037	0	0	306,455,334
Education	33,848,059	11,789,275	3,268,916	4,022,880	14,766,988	11,789,275
Governor's Office	73,269,564	6,563,439	1,389,135	62,387,239	2,929,751	6,563,439
Health Care Policy and Financing	22,106,867	8,941,286	1,670,879	355,630	11,139,072	8,941,286
Higher Education - Admin & Hist	9,153,569	0	5,911,408	1,876,434	1,365,727	0
Human Services	209,115,692	119,589,326	9,449,956	47,363,059	32,713,351	140,830,695
Judicial	240,308,831	203,756,767	36,552,064	0	0	203,756,767
Labor and Employment	58,858,411	0	23,910,528	0	34,947,883	0
Law	30,261,582	8,580,983	2,924,909	17,489,612	1,266,078	8,580,983
Local affairs	10,746,710	3,101,081	1,421,862	3,237,191	2,986,576	3,101,081
Military and Vetean Affairs	6,979,825	2,305,120	72,948	0	4,601,757	2,305,120
Natural Resources	99,676,431	14,948,962	67,407,914	3,217,041	14,102,514	14,948,962
Personnel and Administration	20,288,530	7,189,837	1,536,713	11,561,980	0	7,189,837
Public Health and Environment	83,963,190	5,990,539	28,042,520	8,790,112	41,140,019	7,110,026
Public Safety	83,362,187	17,491,138	57,085,299	4,452,559	4,333,191	17,491,138
Regulatory Agencies	34,234,992	1,115,810	30,749,488	1,978,344	391,350	1,115,810
Revenue	71,076,386	42,554,643	28,521,744	0	0	42,554,643
State	7,086,596	0	7,086,596	0	0	0
Transportation	12,630,660	0	12,114,768	515,892	0	0
Treasury	<u>1,862,370</u>	<u>1,160,112</u>	<u>702,258</u>	<u>0</u>	<u>0</u>	<u>1,160,112</u>
SUBTOTAL	1,439,122,904	765,688,886	338,539,033	167,247,973	167,647,012	788,049,742
Legislature	21,190,175	21,190,175	0	0	0	21,190,175
Higher Education - Institutions	<u>1,119,349,902</u>	<u>299,367,172</u>	<u>819,982,730</u>	<u>0</u>	<u>0</u>	<u>299,367,172</u>
GRANDTOTAL	2,579,662,981	1,086,246,233	1,158,521,763	167,247,973	167,647,012	1,108,607,089

General Fund Regular Pay



Shift Differential

FY 2012-13 Shift Differential Pay	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	0	0	0	0	0	0
Corrections	7,876,024	7,859,206	16,818	0	0	7,859,206
Education	104,981	104,981	0	0	0	104,981
Governor's Office	96,915	0	0	96,915	0	0
Health Care Policy and Financing	0	0	0	0	0	0
Higher Education - Admin & Hist	0	0	0	0	0	0
Human Services	5,080,075	3,338,369	7,854	1,726,230	7,621	4,101,735
Judicial	0	0	0	0	0	0
Labor and Employment	18,075	0	0	0	18,075	0
Law	0	0	0	0	0	0
Local affairs	0	0	0	0	0	0
Military and Vetean Affairs	28,133	0	0	0	28,133	0
Natural Resources	39,849	0	39,849	0	0	0
Personnel and Administration	50,487	0	0	50,487	0	0
Public Health and Environment	18,403	61	5,649	0	12,692	61
Public Safety	400,604	84,796	277,342	38,466	0	84,796
Regulatory Agencies	0	0	0	0	0	0
Revenue	217,064	41,939	175,125	0	0	41,939
State	0	0	0	0	0	0
Transportation	30,566	0	30,232	334	0	0
Treasury	0	0	0	0	0	0
SUBTOTAL	13,961,174	11,429,352	552,870	1,912,431	66,521	12,192,718
Legislature	0	0	0	0	0	0
Higher Education - Institutions	0	0	0	0	0	0
GRANDTOTAL	13,961,174	11,429,352	552,870	1,912,431	66,521	12,192,718

Increase from FY 2011-12	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	0	0	0	0	0	0
Corrections	3,303,411	3,293,037	10,374	0	0	3,293,037
Education	39,226	39,226	0	0	0	39,226
Governor's Office	96,915	0	0	96,915	0	0
Health Care Policy and Financing	0	0	0	0	0	0
Higher Education - Admin & Hist	0	0	0	0	0	0
Human Services	1,876,248	1,263,062	3,081	606,996	3,108	1,445,274
Judicial	0	0	0	0	0	0
Labor and Employment	8,341	0	0	0	8,341	0
Law	0	0	0	0	0	0
Local affairs	0	0	0	0	0	0
Military and Vetean Affairs	12,027	0	0	0	12,027	0
Natural Resources	22,117	0	22,117	0	0	0
Personnel and Administration	19,204	0	(4)	19,208	0	0
Public Health and Environment	7,493	(112)	2,924	(15)	4,695	(30,172)
Public Safety	156,112	27,095	115,290	13,727	0	27,095
Regulatory Agencies	0	0	0	0	0	0
Revenue	93,074	39,764	53,310	0	0	39,764
State	0	0	0	0	0	0
Transportation	9,065	0	9,602	(537)	0	0
Treasury	0	0	0	0	0	0
SUBTOTAL	5,643,231	4,662,072	216,695	736,293	28,171	4,814,224
Legislature	0	0	0	0	0	0
Higher Education - Institutions	0	0	0	0	0	0
GRANDTOTAL	5,643,231	4,662,072	216,695	736,293	28,171	4,814,224

FY 2011-12 Shift Appropriation	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	0	0	0	0	0	0
Corrections	4,572,613	4,566,169	6,444	0	0	4,566,169
Education	65,755	65,755	0	0	0	65,755
Governor's Office	0	0	0	0	0	0
Health Care Policy and Financing	0	0	0	0	0	0
Higher Education - Admin & Hist	0	0	0	0	0	0
Human Services	3,203,827	2,075,307	4,773	1,119,234	4,513	2,656,461
Judicial	0	0	0	0	0	0
Labor and Employment	9,734	0	0	0	9,734	0
Law	0	0	0	0	0	0
Local affairs	0	0	0	0	0	0
Military and Vetean Affairs	16,106	0	0	0	16,106	0
Natural Resources	17,732	0	17,732	0	0	0
Personnel and Administration	31,283	0	4	31,279	0	0
Public Health and Environment	10,910	173	2,725	15	7,997	30,233
Public Safety	244,492	57,701	162,052	24,739	0	57,701
Regulatory Agencies	0	0	0	0	0	0
Revenue	123,990	2,175	121,815	0	0	2,175
State	0	0	0	0	0	0
Transportation	21,501	0	20,630	871	0	0
Treasury	0	0	0	0	0	0
SUBTOTAL	8,317,943	6,767,280	336,175	1,176,138	38,350	7,378,494
Legislature	0	0	0	0	0	0
Higher Education - Institutions	0	0	0	0	0	0
GRANDTOTAL	8,317,943	6,767,280	336,175	1,176,138	38,350	7,378,494

Amount the staff recommendation is higher/(lower) than the request	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	0	0	0	0	0	0
Corrections	1,563,445	1,560,082	3,363	0	0	1,560,082
Education	20,839	20,839	0	0	0	20,839
Governor's Office	96,915	0	0	96,915	0	0
Health Care Policy and Financing	0	0	0	0	0	0
Higher Education - Admin & Hist	0	0	0	0	0	0
Human Services	1,011,020	662,678	1,571	345,246	1,524	744,511
Judicial	0	0	0	0	0	0
Labor and Employment	3,615	0	0	0	3,615	0
Law	0	0	0	0	0	0
Local affairs	0	0	0	0	0	0
Military and Vetean Affairs	5,626	0	0	0	5,626	0
Natural Resources	7,970	0	7,970	0	0	0
Personnel and Administration	10,102	0	0	10,102	0	0
Public Health and Environment	3,681	12	1,129	0	2,539	12
Public Safety	79,997	16,833	55,471	7,693	0	16,833
Regulatory Agencies	0	0	0	0	0	0
Revenue	43,350	8,325	35,025	0	0	8,325
State	0	0	0	0	0	0
Transportation	6,154	0	6,046	108	0	0
Treasury	0	0	0	0	0	0
SUBTOTAL	2,852,712	2,268,769	110,576	460,063	13,304	2,350,602
Ripple Impacts						
AED	90,531	71,844	3,538	14,722	426	74,463
SAED	77,504	61,446	3,041	12,652	366	63,696
STD	5,049	4,016	196	814	24	4,161
Total	3,025,796	2,406,075	117,351	488,251	14,120	2,492,922

Public Employee Retirement Association (PERA) State Contribution

FY 2012-13 PERA	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds
Agriculture	1,445,948	413,100	935,129	0	97,719
Corrections	31,431,631	30,466,768	964,863	0	0
Education	3,411,016	1,172,050	331,795	408,322	1,498,849
Governor's Office	7,423,187	652,515	140,997	6,332,305	297,370
Health Care Policy and Financing	2,225,219	888,913	169,594	36,096	1,130,616
Higher Education - Admin & Hist	929,087	0	600,008	190,458	138,621
Human Services	20,976,098	11,889,172	959,171	4,807,350	3,320,405
Judicial	24,062,305	20,028,272	4,034,033	0	0
Labor and Employment	5,974,129	0	2,426,919	0	3,547,210
Law	3,053,674	853,093	296,878	1,775,196	128,507
Local affairs	1,084,330	308,299	144,319	328,575	303,137
Military and Vetean Affairs	703,649	229,167	7,404	0	467,078
Natural Resources	10,086,014	1,486,176	6,841,903	326,530	1,431,405
Personnel and Administration	2,044,307	714,790	155,976	1,173,541	0
Public Health and Environment	8,509,783	595,559	2,846,316	892,196	4,175,712
Public Safety	9,942,616	1,965,559	6,966,068	521,264	489,725
Regulatory Agencies	3,472,527	110,930	3,121,073	200,802	39,722
Revenue	7,125,598	4,230,641	2,894,957	0	0
State	719,289	0	719,289	0	0
Transportation	1,282,012	0	1,229,649	52,363	0
Treasury	<u>186,613</u>	<u>115,334</u>	<u>71,279</u>	<u>0</u>	<u>0</u>
SUBTOTAL	146,089,032	76,120,338	35,857,620	17,044,998	17,066,076
Legislature	2,106,657	2,106,657	0	0	0
Higher Education - Institutions	<u>26,692,175</u>	<u>15,592,076</u>	<u>11,100,099</u>	<u>0</u>	<u>0</u>
GRANDTOTAL	174,887,863	93,819,071	46,957,719	17,044,998	17,066,076
Increase from FY 2011-12					
Agriculture	325,677	72,686	227,545	0	25,446
Corrections	8,100,294	7,868,220	99,856	132,218	0
Education	465,333	311,971	64,092	56,458	32,812
Governor's Office	1,785,283	100,336	4,054	1,601,444	79,449
Health Care Policy and Financing	1,630,244	714,347	56,118	0	859,779
Higher Education - Admin & Hist	199,811	41,484	132,867	0	25,460
Human Services	5,248,580	3,034,793	204,655	1,196,670	812,462
Judicial	6,132,185	5,260,421	870,420	1,344	0
Labor and Employment	1,631,728	0	610,007	3,600	1,018,121
Law	774,669	180,082	69,016	502,668	22,903
Local affairs	275,045	66,014	35,500	109,656	63,875
Military and Vetean Affairs	164,417	56,497	1,824	0	106,096
Natural Resources	2,209,502	384,244	1,478,456	74,295	272,507
Personnel and Administration	485,722	160,447	58,391	266,884	0
Public Health and Environment	1,975,520	162,746	682,218	238,632	891,924
Public Safety	2,074,036	437,930	1,430,407	102,366	103,333
Regulatory Agencies	826,773	24,058	749,724	47,038	5,953
Revenue	1,741,453	563,224	1,162,667	15,562	0
State	184,245	0	184,245	0	0
Transportation	283,641	0	272,054	11,587	0
Treasury	45,974	29,150	16,824	0	0
SUBTOTAL	36,560,132	19,468,650	8,410,940	4,360,422	4,320,120
Legislature	531,051	531,051	0	0	0
Higher Education - Institutions	<u>6,654,905</u>	<u>3,920,891</u>	<u>2,734,014</u>	<u>0</u>	<u>0</u>
GRANDTOTAL	43,746,088	23,920,592	11,144,954	4,360,422	4,320,120

FY 2011-12 PERA Appropriation¹	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds
Agriculture	1,120,271	340,414	707,584	0	72,273
Corrections	23,331,337	22,598,548	865,007	(132,218)	0
Education	2,945,683	860,079	267,703	351,864	1,466,037
Governor's Office	5,637,904	552,179	136,943	4,730,861	217,921
Health Care Policy and Financing	594,975	174,566	113,476	36,096	270,837
Higher Education - Admin & Hist	729,276	(41,484)	467,141	190,458	113,161
Human Services	15,727,518	8,854,379	754,516	3,610,680	2,507,943
Judicial	17,930,120	14,767,851	3,163,613	(1,344)	0
Labor and Employment	4,342,401	0	1,816,912	(3,600)	2,529,089
Law	2,279,005	673,011	227,862	1,272,528	105,604
Local affairs	809,285	242,285	108,819	218,919	239,262
Military and Vetean Affairs	539,232	172,670	5,580	0	360,982
Natural Resources	7,876,512	1,101,932	5,363,447	252,235	1,158,898
Personnel and Administration	1,558,585	554,343	97,585	906,657	0
Public Health and Environment	6,534,263	432,813	2,164,098	653,564	3,283,788
Public Safety	7,868,580	1,527,629	5,535,661	418,898	386,392
Regulatory Agencies	2,645,754	86,872	2,371,349	153,764	33,769
Revenue	5,384,145	3,667,417	1,732,290	(15,562)	0
State	535,044	0	535,044	0	0
Transportation	998,371	0	957,595	40,776	0
Treasury	<u>140,639</u>	<u>86,184</u>	<u>54,455</u>	<u>0</u>	<u>0</u>
SUBTOTAL	109,528,900	56,651,688	27,446,680	12,684,576	12,745,956
Legislature	1,575,606	1,575,606	0	0	0
Higher Education - Institutions	<u>20,037,269</u>	<u>11,671,185</u>	<u>8,366,084</u>	<u>0</u>	<u>0</u>
GRANDTOTAL	131,141,775	69,898,479	35,812,764	12,684,576	12,745,956

NOTES:				
Employer Contribution	General	Judges	Troopers	
FY 2011-12 Rate	7.65%	11.16%	10.35%	
FY 2012-13 Rate	10.15%	13.66%	12.85%	
FY 2012-13 GF paydate shift blended rate	9.94%	13.45%	12.64%	
Employee Contribution				
FY 2011-12 Rate	10.50%	12.50%	10.50%	
FY 2012-13 Rate	8.00%	10.00%	8.00%	

¹ Calculated as the difference between the FY 2012-13 PERA estimate and the recommended increase to annualize SB 11-076.

Amortization Equalization Disbursement (AED)

FY 2012-13 AED	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	457,209	131,582	294,819	0	30,808	131,582
Corrections	10,232,517	9,927,842	304,675	0	0	9,927,842
Education	1,082,192	376,311	104,605	128,732	472,544	376,311
Governor's Office	2,345,217	207,842	44,452	1,999,171	93,752	207,842
Health Care Policy and Financing	704,439	283,141	53,468	11,380	356,450	283,141
Higher Education - Admin & Hist	292,914	0	189,165	60,046	43,703	0
Human Services	6,796,685	3,881,899	302,624	1,565,116	1,047,046	4,561,623
Judicial	6,869,312	5,735,758	1,133,554	0	0	5,735,758
Labor and Employment	1,883,988	0	765,137	0	1,118,851	0
Law	965,510	271,731	93,597	559,668	40,514	271,731
Local affairs	342,861	98,201	45,500	103,590	95,570	98,201
Military and Vetean Affairs	223,392	72,995	2,334	0	148,063	72,995
Natural Resources	3,185,805	473,384	2,158,196	102,945	451,280	473,384
Personnel and Administration	648,284	227,678	49,175	371,431	0	227,678
Public Health and Environment	2,685,354	189,702	897,523	281,284	1,316,845	225,526
Public Safety	2,673,226	556,297	1,834,682	143,585	138,662	556,297
Regulatory Agencies	1,095,148	35,334	983,984	63,307	12,523	35,334
Revenue	2,266,473	1,348,756	917,717	0	0	1,348,756
State	226,771	0	226,771	0	0	0
Transportation	405,057	0	388,539	16,518	0	0
Treasury	59,209	36,737	22,472	0	0	36,737
SUBTOTAL	45,441,563	23,855,190	10,812,989	5,406,773	5,366,611	24,570,738
Legislature	671,022	671,022	0	0	0	671,022
Higher Education - Institutions	8,684,721	4,966,462	3,718,260	0	0	4,966,462
GRANDTOTAL	54,797,307	29,492,674	14,531,249	5,406,773	5,366,611	30,208,222

Increase from FY 2011-12	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	53,658	45,352	4,416	0	3,890	45,352
Corrections	1,379,649	1,325,180	54,469	0	0	1,325,180
Education	251,447	46,114	8,319	45,873	151,141	46,114
Governor's Office	461,522	84,204	21,224	358,189	(2,095)	84,204
Health Care Policy and Financing	171,585	92,413	320	11,380	67,472	92,413
Higher Education - Admin & Hist	69,568	0	33,986	20,394	15,188	0
Human Services	858,821	240,487	197,500	267,996	152,838	339,057
Judicial	364,656	188,740	175,916	0	0	188,740
Labor and Employment	232,661	0	87,718	0	144,943	0
Law	189,754	68,452	23,092	83,077	15,133	68,452
Local affairs	87,308	40,597	3,508	3,944	39,259	40,597
Military and Vetean Affairs	30,698	1,067	(589)	0	30,220	1,067
Natural Resources	739,578	39,739	516,871	12,293	170,675	39,739
Personnel and Administration	106,142	30,254	11,737	64,151	0	30,254
Public Health and Environment	609,756	8,708	175,992	52,355	372,701	14,472
Public Safety	331,463	117,529	150,696	(3,431)	66,669	117,529
Regulatory Agencies	214,787	4,761	194,779	9,120	6,127	4,761
Revenue	274,122	593,351	(319,229)	0	0	593,351
State	54,802	0	54,802	0	0	0
Transportation	86,840	0	83,321	3,519	0	0
Treasury	8,571	5,511	3,060	0	0	5,511
SUBTOTAL	6,577,388	2,932,459	1,481,908	928,860	1,234,161	3,036,793
Legislature	84,759	84,759	0	0	0	84,759
Higher Education - Institutions	1,283,506	627,343	656,163	0	0	627,343
GRANDTOTAL	7,945,653	3,644,561	2,138,071	928,860	1,234,161	3,748,895

FY 2011-12 AED Appropriation	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	403,551	86,230	290,403	0	26,918	86,230
Corrections	8,852,868	8,602,662	250,206	0	0	8,602,662
Education	830,745	330,197	96,286	82,859	321,403	330,197
Governor's Office	1,883,695	123,638	23,228	1,640,982	95,847	123,638
Health Care Policy and Financing	532,854	190,728	53,148	0	288,978	190,728
Higher Education - Admin & Hist	223,346	0	155,179	39,652	28,515	0
Human Services	5,937,864	3,641,412	105,124	1,297,120	894,208	4,222,566
Judicial	6,504,656	5,547,018	957,638	0	0	5,547,018
Labor and Employment	1,651,327	0	677,419	0	973,908	0
Law	775,756	203,279	70,505	476,591	25,381	203,279
Local affairs	255,553	57,604	41,992	99,646	56,311	57,604
Military and Vetean Affairs	192,694	71,928	2,923	0	117,843	71,928
Natural Resources	2,446,227	433,645	1,641,325	90,652	280,605	433,645
Personnel and Administration	542,142	197,424	37,438	307,280	0	197,424
Public Health and Environment	2,075,598	180,994	721,531	228,929	944,144	211,054
Public Safety	2,341,763	438,768	1,683,986	147,016	71,993	438,768
Regulatory Agencies	880,361	30,573	789,205	54,187	6,396	30,573
Revenue	1,992,351	755,405	1,236,946	0	0	755,405
State	171,969	0	171,969	0	0	0
Transportation	318,217	0	305,218	12,999	0	0
Treasury	50,638	31,226	19,412	0	0	31,226
SUBTOTAL	38,864,175	20,922,731	9,331,081	4,477,913	4,132,450	21,533,945
Legislature	586,263	586,263	0	0	0	586,263
Higher Education - Institutions ¹	<u>7,401,215</u>	<u>4,339,119</u>	<u>3,062,096</u>	<u>0</u>	<u>0</u>	<u>4,339,119</u>
GRANDTOTAL	46,851,653	25,848,113	12,393,177	4,477,913	4,132,450	26,459,327

NOTES:

Employer Contribution	General	Judges	Troopers
2012 Calendar Year	3.00%	2.20%	3.00%
2013 Calendar Year	3.40%	2.20%	3.40%
FY 2012-13 GF paydate shift blended rate	3.17%	2.20%	3.17%
FY 2012-13 non-GF blended rate	3.20%	2.20%	3.20%

¹ Estimated using the base salary assumptions and the 2011 and 2012 calendar year AED rates

Supplemental Amortization Equalization Disbursement (SAED)

FY 2012-13 SAED	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	392,374	112,538	253,360	0	26,476	112,538
Corrections	8,752,748	8,490,918	261,830	0	0	8,490,918
Education	928,461	321,845	89,895	110,629	406,092	321,845
Governor's Office	2,014,566	177,760	38,201	1,718,037	80,568	177,760
Health Care Policy and Financing	604,213	242,160	45,949	9,780	306,324	242,160
Higher Education - Admin & Hist	251,724	0	162,564	51,602	37,558	0
Human Services	5,824,938	3,320,045	260,067	1,345,021	899,805	3,904,183
Judicial	6,869,312	5,735,758	1,133,554	0	0	5,735,758
Labor and Employment	1,619,052	0	657,540	0	961,512	0
Law	828,618	232,402	80,435	480,964	34,817	232,402
Local affairs	294,243	83,988	39,101	89,023	82,131	83,988
Military and Vetean Affairs	191,678	62,430	2,006	0	127,242	62,430
Natural Resources	2,735,856	404,868	1,854,700	88,469	387,819	404,868
Personnel and Administration	556,184	194,725	42,260	319,199	0	194,725
Public Health and Environment	2,306,945	162,245	771,309	241,728	1,131,663	193,031
Public Safety	2,295,016	475,780	1,576,680	123,393	119,163	475,780
Regulatory Agencies	940,997	30,220	845,611	54,404	10,762	30,220
Revenue	1,942,204	1,153,541	788,663	0	0	1,153,541
State	194,881	0	194,881	0	0	0
Transportation	348,096	0	333,901	14,195	0	0
Treasury	<u>50,732</u>	<u>31,420</u>	<u>19,312</u>	<u>0</u>	<u>0</u>	<u>31,420</u>
SUBTOTAL	39,942,838	21,232,643	9,451,819	4,646,444	4,611,932	21,847,567
Legislature	573,901	573,901	0	0	0	573,901
Higher Education - Institutions	<u>8,684,721</u>	<u>4,966,462</u>	<u>3,718,260</u>	<u>0</u>	<u>0</u>	<u>4,966,462</u>
GRANDTOTAL	49,201,460	26,773,005	13,170,079	4,646,444	4,611,932	27,387,929

Increase from FY 2011-12	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	67,638	42,793	20,000	0	4,845	42,793
Corrections	1,685,741	1,624,969	60,772	0	0	1,624,969
Education	262,930	58,537	12,524	44,047	147,822	58,537
Governor's Office	495,729	78,408	19,536	394,237	3,548	78,408
Health Care Policy and Financing	176,888	90,375	3,467	9,780	73,266	90,375
Higher Education - Admin & Hist	72,249	0	37,866	19,739	14,644	0
Human Services	1,049,528	389,999	175,593	302,692	181,244	507,138
Judicial	5,816,183	4,682,629	1,133,554	0	0	4,682,629
Labor and Employment	299,163	0	113,185	0	185,978	0
Law	206,357	70,168	23,779	97,989	14,421	70,168
Local affairs	89,197	38,009	5,357	8,950	36,881	38,009
Military and Vetean Affairs	37,222	5,018	(343)	0	32,547	5,018
Natural Resources	772,470	58,736	535,778	15,623	162,333	58,736
Personnel and Administration	120,536	36,081	12,176	72,279	0	36,081
Public Health and Environment	639,809	17,777	191,507	57,550	372,975	24,300
Public Safety	414,734	125,559	222,609	5,255	61,311	125,559
Regulatory Agencies	233,730	5,817	211,429	10,861	5,623	5,817
Revenue	345,272	550,583	(205,311)	0	0	550,583
State	64,902	0	64,902	0	0	0
Transportation	92,385	0	88,636	3,749	0	0
Treasury	10,208	6,495	3,713	0	0	6,495
SUBTOTAL	12,952,871	7,881,953	2,730,729	1,042,751	1,297,438	8,005,615
Legislature	105,953	105,953	0	0	0	105,953
Higher Education - Institutions	<u>2,760,655</u>	<u>1,503,008</u>	<u>1,257,647</u>	<u>0</u>	<u>0</u>	<u>1,503,008</u>
GRANDTOTAL	15,819,478	9,490,914	3,988,376	1,042,751	1,297,438	9,614,576

FY 2011-12 SAED Appropriation	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	324,736	69,745	233,360	0	21,631	69,745
Corrections	7,067,007	6,865,949	201,058	0	0	6,865,949
Education	665,531	263,308	77,371	66,582	258,270	263,308
Governor's Office	1,518,837	99,352	18,665	1,323,800	77,020	99,352
Health Care Policy and Financing	427,325	151,785	42,482	0	233,058	151,785
Higher Education - Admin & Hist	179,475	0	124,698	31,863	22,914	0
Human Services	4,775,410	2,930,046	84,474	1,042,329	718,561	3,397,045
Judicial	1,053,129	1,053,129	0	0	0	1,053,129
Labor and Employment	1,319,889	0	544,355	0	775,534	0
Law	622,261	162,234	56,656	382,975	20,396	162,234
Local affairs	205,046	45,979	33,744	80,073	45,250	45,979
Military and Vetean Affairs	154,456	57,412	2,349	0	94,695	57,412
Natural Resources	1,963,386	346,132	1,318,922	72,846	225,486	346,132
Personnel and Administration	435,648	158,644	30,084	246,920	0	158,644
Public Health and Environment	1,667,136	144,468	579,802	184,178	758,688	168,731
Public Safety	1,880,282	350,221	1,354,071	118,138	57,852	350,221
Regulatory Agencies	707,267	24,403	634,182	43,543	5,139	24,403
Revenue	1,596,932	602,958	993,974	0	0	602,958
State	129,979	0	129,979	0	0	0
Transportation	255,711	0	245,265	10,446	0	0
Treasury	40,524	24,925	15,599	0	0	24,925
SUBTOTAL	26,989,967	13,350,690	6,721,090	3,603,693	3,314,494	13,841,952
Legislature	467,948	467,948	0	0	0	467,948
Higher Education - Institutions ¹	5,924,067	3,463,454	2,460,613	0	0	3,463,454
GRANDTOTAL	33,381,982	17,282,092	9,181,703	3,603,693	3,314,494	17,773,354

NOTES:

Employer Contribution	General	Judges	Troopers
2012 Calendar Year	2.50%	1.50%	2.50%
2013 Calendar Year	3.00%	1.50%	3.00%
FY 2012-13 GF paydate shift blended rate	2.71%	1.50%	2.71%
FY 2012-13 non-GF blended rate	2.75%	1.50%	2.75%

¹ Estimated using the base salary assumptions and the 2011 and 2012 calendar year SAED rates

Health, Life, and Dental (HLD)

FY 2012-13 HLD	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	1,696,378	387,628	1,236,018	0	72,732	387,628
Corrections	39,367,150	38,220,085	1,147,065	0	0	38,220,085
Education	3,091,525	1,311,943	303,426	295,732	1,180,424	1,311,943
Governor's Office	6,453,369	538,575	119,635	5,500,654	294,505	538,575
Health Care Policy and Financing	1,970,066	725,970	159,483	49,661	1,034,952	725,970
Higher Education - Admin & Hist	1,048,881	0	701,528	195,865	151,488	0
Human Services	24,554,815	14,724,740	447,720	6,221,662	3,160,693	17,545,795
Judicial	26,004,875	24,223,049	1,781,826	0	0	24,223,049
Labor and Employment	6,138,461	0	2,503,259	0	3,635,202	0
Law	2,376,081	642,316	277,747	1,362,479	93,539	642,316
Local affairs	1,037,215	381,072	158,685	211,369	286,089	381,072
Military and Vetean Affairs	740,736	179,254	16,520	0	544,962	179,254
Natural Resources	9,097,603	1,534,932	5,643,008	306,688	1,612,975	1,534,932
Personnel and Administration	2,118,222	582,820	155,397	1,380,005	0	582,820
Public Health and Environment	7,495,926	551,987	2,594,129	717,154	3,632,656	642,762
Public Safety	8,774,501	1,542,633	6,285,005	501,179	445,684	1,542,633
Regulatory Agencies	2,957,012	104,395	2,658,390	147,996	46,231	104,395
Revenue	7,961,077	4,921,388	3,039,689	0	0	4,921,388
State	713,396	0	713,396	0	0	0
Transportation	1,103,040	0	1,049,174	53,866	0	0
Treasury	<u>170,724</u>	<u>89,178</u>	<u>81,546</u>	<u>0</u>	<u>0</u>	<u>89,178</u>
SUBTOTAL	154,871,053	90,661,965	31,072,646	16,944,310	16,192,132	93,573,795
Legislature ¹	2,271,316	2,271,316	0	0	0	2,271,316
Higher Education - Institutions ²	<u>116,862,736</u>	<u>31,220,088</u>	<u>85,642,648</u>	<u>0</u>	<u>0</u>	<u>31,220,088</u>
GRANDTOTAL	274,005,105	124,153,369	116,715,294	16,944,310	16,192,132	127,065,199

Increase from FY 2011-12	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	64,871	101,840	(48,748)	0	11,779	101,840
Corrections	1,968,803	1,896,100	72,703	0	0	1,896,100
Education	(48,677)	(138,517)	61,631	(82,034)	110,243	(138,517)
Governor's Office	(64,159)	161,806	30,129	(235,227)	(20,867)	161,806
Health Care Policy and Financing	(54,511)	98,221	(95,681)	49,661	(106,712)	98,221
Higher Education - Admin & Hist	20,713	0	(7,643)	(5,533)	33,889	0
Human Services	(407,473)	(121,611)	54,626	(177,411)	(163,077)	(203,992)
Judicial	2,236,884	2,411,511	(174,627)	0	0	2,411,511
Labor and Employment	(533,396)	0	27,461	0	(560,857)	0
Law	94,509	64,416	40,201	(23,491)	13,383	64,416
Local affairs	12,107	(17,342)	24,717	(100,314)	105,046	(17,342)
Military and Vetean Affairs	104,659	3,429	(63)	0	101,293	3,429
Natural Resources	92,391	3,912	(90,543)	(67,575)	246,597	3,912
Personnel and Administration	(4,318)	(15,111)	19,208	(8,415)	0	(15,111)
Public Health and Environment	416,782	(36,626)	130,819	(84,702)	407,291	(42,275)
Public Safety	110,210	(12,312)	34,955	54,048	33,519	(12,312)
Regulatory Agencies	83,124	11,932	61,500	(9,672)	19,364	11,932
Revenue	557,162	2,578,675	(2,021,513)	0	0	2,578,675
State	5,942	0	5,942	0	0	0
Transportation	105,675	0	95,270	10,405	0	0
Treasury	(19,479)	(2,422)	(17,057)	0	0	(2,422)
SUBTOTAL	4,741,819	6,987,901	(1,796,713)	(680,260)	230,891	6,899,871
Legislature	255,375	255,375	0	0	0	255,375
Higher Education - Institutions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRANDTOTAL	4,997,194	7,243,276	(1,796,713)	(680,260)	230,891	7,155,246

FY 2011-12 HLD Appropriation	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	1,631,507	285,788	1,284,766	0	60,953	285,788
Corrections	37,398,347	36,323,985	1,074,362	0	0	36,323,985
Education	3,140,202	1,450,460	241,795	377,766	1,070,181	1,450,460
Governor's Office	6,517,528	376,769	89,506	5,735,881	315,372	376,769
Health Care Policy and Financing	2,024,577	627,749	255,164	0	1,141,664	627,749
Higher Education - Admin & Hist	1,028,168	0	709,171	201,398	117,599	0
Human Services	24,962,288	14,846,351	393,094	6,399,073	3,323,770	17,749,787
Judicial	23,767,991	21,811,538	1,956,453	0	0	21,811,538
Labor and Employment	6,671,857	0	2,475,798	0	4,196,059	0
Law	2,281,572	577,900	237,546	1,385,970	80,156	577,900
Local affairs	1,025,108	398,414	133,968	311,683	181,043	398,414
Military and Vetean Affairs	636,077	175,825	16,583	0	443,669	175,825
Natural Resources	9,005,212	1,531,020	5,733,551	374,263	1,366,378	1,531,020
Personnel and Administration	2,122,540	597,931	136,189	1,388,420	0	597,931
Public Health and Environment	7,079,144	588,613	2,463,310	801,856	3,225,365	685,037
Public Safety	8,664,291	1,554,945	6,250,050	447,131	412,165	1,554,945
Regulatory Agencies	2,873,888	92,463	2,596,890	157,668	26,867	92,463
Revenue	7,403,915	2,342,713	5,061,202	0	0	2,342,713
State	707,454	0	707,454	0	0	0
Transportation	997,365	0	953,904	43,461	0	0
Treasury	190,203	91,600	98,603	0	0	91,600
SUBTOTAL	150,129,234	83,674,064	32,869,359	17,624,570	15,961,241	86,673,924
Legislature	2,015,941	2,015,941				2,015,941
Higher Education - Institutions ²	116,862,736	31,220,088	85,642,648	0	0	31,220,088
GRANDTOTAL	269,007,911	116,910,093	118,512,007	17,624,570	15,961,241	119,909,953

FY 2012-13 Health Insurance Rates	Employer	Employee Share - Projected			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	368.42	46.24	56.00	94.64	137.96
Employee + Children	659.66	138.94	152.58	243.48	308.30
Employee + Spouse	623.42	271.50	273.88	407.52	445.98
Employee + Family	914.50	363.36	365.62	550.52	611.48

Increase from FY 2011-12	Employer	Employee Share			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	0.00	11.50	13.52	18.60	45.14
Employee + Children	0.00	76.84	78.64	61.26	89.00
Employee + Spouse	0.00	17.18	1.84	38.78	11.14
Employee + Family	0.00	78.20	62.04	84.90	109.84

FY 2011-12 Health Insurance Rates	Employer	Employee Share			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	368.42	34.74	42.48	76.04	92.82
Employee + Children	659.66	62.10	73.94	182.22	219.30
Employee + Spouse	623.42	254.32	272.04	368.74	434.84
Employee + Family	914.50	285.16	303.58	465.62	501.64

NOTES:

¹ Based on a July 2011 census prepared by the Department of Personnel. The legislature has not yet prepared a projection of FY 2012-13 expenditures.

² Reflects FY 2010-11 actual expenditures for HLD from appropriated fund sources.

Short-term Disability (STD)

FY 2012-13 STD	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	23,396	5,387	16,307	0	1,702	5,387
Corrections	563,116	547,299	15,817	0	0	547,299
Education	51,054	19,713	5,786	5,237	20,318	19,713
Governor's Office	116,405	7,816	1,468	101,935	5,186	7,816
Health Care Policy and Financing	32,188	12,334	2,503	0	17,351	12,334
Higher Education - Admin & Hist	14,120	0	9,810	2,507	1,803	0
Human Services	361,085	215,917	6,645	81,996	56,527	254,595
Judicial	422,210	360,645	61,565	0	0	360,645
Labor and Employment	103,330	0	42,322	0	61,008	0
Law	49,196	13,008	4,457	30,127	1,604	13,008
Local affairs	15,491	3,684	2,517	5,730	3,560	3,684
Military and Vetean Affairs	11,658	4,080	129	0	7,449	4,080
Natural Resources	155,513	26,141	102,062	5,494	21,816	26,141
Personnel and Administration	34,270	12,480	2,366	19,424	0	12,480
Public Health and Environment	130,365	10,603	45,611	14,468	59,683	12,521
Public Safety	141,945	28,071	101,393	7,930	4,551	28,071
Regulatory Agencies	55,751	1,956	49,889	3,502	404	1,956
Revenue	99,032	48,327	50,705	0	0	48,327
State	10,415	0	10,415	0	0	0
Transportation	20,116	0	19,294	822	0	0
Treasury	<u>3,225</u>	<u>1,998</u>	<u>1,227</u>	<u>0</u>	<u>0</u>	<u>1,998</u>
SUBTOTAL	2,413,881	1,319,459	552,288	279,172	262,962	1,360,055
Legislature	28,677	28,677	0	0	0	28,677
Higher Education - Institutions	<u>471,167</u>	<u>277,599</u>	<u>193,568</u>	<u>0</u>	<u>0</u>	<u>277,599</u>
GRANDTOTAL	2,913,725	1,625,735	745,856	279,172	262,962	1,666,331

Increase from FY 2011-12	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	(2,051)	0	(2,051)	0	0	0
Corrections	0	0	0	0	0	0
Education	(1,713)	(1,411)	(302)	0	0	(1,411)
Governor's Office	(873)	0	0	0	(873)	0
Health Care Policy and Financing	0	0	0	0	0	0
Higher Education - Admin & Hist	0	0	0	0	0	0
Human Services	(14,572)	(14,572)	0	0	0	(14,572)
Judicial	0	0	0	0	0	0
Labor and Employment	(501)	0	(501)	0	0	0
Law	0	0	0	0	0	0
Local affairs	(707)	0	(138)	(569)	0	0
Military and Vetean Affairs	(578)	(522)	(56)	0	0	(522)
Natural Resources	546	(1,602)	(1,693)	(237)	4,078	(1,602)
Personnel and Administration	0	0	0	0	0	0
Public Health and Environment	(976)	(976)	0	0	0	(976)
Public Safety	(6,371)	0	(5,007)	(1,364)	0	0
Regulatory Agencies	(823)	0	0	(823)	0	0
Revenue	(27,487)	0	(27,487)	0	0	0
State	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury	0	0	0	0	0	0
SUBTOTAL	(56,106)	(19,083)	(37,235)	(2,993)	3,205	(19,083)
Legislature	9	9	0	0	0	9
Higher Education - Institutions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRANDTOTAL	(56,098)	(19,074)	(37,235)	(2,993)	3,205	(19,074)

FY 2011-12 STD Appropriation	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Agriculture	25,447	5,387	18,358	0	1,702	5,387
Corrections	563,116	547,299	15,817	0	0	547,299
Education	52,767	21,124	6,088	5,237	20,318	21,124
Governor's Office	117,278	7,816	1,468	101,935	6,059	7,816
Health Care Policy and Financing	32,188	12,334	2,503	0	17,351	12,334
Higher Education - Admin & Hist	14,120	0	9,810	2,507	1,803	0
Human Services	375,657	230,489	6,645	81,996	56,527	269,167
Judicial	422,210	360,645	61,565	0	0	360,645
Labor and Employment	103,831	0	42,823	0	61,008	0
Law	49,196	13,008	4,457	30,127	1,604	13,008
Local affairs	16,198	3,684	2,655	6,299	3,560	3,684
Military and Vetean Affairs	12,236	4,602	185	0	7,449	4,602
Natural Resources	154,967	27,743	103,755	5,731	17,738	27,743
Personnel and Administration	34,270	12,480	2,366	19,424	0	12,480
Public Health and Environment	131,341	11,579	45,611	14,468	59,683	13,497
Public Safety	148,316	28,071	106,400	9,294	4,551	28,071
Regulatory Agencies	56,574	1,956	49,889	4,325	404	1,956
Revenue	126,519	48,327	78,192	0	0	48,327
State	10,415	0	10,415	0	0	0
Transportation	20,116	0	19,294	822	0	0
Treasury	<u>3,225</u>	<u>1,998</u>	<u>1,227</u>	<u>0</u>	<u>0</u>	<u>1,998</u>
SUBTOTAL	2,469,987	1,338,542	589,523	282,165	259,757	1,379,138
Legislature	28,668	28,668				28,668
Higher Education - Institutions ¹	<u>471,167</u>	<u>277,599</u>	<u>193,568</u>	<u>0</u>	<u>0</u>	<u>277,599</u>
GRANDTOTAL	2,969,822	1,644,809	783,091	282,165	259,757	1,685,405

NOTES:

Employer Contribution
FY 2012-13

General
0.177%

¹ Estimated using the base salary assumptions and the FY 2011-12 STD rate.

SUMMARY OF RECOMMENDATION

Incremental Recommended Increases	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Salary Survey and Senior Executive Service	0	0	0	0	0	0
Performance-based Pay	0	0	0	0	0	0
Shift Differential	5,643,231	4,662,072	216,695	736,293	28,171	4,814,224
PERA	36,560,132	19,468,650	8,410,940	4,360,422	4,320,120	0
AED	6,577,388	2,932,459	1,481,908	928,860	1,234,161	3,036,793
SAED	12,952,871	7,881,953	2,730,729	1,042,751	1,297,438	8,005,615
Health, Life, Dental - Governor's Rates	4,741,819	6,987,901	(1,796,713)	(680,260)	230,891	6,899,871
HLD Staff Recommended Increase	4,000,000	4,000,000	Pending	Pending	Pending	4,000,000
Short-term Disability	(56,106)	(19,083)	(37,235)	(2,993)	3,205	(19,083)
Pay Date Shift undo for biweekly employees	<u>1,618,572</u>	<u>1,618,572</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,618,572</u>
SUBTOTAL	<u>72,037,907</u>	<u>47,532,524</u>	<u>11,006,323</u>	<u>6,385,073</u>	<u>7,113,986</u>	<u>28,355,992</u>
Legislature	977,146	977,146	0	0	0	446,095
Higher Education Institutions	<u>10,699,066</u>	<u>6,051,242</u>	<u>4,647,825</u>	<u>0</u>	<u>0</u>	<u>2,130,351</u>
GRANDTOTAL	83,714,119	54,560,912	15,654,148	6,385,073	7,113,986	30,932,439

FY 2012-13 Projected Base Compensation	TOTAL	General Fund	Cash Funds	Reappropriated	Federal Funds	Net GF
Salaries	<u>1,453,084,078</u>	<u>777,118,238</u>	<u>339,091,902</u>	<u>169,160,404</u>	<u>167,713,533</u>	<u>800,242,460</u>
Regular Pay	1,439,122,904	765,688,886	338,539,033	167,247,973	167,647,012	788,049,742
Shift Differential	13,961,174	11,429,352	552,870	1,912,431	66,521	12,192,718
Retirement Benefits	<u>231,473,433</u>	<u>121,208,171</u>	<u>56,122,428</u>	<u>27,098,215</u>	<u>27,044,619</u>	<u>122,538,643</u>
Public Employee's Retirement Association	146,089,032	76,120,338	35,857,620	17,044,998	17,066,076	76,120,338
Amortization Equalization Disbursement	45,441,563	23,855,190	10,812,989	5,406,773	5,366,611	24,570,738
Supplemental AED	39,942,838	21,232,643	9,451,819	4,646,444	4,611,932	21,847,567
Insurance Benefits	<u>157,284,934</u>	<u>91,981,424</u>	<u>31,624,934</u>	<u>17,223,482</u>	<u>16,455,094</u>	<u>94,933,850</u>
Health, Life, Dental	154,871,053	90,661,965	31,072,646	16,944,310	16,192,132	93,573,795
Short-term Disability	2,413,881	1,319,459	552,288	279,172	262,962	1,360,055
Federal Taxes - Medicare	21,069,719	11,268,214	4,916,833	2,452,826	2,431,846	11,603,516
SUBTOTAL Base Compensation	1,862,912,164	1,001,576,048	431,756,096	215,934,927	213,645,092	1,029,318,469
Legislature	26,841,747	26,841,747	0	0	0	26,841,747
Higher Education - Institutions			Note estimated			
GRANDTOTAL	1,889,753,911	1,028,417,795	431,756,096	215,934,927	213,645,092	1,056,160,217