



Joint Budget Committee Staff

Memorandum

To: Members of the Joint Budget Committee
 From: Mitch Burmeister, JBC Staff (303-866-3147)
 Date: Friday, February 14, 2025
 Subject: **Total Compensation Across-the-Board Increase Options**

Members,

Below you will find a table that outlines the different amounts that would be required to fund different levels of the across-the-board increase proposed by DPA. I tried to give you the bottom line information, so what you'll see is the **Request** amount at the top, and then the different amounts at 2.0 percent, 1.5 percent, 1.0 percent, 0.5 percent, and 0.0 percent. Along with the budgetary impact, included in the table is the corresponding percentage increases of the Step Plan and how those are impacted as the across-the-board increase is reduced. **In summary, if the Committee's intent is to not alter the Step Plan, the smallest increase you could achieve is 2.06 percent.**

In the table, the highlighted numbers show what the total required amount would be per ATB level, and the italicized numbers represent the reduction from the request.

If you would like additional information or any of the background data for these numbers, I would be happy to provide it.

Across-the-Board Increase Adjustment Scenarios					
Scenario	Total Funds	General Fund	ATB % Increase	Step Plan % Increase	Total % Increase
Request	\$99,664,185	\$54,599,218	2.50%	0.61%	3.11%
2.0% ATB increase	\$87,257,490	\$47,945,096	2.00%	1.00%	3.00%
<i>Difference from request</i>	<i>\$12,406,695</i>	<i>\$6,654,123</i>			
1.5% ATB increase	\$77,639,553	\$42,970,806	1.50%	1.25%	2.75%
<i>Difference from request</i>	<i>\$22,024,631</i>	<i>\$11,628,412</i>			
1.0% ATB increase	\$68,242,658	\$38,115,532	1.00%	1.51%	2.51%
<i>Difference from request</i>	<i>\$31,421,526</i>	<i>\$16,483,687</i>			
0.5% ATB increase	\$59,018,958	\$33,352,018	0.50%	1.78%	2.28%
<i>Difference from request</i>	<i>\$40,645,227</i>	<i>\$21,247,200</i>			
0.0% ATB increase	\$49,902,369	\$28,602,504	0.00%	2.06%	2.06%
<i>Difference from request</i>	<i>\$49,761,816</i>	<i>\$25,996,714</i>			



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Memorandum

To: Members of the Joint Budget Committee
 From: Mitch Burmeister, JBC Staff (303-866-3147)
 Date: Friday, February 14, 2025
 Subject: [HLD State Absorption Scenarios](#)

Members,

As a follow-up to my previous memo from today (February 14, 2025), Representative Taggart asked if I could produce a similar table for the proposed 100% HLD state absorption as required by the COWINS Partnership Agreement and requested by DPA.

The following table outlines potential scenarios for funding levels at 75.0 percent, 80.0 percent, 85.0 percent, 90.0 percent, and 95.0 percent.

The 100.0 percent absorption policy would increase the cost by \$3,535,000 total funds and \$1,790,350 General Fund, as reflected on the first line of the table. Again, the italicized numbers represent potential reductions to the requested 100.0 percent absorption.

Keeping the policy the same as under the prior Partnership Agreement would result in a cost of \$46,422,643 total funds. This is reflected in the last line of the table for comparison purposes.

HLD State Coverage Options			
Absorption Percentage	Total Funds	General Fund	Total Incremental Request for FY 2025-26
100%	3,535,002	1,790,350	49,957,645
95%	3,358,252	1,700,833	49,780,895
<i>Difference from request</i>	<i>176,750</i>	<i>89,518</i>	
90%	3,181,502	1,611,315	49,427,395
<i>Difference from request</i>	<i>353,500</i>	<i>179,035</i>	
85%	3,004,752	1,521,798	48,897,144
<i>Difference from request</i>	<i>530,250</i>	<i>268,553</i>	
80%	2,828,002	1,432,280	48,190,144
<i>Difference from request</i>	<i>707,000</i>	<i>358,070</i>	
75%	2,651,252	1,342,763	47,306,394
<i>Difference from request</i>	<i>883,751</i>	<i>447,588</i>	
Cost of coverage under the prior Partnership Agreement			46,422,643



Joint Budget Committee Staff

Memorandum

To: Members of the Joint Budget Committee
From: Mitch Burmeister, JBC Staff (303-866-3147)
Date: Friday, February 28, 2025
Subject: **FY 2024-25 Total Compensation Base Reduction Options**

Over the course of the Committee's discussions during figure setting presentations, the Committee has articulated that it has an interest in knowing what a total compensation base reduction in the current fiscal year (FY 2024-25) would entail. Below are options, starting with a 0.5 percent base reduction and increasing to a 5.0 percent reduction. Staff is not recommending any of the options below, this is an informational memo at the Committee's behest.

The same cautions that are outlined in staff's figure setting document dated January 24, 2025 surrounding an across-the-board base reduction apply to these options as well. Staff believes that a 1.0-2.0 percent base reduction would be absorbable for most departments, but anything more than that would make continuing all program and personnel funding difficult.

The other potential difficulty of a current year base reduction is the availability of vacancy savings within departments. As the fiscal year progresses, departments get a clearer picture of the level of their vacancy savings for the year, which allows them to make decisions on how to apply those vacancy savings. This could decrease the level of reduction that departments are able to absorb in the current year.

FY 24-25 Base Reduction Scenarios			
Scenario	Total Funds	General Fund	Base Reduction Percentage
Appropriation	\$2,827,537,114	\$1,540,972,542	-
0.5% Reduction	\$2,813,399,429	\$1,533,267,680	0.5
<i>Difference from appropriation</i>	\$14,137,686	\$7,704,863	
1.0% Reduction	\$2,799,261,743	\$1,525,562,817	1.0
<i>Difference from appropriation</i>	\$28,275,371	\$15,409,725	
1.5% Reduction	\$2,785,124,058	\$1,517,857,954	1.5
<i>Difference from appropriation</i>	\$42,413,057	\$23,114,588	
2.0% Reduction	\$2,770,986,372	\$1,510,153,092	2.0
<i>Difference from appropriation</i>	\$56,550,742	\$30,819,451	

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FY 24-25 Base Reduction Scenarios			
Scenario	Total Funds	General Fund	Base Reduction Percentage
2.5% Reduction	\$2,756,848,686	\$1,502,448,229	2.5
<i>Difference from appropriation</i>	\$70,688,428	\$38,524,314	
3.0% Reduction	\$2,742,711,001	\$1,494,743,366	3.0
<i>Difference from appropriation</i>	\$84,826,113	\$46,229,176	
3.5% Reduction	\$2,728,573,315	\$1,487,038,503	3.5
<i>Difference from appropriation</i>	\$98,963,799	\$53,934,039	
4.0% Reduction	\$2,714,435,630	\$1,479,333,641	4.0
<i>Difference from appropriation</i>	\$113,101,485	\$61,638,902	
4.5% Reduction	\$2,700,297,944	\$1,471,628,778	4.5
<i>Difference from appropriation</i>	\$127,239,170	\$69,343,764	
5.0% Reduction	\$2,686,160,259	\$1,463,923,915	5.0
<i>Difference from appropriation</i>	\$141,376,856	\$77,048,627	



Joint Budget Committee Staff

Memorandum

To: Members of the Joint Budget Committee
From: Mitch Burmeister, JBC Staff (303-866-3147)
Date: Tuesday, March 11, 2025
Subject: **Total Compensation Request Adjustments**

In staff's Statewide Total Compensation figure setting presentation (January 24, 2025), the Committee, in light of the budget situation, expressed a desire to explore additional options related to reducing the budgetary impact of total compensation.

Through discussions with OSPB and COWINS, the following options were identified as a plan that all parties could agree to:

- 1.5 percent base salary reduction;
- Removing the request for the state to absorb 100.0 percent of any Health, Life, and Dental premium increases; and
- Removing the request for critical staffing incentive pay for select job classifications.

Savings by Compensation Component		
Component	TF	GF
1.5% Base Salary Reduction	-\$29,513,618	-\$15,971,061
HLD at 88/12 Split	-\$6,167,295	-\$3,254,658
Critical Staff incentives	-\$12,008,087	-\$12,008,087
Total	-\$47,689,000	-\$31,233,806

1.5 percent Base Salary Reduction

The following table, which OSPB and COWINS came to an agreement on, outlines the potential savings that could be achieved in FY 2025-26 from reducing the base continuation salary across the state by 1.5 percent. A key consideration for this table is that OSPB excluded from their calculations 24/7 employees and facilities, programmatic line items with fewer than 20.0 FTE, and all enterprise funding. Were those three categories *included*, the General Fund savings would increase by approximately \$10.0 million.

1.5% Reduction by Department Excluding 24/7 Facilities and Program Lines with less than 20 FTE		
Department	TF	GF
Agriculture	-\$399,996	-\$111,400
Corrections	-\$1,043,075	-\$1,043,075
Early Childhood	-\$380,159	-\$169,935
Education	-\$174,248	-\$83,586
Governor	-\$2,187,098	-\$156,164
Health Care Policy and Finance	-\$1,208,153	-\$557,885
Higher Education	-\$181,790	-\$88,004
Human Services	-\$1,997,559	-\$1,503,554
Judicial*	-\$8,347,008	-\$7,865,129
Labor and Employment	-\$2,305,385	-\$177,140
Law	-\$1,268,070	-\$277,629
Legislature	-\$742,158	-\$742,158
Local Affairs	-\$170,173	-\$63,996
Military and Veterans Affairs	-\$203,883	-\$66,792
Natural Resources	-\$830,691	-\$350,987
Personnel and Administration	-\$362,909	-\$165,767
Public Health and Environment	-\$2,528,027	-\$430,053
Public Safety	-\$1,927,793	-\$1,115,493
Regulatory Agencies	-\$896,909	-\$22,355
Revenue	-\$1,761,884	-\$923,850
State	-\$253,797	\$0
Transportation	-\$257,082	\$0
Treasury	-\$85,776	-\$56,114
Total	-\$29,513,618	-\$15,971,061

Remove Request for 100.0 percent HLD Absorption

The next adjustment is to rescind the request for the state to absorb 100.0 percent of any Health, Life, and Dental premium increase for FY 2025-26. This would revert the state/employee ratio of premium payment to the status quo of 88/12 and save roughly \$3.3 million General Fund.

Remove Request for Critical Staffing Incentive Pay for Select Job Classifications

The final adjustment is to rescind the request for \$12.0 million for critical staffing incentive pay. This would save slightly more than \$12.0 million.