

# OFFICE OF MANAGEMENT AND BUDGET



**Classified state employee compensation system** - Section 9 of 2011 Senate Bill No. 2015 requires OMB to set an external competitiveness target for the classified state employee compensation system based on funding provided by the Legislative Assembly for 2011-13 biennium classified state employee compensation. The Office of Management and Budget is to develop guidelines for use by state agencies for providing compensation adjustments to classified state employees in accordance with the compensation philosophy statement and compensation system initiative included in 2011 House Bill No. 1031 and the external competitiveness target.

The Office of Management and Budget has developed new grade structures and salary ranges which will be implemented on July 1, 2012. The Office of Management and Budget has directed applicable agencies to adjust employee salary levels to be at least at the minimum of the new salary ranges. Agencies may request exemptions from the minimum salary requirement if an agency is unable to reallocate enough funding for the salary adjustments. Human Resource Management Services estimates that 734 employees will be below their minimum salary range on July 1, 2012. Including benefits, the estimated cost to increase the compensation of these employees to the new minimum levels is \$1,893,292 for the second year of the 2011-13 biennium.