

Department of Human Resource Management

Targeted Funding

Executive Appropriations Committee

November 14, 2017

What is Targeted Funding?

- Legislative funding directed towards jobs with critical compensation concerns making it difficult to attract/retain employees.
- Agencies submit requests to DHRM
- Requests are evaluated based on market indicators
- The top identified jobs will be recommended to the Governor's Office in the annual compensation plan
- The Governor may submit these recommendations to the Legislature for approved funding

Targeted Funding increases are based on the following data points:

- Market position
- Abnormal length of time to fill jobs
- Job offer declines because of low pay
- Decreasing number of job applicants over the last 5 years
- New hires consistently being hired towards the top of the salary range
- High turnover (voluntary and involuntary)
- High number of level job moves (within agency or agency to agency)
- Exit interview data indicating salary as a factor
- Compression at the bottom of the salary range

Targeted Funding

- For FY 2018, approximately \$8.5 million total with \$6.7 million in General Funds funded by legislature
- 18 jobs received specific targeted funding
 - 12 jobs received a 6.5% salary increase
 - 6 jobs received a 3.0% salary increase
- Corrections implemented a new law enforcement career ladder
- DABC received discretionary funds
- For FY 2019, DHRM is working with the Governor's Office on identifying specific recommendations.
 - For example, a 1% COLA equivalent for Targeted Funding would cost the State approx. \$14.8 million, \$7.7 million would come from the General Fund or Education Fund.

Targeted Funding Example

Licensed Clinical Therapist

- Actual pay is 31.78% below market
- Salary range is 32.54% below market
- Job Offer declines have increased by 600% since 2015
- The average number of job applicants per recruitment has declined by 50% since 2015 (10 per recruitment)
- The average days it takes to fill a recruitment has increased by 24% since 2016 (46 days)
- Voluntary turnover is 15%

So What?

- 12 job applicants declined job offers in 2016
- The quality of job applicants has declined since 2015
- New hires are hired into the 4th quartile since they are unwilling to work for less
- Salary Ranges are outdated and do not attract new hires
- Average days to fill a recruitment exceeds the state average by 16%

Summary

- DHRM specifically and strategically makes compensation recommendations annually that address real problems
- Recommendations are built around multiple defensible data points
- Targeted increases are important to control the spread of salary ranges against market position
- We need your help on understanding and supporting compensation objectives
- Detail on our recommendations for FY 2019 will be in the Governor's budget request

Questions?