

PUBLIC SECTOR COMPENSATION STUDY

2020 General Session

Senator Luz Escamilla & Representative Eric Hutchings

WHAT

This is a proposed study to determine the best practices for compensating our Utah public employees, in order to improve recruitment and retention of staff. It would look at other states to see what we're doing well and what we're not; and help develop best practices to avoid unwanted attrition.

WHY

- We're losing staff to private sector jobs that offer better compensation
- We're seeing employees in some state positions transfer to other agencies that compensate better for the same job

HOW

The Economic Evaluation Unit of the University of Utah Department of Economics would perform a cross-state comparison of internal labor markets analyzing:

- Earnings
- Mobility across job titles
- On-the-job training
- Agency control over compensation practices
- Agency hiring and firing decisions
- Processes for job progression
- Gender comparison of occupations over time
- State agency employment profiles with characteristics and variables including:
 - Gender representation
 - Base salary range
 - Educational attainment
 - Working environments by gender
 - Years of experience
 - Race or ethnicity
 - Collective bargaining coverage
 - County or metro area of employment
 - Marital status
 - Number and age of children
 - Job title
 - Supervisory responsibilities
 - Background check, licensing or credential requirements
 - Flex schedules or remote working
 - Turnover rates
 - Subcontracted worker status
 - Work environment, including physical labor required, and agency organizational structure

COST & TIMING

\$280,000 FY2021 Appropriation

University report to Executive Appropriations Committee by Nov. 30, 2022

State of Utah/EEU Public Sector Compensation Study

The State of Utah is poised to lead the efforts of Utah's private employers and states nationwide in identifying the employment practices that promote productive engagement and fair compensation for all workers regardless of gender or other demographic attributes. The proposed Public Sector Compensation Study will provide comprehensive analysis for implementing best practices tailored to Utah's unique employment environment. The Economics Evaluation Unit (EEU) looks forward to working with Utah's state policymakers and agencies on this important research.

The proposed study is a comprehensive, multi-stage analysis combining statistical measures with institutional research. The following outline reflects an ideal timeline for completion of six distinct research products.

- Stage 1: Data Collection, anticipated to be completed within six to nine months of approval. The EEU will identify and integrate employment data including online data, new survey data, and interview data. The timeline for completion depends on agency cooperation.
- Stage 2: Quantitative/Statistical Analysis, deliverable within six months of the availability of a complete data set. The EEU will provide three statistical research products.
 - Agency-employment profiles that describe and compare employment characteristics by agency
 - Occupational segregation statistics that identify the relationship between occupational sorting, employment hierarchies and gender representation
 - Earnings analysis that identifies and explains differences in compensation between worker groups after accounting for differences in education, experience, and other productivity-relevant characteristics of workers
- Stage 3: Qualitative/Organizational analysis, to be completed within one year of the availability of interview and agency data, pursuant to the completion of the Stage 2 analysis. The EEU will provide three institutional research products.
 - Case study of one or more agencies to provide in-depth analysis of current practices, historical influences, and opportunities for the future
 - Analysis of internal labor markets to establish the extent of vertical or horizontal mobility across job titles and opportunities
 - Cross-state comparison matrix to identify key characteristics of public sector labor markets across several states and provide a frame of reference for Utah public sector employment

The EEU is a research organization within the Department of Economics at the University of Utah that provides rigorous, independent research and analysis of public policy issues. EEU staff are PhD faculty of the Department of Economics with decades of combined experience in qualitative and quantitative analysis of policy-relevant issues such as labor, gender, health, and inequality.

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