

STATEMENT OF PURPOSE

RS24622

This is the FY 2017 appropriation to the Division of Human Resources for \$1,808,200 in dedicated funds with full-time equivalent positions capped at twelve (12). It includes \$12,700 in benefit cost increases, a reduction of \$1,700 in statewide cost allocation, \$29,700 for an ongoing 3% merit-based increase in employee compensation for permanent employees to be distributed at the discretion of agency heads, and \$34,700 for the cost of the 27th payroll that will occur in FY 2017 for all state agencies using a bi-weekly payroll. Payroll costs accrue, but are unpaid at the rate of one day per year for ten years, to be paid out in the eleventh year. This amount is calculated using FY 2016 payroll costs. The appropriation also includes two sections of intent language that are summarized as follows:

1. The Governor issued an Executive Order in 2011 and it states that the Division of Human Resources shall enter into an agreement with the Division of Career Technical Education for the authority to train certain state employees on human resource-related topics applicable to all state agencies, including, but not limited to, supervision of employees, employee evaluations, dispute resolution and stress management. In order to meet the obligations of the Executive Order, approximately \$200,000 in funds are expended by the Division of Human Resources annually and the funds are included in the FY 2017 budget amount of \$1,808,200.

2. The CEC Committee has stated that it is the intent of the Legislature to progress toward the goal of funding a competitive salary and benefit package that will attract qualified applicants, retain employees committed to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance. Consequently, the Division of Human Resources shall leave the current salary structure in place for FY 2017 and continue the job classifications that are currently on pay line exception to address specific employee recruitment or retention issues.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2016 Original Appropriation	12.00	0	1,732,800	0	1,732,800
FY 2017 Base	12.00	0	1,732,800	0	1,732,800
Benefit Costs	0.00	0	12,700	0	12,700
Statewide Cost Allocation	0.00	0	(1,700)	0	(1,700)
Change in Employee Compensation	0.00	0	29,700	0	29,700
27th Payroll	0.00	0	34,700	0	34,700
FY 2017 Total	12.00	0	1,808,200	0	1,808,200
Chg from FY 2016 Orig Approp	0.00	0	75,400	0	75,400
% Chg from FY 2016 Orig Approp.	0.0%		4.4%		4.4%

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