

Section B State Wide Present Law Adjustments **HB**
DP 50 - Initial Motion to FY 2012 Base

Agency/Fund	FY 2014 Personal Services Adjustments	FY 2014 Operations Adjustments	FY 2014 Total	FY 2015 Personal Services Adjustments	FY 2015 Operations Adjustments	FY 2015 Total
Summary By Agency						
Economic Securities Services Branch						
General Fund	(\$2,182,283)	\$36,010	(\$2,146,273)	(\$2,334,283)	\$25,700	(\$2,308,583)
State Special Revenue	(104,813)	14,585	(90,228)	(105,117)	13,461	(91,656)
Federal Funds	(1,514,650)	57,487	(1,457,163)	(1,440,787)	40,741	(1,400,046)
Total	(\$3,801,746)	\$108,082	(\$3,693,664)	(\$3,880,187)	\$79,902	(\$3,800,285)
Director's Office						
General Fund	\$650,547	(\$32,708)	\$617,839	\$649,761	(\$31,389)	\$618,372
State Special Revenue	155,713	(6,820)	148,893	155,511	(6,575)	148,936
Federal Funds	578,758	(28,639)	550,119	577,939	(27,448)	550,491
Total	\$1,385,018	(\$68,167)	\$1,316,851	\$1,383,212	(\$65,413)	\$1,317,799
Operations Services Branch						
General Fund	(\$516,331)	(\$158,528)	(\$674,859)	(\$524,803)	\$36,472	(\$488,331)
State Special Revenue	(78,681)	(23,402)	(102,083)	(80,193)	(2,559)	(82,752)
Federal Funds	(815,924)	(319,024)	(1,134,948)	(824,177)	(56,866)	(881,043)
Total	(\$1,410,936)	(\$500,954)	(\$1,911,890)	(\$1,429,173)	(\$22,953)	(\$1,452,126)
Public Health and Safety Division						
General Fund	(\$213,932)	(\$20,497)	(\$234,429)	(\$216,711)	(\$20,828)	(\$237,539)
State Special Revenue	(480,169)	(47,639)	(527,808)	(488,879)	(38,757)	(527,636)
Federal Funds	(475,461)	(51,943)	(527,404)	(479,735)	(46,875)	(526,610)
Total	(\$1,169,561)	(\$120,080)	(\$1,289,641)	(\$1,185,325)	(\$106,460)	(\$1,291,785)
Medicaid Health and Services Branch						
General Fund	(\$1,084,739)	(\$122,038)	(\$1,206,777)	(\$1,328,232)	\$251,719	(\$1,076,513)
State Special Revenue	(743,995)	(33,232)	(777,227)	(309,255)	(445,285)	(754,540)
Federal Funds	(680,921)	(78,600)	(759,521)	(662,935)	(78,398)	(741,333)
Total	(\$2,509,655)	(\$233,870)	(\$2,743,525)	(\$2,300,422)	(\$271,964)	(\$2,572,386)
Total by Agency	(\$7,506,880)	(\$814,989)	(\$8,321,869)	(\$7,411,895)	(\$386,888)	(\$7,798,783)
Summary By Fund						
General Fund	(\$3,346,738)	(\$297,761)	(\$3,644,499)	(\$3,754,268)	\$261,674	(\$3,492,594)
State Special Revenue	(\$1,251,945)	(\$96,508)	(\$1,348,453)	(\$827,932)	(\$479,716)	(\$1,307,648)
Federal Funds	(\$2,908,197)	(\$420,720)	(\$3,328,917)	(\$2,829,695)	(\$168,846)	(\$2,998,541)
Total by Fund	(\$7,506,880)	(\$814,989)	(\$8,321,869)	(\$7,411,895)	(\$386,888)	(\$7,798,783)
Grand Total	(\$7,506,880)	(\$814,989)	(\$8,321,869)	(\$7,411,895)	(\$386,888)	(\$7,798,783)

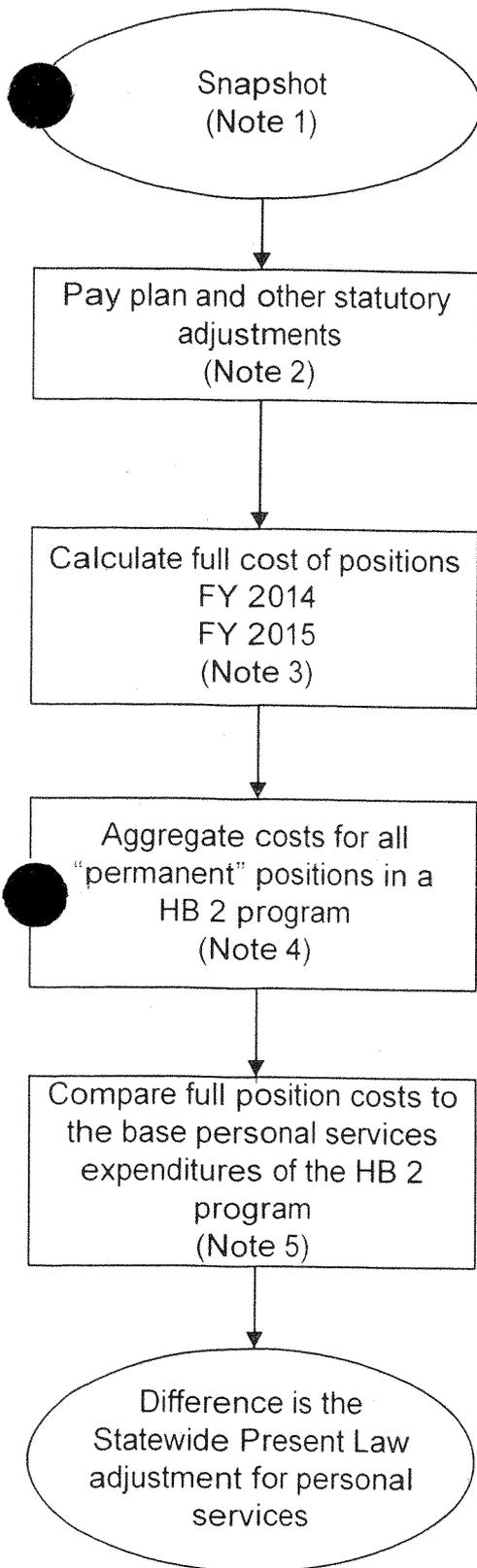
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Methodology for Developing Statewide Present Law Adjustments for Personal Services



Note 1

The snapshot is taken just after the beginning of the start of the fiscal year following the completion of the base year. The snapshot records position and incumbent attributes for all permanent HB 2 funded positions: hourly base salary, years of uninterrupted state service, worker's compensation risk category, FTE, pay plan, grade, job code, and retirement system of the incumbent.

Note 2

The Office of Budget and Program Planning adjusts the base hourly salary to reflect the effects of the pay plan passed by the previous legislature and for other statutory salary adjustments (e.g. elected official pay raises) for the fiscal years under development (FY 2014 and FY 2015). For example, had the 2011 Legislature increased state employee pay 3% effective January 1, 2013, an adjustment would be needed because it would not be effective at the time of the snapshot. For FY 2014 and FY 2015 no adjustment was needed as no pay plan was approved.

Note 3

The full cost of the position with the incumbent in the position at the time of the snapshot is calculated by the state budgeting system based on position and incumbent specific attributes, and rates for worker's compensation (agency experience and job risk), FICA, Medicare, employer contribution for retirement, unemployment insurance, employer contribution to employee health insurance, and longevity. See How Full Funding is Calculated for a Position figure for an example of the calculations for determining position costs.

Note 4

The full cost of all "permanent" HB 2 positions for the HB 2 program are combined to determine the budget needed to fully fund permanent positions of the program for FY 2014 and FY 2015.

Note 5

The budgetary need to fully fund all permanent positions of the HB 2 program are compared to the base personal services expenditure for the program with the difference being the excess or deficiency of funding in the base and therefore, the statewide present law adjustment for personal services for FY 2014 and FY 2015. Vacancy savings have not been applied at this time by a separate policy decision and show as a separated statewide present law adjustment.

MONTANA DPHHS

Healthy People. Healthy Communities.

Department of Public Health & Human Services

Divisions	SFY 2012 Pay Plan 20 Implementation				SFY 2012 Vacancies Experienced			
	Total	General Fund	State Special	Federal Funds	Total	General Fund	State Special	Federal Funds
Disability Employment and Transitions	306,089	45,582	13,864	246,643	402,860	59,993	18,247	324,620
Human and Community Services	1,052,449	453,452	44,868	554,129	1,002,520	431,940	42,739	527,841
Child and Family Services	498,255	321,666	342	176,247	399,164	257,695	274	141,196
Director's Office	91,444	43,244	10,691	37,509	332,337	157,163	38,855	136,320
Child Support	542,444	184,426		358,018	683,654	232,436	-	451,218
Business and Financial Services	103,539	50,736	5,198	47,605	333,094	163,222	16,722	153,149
Public Health and Safety	386,494	59,743	72,698	254,053	959,662	148,341	180,509	630,812
Quality Assurance	274,509	75,493	11,943	187,073	487,581	134,090	21,213	332,278
Technology Services	102,547	38,310	7,173	57,064	61,449	22,957	4,298	34,195
Developmental Services	834,412	758,977	970	74,465	1,262,076	1,147,978	1,467	112,631
Health Resources	147,895	34,995	26,024	86,876	696,162	164,726	122,499	408,937
Medicaid and Health Services	4,733	1,661	342	2,730	67,202	23,584	4,856	38,762
Management and Fair Hearings	17,276	6,678	39	10,559	93,034	35,962	210	56,862
Senior and Long Term Care	597,414	60,613	378,939	157,862	103,053	10,456	65,366	27,231
Addictive and Mental Disorders	1,276,501	1,128,007	124,268	24,226	155,903	137,767	15,177	2,959
	6,236,001	3,263,583	697,359	2,275,059	7,039,753	3,128,310	532,433	3,379,010

Total Position Funding - Single Program

Version: 2015-6906-R-02

Department: 6906 OPERATIONS SERVICES BRANCH
 Program: 16 MANAGEMENT AND FAIR HEARINGS

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Position Number and Sequence	Prog. No.	Job Code Name and Number	FTE	Salary	Longevity	Total Benefits	Health Insurance	Vacancy Savings	Lump Sum	Total Personal Services
69100131-1	16	Hearings Officer	1.00	\$57,846	\$6,942	\$10,571	\$8,796	(\$3,366)	\$0	\$80,789
		231237	1.00	\$57,846	\$6,942	\$10,442	\$8,796	(\$3,361)	\$0	\$80,665
69104045-1	16	Program Manager	1.00	\$68,973	\$1,035	\$11,423	\$8,796	(\$3,609)	\$0	\$86,618
		111917	1.00	\$68,973	\$1,035	\$11,283	\$8,796	(\$3,603)	\$0	\$86,484
69104060-1	16	Hearings Officer	1.00	\$49,737	\$0	\$8,116	\$8,796	(\$2,666)	\$0	\$63,983
		231237	1.00	\$49,737	\$377	\$8,077	\$8,796	(\$2,679)	\$0	\$64,308
69104800-1	16	Operations Research Analyst	1.00	\$48,504	\$0	\$7,914	\$8,796	(\$2,609)	\$0	\$62,605
		152317	1.00	\$48,504	\$0	\$7,817	\$8,796	(\$2,605)	\$0	\$62,512
69105314-1	16	Hearings Officer	1.00	\$57,838	\$3,181	\$9,957	\$8,796	(\$3,191)	\$0	\$76,581
		231237	1.00	\$57,838	\$3,181	\$9,835	\$8,796	(\$3,186)	\$0	\$76,464
69108042-1	16	Hearings Officer	1.00	\$55,720	\$6,046	\$10,079	\$8,796	(\$3,226)	\$0	\$77,415
		231237	1.00	\$55,720	\$6,686	\$10,059	\$8,796	(\$3,250)	\$0	\$78,011
69109202-1	16	Budget Analyst	1.00	\$48,442	\$699	\$8,019	\$8,796	(\$2,638)	\$0	\$63,318
		132316	1.00	\$48,442	\$727	\$7,924	\$8,796	(\$2,636)	\$0	\$63,253
69109205-1	16	Financial Manager	1.00	\$69,606	\$5,220	\$12,209	\$8,796	(\$3,833)	\$0	\$91,998
		113317	1.00	\$69,606	\$5,220	\$12,060	\$8,796	(\$3,827)	\$0	\$91,855
69109602-1	16	Operations Manager	1.00	\$98,449	\$1,477	\$16,306	\$8,796	(\$5,001)	\$0	\$120,027
		111219	1.00	\$98,449	\$1,477	\$16,106	\$8,796	(\$4,993)	\$0	\$119,835
69109618-1	16	Administrative Assistant	1.00	\$30,510	\$458	\$5,294	\$8,796	(\$1,802)	\$0	\$43,256
		436114	1.00	\$30,510	\$458	\$5,232	\$8,796	(\$1,800)	\$0	\$43,196
69116001-1	16	Budget Analyst	1.00	\$48,442	\$727	\$8,023	\$8,796	(\$2,640)	\$0	\$63,348
		132316	1.00	\$48,442	\$727	\$7,924	\$8,796	(\$2,636)	\$0	\$63,253
69132377-1	16	Operations Research Analyst	1.00	\$60,385	\$906	\$10,002	\$8,796	(\$3,204)	\$0	\$76,885
		152317	1.00	\$60,385	\$906	\$9,880	\$8,796	(\$3,199)	\$0	\$76,768
FY14 Subtotal by Program			12.00	\$694,452	\$26,691	\$117,913	\$105,552	(\$37,785)	\$0	\$906,823
FY15 Subtotal by Program			12.00	\$694,452	\$27,736	\$116,639	\$105,552	(\$37,775)	\$0	\$906,604

Numbers 1-3 reflect the May 5th Payplan and changed
 Total Personal Services = 1-4 minus 5; #5 matches SUPPL Vacancy Savings
 1 2 3 4 5

Questions on Pay Philosophy

The following questions were submitted with the budget request.

1. What was the agency's pay philosophy when it implemented the 2013 biennium pay adjustments?

Union: The rate of pay for employees who are in a job matched to job codes with a pay band of 2 through 7 received pay adjustments to the 85th percentile of DOA's 2010 midpoint or received an adjustment in pay of 20 cents per hour, whichever was greater.

Non-Union: The rate of pay for employees who are in a job matched to job codes with a pay band of 2 through 7 received pay adjustments to the 85th percentile of DOA's 2010 midpoint or received an adjustment of 20 cents per hour, whichever was greater, and with a cap of no more than a 7.88% increase (average percentile of increase for union employees). Employees who are in a job matched to job codes with a pay band of 8 and 9 received pay adjustments to the 85th percentile of DOA's 2010 midpoint or received an adjustment in pay of 20 cents per hour, whichever was greater, and with a cap of no more than a \$1.15 per hour adjustment.

2. What will be the agency's pay philosophy for the 2015 biennium and beyond?

In responding, address the following areas:

- New hire placement into salary ranges
- Use of pay in succession planning
- Use of pay in career tracks
- Use of pay adjustments for current employees

New hire pay is set taking into consideration the following:

1. *The extent to which the employee's education and experience exceed the minimum qualifications advertised in the job posting utilizing;*
2. *DPHHS internal equity;*
3. *State of MT equity;*
4. *Affordability.*

Agency has fully implemented broad band pay plan and is now exploring succession planning and career tracks. Pay adjustments for individual and groups of employees are permitted under situational pay, strategic pay, market-based pay, competency-based pay and results-based pay components included in Addendum A of the majority of collective bargaining agreements.

Agency Issues on Recruitment and Retention

Responses to the following questions should describe issues, impacts, and management actions associated with position with high turnover and increased vacancy rates. While the discussion is primarily to be at the agency level, please describe any impacts on programs as necessary.

Describe the agency's experience in effectively competing for qualified applicants to fill vacant positions? In responding, address the following areas:

- Experience with recent hiring pool sizes with regard to minimally qualified applicants
- Turnover trends
- Frequency of the need to offer multiple recruitments to fill positions
- Frequency of employment offers being rejected and reasons for rejection

Are there any occupations with high turnover rates or high rates of vacancies because of factors other than keeping positions open to manage applied vacancy savings? If so, what occupations?

Please describe the factors determined to be the cause of the high turnover rates or frequent vacancies? (e.g. Correctional Officers – job factors and overall work environment; Nursing staff – difficult to hire positions due to outside market competition and job factors; Entry level staff in high wage/high costs towns)

Child and Family Services (CFS) positions have high turnover rates, as high as 50% in some locations. CFS positions in offices located in the southeast corner of the State are experiencing greater turnover and greater challenges in finding talent to fill vacancies than offices in other parts of the State.

Turnover also is unacceptably high for some positions in Office of Public Assistance, with offices in the southeast corner of the State experiencing greater challenges.

The five facilities that are part of DPHHS continue to experience unacceptable rates of turnover. Although pay has improved, pay ranges remain relatively low for jobs such as Psychiatric Technician.

It appears that DPPHS implementing pay ranges that were developed using Department of Administration 2010 salary survey data as a reference point and changing agency recruitment practices are factors in the agency having larger pools of applicants for jobs in the lower level pay bands. However, it is too soon after those changes were made to determine if the changes are significant contributing factor and if the higher level of response to posted vacancies will continue.

What actions have been taken to address the factors that are causing turnover or frequent vacancies? (e.g. pay plan adjustments; additional benefits such as assistance with transportation to/from work; alternate shift options (10 or 12 hour shifts, 6 days on 4 days off)

How did these vacancies affect agency operations? (e.g. increased overtime; desirable but optional tasks not completed or delayed in completion; increased workload for other employees)

Please discuss the agency plan to address pending retirements.

What portion of the agency workforce is eligible for early or regular retirement in the 2015 biennium?

Does the agency anticipate retirements between now and the end of the 2015 biennium that could impact operations? (e.g. retirements of key people with very specialized knowledge or skill sets) If so, what are the steps the agency is taking to minimize the impact? (e.g. planning in progress and it's too early to specify what steps we will take; management has developed creative recruitment options (list); succession planning by double filling key positions with a successor to transfer knowledge)

The Department of Administration, through State HR, has promoted succession-planning efforts for the last several years. State agencies have employed different strategies to confront the loss of institutional knowledge, depending on individual circumstances and resources available.

Examples include:

- *The development and implementation of career paths (where new employees are shown how to increase their competencies and skill level to prepare for promotional opportunities),*
- *Management intern programs (where employees with management potential attend management classes and are offered experiential opportunities)*
- *Double-filling positions (newly-appointed managers work with retiring managers for a period of time), and*
- *Increasing agency focus on the issue of knowledge loss, particularly generally undocumented institutional knowledge.*

This summary provides a high-level description of retirement eligible employees in the Department of Public Health and Human Services. State Human Resources defines retirement eligible employees as employees who

- *are at least 55 years old and have at least 25 years of service or*
- *are at least 65 years old and have at least 5 years of service.*

For the purposes of this summary, years of service refers to total years of service including years transferred and years bought.

According to current workforce data, 257 employees are eligible for retirement. This represents 9.3 percent of the total department. The table below displays eligible retirees by three distinct categories – managers, professionals, and support staff.

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General Government Questions on Personal Services SWPLA

What impact would not receiving the P.S. SWPLA have on your program in terms of:

Impacts on staffing?

Impacts on statutorily required responsibilities associated with your program?

Long-term vacancies:

Why are the positions vacant?

How was the funding used that was generated as a result of the vacancies?

Vacancies in general:

What recruitment and retention issues is the program facing?

Is your program impacted by retirements in the next biennium?

Did the program have retirement payouts in FY 2012?

If vacancy savings were more than 4% in FY 2012, what agency functions did not get done? i.e. workload impacts, backlogs

Broadband pay increases:

Why did your program provide broadband pay increases?

(Discussion by agency has included relation to market midpoint, number given, additional info on recruitment and retention)

Does your program have impacts in relation to overtime?

Does your program incur comp time hours, are they significant for your program, and what are your agencies policies in relation to comp time?

