



# OFFICE OF FINANCIAL MANAGEMENT

## Compensation Data Collection for the 2013-15 Biennial Budget Process

### 1.1 Compensation Data for Collective Bargaining and Budget Processes

#### Context

The Washington State Legislature passed the Personnel System Reform Act in 2002. As a result the Governor's Office, supported by the Labor Relations Office (LRO), negotiates collective bargaining agreements for state agencies (including a portion of higher education).

The nature of collective bargaining requires the Office of Financial Management (OFM) to have salary data at the employee level. It is difficult to anticipate which elements may be bargained, so OFM needs to be prepared for proposals that may group employees by bargaining unit, classification, range and step, years of service, and so on. Additionally, OFM assumes the Governor may want to consider various options for non-represented state employees.

- Click [here](#) for more information about the Labor Relations Office and existing 2011-2013 collective bargaining agreements.

#### Purpose

The purpose is for OFM to collect detail data at the same level for all state employees in order to calculate and budget compensation changes.

### 1.2 What is the role of the Office of Financial Management?

#### Objective

OFM's objective is to facilitate the collection and use of data needed for budgeting and to support the collective bargaining process.

The collective bargaining scope outlined above presents the need for the Labor Relations Office to collect employee compensation data. The data will be used to calculate and budget potential employee compensation changes resulting from salary negotiations, as well as to budget compensation changes for non-represented employees.

#### Data security

OFM will observe strict security procedures in the collection and use of employee data. Social Security Numbers will not be loaded from HRMS or from higher education data into OFM's Compensation Impact Model (CIM) and very few OFM staff will have access to this data. The output used in bargaining and the budget system will be rolled up to at least the agency, program, bargaining unit, or classification level, and will not contain any individual employee identifiers.

### 1.3 What is the role of agencies and institutions?

#### Objective

Agencies and higher education institutions will update and validate employee compensation data for submittal to OFM no later than January 31, 2012.

#### State "General Government" Agencies

Agencies should release to OFM the version of SPS data that reflects their projected maintenance level salary base for 2013-15. It is **strongly** encouraged that agencies begin with a fresh data download, unless you are certain that your current file contains the correct job class codes and assignment pay for all classified staff that match OFM's Office of State Human Resources Director's current salary schedule.

Using the Salary Projection System, agencies will:

1. Load data from current Department of Enterprise Services by performing an HR Data Load into a newly created position file within SPS;
2. Make corrections to funding sources and percentages;
3. Add vacancies if needed (filling in all required fields, including the Bargaining Unit code);
4. Either remove or end positions that are not funded through the end of the 2013-15 Biennium (based on your current budget);
5. Flag positions requiring backfill (primarily agencies with 24-hour institutions).
6. Flag those positions eligible for the Initiative 732 salary increases (only School for the Blind and Washington State Center for Childhood Deafness and Hearing Loss).

### **Higher Education Institutions**

Higher Education institutions will select the pay period (year, month and pay cycle) from their regular Statewide Human Resources submittals which will most closely match their maintenance level salary base for 2011-13 in CIM-AI. The selection will trigger an automatic load of that data into the Compensation Impact Model – Agency Interface (CIM-AI). Institutions can subsequently make corrections to funding sources and percentages, remove positions that are not funded into 2013-15, add vacancies if needed (filling in all required fields, including the Bargaining Unit code), flag positions requiring backfill (primarily agencies with 24-hour institutions) and designating positions eligible for the Initiative 732 salary increases.

In the recent past, compensation charged to 149 Higher Education Operating Fee (Tuition) Account was rolled into the General Fund for the purposes of this model. Given the considerable increase that this dedicated account now plays in the support of higher education programming, this account will no longer be merged into the General Fund. No action by institutions of higher education is needed, as this merge was done by Office of Financial Management when loading the data.

Please note Fund 840 has been made an invalid account in CIM-AI, so we can make certain that no position that is state funded is coded with this clearing account. Higher Education agencies should ensure that records coded with this account are recoded to a valid account.

A separate email from Pam Davidson will ask each higher education institution to provide the names, e-mail addresses, and phone numbers of those employees who can select the pay period for release and who are to be given access to the CIM-AI system for data updates. Instructions for using that system will be sent to those who are given system access. Given the limited reporting capabilities of CIM-AI, OFM will again offer the creation of special reports to higher education institutions to confirm data completeness and accuracy. Reports can be requested from Pam Davidson, OFM Budget Division, as needed for data collection reconciliation.

### **Important Data Considerations**

It is vital that agencies and institutions verify the accuracy of all of the information being submitted in this process. Please make sure that the following issues are addressed in the submittal of your data. These fields need to be accurate and complete for vacant positions as well:

- **Accurate bargaining unit coding**, to ensure accurate funding for each negotiated contract;
- **Accurate work period percent for both hourly and part-time employees**—currently

HRMS defaults hourly staff to 100 percent, and many higher education hourly records are set at a percentage so small that very little compensation dollars are calculated for them;

- **Accurate work county on each employee's record**, for potential geographic pay calculations;
- **Accurate personnel area on each employee's record**, for potential assignment pay calculations (General Government agencies only).

Once the data is updated and validated by agencies and institutions, it will be used by OFM's LRO when salary negotiations commence.

**Note: Data updates made via the Salary Projection System Interface cannot be loaded back to the HRMS system. This data is intended solely for the use of OFM's Budget Division and Labor Relations Office. In order to have corrections made permanently, it is best to make them in the HRMS system before performing your "HR Data Load" in SPS.**

### **Removing the Effect of the 2011-13 3 Percent Salary Reduction**

The 2011-13 enacted budget included a 3 percent salary reduction for most employees. Given this situation, when agencies load current payroll data into either SPS or CIM-AI, the data will reflect that lower salary (for employees who took a salary reduction). Rather than requiring agencies to manually restore this reduction in the system, OFM will be adding back that reduction centrally before we load the data into the OFM Compensation Model. For general government, this data modification is relatively simple, since we know that all employees except separately elected officials and those making less than \$2,500 per month will need the 3 percent added back to the base salary. Higher Education, however, was given more flexibility to realize that savings in ways other than reducing all salaries by 3 percent, so to assist us in making this adjustment accurately, higher education agencies should submit a file to Pam Davidson (email address is below) listing employees who were subject to the 3 percent temporary salary reduction. It should include:

1. personnel numbers;
2. position numbers; and
3. appointment start dates

that match the data release date of employees whose salaries would need to be increased.

Once we adjust the data, we will make reports available for all agencies so you can see the end results.

### **Timeline**

General Government agencies will have access to their data and the ability to update it via SPS in two phases:

- Phase I (Now through late January 2012, agencies will use SPS to update and validate their data.
- Phase II (In May 2012): Agencies will use SPS to update and validate their data to better match their 2013-15 Maintenance Level.

Higher Education institutions will have access to their data and the ability to update it via the CIM Agency Interface in two phases:

- Phase I (now through late January 2012, agencies will use CIM-AI to update and validate their data.
- Phase II (In May 2012): Agencies will again use CIM-AI to update and validate their data to better match their 2013-15 Maintenance Level.

## How to get additional help

If you have additional questions or need further assistance with the Salary Projection System, please contact the Budget Portfolio Systems Help Desk at:

- Helpline: (360) 725-5278
  - E-mail: [ofmbass@ofm.wa.gov](mailto:ofmbass@ofm.wa.gov)
- Or refer to the SPS Tutorial found in the BASS Help Library at  
<http://bass.ofm.wa.gov/BASSPR/library/SPSTutorial.pdf>

If you have additional questions or need further assistance with the Compensation Impact Model-Agency Interface, contact Pam Davidson at 360.902.0550, [pam.davidson@ofm.wa.gov](mailto:pam.davidson@ofm.wa.gov), or Karen Durant at 360.725.5153, [karen.durant@ofm.wa.gov](mailto:karen.durant@ofm.wa.gov).