



# 2016 STATE SALARY SURVEY

April 2016

# **SURVEY OVERVIEW**

# SALARY SURVEY PURPOSE

- The Office of Financial Management - State Human Resources (State HR) is required by law (RCW 41.06.160) to conduct a salary survey to determine the prevailing pay rates for jobs that are comparable to state classified general service jobs\*.
- State leaders use tools such as the salary survey to help find the appropriate balance between containing the cost of government operations, compensating state employees fairly, and competing in the job market for employees with the specialized skills and knowledge required to perform the work of state government.
- The salary survey is one source of data and should be used in conjunction with other workforce factors when informing potential changes to employee pay, benefits or working conditions.

\*Washington Management Service and civil service exempt jobs are not included in this survey.

# 2016 SURVEY CHANGES

- Market standing adjustment: State competitiveness to market evaluated as state range midpoint to market midpoint.
- Streamlined criteria for other state governments invited to respond to the 98 out-of-state benchmarks. Factors used:
  - State population,
  - State government employment,
  - Regional Price Parity (geographic differences in the cost of goods and services), unemployment rate, and state revenue, and
  - States that were invited to participate in the 2014 survey.
- Other data adjustment: Include Bureau of Economic Analysis Regional Price Parity geographic adjustment factor to out-of-state data.

# SURVEY PARTICIPATION

- Invitations went to 132 employers.
- 62 employers participated in the survey.
  - 23 private sector
  - 26 in-state public sector
  - 13 out-of-state public sector
- The in-state participants reflect public and private sectors, union and non unionized employers, and statewide geographic regions.
  - 71% of all participants have unionized employees.

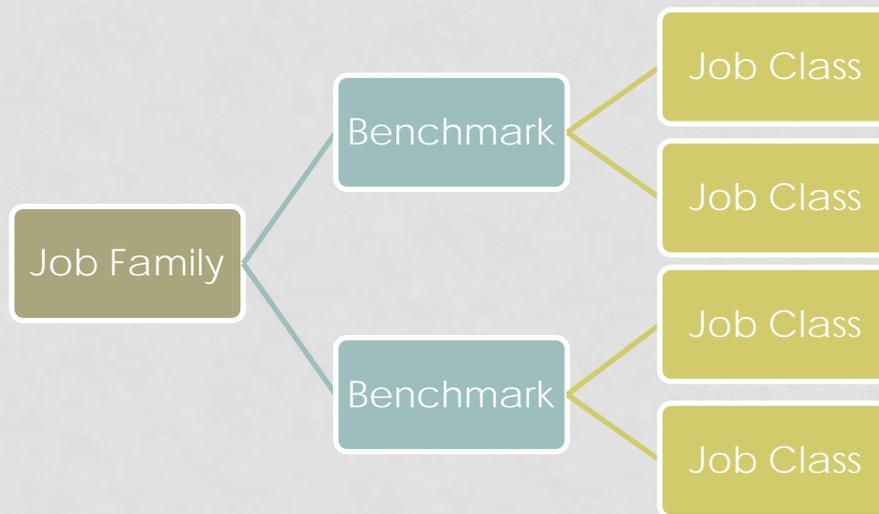
# ADDITIONAL SURVEY SOURCES

- There has been declining trend in state survey participation especially from private sector participants.
- Declining participation was met by the vendor supplementing the salary survey with Washington State market data from the following trusted sources:
  - Economic Research Institute (ERI) 2015 Salary Assessor
  - Towers Watson Data Services 2015 Compensation Surveys
  - Milliman 2015 Healthcare Core Salary Survey

# SALARY SURVEY STRUCTURE

Information was organized using nationally recognized job families. Benchmarks with indexed job classes were assigned job families. The online survey tool was organized by job family.

- The survey report uses 15 industry standard job families.
- The 183 benchmarks are grouped within the aligned job family.
- The 1,426 job classes are indexed to the aligned benchmark class.



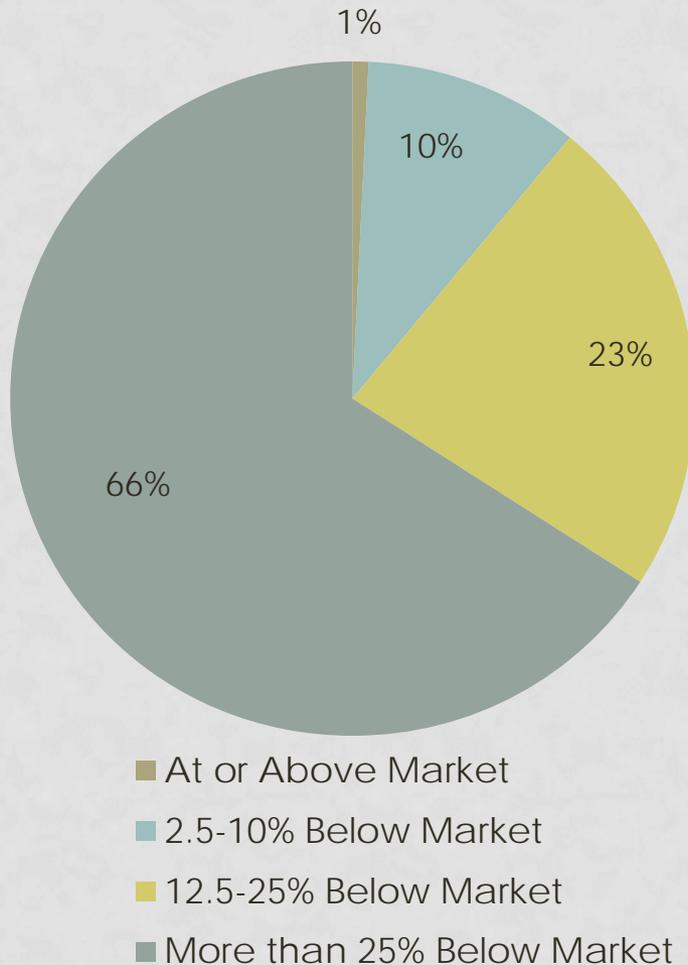
# BENCHMARKS WITH NO PUBLISHED DATA

- The survey resulted in finding 5 or more job matches for nearly 90% of the benchmark jobs included in the survey.
- Benchmarks that received less than 5 total responses (*private, public sector, supplemental data*) are considered 'failed' benchmarks. With so few responses, there is the potential to identify specific participant data and therefore the data is not published. This is an industry standard and aligns with federal antitrust/safe harbor guidelines.
- Of the 183 benchmarks, 20 were considered failed:
  - 20 Failed Benchmarks
    - 102 Job Classes
      - 1,562 Employees
        - 439 General Government
        - 1,123 Higher Education

# SALARY

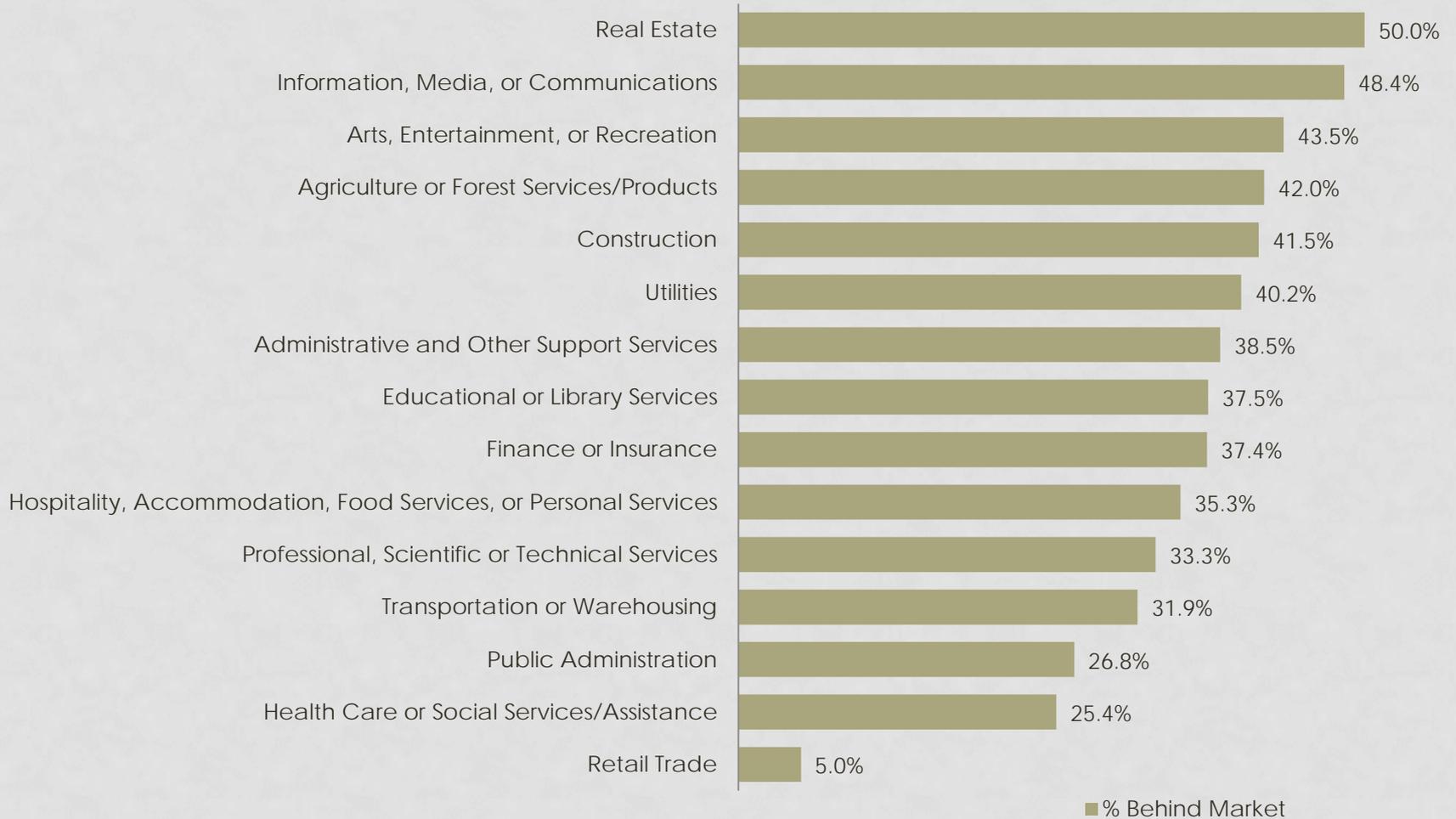
KEY RESULTS

# 66% OF SURVEYED STATE SALARY RANGE MIDPOINTS ARE MORE THAN 25% BELOW THE MARKET



- **1% of state salary range midpoints are at or above the market.** Example: Pharmacy technicians are paid 14% above the market average.
- **10% of state salary range midpoints are 2.5-10% below the market.** Example: Revenue agents are paid 7.5% below the market average.
- **23% of state salary range midpoints are 12.5-25% below the market.** Example: Social service specialists are paid 17.5% below the market average.
- **66% of state salary range midpoints are more than 25% below the market.** Of those classes, 23% are paid more than 50% below the market. Example: Budget analysts are paid 55% below the market average.

# JOB FAMILY COMPARISON TO MARKET (PUBLIC & PRIVATE SECTORS)



# SALARY RANGE COMPETITIVENESS

- The state salary ranges are more competitive at the entry level but less competitive at the top of the range (Step A to Step L).
- The table below shows how the state compares to the salary range of surveyed entities.

	Salary Minimum	Salary Midpoint	Salary Maximum
Survey Participants	82%	77%	74%

# FRINGE BENEFITS

KEY RESULTS

## FRINGE BENEFITS DATA COLLECTION

- While the survey primarily focused on base salaries, employers were also asked to report on compensation practices, paid leave practices and other fringe benefits provided to their employees.
- Additional benefits data is derived from the Milliman 2015 Northwest Benefits Survey.

# HEALTHCARE BENEFIT PLAN RATINGS

## Premium Split

- PEBB currently has an 85/15 premium cost share. Employer pays 85% and the employee pays 15% of premium costs (across all plans and all tiers).

## Plan Design

- The most popular PEBB medical plans have a metal tier rating between gold and platinum (plans vary – some are slightly above or below). The PEBB metal determination is done by Health Care Authority (HCA).
- The metal tiers are part of the Affordable Care Act (ACA) and are a requirement for insurance companies to sell their product on the benefit exchanges. It reflects the average amount the insurance company pays for services compared to the amount a member pays for the services. The tiers are:
  - Platinum: 90/10
  - Gold: 80/20
  - Silver: 70/30
  - Bronze: 60/40
- The 80/20 share reflects that on average insurance pays 80% of the cost of service and the member pays 20% of the cost of service when the service is provided within a network. For example, if a member with a gold plan goes to the doctor and the bill is \$100 the insurance company pays \$80 and the member pays \$20.
- The metal measurement looks at the plan design (at the point of service) including co-pays, deductibles, co-insurance and out-of-pocket maximums along with mandatory covered services. This is different than looking at the premium cost share.

# EMPLOYEE BENEFITS

- The state remains competitive in health, dental and retirement benefits in a comparison to the Washington state market (public/private sectors combined) average benefits.
- The table below represents the benefit value per employee (annual value or percent of base salary) as of January 2015:

Benefit	Market Average	State Employees
Medical	\$9,629	\$11,564
Dental	\$1,026	\$1,390
Defined Benefit Plan	11.3%	13.1%
Defined Contribution Plan	6.1%	0.00%
Long-Term Disability	0.16%	0.05%
Life Insurance	0.31%	0.09%

# REIMBURSEMENTS AND PERQUISITES

The market offers the following reimbursements and perquisites. The state varies in its implementation of these:

Type of Benefit	Market
Flexible schedules	65%
Telecommuting	50%
Relocation reimbursement (for new hires)	24%
Tuition assistance or reimbursement	66%
Student loan deferral, repayment, forgiveness program	5%
Reimbursement for membership to job-related professional associations	48%
Reimbursement for fees associated with certification/licensing attainment or maintenance	48%
Free or subsidized work cell/smart phone, tablet, or similar	44%
Free or subsidized parking	40%
Transportation/commuting assistance*	53%
Employee Assistance Program (EAP)*	89%
Legal services or counseling	31%
Financial services or counseling	31%
Child or elder care referral services	21%
On-site child care facilities (whether or not subsidized)	10%
On-site cafeteria (whether or not subsidized)	27%

\* *Benefit offered to all state employees.*

# PAID TIME OFF - VACATION

For employees with up to 20 years of service, vacation provided by the state is comparable to that reported by the majority of survey respondents:

Years of Service	State of Washington	Participant Days per Year*
1 year	12 days	10 - 14 days
3 years	14 days	10 - 14 days
5 years	15 days	15 - 19 days
7 years	15 days	15 - 19 days
10 years	16 days	15 - 19 days
15 years	21 days	20 - 24 days
20 years	22 days	20 - 24 days
25 years	22 days	25 - 29 days

\* Participant days per year reflects the selections made by the majority of the participants responding to survey. No participant selected more than 25-29 days per year.

# PAY DIFFERENTIALS

- Survey respondents reported offering the following pay differentials to one or more employee group.
- The state also offers all of the following pay differentials based on employee group.

Pay Differential	% of Respondents
Evening Shift Differential	58%
Night Shift Differential	56%
Weekend Shift Differential	29%
Standby or On-Call Pay	55%
Call-Back Pay	56%
None of the Above	18%

## 2016 SURVEY RESULTS WRAP-UP

- The state offers benefits plans that are competitive with other public and private sector offerings.
- 66% of surveyed state salary range midpoints are more than 25% below the market average.
- The state salary ranges are more competitive at the entry level but less competitive at the top of the range (Step A to Step L).

# ADDITIONAL RESOURCES

Additional documentation about the survey can be found on the HR web site:

<http://www.hr.wa.gov/CompClass/Compensation/Pages/TotalCompensationSurvey.aspx>

- 2016 State Salary Survey Participant Report
- 2016 State Salary Survey Report Crosswalk
- 2016 State Salary Survey Presentation
- 2016 State Salary Survey Executive Summary
- 2016 State Salary Survey Methodologies Overview
- 2016 State Salary Survey Frequently Asked Questions

# QUESTIONS





Additional questions? Send to:  
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