



# HUMAN RESOURCES DIVISION

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## State of Wyoming Compensation Package Summary

**Step 1** - Adjust pay tables based on the 2020 market. Adjust pay for all employees whose current pay rate is below the new minimum of the pay range to the new minimum. The estimated annual cost with benefits can be seen below.

General	Federal	Other	Commission	Total
\$2,838,895	\$949,816	\$1,156,040	\$358,687	\$5,303,438

**Step 2** - Implement the market merit matrix. The matrix considers both an employee's most recent performance evaluation as well as current pay rate as it compares to the market. Those receiving the largest raise are high performers who are the furthest behind the market. The average base pay increase associated with only the matrix implementation is estimated to be 4.95%. Below is a breakdown of the matrix by percent of pay increase and employee count.

MATRIX Order		Ranges	7	6	5	4	3	2	1
			Minimum to 10th Percentile	10th to 25th Percentile	25th to 50th Percentile	50th to 75th Percentile	75th to 90th Percentile	90th Percentile to Max of Range	Over Max
14	3.8-4.0	Superior (3.8 - 4.0)	7.35%	7.00%	6.65%	6.30%	5.95%	5.60%	
			130	108	87	19	6	2	0
13	3.6-3.8	Superior (3.6 - 3.8)	7.00%	6.65%	6.30%	5.95%	5.60%	5.25%	
			75	39	33	4	0	0	1
12	3.5-3.5	Superior (3.5 )	6.65%	6.30%	5.95%	5.60%	5.25%	4.90%	
			158	89	66	5	0	0	0
11	3.2-3.4	Commendable (3.2 - 3.4)	6.30%	5.95%	5.60%	5.25%	4.90%	4.55%	
			343	152	106	14	2	1	0
10	2.9-3.1	Commendable (2.9 - 3.1)	5.95%	5.60%	5.25%	4.90%	4.55%	4.20%	
			470	279	207	26	8	2	5
9	2.6-2.8	Commendable (2.6 - 2.8)	5.60%	5.25%	4.90%	4.55%	4.20%	3.85%	
			512	190	148	17	1	0	2
8	2.4-2.5	Commendable (2.4 - 2.5)	5.25%	4.90%	4.55%	4.20%	3.85%	3.50%	
			476	202	107	13	1	1	0
7	2.1-2.3	Meets Expectation (2.1 - 2.3)	4.90%	4.55%	4.20%	3.85%	3.50%	3.15%	
			894	314	212	25	2	0	1
6	1.8-2.0	Meets Expectation (1.8 - 2.0 )	4.55%	4.20%	3.85%	3.50%	3.15%	2.80%	
			800	297	202	24	3	2	2
5	1.5-1.7	Meets Expectation (1.5 - 1.7 )	4.20%	3.85%	3.50%	3.15%	2.80%	2.45%	
			65	19	24	2	0	0	0
4	1.2-1.4	Growth Necessary (1.2 - 1.4)	3.85%	3.50%	3.15%	2.80%	2.45%	2.10%	
			25	5	12	2	0	0	0
3	1.0-1.2	Growth Necessary (1.0 - 1.2)	3.50%	3.15%	2.80%	2.45%	2.10%	1.75%	
			7	2	6	4	0	0	0
2	.5-.8	Growth Necessary (.5 -.8)	3.15%	2.80%	2.45%	2.10%	1.75%	1.40%	
1	.5-1.4	Growth Necessary (.5 - 1.4)	2.80%	2.45%	2.10%	0.00%	0.00%	0.00%	0.00%
			8	1	1	0	0	0	0
0	0-0.4	Unsatisfactory (0 - 0.4)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Evaluation-No Evaluation	No Evaluation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%
			610						

The estimated annual cost with benefits can be seen below.

General	Federal	Other	Commission	Total
\$11,880,473	\$3,062,773	\$5,988,467	\$6,353,710	\$27,285,373

Other models outside the market merit matrix were considered. A 10-year history of pay increases can be seen below.

Year	Pay Adjustment
2019	Pay tables adjusted based on the 2017 market. Employees below minimum moved to the new minimum. In addition, a 2.5% external cost adjustment was provided based on the employee's annual base salary, not to exceed \$2,000 per year.
2015	Pay tables adjusted based on the 2014 market. Employees below minimum moved to the new minimum. In addition, a market merit matrix was implemented providing eligible employees a raise that ranged from 1.1% to 5.4%. The average raise associated with the matrix was 2.9%.
2014	Pay tables adjusted based on the 2013 market. Employees below minimum moved to the new minimum. In addition, a market merit matrix was implemented providing eligible employees a raise that ranged from 1.25% to 4.75%. The average raise associated with the matrix was 2.4%.
2013	A one-time 1% retention bonus was provided based on the employee's annual base salary, not to exceed \$1,200 per year.
2011	Employees below 91% of the market moved to 91% of the market.

Over this same time span, inflation totaled 26%. In fact, the State of Wyoming has 89 jobs that pay less, on average, today than they did in 2011. This is due largely due to the lack of market adjustments and this gap only continues to widen. The State of Wyoming experienced a 0.7% increase in salaries from 2019 to 2020. To compare, the national average for state governments during this time period was 2.6%. The State of Wyoming experienced a -0.2% increase in salaries from 2020 to 2021. To compare, the national average for state governments during this time period was 2.4%. According to the State of Wyoming Employee Satisfaction Survey conducted by HRD in August 2021, over 39% of employees are forced to work a second job to make ends meet. An additional 3% rely on some sort of public assistance. Other states continue to make adjustments to mitigate pay issues. Below is breakdown of recent COLA and/or merit increases provided by contiguous state governments.

	2020	2019	2018	2017	2016	2015	2014
Colorado	0%	3%	2%	2%	1%	4%	0%
Utah	0%	3%	4%	4%	2%	3%	0%
Montana	\$.50/hr	1%	1%	1%	\$.50/hr	\$.50/hr	5%
Idaho	2%	3%	3%	3%	Unknown	Unknown	Unknown
South Dakota	2%	3%	1%	0%	3%	7%	3%
Nebraska	2%	4%	4%	1%	2%	2%	2%
<b>Wyoming</b>	<b>0%</b>	<b>2.50%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>2.93%</b>	<b>2.38%</b>

Each year, HRD analyzes the market, using twelve comparator states to ensure a valid statistical model that does not rely too heavily on one state's influence and pay philosophy. The main factor in confirming historical comparator states is Migration Flow produced by Economic Analysis. Top 15 outflow states from Wyoming include (in order): Colorado, Utah, Texas, Montana, Idaho, Arizona, California, South Dakota, Washington, Florida, Nebraska, Nevada, Oregon, North Dakota, and Michigan. Since Texas, California, Florida, and Michigan economies and state government workforces have little in common with Wyoming, they were eliminated. New Mexico was added due to its population, size, industry, and state workforce composition being closely aligned to Wyoming. Market data is collected from both the public and private sectors. Below is a breakdown from the 2020 market data comparing several jobs in Wyoming to jobs in comparator state governments.

Job Title	Comparator States' Average	Contiguous States' Average	WY
Applications Developer/Analyst	\$69,740.58	\$66,149.85	\$49,420.00
Oil and Gas Inspector	\$70,471.98	\$66,676.86	\$50,373.00
Plumber	\$51,299.04	\$47,716.41	\$37,199.00
Civil Engineering Manager (PE)	\$100,565.29	\$100,478.48	\$79,120.00
Electrician	\$52,988.95	\$50,085.18	\$39,651.00
Environmental Analyst	\$59,852.55	\$61,486.14	\$49,358.00
Public Health Nurse	\$80,471.62	\$71,912.57	\$59,299.00
Business Systems Analyst	\$70,803.83	\$67,967.22	\$57,011.00
Geologist	\$69,166.85	\$69,451.66	\$58,302.00
Accountant	\$53,795.29	\$52,879.32	\$44,816.00
Physician	\$214,490.72	\$208,533.00	\$179,436.00

<b>HVAC Technician</b>	\$50,104.80	\$48,815.93	\$42,306.00
<b>Highway Patrol Lieutenant</b>	\$102,547.36	\$92,908.52	\$81,420.00
<b>Carpenter</b>	\$47,407.77	\$42,700.31	\$37,599.00
<b>Engineer-in-Training (EIT)</b>	\$56,590.49	\$52,751.05	\$46,727.00
<b>Youth Specialist</b>	\$47,647.18	\$44,597.08	\$39,520.00
<b>Registered Nurse</b>	\$72,606.36	\$66,748.67	\$59,299.00
<b>Secretary</b>	\$34,411.42	\$31,671.22	\$28,273.00
<b>Automotive Mechanic</b>	\$45,456.48	\$42,254.26	\$37,755.00
<b>Highway Patrol Captain</b>	\$114,707.91	\$104,297.95	\$94,437.00
<b>Highway Maintenance Worker</b>	\$44,727.22	\$41,677.21	\$37,864.00
<b>Correctional Officer</b>	\$48,185.25	\$43,832.78	\$40,754.00
<b>Clinical Psychologist</b>	\$93,648.33	\$86,230.20	\$80,502.00
<b>Internal Auditor</b>	\$58,643.14	\$57,383.82	\$53,578.00
<b>Human Resources Manager</b>	\$82,805.67	\$82,070.40	\$76,890.00
<b>Highway Patrol Sergeant</b>	\$87,787.63	\$81,030.98	\$76,032.00
<b>Custodian</b>	\$28,598.15	\$25,254.34	\$24,183.00
<b>Probation and Parole Officer</b>	\$55,843.60	\$50,095.89	\$49,295.00
<b>Employment Counselor</b>	\$44,191.30	\$44,366.18	\$43,676.00

The lack of market competitiveness has exacerbated turnover issues. In the employee satisfaction survey, over 59% of the workforce indicated that they are looking for employment elsewhere. The state continues to adopt strategies that focus on enhancing workplace conditions (Telework, flexible schedules, professional development, etc.). However, pay adjustments continue to provide Wyoming with its biggest return on investment. This can be supported by comparing this data to historical turnover data. The state witnessed a decrease in turnover both in 2019 (0.6%) and 2015 (1.2%).

Given some of this historical data, the State of Wyoming would benefit more from implementing a market merit matrix than it would from implementing a COLA adjustment. A large majority of employees who responded to the employee satisfaction survey indicated that an equitable salary above all else is the most genuine recognition of performance. A COLA adjustment does not distinguish between high performers and low performers; instead, it eliminates the motivation to do more for the state in upcoming years. This results in a culture that pushes high performers away faster. HRD has developed a robust performance evaluation process that ensures accurate performance ratings.

Wyoming pays a large percentage (97%) of our state employees below market. A COLA only widens the inequities between those at or closer to market and those further behind market. Cost of living adjustments are made to sustain a certain standard of living. Unfortunately, many employees report they are not making a livable wage. Our market analysis shows this to be true. This stems from many employees paid at the bottom of our pay ranges being the furthest away from market rates. Agencies attempt to adjust pay as they can, but there isn't enough flexibility within the budget to keep necessary positions filled and hire new employees at a competitive rate. This causes agencies to either hire a new employee at a rate that causes internal inequities with current staff, hire an individual who may not be the best qualified, or simply not hire the position. Unfortunately, this happens often with the state's top turnover classifications and many of these occupations are positions that threaten the safety and well-being of the general public. Below are several examples illustrating how the market merit matrix versus a COLA impacts employees.

Employee 1 is a Social Services Aide (SOSP03), pay grade E, who received a 3.5 overall score on the last performance evaluation. The pay rate is \$12.57, which is below the 2020 proposed minimum. The first step in the proposed compensation package is to move base pay up by 9.3% to the new minimum of the pay grade at \$13.74. This puts the compa ratio for this employee at 80%, and their actual pay in the minimum to 10th percentile in the market merit matrix. This would result in an additional 6.65% raise bringing the employee up to \$14.65. If a 5% COLA was provided without adjusting pay tables, the employee would be moved to \$13.20.

Employee 2 is a Social Services Aide (SOSP03), pay grade E, who received a 2.0 overall score on their last performance evaluation. Their pay rate is \$14.94 which is above the 2020 proposed minimum. This puts their compa ratio at 87%, and their actual pay in the 10th-25th percentile in the market merit matrix. This would result in a 4.20% raise bringing the employee up to \$15.57. If a 5% COLA was provided without adjusting pay tables, the employee would be moved to \$15.69.

If we compare the two employees in the first example who are performing the same duties, the proposed compensation package resulted in a \$0.92 wage disparity whereas the COLA resulted in a \$2.49 wage disparity (Note: the wage disparity prior to any adjustments was \$2.37).

Employee 3 is an Office Support Specialist (BAAS05), pay grade G, who received a 2.5 overall score on their last performance evaluation. Their pay rate is \$16.50 which is above the 2020 proposed minimum. This puts their compa ratio at 81%, and their actual pay in the minimum to 10th percentile in the market merit matrix. This would result in an additional 5.25% raise bringing the employee up to \$17.37. If a 5% COLA was provided without adjusting pay tables, the employee would be moved to \$15.75.

Employee 4 is an Office Support Specialist (BAAS05), pay grade G, who received a 2.5 overall score on their last performance evaluation. Their pay rate is \$19.00 which is above the 2020 proposed minimum. This puts their compa ratio at 93%, and their actual pay in the 25th-50th percentile in the market merit matrix. This would result in a 4.55% raise bringing the employee up to \$19.86. If a 5% COLA was provided without adjusting pay tables, the employee would be moved to \$19.95.

If we compare the two employees in the second example who are performing the same duties, the proposed compensation package resulted in a \$2.49 wage disparity whereas the COLA resulted in a \$4.20 wage disparity (Note: the wage disparity prior to any adjustments was \$4.00).

These examples can be found at every level and in every occupation. Therefore, caps do not help solve this issue either. **A COLA is only effective once we establish equity internally with the market.** Due to the wage stagnation and market lag, we have to implement salary adjustments in phases. The first phase is implementing the market merit matrix. As illustrated, this will move those further away from market faster through the range and slow down those closer to market. This will take several years of implementation before equity internally with the market could be realized. However, once equity is established, a COLA could then be used to keep up with inflation.

State	Indemnity, PPO, HMO	% of EEs in Largest Plan	Contribution for Employee Only Coverage			
			# of Employees Enrolled	ER (State) Share \$	EE Share \$	Total
Colorado	PPO			\$633.64	\$35.96	\$669.60
Idaho	PPO	87.0%	5,626	\$952.06	\$65.00	\$1,017.06
Nebraska	PPO	62.2%	3,701	\$524.00	\$139.00	\$663.00
New Mexico	PPO		5,042	\$65.16	\$182.82	\$247.98
North Dakota	PPO	96.5%	3,300	\$687.66	-	\$687.66
Oregon	PPO			\$709.49	\$7.17	\$716.66
South Dakota	PPO	51.0%	3,482	\$550.00	-	\$550.00
Utah	PPO	58.3%	2,332	\$591.27	\$53.14	\$644.41
Washington	PPO	52.6%	31,995	\$581.00	\$105.00	\$686.00
Wyoming	PPO	56.3%	2,029	\$955.23	\$185.73	\$1,140.96

State	Indemnity, PPO, HMO	% of EEs in Largest Plan	Contribution for Family Coverage			
			# of Employees Enrolled	ER (State) Share \$	EE Share \$	Total
Colorado	PPO			\$1,662.40	\$251.28	\$1,913.68
Idaho	PPO	87.0%	3,841	\$952.06	\$251.00	\$1,203.06
Nebraska	PPO	62.2%	2,073	\$1,860.00	\$494.00	\$2,354.00
New Mexico	PPO		2,844	\$215.19	\$516.35	\$731.54
North Dakota	PPO	96.5%	10,880	\$1,658.36	-	\$1,658.36
Oregon	PPO			\$1,915.68	\$19.35	\$1,935.03
South Dakota	PPO	51.0%	2,800	\$1,376.20	\$119.67	\$1,495.87
Utah	PPO	58.3%	6,007	\$1,627.44	\$146.27	\$1,773.71
Washington	PPO	52.6%	15,537	\$1,587.75	\$298.75	\$1,886.50
Wyoming	PPO	56.3%	2,074	\$2,185.12	\$455.70	\$2,640.82

Many employees indicated in the employee satisfaction survey that they choose to work for the State of Wyoming due to the insurance and retirement benefits. Below is a breakdown of how these benefit packages compare to other state governments.

STATE	Employer Paid	Employee Paid Contribution	Full Vesting (years)	Full Benefit Requirements			Pension Benefits Formula	
				Minimum Age	Years of Service	Rule	AFC: Average Final Compensation Years: Years of Service	
Colorado	10.90%	10.50%	5	57	20	Age + yrs service = 85 with minimum age of 55	Benefit is based on the top five years highest earnings and the number of years worked.	
Idaho	11.94%	7.16%	5	65	5	Age + yrs service = 90 with minimum age of 55	2% avg of high 42 consecutive months salary x months of service=annual benefits	
Montana	8.67%	7.90%	5			Age 70 regardless of years of service. Age 65 with 5 years of service. Age 55 with 5 years of service - actuarially reduced	1.5% of HAC for less than 10 years of service. 1.785% of HAC for more than 10 years of service, and less than 30. 2% of HAC for 30 years of membership service or more.	
Nebraska	7.49%	4.80%	3	55			No formula - annuity program	
Nevada	15.50%	15.50%	5					
New Mexico	New Mexico (Tier 1 < \$20K)	16.99%	7.42%	5	N/A	25	Any age with 25 or more years of service credit	Tier 1 ees: 3.0% x final average salary of the highest 36 consecutive months x yrs of service. Pension maximum 90%.
	New Mexico (Tier 1 > \$20K)	16.99%	8.92%	5	N/A	25	Any age with 25 or more years of service credit	Tier 1 ees: 3.0% x final average salary of the highest 36 consecutive months x yrs of service. Pension maximum 90%.
	New Mexico (Tier 2 < \$20K)	16.99%	7.42%	8	N/A	8 + Rule of 85	Rule of 85 (members must have 8 or mores yrs of svc credit at time of retirement; age + yrs of service must equal 85)	Tier 2 ees: 2.5% x final average salary of the highest 60 consecutive months x yrs of service. Pension maximum 90%.
	New Mexico (Tier 2 > \$20K)	16.99%	8.92%	8	N/A	8 + Rule of 85	Rule of 85 (members must have 8 or mores yrs of svc credit at time of retirement; age + yrs of service must equal 85)	Tier 2 ees: 2.5% x final average salary of the highest 60 consecutive months x yrs of service. Pension maximum 90%.
North Dakota	7.12%	7.00%	3			Rule of 85 and Rule of 90 for New Employees	2.0% X FAS X YOS	
Oregon		6.00%	5	58	30	Age 58 with 30 years of service	1.5 percent x years of retirement credit x final average salary PLUS IAP account balance	
South Dakota	6.00%	6.00%	3	Class A: 57 (Reduced), 67 Full Class B: 47 (Reduced),	3		Class A Members: 1.8% X Final Average Compensation X Credited Service, Class B Public Safety Members: 2.0% X Final Average Compensation X Credited Service	
Utah	Utah	Tier I system 22.19% pension 1.5% 401(k)	0.00%	4	Any age	30		yrs of service x 2% x average of 3 highest years = benefit before July 1, 2011
	Utah	Tier II Hybrid System 9.38% pension .68% (401k)	0.00%	4	Any age	35		yrs of service x 1.5% x average of 5 highest years = benefit after July 1, 2011
Washington	Washington - PERS 2	10.25%	6.36%	5	65	5	65 + 5 years service credit	2% x service credit years x AFC
	Washington - PERS 3 Defined Benefit	10.25%	Rate chosen by employee at time of employment. Six different options; two have incremental changes based on age. All are rates between 5 and 15%	10 - see rule	65	5	Ten service credit years; OR five years of service credit and at least 12 of those months were earned after the age of 44; OR five service credit years earned in PERS Plan 2 before June 1, 2003	1% x service credit years x AFC
	Washington State Patrol Retirement System- Plan 1	17.84%	8.61%	5	None	25	Any age with 25 years; OR over 44 with at least five years	Service credit months / 2% x AFC (limited to 75% of average final salary)
	Washington State Patrol Retirement System- Plan 2	17.84%	8.61%	5	Same as WSPRS 1	Same as WSPRS 1	Same as WSPRS 1	Service credit months / 2% x AFC (limited to 75% of average final salary)
Wyoming	9.37%	9.25%	4	n/a	4	Age + years of service = 85 OR 65 with 4 years of service; no minimum age	2% x highest average 60 month salary x years of service	