

Memo

To: Montana State Library Commission

From: Jennie Stapp, State Librarian

Date: June 6, 2016

Re: **2016 State Library pay incentive strategy**

Please know that the State Library currently projects approximately **\$120,000** dollars in remaining FY16 personal services funds at the end of the fiscal year. These available funds were generated through vacancy savings that accrued from three open positions within the Digital Library, the GIS Coordinator, the User Services Lead, and the Information Products Lead, as well as vacancies in the Talking Book Library. Additional savings were generated by Digital Library staff through work on contracts meant, in part, to alleviate the impact of reduced Montana Land Information Act collections.

In order to make effective use of our personal services budget and broadband pay plan policy and to acknowledge the challenges impacting staff due to significant changes within the State Library over the past year, I recommend approval of one-time only bonuses for staff according to the broadband pay plan policy in two areas:

(http://docs.msl.mt.gov/Central_Services/Staff_Handbook/comm_pols/29_payplan.pdf).

Section F – Item 3, Table 2 - Target MSL Mid-Point Ratio Increments

I recommend bonuses totaling \$23,136 for those employees whose salaries do not meet the target market ratio according to the broadband pay policy based on their years of service.

Bonuses would be based on the distance from target with a cap at 5%. A total of 8 staff would benefit from target market bonuses.

Example:

- Employee A, working in a band 6 with 5 years of service makes .87 of market. The target market ratio for this employee is .91 of market. This employee will receive a 4% bonus.
- Employee B, working in a band 7 with 23 years of service makes .93 of market. The target market ratio for this employee is 1.00 of market. This employee will receive the maximum 5% bonus.

Section H – Situational Adjustment –One time for Individuals and Teams

I further recommend bonuses for Central Services, Information Technology, Digital Library, and Statewide Library Resources staff, whose salaries are at target market and therefore do not qualify for target market bonuses, but who should be commended for the flexibility they showed as the State Library went through significant study and reorganization during this fiscal year. These bonuses are in the amount of \$1,500 (total \$35,813). Finally, I recommend bonuses in the amount of \$1,500 (Total \$9,000) for employees of the Talking Book Library who stepped in to support the program when their supervisor was seriously ill.

Central Services, Information Technology, Digital Library, and Statewide Library Resources staff based on the study and reorganization.

Recommended for 25 staff

Staff from the Talking Book Library based on staff support.

Recommended for 6 staff

Bonuses would be prorated for part time employees and will total approximately **\$67,949** broken down as follows:

- General Fund: \$46,472
- LSTA: \$10,977
- MLIA: \$7,500
- MSC: \$3,000

Remaining unspent personal services General Fund will revert to the State. As is the case with previous pay incentives approved by the Commission, this pay incentive is a wise investment in our staff and does not obligate the Legislature to ongoing funding.

Because the remaining balance in our personal services budget is higher than it has been in the past, the following analysis is offered to put the recommended amount of bonuses into perspective:

Year	Estimated PS Budget balance	Pay Incentive range	Total spend	Justification	% of available funds spent	Amount of general fund reverted
2008	\$83,000	\$750 - \$3000	\$52,725	Years of service	64%	\$45,723
2012	\$90,000	3.0% to 5%	\$67,047	Pay freezes Pay lower paid employees more	75%	\$68,861
2013	\$65,000	Greater of 2% or 750	\$46,000	Pay freezes	71%	\$50,914
2015	\$30,000	1% 0.50%	\$24,300	Performance system Team	71%	\$5,498
2016	\$120,000	5% or Target Market Ratio 1,500	\$67,949	Target Market Ratio-Performance Reorganization - Retirement-Coverage	66%	\$34,000(Est.)