



TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Introduction | 1 |
| Survey Process | 1 |
| Salary Survey | |
| • Salary Budget Planning | 3 |
| • Summary of Benchmark Comparisons | 3 |
| • Variable Pay | 8 |
| • Special Topic - On-Call Pay Practices for Physician Assistants | 9 |
| • Summary of Findings | 9 |
| Group Benefit Plans Survey | |
| • Medical | 11 |
| • Dental | 14 |
| • Life | 15 |
| • Special Topic - Eligibility and Benefits for Part-Time Employees | 15 |
| • Total New Cost of Contributions | 17 |
| Appendices | |
| • A – Third-Party Surveys | 18 |
| • B – Salary Survey References | 19 |
| • C – Group Benefit Plan Comparisons | 27 |

INTRODUCTION

The Department of Personnel and Administration (Department) Division of Human Resources (Division) conducted its FY 2011-2012 annual compensation survey and is reporting the findings as mandated by statute. The purpose of the annual compensation survey is to determine any necessary adjustments to the two major components of total compensation that require increased dollars year to year: employee salaries and employer contributions to group benefit plans for the state personnel system. A summary of the survey process, findings, and estimated costs resulting from the findings are highlighted in the body of this report.

The State of Colorado's policy is to provide competitive total compensation to employees in the state personnel system to ensure the recruitment, motivation and retention of a qualified and competent workforce.

A summary of findings on the salary survey for employees in the state personnel system can be found on page 9. Estimated costs for employer contributions to group benefit plans can be found on page 17. Statute also requires the state personnel director (Director) to submit budget increase recommendations to the Governor and General Assembly. While the findings in this report are considered, the Director's recommendations also consider other factors, including but not limited to, fiscal constraints, benefits plan design, and recruitment and retention, that will reflect budgetary estimates separate from the findings in this report. All changes resulting from the survey and other system studies included in this report would be for implementation on July 1, 2011, subject to funding by the General Assembly.

SURVEY PROCESS

A summary and highlights of the process used by the Department to conduct the annual compensation survey are provided in this report with the findings of the survey. The annual compensation survey process document published prior to conducting the survey may be found on the Division's Web site at <http://www.colorado.gov/dpa/dhr/TotalComp>.

Pursuant to C.R.S. 24-50-104 (4)(a), the annual compensation survey is to be based on an analysis of surveys published by public or private organizations that include a fair sample of public and private sector employers. The two primary third-party survey sources used to conduct the FY 2011-2012 compensation survey are Mountain States Employers Council (MSEC) and Central States Compensation Association (CSCA). Other survey sources used include the Economic Research Institute (ERI), WorldatWork (WAW), Hewitt Associates, Segal Company, Council of Governments, and a direct survey conducted by the Department of other state governments concerning benefit practices for part-time employees. Appendix A contains a list of all specific third-party surveys used.

Not all survey publications or their participants utilize the same effective date for collection of data. In order for all survey data to have a common effective date (i.e., July 1), the Department projects (ages) pay rates and benefit premiums by applying relevant trend factors.

- To project all salary rates reported in the market to July 1, 2011, the Department used the 2010 first quarter figures from the annual Employment Cost Index (ECI) – Wages and Salary for all Civilian Workers. The annual change of 1.64% was used to project market

salary data. Due to limited survey sources available at this time, a survey update will be completed in December to include additional third-party surveys and reflect a more recent ECI.

- To project medical and dental benefit premium rates reported in the market to July 1, 2011, the Division used the *2010 Segal Health Plan Cost Trend Survey*. Cost increase trend factors of 10.5% for medical plans and 5.5% for dental plans were used to project market premium rates. This is also a consistent trend from last year's survey findings.

Five published surveys were used for the collection of salary data from public and private sector employers in Colorado and state governments across the central and northwest regions (listed in Appendix A). The ERI geographic assessor was used to adjust out-of-state data based on geographic differentials in average wage and income (adjustments are detailed in appendix B). The Department participates in the development and review of benchmark jobs included in the published surveys, in conjunction with other participating survey organizations.

- The Division's Compensation Unit reviews the survey benchmark descriptions to determine whether the State has jobs that are comparable, verifying job duties through class descriptions, position description questionnaires (PDQ), job announcements, and confirmation from Human Resources professionals and subject matter experts in departments where positions are assigned.
- The Compensation Unit conducts a second review of benchmark matches once all survey data are collected and compiled for analysis to ensure the validity of matches and verify the accuracy of data collected. This follows and is in addition to the validation of data performed by the third-party organizations conducting the surveys.
- In continuing efforts to improve survey methodologies and ensure appropriate benchmarking, the Department has been working with state HR professionals to identify a core group of state jobs to benchmark against the market. Benchmark jobs serve as the market anchor points because they are comparable to jobs readily identifiable and commonly found in the marketplace, are used to compare the State's salary data in relationship to the market, and to validate the State's internal pay relationships. The selection of core benchmarks provides an element of consistency in pay comparisons conducted year to year. Data on 154 of the 178 classes initially selected as core benchmarks were collected for comparison in this year's survey.

Two published surveys were used for the collection and comparison of data on group benefit plans including public and private sector employers in Colorado and state governments nationwide. Data from these surveys were used to analyze plan premiums, employer and employee cost sharing, and plan design features. Tables outlining the detailed findings are provided in Appendix C, with overall findings summarized in the Group Benefit Plan section of this report.

SALARY BUDGET PLANNING – MARKET TRENDS

The Division used salary budget increase projections collected from the MSEC *2010 Colorado Compensation Survey*, *WorldatWork 2010-2011 Salary Budget Planning Survey*, and *Hewitt Associates 2010-2011 U.S. Salary Increase Survey* to determine the prevailing market practice for planned pay structure and total actual salary increases for 2011. Total salary increases are defined as all increases market employers plan for the upcoming year through various compensation programs, such as merit, performance, longevity, across-the-board, cost of living, market, and other base and non-base increases to actual salaries.

- Findings from the national salary budget planning surveys indicate projections for 2011 total actual salary increases to be approximately 2.9% (including projections specific to Denver metropolitan and Colorado employers). MSEC projections are more conservative at 2.2% effective with data collected in March 2010 of private and public sector employers in the Denver metropolitan area.
- The national salary budget planning surveys indicate projections for 2011 pay structure increases to be approximately 2.0%. MSEC projections are more conservative at 1.5% effective with data collected in March 2010 of private and public sector employers in the Denver metropolitan area.

It is the State's policy to compensate its employees competitive with the prevailing market and to recognize employee performance and contributions. The State's policy of performance pay is consistent with prevailing practices in the market, which is to include performance, market, and other base and non-base increases. Funding this statutory policy continues to be a critical component of the competitive total compensation package for the workforce.

SUMMARY OF BENCHMARK COMPARISONS

The Department collected and reviewed data on numerous survey benchmarks based on its responses to third-party surveys. Following reviews of the benchmark matches and data collected, the final analysis and summary included market comparisons to 154 (31%) of 496 of the State's classes (excludes trainee and temporary classes) representing approximately 22,763 (69%) of 33,045 employees in the state personnel system.

Data reported in published surveys are in various formats, thus have been adjusted to reflect common and consistent figures to draw valid comparisons.

- Data reported in annual and hourly rates were adjusted to monthly figures based on full-time hours for direct comparison to state salaries; and,
- All data were projected (aged) based on the effective dates of data collection reported by each survey to reflect the common effective date of July 1, 2011.

Because geographic markets are different across the nation, geographic differential factors were collected by referencing the Economic Research Institute's (ERI) 2010 Geographic Assessor Report. Salary data from other state governments (the only survey market employers outside Colorado) were adjusted to Colorado income levels using the ERI assessor. The geographic

SALARY SURVEY FINDINGS

figures reflecting wage and salary differentials by the average of each state are provided in Appendix B.

Published survey data are reported in various labor market groups including industry, geographic region, and by individual organization in public sector surveys.

- Where data was reported by individual organizations, the Department summarized data into an aggregate format by calculating the median (50th percentile) of actual salaries reported, the weighted average of actual salaries reported, and the average of salary range minimums, midpoints and maximums reported. For the Trooper classes individual salary data was summarized by the weighted average.
- In all surveys where midpoints were not reported, the Department calculated the midpoints using the reported minimums and maximums.
- Where applicable, State data were excluded from the aggregate.

The Department applied technically and professionally sound compensation industry guidelines, including those recommended by the U.S. Department of Labor, WorldatWork, and the Sherman Antitrust Act, to ensure integrity of all data. With the exception of methodology specifically directed by C.R.S. 24-50-104 (1)(III)(A) for conducting the survey of Trooper classes, benchmarks and salary data with fewer than five data points reported for both salary and salary range figures were excluded from the comparisons, because fewer than five data points is considered an insufficient sample for drawing comparisons.

Following a review and validation of summary results of each published survey, the Department combined final market results to conduct individual comparisons of the State's classes to survey benchmarks. A summary of findings are provided on the following pages that reflect the comparisons of state salaries and salary ranges in relationship to the total market salaries and salary ranges.

- In each comparison, the percentage difference has been calculated between the State's salary figure and the market salary figure. The percent difference is a tool for comparing two data figures and this approach provides a means for the State to determine what percentage it would need to adjust its salaries or salary ranges, either upward or downward, to align with the market. For example, in comparing the salary range midpoints a positive percentage figure indicates the amount the State would have to increase its midpoint to align with the market midpoint and a negative figure indicates the percentage the State would need to decrease its midpoint to align with the market.
- The results provide comparisons of the State's average actual salaries to the median (50th percentile) of market actual salaries and to the market weighted average salaries. Also provided are comparisons of the State's salary range midpoints to the market salary range midpoints. The overall percentages by occupational group reflect the weighting of percentage differences of each benchmark comparison by the number of state employees in the class, giving more weight to those classes with a greater number of employees.

SALARY SURVEY FINDINGS

A summary of benchmark comparisons by each occupational group and the overall difference found across all benchmark comparisons are provided in the following table. Comparisons of Trooper classes to market benchmarks are provided in a separate table.

| Comparison of State Actual Salaries and Range Midpoints to the Market Actual Salaries and Midpoints | % Diff. State to Market Median Salaries | % Diff. State to Market Weighted Average Salaries | % Diff. State to Market Midpoints |
|--|--|--|--|
| Enforcement & Protective Services* | 0.6% | -3.4% | -5.8% |
| Health Care Services | 8.5% | 10.6% | 2.5% |
| Labor, Trades & Crafts | 4.8% | 7.8% | 3.4% |
| Administrative Support & Related | 13.4% | 9.2% | 4.3% |
| Professional Services | 0.4% | 0.8% | 0.7% |
| Physical Science & Engineering | -4.1% | -9.5% | -4.7% |
| Overall Difference | 3.9% | 3.2% | 0.7% |

**Does not include Trooper classes.*

Overall findings suggest that the State's actual salaries and salary range midpoints are within a competitive position in relationship to the market, which is defined by the State as plus/minus 7.5% and by common compensation industry standards as within 5% to 10% of the market. However, comparisons for the Health Care Services and Administrative Support occupational groups find the State's actual salaries to be outside a competitive position in relationship to the market, or in other words, behind market by an overall percentage greater than 7.5%. And more critical, comparisons by individual benchmarks indicate the State's actual salaries and salary range midpoints vary above and below the market by significant percentages.

- While the majority of the State's actual salaries were found to be within a competitive position in relationship to the median of market salaries, the findings also indicated variations ranging from 31% above market at the highest extreme, to nearly 45% below market at the lowest extreme.
 - Nearly one-third (30%) of the average salaries of state classes surveyed were found to be below the market median by 10% or more, with more than half of those trailing below market by 15% or more.
 - To the other extreme, average salaries for approximately 14% of state classes surveyed were found to be above the market median by more than 10%, with just over two-thirds of those being above market by 15% or more.
- Comparisons of salary range midpoints by individual benchmarks reveal a similar pattern in that overall they are competitive with the State's midpoints varying in the extreme from approximately 27% above to nearly 30% below market.
 - Midpoints for approximately 16% of the state classes surveyed were found to be below market by 10% or more, with just over half of those trailing below market by 15% or more.

SALARY SURVEY FINDINGS

- To the other end, midpoints for nearly one fifth of the state classes surveyed were found to be above the market by 10% or more, with just over half of those being above the market by 15% or more.

The Department also compared the State's distribution of employee salaries within their respective salary ranges (range placement) in relationship to the market range placement. Range placement measures the relative placement of the employee's actual salary or average salary within the range of pay established for the job class. Pay that is at the range midpoint would have a range penetration of 50%.

Comparisons of the range placement by occupational groups and the overall findings are provided in the following table. Comparisons of the Trooper range placement are provided in a separate table.

| Comparison of Salary Range Placement | Market | State |
|--------------------------------------|------------|------------|
| Enforcement & Protective Services* | 60% | 48% |
| Health Care Services | 59% | 41% |
| Labor, Trades & Crafts | 53% | 46% |
| Administrative Support & Related | 46% | 35% |
| Professional Services | 47% | 46% |
| Physical Science & Engineering | 58% | 55% |
| Overall Average | 52% | 46% |

**Does not include Trooper classes.*

The Department used similar methodologies to conduct state to market comparisons of Trooper actual salaries and salary ranges as well as comparisons of salary range placement. However, C.R.S. 24-50-104(1)(III)(A) outlines two provisions for determining the prevailing market and adjusting salaries for Trooper classes that differ from other classes.

- Statute defines the labor market for Trooper classes to include the three highest-paid, large (more than 100 commissioned officers) law enforcement jurisdictions within Colorado, which were identified in this year's survey as the City of Fort Collins, City of Lakewood, and Douglas County. In recent years Fort Collins and Lakewood have been included in the highest-paid market interchangeably with Aurora and Denver's Career Service Authority; this is the first year that Douglas County has been one of the top three law enforcement jurisdictions in terms of highest average actual salaries, as prescribed by statute.
- Second, salary adjustments for the Trooper classes are to be at least 99% of the average actual salary for its defined market.

SALARY SURVEY FINDINGS

Benchmark comparisons for the Trooper classes are provided in the table below. The percent difference reflects the adjustment needed to reach 99% of the market average salaries. Insufficient data were reported by the defined market for State Patrol Intern and State Patrol Trooper III.

| Comparison of Trooper Actual Salaries and Range Midpoints to the Market Weighted Average Salary and Market Midpoints | Actual Salaries* | Range Midpoints |
|---|--------------------------|--------------------------|
| State Patrol Intern | <i>Insufficient Data</i> | <i>Insufficient Data</i> |
| State Patrol Trooper | 19.4% | 1.8% |
| State Patrol Trooper III | <i>Insufficient Data</i> | <i>Insufficient Data</i> |
| State Patrol Supervisor | 3.0% | 19.8% |
| State Patrol Admin I | 5.3% | 23.3% |
| State Patrol Admin II | 4.8% | 23.7% |
| Overall Difference | 15.3% | 6.9% |

**Reflects percentage difference based on 99% of market weighted average salary for each class.*

Comparisons of the Patrol Supervisor, Administrator I and Administrator II indicate that the State's actual salaries are competitive in relationship to the statutorily defined market; however, the actual salary for State Patrol Trooper is well below market. An increase of approximately 19.4% would be required to bring the average salary for the State Patrol Trooper class to 99% of the market. This trend is consistent with last year's findings, except the gap between State Patrol Trooper and the market has nearly doubled. Salary data in the market will be volatile due to the limited number of jurisdictions included in the statutorily defined market for the Trooper classes and because the jurisdictions meeting the market definition are subject to change each year. It is also not uncommon in the market that salaries for law enforcement positions will be increased at a greater rate than salaries for general classes during times of salary budget freezes or economic hardships as adjustments are commonly pre-established through bargaining agreements.

The comparison of the State's salary range midpoints to the average midpoint in market indicate the opposite finding for actual salaries, with the range midpoint for the State Patrol Trooper class being very competitive while the ranges for the Supervisor, Administrator I, and Administrator II are significantly below market. This data is also subject to volatility year to year as the jurisdictions meeting the defined market change and because some law enforcement agencies do not use formal pay ranges.

A comparison of the distribution of Trooper salaries (range placement) in relationship to the overall market are provided in the following table. Similar to the actual salary and range midpoint comparisons, there is not sufficient data reported by the defined market for the Intern and Trooper III classes. As noted above, the change in the defined market for the Trooper subgroup has resulted in a different market finding from last year's report. Specifically, last year's range data on the top three law enforcement jurisdictions was insufficient to provide a comparison of ranges or salary range placement. Overall findings indicate a slight decrease in the average range penetration for the Trooper classes from last year's findings.

SALARY SURVEY FINDINGS

| Comparison of Salary Range Placement State Trooper Classes to Market | Range Placement (Market) | Range Placement (State) |
|---|---|--|
| State Patrol Trooper | 85% | 38% |
| State Patrol Supervisor | 52% | 98% |
| State Patrol Admin I | 50% | 99% |
| State Patrol Admin II | 46% | 99% |
| Overall Average | 59% | 87% |

Variable Pay

Data on trends and practices in the use of variable pay were collected from the WorldatWork (WAW) *2010-2011 Salary Budget Planning Survey*. Variable pay is compensation that is contingent on discretion, performance or results achieved. It is typically paid as a one-time, lump sum payment. Unlike dollars added to base pay, variable pay does not compound year over year and must be reearned. According to WAW, eighty percent of U.S. organizations have some form of variable pay with the most common type of variable pay program being combination awards, which are awards based on both organization/unit success and individual performance.

Variable pay typically accounts for a larger percentage of total compensation for higher-level positions than it does for lower-level positions. Results of the WAW survey highlighted in the table below show that employers are projecting an average budget of 5% to 35% for variable pay in 2011, depending on the type of position. These numbers reflect the percentage of payroll budgeted for granting employees performance-based, lump-sum, short-term cash awards during the year (excluding variable pay for sales employees and cash awards for recognition).

| Percentage (%) Budget for Variable Pay | Nonexempt Salaried | | Exempt Salaried | | Officers/ Executives | |
|---|-------------------------------|---------------|------------------------|---------------|---------------------------------|---------------|
| | Mean | Median | Mean | Median | Mean | Median |
| 2009 Avg. % budgeted | 5.5% | 5.0% | 11.7% | 11.0% | 33.0% | 30.0% |
| 2010 Avg. % budgeted | 5.7% | 5.0% | 12.1% | 11.6% | 34.7% | 33.0% |
| 2011 Projected % budgeted | 5.7% | 5.0% | 12.3% | 12.0% | 35.0% | 34.0% |

Source: WorldatWork 2010-2011 Salary Budget Planning Survey

Data on annual incentive pay were collected from the MSEC *Colorado Compensation and Information Technology* surveys. Incentive pay was reported for 63 (41%) of the 154 benchmarks for which base salary data was collected. The number of employees receiving incentive pay represent 15% of the total number of employees in the same benchmarks for which base salary data was reported. The weighted average of incentive pay reported was 9.2% of the weighted average annual base salary reported for the same benchmarks. The weighted average annual base salary of employees receiving incentives was \$50,327.

Special Topic – On-Call Pay Practices for Physician Assistants

In May 2010, Mountain States Employers Council (MSEC) conducted a special study regarding pay practices for physician assistants. Available data does not demonstrate that \$722.80 weekly on-call rate for a physician assistant is a prevailing market practice. The study found that the most common practice is that physician assistants are not paid additional moneys for on-call work. The study also found that most organizations use the same pay practices for nurse practitioners as physician assistants. The State’s CPPS data shows that during FY 2009-2010, seven employees in the Mid-level Provider class received the \$722.80 weekly on-call rate; all seven work at the Department of Corrections as physician assistants or nurse practitioners. Findings from the MSEC survey are highlighted in the table below. It is recommended that the Director reevaluate the current on-call pay practice for physician assistants.

| | MSEC Survey Respondents | State of CO |
|--|---|-------------------------|
| Same pay practices for physician assistant and nurse practitioner? | Yes (14 of 15) | No |
| On-call pay practice | Not eligible (12) | Specified weekly amount |
| | Six weekend days at 24 hours each month (1) | |
| | Varies by letter of agreement (1) | |
| | Varies by department (1) | |

Summary of Findings

Overall, the comparison of the State’s actual salaries and salary range midpoints in relationship to the market median salaries and range midpoints indicate that the majority of classes benchmarked are within a competitive position with the market. However, findings by individual benchmark comparisons indicate that average salaries for approximately 18% of state classes surveyed are below the market median and 10% are above the market median by 15% or greater. Comparisons of range midpoints indicate that approximately 9% of the state classes surveyed are below the market and 10% above the market by 15% or greater. While some of the State’s salaries may fall outside a competitive position in relationship to the median of market salaries, this does not necessarily mean that they are outside the competitive salary range.

As findings from the analysis of salary range placement indicate and are consistent with the common market practice to set the midpoint as the competitive target for compensating employees, market salaries tend to fall around the midpoint (50%) of their salary ranges. Overall, the State’s average range placement is slightly below midpoint but the distribution of individual salaries for state employees tend to be heavily weighted around the salary range minimums or maximums. This is consistent with the State hiring new employees at or near the minimum of the pay ranges and reflective of the longevity of employees who have been able to progress to the maximum of their pay ranges. These overall findings also suggest that flat, across the board salary and occupational group increases may result in over-adjusting some classes while under-adjusting others relative to market.

On June 7, 2010, the Governor directed the Department of Personnel & Administration to develop a plan for addressing the problems with pay progression for state employees. The following criteria were provided in the Governor’s message.

SALARY SURVEY FINDINGS

- Work with OSPB, departments/institutions, and other stakeholders including the partner employee organizations to ensure wide-ranging feedback is considered.
- Consider how to use merit, core competencies, and other factors.
- Performance-based salary increases within pay ranges.
- Consistent with best practices in HR.
- Affordable – no more than the net increase each year under the salary survey, a percentage of the total salary survey will be specifically allocated to performance-based incremental salary increases, with the balance to traditional salary survey methodology.

The plan is to be fair, competitive, flexible, performance-based, and subject to annual budgets and will be submitted to the General Assembly in the Governor's FY 2011-12 Budget Request on November 1, 2010. This plan along with the Department's other steps being implemented to redesign the pay structures and incorporate the analysis of and adjustments to "outlier" classes with the annual survey report will further help to address the internal pay relationships relative to external market pay, provide a sound basis to address inconsistencies in state pay relative to market, and build a framework for making meaningful annual salary adjustments.

GROUP BENEFIT PLANS

The Department collected data on market trends and practices in medical, dental, and life insurance benefits for comparison of plan costs and cost-sharing features including, but not limited to, average premium rates and the employer and employee share of contributions toward premiums; cost-related features of plan options such as member co-pays for prescriptions, office and emergency care visits, deductibles, out-of-pocket maximums, and co-insurance percentages. Cost-sharing data and plan design features are used to ensure the State's group benefit plans are competitive with the prevailing market, and they support decisions on designing cost-effective plan options.

The Department also collected data that monitors healthcare-related trends impacting overall costs, including new laws and regulations, utilization, claims, and other practices that are used to project increases in premium rates and employer costs in the market as well as the State's plans. Cost increase trends are used to project all data to a common point in time; specifically, to the new plan year, which begins July 1, 2011.

Data on market premiums, the employers' share of premiums, and related cost-sharing design features of benefit plans were collected from the *MSEC 2010 Health and Welfare Plans Survey* representing the practices of approximately 601 private and public sector employers across Colorado. Medical and dental insurance cost increase trend information on market practices were collected from the *2010 Segal Health Plan Cost Trend Survey*. Medical insurance cost increase trend information on the State's plan was collected from a report from the State's actuary of historical and projected costs through May 31, 2010, and the "lag" report detailing claims paid for the plan year ending June 30, 2010.

As a special interest topic, this year's survey also included a comparison of market practices related to eligibility requirements and employer contributions to group benefit plans for permanent, part-time employees and state legislators. Three sources were used to collect data, the *MSEC 2010 Health and Welfare Plans Survey*, the *2009 Book of States* survey of state governments, and a direct survey conducted by the Department of other state governments.

Appendix A lists all third-party survey reports used. Detailed comparisons and survey findings on group benefit plans are provided in Appendix C, Tables 1 through 6.

Medical Plan – Summary of Findings

For the medical plan design comparisons, the Department used the weighted average of all plans reported in the market and all plan options provided by the State for FY 2010-2011. For the comparison of premiums and premium cost-sharing, the Department used the weighted average of all plans in the market and the average of all options provided by the State, weighted by the current plan enrollment (effective July 1, 2011). The State's medical plan includes two self-funded Preferred Provider Organization (PPO) options, the Choice Plus and Choice Plus Definity (HSA-qualified option) and two fully funded options, the Kaiser Health Maintenance Organization (HMO) and a Kaiser High Deductible Plan (HDHP, a HSA-qualified option). As defined by MSEC, a PPO plan is "a benefit design wherein covered persons obtain a higher level of reimbursement if non-emergency services are obtained from participating providers" and an HMO is "a pre-paid medical group practice plan that provides a comprehensive predetermined

GROUP BENEFIT SURVEY FINDINGS

medical care benefit package.” Based on data collected in the MSEC survey (Table 2), the State is comparable with market employers by offering the most common medical plan options, (PPO, HMO, and HSA-qualified) to its employees. Also comparable with the market is the State’s use of a third-party administrator (TPA) to process the medical claims, including the use of stop-loss insurance. Like the majority of employers, the State does not allow employees to receive cash in lieu of medical coverage.

As part of the Five-Year Total Compensation Strategic Direction, the Department set the goal of reaching 100% of the prevailing employer contribution to premiums by July 1, 2009 (end of the 5th year), so attention could turn to requesting funds to improve plan designs and cost-related features that also lagged the market. The employer contribution in the market was measured based on the actual average dollar amount of employer contributions to premiums compared to the State’s average contribution to medical. As a result of budget shortfalls, allocated funding enabled the State to maintain contributions at 90% of the market employer contributions for three consecutive years; however, the goal to reach prevailing (100%) has not been achieved.

This year, following feedback from employees, the certified employee organizations, and other stakeholders, and based on common practices in the market, the Department has refined its measure of prevailing relative to the percentage of premium contributions shared by the employer and the employee, in addition to overall costs shared by the member as part of the plan design. As an internal policy, effective with the FY 2009-2010 plan year, the State redistributed employer contributions by plan tier to encourage enrollment of eligible children. This policy has been incorporated into the change in how premium cost-sharing is measured to determine adjustments to the State’s share of contributions to premiums for FY 2011-2012.

Detailed comparisons of total premium rates and the employer share of premiums for the market and the State are provided in Table 1. While it is common market practice for employers to pay the overhead costs as well, the overhead costs are not reported as part of their premium rates and premium contributions. Thus, the State’s internal overhead costs are removed from the contribution for purposes of making comparisons with the market. Also, for the current and projected plan years, the one-time Kaiser settlement that was added to the State’s share of contributions has been removed to reflect the actual funding appropriated for employer contributions this year. This will provide an accurate measure of increased dollars that will be required to maintain the competitiveness of State contributions relative to market for FY 2011-2012. Table 1 outlines three comparisons of medical plan premium rates: the market average premium rates adjusted (aged) to July 1, 2011, based on average projected cost increase trends of 10.5%; the weighted average of the State’s current premium rates; and, the State’s current rates projected (aged) to July 1, 2011, based on the projected cost increase trends of 18% for the State’s plans.

Medical cost trend is influenced by a number of complex factors including, but not limited to, medical cost inflation and cost-shifting. Cost increase trends projected in the market for 2010 have remained somewhat consistent with last year showing an average increase projected at 10.5%, which has been applied to project current market premiums to FY 2011-2012. Overall, these projections are intended to be conservative in terms of ensuring the State keeps up with cost increases in the market. Cost increase trends projected for the State, reflecting plan claims

GROUP BENEFIT SURVEY FINDINGS

both projected and paid through FY 2009-2010 remain higher than market, with a year-to-date trend between 17% and 18%. Employee demographics, enrollment patterns, and utilization are key factors in premium cost increases and medical cost trends. The State's demographics such as the average employee age of 46, geography (i.e., all counties), and utilization drive higher overall medical costs compared to employers with which the State competes. Consequently, the State's costs continue to outpace the market trends, requiring a substantial increase in funds to bring plan designs and related costs (e.g., premiums, deductibles, and out-of-pocket maximums) into line with the market. Health care costs continue to outpace wage increases, especially in light of salary budget freezes experienced by the State and other market employers.

The comparison of the State's current premium rates (weighted average of all plan options) in relationship to market, indicate that the State's current premiums are well below average premiums in the market. When the State's premium rates are adjusted to July 1, 2011, using the actuarial cost trend of 18%, they line up directly with the rates reported in market, which may be coincidental. In the comparison of the employer percentage share of contributions, findings indicate the State's contributions are lower than market for employee-only coverage (tier 1) and coverage for employee-plus-spouse (tier 2); however, its premium contributions are higher than the market for tiers 3 and 4 due to the internal policy to encourage coverage for eligible children. Based on this comparison, the Department used the percentage share of market employer contributions for employee coverage as the foundation for adjusting the State's percentage share of premium contributions, while maintaining the internal policy for relative contributions by tier. The results of these adjustments are included in the premium contributions projected for FY 2011-2012 and overall estimated costs to maintain the State's health, dental, and life insurance benefit plans for its classified employees in the FY 2011-2012 plan year.

Overall, the State provides medical plan options that are comparable to the market in terms of basic cost-sharing features (Table 2) such as co-pays, coinsurance responsibility, deductibles, and out-of-pocket maximums; however, the employees' cost through deductibles and out-of-pocket maximums for the State's second most popular plan, the self-funded PPO, Choice Plus, are higher than the market average. As it relates to coverage, the State's medical plan options provide typical and prevailing coverage that includes inpatient care, office visits, psychiatric care, substance abuse programs, prescription drugs, outpatient surgery, home health care and hospice, well baby care, annual physical, nurse line, maternity management, chiropractic, first-dollar preventive care, chronic disease management, and pre-tax flexible benefits.

Other changes in healthcare that will impact medical plans and costs for the State (as well as other market employers) to be phased in over the next eight years, are provisions of the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010 (HCERS), collectively referred to as the Affordable Care Act (ACA). "Grandfathered" plans (those in effect on March 23, 2010) and that have not been materially modified are exempt from some of the provisions until 2014. The Department has begun to assess the grandfathered status of each option in the State's medical plan.

Regardless of grandfathered status, effective July 1, 2011, children to age 26 will be eligible for dependent coverage regardless of the child's marital status, student status, financial dependence, or residence. The child's age and relationship to the employee are the only permissible criteria

GROUP BENEFIT SURVEY FINDINGS

for determining eligibility, except that disabled dependents will continue to be eligible regardless of age. The State's actuary recommends a 2% upward adjustment in premium due to the expansion of coverage for adult children.

If it is determined that any of the State's options are not grandfathered, then effective July 1, 2011, the State must cover certain preventive services at 100%. The State's actuary estimates the impact of this requirement to be small, requiring an upward adjustment of only 0.2%.

Dental Plan – Summary of Findings

In the MSEC survey, three basic plan types were reported (Table 3): Dental PPO (the most common plan type reported in the market), Dental HMO, and Group Indemnity. The State currently provides two PPO options, the Basic Plan and Basic Plus Plan (the State's most prevalent plan). For three consecutive years, funding has been approved to maintain the State's contribution to dental premiums at 85% of the prevailing contribution made by market employers. For the FY 2009-2010 plan year, the State experienced a slight decrease in overall premium costs and as a result a comparison of premium contributions in relationship to the market average employer contributions indicated that the State's contribution was closer to 95% of market. As has been the practice with medical plans, this comparison was calculated based on the total market contribution dollars relative to the State's enrollment of classified employees in all plan tiers. Also as with the State's medical plans, a redistribution of the total employer premium contribution was implemented to encourage enrollment in plans covering children.

Similar to the medical benefits analysis, this year's survey included a comparison of the State's dental plan premium rates and premium contributions in relationship to the average percentage of contributions shared by employers in the market for all plan types (Table 1). As described in the analyses of medical plans, the comparisons of premiums and premium contributions include the current market rates projected to July 1, 2011, using the average cost trend of 5.5% reported by *Segal* for dental plans; the current premium rates for the State weighted by enrollment in all plan options; and, the State's rates adjusted to July 1, 2011, using the State's actuary projections for cost trend increases of 4%. The findings indicate significant differences in premium rates and percentage contribution levels across all tiers in comparing the State's current plan in relationship to the market plans.

The same method for adjusting the State's share of contributions to medical plan premiums was applied to adjust dental plan premium contributions for FY 2011-2012, by using the percentage share of market employer contributions for employee coverage as the foundation for adjusting the State's percentage share while maintaining the internal policy for relative contributions by tier. One slight modification was made to the calculation of percentage share of State contributions to avoid contributions that would be a greater dollar amount than the actual premium for one of the State's plan options. The results of the adjustments are included in the premium contributions projected for FY 2011-2012 (providing a plan that is more in line with market) and the overall estimated costs to maintain the State's health, dental, and life insurance benefit plans for its classified employees in the FY 2011-2012 plan year.

For the comparison of cost-sharing features in plan design (Table 3), the Department used the average of all plans reported in the market and both the State's PPO plan options. Like the State,

GROUP BENEFIT SURVEY FINDINGS

97% of the 598 organizations responding to the MSEC survey, reported offering dental plans to its employees. The State's dental plan options provide typical and prevailing coverage that includes diagnostic and preventive services; basic services such as restorations, periodontal treatment, root canal therapy, and extractions; and, major services such as crowns, bridges, and dentures.

Overall findings indicate that the cost-sharing features as provided in the State's Basic Plus option, (the State's most prevalent plan option) are comparable to the most common practices in the market. Similar to the State's Basic Plus option offering a maximum benefit of \$2,000, the maximum dental benefit reported in the market is between \$1,000 and \$2,000, although \$1,500 is most common. The State's maximum lifetime orthodontic benefit is competitive at \$2,000 compared to the market average of \$1,408. Orthodontia is provided for children by 71% of market employers and for adults by 26% of market employers, which are both offered in the State's plan.

Life Insurance And Accidental Death & Dismemberment (AD&D) – Summary of Findings

The Department collected data from the MSEC survey to compare the basic life and AD&D insurance benefits provided by market employers, including common practices relative to the share of premiums paid by the employee and employer and value of the benefit. Detailed comparisons are provided in Table 4.

Overall, benefits in life and AD&D insurances remain stable as reported by MSEC. The most common practice (97% of employers offering a policy) is for the employer to pay 100% of the premium costs for the plan. The State provides 100% state-paid basic life insurance and AD&D to all employees at a cost of \$9.40 per month per employee. The most common practice reported in the market in terms of the amount of insurance offered is a multiplier of one times the annual salary (30% of employers providing a policy), 1.5 times the annual salary (10% of employers), or two times the annual salary (20% of employers). A comparison of the equivalent benefit amount using the market multiplier based on the average annual salary of the State's classified employees is detailed in Table 4. Similar to the State, 33% of employers provide a policy with a specific dollar amount, the average being \$32,873. Beginning July 2009, the State increased its life benefit to \$50,000 for all employees. This brings the State into a more competitive position with market.

Special Topic of Interest – Eligibility and Benefits for Part-Time Employees

On occasion, the Department is interested in information on total compensation topics that may result in new or revised policy and programs. These special interest items may be used to support policy decisions on total compensation matters, but may not be a recurring survey item each year. This year, the Department included an analysis of the eligibility requirements, benefit plans offered, and share of employer contributions to group benefit plans for permanent, part-time employees. Detailed findings, including benefits for state legislators, are included in Tables 5 and 6 of Appendix C. The Department collected data on practices of Colorado public and private sector employers (258 report having a policy for part-time employees), of other state governments using a direct survey conducted by the Department through the National Association of State Personnel Executives (NASPE) and CSCA (22 of 24 states responding have a policy),

GROUP BENEFIT SURVEY FINDINGS

and data was collected from the *2009 Book of States* on benefits provided for state legislators (47 of 50 states reported providing at least medical benefits).

The Department collected data on eligibility criteria for part-time employees in terms of the minimum number of hours or time worked on average to qualify for fully or partially paid benefits. The most common practice reported by 68% of Colorado market employers and 64% of state governments who responded is establishing part-time eligibility as 20 hours per week or the equivalent of half-time based on an annual work schedule, including regular seasonal workers who work a full-time schedule for six months. Temporary employees do not qualify.

The most common group benefit plan offered to part-time employees that is either fully or partially paid by the employer is medical (provided by 90% of Colorado employers and 91% of state governments that responded). For medical plans, less than one third of employers contribute the same amount toward the premiums for part-time and full-time employees. The most common practices for determining contribution shares is either prorating the employer contribution based on the average hours worked (26% of Colorado employers and 32% of state governments reporting) or the employer pays a flat percentage or dollar amount established for part-time employees meeting the minimum eligibility requirements (29% of Colorado employers and 23% of state governments reporting). One method reported for prorating the percentage contribution by hours worked is the use of a tiered proration schedule that establishes the employer/employee share based on a range of average hours worked.

Dental and basic life insurance plans are also offered by the majority of employers in both markets. The employer contribution to dental tends to be the same proration as medical. Similar to the State, life insurance is frequently offered to all employees with the basic coverage paid for by the employer regardless of full or part-time status. In some cases, employers offer voluntary medical or dental plans to employees not meeting the minimum eligibility requirements but at full cost to the employee.

Data collected specific to benefits offered to state legislators indicates that the State is slightly more generous than other state governments (details in Table 6). While the majority of state governments offer group benefit plans to their legislators, approximately 15% or less provide the same cost-sharing amounts as provided to regular employees. Most common is a shared contribution toward premiums (details not available) and a small percentage of states provide no contribution toward premiums (approximately 13% providing medical and 33% of those providing dental plans).

GROUP BENEFIT SURVEY FINDINGS

Total New Cost Of Contributions To Group Benefit Plans

To keep up with projected cost trend increases and enrollment trend increases (approximately 2%), prepare for impacts of new healthcare reform laws, and provide group benefit plans (medical, dental, basic life and AD&D) that are competitive in terms of the shared contributions toward premiums by the State and employees, the increased cost is estimated to be **\$40,736,867** for medical and **\$2,200,439** for dental. Since there is no change in premiums for basic life and AD&D for FY 2011-2012, the estimated cost to maintain coverage for all eligible employees remains steady.

If State contributions to medical and dental premiums for permanent, part-time employees were prorated based on the average hours worked, an estimated **\$4,567,423** could be saved from the estimated increased costs reported above. A net increase of **\$38,369,883** would be needed for health benefits.

APPENDIX A – THIRD-PARTY SURVEYS

| Organization | Publication | Component(s) |
|---|--|---------------------------------|
| Economic Research Institute (ERI) | 2010 Geographic Assessor Report | Salary |
| Mountain States Employers Council (MSEC) | 2010 Colorado Compensation Survey | Salary |
| Mountain States Employers Council (MSEC) | 2010 Public Employers Survey | Salary |
| Mountain States Employers Council (MSEC) | 2010 Information Technology Survey | Salary |
| Central States Compensation Association (CSCA) | 2009 Central States Salary Survey | Salary |
| Mountain States Employers Council (MSEC) | 2009 Health Care Compensation, Summer | Salary |
| Council of Governments | 2009 Book of States | Benefits |
| Mountain States Employers Council (MSEC) | 2010 Health & Welfare Plans | Benefits |
| The Segal Company | 2010 Health Plan Cost Trend Survey | Benefits Cost Trends |
| Mountain States Employers Council (MSEC) | 2010 Colorado Compensation Survey | Planning & Budgeting |
| Hewitt Associates | 2010-2011 U.S. Salary Increase Survey, Preliminary Results | Planning & Budgeting |
| WorldatWork (WAW) | 2010-2011 Salary Budget Survey, Preliminary Results | Planning & Budgeting |
| Mountain States Employers Council (MSEC) | Special Survey, May 13, 2010, Physician Assistant Pay Practices | Pay Differentials |
| | | |

APPENDIX B – SALARY SURVEY REFERENCES

Geographic Differentials

Because geographic markets are different across the nation, geographic differential factors were collected by referencing the Economic Research Institute’s (ERI) *2010 Geographic Assessor Report*, effective April 2010. The geographic figures reflect wage and salary differentials by each geographic location (statewide averages).

The geographic figures reflect the average of each state for which salary data were collected from the CSCA survey. For making data comparisons, Colorado is considered to be the base state and all other states are compared to the base. For instance, if a state was +3.5% above, that state’s data were decreased by 3.5% to be comparable to Colorado’s geographic market; if a state was -4.3% below, that state’s data were increased by 4.3%. A differential of “1” means that it is equal to the State of Colorado’s geographic area.

| State | Differential |
|--------------------------|--------------|
| Alaska – Statewide | 15.2% |
| Arizona – Statewide | -4.2% |
| Arkansas – Statewide | -10.2% |
| Idaho – Statewide | -7.5% |
| Illinois – Statewide | 4.4% |
| Indiana – Statewide | -4.0% |
| Iowa – Statewide | -6.2% |
| Kansas – Statewide | -6.5% |
| Louisiana – Statewide | -7.0% |
| Michigan – Statewide | 3.5% |
| Minnesota – Statewide | 1.8% |
| Missouri – Statewide | -3.2% |
| Montana – Statewide | -10.2% |
| Nebraska – Statewide | -8.0% |
| Nevada – Statewide | 3.3% |
| New Mexico – Statewide | -8.3% |
| North Dakota – Statewide | -8.9% |
| Oklahoma – Statewide | -10.1% |
| Oregon – Statewide | 2.6% |
| South Dakota – Statewide | -10.6% |
| Texas – Statewide | -4.6% |
| Utah – Statewide | -5.0% |
| Washington – Statewide | 8.6% |
| Wisconsin – Statewide | -1.1% |
| Wyoming – Statewide | -8.6% |
| State of Colorado | 1.0 |

APPENDIX B – SALARY SURVEY REFERENCES

Comparison Tables

Table 1 – Salary Range Placement provides a comparison of the State’s average distribution of employee salaries within the salary range assigned for the job in relationship to the average salary range placement in the market.

Survey Terms and Definitions

Class Title – reflects the titles of the State’s job classes used for comparison to market jobs.

Median (50th Percentile) – Represents the middle figure in a range of rates reported; 50% of the salary rates are below, and 50% of the salary rates are above the median rate.

Wgt Average Salary – Represents the average of salary rates weighted by the number of employees for which salaries were reported for a given benchmark. Also referred to as the mean.

Range Plcm’t – reflects the salary range placement or distribution of the employees’ actual or average salary within the salary range, calculated relative to the minimum and maximum. Formula: $(\text{Salary} - \text{Minimum}) / (\text{Maximum} - \text{Minimum})$

APPENDIX B – SALARY SURVEY REFERENCES

TABLE 1 – COMPARISON OF SALARY RANGE PLACEMENT

| <i>Enforcement & Protective Services</i> | | Market Median Salary 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|---|---------------------------|--------------------------------|-------------------|-------------------|--------------|---------------------------------|-------------------|-------------------|--------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| A1D2 | CORR/YTH/CLIN SEC OFF I | \$3,588 | \$3,068 | \$4,492 | 37% | \$3,475 | \$3,273 | \$4,651 | 15% |
| A1D5 | CORR/YTH/CLN SEC SUPV III | \$4,214 | \$3,157 | \$5,121 | 54% | \$5,030 | \$3,977 | \$5,653 | 63% |
| A2A2 | CRIMINAL INVESTIGATOR I | \$5,458 | \$4,228 | \$5,932 | 72% | \$5,208 | \$4,605 | \$6,545 | 31% |
| A3C1 | COMMUNITY PAROLE OFF | \$3,631 | \$3,214 | \$4,932 | 24% | \$4,451 | \$3,360 | \$6,100 | 40% |
| A3C3 | COMM PAROLE SUPV | \$4,786 | \$3,800 | \$6,321 | 39% | \$6,928 | \$4,965 | \$7,060 | 94% |
| A4B1 | POLICE OFFICER INTERN | \$3,957 | \$3,459 | \$4,583 | 44% | \$3,676 | \$3,360 | \$4,782 | 22% |
| A4B2 | POLICE OFFICER I | \$4,868 | \$3,942 | \$5,537 | 58% | \$4,143 | \$3,707 | \$5,270 | 28% |
| A4B3 | POLICE OFFICER II | \$5,390 | \$4,087 | \$5,398 | 99% | \$5,039 | \$4,175 | \$5,936 | 49% |
| A4B4 | POLICE OFFICER III | \$6,609 | \$5,241 | \$6,954 | 80% | \$6,148 | \$4,965 | \$7,060 | 56% |
| A4B5 | POLICE ADMINISTRATOR I | \$8,036 | \$6,185 | \$8,019 | 101% | \$7,151 | \$5,747 | \$8,172 | 58% |
| EPS Overall Average - Salary Range Placement | | | | | 60% | | | | 48% |

| <i>EPS - Trooper Sub-Group</i> | | Market Wgt Average Salary at 99% 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|---|-------------------------|---|-------------------|-------------------|--------------|---------------------------------|-------------------|-------------------|--------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| A4A3 | STATE PATROL TROOPER | \$5,775 | \$4,217 | \$6,056 | 85% | \$4,836 | \$4,167 | \$5,920 | 38% |
| A4A5 | STATE PATROL SUPERVISOR | \$7,183 | \$6,291 | \$8,015 | 52% | \$6,975 | \$4,930 | \$7,008 | 98% |
| A4A6 | STATE PATROL ADMIN I | \$8,338 | \$7,472 | \$9,192 | 50% | \$7,921 | \$5,582 | \$7,937 | 99% |
| A4A7 | STATE PATROL ADMIN II | \$9,293 | \$8,547 | \$10,181 | 46% | \$8,871 | \$6,253 | \$8,888 | 99% |
| Overall Average - Salary Range Placement | | | | | 59% | | | | 87% |

APPENDIX B – SALARY SURVEY REFERENCES

| <i>Health Care Services</i> | | Market Median Salary 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|---|---------------------------|--------------------------------|-------------------|-------------------|--------------|---------------------------------|-------------------|-------------------|--------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| C1H1 | DENTIST I | \$9,879 | \$7,031 | \$12,141 | 56% | \$10,511 | \$8,692 | \$12,696 | 45% |
| C4L2 | SOCIAL WORK/COUNSELOR II | \$4,592 | \$3,456 | \$5,124 | 68% | \$4,301 | \$3,757 | \$5,436 | 32% |
| C4L3 | SOCIAL WORK/COUNSELOR III | \$5,047 | \$3,719 | \$5,620 | 70% | \$4,847 | \$4,141 | \$5,991 | 38% |
| C4L4 | SOCIAL WORK/COUNSELOR IV | \$4,771 | \$3,744 | \$6,375 | 39% | \$5,361 | \$4,351 | \$6,291 | 52% |
| C4M2 | PSYCHOLOGIST I | \$6,092 | \$4,393 | \$7,056 | 64% | \$6,592 | \$5,431 | \$7,853 | 48% |
| C5K2 | THERAPIST II | \$5,665 | \$4,257 | \$6,515 | 62% | \$4,872 | \$4,053 | \$5,863 | 45% |
| C5L2 | THERAPY ASSISTANT II | \$3,761 | \$2,851 | \$4,272 | 64% | \$3,566 | \$2,804 | \$4,055 | 61% |
| C6P2 | CLIENT CARE AIDE II | \$2,312 | \$2,066 | \$3,146 | 23% | \$2,359 | \$2,096 | \$3,027 | 28% |
| C6Q4 | DENTAL CARE IV | \$4,699 | \$3,139 | \$5,042 | 82% | \$4,823 | \$4,053 | \$5,863 | 43% |
| C6R1 | HEALTH CARE TECH I | \$3,184 | \$2,604 | \$3,990 | 42% | \$2,851 | \$2,543 | \$3,678 | 27% |
| C6S1 | NURSE I | \$5,854 | \$4,236 | \$6,479 | 72% | \$4,957 | \$4,141 | \$5,991 | 44% |
| C6S3 | NURSE III | \$7,178 | \$5,100 | \$7,846 | 76% | \$6,050 | \$4,926 | \$7,124 | 51% |
| C6S4 | MID-LEVEL PROVIDER | \$7,392 | \$5,583 | \$8,449 | 63% | \$6,677 | \$5,431 | \$7,853 | 51% |
| C6S6 | NURSE VI | \$8,446 | \$6,180 | \$10,051 | 59% | \$8,276 | \$7,364 | \$10,067 | 34% |
| C7C3 | HEALTH PROFESSIONAL III | \$4,493 | \$3,748 | \$5,730 | 38% | \$4,968 | \$4,351 | \$6,291 | 32% |
| C7C6 | HEALTH PROFESSIONAL VI | \$9,468 | \$7,001 | \$10,901 | 63% | \$6,784 | \$5,828 | \$8,430 | 37% |
| C7C7 | HEALTH PROFESSIONAL VII | \$8,539 | \$5,894 | \$9,980 | 65% | \$8,203 | \$6,425 | \$9,291 | 62% |
| C8A2 | DIAG PROCED TECHNOL II | \$3,893 | \$3,295 | \$4,961 | 36% | \$3,790 | \$3,501 | \$5,063 | 19% |
| C8A3 | DIAG PROCED TECHNOL III | \$5,827 | \$4,425 | \$6,620 | 64% | \$4,418 | \$3,946 | \$5,707 | 27% |
| C8C1 | LABORATORY SUPPORT I | \$2,530 | \$2,045 | \$3,052 | 48% | \$2,254 | \$1,950 | \$2,820 | 35% |
| C8D1 | LABORATORY TECHNOLOGY I | \$3,679 | \$2,850 | \$4,346 | 55% | \$3,499 | \$3,177 | \$4,594 | 23% |
| C8D2 | LABORATORY TECHNOLOGY II | \$3,863 | \$3,036 | \$4,862 | 45% | \$4,033 | \$3,501 | \$5,063 | 34% |
| C8D4 | LABORATORY TECHNOLOGY IV | \$6,399 | \$4,654 | \$7,293 | 66% | \$5,693 | \$4,469 | \$6,464 | 61% |
| C8E1 | PHARMACY I | \$9,441 | \$7,567 | \$10,663 | 61% | \$6,524 | \$6,425 | \$9,291 | 3% |
| C8E3 | PHARMACY III | \$11,257 | \$8,365 | \$13,116 | 61% | \$9,125 | \$7,567 | \$10,067 | 62% |
| HCS Overall Average - Salary Range Placement | | | | | 59% | | | | 41% |

APPENDIX B – SALARY SURVEY REFERENCES

| <i>Labor, Trades & Crafts</i> | | Market Median Salary 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|---|------------------------|--------------------------------|-------------------|-------------------|--------------|---------------------------------|-------------------|-------------------|--------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| D6A2 | ELECTRICAL TRADES II | \$4,951 | \$3,736 | \$5,490 | 69% | \$4,287 | \$3,585 | \$5,042 | 48% |
| D6C2 | PIPE/MECH TRADES II | \$4,403 | \$3,350 | \$4,928 | 67% | \$4,362 | \$3,585 | \$5,042 | 53% |
| D6D1 | STRUCTURAL TRADES I | \$3,383 | \$2,681 | \$3,821 | 62% | \$2,831 | \$2,491 | \$3,510 | 33% |
| D6D2 | STRUCTURAL TRADES II | \$4,064 | \$3,092 | \$4,574 | 66% | \$3,427 | \$2,883 | \$4,059 | 46% |
| D6E1 | UTILITY PLANT OPER I | \$4,295 | \$3,194 | \$4,780 | 69% | \$4,212 | \$3,412 | \$4,802 | 58% |
| D7A2 | EQUIPMENT MECHANIC II | \$4,023 | \$3,141 | \$4,467 | 66% | \$3,706 | \$3,096 | \$4,356 | 48% |
| D7A3 | EQUIPMENT MECHANIC III | \$4,283 | \$3,422 | \$4,786 | 63% | \$4,396 | \$3,680 | \$5,179 | 48% |
| D7B1 | EQUIPMENT OPERATOR I | \$2,568 | \$1,945 | \$2,905 | 65% | \$2,383 | \$2,097 | \$2,948 | 34% |
| D7B2 | EQUIPMENT OPERATOR II | \$2,916 | \$2,417 | \$3,366 | 53% | \$2,731 | \$2,547 | \$3,585 | 18% |
| D7B3 | EQUIPMENT OPERATOR III | \$3,410 | \$2,955 | \$4,407 | 31% | \$3,543 | \$2,808 | \$3,950 | 64% |
| D7B4 | EQUIPMENT OPERATOR IV | \$3,753 | \$3,117 | \$4,289 | 54% | \$3,959 | \$2,947 | \$4,150 | 84% |
| D7C2 | PRODUCTION II | \$2,987 | \$2,450 | \$3,619 | 46% | \$2,298 | \$2,097 | \$2,948 | 24% |
| D7C3 | PRODUCTION III | \$2,878 | \$2,542 | \$3,934 | 24% | \$2,873 | \$2,311 | \$3,252 | 60% |
| D7D1 | TRANSPORTATION MTC I | \$2,997 | \$2,564 | \$3,698 | 38% | \$3,400 | \$2,808 | \$3,950 | 52% |
| D7D2 | TRANSPORTATION MTC II | \$4,183 | \$3,378 | \$4,647 | 63% | \$4,094 | \$3,096 | \$4,356 | 79% |
| D7D3 | TRANSPORTATION MTC III | \$4,477 | \$3,566 | \$5,173 | 57% | \$4,967 | \$3,865 | \$5,440 | 70% |
| D8B1 | CUSTODIAN I | \$2,115 | \$1,835 | \$2,625 | 35% | \$1,930 | \$1,723 | \$2,427 | 29% |
| D8B3 | CUSTODIAN III | \$3,416 | \$2,879 | \$4,184 | 41% | \$2,969 | \$2,547 | \$3,585 | 41% |
| D8C2 | DINING SERVICES II | \$1,977 | \$1,672 | \$2,415 | 41% | \$1,888 | \$1,686 | \$2,376 | 29% |
| D8C3 | DINING SERVICES III | \$2,513 | \$2,034 | \$3,008 | 49% | \$2,175 | \$1,951 | \$2,747 | 28% |
| D8C5 | DINING SERVICES V | \$3,610 | \$2,745 | \$4,032 | 67% | \$2,951 | \$2,618 | \$3,681 | 31% |
| D8D1 | GENERAL LABOR I | \$2,887 | \$2,466 | \$3,689 | 34% | \$2,427 | \$2,200 | \$3,096 | 25% |
| D8E1 | GROUNDS & NURSERY I | \$3,409 | \$2,833 | \$3,868 | 56% | \$2,671 | \$2,547 | \$3,585 | 12% |
| D8E3 | GROUNDS & NURSERY III | \$4,413 | \$3,769 | \$5,214 | 45% | \$3,530 | \$3,178 | \$4,476 | 27% |
| D8G1 | MATERIALS HANDLER I | \$2,640 | \$2,173 | \$3,204 | 45% | \$2,436 | \$2,152 | \$3,031 | 32% |
| D8G2 | MATERIALS HANDLER II | \$2,827 | \$2,317 | \$3,463 | 45% | \$3,044 | \$2,618 | \$3,681 | 40% |
| D8G4 | MATERIALS SUPERVISOR | \$4,276 | \$3,556 | \$5,239 | 43% | \$4,441 | \$3,865 | \$5,440 | 37% |
| D8H1 | SECURITY I | \$2,542 | \$2,152 | \$3,265 | 35% | \$2,482 | \$2,261 | \$3,181 | 24% |
| D9A1 | CORRECTL INDUS SUPV I | \$3,858 | \$3,006 | \$4,953 | 44% | \$3,836 | \$3,412 | \$4,802 | 31% |
| D9B3 | ENGR/PHYS SCI ASST III | \$3,865 | \$3,085 | \$4,401 | 59% | \$3,331 | \$2,748 | \$3,867 | 52% |
| D9C2 | INSPECTOR II | \$4,672 | \$3,856 | \$5,444 | 51% | \$4,421 | \$3,948 | \$5,558 | 29% |
| D9D1 | LTC OPERATIONS I | \$6,079 | \$4,667 | \$6,663 | 71% | \$5,509 | \$4,259 | \$5,998 | 72% |
| D9D2 | LTC OPERATIONS II | \$5,912 | \$4,503 | \$6,935 | 58% | \$6,262 | \$4,696 | \$6,607 | 82% |
| LTC Overall Average - Salary Range Placement | | | | | 53% | | | | 46% |

APPENDIX B – SALARY SURVEY REFERENCES

| Administrative & Support Related | | Market Median Salary 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|---|---------------------------|--|---------------------------|---------------------------|---------------------|---|---------------------------|---------------------------|---------------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| G1A2 | POLICE COMMUNICATION TECH | \$3,941 | \$3,213 | \$4,452 | 59% | \$3,602 | \$3,042 | \$4,269 | 46% |
| G1A3 | POLICE COMMUNICATION SUPV | \$5,157 | \$4,081 | \$5,568 | 72% | \$4,705 | \$3,990 | \$5,594 | 45% |
| G2C2 | CUST SUPPORT COORD I | \$3,705 | \$3,128 | \$4,553 | 40% | \$3,771 | \$3,356 | \$4,706 | 31% |
| G2C4 | CUST SUPPORT COORD III | \$5,822 | \$5,173 | \$7,836 | 24% | \$5,558 | \$4,619 | \$6,477 | 51% |
| G2D4 | DATA SPECIALIST | \$3,666 | \$2,699 | \$3,881 | 82% | \$3,093 | \$2,836 | \$3,977 | 22% |
| G3A2 | ADMIN ASSISTANT I | \$2,518 | \$2,123 | \$3,108 | 40% | \$2,283 | \$2,117 | \$2,968 | 20% |
| G3A3 | ADMIN ASSISTANT II | \$3,138 | \$2,519 | \$3,692 | 53% | \$2,796 | \$2,573 | \$3,609 | 22% |
| G3A4 | ADMIN ASSISTANT III | \$3,927 | \$3,074 | \$4,553 | 58% | \$3,308 | \$2,897 | \$4,065 | 35% |
| G3A5 | OFFICE MANAGER I | \$4,505 | \$3,640 | \$5,410 | 49% | \$4,205 | \$3,448 | \$4,834 | 55% |
| G3C3 | LIBRARY TECHNICIAN II | \$2,846 | \$2,308 | \$3,689 | 39% | \$3,092 | \$2,836 | \$3,977 | 22% |
| G3D1 | MEDICAL RECORDS TECH I | \$2,632 | \$2,236 | \$3,309 | 37% | \$3,127 | \$2,760 | \$3,870 | 33% |
| G3D2 | MEDICAL RECORDS TECH II | \$4,208 | \$3,210 | \$4,720 | 66% | \$3,847 | \$3,197 | \$4,481 | 51% |
| G3H2 | UNEMP INSURANCE TECH | \$3,244 | \$2,774 | \$4,364 | 30% | \$3,295 | \$2,897 | \$4,065 | 34% |
| G4A2 | COLLECTIONS REP II | \$3,064 | \$2,717 | \$4,283 | 22% | \$2,627 | \$2,334 | \$3,274 | 31% |
| G4B2 | DRIVER'S LIC EXAM II | \$2,960 | \$2,452 | \$3,755 | 39% | \$2,597 | \$2,573 | \$3,609 | 2% |
| ASR Overall Average - Salary Range Placement | | | | | 46% | | | | 35% |

| Professional Services | | Market Median Salary 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|------------------------------|--------------------------|--|---------------------------|---------------------------|---------------------|---|---------------------------|---------------------------|---------------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| H2I2 | IT TECHNICIAN II | \$4,714 | \$3,839 | \$5,692 | 47% | \$4,199 | \$3,728 | \$5,379 | 29% |
| H2I4 | IT PROFESSIONAL II | \$6,034 | \$4,693 | \$7,111 | 55% | \$5,368 | \$4,530 | \$6,535 | 42% |
| H2I5 | IT PROFESSIONAL III | \$7,176 | \$5,481 | \$8,319 | 60% | \$6,378 | \$4,994 | \$7,203 | 63% |
| H2I6 | IT PROFESSIONAL IV | \$8,030 | \$6,183 | \$9,493 | 56% | \$7,514 | \$5,784 | \$8,341 | 68% |
| H2I8 | IT PROFESSIONAL VI | \$10,250 | \$7,804 | \$12,140 | 56% | \$9,161 | \$7,181 | \$10,067 | 69% |
| H3I5 | MEDIA SPECIALIST IV | \$4,022 | \$3,881 | \$5,619 | 8% | \$4,417 | \$3,628 | \$5,233 | 49% |
| H3U4 | ARTS PROFESSIONAL II | \$4,234 | \$3,238 | \$4,920 | 59% | \$3,943 | \$3,204 | \$4,620 | 52% |
| H4M3 | TECHNICIAN III | \$3,446 | \$2,869 | \$4,590 | 34% | \$3,549 | \$3,052 | \$4,404 | 37% |
| H4M4 | TECHNICIAN IV | \$3,944 | \$3,400 | \$4,986 | 34% | \$4,202 | \$3,534 | \$5,097 | 43% |
| H4P2 | FINGERPRINT EXAMINER I | \$3,835 | \$2,845 | \$4,398 | 64% | \$4,176 | \$3,455 | \$4,985 | 47% |
| H4Q2 | PORT OF ENTRY I | \$3,654 | \$2,851 | \$4,414 | 51% | \$3,588 | \$3,138 | \$4,522 | 32% |
| H4R1 | PROGRAM ASSISTANT I | \$4,032 | \$2,946 | \$5,155 | 49% | \$3,744 | \$2,985 | \$4,307 | 57% |
| H5E1 | LEGAL ASSISTANT I | \$4,425 | \$3,646 | \$5,455 | 43% | \$3,886 | \$3,534 | \$5,097 | 22% |
| H5E2 | LEGAL ASSISTANT II | \$5,535 | \$4,394 | \$6,419 | 56% | \$4,916 | \$4,087 | \$5,898 | 46% |
| H5F2 | HEARINGS OFFICER II | \$5,211 | \$4,461 | \$7,292 | 27% | \$5,558 | \$4,733 | \$6,828 | 39% |
| H6G3 | GENERAL PROFESSIONAL III | \$4,475 | \$3,659 | \$5,568 | 43% | \$4,740 | \$3,895 | \$5,617 | 49% |
| H6G4 | GENERAL PROFESSIONAL IV | \$5,430 | \$4,408 | \$6,771 | 43% | \$5,744 | \$4,733 | \$6,828 | 48% |
| H6G5 | GENERAL PROFESSIONAL V | \$7,189 | \$5,599 | \$8,227 | 60% | \$6,773 | \$5,481 | \$7,903 | 53% |
| H6G6 | GENERAL PROFESSIONAL VI | \$8,305 | \$6,336 | \$9,819 | 57% | \$7,728 | \$6,041 | \$8,713 | 63% |
| H6G8 | MANAGEMENT | \$8,825 | \$8,442 | \$13,216 | 8% | \$9,319 | \$6,662 | \$10,067 | 78% |
| H6G8S | MANAGEMENT-SES | \$9,474 | \$6,717 | \$11,306 | 60% | \$10,940 | \$6,662 | \$12,583 | 72% |
| H6J3 | COMP INSURANCE SPEC II | \$5,122 | \$4,016 | \$6,001 | 56% | \$4,732 | \$3,895 | \$5,617 | 49% |

APPENDIX B – SALARY SURVEY REFERENCES

| | | | | | | | | | |
|-----------|---|---------|---------|----------|------------|---------|---------|----------|------------|
| H6K2 | COMPL INVESTIGATOR I | \$3,768 | \$3,143 | \$5,202 | 30% | \$4,512 | \$3,895 | \$5,617 | 36% |
| H6M1 | FOOD SERV MGR I | \$4,979 | \$3,797 | \$5,922 | 56% | \$3,936 | \$3,366 | \$4,851 | 38% |
| H6M4 | FOOD SERV MGR IV | \$7,427 | \$5,305 | \$8,492 | 67% | \$7,450 | \$5,481 | \$7,903 | 81% |
| H6N3 | LABOR/EMPLOYMENT SPEC II | \$3,490 | \$3,065 | \$4,722 | 26% | \$4,486 | \$3,895 | \$5,617 | 34% |
| H6N5 | LABOR/EMPLOYMENT SPEC IV | \$4,527 | \$3,827 | \$5,888 | 34% | \$6,225 | \$5,481 | \$7,903 | 31% |
| H6P2 | PARK MANAGER II | \$3,471 | \$3,126 | \$4,940 | 19% | \$3,543 | \$3,366 | \$4,851 | 12% |
| H6P3 | PARK MANAGER III | \$4,467 | \$3,471 | \$5,596 | 47% | \$4,381 | \$3,895 | \$5,617 | 28% |
| H6R2 | REHABILITATION COUNS I | \$3,997 | \$3,233 | \$5,133 | 40% | \$4,205 | \$3,895 | \$5,617 | 18% |
| H6U3 | WILDLIFE MANAGER III | \$4,413 | \$3,467 | \$5,641 | 44% | \$4,795 | \$4,087 | \$5,898 | 39% |
| H6U5 | WILDLIFE MANAGER V | \$5,525 | \$4,046 | \$6,819 | 53% | \$7,081 | \$5,754 | \$8,297 | 52% |
| H6V1 | YOUTH SERV COUNSELOR I | \$3,332 | \$2,933 | \$4,602 | 24% | \$4,558 | \$3,895 | \$5,617 | 39% |
| H7A1 | STATE TEACHER I | \$4,463 | \$3,178 | \$5,729 | 50% | \$4,638 | \$4,409 | \$6,362 | 12% |
| H7C2 | EARLY CHILDHOOD EDUC I | \$2,371 | \$2,165 | \$3,302 | 18% | \$2,070 | \$1,970 | \$2,846 | 11% |
| H8A1 | ACCOUNTANT I | \$3,842 | \$3,228 | \$4,755 | 40% | \$4,062 | \$3,534 | \$5,097 | 34% |
| H8A2 | ACCOUNTANT II | \$4,404 | \$3,612 | \$5,347 | 46% | \$4,794 | \$3,895 | \$5,617 | 52% |
| H8A3 | ACCOUNTANT III | \$6,591 | \$5,108 | \$7,758 | 56% | \$5,798 | \$4,861 | \$7,012 | 44% |
| H8A4 | ACCOUNTANT IV | \$7,539 | \$5,885 | \$8,899 | 55% | \$7,078 | \$6,041 | \$8,713 | 39% |
| H8B1 | ACCOUNTING TECHNICIAN I | \$2,779 | \$2,270 | \$3,567 | 39% | \$2,607 | \$2,391 | \$3,449 | 20% |
| H8B2 | ACCOUNTING TECHNICIAN II | \$3,284 | \$2,677 | \$3,926 | 49% | \$2,892 | \$2,636 | \$3,801 | 22% |
| H8B3 | ACCOUNTING TECHNICIAN III | \$3,696 | \$3,033 | \$4,384 | 49% | \$3,528 | \$3,052 | \$4,404 | 35% |
| H8B4 | ACCOUNTING TECHNICIAN IV | \$5,261 | \$4,315 | \$6,446 | 44% | \$4,183 | \$3,711 | \$5,349 | 29% |
| H8C3 | CONTROLLER III | \$8,161 | \$6,178 | \$9,570 | 58% | \$9,159 | \$7,167 | \$10,067 | 69% |
| H8D3 | AUDITOR II | \$4,582 | \$3,697 | \$5,832 | 41% | \$4,534 | \$4,001 | \$5,771 | 30% |
| H8D5 | AUDITOR IV | \$8,502 | \$6,599 | \$10,190 | 53% | \$7,132 | \$5,754 | \$8,297 | 54% |
| H8E2 | BUDGET ANALYST II | \$4,965 | \$3,916 | \$6,829 | 36% | \$5,495 | \$4,409 | \$6,362 | 56% |
| H8E5 | BUDGET & POLICY ANLST V | \$7,693 | \$5,887 | \$8,556 | 68% | \$9,189 | \$6,662 | \$9,613 | 86% |
| H8F3 | FIN/CREDIT EXAMINER II | \$5,174 | \$3,924 | \$6,784 | 44% | \$5,381 | \$4,861 | \$7,012 | 24% |
| H8G3 | RATE/FINANCIAL ANLYST II | \$4,745 | \$3,671 | \$6,074 | 45% | \$5,232 | \$4,733 | \$6,828 | 24% |
| H8G5 | RATE/FINANCIAL ANLYST IV | \$6,323 | \$4,846 | \$7,765 | 51% | \$7,312 | \$6,345 | \$9,147 | 34% |
| H8J3 | PROPERTY TAX SPEC II | \$4,756 | \$3,488 | \$5,668 | 58% | \$4,948 | \$4,409 | \$6,362 | 28% |
| H8K3 | REVENUE AGENT II | \$4,437 | \$3,609 | \$5,465 | 45% | \$4,740 | \$4,508 | \$6,505 | 12% |
| H8K5 | REVENUE AGENT IV | \$6,106 | \$5,151 | \$7,242 | 46% | \$7,840 | \$6,206 | \$8,953 | 59% |
| H8N1 | TAX EXAMINER I | \$3,511 | \$2,607 | \$4,473 | 48% | \$3,467 | \$3,204 | \$4,620 | 19% |
| PS | Overall Average - Salary Range Placement | | | | 47% | | | | 46% |

APPENDIX B – SALARY SURVEY REFERENCES

| <i>Physical Science & Engineering</i> | | Market Median Salary 7/1/11 | Market Range | | Range Plcm't | State Average Salary 6/30/10 | State Range | | Range Plcm't |
|---|---------------------------|--------------------------------|-------------------|-------------------|--------------|---------------------------------|-------------------|-------------------|--------------|
| Class Code | Class Title | | Minimum 7/1/11 | Maximum 7/1/11 | | | Minimum 7/1/10 | Maximum 7/1/10 | |
| I1B2 | STATISTICAL ANALYST II | \$3,761 | \$3,196 | \$5,192 | 28% | \$5,293 | \$4,593 | \$6,590 | 35% |
| I2A3 | ARCHITECT I | \$5,077 | \$3,978 | \$6,387 | 46% | \$6,291 | \$5,062 | \$7,266 | 56% |
| I2B1 | ELECTRONIC ENGINEER I | \$6,442 | \$4,858 | \$7,151 | 69% | \$6,897 | \$5,581 | \$8,011 | 54% |
| I2C1 | ENGINEER-IN-TRAINING I | \$4,872 | \$4,045 | \$6,110 | 40% | \$4,538 | \$4,077 | \$5,850 | 26% |
| I2C2 | ENGINEER-IN-TRAINING II | \$6,461 | \$5,078 | \$7,547 | 56% | \$5,346 | \$4,593 | \$6,590 | 38% |
| I2C4 | PROFESSIONAL ENGINEER I | \$6,995 | \$5,426 | \$8,201 | 57% | \$7,115 | \$5,459 | \$7,838 | 70% |
| I2C5 | PROFESSIONAL ENGINEER II | \$8,393 | \$5,987 | \$9,208 | 75% | \$8,493 | \$6,462 | \$9,273 | 72% |
| I2C6 | PROFESSIONAL ENGINEER III | \$10,833 | \$8,086 | \$12,274 | 66% | \$9,383 | \$8,068 | \$10,067 | 66% |
| I3A3 | ENVIRON PROTECT SPEC II | \$4,743 | \$3,666 | \$5,806 | 50% | \$6,148 | \$4,954 | \$7,109 | 55% |
| I3A6 | ENVIRON PROTECT SPEC V | \$9,460 | \$6,906 | \$10,483 | 71% | \$9,360 | \$7,126 | \$10,067 | 76% |
| I3B3 | PHY SCI RES/SCIENTIST II | \$5,095 | \$3,939 | \$6,263 | 50% | \$6,084 | \$4,954 | \$7,109 | 52% |
| I5D1 | ENGR/PHYS SCI TECH I | \$4,093 | \$3,365 | \$4,823 | 50% | \$4,030 | \$3,520 | \$5,055 | 33% |
| I5D2 | ENGR/PHYS SCI TECH II | \$4,735 | \$3,723 | \$5,272 | 65% | \$4,687 | \$3,779 | \$5,423 | 55% |
| I5D3 | ENGR/PHYS SCI TECH III | \$4,625 | \$3,624 | \$5,669 | 49% | \$5,511 | \$4,165 | \$5,979 | 74% |
| I5E3 | ELECTRONICS SPEC II | \$5,065 | \$3,849 | \$5,635 | 68% | \$4,537 | \$3,779 | \$5,423 | 46% |
| I9B3 | PROF LAND SURVEYOR I | \$5,168 | \$3,996 | \$6,091 | 56% | \$5,622 | \$4,822 | \$6,922 | 38% |
| PSE Overall Average - Salary Range Placement | | | | | 58% | | | | 55% |

Overall Average - All Occupational Groups

52%

46%

APPENDIX C – GROUP BENEFIT PLAN COMPARISONS

Group Benefit Plan Comparisons

Summarized in the following tables are comparisons of medical, dental, and basic life insurance plan features, cost-sharing, and benefit amounts. Comparisons were made based on the market weighted average of all plans offered or percentage of market employers offering a plan relative to the State's plan options or weighted average of all options (see notes under premium comparisons). Premium rates, plan features, and cost-sharing data for Colorado employers were collected from the *MSEC 2010 Health and Welfare Survey*. Eligibility criteria and cost-sharing data for part-time employees in other state governments were collected from a direct survey conducted by the Department through *NASPE* and *CSCA* human resources professionals and eligibility criteria and cost-sharing data for state legislators were collected from the *2009 Book of States* survey of state governments.

Table 1 – Provides a comparison of medical and dental premiums; specifically, total premium rates and employer contributions toward premiums for employers in the Colorado labor market and the State. The market data was adjusted (aged) to July 1, 2011, based on projected cost increase trends of 10.5% for medical and 5.5% for dental. The State's data reflects the overall average of current FY 2010-2011 premium rates and employer contributions weighted by plan enrollment (effective July 1, 2010) along with estimated premium rates and contributions for FY 2011-2012 based on actuarial projections for cost increase trends of 18% for medical and 4% for dental. The average enrollment increase trend of 2% for the State of Colorado's plans was not included in the projected new premium rates. (See details behind projected cost increases beginning on page 12 of the report.)

Table 2 – Provides information regarding the medical plan options and cost-sharing features of the plans offered by Colorado market employers in comparison to the States plan options such as the most common plans offered and the members' share of co-pays and co-insurance, deductibles, and out-of-pocket maximums.

Table 3 – Provides information regarding the dental plan options and cost-sharing features of the plans offered by Colorado market employers in comparison to the States plan options such as the most common plans offered, maximum benefits, and common plan coverage.

Table 4 – Summarizes the most common practices reported in the market related to basic life insurance plans and the annual benefit amount in terms of the State's average employee salary.

Table 5 – Provides a comparison of benefits eligibility and employer contribution for permanent, part-time employees. This comparison provides data from employers in the Colorado market as well as other state governments.

Table 6 – Provides a comparison of benefits eligibility and cost-sharing for legislators. This comparison provides data from other state governments.

Note: Types of plans provided and benefits offered are reported as a percentage of the total number of organizations offering a policy. Because employers may offer multiple plans, the percentages of plans provided will not add up to 100.

APPENDIX C – GROUP BENEFIT PLAN COMPARISONS

TABLE 1 – PREMIUM COST SHARING, COMPARISON OF STATE TO MARKET

| MEDICAL PLANS | Total Premium | Employer Contribution | % Employer Share |
|---|----------------------|------------------------------|-------------------------|
| Market Weighted Average* (All Plans) | | | |
| Tier 1 | \$505.56 | \$429.73 | 85% |
| Tier 2 | \$1,042.98 | \$730.09 | 70% |
| Tier 3 | \$926.51 | \$657.82 | 71% |
| Tier 4 | \$1,459.28 | \$977.72 | 67% |
| State Weighted Average, Current** (All Plan Options) | | | |
| Tier 1 | \$430.33 | \$352.56 | 82% |
| Tier 2 | \$937.99 | \$598.46 | 64% |
| Tier 3 | \$781.23 | \$633.60 | 81% |
| Tier 4 | \$1,269.82 | \$879.48 | 69% |
| State Weighted Average, Projected to FY11-12*** (All Plan Options) | | | |
| Tier 1 | \$507.80 | \$431.64 | 85% |
| Tier 2 | \$1,106.82 | \$733.78 | 66% |
| Tier 3 | \$921.86 | \$776.96 | 84% |
| Tier 4 | \$1,498.38 | \$1,079.10 | 72% |

*Market premium rates adjusted to July 1, 2011 based on projected market cost increase trends of 10.5%.

**State weighted average of all premium rates effective July 1, 2010; does not include one-time Kaiser settlement.

***State weighted average premium rates adjusted to July 1, 2011 based on cost increase trend of 18% projected for the State. The ER contribution is based on the percentage (%) market ER share and the State's policy regarding health coverage for children.

| DENTAL PLANS | Total Premium | Employer Contribution | % Employer Share |
|---|----------------------|------------------------------|-------------------------|
| Market Weighted Average* (All Plans) | | | |
| Tier 1 | \$34.60 | \$27.33 | 79% |
| Tier 2 | \$66.77 | \$42.07 | 63% |
| Tier 3 | \$74.51 | \$46.19 | 62% |
| Tier 4 | \$107.66 | \$61.37 | 57% |
| State Weighted Average, Current** (All Plan Options) | | | |
| Tier 1 | \$27.52 | \$17.70 | 64% |
| Tier 2 | \$61.37 | \$30.08 | 49% |
| Tier 3 | \$54.13 | \$31.84 | 59% |
| Tier 4 | \$87.26 | \$44.24 | 51% |
| State Weighted Average, Projected to FY11-12*** (All Plan Options) | | | |
| Tier 1 | \$28.62 | \$21.72 | 76% |
| Tier 2 | \$63.82 | \$36.92 | 58% |
| Tier 3 | \$56.30 | \$39.10 | 69% |
| Tier 4 | \$90.76 | \$54.30 | 60% |

*Market premium rates adjusted to July 1, 2011 based on projected market cost increase trends of 5.5%.

**State weighted average of all premium rates effective July 1, 2010.

***State weighted average premium rates adjusted to July 1, 2011 based on cost increase trend of 4% projected for the State. The ER contribution is based on the percentage (%) market ER share and the State's policy regarding health coverage for children, with a slight adjustment for differences in current plan premium rates.

APPENDIX C – GROUP BENEFIT PLAN COMPARISONS

TABLE 2 – MEDICAL PLAN OPTIONS, COST-SHARING FEATURES

| Medical Plan Benefits | Market* | State** | |
|---|--------------------------------------|--|----------------------------------|
| Types of Medical Plans Offered | % Providing Plan | Plan Offered? | |
| Preferred Provider Organization (PPO) | 70% | Yes | |
| Consumer Driven Health Plan (HSA/HRA) | 33% | Yes (HSA qualified option) | |
| Health Maintenance Organization (HMO) | 28% | Yes | |
| Point of Service (POS) | 15% | No | |
| Self-insured/Self-funded | 42% | Yes | |
| Flexible Spending Accounts (Section 125/129) | 91% | Employee Salary Reduction Plan | |
| Premiums & Health Care | 87% | Yes | |
| Dependent Care | 71% | Yes | |
| Prescriptions, Pharmacy Co-pay*** (31 day supply) | Market Average (All Plans) | Self-Funded PPO Choice Plus (HSA Qualified^) | Kaiser HMO (HDHP^) |
| Generic | \$12 | \$10 (\$10) | \$10 (\$10) |
| Formulary Brand | \$32 | \$25 (\$25) | \$30 (\$40) |
| Non-Formulary Brand | \$54 | \$50 (\$50) | -- |
| Prescriptions, Mail Order Co-pay*** (90 day supply) | Market Average (All Plans) | Self-Funded PPO Choice Plus (HSA Qualified^) | Kaiser HMO (HDHP^) |
| Generic | \$24 | \$25 (\$25) | \$20 (\$20) |
| Formulary Brand | \$66 | \$62.50 (\$62.50) | \$60 (\$80) |
| Non-Formulary Brand | \$110 | \$125 (\$125) | -- |
| Miscellaneous Co-pays/Coinsurance | Market Average (All Plans) | Self-Funded PPO Choice Plus (HSA Qualified^) | Kaiser HMO (HDHP^) |
| Office Visit (Primary Care), Co-pay Coinsurance | \$38 Not reported | \$30 (20%) | \$30 (10%) |
| Emergency Care, Co-pay Coinsurance | \$224 Not reported | N/A (20%) | \$100 (10%) |
| In-Network Member Costs | Market Average (All Plans) | Self-Funded PPO Choice Plus (HSA Qualified^) | Kaiser HMO**** (HDHP^) |
| Deductible (Tier 1-Employee) | \$1,239 | \$1,500 (\$1,500) | -- (\$1,200) |
| Deductible (Tier 4-Family) | \$2,873 | \$3,000 (\$3,000) | -- (\$2,400) |
| Out-of-Pocket Maximum (Tier 1) | \$2,739 | \$5,000 (\$3,000) | \$1,000 (\$2,500) |
| Out-of-Pocket Maximum (Tier 4) | \$5,920 | \$10,000 (\$6,000) | \$3,000 (\$5,000) |
| Coinsurance (most common %) | 20% | 20% (20%) | -- (10%) |
| Out-of-Network Member Costs | Market Average (All Plans) | Self-Funded PPO Choice Plus (HSA Qualified^) | Kaiser HMO (HDHP^) |
| Deductible (Tier 1-Employee) | \$2,170 | \$3,000 (\$4,500) | N/A |
| Deductible (Tier 4-Family) | \$5,124 | \$6,000 (\$9,000) | N/A |
| Out-of-Pocket Maximum (Tier 1) | \$5,573 | \$10,000 (\$9,000) | N/A |
| Out-of-Pocket Maximum (Tier 4) | \$12,147 | \$20,000 (\$18,000) | N/A |
| Coinsurance (most common %) | 40% | 50% (50%) | N/A |

*Colorado Market data effective January 1, 2010.

**State data effective July 1, 2010.

***Three-tier prescription plans are most common.

^For State HSA qualified options, co-pays and coinsurance amounts are shown in (parentheses). Prescriptions are subject to the deductible.

****In-network out-of-pocket maximum for Tier 1 is \$1,000 plus co-pays.

APPENDIX C – GROUP BENEFIT PLAN COMPARISONS

TABLE 3 – DENTAL PLAN OPTIONS, COST-SHARING FEATURES

| Dental Plan Benefits | Market* | State** | |
|--|-------------------------------|---------------|------------|
| Types of Dental Plans Offered | % Providing Plan | Plan Offered? | |
| Dental PPO | 81% | Yes | |
| Dental HMO | 15% | No | |
| Group Indemnity | 15% | No | |
| Self-insured/Self-funded | 40% | Yes | |
| Maximum Benefit (Per person per year) | PPO Plans | Basic | Basic Plus |
| \$1,000 | 27% | \$1,000 | -- |
| \$1,500 | 48% | -- | -- |
| \$2,000 | 12% | -- | \$2,000 |
| Maximum Lifetime Orthodontic Benefit (Per person) | \$1,408 | N/A | \$2,000 |
| Miscellaneous Plan Features (Most common) | PPO Plans % Providing Plan | Basic | Basic Plus |
| Deductible applies to basic & major coverage, but not preventive | 76% | Yes | Yes |
| Orthodontics covered for children | 71% | No | Yes |
| Orthodontics covered for adults | 26% | No | Yes |

*Colorado Market data effective January 1, 2010.

**State data effective July 1, 2010.

TABLE 4 – BASIC LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

| Basic Life Insurance Plan Benefits | Market* | | State Benefit** | |
|--|---------------------------|--------------|-----------------|-----------|
| | % Providing Benefit | | Offered? | |
| Life Insurance Provided as a Benefit | 97% | | Yes | |
| Premium Costs - 100% Employer Paid | | | | |
| Basic Life Insurance | 97% | | Yes | |
| Basic Accidental Death & Dismemberment | 84% | | Yes | |
| Amount of Basic Life Insurance | | Average | | |
| Provided as a specific dollar (\$) amount | 33% | \$32,873 | Yes | \$50,000 |
| Provided as a multiple of annual base salary (most common) | | | | Value*** |
| 1x base salary | 30% | Not Reported | No | \$51,468 |
| 1.5x base salary | 10% | Not Reported | No | \$77,202 |
| 2x base salary | 20% | Not Reported | No | \$102,936 |

*Colorado Market data effective January 1, 2010.

**State data effective July 1, 2010.

***Value calculated based on State average annual salary (\$51,468) effective June 30, 2010.

APPENDIX C – GROUP BENEFIT PLAN COMPARISONS

TABLE 5 - BENEFITS ELIGIBILITY FOR REGULAR, PART-TIME EMPLOYEES

| Part-Time Eligibility & Benefits Offered (n=# of employers reporting a policy) | Colorado Market n=258 | State Governments n=22 | State |
|--|---------------------------------|----------------------------------|---------------|
| Minimum hours defining part-time for benefits eligibility* | % Providing Plan | % Providing Plan | Offer? |
| 20 hours p/week (or half-time) | 68% | 64% | -- |
| Less than 20 hours (or half-time) | 5% | 27% | Yes |
| Average # of hours p/week required | 26 | 21 | No Minimum |
| Benefits fully or partially paid by employer for part-time employees | | | |
| Medical | 90% | 91% | Yes |
| Dental | 84% | 77% | Yes |
| Life | 84% | 86% | Yes |
| Medical plans - employer contributions for part-time employees** | | | |
| Same contributions as full-time employees | 27% | 32% | Yes |
| Prorated based on hours worked | 26% | 32% | -- |
| Employer pays flat % or \$ amount; not prorated by # of hours worked | 29% | 23% | -- |
| Employee pays 100% | 1% | 9% | -- |

*Half-time defined as .50 of full-time work schedule; typically the equivalent of 20 hours per week.

**For Colorado market this is coverage for single, employee only plan coverage.

TABLE 6 - BENEFITS ELIGIBILITY FOR LEGISLATORS

| Plan Eligibility and Contributions | Other State Governments* % Offering Plan | | | State of Colorado Offers Plan? | | |
|--|---|---------------|-------------|---------------------------------------|---------------|-------------|
| | Medical | Dental | Life | Medical | Dental | Life |
| Eligible for group benefit plans? | 94% | 92% | 88% | Yes | Yes | Yes |
| Benefits are fully or partially paid by the state | | | | | | |
| State pays full benefit | 9% | 11% | | | | |
| Costs are shared by state and legislators | 49% | 35% | 14% | Yes | Yes | |
| Same cost-share as state employees | 15% | 11% | | | | |
| Basic life paid by state | | | 34% | | | Yes |
| Other cost sharing options | 15% | 4% | 0% | | | |
| No state contribution | 13% | 33% | 39% | | | |

*Data collected from Book of States, 2009 survey of state governments.