

BILL SUMMARY
2nd Session of the 58th Legislature

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|------------------------|------------------------------|
| Bill No.: | HB 3671 |
| Version: | FA1 |
| Request Number: | NA |
| Author: | Rep. Fugate |
| Date: | 3/8/2022 |
| Impact: | Preliminary Estimates |

All Agency Cost:
Salary: \$59,104,184
Benefits: \$14,273,660

Total Cost: \$73,377,844

Research Analysis

The floor amendment to HB 3671 modifies the salary increase for state officers and employees by raising the percent awarded. In addition to the 3 percent increase for those whose gross annual salary is \$80,000 or less established in the measure, the modifications include:

- 7 percent annualized salary increase to be awarded to officers or employees whose gross annual salary is \$40,000 or less; and
- 5 percent annualized salary increase to be awarded to officers or employees whose gross annual salary is \$60,000 or less.

Prepared By: Keana Swadley

Fiscal Analysis

The amendment provides an increase in salary of seven percent (7.0%) for full-time officers and state employees whose salaries as of June 30, 2022 are \$40,000 or less, five percent (5.0%) for those with salaries over \$40,000 to \$60,000 and three percent (3.0%) for employees whose gross annual salary is over \$60,000 to \$80,000.

Utilizing human resource data provided by the Office of Management and Enterprise Services (OMES) and calculations from prior employee compensation initiatives an estimate is made with certain of the available data:

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| <u>Assumptions:</u> | |
| Estimated Percentage of Payroll Paid with Federal Funds | 13.52% |
| Estimated Percentage of Payroll for Benefit Costs | 24.15% |

Employees with Salaries of \$40,000 or Less

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|--|---------------|
| Number of Employees | 9,273 |
| Estimated Total Payroll | \$320,482,470 |
| Estimated Qualifying Payroll Paid with State Funds | \$277,153,240 |
| Estimated Increase of 7.00% | \$19,400,727 |
| Estimated Cost of Benefits | \$4,685,276 |
| Total Cost for Employee Group | \$24,086,002 |

Employees with Salaries Over \$40,000 to \$60,000

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|--|---------------|
| Number of Employees | 14,540 |
| Estimated Total Payroll | \$709,549,142 |
| Estimated Qualifying Payroll Paid with State Funds | \$613,618,098 |
| Estimated Increase of 5.00% | \$30,680,905 |
| Estimated Cost of Benefits | \$7,409,439 |
| Total Cost for Employee Group | \$38,090,343 |

Employees with Salaries Over \$60,000 to \$80,000

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|--|---------------|
| Number of Employees | 5,057 |
| Estimated Total Payroll | \$347,770,287 |
| Estimated Qualifying Payroll Paid with State Funds | \$300,751,744 |
| Estimated Increase of 3.00% | \$9,022,552 |
| Estimated Cost of Benefits | \$2,178,946 |
| Total Cost for Employee Group | \$11,201,499 |

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| Total for All Employee Groups | \$73,377,844 |
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Prepared By: Mark Tygret

Other Considerations

The estimates provided should be considered preliminary, as more analysis and data will be needed to develop an accurate cost estimate. Also, individual agency costs will need to be calculated.

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