

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



A Review of the Mississippi Employment Security Commission's Implementation of Fiscal Year 2003 Salary Realignments

The PEER Committee reviewed the salary survey process used to establish salary ranges of positions within the Mississippi Employment Security Commission (MESC) and the agency's compliance with legislative mandates and State Personnel Board (SPB) regulations in the determination of FY 2003 salary increases. This project stemmed from questions from an MESC employee regarding the salary realignments that occurred in FY 2003. The complainant had concerns regarding the methodology for developing the percentage realignments for positions within MESC.

PEER found that MESC based the salary realignments implemented in January 2003 on SPB's standard survey practice and implemented them in accordance with SPB's regulations and legislative mandates. SPB developed the FY 2003 realignment recommendations for MESC positions based on data gathered through its annual salary survey process in accordance with standard survey practice. Thus MESC complied with SPB-developed and legislatively approved realignments for FY 2003.

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A standing joint committee, the PEER Committee is composed of five members of the House of Representatives appointed by the Speaker and five members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of three Representatives and three Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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October 7, 2003

Honorable Ronnie Musgrove, Governor
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Honorable Tim Ford, Speaker of the House
Members of the Mississippi State Legislature

On October 7, 2003, the PEER Committee authorized release of the report entitled **A Review of the Mississippi Employment Security Commission's Implementation of Fiscal Year 2003 Salary Realignment**.

A handwritten signature in cursive script that reads "Mary Ann Stevens".

Representative Mary Ann Stevens, Chair

This report does not recommend increased funding or additional staff.

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A Review of the Mississippi Employment Security Commission's Implementation of Fiscal Year 2003 Salary Realignment

Executive Summary

Introduction

In response to an employee complaint, the PEER Committee reviewed the salary survey process used to establish salary ranges of positions within the Mississippi Employment Security Commission (MESC) and the agency's compliance with legislative mandates and State Personnel Board (SPB) regulations in the determination of FY 2003 salary increases.

This project stemmed from questions from an MESC employee regarding the salary realignments that occurred in FY 2003. The complainant had concerns regarding the methodology for developing the percentage realignments for positions within MESC. The ranges of percentage increases for MESC positions were from 2.13% to 10.57%. The complainant believed that the MESC Unemployment Insurance Field Rep (Representative) positions deserved a higher percentage increase because salary data he independently gathered from other states indicated higher salaries for comparable positions.

PEER sought to determine:

- the salary survey process used to establish realignment amounts and salary ranges of MESC positions; and,
- whether MESC has complied with legislative mandates and SPB regulations in the determination of position realignment amounts and annual salary increases.

Conclusions

MESC based salary realignments implemented in January 2003 on SPB's standard survey practice and implemented them in accordance with SPB's regulations and legislative mandates.

The State Personnel Board develops realignment recommendations to the Legislature as required by MISS. CODE ANN. Section 25-9-133 (1972) and as outlined in SPB's policies. The SPB develops its legislative realignment recommendations by conducting a yearly salary survey that compares state government salaries to those of other relevant labor markets. SPB developed

the FY 2003 realignment recommendations for MESC positions based on data gathered through its annual salary survey process in accordance with standard survey practice.

As noted above, the complainant had believed that the MESC Unemployment Insurance Field Rep positions deserved a higher percentage increase because salary data he independently gathered from other states indicated higher salaries for comparable positions. However, methodology used by the complainant was erroneous in three different ways:

- the complainant used states that are not included by SPB in its survey;
- the job titles used by the complainant were not comparable; and,
- the complainant did not use the correct period for the comparison. He surveyed 2003 salaries rather than 2001 salaries, on which Mississippi's FY 2003 realignment increases were based (because of the two-year lap between the budget preparation and implementation).

In FY 2003, SPB checked each agency to ensure legislative mandates were followed and that the realignments occurred. MESC has complied with SPB-developed and legislatively approved realignments.

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A Review of the Mississippi Employment Security Commission's Implementation of Fiscal Year 2003 Salary Realignment

Introduction

Authority

In response to an employee complaint, the PEER Committee reviewed the salary survey process used to establish salary ranges of positions within the Mississippi Employment Security Commission (MESC) and the agency's compliance with legislative mandates and State Personnel Board (SPB) regulations in the determination of FY 2003 salary increases. PEER conducted the review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-57 et seq. (1972).

Scope and Purpose

This project stemmed from questions from an MESC employee regarding the salary realignments that occurred in FY 2003. The complainant had concerns regarding the methodology for developing the percentage realignments for positions within MESC. The ranges of percentage increases for MESC positions were from 2.13% to 10.57% (see Appendix A, page 11). The complainant believed that the MESC Unemployment Insurance Field Rep (Representative) positions deserved a higher percentage increase because salary data he independently gathered from other states indicated higher salaries for comparable positions.

This project deals only with the development of realignment recommendations by SPB in the survey process and how the recommendations were applied by SPB and MESC. PEER did not gather data on or analyze salary adjustments occurring for other reasons (e.g., longevity).

Therefore, PEER sought to determine:

- the salary survey process used to establish realignment amounts and salary ranges of MESC positions; and,

- whether MESC has complied with legislative mandates and SPB regulations in the determination of position realignment amounts and annual salary increases.

Appendix B, page 12, outlines the steps in the state's realignment process.

Method

In conducting this review, PEER:

- reviewed relevant sections of state laws, rules, regulations, policies, and procedures regarding salary realignments;
- examined records of SPB and MESC;
- interviewed personnel of the State Personnel Board and the Mississippi Employment Security Commission; and,
- analyzed the salary survey and realignment recommendation development process of the State Personnel Board and the Mississippi Employment Security Commission.

Conclusions

MESC based salary realignments implemented in January 2003 on SPB's standard survey practice and implemented them in accordance with SPB's regulations and legislative mandates.

The State Personnel Board's Role in the Development of Realignment Recommendations

The State Personnel Board develops realignment recommendations to the Legislature as required by MISS. CODE ANN. Section 25-9-133 (1972) and as outlined in SPB's policies.

The State of Mississippi created the Statewide Personnel System in 1980. The purpose of this system was to create a personnel administration "based on sound methods of personnel administration governing the establishment of employment positions, classification of positions." The State Personnel Board was established to administer the statewide personnel system in the following areas: recruitment, selection, and promotion; compensation; training; performance assessment; fair treatment of applicants and employees; prevention of discrimination; and, authority for the establishment and abolishment of employment positions.

According to MISS. CODE ANN. Section 25-9-133 (1972), the SPB:

. . .shall recommend policies and procedures for the efficient and economical use of employment positions. The board shall report to the State Fiscal Management Board and the Legislative Budget Office recommendations for the number of employment positions and costs within each department, agency or institution. Such recommendation shall include the job title and salary of each position. The board shall conduct periodic position audits within each department, agency or institution to ensure the effective and efficient use of all personnel resources and to determine compliance with organization and staffing plans by agencies as presented by Section 25-9-115 (n).

(2) No person shall be employed by any agency for any period for any purpose except in an employment position authorized by legislative appropriation or by the body authorized by law to escalate budgets and approve employment positions under the guidelines established by the Legislature. Each employment position so authorized shall be

classified and assigned a pay range on the basis of actual job content, according to the State Classification Plan.

In conjunction with the MISSISSIPPI CODE, the SPB has in place policies that outline how the realignment recommendations are to be developed. SPB Policy Statement 5.12 states:

The State Personnel Board shall recommend to the Legislature the realignment of pay ranges in recognition of economic changes in the prevailing pricing of manpower for a job category within the relevant labor market. The purpose of realignment is to determine a competitive salary range for each occupational class.

In order to provide equitable and adequate compensation, SPB develops legislative recommendations in accordance with SPB Policy Statement 5.12.1, which states:

The State Personnel Director shall determine and recommend the appropriate realignment of pay ranges for an occupational class to the State Personnel Board. The State Board shall make recommendations to the Legislative Budget Office and the Department of Finance and Administration regarding pay range realignment. The Legislative Budget Office and the Department of Finance and Administration forward the recommendations to the Legislature and the Governor as a part of the annual appropriations process.

Realignment of pay ranges must be appropriated within the legislative budget process.

SPB's Salary Survey Process

The SPB develops legislative realignment recommendations by conducting a yearly salary survey that compares state government salaries to those of other relevant labor markets.

A benchmark is selected based on similar knowledge, skills, and abilities that relate to core job duties and responsibilities. SPB uses the benchmark position to compare salary levels of a similar position.

SPB develops the legislative recommendation for increased compensation by using a standard salary survey conducted two years before the year of implementation. This two-year lag is due to the state budget and appropriation cycle. For example, in CY 2001, SPB completed a salary survey that it used to develop FY 2003 salary realignments.

In practice, SPB defines "relevant labor market" to be positions with similar job duties that can be individually paired or compared to similar positions within a larger universe of job-related Department of Labor groups as well as in the markets where the state must compete for skilled employees. In order to facilitate development of salary realignment adjustments for

2,000 job titles, SPB has classified each of the state's job titles into a Department of Labor (DOL) Standard Occupational Code (SOC) group. These titles include generic job classifications that many different agencies use--for example, Clerk/Typist or Purchasing Agent I are generic titles. Examples of agency-specific titles are ES-Program Specialist (Employment Security) or PS-Utilities Engineer (Public Service).

In order to develop a realignment recommendation, SPB conducts a yearly survey of all the benchmark positions and other positions on the Standard Occupational Code list.

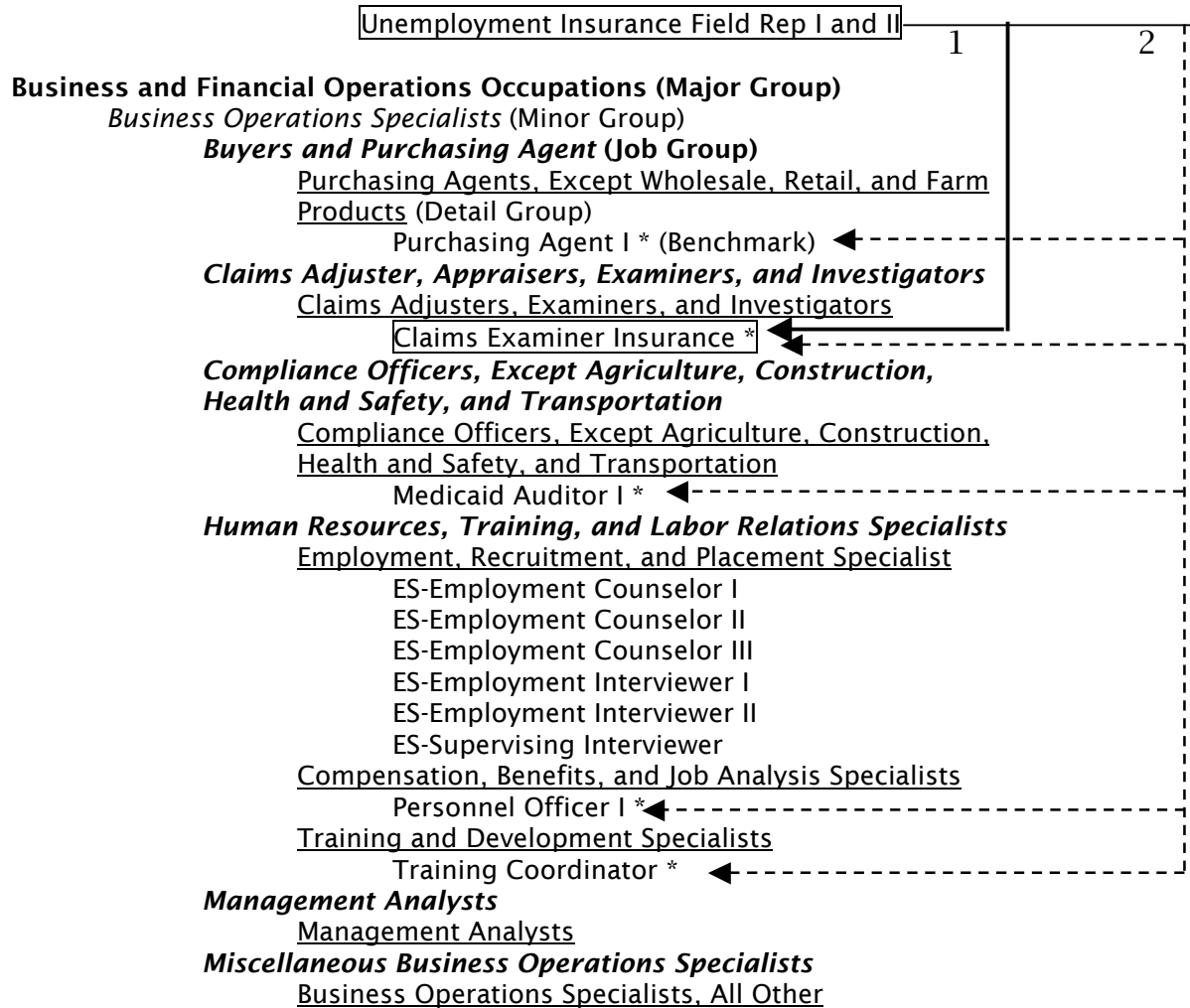
The SOC list divides job titles into comparable groups that are organized at the highest level into major groups, then into minor title groups, then detail groups, and finally job groups. (See Exhibit 1, page 6, for an example of a grouping.) There are twenty-one major occupation groups, which include **Management Occupations, Community and Social Services Occupations, and Business and Financial Operations Occupations**. This grouping allows classification to identify the most similar occupational job titles and jobs within the different job groups and in turn allows SPB to use generic job titles for benchmarks for a wider variety of possible job comparisons, including agency-specific job titles, when SPB annually identifies salaries of jobs with similar duties and responsibilities. In the event that few comparisons are available in the smallest job group, then SPB could compare a position to similar positions within the other job groups.

The SPB completed a review of all job descriptions for the state and classified all the job titles into the Department of Labor's Standard Occupational Code (SOC) list. There are major, minor, job, and detail groups. For example, in the **Business and Financial Operational Occupations** major group classification, there are two minor groups; these are **Business Operations Specialists** and **Financial Specialists**. Within the **Business Operations Specialist** group, there are six job groups, with detail groups within these. The benchmark job title, Personnel Officer I is in the job group **Human Resources, Training, and Labor Relations Specialists**, and detail group of **Compensation Benefits, and Job Analysis Specialist**. There are six MESC-specific job titles located in the job group of **Human Resources, Training, and Labor Relations Specialist**. (See Exhibit 2, page 7, for a list of these positions.) Therefore, the benchmark used for the realignment of these positions is the Personnel Officer I.

SPB gathers information from public and private sectors in Mississippi and other states.

In order to develop the realignment recommendation, SPB conducts a yearly survey of all the benchmark positions and other positions on the SOC list. For example, in 2001 (for FY 2003), SPB conducted a survey that produced eight private Mississippi companies' responses with salary information for the Personnel Officer I position. In many cases, SPB gathers information from other states as well. SPB surveys other state governments and Mississippi private companies. The survey by SPB includes the current job description and the previous year's response, so that the agency or company can update the information. The information on the companies comes from the Mississippi Business Directories.

Exhibit 1: Development of Unemployment Insurance Field Rep Position Realignment Recommendation within the Standard Occupational Code List



* Positions used within the detail group for benchmarks.

1 - The Unemployment Insurance Field Rep positions are benchmarked to the Claims Examiner Insurance position. When there are enough survey responses, SPB uses these responses to develop the realignment recommendation for this position.

2 - For FY 2003, SPB received only one survey response; therefore, SPB averaged the survey responses for the benchmarked positions located in the major group in order to develop the realignment recommendation for the Unemployment Insurance Field Rep positions.

Benchmark positions	Start	Average	Difference	Percent Change
Purchasing Agent I	\$ 19,739.16	\$ 19,533.40	\$ (205.76)	-1.042%
Claims Examiner Insurance	20,696.31	17,414.00	(3,282.31)	-15.859%
Medicaid Auditor I	21,241.80	24,089.00	2,847.20	13.404%
Personnel Officer I	23,450.28	24,747.75	1,297.47	5.533%
Training Coordinator	26,292.72	31,377.60	5,084.88	19.339%
Total Percent Change				21.374%
Average Percent Change				4.275%
50% of Percent Change **				2.137%

* *Legislatively Approved Recommendation

SOURCE: PEER analysis of SPB's Standard Occupational Code list and SPB documentation.

Agencies may conduct their own salary survey of agencies in the surrounding states to see if salaries of similar positions are comparable. This additional survey by an agency is discretionary and the agency is under no obligation to provide copies to SPB.□

SPB does allow agencies to comment on the recommendations developed for the Legislature. Agencies may conduct their own salary survey of agencies in the surrounding states to see if salaries of similar positions are comparable. This additional survey by an agency is discretionary and the agency is under no obligation to provide copies of its independent survey to SPB.

Although MESC has conducted surveys of similar positions, it has chosen not to provide the information to SPB. If an agency chooses to conduct additional surveys in order to gather information to request a change in a position's current salary, or the SPB-recommended realignment amount, the SPB verifies the information provided by the agency. If there is a difference between the SPB recommendation and the verified salary survey data, the SPB may grant a realignment increase or revise its original realignment recommendation.

Exhibit 2: Development of Realignment Recommendation for Positions Benched to Personnel Officer I

	Old Start (2/12/02)	100% funded	Original recommendation	50% funded or \$600 (approved)	Percent Change	New Start (1/03)
ES-Employment Counselor I	\$ 22,999.37	\$ 1,271.87	5.53%	\$ 635.94	2.77%	\$ 23,635.31
ES-Employment Counselor II	25,275.63	1,397.74	5.53%	698.87	2.76%	25,974.50
ES-Employment Counselor III	26,843.30	1,484.43	5.53%	742.22	2.77%	27,585.52
ES-Employment Interviewer I	22,999.37	1,271.87	5.53%	635.94	2.77%	23,635.31
ES-Employment Interviewer II	25,275.63	1,397.74	5.53%	698.87	2.76%	25,974.50
ES-Supervising Interviewer	26,843.30	1,484.43	5.53%	742.22	2.77%	27,585.52

SOURCE: PEER Analysis of SPB documentation.

Development of MESC's FY 2003 Realignment Recommendations

SPB developed the FY 2003 realignment recommendations for MESC positions based on data gathered through its annual salary survey process in accordance with standard survey practice.

SPB's Development of FY 2003 Realignment Recommendations for MESC Positions

SPB compiled the salary survey data and computed the average starting salary as compared to the current Mississippi salary. For the Personnel Officer I position, the 2001 Mississippi salary start was \$23,450.28 and the average starting salary determined through the survey for this position was \$24,747.75, which is a 5.53% difference. Therefore, the SPB realignment recommendation for all jobs benchmarked to the Personnel Officer I position would be to receive a 5.53% realignment. However, the Legislature mandated a 50% or \$600 realignment for all state positions (see page 8). Therefore, the realignment for jobs benched to Personnel Officer I would be 2.77%. Six MESC specific positions benched to Personnel Officer I received a 2.77%

realignment (50% of the 5.53% recommendation), which took effect in January 2003, for FY 2003 (see page 8 regarding legislative recommendation).

Another realignment action worth noting is for MESC's Unemployment Insurance Field Rep I and II positions. The Unemployment Insurance Field Rep position is benchmarked to a Claims Examiner Insurance position. SPB classified the Unemployment Insurance Field Rep position in a **Miscellaneous** category within the **Business and Financial Operations Occupations** major group. (See Exhibit 1, page 6.) The Claims Examiner Insurance position is within the job group **Claims Adjusters, Appraisers, Examiners, and Investigators**. In completing the survey for the Claims Examiner Insurance position in 2001, there was only one survey response, which did not yield an increase in the salary. Therefore, SPB used an average for all the benchmark positions in the job groups of the minor group. The Claims Examiner Insurance position is within the **Business Operations Specialists** minor group; within this minor group are five job groups. An average of these five job groups' benchmarked position salary survey information was used to develop the 2.13% increase which was given to the Unemployment Insurance Field Rep I and II positions. (See Exhibit 1, page 6.)

Problems with Complainant's Methodology

The complainant believed that the MESC Unemployment Insurance Field Rep positions deserved a higher percentage increase because salary data he independently gathered from other states indicated higher salaries for comparable positions. However, methodology used by the complainant was erroneous in three different ways.

SPB typically uses the four contiguous states in its salary surveys.

First, he used states that are not included by SPB in its survey. For example, the complainant used Alabama, Tennessee, and Georgia. The states used by SPB are typically the four contiguous states of Louisiana, Arkansas, Tennessee, and Alabama. Secondly, the job titles used by the complainant were not comparable. When completing a survey, one must use the comparable position in that state. For example, the correct position in Tennessee is the Unemployment Accounts Auditor II for the Mississippi Unemployment Insurance Field Rep I position. The complainant used the Auditor III position, which is not comparable to the Mississippi position. Finally, the complainant did not use the correct period for the comparison. He surveyed 2003 salaries rather than 2001 salaries, on which Mississippi's realignment increases were based. This is because of the two-year lap between the budget preparation and implementation.

Mississippi's FY 2003 realignment increases were based on 2001 salaries because of the two-year lap between budget preparation and implementation.

Legislative Policy (Appropriation) for FY 2003 Realignments

Concerning the amounts appropriated by the Legislature for the FY 2003 realignments, the Legislature in the 2002 Regular Session

included the following language in the appropriation bills of agencies:

Funds are provided herein to adjust the Variable Compensation Plan to ensure that all full-time employees receive a pay increase equal to fifty percent (50%) of the realignment component of the Variable Compensation Plan or Six Hundred Dollars (\$600.00), whichever is greater, beginning on January 1, 2003.

The 2002 Legislature provided that employees receiving realignment would receive 50% of SPB's recommendation or \$600, whichever was greater.

This provision allowed for MESC (and other state agencies) to implement a realignment for employees during FY 2003, beginning in January 2003. The provision allowed the employee to receive 50% of SPB's recommendation or \$600, whichever was greater.

Implementation of SPB's FY 2003 Realignment Recommendations

In FY 2003, SPB checked each agency to ensure that legislative mandates were followed and that the realignments occurred. MESC has complied with SPB-developed and legislatively approved realignments.

In FY 2003, the Legislature authorized a realignment of all state employees, which included MESC positions. This realignment was to occur on January 1, 2003, for FY 2003. Therefore, the approved legislative recommendations took effect on January 1, 2003.

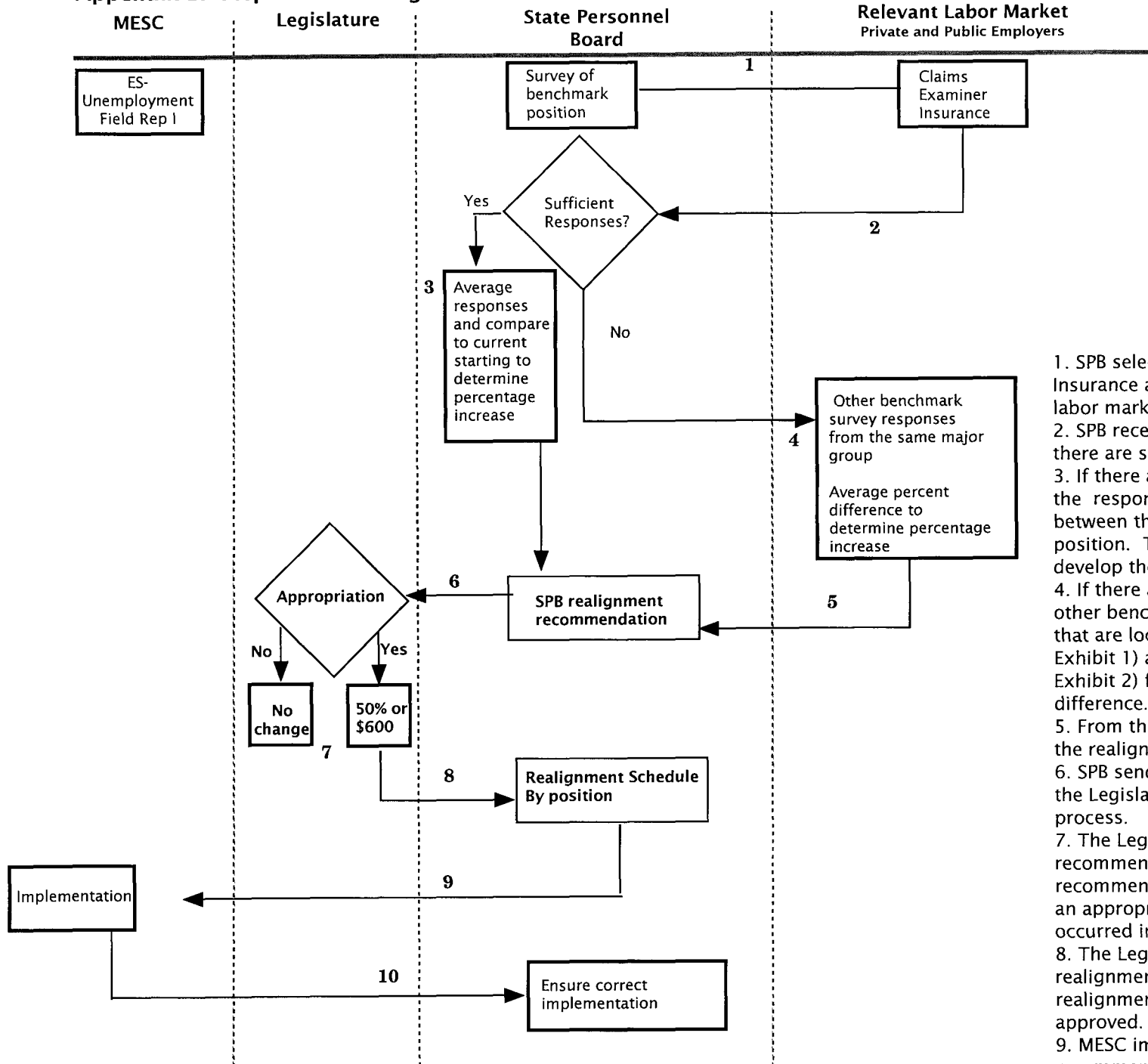
At that time, SPB completed a report that compared the authorized salaries from the FY 2002 to the realigned salaries for FY 2003. This process checked each position in MESC to ensure that the realignment had occurred. This allowed SPB to ensure that all realignments had occurred and that MESC had complied with legislative mandates.

Appendix A: FY 2003 Realignment Recommendations for MESC

FY 2003 SPB Realignment Recommendations for MESC employees					
	Previous Start Salary		Actual Realignment/Raise		
ES-Appeals Referee	\$ 31,026.55	3.50% ¹	\$ 1,082.83		
ES-Area Supervisor	42,718.56	6.31% ²	2,695.54		
ES-Assistant Dept Chief	33,743.88	6.31% ²	2,129.24		
ES-Assistant Division Director	48,061.68	6.31% ²	3,032.69		
ES-Budget Officer	35,434.44	3.81% ³	1,348.28		
ES-Chief, Unemp Insur Fld Svc	33,910.80	6.31% ²	2,139.77		
ES-Chief, Technical Services	30,905.28	6.31% ²	1,950.13		
ES-Department Chief I	37,772.04	6.31% ²	2,383.42		
ES-Department Chief II	42,718.56	6.31% ²	2,695.54		
ES-Deputy Director	59,707.92	10.57% ⁴	6,308.14		
ES-Division Director	54,636.12	6.31% ²	3,447.54		
ES-Employment Counselor I	22,999.37	2.77% ⁵	635.94		
ES-Employment Counselor II	25,275.63	2.77% ⁵	698.87		
ES-Employment Counselor III	26,843.30	2.77% ⁵	742.22		
ES-Employment Interviewer I	22,999.37	2.77% ⁵	635.94		
ES-Employment Interviewer II	25,275.63	2.77% ⁵	698.87		
ES-Employment Sec Aide I	17,505.84	8.04% ⁶	1,406.60		
ES-Employment Sec Aide II	19,175.52	8.04% ⁶	1,540.76		
ES-Employment Sec Aide III	20,636.52	8.04% ⁶	1,658.15		
ES-Employment Sec Stat Analyst	30,214.78	1.99% ⁷	600.00		
ES-General Counsel	55,165.47	1.09%	600.00		
ES-Labor Market Analyst	28,775.95	2.09% ⁷	600.00		
ES-Office Manager I	28,442.52	6.31% ²	1,794.73		
ES-Office Manager II	30,905.28	6.31% ²	1,950.13		
ES-Office Manager III	33,409.92	6.31% ²	2,108.17		
ES-Program Spec, Senior	28,647.17	10.57% ⁴	3,025.14		
ES-Program Specialist	26,843.30	10.57% ⁴	2,834.65		
ES-State Labor Market Analyst	31,653.61	1.90% ⁷	600.00		
ES-Supervising Interviewer	26,843.30	2.77% ⁵	742.22		
ES-Technician	20,636.52	8.04% ⁶	1,658.15		
ES-Technician II	23,450.28	8.04% ⁶	1,884.23		
ES-Unemp Ins Field Rep I	28,442.52	2.13% ⁸	605.83		
ES-Unemp Ins Field Rep II	29,656.40	2.13% ⁸	631.68		
SPB Benchmarked Positions					
	Start	Average	Difference	SPB Original Recommendation	*Legislatively Approved Recommendation
¹ DHS Admin Hearing Officer	\$ 22,515.00	\$ 24,089.00	\$ 1,574.00	6.99%	3.50%
² Personnel Office Director	37,772.04	42,542.75	4,770.71	12.63%	6.32%
³ Accountant/Auditor I	22,953.36	24,700.54	1,747.18	7.61%	3.81%
⁴ Division Director II	39,483.48	47,827.40	8,343.92	21.13%	10.57%
⁵ Personnel Officer I	23,450.28	24,747.75	1,297.47	5.53%	2.77%
⁶ Clerk Typist	13,394.16	15,547.03	2,152.87	16.07%	8.04%
⁷ Economist	39,483.48	36,162.40	(3,321.08)	-8.41%	**
⁸ Claims Examiner Insurance	***	***	***	4.27%	2.13%
* The Legislature approved the realignment recommendation which stated that each employee receive 50% (of the original recommendation) or \$600, whichever is greater.					
** Since there is a negative realignment (or no recommendation), and the Legislature approved \$600 or 50%, whichever is greater, this position received a \$600 realignment.					
*** Since there were not enough survey responses, SPB averaged 5 job groups for the development of the percentage increase for this position.					

SOURCE: PEER analysis of SPB documentation.

Appendix B: Steps in the Realignment Process



Explanation of Steps

1. SPB selects benchmark of Claims Examiner Insurance and completes a survey of the relevant labor market.
2. SPB receives survey results and determines if there are sufficient responses.
3. If there are sufficient responses, SPB averages the responses and compares the difference between the responses and the benchmarked position. The percentage difference is used to develop the realignment recommendation.
4. If there are not enough responses, SPB uses other benchmark surveyed position responses that are located within the same major group (see Exhibit 1) and averages these responses (see Exhibit 2) for the development of the percentage difference.
5. From this percentage difference, SPB develops the realignment recommendation.
6. SPB sends the realignment recommendation to the Legislature during the budget appropriation process.
7. The Legislature can either approve the recommendation 100%; not approve the recommendation, therefore no increase; or select an appropriate amount to approve, which is what occurred in FY 2003.
8. The Legislature approved a 50% or \$600 realignment, which SPB used to develop new realignment recommendations that were approved.
9. MESC implemented the legislatively approved recommendations.
10. SPB checks with the agency to determine if proper implementation occurred.

SOURCE: PEER analysis of SPB interviews and policies.

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