

# Memo

**To:** Montana State Library Commission

**From:** Jennie Stapp, State Librarian

**Date:** May 28, 2013

**Re:** **2013 State Library pay incentive strategy**

Please know that the State Library currently projects approximately \$65,000 dollars in remaining FY13 personal services funds at the end of the fiscal year. These available funds were generated through vacancy savings that accrued from various positions that were open throughout the year including the Database Administrator, the GIS Web Programmer, a GIS Analyst, and the Library Information Services Programmer Analyst.

In order to make effective use of our personal services budget and broadband pay plan policy, I recommend approval of one-time only bonuses for staff. I believe these bonuses are appropriate because:

- They are in keeping with the State Library Broadband Pay Plan policy;
- They allow us to recognize all staff who continues to work hard for the State Library in the face of four years of pay freezes;
- They are a way for us to thank staff for the extra duties assigned to them as they help to cover for open positions;
- And, they are one-time only and therefore do not obligate the State Library, or the Legislature, to additional on-going costs.

It is my further recommendation that we use the target pay schedule ratio as defined in the State Library Broadband Pay Plan policy as the primary basis to determine how to allocate bonuses.

**Target MSL pay schedule Mid-Point Ratios Increments – Years of Experience**

Band	Entry	TMR Increments (based on years of experience in the occupation)									
		1	2	3	4	5	6	7	8	9	10
2	0.8	0.829	0.857	0.886	0.914	0.943	0.971	1.000	*	*	*
3	0.8	0.829	0.857	0.886	0.914	0.943	0.971	1.000	*	*	*
4	0.8	0.825	0.850	0.875	0.900	0.925	0.950	0.975	1.000	*	*
5	0.8	0.825	0.850	0.875	0.900	0.925	0.950	0.975	1.000	*	*
6	0.8	0.822	0.844	0.867	0.889	0.911	0.933	0.956	0.978	1.000	*
7	0.8	0.822	0.844	0.867	0.889	0.911	0.933	0.956	0.978	1.000	*
8	0.8	0.820	0.840	0.860	0.880	0.900	0.920	0.940	0.960	0.980	1.000
9	0.8	0.820	0.840	0.860	0.880	0.900	0.920	0.940	0.960	0.980	1.000

Employees that are below their pay target based on their band, salary, and years of service, will receive bonuses of up to 4% depending on how far their salaries are from target. These bonuses will be capped at \$2000.00 each.

Those employees that are at or above their pay target will receive a strategic bonus equal to the greater of 2% or \$750. Though these employees do not qualify for target increment adjustments, these bonuses reflect the agency's goal to retain key employees with competencies critical to the achievement of the agency mission and goals.

Staff serving less than a full year in their current position or at their current salary will receive a bonus for a prorated amount.

Examples:

Employee A, working in a position band 7 with 2 years of experience makes .77 of market. This employee should make .84 of market. This employee will receive the maximum 4% bonus.

Employee B, working in a position band 3 with 15 years of experience makes .97 of market. This employee should make 1.00 of market. This employee will receive a 3% bonus.

Employee C, working in a position band 6 with 11 years of experience is making 1.15 of market. This employee will receive a 2% bonus.

Bonuses will total approximately \$46,000. Any remaining unspent personal services funds will be reverted to the State.