

Amendment: D1

Representatives BANNISTER, WHITMIRE, STAVRINAKIS, LOWE, BALLENTINE, CRAWFORD, MOSS, HEWITT and CASKEY propose the following amendment:

SECTION 117 – GENERAL PROVISIONS

Amend:

117.138. (GP: Employee Compensation) (A) ~~The Department of Administration was appropriated funds to engage an external consultant for a study and to provide expert recommendations to reform the State's Classification and Compensation system. A consultant was retained and recommendations made to reform the State's compensation structure and pay grades for state agency employees in classified full time equivalent (FTE) positions.~~ The amounts appropriated to F300-Statewide Employee Benefits for Employee Pay Increases must be allocated by the Department of Administration, Executive Budget Office to the various state agencies to provide for employee pay increases in accordance with the following plan:

(1) With respect to classified and non-judge judicial classified employees, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified employees shall be increased ~~to either the minimum of the new State pay grades established by the Department of Administration, or by 2 percent, whichever is greater.~~

(2) With respect to unclassified and non-judge judicial unclassified state agency employees or unclassified executive compensation system employees not elsewhere covered in this act, effective on the first pay date that occurs on or after July first of the current fiscal year the compensation of all unclassified employees shall be increased by 2 percent. Any employee subject to the provisions of this paragraph shall not be eligible for compensation increases provided in paragraphs 1, 3, 4, 5, or 6.

(3) ~~With respect to classified employees of institutions of higher education and technical colleges eligible in this item, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified higher education employees shall be increased by 2 percent for FTEs.~~ With respect to unclassified employees of institutions of higher education and technical colleges eligible in this item, institutions and technical colleges are authorized to allot the total funds for compensation increases among individual employees without uniformity. The funds provided for compensation increases for any employee subject to the

provisions of this item are based on an annual average of 2 percent and may be based on performance.

(4) Effective on the first pay date that occurs on or after July first of the current fiscal year, agency heads not covered by the Agency Head Salary Commission, shall receive an annualized base pay increase of 2 percent for FTEs.

(5) With respect to Transformation Coaches at the Department of Education, compensation shall be increased by 2 percent for FTEs making over \$50,000.

(6) With respect to local health care providers compensated by the Department of Behavioral Health and Developmental Disabilities, Office of Substance Use Services, compensation increases shall be 2 percent effective on the first pay date that occurs on or after July first of the current fiscal year. School Bus Driver salary and fringe funding to school districts shall be increased by 2 percent.

(7) Effective on the first pay date that occurs on or after July first of the current fiscal year, the Chief Justice and other judicial officers shall receive an annualized base pay increase of 2 percent for FTEs.

(8) Effective on the first pay date that occurs on or after July first of the current fiscal year, county auditors and county treasurers shall receive an annualized base pay increase of 2 percent.

(B) For Fiscal Year ~~2025-26~~ 2026-27, the Executive Budget Office is directed to review Executive Branch agencies to determine whether their budgets warrant another fund authorization increase due to the 2 percent compensation increase for all full-time employees. If so warranted, the Executive Budget Office shall work with the Office of the Comptroller General to increase such authorization for the affected agencies.

(C) The Department of Administration shall allocate associated compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual employees participate.

(D) The Executive Director of the State Fiscal Accountability Authority is authorized to use excess appropriations for the current fiscal year designated for statewide employer contributions for other statewide purposes. At the discretion of the Executive Director of the State Fiscal Accountability Authority, such action may be considered a permanent transfer into the receiving agency's base budget.

(E) Funds appropriated in Part IA, F300, Section 106, Statewide Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.