**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 8‑15‑20 SO AS TO DIRECT THE OFFICE OF HUMAN RESOURCES OF THE DEPARTMENT OF ADMINISTRATION TO IMPLEMENT THE RECOMMENDATIONS OF A STUDY ON THE STATE’S CLASSIFICATION AND COMPENSATION SYSTEM AND TO INCREASE EACH PAY BAND ANNUALLY TO ACCOUNT FOR INFLATION.

Whereas, the general appropriations act for Fiscal Year 2015‑2016 required the Department of Administration, Human Resources Division to enter into a contract to study the State’s current classification and compensation system which has been in place for twenty-five years; and

Whereas, the study’s primary recommendation was the redesign of the current classified compensation program based on redefined occupational categories, job families, and distinguishable levels of differences in job content in a career progression; and

Whereas, the study also recommended the creation of classifications which have a stronger linkage between job content and qualification requirement, development of pay structures that are based on the setting of a market policy position, and redesignation of the number of pay bands and greater clarity of duties and responsibilities in a classification; and

Whereas, the study found that the classification work for most pay bands being determined by each agency rather than the Human Resources Division, causes pay inequities among the many state agencies even though the employees are doing similar work; and

Whereas, at the time of the study, when viewed in conjunction with a comparison with the market, shows current salaries lagging other states by an average of 15%, lagging the in‑state public sector by 16%, and lagging the in‑state private sector market by 18%, meaning the state’s pay band midpoints and actual pay is uncompetitive; and

Whereas, the report recommended that the Human Resources Division regularly gather market data, prepare an annual compensation report, develop market-based pay ranges, move pay ranges in line with market movement, review and enhance the EPMS, and create a more consistent approach to performance-based pay; and

Whereas, the flaws discovered by the study have burdened each state agency by making it increasingly difficult to recruit and retain employees; and

Whereas, the aforementioned recommendations, among many others, have yet to be implemented, thus, leaving the State uncompetitive. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 15, Title 8 of the 1976 Code is amended by adding:

“Section 8‑15‑20. (A) By July 1, 2020, the Office of Human Resources of the Department of Administration must implement the recommendations of a study on the State Classification and Compensation Plan contracted pursuant to Proviso 93.33 of the annual general appropriations act for Fiscal Year 2015‑2016.

(B) Beginning July 1, 2020, with the implementation required by subsection (A), and each July first thereafter, the Office of Human Resources of the Department of Administration shall increase each pay band in effect for the previous fiscal year by a percentage equal to the increase in the average of the twelve monthly consumer price indices for the most recent twelve‑month period consisting of January through December of the preceding calendar year.”

SECTION 2. This act takes effect upon approval by the Governor.

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