UNSOLICITED

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 12, 2023

Agency Submitting: Department of Administration, Human Resource Management

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
CAT 04 - OPERATING (Expense)		$3,111,192	$947,472	
CAT 05 - EQUIPMENT (Expense)		$127,020		
CAT 26 - INFORMATION SERVICES (Expense)		$64,743	$4,748	
Total	0	$3,302,955	$952,220	0

Explanation   (Use Additional Sheets of Attachments, if required)

SB440 requires certain one-time payments and salary increases which results in a fiscal impact to the Division of Human Resource Management (DHRM). These include payments for certain college degrees and longevity based on 10 or more years of State service. The salary increases range from 1% – 3% for employees covered under certain bargaining units, some going back to July 1, 2021. The current payroll system cannot process retroactive payments and will require manual processing.

10 temporary full-time employees are required to handle manual activities related to records processing by DHRM's Central Records office estimated at 5,438 hours (14 weeks) to update employee records to properly reflect the corrected employment and salary history for each affected employee. Personnel Tech 2 - $20 per hour + Manpower markup 34% of Hourly Pay Rate = $26.80 x 5,438 = $145,738.40.

50 temporary full-time employees are required to handle the manual activities related to payroll processing by DHRM's Central Payroll office estimated at 135,000 hours (68 weeks) to perform manual calculations, completing the entry to be keyed, and entering the information into the payroll system. Personnel Tech 2 - $20 per hour + Manpower markup 34% of Hourly Pay Rate = $26.80 x 135,000 = $3,618,000 (FY24 $2,713,500 & FY25 $904,500)

The temporary employees referenced above will also require laptop computers, monitors, calculators, other operating supplies, office space, office furniture, and background checks. Printers will also be needed to complete the task. Additionally, programming of the payroll system will be necessary related to five new compensation schedules to reflect the following effective dates: 7/1/21, 7/1/22, 4/1/23, 7/1/23 and 7/10/23 (retirement rate increase). These efforts are estimated to require 480 programming hours at a rate of $90.77 per hour, for a total of $43,569.60.

Name	Matthew Tuma
Title	Deputy Director

					# hrs each EE	# weeks each EE
Assume 4,500 employee records back to 7/1/2021	0.50	2,250.00				
Assume 4,500 employee records back to 7/1/2022	0.50	2,250.00				
Assume 3,750 employee records back to 4/1/2023	0.25	938.00				
(50 actions/day; 75 days 4/1 - 6/15/23)		5,438.00	Hours	Assume 10 temporary (full time) employees	544	14
					# hrs each EE	# weeks each EE
Assume 4,500 employee retroactive payment to 7/1/21	8.00	36,000.00				
Assume 4,500 employee retroactive payment to 7/1/22	6.00	27,000.00				
Assume 18,000 employee retroactive payment to 4/1/23	4.00	72,000.00				
		135,000.00	Hours	Assume 50 temporary (full time) employees	2,700	68
Assume 4,500 employee payroll registers from 7/1/21	52	234,000	pages			
Assume 4,500 employee timesheets from 7/1/21	52	234,000	pages			
Assume 18,000 employee payroll registers from 4/1/23	7	126,000	pages			
Assume added printing (Special Pay, Stale Claim docs)		27,000	pages			
		621,000	pages to print		1,242	reams of paper

Equipment needed:
Laptop with Microsoft Excel
Printer
50 Calculators
Desk Space
Background check