



Salary Setting Responsibility Next Steps

December 18, 2024

Update

- **Email from OFM on consultation**
- **OFM does not currently support the changes to the pay structure**

November Adoption

- **Adopted structure and increases**

| | 1/1/2025 PAY | MIN | MID | MAX |
|--|------------------|-----------|-----------|-----------|
| Executive Director | \$178,620 | \$145,907 | \$190,287 | \$248,165 |
| Deputy Director | \$163,884 | \$116,726 | \$152,229 | \$198,532 |
| Senior Research and Policy Manager (1) | \$155,124 | \$106,538 | \$138,943 | \$181,204 |
| Senior Research and Policy Manager (2) | \$161,748 | \$106,538 | \$138,943 | \$181,204 |

Next Steps





Thank You

Karen Durant

Senior Research and Policy Manager

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Email sent from OFM November 19, 2024, at 2:49 PM (day before November LEOFF 2 meeting), email was not seen or sent to LEOFF staff until Monday November 25, 2024 at 8:54 AM

Subject: OFM Feedback on LEOFF Market Study and Pay Structure Recommendations

Good afternoon Chair Lawson,

Thank you for sharing the proposed salary structure updates with OFM Director Sullivan on October 24th. As the State Chief Human Resources Officer, Director Sullivan has delegated the review and response to my position. After reviewing with both an enterprise HR and Budget lens, we wanted to provide feedback that we in OFM have significant concerns with the proposed salary structures based on the structural inequities it would create across the enterprise as well as the budgetary impacts amid a known budget deficit. Below is a more detailed explanation of why we have these concerns.

Primary concerns:

- **Inequities.** The proposed salary structure creates significant inequities with other positions who also fall in the executive branch across the state. The proposed salary maximums for these positions are in alignment with the largest and most complex agencies in the state while LEOFF's size and scope of responsibility is that of a small agency.
- The market analysis conducted by the vendor in 2023 is problematic as "comparable public sector positions" are nowhere noted, which is a requirement outlined in the statute
- The analysis shows inconsistent data sources used for LEOFF jobs
- The proposed structure is derived from the contractor's weighting of the data which is an inconsistent methodology:
 - Most weight is given to NASRA which only has 1 data point
 - There is no job description noted
- The report does not include a description of work being matched with at LEOFF position, which prompts an assumption that matches were done solely based on job title and not the work being performed
- One of the market sources includes fiscal.wa.gov/staff/salaries. This source does **not** have positions descriptions or anyway to do an accurate market comparison assessment other than solely using titles

Executive Director

- The proposed salary range maximum falls within Plateau 6 of the State Officials Salary Administration structure. This plateau consists of agency head positions in the state's **largest** agencies. The Executive Director of LEOFF is not comparable to any of these positions and does not have a similar scope, authority, or level of responsibility.
 - DSHS – 17,906 employees
 - DOC – 9,041 employees
 - WSDOT – 7,620 employees
 - DCYF – 5,390 employees
- The current salary of the ED-LEOFF is already higher than comparable positions in the state government executive branch and is already in the salary range for the highest EMS Band 5 executive management positions in the state.

- Comparable positions should be viewed in similar sized agencies where boards/commissions are the authority, such as:
 - Board of Pilotage Commissioner – 4 employees (Band 3)
 - Washington Charter School Commission – 7 employees (Band 4)
 - State Board of Health – 8 employees (Band 3)
 - Board of Tax Appeals – 16 employees (Band 3)
 - Utilities and Transportation Commission – 158 employees (Band 4)

Deputy Director

- The proposed salary range maximum is above the EMS Band 5 maximum of \$189,096.
 - Deputy directors in our largest state agencies are within EMS Band 4 and EMS Band 5. These are not comparable positions based on similar levels of scope, authority, and level of responsibility.
- Comparable positions should be viewed in similar sized agencies, such as:
 - Caseload Forecast Council – 12 employees (Band 4)
 - Traffic Safety Commission – 30 employees (Band 3)
 - Office of Minority and Women’s Business Enterprises – 45 employees (Band 3)
 - Housing Finance Commission – 85 employees (Band 4)

Senior Research and Policy Manager

- The proposed salary range maximum is above the EMS Band 4 maximum of \$181,204, close to the top of EMS Band 5.
 - Prior to the 2024 legislation being adopted, both positions were evaluated as WMS Band 2, maximum of \$126,528. However, due to certain circumstances, both employees were approved for salary exceptions, placing both individuals above WMS Band 2 while they remained in their positions.
- Comparable positions based on the work outlined in each of the position’s descriptions fall within Band 2 or Band 3 in other state agencies.

Because of these concerns, OFM does not support the proposed changes to the pay structure. Please let me know if you have any questions or want to discuss further.

Michaela Doelman | State Chief Human Resources Officer
Office of Financial Management

Chair Lawson initial response sent November 26,2024, at 3:28 PM

Michaela,

Thank you for your feedback. As you are aware, I did not receive your email before the November LEOFF board meeting. Please cc Karen and Steve on future correspondence to improve communication.

I will share your comments with the Board and we will have an opportunity to discuss at the December meeting.

Neither I nor the Board staff was aware that you had been delegated to consult on behalf of the director or we would have been working with you during the interim on implementing the legislation from the past session.

The Board sees this new salary-setting authority as requiring an ongoing process with regular consultation. Both I and the Board look forward to discussing this with the OFM director and/or their designee in the future.

Sincerely,

Dennis Lawson | Board Chair
LEOFF Plan 2 Retirement Board