

A Report on

# The Recommended Salary Schedule for Contracted Employees of the Office of State-Federal Relations



Office of the State Auditor  
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# Key Points Of Report

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### Key Facts And Findings

- Three job levels have been identified for contract employees at the Office of State-Federal Relations.
- A salary schedule with minimums and maximums for each of the three job levels has been established for contracted employees of the Office of State-Federal Relations as follows:

Level	Proposed Salary Range
Level I	\$36,000 - \$65,700
Level II	\$51,840 - \$77,760
Level III	\$61,380 - \$92,070

- The recommended cost of living adjustment provides for a salary supplement in recognition of the higher cost of living in Washington, D.C., and represents an amount up to 25 percent of base pay not to exceed \$1,200 per month as established in the General Appropriations Act.

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*This report was conducted in accordance with H.B. 1399, 74th Legislature, Regular Session.*

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## Findings and Recommendations

As required by H.B. 1399, § 8, 74th Legislature, R.S. a three-level job and salary structure has been developed for employees under contract with the Office of State-Federal Relations (OSFR). As also required by H.B. 1399, a cost of living salary supplement has been included for employees who work for the Office of State-Federal Relations and live in Washington, D.C. A salary supplement of up to 25 percent of base pay has been recommended. (However, the salary supplement cannot exceed \$1,200 per month as set forth in the General Appropriations Act for this purpose.)

There are three identifiable levels of influence. The first level is the monitoring and reporting level. The duties involve reporting events, monitoring legislation, and attending meetings and hearings. Communication is made between the contracted employee, the congressional delegation, and the agency. At this level, the incumbent has no direct impact on strategy development or legislative efforts.

The second level of influence is the journey level. While monitoring legislation and communicating information to officials, incumbents at this level also assist in formulating strategy and supporting legislative efforts.

The third and highest level is the policy and strategy-making level. The focus of the duties at this level is on strategy preparation and active involvement in legislative efforts to affect the desired results. Individuals at this level are at full proficiency and guide policy and legislation strategy development to increase their agency's and Texas' receipt of federal funding.

The salary structure is designed in order to reward for expertise and experience in state-federal relations. In order to accomplish this, emphasis was given to the amount of influence each position exerts on the decision-making process.

The levels correlate with the level of influence an incumbent exerts into the policy- and strategy-making and legislative functions. The level of expertise determines the job title.

Experience in state-federal relations is measured by the length of time each incumbent has spent in related activities for the State of Texas, the agency, or the Office of State-Federal Relations. Placement in the assigned salary range is a function of experience.

The table below illustrates the skill level progression:

Level	Definition
Level I	Entry - Monitor and Communicate
Level II	Journey - Assist in Strategy Development
Level III	Full Proficiency - Develop Policy to Affect Change

### Job Level/Salary Schedule

The job level of each position is based on the aforementioned criteria. The proposed job titles are based upon an analysis of the duties and responsibilities of each position studied. The job titles for each level are: State-Federal Relations Representative I, State-Federal Relations Representative II, and State-Federal Relations Representative III.

All three job titles are to be considered exempt from the State's Position Classification Plan. The guiding legislation, H.B. 1399, does not authorize recommending the addition of job titles to the Position Classification Plan approved by the 74th Legislature for the 1996-1997 biennium.

The proposed salary schedule will accommodate the current salaries of OSFR contract employees. The recommended salary

## Findings and Recommendations

schedule is competitive with the labor market in which the State competes. The salary schedule maintains internal equity with positions which are considered exempt from the Classification Plan and with similar positions in the Washington, D.C., Office of State-Federal Relations. The recommended salary schedule is easy to communicate. Due to the width of the range, the new schedule is flexible, allowing management the option to make pay-related decisions.

The table below provides the recommended job title and corresponding salary schedule:

Proposed Job Title	Proposed Salary Range
State-Federal Relations Repr. I	\$36,000 - \$65,700
State-Federal Relations Repr. II	\$51,840 - \$77,760
State-Federal Relations Repr. III	\$61,380 - \$92,070

### Cost of Living Adjustment

Among other cost of living data researched, we studied data published by the Economic Research Institute. The Economic Research Institute is a nationally recognized authority in calculating geographic differential and economic modeling, including cost of living data.

The Economic Research Institute has established that the cost of living is approximately 25 percent higher in Washington, D.C., than in Austin, Texas. As an example, an individual who makes \$48,000 annually in Austin, Texas, would need to make \$59,143 annually in Washington, D.C., to procure the same housing, utilities, consumables, transportation, and health services. Based on the cost of living analysis prepared by Economic Research Institute, a salary supplement of up to 25 percent, not to exceed the \$1,200 per month limit set forth in the General Appropriations Act, would be sufficient to accommodate contracted employees for the higher cost of living in Washington, D.C.

The 74th Legislature has provided funding to state agencies to pay a cost of living adjustment to contracted employees. Article I, page I-84, Rider Number 1, of the General Appropriations Act, 74th Legislature, R.S., authorizes any state agency which assigns an employee to work in the Office of State-Federal Relations on a permanent basis and which also designates that employee's duty station as Washington, D.C., to pay such an employee a salary supplement not to exceed \$1,200 per month. This salary adjustment is in addition to base pay. (The rider authorizes the Office of State-Federal Relations to pay a salary supplement, not to exceed \$1,200 per month, to each Office of State-Federal Relations employee whose duty station is located in Washington, D.C.)

## Background

H.B. 1399, § 8, 74th Legislature, R.S., directs the State Auditor's Office to establish a salary schedule for staff of state agencies who are under interagency contract with the Office of State-Federal Relations and who are located in Washington, D.C. The statute stipulates that the salary schedule is to be based on compensable factors such as expertise and experience in state-federal relations. The bill, which amends Texas Government Code, § 751.012, also requires the State Auditor's Office to recommend a standard cost of living adjustment to compensate employees under interagency contract with the Office of State-Federal Relations working in Washington, D.C.

In order to establish a salary schedule for the contracted employees, it was necessary to gather job-related information from those employees. A position questionnaire was sent to each of the eight contract employees via their agency head. In addition, four questionnaires were sent to the Director of the Office of State-Federal Relations to be

completed by Office of State-Federal Relations Assistant Directors working in Washington, D.C., responsible for policy analysis. The information gathered from these employees established a benchmark against which to measure internal equity.

In addition to internal data, external information was also collected to ensure that any recommended salary schedule would be competitive with the labor market in which the State competes for similar skills and duties. Human resources representatives of several southern and central states were surveyed in order to gather market information on equivalent positions. An analysis of the data supports the creation of a three-level job series in which the amount of influence leveraged by each position distinguishes the levels. The salary structure which supports this series rewards expertise and experience. A cost of living adjustment is also recommended in compliance with Texas Government Code, § 751.012, as amended by H.B. 1399.

## Objective, Scope, and Methodology

Since the objective of this report was to make recommendations for the establishment of a salary schedule and cost of living adjustment for employees under contract with the Office of State-Federal Relations, we examined job data related to positions held by employees of state agencies under contract with the Office of State-Federal Relations. The scope of this report was expanded to include job data related to certain positions held by employees of the Office State-Federal Relations as well.

Data from the following resources was used in constructing the salary structure, identifying the appropriate job titles, and establishing a cost of living adjustment:

- market data from regional states
- position questionnaires
- current exempt salary schedule

- internal reporting relationships
- organizational structure of the Office of State-Federal Relations
- actual salaries
- H.B. 1399, 74th Legislature, R.S.
- Sunset Advisory Commission Report on the Office of State-Federal Relations, 1994
- H.B. 1, 74th Legislature, R.S., General Appropriations Act
- benchmark positions
- cost of living data provided by the Economic Research Institute

The job title assignments were ascertained through the use of the whole job methodology. This method of job evaluation analyzes the entire job to determine its relative value.

Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

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