



EXECUTIVE SUMMARY

Last fall, the Department of Personnel & Administration conducted a Colorado State Classified employees Compensation & Benefit Opinion survey. The purpose of this survey was to collect employee opinions on the compensation and benefit areas of state employment to use in the Department's discussion with the Governor's Office, Joint Budget Committee, and the Office of State Planning and Budget (OSPB) regarding the total compensation package provided to the employees within the state personnel system.

Thirty percent of the total workforce responded to the survey. Echoing DPA's strategy, the majority of respondents considered increasing the State's contribution to medical insurance to be the most important element in improving the State's total compensation package; following closely to this was the desire to have a performance pay system. Despite the workforce's perception that there is a lot of room to improve the State's pay and benefits, the survey results also suggest that it is the pay and benefits (i.e. Total Compensation) that attract and retain state workers.

While there were no survey findings that deviated greatly from what compensation professionals expected, the results are valuable in that they provide concrete feedback from you, our state workforce, concerning the compensation issues that we will continue to address. The results of this survey will also provide DPA with a baseline from which to evaluate our progress with compensation in the years to come, as well as identify new areas that are important to employees. To that end, this survey will be an annual event so that HR professionals can better track compensation issues that are important to employees. DPA would like to thank the employees who took the time to provide their opinions. We will continue to push to improve programs that would benefit both the employees and the State as an employer.

DETAILED SURVEY FINDINGS

Respondent Demographics

Overall there were 10,056 responses submitted from approximately 32,000 state personnel system employees; a high response rate of 30% from 34 departments and higher education institutions (20 general government departments or offices, 14 higher education institutions hereafter referred to as departments). The percent of survey respondents in each department closely resembled the percentage of workforce distribution among departments, indicating the representativeness of the survey responses for the workforce. The exceptions occurred with the Department of Human Services and the Department of Transportation, which were both under-represented in the survey. The breakout of responses by department is shown in Table 1.

Table 1 – Survey Respondents by Department/Higher Education Institution¹

	Number of Respondents	Department/Institution Response Rate	% of Respondents	% of Workforce
Adams State College	27	23.9%	0.3%	0.3%
Auraria Higher Education Center	81	32.5%	0.8%	0.7%
Colorado Commission On Higher Education	3	100.0%	0.0%	0.0%
Colorado Community College System ²	282	28.6%	2.8%	2.9%
Colorado Historical Society	9	50.0%	0.1%	0.1%
Colorado School of Mines	114	39.0%	1.1%	0.9%
Colorado State University (All Campuses)	890	39.1%	8.9%	6.8%
Colorado Student Loan Program	1	25.0%	0.0%	0.0%
Dept. of Agriculture	127	44.7%	1.3%	0.8%
Dept. of Corrections	1,975	32.7%	19.6%	17.9%
Dept. of Education	120	42.1%	1.2%	0.8%
Dept. of Health Care Policy & Financing	125	50.0%	1.2%	0.7%
Dept. of Human Services	154	2.8%	1.5%	16.5%
Dept. of Labor & Employment	626	60.4%	6.2%	3.1%
Dept. of Law	155	41.6%	1.5%	1.1%
Dept. of Local Affairs	115	65.0%	1.1%	0.5%
Dept. of Military & Veterans Affairs	43	34.7%	0.4%	0.4%
Dept. of Natural Resources	761	51.6%	7.6%	4.4%
Dept. of Personnel & Administration	336	62.6%	3.3%	1.6%
Dept. of Public Health & Environment	581	50.4%	5.8%	3.4%
Dept. of Public Safety	565	43.3%	5.6%	3.9%
Dept. of Regulatory Agencies	234	44.8%	2.3%	1.5%
Dept. of Revenue	520	37.4%	5.2%	4.1%
Dept. of State	58	53.2%	0.6%	0.3%
Dept. of Transportation	501	16.2%	5.0%	9.2%
Dept. of Treasury	1	4.3%	0.0%	0.1%
Fort Lewis College	62	36.9%	0.6%	0.5%
Governor's Office (classified only)	3	1.8%	0.0%	0.5%
State Auditor's Office	3	5.4%	0.0%	0.2%
Mesa State College	3	2.8%	0.0%	0.3%
Metropolitan State College Of Denver	111	47.0%	1.1%	0.7%
University of Colorado (All Campuses)	1,212	28.0%	12.1%	12.9%
University of Northern Colorado	232	42.9%	2.3%	1.6%
Western State College	26	37.1%	0.3%	0.2%
TOTAL	10056	29.9%		

1. Number of employees is based on permanent state personnel system employees.
2. Includes all Community and Junior College campuses.

All demographic questions were required, except Ethnicity was optional. As Ethnicity was optional, 170 respondents chose not to answer, resulting in 9,886 responses for that question. As with department, the percent of survey respondents should closely resemble the percent of state workforce for the six other demographics, indicating that the demographic groups' presence in the survey results is representative. The breakouts of responses by the six different demographics are shown in Tables 2-7.

Table 2 – Years of Service

	Frequency	% of Respondents	% of Workforce
Less than 3*	2,100	20.9%	31.9%
3 to 4	949	9.4%	6.4%
5 to 9	2,313	23.0%	21.1%
10 to 19	2,990	29.7%	24.8%
20 or more	1,704	16.9%	15.8%
Total	10,056	100.0%	100.0%

Table 3 – Age

	Frequency	% of Respondents	% of Workforce
18-24	195	1.9%	2.1%
25-34	1,479	14.7%	16.0%
35-44	2,481	24.7%	23.3%
45-54	3,690	36.7%	34.2%
55 and above	2,211	22.0%	24.4%
Total	10,056	100.0%	100.0%

Table 4 – Gender

	Frequency	% of Respondents	% of Workforce
Female	5,274	52.4%	49.3%
Male	4,782	47.6%	50.7%
Total	10,056	100.0%	100.0%

Table 5 – Type of Position

	Frequency	% of Respondents	% of Workforce
Employee	7,478	74.4%	87.0%
Supervisor/Manager	2,578	25.6%	13.0%
Total	10,056	100.0%	100.0%

Table 6 – Ethnicity

	Frequency	% of Respondents	% of Workforce
American Indian/Alaskan Native	98	1.0%	1.1%
Asian	173	1.7%	1.7%
Black/African American - Not of Hispanic Origin	271	2.7%	4.1%
Hispanic or Latino*	1,054	10.5%	17.1%
Native Hawaiian/Pacific Islander	14	0.1%	0.2%
Two or More Races	398	4.0%	-
White - Not of Hispanic Origin	7,878	78.3%	64.7%
Did Not Respond	170	1.7%	-
Total	10,056	100.0%	

Table 7 – Occupational Group

	Frequency	% of Respondents	% of Workforce
Administrative Support & Related	2,445	24.3%	14.1%
Enforcement & Protective	1,976	19.6%	18.9%
Financial Services	818	8.1%	5.2%
Healthcare Services	437	4.3%	10.9%
Labor Trades & Crafts*	819	8.1%	16.0%
Physical Science & Engineering	807	8.0%	5.9%
Professional Services (includes Teachers)	2,754	27.4%	25.7%
Total	10,056	100.0%	

Results

Respondents were asked a variety of questions about the compensation and benefits they receive as state employees. The following displays the overall results for each question and discusses any notable exceptions.

Employment with the State

Respondents were asked to evaluate 12 factors and choose any and all that are important in their decision to continue employment with the State. **As shown in Table 8, the total compensation package (e.g., pay, benefits, time off, retirement) was the most selected factor as being important regardless of demographic group.**

Table 8 – Important Factors in Continuing Employment with the State

	% of Responses
My total compensation package (e.g., pay, benefits, time off, retirement)	15.6%
My state job is more secure than other employers.	12.2%
My work hours are predictable.	10.7%
My work location.	9.9%
I have opportunities for promotions within state government.	9.4%
The State provides me the opportunity to serve the public.	8.4%
My co-workers.	8.2%
I have opportunities for transfers within state government.	8.1%
This is the best job at this time.	6.2%
I am close to retirement.	6.0%
I have opportunities for a new profession within state government.	3.8%
The State is the only employer with jobs in my field.	1.4%

It should be noted that respondents with the most years of service (Years of Service group 20+) selected “I am close to retirement” most. Interactions for both years of service and age are illustrated in Charts 1 and 2.

Chart 1

**Percent of Responses for Each Option Indicating Importance
By Years of Service**

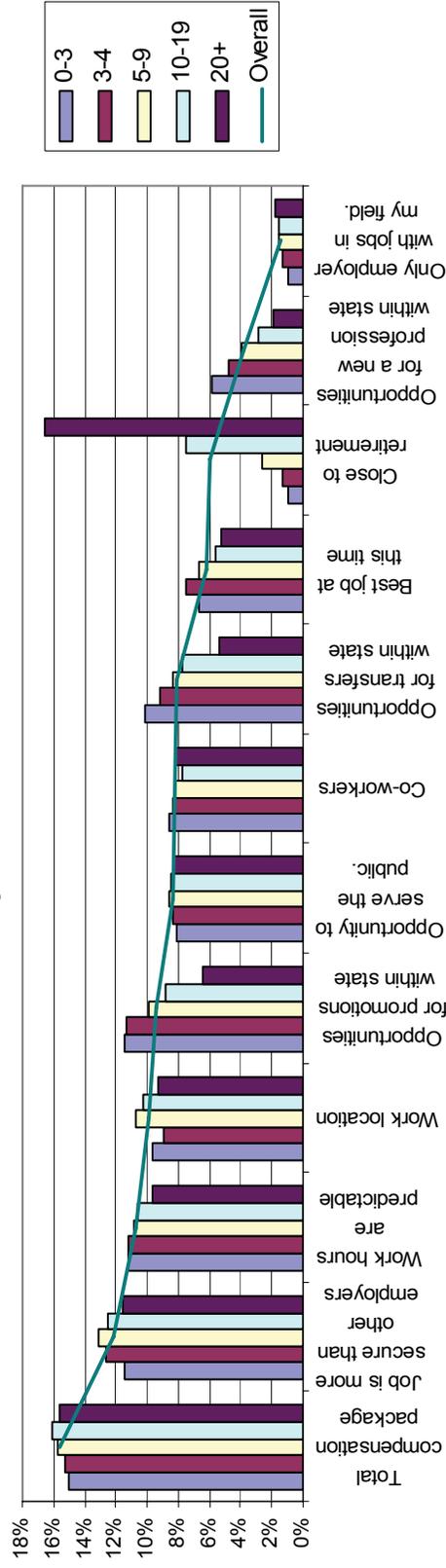
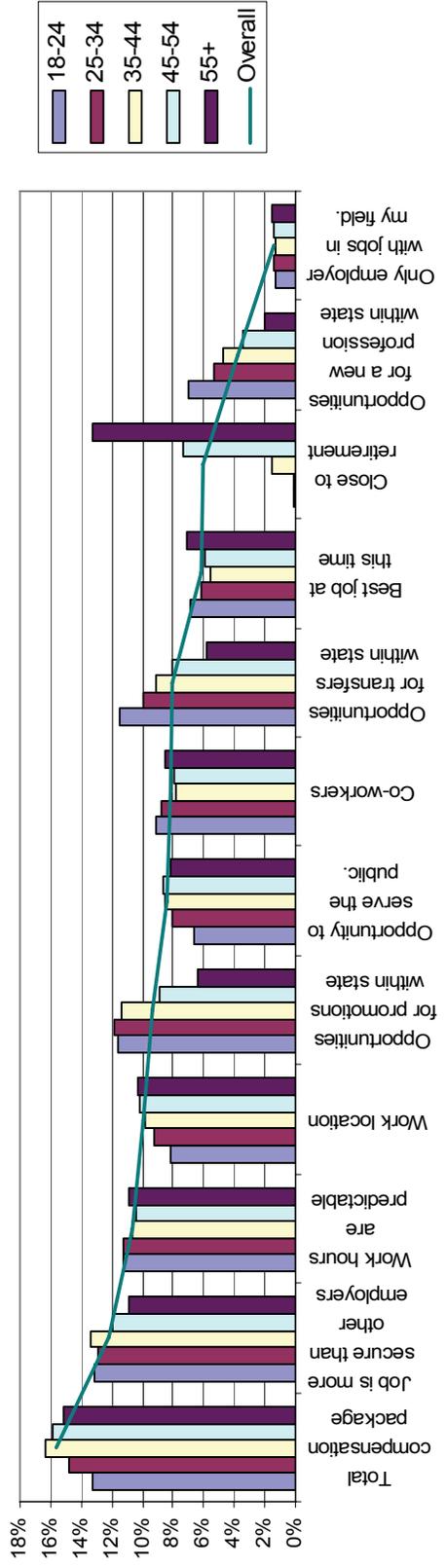


Chart 2

**Percent of Responses for Each Option Indicating Importance
By Age Group**



Current State Group Insurance Plans

Respondents were asked to evaluate 18 statements related to the State’s current group insurance plans using a 4-point scale with 4 being “very important”. The higher the average rating, the more respondents believe the statement is important. **Overall, and across all demographic groups, three areas were rated as most important to the current state group insurance plans: increasing the amount of the State’s contribution, continuing a variety of benefit offerings, and maintaining the ability to choose medical plans.** Results are shown in Table 9.

Table 9 – Evaluation of Current State Group Insurance Plans

	Avg. Rating
Increase the amount of the State's contribution to health plans.	3.6
Continue a variety of benefit offerings (e.g., medical, dental, life, disability).	3.6
Ability to choose medical plans.	3.6
Ability to choose doctors and hospitals in a large network.	3.4
State-paid short-term disability benefits.	3.4
Ability to choose dental plans.	3.3
State-paid basic life insurance for employees.	3.3
Optional (employee-paid) long-term disability benefits.	3.0
Begin offering a separate vision plan.	3.0
Begin offering long-term care insurance.	2.9
Begin providing credits to employees to purchase benefits based on individual choice.	2.9
Optional (employee-paid) life insurance.	2.8
Disease management for chronic conditions and case management.	2.7
Wellness programs.	2.7
Lower premiums in health plans, which may result in higher deductibles, out-of-pocket maximums, or more limited benefits/services.	2.6
Lower co-pays/coinsurance on prescription drugs, which may result in higher premiums or capping benefits.	2.6
Ability to set aside tax-free benefits dollars (e.g., flexible spending and health savings accounts).	2.6
Lower deductibles in health plans, which may result in higher premiums or more limited benefits/services.	2.5

Improving State Medical Benefits

Respondents were asked to evaluate 13 factors related to improving group medical benefits and rank the top 3 factors that are most important to them. The higher the average ranking, the more respondents believe the factor is important. **Overall, and across all demographic groups, increasing the State's contribution to group medical plan premiums was overwhelmingly ranked the most important factor.** Results are shown in Table 10.

Table 10 – Ranking of Factors Related to Improving Group Medical Benefits

	Avg. Ranking
Increase the State's contribution to group medical plan premiums.	2.8
Lower deductibles, out-of-pocket maximums, co-pays, even if it increases premiums.	1.9
Lower cost of premiums, even if it limits benefits/services.	1.8
Improve wellness programs.	1.8
Eliminate group insurance and give employees cash (taxable) to purchase their own coverage.	1.8
Limit the choice of group medical plans if it helps control costs.	1.7
Smaller network with the most efficient doctors and hospitals to control costs and improve quality of care.	1.7
Disallow spouse coverage if the spouse is eligible for coverage through another employer.	1.6
Require employee-only catastrophic coverage unless the employee can prove coverage under another plan.	1.6
Provide online tools and resource information to help employees make decisions.	1.6
Provide for some medical procedures outside the U.S. to control costs (e.g., medical tourism or travel).	1.5
Require a minimum number of work hours per month to be eligible for medical benefits.	1.5
Impose caps on some benefits/services to control costs (e.g., limit the number of office visits per year).	1.5

Total Compensation Package

Respondents were asked four separate questions regarding total compensation.

First, respondents were asked to evaluate 18 statements and rate how important each statement is in their decision to remain employed with the State using a 4-point scale with 4 being “very important”.. The higher the average rating, the more respondents believe the statement is important. **Overall, two areas were rated as most important in respondents’ decision to remain employed with the State: retirement benefits and annual competitive market adjustments of salary.** Results are shown in Table 11.

Table 11 – Evaluation of Items Related to Remaining Employed with the State

	Avg. Rating
Retirement benefits.	3.8
Annual market adjustment to keep salaries competitive.	3.8
Base salary.	3.7
Medical insurance plan.	3.6
Amount of paid time off (e.g., holidays, personal time, bereavement).	3.6
Additional pay to recognize my performance.	3.5
More pay to differentiate exceptional performance.	3.3
Dental insurance plan.	3.2
Voluntary supplemental retirement savings (e.g., 457, 401k).	3.1
State-paid short-term disability benefits.	3.1
State-paid life insurance for employees.	3.0
Opportunity for incentives during the year (e.g., monetary such as on-the-spot awards, non-monetary such as length of service recognition).	3.0
Flextime.	2.9
Optional (employee-paid) long-term disability benefits.	2.6
Flexplace or telecommuting.	2.6
Optional (employee-paid) life insurance.	2.5
Set aside tax-free benefit dollars (e.g., pre-tax premium, flexible and health savings accounts).	2.5
Employee discount program.	2.1

It should be noted that respondents in the youngest age group (18-24) rated “Additional pay to recognize my performance” as most important; these respondents also rated “More pay to differentiate exceptional performance” higher than other respondent groups. These age group differences suggest the importance of a diversified total compensation package as “one size does not fit all”. These interactions are illustrated in Chart 3.

Next, respondents were asked to rank eight factors as they relate to improving the State's total compensation package. The higher the average ranking, the more respondents believe the factor is important. **Overall, increasing the State's contribution to medical insurance was ranked as the most important factor.** Results are shown in Table 12.

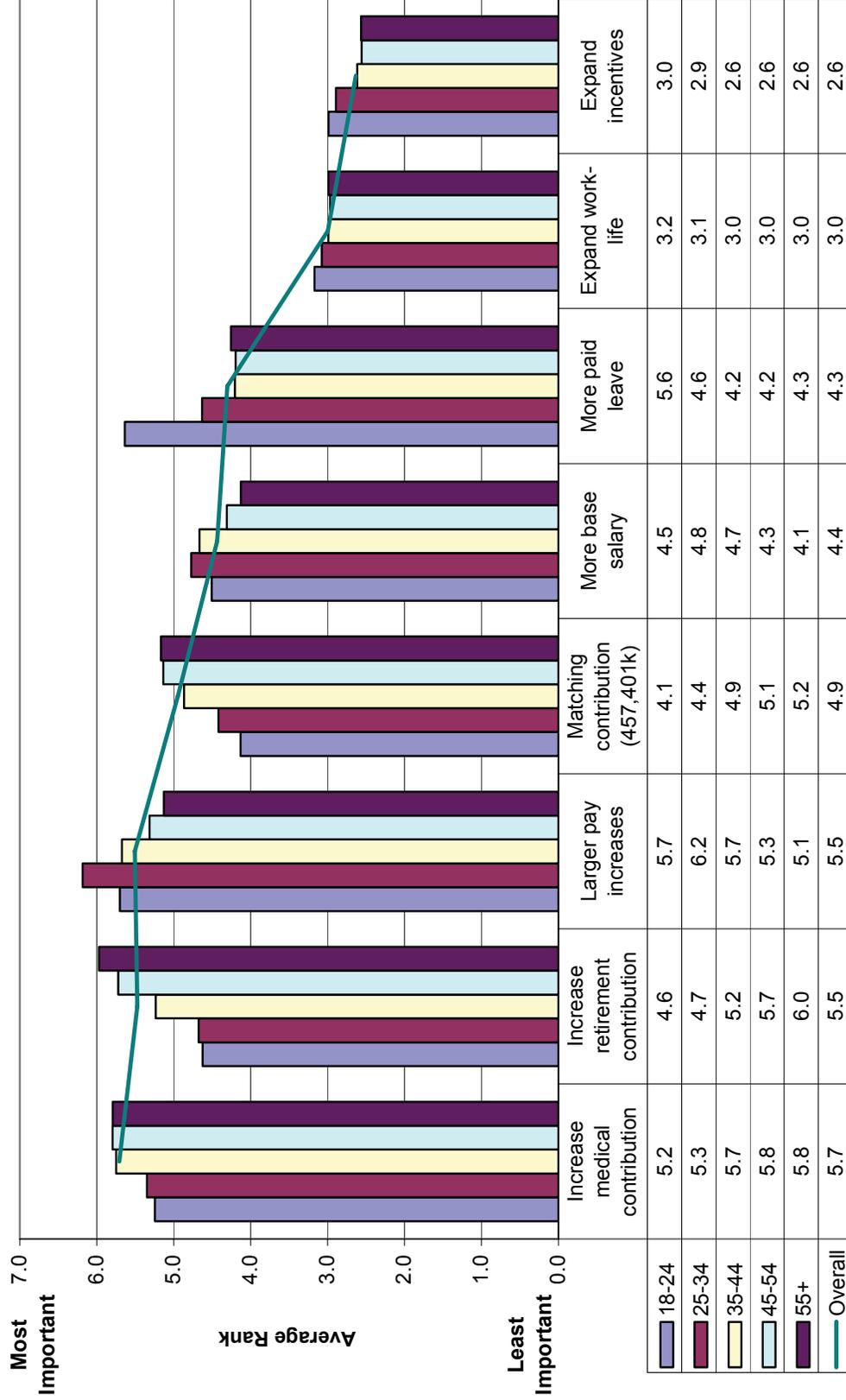
Table 12 – Ranking of Factors Related to Improving State's Total Compensation

	Avg. Ranking
Increase the State's contribution to medical insurance.	5.7
Increase the State's contribution to retirement benefits.	5.5
Larger pay increases to recognize my performance and move my salary through the pay range.	5.5
Matching contribution to voluntary supplemental retirement savings (e.g., 457, 401k).	4.9
More base salary without regard to my performance or movement through the pay range.	4.4
More paid leave.	4.3
Expand work-life options (e.g., flextime, flexplace/telecommuting, employee discounts).	3.0
Expand incentives (e.g., monetary or non-monetary recognition throughout the year).	2.6

It should be noted that respondents in the lower Age groups (18-44 Age) ranked "Larger pay increases to recognize my performance and move my salary through the pay range" most important. The lower Age groups also ranked "More paid leave" much higher than the other respondent groups, while the higher Age groups preferred increases to retirement benefits and matching contributions to retirement savings. These differences provide another demonstration of the need for a flexible total compensation package in meeting different needs from the diversified workforce. These interactions are illustrated in Chart 4.

Chart 4

Ranking of Factors Related to Improving the State's Total Compensation Package
By Age Group



Respondents were also asked to rank eight factors assuming that the State has no new dollars to fund salary increases. The higher the average ranking, the more respondents believe the factor is important. **Consistently throughout the survey, increasing the State’s contribution to medical insurance was again ranked as the most important factor, followed closely by the State’s contribution to retirement benefits.** Results are shown in Table 13.

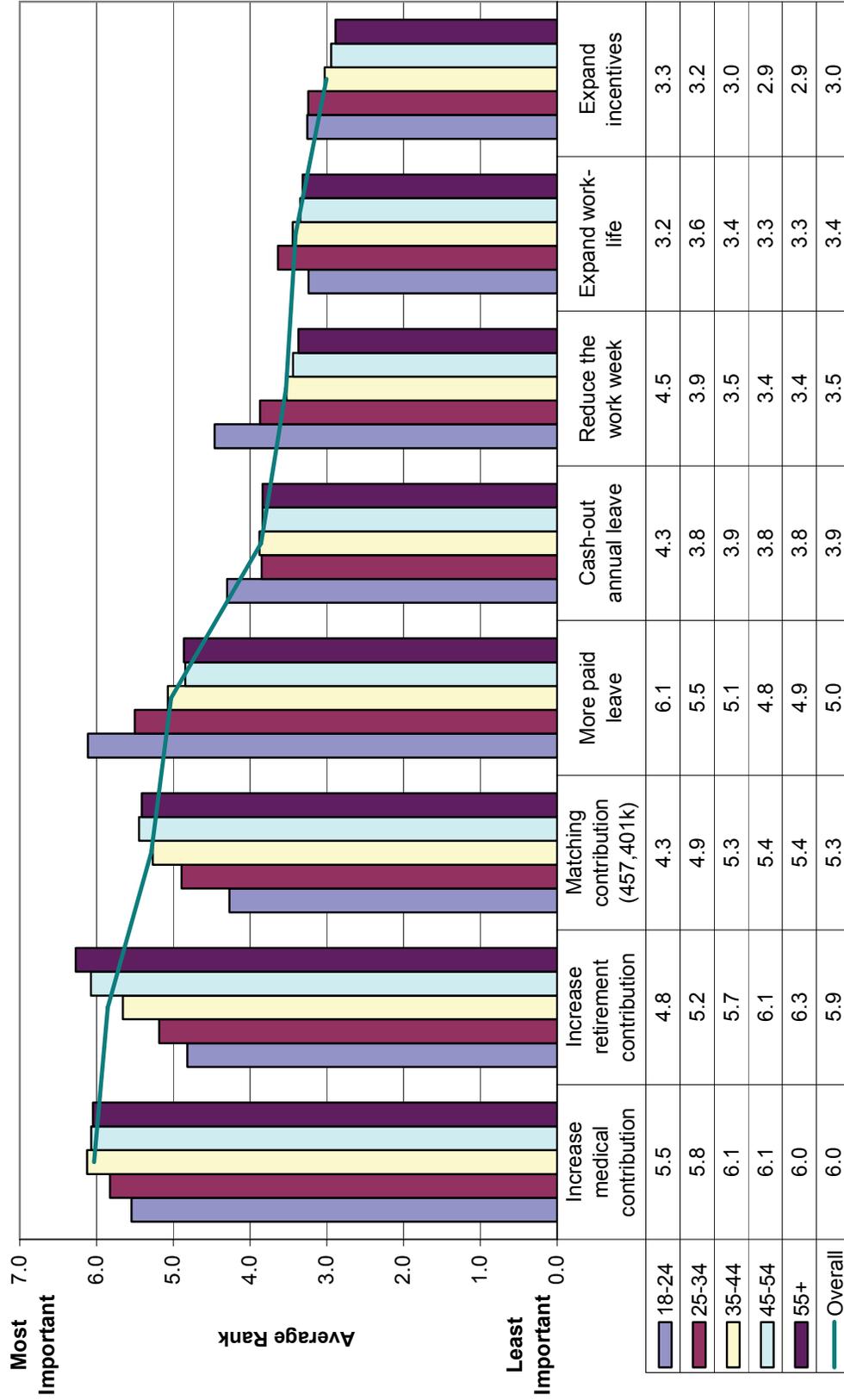
Table 13 – Ranking of Factors Assuming No New Dollars for Salary Increases

	Avg. Ranking
Increase the State's contribution to medical insurance.	6.0
Increase the State's contribution to retirement benefits.	5.9
Matching contribution to voluntary supplemental retirement savings (e.g., 457, 401k).	5.3
More paid leave.	5.0
Ability to cash out a limited amount of over-accrued annual leave once a year.	3.9
Reduce the work week.	3.5
Expand work-life options (e.g., flextime, flexplace/telecommuting, employee discounts).	3.4
Expand incentives (e.g., monetary or non-monetary recognition throughout the year).	3.0

Equally important is the response calling for a flexible total compensation package for a diversified workforce. The respondents in the lowest Age group (18-24 Age) ranked “More paid leave” most important, and “Reduce the work week” as highly important. The higher Age groups (55+) ranked “Increase the State’s contribution to retirement benefits” most important. This interaction is illustrated in Chart 5.

Chart 5

**Ranking of Factors Related to Improving the State's Total Compensation Package
(Assuming No New Dollars for Salary Increases)
By Age Group**



Finally, respondents were asked how much of a salary increase it would take for another employer to entice them to leave the State. **Overall, an increase of 11-15% was the most selected option.** Results are shown in Table 14.

Table 14 – How Much of a Salary Increase Needed to Leave the State

	% of Responses
11-15% Increase	25.6%
5-10% Increase	22.1%
16-20% Increase	19.6%
21% or More Increase	14.7%
Salary Increase Not Enticing	12.3%
0-4% Increase	5.7%

It should be noted that respondents in the lowest Years of Service and Age groups (0-3 Years of Service and 18-24 Age) chose the option “5-10% Increase” most often, while respondents in the highest Years of Service group (20+ Years of Service) chose the option “Not Enticing” most often.

Enrollment in Current Benefits

Respondents were asked seven separate questions regarding current enrollment and usage. Overall, 81% of respondents report having medical benefits through a State plan and 86% report having dental benefits through a State plan. For those respondents not covered through a State medical plan, they were asked to select their primary reason for not being enrolled. Results are shown in Table 15. It is noted that about one third (10,000 benefits-eligible state personnel system employees) are not enrolled in the State’s group plans. While it is good to note that two thirds of non-enrollees are being covered through other plans, it is critical for DPA to continually improve and to make sure affordable medical plans are available to all who want to be insured.

Table 15 – Primary Reason for Not being Enrolled in a State Medical Plan

	% of Responses
Medical coverage through another plan (e.g., spouse's coverage)	66.7%
Value of the State's coverage is not worth the expense	18.1%
Cannot afford even the employee-only coverage of the lowest-cost State plan	7.6%
Other reason	7.3%
Do not want to be insured	0.2%

Respondents were also asked to select, from a list of benefits, any and all that were currently being used. Results are shown in Table 16.

Table 16 – Benefits Currently Being Used

	% of Responses
Optional life insurance	32.2%
Pre-tax premium	28.6%
Optional long-term disability insurance	13.0%
Flextime	11.3%
Flexible Spending Account - Health Care	10.2%
Flexible Spending Account - Dependent Care	2.2%
Flexplace/telecommuting	2.2%
Job sharing	0.3%

Finally, respondents were asked if, in the past 12 months, they had used the Employee Discount Program, the Total Compensation Calculator, and the State's Commuter Choice Program. Results are shown in Table 17.

Table 17 – Use of Supplemental Benefits

	% of Responses
Employee Discount Program	
No	58.9%
Did Not Know About This Benefit	27.1%
Yes	14.0%
Total Compensation Calculator	
No	47.7%
Did Not Know About This Benefit	39.5%
Yes	12.8%
Commuter Choice Program	
No	40.3%
Did Not Know About This Benefit	22.3%
Yes	19.9%
My Department Does Not Offer This Benefit	17.5%

The low percentage of respondents who use these programs provides a growth opportunity for the State to better market the benefits of these programs.

CONCLUSIONS

With the total compensation package being the most important factor in employees' decision to continue employment with the State and the preference for different compensation elements based on different demographic groups, it is clear that the total compensation package must be deliberately evaluated and tailored to fit the State's workforce.

Within the total compensation package, retirement benefits and annual market salary adjustments were deemed to be the most important elements. Increasing the State's contribution to medical insurance was consistently chosen as the most important element in improving the State's total compensation package.

The results of this survey illustrate the importance of having a flexible total compensation package that can serve the needs of a diversified workforce. As the difference in preferences based on age groups demonstrates, different total compensation choices are required to attract new and retain seasoned talent.