

Measure Z Committee
Agenda Item Summary
October 27th, 2022

Salary Component Determination

Issue: The Measure Z Committee has never provided explicit directions to applicants regarding the determination of what constitutes a legitimate salary item for reimbursement by the Fund. As a result, different applicants have included a wide array of elements in their salary costs, resulting in wide variance in the level of fund reimbursement.

Discussion: The current practice of the committee allows applicants to specify their position salary costs without specific direction. Many of the funded positions are guided by MOU's that include highly specified elements as additions to base salary that are included in the applicant's characterization of the position salary. This is especially true in the public safety sector, where salary additions are common for items such as shift differential, assignment specific pay grades, additions for certifications, or educational elements, and many others. Without guidance, applicants typically include these items in their identification of the salary level.

There is also inconsistency in the salary roll up costs and benefits.

Proposal: The chair is proposing that the committee determine the specific elements that will be allowable for reimbursement and communicate this determination to the applicants prior to receipt of applications, and provide a salary and roll up cost and allowable benefit worksheet for applicant submission at the time of application.

As a starting point for discussion the chair proposes that the following costs be allowable for funding:

- 1) Base Salary
- 2) Retirement-
 - For PERS Entities- Normal Cost only- Employer share only
 - For non PERS entities- IRS recognized retirement investment programs (i.e., 401k, SEP plans etc.)
 - Social Security Employer share
 - Medicare Employer share
- 3) Health Insurance including Vision and Hearing or HRA or HSA contributions
- 4) Unemployment Insurance
- 5) Workers Compensation Insurance
- 6) SDI where applicable

Potential Issues of the Proposal :

- 1) Increase in staff time to develop the salary worksheet and review submissions of applicants.
- 2) The limitation of Retirement costs of PERS applicants to the Normal cost component will have a significant effect on these applicants since it is common for the mandated Unfunded Actuarial Cost to be almost equal to the retirement Normal Cost. This will be especially true for the County personnel funded by Measure Z.