
The State's \$2.5 Billion Addiction



A California Bottom Line Report



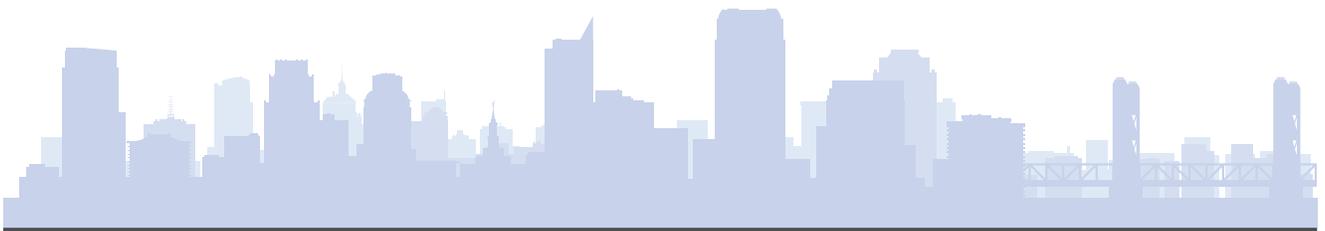
JULY 2017 | RESEARCH BY SEIU LOCAL 1000

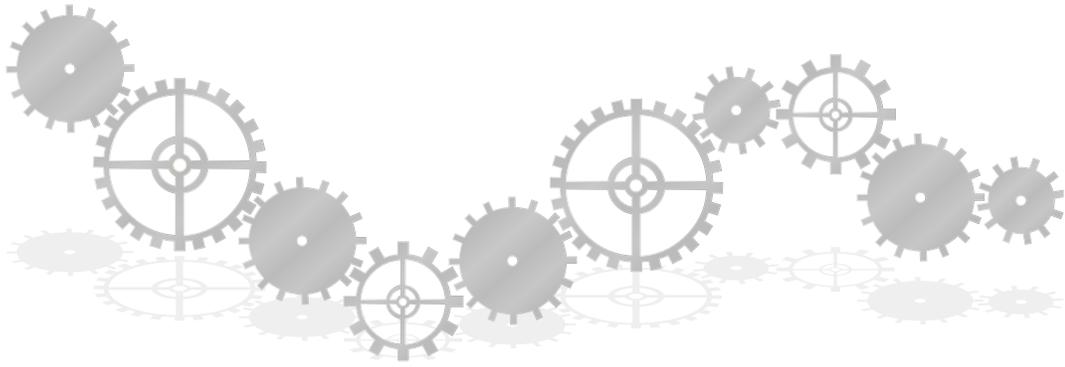


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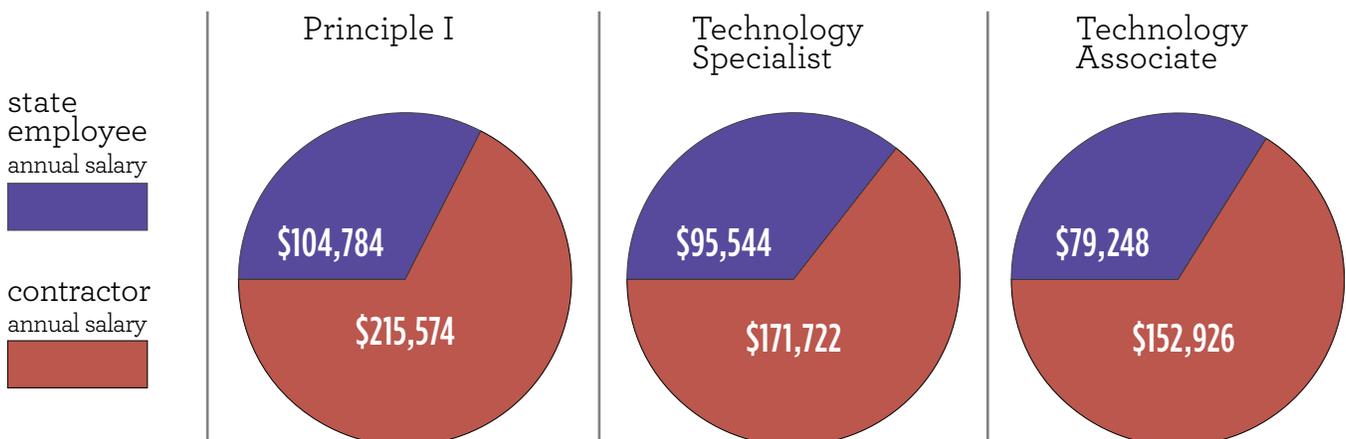
EXECUTIVE SUMMARY

Today the state is spending approximately \$2.5 billion annually contracting out IT services—mostly for work well within the expertise of existing civil service IT professionals.¹ An analysis of the evidence reveals an outdated and uncompetitive classification system is subsidizing the state’s longstanding addiction to contracting out. The need for these third party contracts stems from the state’s failure to attract and hire sufficient IT professionals due to a lack of competitive wages, too few professional development programs and an inadequate staffing strategy—leaving taxpayers footing the bill for billions in misspent dollars.

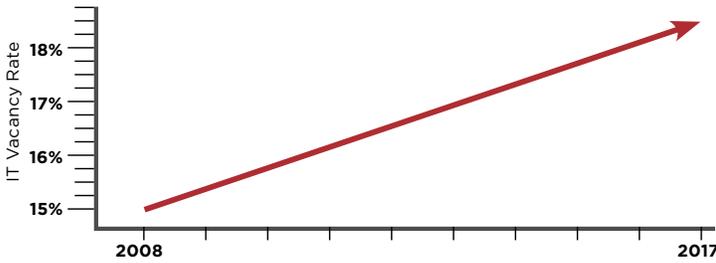
*Some of the findings include:*²

There are glaring discrepancies in pay between contractors and their state civil service equivalents:

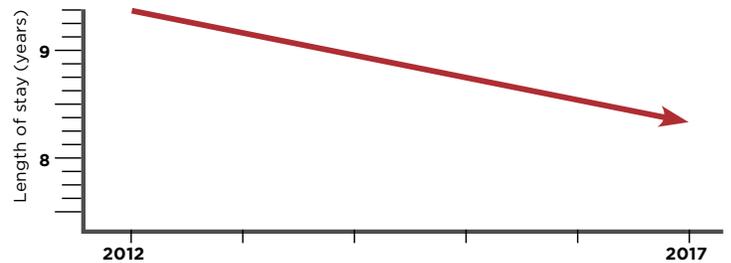
- State employees at Principle I level make a whopping \$110,790 a year less than their contractor counterparts;
- State employees at the Information Technology Specialist level make \$76,178 less per year than their contractor counterparts; and,
- State employees at the Information Technology Associate level make \$73,679 annually less than their contractor counterparts.



The state's IT civil service workforce vacancy rate has increased from 15.6 percent in 2008 to 18.6 percent today.



According to the State Controller's Office longevity reports, five years ago the average length of stay for state IT professionals was 9.4 years. Today it has decreased by one year, to 8.4 years.



By investing in its IT workforce—through competitive wages, expansion of professional development opportunities and streamlined hiring—the state can reduce its costly dependency on outsourcing and reach its goal of being the employer of choice for more than just contractors.

IT Reclassification is the right thing to do for the taxpayer, the state and for state workers.



Taxpayer

If the state were to bring all the contracted out IT work back in-house, it could save taxpayers more than \$700 million a year.³



State

This would increase the state's IT infrastructure and eliminate staffing inefficiencies and knowledge drain caused by a less committed, temporary IT workforce.



State worker

It would improve the morale, loyalty and productivity of the IT workforce with expanded workers earning industry competitive wages, promotional opportunities and increased chances for skill enhancement.

\$2.5 BILLION IN CONTRACTS SUBSIDIZES THE STATE'S INACTION ON CIVIL SERVICE REFORMS

During fiscal year 2016-2017, the state of California racked up \$2.5 billion in new third party contracts for information technology (IT) services.⁴ The services provided by these contractors falls squarely within the scope of work performed by current civil service IT professionals. This report analyzes why the state continues to throw billions of dollars at contractors when state employees can do the same work for a fraction of the cost.

An analysis of the evidence reveals that an outdated and uncompetitive classification system is contributing to the state's longstanding addiction to contracting out. The need for third party contracts stems from the state's failure to attract and hire sufficient IT professionals because of a lack of competitive wages—leaving taxpayers footing the bill for billions in misspent dollars.

The state's addiction to contracting out is not a new problem. In April of 2008, Service Employees International Union (SEIU) Local 1000 released a report on IT contracting in California state agencies. Nine years later, 2017 still looks a lot like 2008. A review of current IT contracting practices reveals the state continues to struggle to fill IT vacancies due to uncompetitive salaries and outdated exam procedures. Further evidence of this reliance can be seen in the 3 percent increase in vacant IT positions from 2008 to today. In addition, the average tenure of civil service professionals has dropped by a full year in the same period. These vacancies force the state to pay contractors up to a whopping \$110,790 more per year for work that can be performed by a civil servant.⁵

AN OPPORTUNITY FOR CHANGE

At the time of writing—June 2017—the state is in the process of consolidating and streamlining IT classifications through the Civil Service Improvement Initiative (CSI). This report first examines how CSI could be a vehicle to help fill IT vacancies and reduce the costly outsourcing of IT work that could be done in-house—but only if the state takes a thoughtful approach and pays competitive wages. It analyzes the state's wasteful practice of spending ghastly sums of money (i.e., billions of dollars a year) contracting out IT services that fall within the scope of work for existing state IT classification specifications. It then illustrates how contracted out IT services could be provided by state IT professionals—thereby saving taxpayers hundreds of millions of dollars a year. Finally, the report exposes some of the practices that feed the state's addiction to outsourcing IT work.

CSI and IT Class Consolidation

The state launched its current IT CSI reclassification plan, spearheaded by the California Department of Human Resources (CalHR) as part of a larger personnel reform program. The CSI is a project “that will allow departments to find and quickly hire the best candidates through a fair and merit-based process” according to an April 2017 white paper.⁶ The state plans to accomplish this by “consolidating, simplifying and allocating [its] 3,197 job classifications and

streamlining the examination process.”⁷ The Initiative also lays out strategies for the retention and professional development of state workers in civil service. But when it comes to IT, CSI will only be as effective as the state’s planning.

With any quality reclassification, monetary considerations must be made when fundamental recruitment and retention issues exist due to uncompetitive wages. “As long as state IT workers make significantly less than their IT state contractor counterparts, departments will continue to have a hard time recruiting and retaining top IT talent which will lead to its reliance on costly outsourcing.”⁸ SEIU Local 1000 has been a proponent of common sense civil service modernization and has supported efforts to do away with outdated classifications, increase training opportunities and curbing the state’s over-reliance on all outsourcing.

Current Plans for IT

CalHR’s IT reclassification proposal consolidates over thirty IT classifications into four classes that perform work in up to six IT domains. The three classifications the state contracts out are depicted in Figure 1, along with their corresponding domains.⁹ The body of work and function of IT professionals will not change under the plan— modifications are intended to create a system of a few general classifications as opposed to the current, more specific classifications. Under the new class system, rank-and-file IT professionals would fall into one of four new classes and work within certain domains—an approach that aligns with IT industry practice.

Figure 1 – IT Domains and New Rank and File Classifications

	Project	Information Security Engineering	Systems Engineering	Software Engineering	Business Technology	Client Services
Principle I						
Technology Specialist						
Technology Associate						

PAYING MARKET RATES FOR IT PROFESSIONALS REDUCES CONTRACTING AND SAVES MONEY

In what appears to be an extremely shortsighted move, the state has not proposed increasing current wages for its new IT classifications. As illustrated on the next page, state employee IT professionals make substantially less than the amounts paid to third party IT contractors—even when you factor in employee benefit costs. Furthermore, state employee IT professionals make substantially less than market comparators.¹⁰

Uncompetitive state employee IT wages mean the state will continue to be unable to recruit and therefore, will have to rely on contractors to cover its IT labor shortage. The bill for contracting out IT work is costing taxpayers billions of dollars a year, indicating the need for more full time state employee IT professionals is not a short-term problem. Based on the analysis below for the \$2.5 billion the state spent in FY2016-17 on contracting out IT work, it may have paid for over ten thousand fulltime equivalent IT contractors to perform work within the scope of state employee IT professionals.¹¹

Economic Analysis of State IT Contractor Rates and Market IT Wage Rates

In April 2017, the state of California had entered into 165 contractual relationships providing IT services. The specifications for the seven IT classifications subject to the Master Services Agreement (MSA) were compared to the specifications for the newly proposed “reclassified” IT classifications— as depicted in Figure 2.¹²

Figure 2: A Comparison of Civil Service and Contractor Job Descriptions

	Civil Service Positions	Contractor Equivalent
Principle I	<ul style="list-style-type: none"> • Leadership and expertise in one or more domains • Develop or update project plans for IT projects • Lead and mentor teams • Manage projects to ensure adherence to budget, scope and schedule 	<ul style="list-style-type: none"> • Manage or oversee projects to deliver an IT product, service or system • Manage or oversee all aspects of one or more IT projects • Interaction with mid-level officials of similar capacity
Technology Specialist	<ul style="list-style-type: none"> • Plan, develop and implement mission-essential technological solutions • Perform software product development and release management activities • Design and define software solutions • Participate in design of new system architecture, standards and support 	<ul style="list-style-type: none"> • Provide coordination, oversight and leadership for IT architecture and infrastructure design • Ensures IT architectural integrity • Functions as an interface between systems developers and IT project managers
Technology Associate	<ul style="list-style-type: none"> • Execute guidelines for technology governance and process improvement • Track, monitor and audit IT assets • Analyze, develop and document processes 	<ul style="list-style-type: none"> • Apply analytical processes to planning, design and implementation of new and improved information systems • Perform needs analyses to define opportunities for new or improved business process solutions

The results show how the state could save hundreds of millions of dollars by paying a market wage for IT professionals and thereby significantly reduce its reliance on costly contractors.

Just how wasteful the state’s contracting out is depicted in Figures 3, 4 and 5 which show the cost of hiring a contractor as opposed to a state employee for equivalent work.¹³ The figures also illustrate the savings to the state if they were competitive by paying market rates for IT professionals.

Low pay for IT professionals means continued IT labor shortages and expensive contracting to cover those labor shortages.

Given the scale of the state’s contracting out problem, investing in its own workforce could literally save taxpayers hundreds of millions of dollars a year as IT talent is hired and retained by the state thereby reducing the need for costly IT contractors.¹⁴

Economic Analysis of State IT Contractor Rates and Market Rates

IT Wage Rates

Fig. 3 – Principle 1

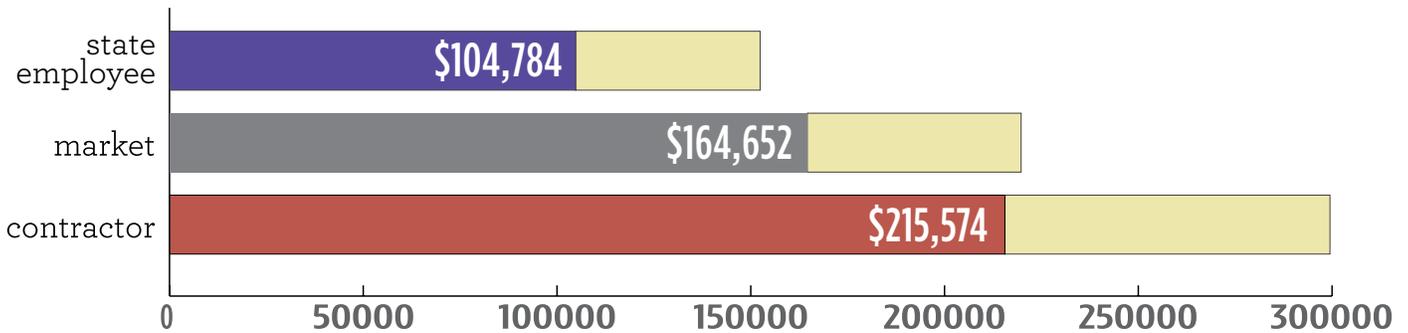


Fig.4 – Technology Specialist

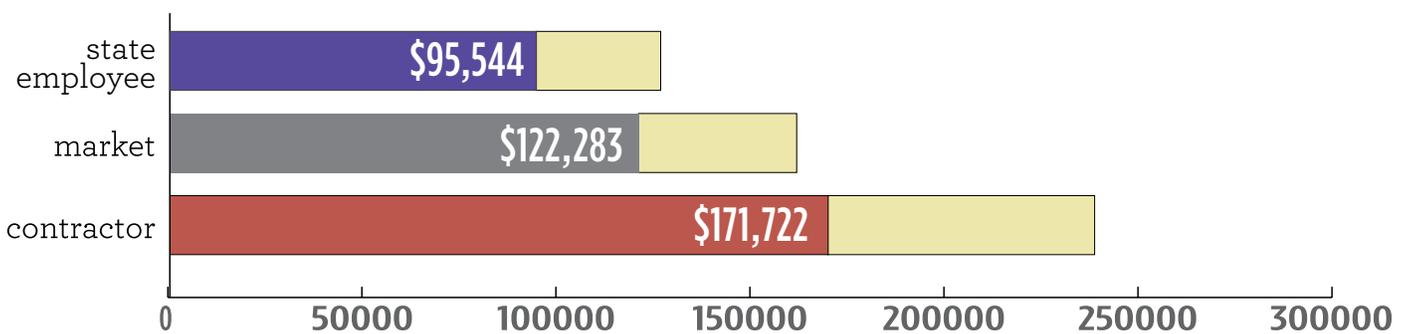
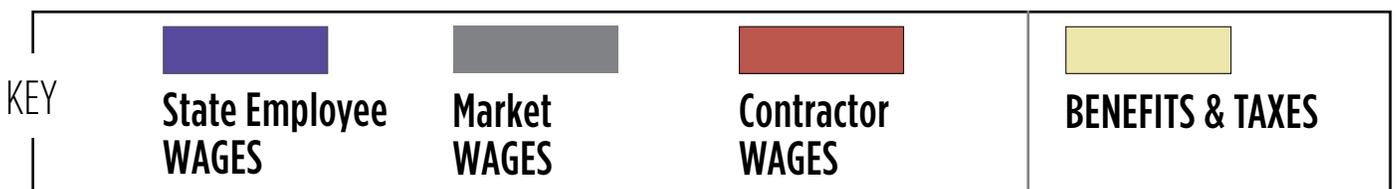
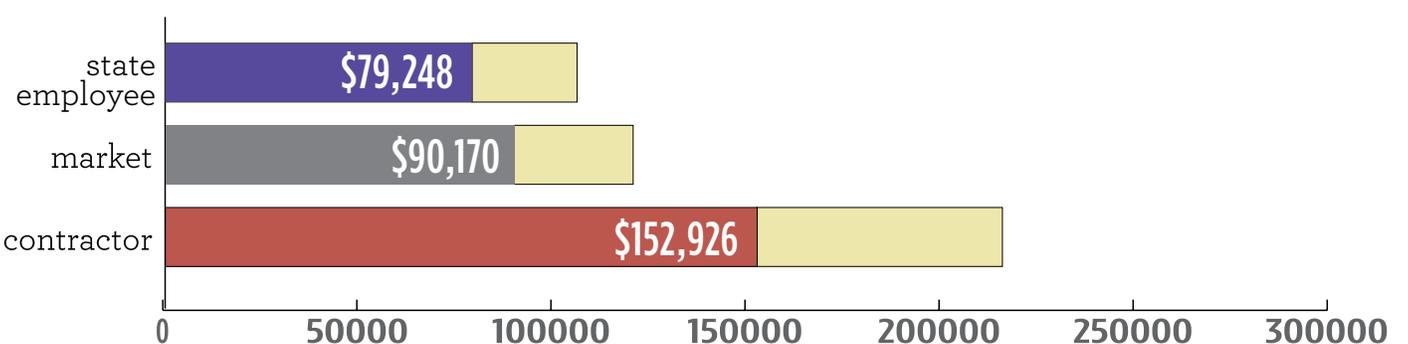


Fig. 5 – Technology Associate



LACK OF INVESTMENT IN THE IT WORKFORCE

Over the course of our research we discovered several additional causes for IT outsourcing. These factors have little to do with the state lacking IT staff with the needed skills or expertise and, instead, they reflect a lack of investment in the IT workforce and a failure to plan long-term.

Recruitment and Retention of State IT Professionals

Recruitment and longevity rates for state IT professionals is in a downward spiral. Put in context, \$2.5 billion in IT contracts represents about 25 percent of the total cost of all contracts for goods and services in FY2016-17.¹⁵ From 2008 to 2017, the number of civil service IT workers has grown from under seven thousand to almost nine thousand, respectively.¹⁶ But the gap between the number of authorized IT positions and filled positions also increased during that time, from 1,065 to 1,411—a 32 percent increase.¹⁷ This trend suggests that departments are either unwilling or unable to recruit and retain IT staff, and as a result, are increasing their utilization and reliance on outsourcing IT work.

The state's IT civil service workforce vacancy rate has increased from 15.6 percent in 2008 to 18.6 percent today.¹⁸ According to State Controller's Office (SCO) longevity reports, five years ago the average length of stay for civil service IT professionals was 9.4 years.¹⁹ Today that number has dropped to 8.4 years.²⁰ A one year decrease in tenure illustrates the state's retention problem.

The state has more vacant IT positions today than it did in 2008, and IT professionals are leaving civil service much sooner than they were a decade ago—presumably to better paying jobs, including working for the third-party contractors who pay higher wages.

Inadequate Long Term IT Staffing Strategies and Antiquated Hiring Processes

Over-reliance on contract workers is a symptom of a failure to create long term IT staffing strategies and modernize the state's hiring practices.

Departments are required to submit staffing plans annually to the Department of Finance. These plans are usually a part of the agency's larger strategic plan. But often these plans move forward without a thoughtful strategy to recruit and retain the kinds of candidates that could reduce the need for outsourcing.

Mike Arakji, an IT worker at the state department of FI\$Cal, says that the old excuse that the IT field is changing too fast to do effective planning is simply not true. "We do need an overall strategy and plan for hiring IT workers, but we also need to execute the plans once we've made them. There's always something new and shiny with IT. We need to prioritize projects and insource the work needed to get them done."²¹

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Mike Arakji, Systems Software Specialist III, Fi\$Cal

Getting IT professionals in the door is inhibited by an outdated hiring procedure fraught with issues that include the duration of the hiring process, cost, weighting testing over experience and ambiguous exams.

IT managers who work for the state sometimes point to long delays between requesting additional staffing for a project and CalHR's ability to respond with completed duty statements and job postings. Once a candidate completes the appropriate civil service hiring procedures and is hired for an IT position, it is not uncommon for a year to have passed. On the other hand, an IT manager can simply send an email or pick up the phone and contract out the work in a fraction of that time.

In a 2008 report on California's civil service system, SEIU Local 1000 recommended that the state begin placing more value on experience and less on test scores.²² This shift is the best way to find and hire the most qualified candidates for the state's IT needs.

Insufficient Professional Development and Training Opportunities

Professional development programs and promotional opportunities can reduce turnover and high vacancy rates by providing the state IT workforce opportunities to grow on the job.

This is particularly pertinent for IT workers because the field is quickly evolving with new developments taking place regularly. In a recent survey of IT professionals represented by Local 1000, only a small fraction reported being in a training and development position. Many of the respondents reported not having any certifications.

The state needs to do more to cultivate a culture of professional development opportunities, including providing certification training onsite and providing incentives for attaining certifications.

To this end, Local 1000 and the state recently launched an IT apprenticeship training program funded by a \$4 million federal grant to provide on the job training and classroom instruction through Sacramento City College and San Francisco City College for state employees seeking new or enhanced IT skills. Local 1000 is committed to the expansion of similar promotional opportunities and programs throughout the state that allow members to advance their skills, improve their quality of life and enhance the public services they provide.

While the newly formed IT apprenticeship training program is a step in the right direction, the state still needs to do more for state employee IT professionals.

CONCLUSION

By investing in its IT workforce—through higher wages and expanded professional development programs tied to promotional opportunities—the state can reduce its \$2.5-billion-a-year reliance on outsourcing. The state’s CSI Initiative provides CalHR with an opportunity to address some of the systemic causes of increasing vacancy rates, decreasing longevity rates and ineffective recruitment and retention efforts in its IT workforce.

But it can only do so if it first recognizes that underpaying its IT workforce is not saving the state any money. In fact, uncompetitive IT salaries have led to an increase in the need to outsource IT projects. Taxpayers have paid a high price for the failure of the state to come up with a long-term strategic plan for its IT workforce and its failure to provide more professional development programs that lead to promotional opportunities. The state must also ensure proposed classifications are well thought out and effectively implemented, including revamping the current examination process to make sure that qualified candidates are not being passed on because exams test for the wrong skills.

SEIU Local 1000 looks forward to partnering with the state to increase its ability to recruit and retain the best IT talent for the many critical technology projects that lay ahead.

“For two decades the state has masked their mismanagement with costly outsourcing practices, at the expense of taxpayers. At some point they must end their addiction and take real action to invest in the IT workforce.”

Margarita Maldonado
SEIU Local 1000 | Vice President for Bargaining

END NOTES

- ¹ As of May 20, 2017, the Department of General Services reported a grand total of \$2,481,960,512 in all IT service contracts awarded or amended since the fiscal year began on July 1, 2016. SEIU Local 1000 received this data in response to a request submitted under the California Public Records Act.
- ² The full economic analysis is contained in the appendix. The vacancy rate graph is based on 2008 and 2017 position and vacancy data provided by the State Controller's Office (SCO) in March 2008 and March 2017. The longevity graph is based on data from SCO Longevity Reports 2012-2016 (March 15, 2017).
- ³ Based on the economic analysis in the appendix and the amount of contracted IT work in FY2016-17. If the State were to bring all the contracted out IT work back in-house, it could save taxpayers as much as \$736,366,383 a year—assuming two-thirds of the State's IT contractor workforce is at the Technology Specialist level, with the remainder operating at the Principal I and Technology Associate levels.
- ⁴ See endnote 1.
- ⁵ Result based upon the economic analysis contained in the appendix.
- ⁶ CSI Future State White Paper: The House We Are Building, Government Operations, State Personnel Board, CalHR (March 11, 2017), available at: <https://govops.ca.gov/wp-content/uploads/sites/11/2017/04/The-House-We-Are-Building.pdf>.
- ⁷ See endnote 6.
- ⁸ Interview with Margarita Maldonado, SEIU Local 1000 Vice President of Bargaining, May 22, 2017.
- ⁹ Figure 1 is based on the domains listed in the Information Technology Series (proposed by CalHR to SEIU Local 1000 in March 2017).
- ¹⁰ Conclusion based on the economic analysis contained in the appendix.
- ¹¹ Conclusion based on the \$2.5 billion in contracted IT services (see endnote 1) and the economic analysis contained in the appendix.
- ¹² Conclusion based on the economic analysis contained in the appendix.
- ¹³ Figures 3, 4 and 5 are based on the economic analysis contained in the appendix.
- ¹⁴ Conclusion based on the economic analysis contained in the appendix.
- ¹⁵ "The State of California purchases a wide variety of goods and services ranging from pencils to temporary labor. Annual purchases total almost \$10 billion." Doing Business with the State, California Department of General Services, available at: <http://www.dgs.ca.gov/pd/Home.aspx>.
- ¹⁶ Based on 2008 and 2017 position and vacancy data provided by the SCO in March 2008 and March 2017.
- ¹⁷ See endnote 16.
- ¹⁸ See endnote 16.
- ¹⁹ Based on data from SCO Longevity Reports 2012-2016, (March 15, 2017).
- ²⁰ See endnote 19.
- ²¹ Interview with Mike Arakji, Systems Software Specialist III Fi\$Cal, May 18, 2017.
- ²² State Civil Service Reform: California's Human Resource Modernization Project in a Comparative Perspective, SEIU Local 1000 (March 2008), page 18, available at: http://www.seiu1000.org/sites/main/les/le-attachments/state_civil_service_reform.pdf.

APPENDIX

Economic Analysis of State IT Contractor Rates and Market IT Wages

The results explained below show how the State could save hundreds of millions of dollars by paying a market wage for IT professionals and thereby significantly reduce its reliance on costly contractors.

The Procurement Division of DGS maintains a public list on its website of the negotiated hourly rates for seven different kinds of IT contractors defined under the MSA.¹ The seven MSA IT contractor job descriptions were compared to the specifications for the newly proposed “reclassified” civil service IT classifications. The IT contractor job duties were then grouped together by skill level and domain under the criteria proposed by the State for the new “reclassified” IT classifications. Next, the hourly contracted rates of pay under the MSA were calculated to determine what the State pays on average for contracted IT classifications with the same or substantially similar skills and experience as the newly proposed “reclassified” IT classifications.

Principal I

The Principal I classification requires substantially similar skills and experience as the Senior Project Manager and Project Manager under the MSA.² The State pays an average hourly rate of \$144 for this skillset.³ The State spent \$2.5 billion on IT contractors last year.⁴ Therefore, it is safe to assume that at least some of the contracted work is fulltime. If the work is fulltime, the State pays on average \$299,520 annually for every IT contractor operating at the Principal I level under the MSA.⁵ At this price point, the State could bring the work back in-house and pay its IT professionals at the Principal I level an annual pay rate of \$215,574 plus benefits.⁶ But the State plans to pay the Principal I classification a maximum of only \$104,784 a year—a whopping \$110,790 less than the estimated contractor rate.⁷

Based on market comparators for California provided by the Economic Research Institute, Inc., the average maximum pay for someone with IT enterprise resource planning project management skills (one of the four domains within the scope of the Principal I) is \$164,652 a year—an amount that is \$59,868 higher than the maximum rate the State plans to pay the Principal I classification.⁸

The State’s proposed pay rates are substantially lower than what it pays for contracted IT work and substantially lower than the state-wide average market pay rates offered by comparable employers in California. Based on these facts, the State could adopt a market wage and save \$67,624 for every fulltime equivalent IT contractor position it brings back in-house.⁹

1 Contracted hourly rates under the IT Consulting Services Master Services Agreement are available at: <http://www.dgs.ca.gov/pd/Programs/Leveraged/masteragreements/InformationTechnologyConsultingServices.aspx> (hereinafter “MSA”). As of April 2017, the State of California had entered into 165 contractual relationships for IT services under the MSA. (The State may also have additional contracts with IT contractors not subject to the MSA.) At the time this analysis was conducted, the MSA listed seven different IT classifications. The MSA expires on March 3, 2018. On or about April 21, 2017, the State entered into an additional MSA that runs through April 20, 2020 (the “2020 MSA”). The 2020 MSA expands the classification list from seven to 25. Because the MSA expiring in 2018 listing seven classifications was in effect for the entire fiscal year, this analysis focuses on it. (Note, the State’s 2020 MSA continues the practice contained in the MSA expiring in 2018—paying contractors exorbitant amounts to do work within the scope of state IT professional job specifications.)

2 See Figure 2. The summary of skills for the Principal I come from CalHR’s Information Technology Series (proposed March 2017), page 3 (hereinafter “CSI IT Series”). (Similar skills are required under existing civil service job descriptions, see, e.g., classification code 1367.) The summary of skills for the Senior Project Manager and Project Manager come from MSA, Exhibit — Statement of Work, page 39-40, available at: <http://www.documents.dgs.ca.gov/pd/masters/itconsult/5137002/SOW.pdf> (hereinafter “MSA Exhibit”).

3 Based on average rates for the Senior Project Manager and Project Manager under the MSA. The State pays a median contracted rate of \$147, a difference of two percent compared to the average contracted rate of \$144. Throughout, average rates are discussed, rather than median rates, since the difference between the two is not material and discussing averages makes the analysis easier to follow.

4 See endnote 1.

5 Calculated by taking the average contracted hourly rate by 2,080.

6 Calculated by taking the average contracted hourly rate by 2,080, then reducing it by the State’s average employee benefits costs for Unit 1 (i.e., payroll taxes, pension contributions, health care, dental and vision costs).

7 In April 2017, CalHR informed SEIU Local 1000 that it intends to pay the Principal I classification a maximum of \$104,784 in FY2017-18.

8 Search conducted on May 17, 2017 using the Economic Research Institute’s Salary Assessor, a subscription-based propriety database, for the average base salary in April 2017 for IT Enterprise Resource Planning Project Managers in California for all industries, public sector and private sector, working for employers with revenue above \$100 million (hereinafter “ERI Search”).

9 See Figure 3. Calculated by taking the ERI Search annual average, adding employee benefits costs, then subtracting that amount from what the State pays contractors annually for every full time equivalent doing comparable work.

Technology Specialist

The Technology Specialist classification requires substantially similar skills and experience as the Senior Tech Lead, the Tech Lead, Senior Programmer and the Programmer under the MSA.¹⁰ The State pays an average hourly contracted rate of \$116 for contractors with this skillset.¹¹ Every full time equivalent IT contractor operating at this level costs the State \$241,280 a year.¹² For that same amount of money, the State could pay a state employee at the Technology Specialist level an annual pay rate of \$171,722.¹³ But the State plans to pay Technology Specialists a maximum of \$95,544 a year—\$76,178 less than the estimated contractor rate.¹⁴

Conducting a search of market comparators shows that IT professionals with enterprise resource planning project management skills (one of the six domains within the scope of the Technology Specialist classification) receive an average starting salary of \$122,283 a year for the minimum number of years required for the Technology Specialist—\$26,739 more than what the State plans to pay.¹⁵

The State's shortsighted approach to compensation for IT professionals makes it uncompetitive in the market and therefore reinforces its costly reliance on contracted IT work to cover its IT labor shortage. Yet, if the State adopted the market rate it could save \$65,655 for every full time equivalent IT contractor position it eliminates a need for.¹⁶

Technology Associate

The Technology Associate classification requires substantially similar skills and experience as the Systems Analyst under the MSA.¹⁷ The State pays an average hourly contracted rate of \$104 for contractors with this skillset.¹⁸ Every full time equivalent IT contractor at this level costs the State \$216,320 a year.¹⁹ For the same amount of money, the State could pay a state employee at the Technology Associate level an annual pay rate of \$152,926.²⁰ The State plans to continue paying Technology Associates a maximum of only \$79,248 a year—\$73,678 less than the estimated contractor rate.²¹

Conducting a search of market comparators shows that IT professionals with software engineering skills (one of the three domains within the scope of the Technology Associate classification) receive an average starting salary of \$90,170 a year for the minimum number of years required for the Technology Associate classification—\$10,922 more than the maximum rate proposed by the State.²²

Low pay for state IT professionals means continued IT labor shortages and expensive contracting to cover those labor shortages. Adopting the market rate could save the state \$83,340 compared to what it pays on average to contract out a fulltime equivalent.²³

Given the scale of the State's contracting out problem, investing in its own workforce could literally save taxpayers hundreds of millions of dollars a year as IT talent is attracted to and retained by the State and thereby reducing the need for costly IT contractors.

¹⁰ See Figure 2. The summary of skills for the Technology Specialist comes from CSI IT Series, pages 2-3 (similar skills are required under existing civil service job descriptions). The summary of skills for the Senior Tech Lead, the Tech Lead, Senior Programmer and Programmer comes from MSA Exhibit, page 41-44.

¹¹ Based on average rates for the Senior Tech Lead, the Tech Lead, Senior Programmer and the Programmer under the MSA.

¹² Calculated by taking the average contracted hourly rate by 2,080.

¹³ Calculated by taking the average contracted hourly rate by 2,080, then reducing it by the State's average employee benefits costs for Unit 1.

¹⁴ In April 2017, CalHR informed SEIU Local 1000 that it intends to pay the Technology Specialist classification a maximum of \$95,544 in FY2017-18.

¹⁵ ERI Search for enterprise resource planning project management skills.

¹⁶ See Figure 4. Calculated by taking the ERI Search annual average, adding employee benefits costs, then subtracting that amount from what the State pays contractors annually for every full time equivalent doing comparable work.

¹⁷ See Figure 2. The summary of skills for the Technology Associate comes from CSI IT Series, pages 2 (similar skills are required under existing civil service job descriptions). The summary of skills for the Systems Analyst comes from MSA Exhibit, page 45.

¹⁸ Based on average rates for the Systems Analyst under the MSA.

¹⁹ Calculated by taking the average contracted hourly rate by 2,080.

²⁰ Calculated by taking the average contracted hourly rate by 2,080, then reducing it by the State's average employee benefits costs for Unit 1.

²¹ In April 2017, CalHR informed SEIU Local 1000 that it intends to pay the Technology Associate classification a maximum of \$73,678 in FY2017-18.

²² ERI Search for average base salary for IT Enterprise Resource Planning Project Managers.

²³ See Figure 5. Calculated by taking the ERI Search annual average, adding employee benefits costs, then subtracting that amount from what the State pays contractors annually for every full time equivalent doing comparable work.



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