

AAA Memo HCM 2025-01

Date: June 26, 2025

To: All Appointing Authorities.

From: Emily Roberson, Chief Human Resources Officer.

Re: New pay bands and federal poverty guidelines.

New pay bands

House Bill 1794 of the 2023 regular session required OMES Human Capital Management (HCM) to establish a market-based pay system; in response, HCM initiated a job catalog project in which we created hundreds of new job profiles, and thousands of state employees were moved into the job profiles that most accurately describe their work. The culmination of the project was to align all job profiles to the appropriate pay bands based on a complete market analysis, and we are excited to announce this work is complete. July 1 is the effective date of the revised pay bands and brand-new pay structures for job families where the market could not align with the existing structure.

The pay structures are now aligned to match the current market, and the midpoint has been replaced with an amount that represents 90% of compensation for comparable private sector positions. This change is intended to help agencies work toward aligning employee compensation with the State Employee Compensation Program, 74 O.S. § 840-2.15A, which states "The Office of Management and Enterprise Services will be responsible for coordinating the implementation of the compensation program. The compensation program will establish pay structures with a goal of compensating state employees at a level of at least a ninety percent (90%) of compensation for comparable private sector positions."

The new and revised pay structures are:

- State Employees (revised).
- Engineering (revised).
- Law Enforcement (revised).
- Executive Directors (revised).
- Deputy Executive Directors (new).



- Medical (new).
- Information Technology (new).

These are now available to the public on the **OMES** website.

New federal poverty guidelines

74 O.S. § 840-2.16 requires that the minimum wage for state employees, with the exception of specified seasonal employees, be set at an annual salary equal to the amount established in the Federal Poverty Guidelines for a three-person household. This salary requirement is issued each year in the Federal Register by the United States Department of Health and Human Services. The new amount is \$26,650 with an hourly rate of \$12.81.

Next steps

The state is legally required to both increase employee salaries to match the federal poverty guidelines and comply with Executive Director pay bands. However, other adjustments are left to the discretion of the agencies' appointing authorities and their governing bodies. HCM was very intentional regarding the analysis of the new minimums to curtail the fiscal impact on agencies. HCM Statewide Consulting has reached out to agencies with employees earning salaries below the new federal poverty guidelines and will soon contact those with employees whose pay falls below the new minimum compensation rate for their assigned pay band.

For any inquiries, please email <u>Deanna Ferron</u>, director of HCM Statewide Consulting, or call 405-522-2490.