



Executive Summary
Government of Guam Wide Personnel Costs Analysis
October 1, 2007 through September 30, 2012
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In our analysis of the Government of Guam's (GovGuam) personnel costs and employee counts among 53 agencies, we found that although both have generally increased over the five-year period from fiscal year (FY) 2008 to FY 2012, growth occurred only in some agencies with the largest growth occurring in the priority areas of public education, public safety, and public health. Specifically:

- Government personnel costs (inclusive of salaries and benefits) grew by 15% or \$86 million (M), going from \$589.6M to \$675.6M, of which ten agencies made up 78% of the increase;
 - Of the 10 agencies, those in the areas of education (30% or \$26M), health (13% or \$10.8M), utilities (12% or \$9.9M), and public safety (11% or \$9.7M) represented the bulk of the growth at 62% or \$62.6M of the \$86M.
- The number of employees increased by 3% or 402 people from 11,880 to 12,282;
 - The priority areas employed 60% of the FY 2012 government workforce with education at 4,887 employees or 40%, health at 1,635 or 13%, and public safety at 885 or 7%.
- There were 252 employees or 2% of the employee population who each earned over \$100 thousand (K) in FY 2012; however, there were wide ranges in the salaries of employees holding similar positions within agencies in the same area including education, health, public safety, and utilities; and
- The average annual salary (excluding benefits) of a GovGuam employee increased from \$38.1K in FY 2008 to \$40.6K in FY 2012.

Personnel Costs Increased by \$86M or 15%

GovGuam's total personnel costs increased by \$86M or 15%, from \$589.6M in FY 2008 to \$675.6M in FY 2012. Of the \$86M increase, 78% or \$66.7M was primarily due to personnel cost increases in the top 10 agencies which include the Department of Education (DOE) with a \$14.7M increase and made up 17% of the increase, Guam Memorial Hospital (GMHA) at \$10.8M and 13%, University of Guam (UOG) at \$7.2M and 8%, Guam Power Authority (GPA) at \$6.3M and 7%, and the Port Authority of Guam (PAG) at \$5.7M and 7%.

Three agencies' [GMHA, Guam Fire Department (GFD), and the Guam Police Department (GPD)] personnel costs increased, despite decreased employee counts. We also found that the Department of Public Works (DPW) had the greatest decrease in personnel costs (\$2.4M or 13%), going from \$18.3M in FY 2008 to \$14.3M in FY 2012; followed by the Department of Integrated Services for Individuals with Disabilities (DISID), which decreased by \$619K or 33% from \$1.9M to \$1.3M.

Growth in Number of Government Employees

The total number of GovGuam employees increased by 3% or 402 employees from 11,880 in FY 2008 to 12,282 in FY 2012. In FY 2012, five of the 53 agencies employed 54% of the government workforce: 3,803 employees at DOE, 967 at GMHA, 824 at UOG, 543 at GPA, and 479 at the Agency for Human Resource Development (AHRD). AHRD ranked in the top five agencies with the largest employee counts primarily due to temporary part-time employees within the various employment programs, such as the Summer Youth Employment Program. While most agencies (i.e., AHRD, DOE, and UOG) hired additional employees, other agencies (i.e., GMHA, DPW, and Department of Agriculture) experienced decreased employee counts during the five-year period.

Average GovGuam Employee Salary Increased by 8%

We found that the GovGuam employees' average annual salary (excluding benefits) generally increased from \$38.1K in FY 2008, to \$39K in FY 2009, down to \$37.8K in FY 2010, up to \$40.5K in FY 2011, and then \$40.6K in FY 2012. Between FY 2008 to FY 2012, this was an increase of \$2.5K or 7%.

The top five agencies with the largest average annual salary in FY 2012 were: (1) Office of the Chief Medical Examiner, (2) GFD, (3) Public Defender Service Corporation, (4) GMHA, and (5) Guam Community College (GCC). Over a five-year period, GFD's annual salary increased \$18K or 31% from \$58.5K to \$76.5K and GMHA increased \$8.3K or 17% from \$48.5K to \$56.7K.

Employees Compensated Over \$100K

Of the 12,282 GovGuam employees in FY 2012, 252 employees from 21 agencies received a salary over \$100K, which amounted to \$34.3M or 5% of total salaries. The agencies with the largest number of employees who earned over \$100K were: GMHA (64 employees), UOG (47), DOE (46), GFD (25), GPA (19), and Judiciary (12). We found that there were wide ranges among the salaries of employees holding similar positions in agencies within the same priority areas in the government.

Priority Areas

In line with past and current administrations' policies, we found that the priority areas of public education, public health, and public safety accounted for 65% or \$442.4M of the \$675.6M in total personnel costs in FY 2012. Public education agencies (DOE, UOG, and GCC) made up 40% or \$271.7M of the total personnel costs. Public health agencies (GMHA, DMHSA, and DPHSS) made up 15% or \$102.7M of FY 2012 total personnel costs. Public safety agencies (GFD, GPD and DOC) made up 10% or \$68M.

Conclusion

While personnel costs and employee counts have generally increased, there were certain agencies (e.g., DOE, GMHA, and UOG) that experienced significant increases in personnel costs, while others (e.g., DPW and DISID) remained stagnant or even decreased in costs. We found that the largest growth in personnel costs were in the priority areas of education, health, and public safety, which were in line with past and current administrations' policies.

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