

July 2, 2015

Austin Smith, Deputy Chief of Staff  
Office of the Governor  
State House, 1<sup>st</sup> Floor  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Austin,

The Department of Administration's Division of State Human Resources recently contacted the Hay Group to provide a cost estimate for Proviso 93.33 (DOA: Classification and Compensation System Study).

The Hay Group is a global company that has provided a range of human resources services to the State and is familiar with South Carolina's HR Systems, laws and regulations. Bill Reigel, Hay Group Vice President, estimated the consulting costs to meet the requirements of the study at \$460,000 along with \$25,000 for expenses associated with the duration of the project. The cost does not include an analysis of "unnecessary, underutilized, and duplicative positions" as this study is time intensive and costly. Additionally, it does not include an analysis of "merit or longevity of pay," but instead includes only a commentary on those pay types. Finally, the time to complete such a study would require 9-10 months.

Please let me know if you have any questions or need further information regarding the proviso estimate.

Sincerely,



Marcia S. Adams

