

IN THE HOUSE OF REPRESENTATIVES
HOUSE CONCURRENT RESOLUTION NO. 49

BY STATE AFFAIRS COMMITTEE

A CONCURRENT RESOLUTION

1 STATING FINDINGS OF THE LEGISLATURE, ADOPTING A STATE EMPLOYEE COMPENSATION
2 POLICY, ADOPTING FUNDING RECOMMENDATIONS, AND DIRECTING IMPLEMENTATION OF
3 COMPENSATION POLICIES.
4

5 Be It Resolved by the Legislature of the State of Idaho:

6 WHEREAS, the Legislature has by law provided that the Governor and Divi-
7 sion of Human Resources report to the Legislature their recommendations for
8 proposed pay policies, together with the estimated costs thereof; and

9 WHEREAS, the Legislature has received and reviewed the report of the Gov-
10 ernor dated January 7, 2008, and the report of the Division of Human Resources
11 dated December 1, 2007.

12 NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Ses-
13 sion of the Fifty-ninth Idaho Legislature, the House of Representatives and
14 the Senate concurring therein, that:

15 (1) It is the policy of the state of Idaho to provide a total compensa-
16 tion system that attracts, retains and recognizes state employees for
17 their valuable service. The foundation of this system is to pay competi-
18 tive job market average salaries, reward performance with a merit-based
19 compensation philosophy, and a quality benefits package.

20 (2) The Change in Employee Compensation Committee recommends no adjust-
21 ments be made to the current payroll or compensation structure.

22 (3) The committee recommends that the Joint Finance-Appropriations Com-
23 mittee provide funding for a 3% increase in employee compensation for
24 state employees to be distributed as follows:

25 (a) Agencies and institutions are first directed to allocate to all
26 eligible state employees a 1% salary increase.

27 (b) Agencies and institutions are required to review and target any
28 needed funding, based on merit, toward high turnover classifications,
29 individuals below midpoint within their agency, and individuals below
30 90% of the Compa-Ratio.

31 (c) Agencies and institutions are directed to target any remaining
32 funding based on merit using the merit matrix required by Idaho Code.

33 (4) The committee recommends the following for an active state employee
34 benefit package:

35 (a) The Joint Finance-Appropriations Committee is directed to pro-
36 vide funding of \$8,700 per full-time equivalent position for the
37 employer portion of the benefit premiums. The Department of Adminis-
38 tration is directed to collect no more than \$16,400,000, equivalent
39 to a 29% total employee premium increase for premiums from active
40 state employees.

41 (b) State agencies and institutions are directed to remit all state
42 funding for health insurance included in the appropriations for
43 employees eligible to be enrolled in health insurance to the group
44 insurance account created in section 67-5771, Idaho Code.

- 1 (c) The Department of Administration is directed to institute an
2 additional insurance plan option in order to provide state employees
3 a choice that better meets the employee's individual needs and bene-
4 fit coverage desires. The additional plan must maintain premiums at
5 the 2008 premiums cost for both the employer and the employee.
- 6 (d) The Department of Administration is further directed to provide
7 in fiscal year 2009 active employee insurance plans with benefits
8 substantially similar to benefits provided in the fiscal year 2008
9 active employee insurance plans. If the Department of Administration
10 is unable to maintain substantially similar benefits within the fis-
11 cal year 2009 funding designated in subsection (4)(a) above, the
12 department shall notify both the Change in Employee Compensation Com-
13 mittee and the Joint Finance-Appropriations Committee of any substan-
14 tial benefit changes to the insurance plans.
- 15 (e) The Change in Employee Compensation Committee recognizes that
16 there exist subsidies within the active employee insurance plans as
17 well as within the active employee insurance premium charges. The
18 Department of Administration shall be given the appropriate flexibil-
19 ity to address other inequities within the active employee insurance
20 plans that are deemed appropriate by the Director of the Department
21 of Administration.
- 22 (5) The committee further recommends that elected officials, judges, and
23 commissioners be treated in a similar manner as state employees.
- 24 (6) Agencies and institutions shall create compensation and distribution
25 plans to ensure such plans are consistent with the policies contained
26 herein. Agency directors and institutional presidents shall approve all
27 compensation and distribution plans and ensure that implementation of the
28 plans is consistent with policies contained herein. Each agency and insti-
29 tution shall forward, for informational purposes only, copies of the
30 agency approved compensation and distribution plans to the Legislative
31 Services Office and the Division of Financial Management by June 1, 2008.
- 32 (7) For fiscal year 2009, agencies and institutions are hereby directed
33 to allocate salary savings to provide for employee salary needs based on
34 performance, before other operational budget priorities are considered.
35 Where applicable, employees whose salaries are below midpoint of their pay
36 grade, or occupational groups with significant turnover shall be consid-
37 ered first in the order of salary savings distributions.
- 38 (8) The effective date of implementation of ongoing salary adjustments
39 shall be June 15, 2008.
- 40 BE IT FURTHER RESOLVED that appropriations measures to fund nonclassified
41 employees be prepared as nearly as possible in the same manner as for classi-
42 fied employees.

Statement of Purpose / Fiscal Impact

STATEMENT OF PURPOSE

RS 17992C2

Under Idaho Code 67-5309C(4) the Idaho Legislature may by concurrent resolution accept, modify, or reject the Governor's recommendations for state employee compensation including benefits. This concurrent resolution modifies the Governor's recommendation from a 5% personal funding increase and \$2,075 per employee for employer benefit costs increases to a 3% increase in personnel funding and \$1,575 per employee for employer benefits cost increases.

Idaho code 67-5309(2)(d) requires the Legislature to make a recommendation regarding the benefit package for state employees. The Department of Administration is required to establish a third high-deductible insurance plan and keep the current Traditional and PPO insurance plans at equal benefit coverage levels for FY 2009.

Finally, this resolution requires state agencies to develop compensation distribution plans; directs the use of salary savings by state agencies; and recommends that elected officials, judges, and commissioners be treated in the same manner as state employees.

FISCAL NOTE

CEC Costs:

General Funds	\$ 20,576,300
Dedicated Funds	\$ 8,311,200
Federal Funds	\$ 4,172,600
TOTAL:	\$ 33,060,100

Benefits Funding Increases:

General Funds	\$ 18,716,400
Dedicated Funds	\$ 8,067,200
Federal Funds	\$ 4,467,000
TOTAL:	\$ 31,250,600

Total CEC & Benefits Costs:

General Funds	\$ 39,292,700
Dedicated Funds	\$ 16,378,400
Federal Funds	\$ 8,639,600
TOTAL:	\$ 64,310,700

Contact: Representative Schaefer 332-1000