



Idaho Division of
Human Resources
Executive Office of the Governor

Summary of FY 2015 State Employee Compensation & Benefits Report

Joint Legislative CEC Committee

David Fulkerson, Interim Administrator
Division of Human Resources

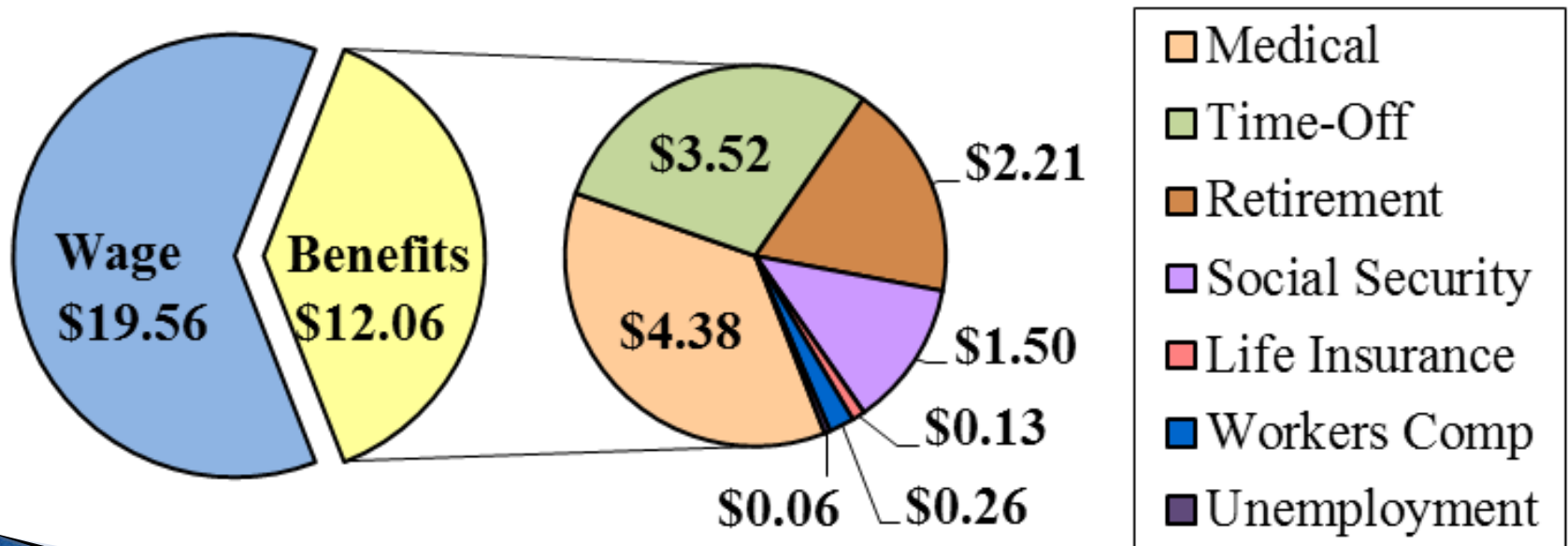
STATUTORY DIRECTIVE

- ▶ Idaho Code 67-5309C requires the Division of Human Resources to provide a report of the results of the annual salary and benefit surveys and recommendations for changes to meet the requirement of section 67-5309A, Idaho Code, together with their estimated costs of implementation, to be submitted to the Governor and the Legislature.



Total Compensation Package

- ▶ The chart below reflects the value of a classified employee's total compensation package based on the average hourly wage of \$19.56 as of October 2013:



Department of Administration Office of Group Insurance

Administration manages a full range of group insurance benefits including medical, dental, vision, Flexible Spending Accounts, short-term and long-term disability, and term life insurance.



Public Employee Retirement System of Idaho (PERSI)

PERSI funds are separate from all public monies or funds of the state. Funding is from three sources: contributions from employees, employers, and investment income. Generally, investments account for 56% of PERSI's revenue, with employers (28%) and employees (16%) making up the balance.



SALARY ANALYSIS

- ▶ DHR's analysis of salary survey results indicate classified employees'¹ salaries for 218 jobs combined are, on average, **19% below the market.**
- ▶ **The market** includes public and private sector employers in the west.

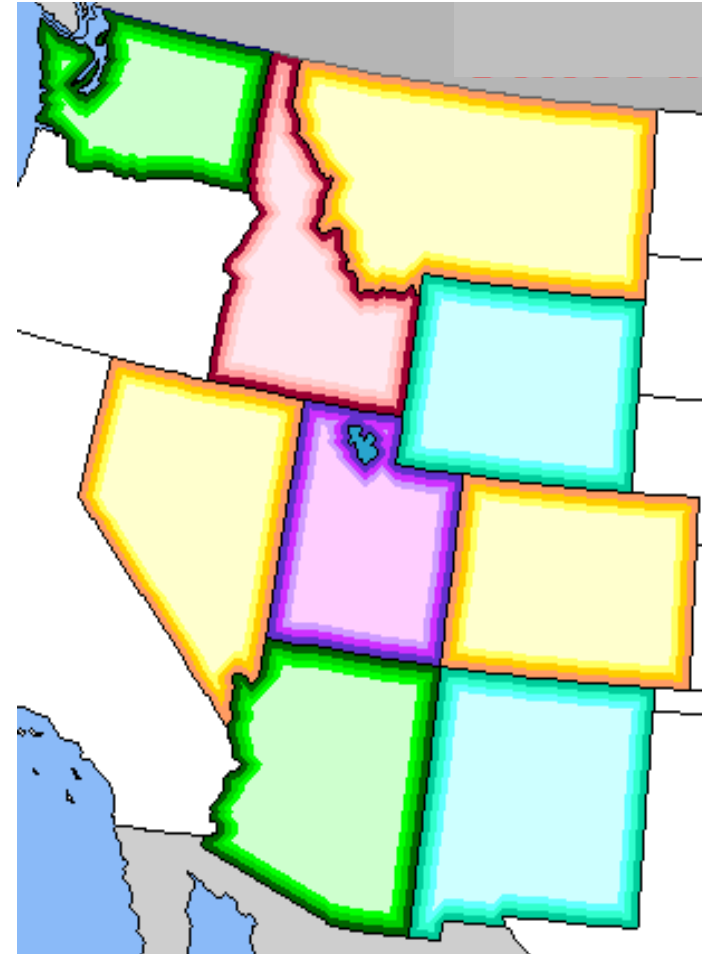
¹Classified employee: Any person appointed to or holding a position in any department of the State of Idaho and subject to the provisions of the merit examination, selection, retention, promotion and dismissal requirements of Idaho Code, Title 67, Chapter 53.



SALARY ANALYSIS

(continued)

- ▶ When comparing to seven surrounding state governments, 128 of the 218 jobs were matched.
- ▶ Idaho classified employees' salaries are, on average, **11.9% below** these states (up 1.2% from FY 2014).

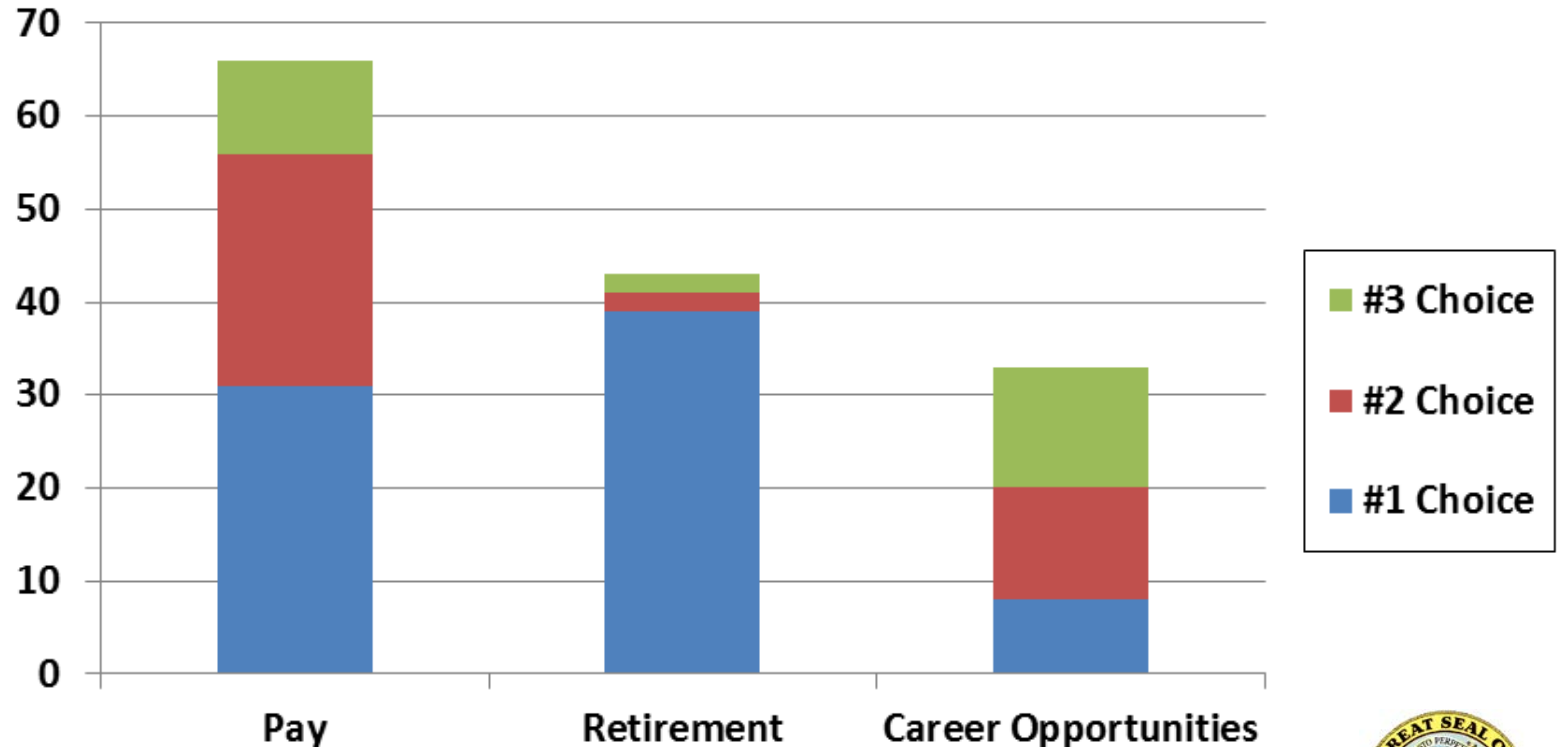


CLASSIFIED EMPLOYEE TURNOVER

	FY 2011	FY 2012	FY 2013
All Separations (voluntary, involuntary, layoff, retirement, transfer)	12.1%	12.9%	13.5%
Length of Service	9.8 years	9.5 years	9.5 years
Voluntary Separations (personal, transfer to other agency, city, county, federal government, private sector, school district, other State excluding Idaho)	4.7%	5.8%	6.4%
Length of Service	5 years	6.2 years	6 years

EXIT SURVEY DATA

The chart below reflects the survey results when exiting employees were asked to rank the top three (out of seventeen) reasons why they were leaving state employment:



SALARY STRUCTURE

Slice of Salary Structure (pay grades H-L)

See Appendix B of the FY 2015 State Employee Compensation Report for the entire structure.

Pay Grade	Minimum Rate	Policy Rate	Maximum Rate
H	\$11.24	\$16.54	\$20.68
I	\$13.14	\$19.33	\$24.16
J	\$14.81	\$21.79	\$27.24
K	\$16.59	\$24.41	\$30.51
L	\$18.73	\$27.55	\$34.44

- ▶ Policy Rate: salary relative to the external labor market (public and private sector) as determined by salary surveys of similar jobs.
- ▶ Policy rates are, on average, **7.7% below the market**, but on average, **0.5% ahead** of the seven surrounding state governments.



CHALLENGES & CONSIDERATIONS

- ▶ Low entry salaries
- ▶ Salary compression
- ▶ Salary inequity
- ▶ Ability to retain employees



FY 2015 Recommendations

- ▶ DHR recommends a 2% funding increase for the salary component of state employee compensation (excluding public schools), administered in accordance with the State's merit-based pay philosophy.
- ▶ This increase is estimated at \$10,929,400 in General Funds and \$13,797,000 in all other funds equaling \$24,726,400 in total funds.
- ▶ Maintain the current salary structure and employee benefit package for FY 2015 and focus resources on addressing previously mentioned compensation issues.





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