



Joint Change in Employee Compensation Committee Idaho State Legislature

February 4, 2015

To: Members of the 63rd Idaho Legislature, First Regular Session

The Joint Change in Employee Compensation (CEC) Committee has completed its hearings and deliberations. The committee received many reports, including the statutory requirements of Idaho's compensation system, a report from the Office of Performance Evaluations on salary savings, and recommendations from both the Division of Human Resources and the Division of Financial Management on the Governor's recommendation. In addition, the committee heard public testimony and received information on the group healthcare plan and retirement system.

The CEC Committee recognizes that the goal of Idaho's total compensation system for state employees is to fund a competitive salary and benefit package that will attract qualified applicants to the work force, retain employees who have a commitment to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance. In accordance with §67-5309C(4), Idaho Code, the CEC Committee offers the following recommendations to the Joint Finance-Appropriations Committee:

a) Market Related Changes Necessary to Address System Wide Structure

Adjustments: Recommend that the minimum pay rate on the compensation schedule be moved from 68% of policy to 70% of policy (with the exception of Pay Grade D, which would remain at \$7.25/hour) and that this policy change be fully funded. A schedule of the affected agencies is attached, as well as the FY 2016 Pay Schedule.

b) Market Related Changes to Address Specific Occupational Inequities:

Recommend that the state maintain the job classifications that currently have a payline exception to address specific recruitment or retention issues, as recommended in the FY 2016 Change in Employee Compensation & Benefits Report from the Division of Human Resources.

c) Merit Increase Component: Accept the Governor's recommendation for an ongoing three percent (3%) in funding for a merit-based increase for state employees with flexibility allowed for agency heads in distribution.

d) Changes to the Employee Benefit Package: Accept the Governor's recommendation for the state, as the employer, to fund the total increased cost of health insurance premiums for FY 2016. This change equates to a fixed appropriation of \$650 for the employer for each of its employees. The recommendation includes maintaining the current employee benefit package with no significant changes in plan design.

The CEC committee spent a great deal of time discussing and trying to understand the impact of salary savings on our personnel systems. Although the Co-Chairmen have concerns about the exclusive use of salary savings to manage compensation, the committee does support the continued use of salary savings within an agency's personnel budget or that any remaining funds be reverted to the State.

If any member of the Legislature has questions about our deliberations, please contact us.

Respectfully,



Senator John Tippets, Co-chair



Representative Neil Anderson, Co-chair

Senator Jim Patrick
Senator Dean Cameron
Senator Fred Martin
Senator Todd Lakey
Senator Lee Heider
Senator Abby Lee
Senator Dan Schmidt
Senator Janie Ward-Engelking

Representative Stephen Hartgen
Representative Robert Anderst
Representative Paul Romrell
Representative James Holtzclaw
Representative Thomas Loertscher
Representative Ron Mendive
Representative Phylis King
Representative Dan Rudolph

APPENDIX: List of Agencies Impacted by the 2% Salary Structure Change

Agency (as of Jan. 7, 2015)	Number of Employees Whose Rates Are Below 70% of Policy	Estimated Cost to Increase Minimum Rates to 70% of Policy	Estimated Appropriation Needed to Increase Minimum Rates to 70% of Policy
Supt Of Public Instruction (Dpt Of Educ)	3	\$2,847	\$2,900
Div - Financial Management	1	\$990	\$1,000
Pub Employee Retirement Sys	2	\$1,599	\$1,600
Idaho Commission On Aging	1	\$228	\$200
Comm-Blind & Visual Impair	2	\$761	\$800
Dept Of Administration	1	\$51	\$0
Department Of Commerce	1	\$198	\$0
Department Of Correction	380	\$352,889	\$196,700
Commission Of Pardons And Parole	5	\$6,014	\$4,400
Department Of Labor	52	\$33,074	\$3,000
Department Of Environmental Quality	11	\$6,892	\$6,700
Department Of Fish & Game	19	\$6,953	\$0
Dept Of Health & Welfare	214	\$105,755	\$100,100
Idaho State Police	26	\$29,385	\$23,700
Brand Inspector	5	\$2,791	\$2,000
Division Of Veterans Services	3	\$1,490	\$1,200
Div Of Building Safety	2	\$634	\$600
Eastern Idaho Tech College	4	\$2,817	\$2,800
Lewis-Clark State College	11	\$6,703	\$6,200
Boise State University	99	\$55,213	\$45,800
Public Utilities Comm	1	\$660	\$700
Southeast Health District VI	4	\$2,652	\$500
Eastern Idaho Health District VII	1	\$15	\$0
	848	\$620,611	\$400,900

APPENDIX: FY 2015 and Approved FY 2016 Compensation Schedules

Pay Grade	Minimum Points	Grade Points	Maximum Points	FY 2015 Comp Schedule			FY 2016 Comp Schedule		
				Minimum (68% of Policy)	Policy	Maximum	Minimum (70% of Policy)	Policy	Maximum
D	Below 110 Points			\$7.25	\$10.16	\$12.70	\$7.25	\$10.16	\$12.70
E	110	119	130	\$7.72	\$11.35	\$14.19	\$7.95	\$11.35	\$14.19
F	131	142	154	\$8.69	\$12.78	\$15.98	\$8.95	\$12.78	\$15.98
G	155	169	184	\$9.87	\$14.51	\$18.14	\$10.16	\$14.51	\$18.14
H	185	201	219	\$11.36	\$16.71	\$20.89	\$11.70	\$16.71	\$20.89
I	220	240	262	\$13.27	\$19.52	\$24.40	\$13.66	\$19.52	\$24.40
J	263	286	312	\$14.97	\$22.01	\$27.51	\$15.41	\$22.01	\$27.51
K	313	341	372	\$16.76	\$24.65	\$30.81	\$17.26	\$24.65	\$30.81
L	373	406	443	\$18.92	\$27.83	\$34.79	\$19.48	\$27.83	\$34.79
M	444	485	528	\$21.39	\$31.46	\$39.33	\$22.02	\$31.46	\$39.33
N	529	578	630	\$23.64	\$34.76	\$43.45	\$24.33	\$34.76	\$43.45
O	631	688	750	\$25.62	\$37.67	\$47.09	\$26.37	\$37.67	\$47.09
P	751	828	904	\$28.01	\$41.19	\$51.49	\$28.83	\$41.19	\$51.49
Q	905	998	1090	\$30.83	\$45.34	\$56.68	\$31.74	\$45.34	\$56.68
R	1091	1176	1292	\$34.20	\$50.30	\$62.88	\$35.21	\$50.30	\$62.88
S	1293	1399	1531	\$38.37	\$56.42	\$70.53	\$39.49	\$56.42	\$70.53
T	1532	1665	1822	\$43.33	\$63.72	\$79.65	\$44.60	\$63.72	\$79.65
U	1823	1980	2166	\$49.24	\$72.41	\$90.51	\$50.69	\$72.41	\$90.51
V	2167	2354	2575	\$56.28	\$82.77	\$103.46	\$57.94	\$82.77	\$103.46

The following are the anticipated costs of implementing the recommendations as stated in the attached letter:

Merit Increase Component: The projected cost of this recommendation is \$17 million from the General Fund, \$13.2 million in dedicated funds, and \$5.1 million in federal funds.

Changes to the Employee Benefit Package: The projected cost of this recommendation is \$5.8 million from the General Fund, \$4 million from dedicated funds, and \$1.6 million from federal funds.