

Change in Employee Compensation (CEC)

Twenty-Year Historical Comparison

Fiscal Year	Gen Fund Orig Appropriation	% Chg	Recommend- ation DHR*	Agency CEC Funded	Judges CEC Funded	Legis- lators **	CPI % Change
1998	1,438,904,600	1.9%	5.2%	0.0%	4.0%	0.0%	1.7%
1999	1,610,815,500	11.9%	7.7%	5.0%	5.0%	19.4%	2.0%
2000	1,674,713,100	4.0%	14.0%	3.0%	4.0%	0.0%	3.7%
2001	1,804,038,100	7.7%	0.0%	3.5%	3.5%	6.0%	3.3%
2002	2,044,295,100	13.3%	0.0%	4.5%	4.5%	0.0%	1.1%
2003	1,967,895,400	-3.7%	0.0%	0.0%	0.0%	0.0%	2.1%
2004	2,004,053,000	1.8%	1.0%	0.0%	0.0%	0.0%	3.3%
2005	2,082,138,300	3.9%	6.8%	3.0%	2.0%	0.0%	2.5%
2006	2,180,928,300	4.7%	6.7%	1.0%	1.0%	0.0%	4.3%
2007	2,593,723,500	18.9%	5.8%	3.0%	6.0%	2.9%	2.7%
2008	2,820,674,400	8.8%	5.8%	5.0%	5.0%	0.0%	5.0%
2009	2,959,283,400	4.9%	5.0%	3.0%	3.0%	0.0%	-1.4%
2010	2,506,580,100	-15.3%	5.0%	-5.0%	0.0%	0.0%	1.1%
2011	2,383,836,000	-4.9%	3.0%	0.0%	0.0%	5.0%	3.6%
2012	2,528,960,600	6.1%	3.0%	0.0%	0.0%	0.0%	1.7%
2013	2,702,105,700	6.8%	3.0%	2.0%	2.0%	2.0%	1.8%
2014	2,781,023,800	2.9%	0.0%	0.0%	0.0%	0.0%	2.1%
2015	2,936,096,600	5.6%	2.0%	2.0%	10.7%	1.5%	0.1%
2016	3,071,860,500	4.6%	3.0%	3.0%	3.7%	1.5%	NA
2017	3,272,991,000	6.5%	3.0%	3.0%	3.7%		NA
Avg Chg		4.53%	4.00%	1.80%	2.91%	2.02%	2.25%

* CEC recommendation from the Personnel Commission (prior to FY 2001) or Division of Human Resources (§67-5309C, Idaho Code).

** Legislators pay is on a calendar year cycle.

Cal Year	Supt of Public Instruction	State Controller	State Treasurer	Secretary of State	Attorney General	Lt Gov	Governor
1999	11.1%	11.1%	11.1%	11.1%	10.0%	8.8%	8.8%
2000	3.3%	3.3%	3.3%	3.3%	3.0%	3.0%	3.2%
2001	3.2%	3.2%	3.2%	3.2%	4.1%	2.9%	3.1%
2002	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	3.1%	3.1%	3.1%	3.1%	3.3%	2.8%	3.0%
2007	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
2008	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
2009	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
2010	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
2011	-3.9%	-3.9%	-3.9%	-3.9%	-3.9%	-4.0%	-4.0%
2012	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
2013	6.1%	6.1%	6.1%	6.1%	1.3%	15.5%	1.4%
2014	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
2015	1.5%	1.5%	1.5%	1.5%	15.8%	18.4%	1.5%
2016	1.5%	1.5%	1.5%	1.5%	0.0%	1.5%	1.5%
2017	1.5%	1.5%	1.5%	1.5%	0.0%	1.5%	1.5%
2018	1.5%	1.5%	1.5%	1.5%	0.0%	1.5%	1.5%
Avg Chg***	2.38%	2.38%	2.38%	2.38%	2.61%	3.53%	2.01%

***Average change over 20 years. Increase for 2015 was authorized by the 2014 Legislature, Session Laws Chapter 356.

Change in Employee Compensation (CEC) FY 2013 to FY 2017

Section 67-5309C, Idaho Code, requires the Division of Human Resources to conduct salary and benefit surveys within relevant labor markets and submit a recommendation of proposed changes and their estimated costs to the Governor. The Governor then must submit his own recommendations to the Legislature. The Legislature may accept, modify or reject his recommendations. Failure by the Legislature to act shall constitute approval of the Governor's recommendations.

FY 2017

The Governor recommended a 3% salary increase for permanent state employees and the Legislature's Joint CEC Committee also recommended a 3% ongoing merit-based increase, to be distributed at the discretion of each agency head. JFAC funded the recommendations. In addition to the CEC, JFAC funded targeted pay increases at approximately 20 agencies where compensation issues were the greatest. The Legislature authorized and funded a 3% increase in the annual salary for appointed officials, as well, effective July 1, 2016. The salary for each of the three public utilities commissioners, four tax commissioners, and three industrial commissioners was statutorily increased by 3%. Employer health insurance premiums will increase \$1,240 per employee (a 9.3% increase over FY 2016). The increase is paid by the employer only. Employee premium costs will remain the same as in FY 2016 (the exact amount per employee depends on which plan the employee is enrolled in and whether there are dependents on the plan). PERSI retirement contribution rates will remain at 11.32% for employers and 6.79% for employees.

FY 2016

The Governor and the CEC Committee recommended an ongoing merit-based 3% salary increase for permanent state employees, to be distributed at the discretion of each agency head. The Committee also directed DHR to change the minimum amounts on the classified pay schedule from 68% of policy to 70% of policy. JFAC funded the recommendations. The Legislature authorized and funded a 3% increase in the annual salary for appointed officials, as well, effective July 1, 2015. The salary for each of the public utilities commissioners, tax commissioners, and industrial commissioners was statutorily increased by 3%. Employer health insurance premiums increased \$650 per employee (a 6% increase over FY 2015). The increase is paid by the employer only. Employee premium costs remained the same as in FY 2015). PERSI retirement contribution rates remained at 11.32% for employers and 6.79% for employees. In the fall of 2014, the PERSI Board unanimously voted to permanently eliminate two contribution rate increases that were scheduled to take effect in FY 2015 and FY 2016. This vote left existing contribution rates for general members where they were for the foreseeable future.

FY 2015

The Legislature's CEC Committee met for the first time since 2008. Although the Governor's budget recommendation did not include funding for a CEC, the Legislature accepted the recommendations of the CEC Committee, which provided an overall merit increase of 2% for state employees (1% ongoing and 1% one-time). The Legislature also encouraged agencies to continue their use of salary savings. The Legislature approved a health

insurance premium increase of \$1,450 per employee (a 15.9% cost increase over FY 2014). The increase was paid by the employer. Employee premium costs also increased by an average of \$500 per employee. There was no increase in the PERSI retirement contribution rates. Statewide elected officials also received a pay increase. Beginning in 2015, the salaries of the Governor, Secretary of State, State Controller, State Treasurer, and Superintendent of Public Instruction increased by 1.5% annually. The Lieutenant Governor's salary increased by 18.4% in 2015, and increased 1.5% annually for each of the next three years. In 2015, the Attorney General's salary increased to match that of district judges. Judicial branch salaries increased as follows: Supreme Court justices' by 10.7%, Court of Appeals judges' by 7.5%, district court judges' by 8.5%, and magistrate court judges' by 2.5%. Supreme Court justices' pay will increase 3.7% in FY 2017.

FY 2014

The 2013 Legislature took no action, thereby adopting the Governor's recommendation, which resulted in no increase in funding for employee compensation. The Citizens' Committee on Legislative Compensation recommended a 2% salary increase for legislators that went into effect Dec. 1, 2012, and H692 from the 2010 session authorized a 1.7% pay increase for statewide elected officials in January 2014. The Division of Human Resources (DHR) hired Hay Group Consulting to conduct an analysis of Idaho's total compensation (salary, health benefits, and retirement). They determined that Idaho's benefits were at market level, but because of lower than average salaries, Idaho lags 22% below the private sector and 11% below other states' government employees – on average – in total compensation. They also determined that Idaho's state employee salaries lagged 18.9% below market. Although the Legislature did not fund a CEC, JFAC included intent language in each appropriation bill that encouraged agencies to use salary savings to provide merit increases for employees. The Legislature funded a 6% increase in the costs of employee health insurance and a 9% PERSI rate increase.

FY 2013

The Legislature approved a 2% ongoing increase for state workers and classified public school employees. Public School administrators and teachers received a 4.5% increase in funding for pay for performance as part of the statutory funding formula. The Governor recommended a one-time 3% CEC for FY 2013. The Legislature restored \$1,400 per eligible employee for health insurance premium holidays removed for the prior two years, and added \$110 per eligible employee for health insurance increases. H692 from the 2010 legislative session authorized various rates of pay increases for elected officials.