



Joint Change in Employee Compensation Committee Idaho State Legislature

January 29, 2016

To: Members of the 63rd Idaho Legislature, Second 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, two updates from the Office of Performance Evaluations, and an explanation 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. To that end, and 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 Salary Structure

Adjustments: Recommend that the compensation schedule remain unchanged from FY 2016 to FY 2017. An FY 2016 schedule is attached for your reference.

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 2017 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%) increase 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 2017. This change equates to a fixed appropriation increase of \$1,040 for the state for each of its employees. The recommendation includes maintaining the current employee benefit package with no significant changes in plan design.

Furthermore, the CEC committee spent a great deal of time discussing and trying to understand the impact of the total compensation package for our employees (total compensation is defined as salary, health benefits, and retirement benefits), and how the compensation package, when

measured as a whole, compares to other private and public sectors. The committee also had deliberations about how the employee health insurance plan is currently structured. The committee has concerns about the increased cost of the health insurance appropriation and therefore also recommends that House and Senate leadership convene an interim committee to discuss the following:

- Analysis of the detailed changes necessary for complying with the federal Affordable Care Act versus retaining grandfathered status, and a cost-benefit analysis of each option;
- A list of proposed benefit changes to the employee group insurance benefit package, compared to the current benefits, that would be implemented if the Legislature were to remove the grandfathered status;
- Statutory changes outlining the minimum employee group insurance benefit plan design that would need to be adopted by the Idaho Legislature should we consider the removal of our grandfathered status; and
- Analysis that details any potential savings due to the removal of the Tier II health insurance plan for the State of Idaho; and
- The structure of the existing compensation schedule, and how classified state employee policy pay rates relate to appropriate market comparisons, as well as the minimum and maximum pay rates in each pay grade; in addition to a discussion about total compensation for classified and non-classified employees and how the state shall continue to actualize its vision for attracting and maintaining a qualified workforce.

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

Respectfully,



Senator Jim Patrick, Co-chair



Representative Neil Anderson, Co-chair

Senator Fred Martin
Senator Todd Lakey
Senator Jim Guthrie
Senator Lee Heider
Senator Jim Rice
Senator Steve Thayn
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

FY 2016 Compensation Schedule (Increase Minimum Rates to 70% of Policy) - Effective 6/07/2015

Pay Grade	Minimum Points	Grade Points	Maximum Points	Hourly			Annual		
				Minimum	Policy	Maximum	Minimum	Policy	Maximum
D				\$7.25	\$10.16	\$12.70	\$15,080	\$21,133	\$26,416
E	110	119	130	\$7.95	\$11.35	\$14.19	\$16,536	\$23,608	\$29,515
F	131	142	154	\$8.95	\$12.78	\$15.98	\$18,616	\$26,582	\$33,238
G	155	169	184	\$10.16	\$14.51	\$18.14	\$21,133	\$30,181	\$37,731
H	185	201	219	\$11.70	\$16.71	\$20.89	\$24,336	\$34,757	\$43,451
I	220	240	262	\$13.66	\$19.52	\$24.40	\$28,413	\$40,602	\$50,752
J	263	286	312	\$15.41	\$22.01	\$27.51	\$32,053	\$45,781	\$57,221
K	313	341	372	\$17.26	\$24.65	\$30.81	\$35,901	\$51,272	\$64,085
L	373	406	443	\$19.48	\$27.83	\$34.79	\$40,518	\$57,886	\$72,363
M	444	485	528	\$22.02	\$31.46	\$39.33	\$45,802	\$65,437	\$81,806
N	529	578	630	\$24.33	\$34.76	\$43.45	\$50,606	\$72,301	\$90,376
O	631	688	750	\$26.37	\$37.67	\$47.09	\$54,850	\$78,354	\$97,947
P	751	828	904	\$28.83	\$41.19	\$51.49	\$59,966	\$85,675	\$107,099
Q	905	998	1090	\$31.74	\$45.34	\$56.68	\$66,019	\$94,307	\$117,894
R	1091	1176	1292	\$35.21	\$50.30	\$62.88	\$73,237	\$104,624	\$130,790
S	1293	1399	1531	\$39.49	\$56.42	\$70.53	\$82,139	\$117,354	\$146,702
T	1532	1665	1822	\$44.60	\$63.72	\$79.65	\$92,768	\$132,538	\$165,672
U	1823	1980	2166	\$50.69	\$72.41	\$90.51	\$105,435	\$150,613	\$188,261
V	2167	2354	2575	\$57.94	\$82.77	\$103.46	\$120,515	\$172,162	\$215,197