



# State of Idaho Compensation Survey

Presentation of Findings to  
CEC Committee

January 11, 2018

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# Agenda

**Introduction**

**Methodology  
Project Steps**

**Observations**

# Introduction

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## Introduction

Milliman consultants provide a broad range of compensation and job classification consulting services:

- Total compensation philosophy
- Custom compensation and benefits studies
- Job classification
- Market analysis
- Salary structure design
- Communication services

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## **Introduction** (continued)

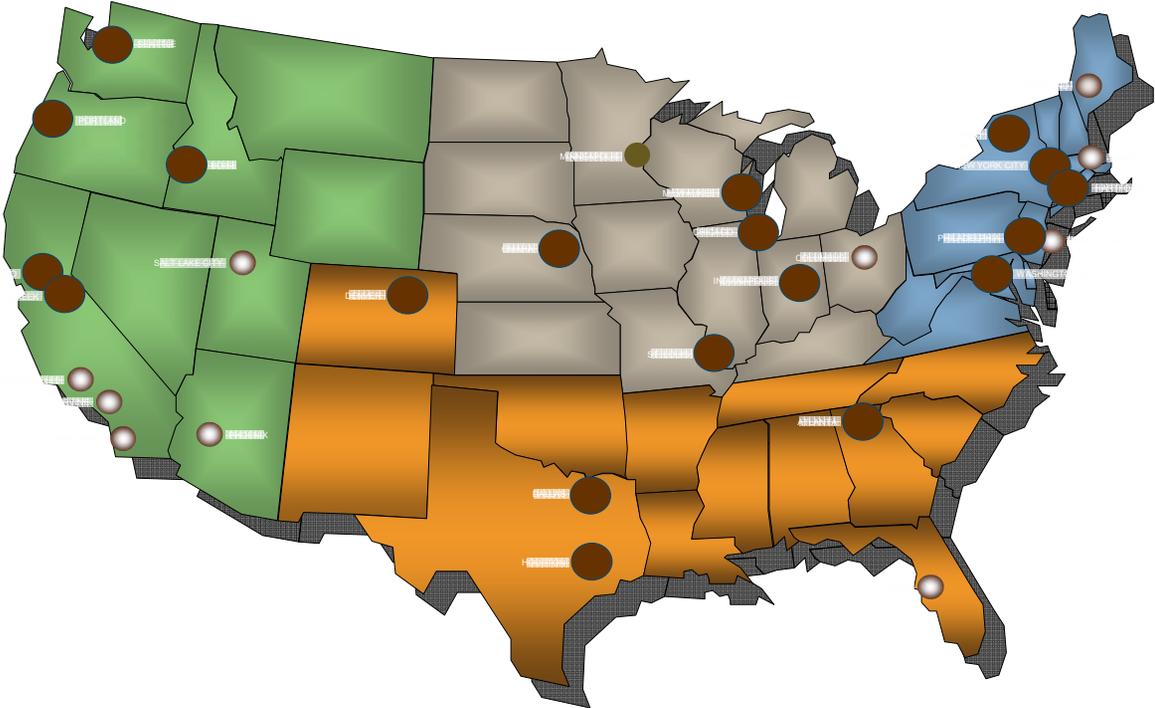
Total compensation experience:

- Survey and consulting since 1983
- Premier conductor of surveys (over 20 annual plus numerous custom surveys)
- Local presence (Boise, Seattle, Portland)
- Staff of 11 professionals
- Public, quasi-public, for-profit and not-for-profit industries
- Geographic “reach”

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# Introduction (continued)

Locations of U.S. offices:



# Methodology and Project Steps

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## Methodology

The State of Idaho (“State”) retained Milliman to conduct survey of market-based compensation and report on any gaps between State and market practice

The purpose of this project was to:

- Utilize the services of an independent, third-party expert to conduct a survey and analysis of the State’s cash compensation program
- Report on any gaps between existing State offerings and market practice
- Provide information that promotes a transparent and comprehensive total compensation program

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## **Methodology** (continued)

### *Why?*

- Establish a competitive pay practice
- Diagnose compensation problems
- Guide allocation of limited resources
- Provide information and advice to make an informed decision
- Establish credibility

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## **Methodology** (continued)

*What is a quality survey?*

- Administered by an independent third-party
- Adequate sample size
- Breadth of sample size
- Clear compilation practices
- List of participants
- “Current” and “Consistent” basis
  - ✓ Annual data

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## Methodology (continued)

### Factors affecting labor markets

Geography	Industry	Function	Size
<ul style="list-style-type: none"><li>– National</li><li>– Regional</li><li>– Local</li></ul>	<ul style="list-style-type: none"><li>– Pay may be significantly influenced by industry practice (e.g. public sector, private practice, services, etc)</li></ul>	<ul style="list-style-type: none"><li>– Pay may be significantly influenced by function (e.g. information technology)</li></ul>	<ul style="list-style-type: none"><li>– Organizational size may influence levels of pay for particular positions</li><li>– Complexity created by organization size</li></ul>

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## Project Steps

Milliman directed the process with support from the Division of Human Resources

- **Benchmark Jobs**
  - ✓ 73 surveyed jobs; cross section of the types and levels of work performed at the State; strong representative sample
  - ✓ Breadth and depth across the State's classification program
- **Survey Participants**
  - ✓ 32 Organizations
  - ✓ Majority from public sector and local
    - 27 within Idaho and 5 surrounding states
- **Data Collection & Analysis**
  - ✓ Distributed survey to all targeted organizations; followed up to promote participation
  - ✓ Survey data aggregated and analyzed
  - ✓ All pay data reported as of October 1, 2017

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## Project Steps (continued)

### Stakeholder Participation

- Interviews to provide input and perspective of labor market across the state
  - ✓ Mix of 12 legislators and department directors
- Feedback helped determine the relevant labor market, peer organizations and confirmation of survey benchmark list
  - ✓ Labor market includes both public and private sectors
  - ✓ Labor market is geographically disbursed among local and regional organizations (Idaho and surrounding states)

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## Project Steps (continued)

### Timeline



- Planning
- Data Gathering and Review of State Program



- Benchmark Selection and Peer Group Development
- Survey Development and Distribution to Participants



- Survey Administration and Analysis
- Final Report

**Observations**

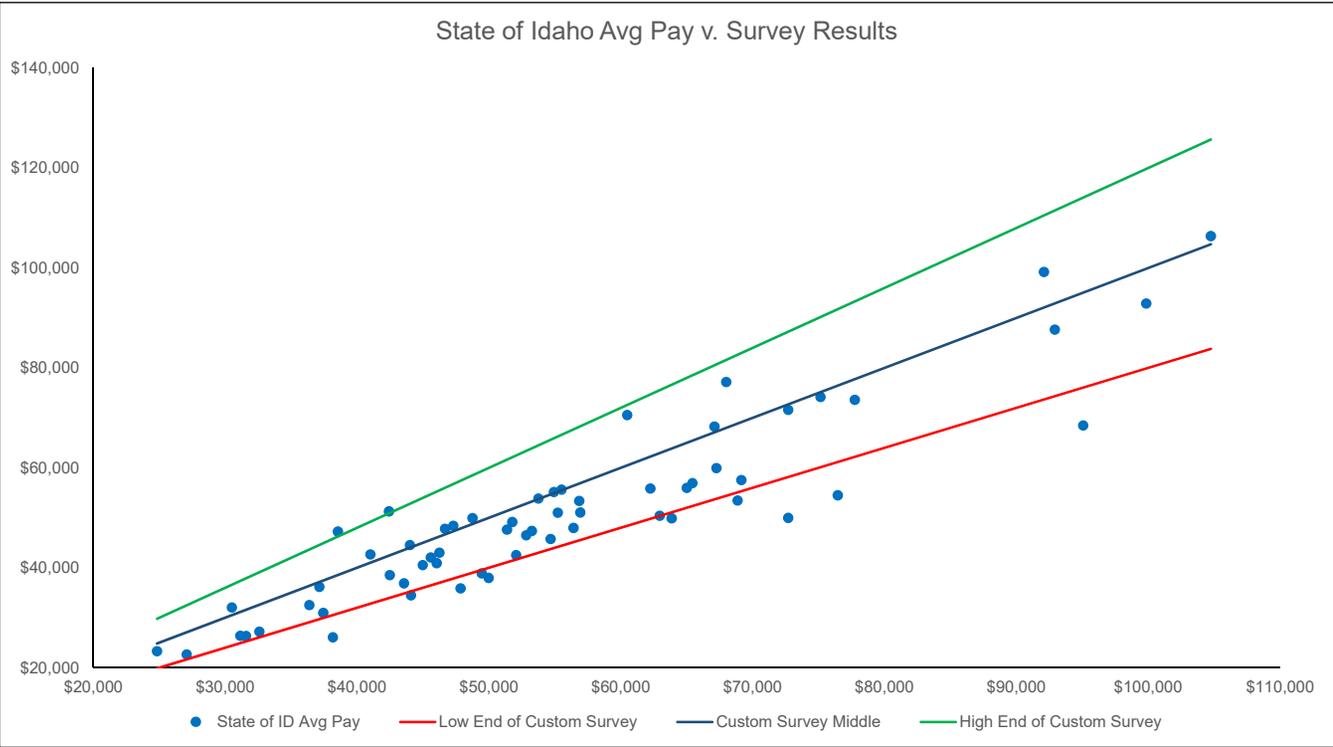
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## Observations

### Overall Competitive Position

- For all surveyed jobs the State's salary position, on average, is 9% below the middle of the market.
- Although nearly all jobs fall within a reasonable range of the middle of the market, more jobs fall below than above.
- The chart on the following slide illustrates the distribution of benchmark jobs compared to market practice. While competitive overall, some variance exists by job function and salary levels.

# Observations (continued)



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## Observations (continued)

Milliman also surveyed different compensation methodologies and pay delivery practices

- Median salary increase budget:

Year	Public Sector	Private Sector
2015	2.8%	3.0%
2016	2.6%	3.0%
2017	2.5%	3.0%
2018 (projected)	2.0%	3.0%



**Thank you**

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