

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 14

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO STATE EMPLOYEE COMPENSATION; AMENDING SECTION 67-5309B, IDAHO  
2 CODE, TO PROVIDE FOR ADVANCEMENT IN PAY BASED ON CERTAIN FACTORS AND  
3 TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-5309D, IDAHO CODE,  
4 TO PROVIDE FOR RETENTION BONUSES IN CERTAIN CIRCUMSTANCES AND TO MAKE  
5 TECHNICAL CORRECTIONS; AMENDING SECTION 59-1603, IDAHO CODE, TO PRO-  
6 VIDE FOR RETENTION BONUSES IN CERTAIN CIRCUMSTANCES AND TO MAKE TECHNICAL  
7 CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE  
8 DATE.  
9

10 Be It Enacted by the Legislature of the State of Idaho:

11 SECTION 1. That Section 67-5309B, Idaho Code, be, and the same is hereby  
12 amended to read as follows:

13 67-5309B. IDAHO COMPENSATION PLAN. (1) The administrator of the divi-  
14 sion of human resources shall establish benchmark job classifications and  
15 shall assign all classifications to a pay grade utilizing the Hay profile  
16 method in combination with market data. Pay grades established or revised  
17 by the administrator shall appropriately weigh Hay points and market data to  
18 ensure internal equity and market equity within the classified service.

19 (2) It shall be the responsibility of each department director to pre-  
20 pare a department salary administration plan and corresponding budget plan  
21 that supports the core mission of the department and ~~is~~ are consistent with  
22 the provisions of section 67-5309A, Idaho Code.

23 (3) Advancement in pay shall be based on performance ~~and~~, internal eq-  
24 uity, or external market changes and be provided in a variety of delivery  
25 methods, including ongoing increases, temporary or conditional increases,  
26 and market-related payline moves. Market-related payline moves may advance  
27 all eligible employees as well as the structure to avoid compression in the  
28 salary system.

29 (4) Pay for performance shall provide faster salary advancement for  
30 higher performers based on a merit increase matrix developed by the divi-  
31 sion of human resources. Such matrix shall be based ~~upon~~ on the employee's  
32 proximity to the state midpoint market average, and the employee's relative  
33 performance. Such matrix may be adapted by each agency to meet its specific  
34 needs when approved by the division of human resources.

35 (5) No employee shall advance in a salary range based on performance  
36 without a performance evaluation on file certifying that the employee meets  
37 the performance criteria of the assigned position.

38 (6) Each employee's work performance shall be evaluated by the em-  
39 ployee's department through a format and process approved by ~~the department~~  
40 ~~and~~ the division of human resources. The employee shall be evaluated after  
41 one thousand forty (1,040) hours of credited state service from the date of  
42 initial appointment or promotion, and thereafter be evaluated after each two

1 thousand eighty (2,080) hours of credited state service. Employees may be  
2 eligible for advancement in pay based on performance if certified as meeting  
3 the performance requirements of this section. However, such in-grade ad-  
4 vancement shall not be construed as a vested right. The department director  
5 shall designate in writing whether such in-grade advancement is temporary,  
6 conditional or permanent. It shall be the specific responsibility of the  
7 employee's immediate supervisor to effect the evaluation process. Such  
8 evaluation shall be approved by the department director or the director's  
9 designee.

10 (7) All supervisors who evaluate state employees shall receive train-  
11 ing in the evaluation format and process to assure fairness and consistency  
12 in the evaluation process.

13 (8) Notwithstanding any other provision of Idaho Code, it is hereby  
14 declared to be the policy of the legislature of the state of Idaho that all  
15 classified employees of like classification and pay grade allocation shall  
16 be treated in a substantially similar manner with reference to personnel  
17 benefits.

18 SECTION 2. That Section 67-5309D, Idaho Code, be, and the same is hereby  
19 amended to read as follows:

20 67-5309D. OTHER PAY DELIVERY OPTIONS. (1) In addition to pay increases  
21 authorized in section 67-5309B, Idaho Code, the department director may  
22 grant a classified employee bonus pay not to exceed two thousand dollars  
23 (\$2,000) in any given fiscal year based ~~upon~~ on exemplary performance.  
24 Exceptions to the two-thousand-dollar (\$2,000) limit provided in this sub-  
25 section may be granted in extraordinary circumstances if approved in advance  
26 by the state board of examiners. Departments shall submit a report to the  
27 division of financial management and the legislative services office by Oc-  
28 tober 1 on all bonuses granted in the preceding fiscal year.

29 (2) In addition to pay increases authorized in section 67-5309B, Idaho  
30 Code, the department director may grant a classified employee an award pay-  
31 ment based ~~upon~~ on suggestions or recommendations made by the employee that  
32 resulted in taxpayer savings as a result of cost savings or greater efficien-  
33 cies to the department or to the state of Idaho in excess of the amount of the  
34 award and in compliance with the rules for employee suggestion awards pro-  
35 mulgated by the division of human resources. The award may be an amount up to  
36 twenty-five percent (25%) of the amount determined to be the dollar savings  
37 to the state, but not in excess of two thousand dollars (\$2,000). Exceptions  
38 to the two-thousand-dollar (\$2,000) limit provided in this subsection may be  
39 granted in extraordinary circumstances if approved in advance by the state  
40 board of examiners. Departments shall submit a report to the division of fi-  
41 nancial management and the legislative services office by October 1 on all  
42 employee suggestion awards granted in the preceding fiscal year. Such re-  
43 port shall include any changes made as a direct result of an employee's sug-  
44 gestion and savings resulting therefrom.

45 (3) In addition to pay increases authorized in section 67-5309B, Idaho  
46 Code, the department director may grant award pay to a classified employee  
47 for recruitment or retention purposes ~~upon~~ upon. Retention bonuses require com-  
48 pletion of at least six (6) months of achieving performance standards prior  
49 to issuance. The department director and the administrator of the division

1 of human resources are authorized to seek legal remedies available, includ-  
2 ing deductions from an employee's accrued vacation funds, from an employee  
3 who resigns during the designated period of time after receipt of a recruit-  
4 ment or retention bonus. Departments shall submit a report to the division  
5 of financial management and the legislative services office by October 1 on  
6 all such awards granted in the preceding fiscal year.

7 (4) In addition to pay increases authorized in section 67-5309B, Idaho  
8 Code, department directors may provide a classified employee other nonper-  
9 formance-related pay as provided in this subsection. Departments shall sub-  
10 mit a report to the division of financial management and the legislative ser-  
11 vices office by October 1 on all such awards granted in the preceding fiscal  
12 year, including:

13 (a) Shift differential pay up to twenty-five percent (25%) of hourly  
14 rates depending on local market rates in order to attract and retain  
15 qualified staff;

16 (b) Geographic differential pay in areas of the state where recruitment  
17 and retention of qualified staff are difficult due to economic condi-  
18 tions and cost of living; and

19 (c) Wildland firefighter differential pay up to twenty-five percent  
20 (25%) of hourly rates for wildland firefighting personnel who hold cur-  
21 rent incident qualification cards while working on the fireline of a  
22 fire incident not deemed controlled or at a fire incident helibase ser-  
23 vicing active flights.

24 Employees in the same classification who are similarly situated shall be  
25 treated consistently in respect to shift differential and geographic pay  
26 differential.

27 (5) When necessary to obtain or retain qualified personnel in a partic-  
28 ular classification, upon petition of the department to the administrator  
29 containing acceptable reasons therefor, a higher temporary pay grade may be  
30 authorized by the administrator that, if granted, shall be reviewed annually  
31 to determine the need for continuance.

32 (6) In unusual circumstances, with prior approval from the administra-  
33 tors of the division of human resources and the division of financial manage-  
34 ment, agencies may grant nonperformance-related pay to employees, which in  
35 no case may exceed five percent (5%) of an employee's base pay. Departments  
36 shall submit a report to the division of financial management and the leg-  
37 islative services office by October 1 on all such awards granted in the pre-  
38 ceding fiscal year.

39 (7) Specific pay codes shall be established and maintained in the state  
40 controller's office to ensure accurate reporting and monitoring of all pay  
41 actions authorized in this section.

42 SECTION 3. That Section 59-1603, Idaho Code, be, and the same is hereby  
43 amended to read as follows:

44 59-1603. CONFORMITY WITH CLASSIFIED POSITIONS. (1) To the extent pos-  
45 sible, each nonclassified position in the executive department will be paid  
46 a salary or wage comparable to classified positions with similar duties, re-  
47 sponsibilities, training, experience and other qualifications in consulta-  
48 tion with the division of human resources. Temporary employees and agricul-  
49 tural inspectors referred to in subsections (m) and (o) of section 67-5303,

1 Idaho Code, shall not be entitled to sick leave accruals provided in section  
2 59-1605, Idaho Code, vacation leave provided in section 59-1606, Idaho Code,  
3 ~~nor~~ or holiday pay defined in subsection (15) of section 67-5302, Idaho Code,  
4 unless contributions are being made to the public employee retirement system  
5 in accordance with chapter 13, title 59, Idaho Code, and rules promulgated by  
6 the retirement board. Vacation and sick leave accruals, but not holiday pay,  
7 shall be awarded retroactively, if necessary, to the date such employees be-  
8 come eligible for retirement system membership.

9 (2) To the extent possible, nonclassified state employees in the execu-  
10 tive department reporting to the governor or a board or commission appointed  
11 by the governor shall conform with chapter 53, title 67, Idaho Code, defining  
12 the state personnel system, in sections where nonclassified state employee  
13 personnel standards are expressly defined.

14 (3) To the extent possible, each nonclassified position in the legisla-  
15 tive department will be paid a salary or wage comparable to classified posi-  
16 tions with similar duties, responsibilities, training, experience and other  
17 qualifications.

18 (4) The supreme court shall determine the schedules of salary and com-  
19 pensation for all officers and employees of the judicial department that are  
20 not otherwise fixed by law. To the extent possible, the supreme court shall  
21 adopt schedules compatible with the state's accounting system. The judicial  
22 department may also maintain personnel records and files under such system  
23 as is ordered by the supreme court.

24 (5) The state board of education shall determine the schedules of  
25 salary and compensation, and prescribe policies for overtime and compen-  
26 satory time off from duty, for all officers, teaching staff, and employees  
27 of the state board of education as provided by law. To the extent possible,  
28 the state board of education shall adopt schedules and policies compatible  
29 with the state's accounting system. The state board of education may also  
30 maintain personnel records and files under a system of its own, if approved  
31 by the state controller.

32 (6) Members of the legislature, the lieutenant governor, other offi-  
33 cers whose salaries are fixed by law, and members of part-time boards, com-  
34 missions and committees shall be paid according to law.

35 (7) Any schedule of salary and compensation must be approved by the ap-  
36 pointing authority and be communicated to the state controller in writing at  
37 least thirty (30) days in advance of the effective date of the schedule.

38 (8) In addition to salary increases provided by any compensation sched-  
39 ule adopted pursuant to subsection (7) of this section, nonclassified offi-  
40 cers and employees, except those who are elected officials or whose salaries  
41 are fixed by law, may be granted an award not to exceed two thousand dollars  
42 (\$2,000) in any given fiscal year based ~~upon~~ on an affirmative certification  
43 of meritorious service. Exceptions to the two-thousand-dollar (\$2,000)  
44 limit provided in this section may be granted under extraordinary circum-  
45 stances if approved in advance by the state board of examiners. Appointing  
46 authorities shall submit a report to the division of financial management  
47 and the legislative services office by October 1 on all awards granted in the  
48 preceding fiscal year.

49 (9) In addition to salary increases provided by any compensation sched-  
50 ule, nonclassified officers and employees, except those who are elected

1 officials or whose salaries are fixed by law, may be granted an award not  
2 to exceed two thousand dollars (\$2,000) in any given fiscal year based ~~upon~~  
3 on suggestions or recommendations made by the employee that resulted in  
4 taxpayer savings as a result of cost savings or greater efficiencies to the  
5 department, office or institution or to the state of Idaho in excess of the  
6 amount of the award. Exceptions to the two-thousand-dollar (\$2,000) limit  
7 provided in this subsection may be granted in extraordinary circumstances  
8 if approved in advance by the state board of examiners. The appointing au-  
9 thority shall as near as practicable utilize the criteria in conformance  
10 with rules promulgated by the division of human resources pursuant to sec-  
11 tion 67-5309D, Idaho Code. Appointing authorities shall submit a report to  
12 the division of financial management and the legislative services office by  
13 October 1 on all employee suggestion awards granted in the preceding fiscal  
14 year. Such report shall include any changes made as a direct result of an  
15 employee's suggestion and savings resulting therefrom.

16 (10) Each appointing authority, including the elective offices in the  
17 executive department, the legislative department, the judicial department,  
18 and the state board of education and the board of regents, shall comply with  
19 all reporting requirements necessary to produce the list of employee posi-  
20 tions prescribed by section 67-3519, Idaho Code.

21 (11) The adjutant general, with the approval of the governor, shall  
22 prescribe personnel policies for all officers and employees of the national  
23 guard that are not otherwise fixed by law. Such policies will include an  
24 employee grievance procedure with appeal to the adjutant general. The ad-  
25 jutant general shall determine schedules of salary and compensation that  
26 are, to the extent possible, comparable to the schedules used for federal  
27 civil service employees of the national guard and those employees serving  
28 in military status. Schedules adopted shall be compatible with the state's  
29 accounting system to the extent possible.

30 (12) In addition to salary increases provided by any compensation  
31 schedule, nonclassified officers and employees, except those who are  
32 elected officials or whose salaries are fixed by law, may be granted award  
33 pay for recruitment or retention purposes ~~based upon affirmative certifica-~~  
34 ~~tion of meritorious service after completion of at least six (6) months of~~  
35 ~~service. Retention bonuses require affirmative certification of merito-~~  
36 ~~rious service after completion of at least six (6) months of service prior~~  
37 ~~to issuance.~~ Department directors and the administrator of the division of  
38 human resources are authorized to seek legal remedies available, including  
39 deductions from an employee's accrued vacation funds, from an employee who  
40 resigns during the designated period of time after receipt of a recruitment  
41 or retention bonus. Appointing authorities shall submit a report to the  
42 division of financial management and the legislative services office by Oc-  
43 tober 1 on all such awards granted in the preceding fiscal year.

44 (13) In addition to salary increases provided by any compensation  
45 schedule, nonclassified officers and employees, except those who are  
46 elected officials or whose salaries are fixed by law, may be granted other  
47 pay as provided in this subsection. Appointing authorities shall submit a  
48 report to the division of financial management and the legislative services  
49 office by October 1 on all such awards granted in the preceding fiscal year,  
50 including:

1 (a) Shift differential pay up to twenty-five percent (25%) of hourly  
2 rates depending on local market rates in order to attract and retain  
3 qualified staff;

4 (b) Geographic differential pay in areas of the state where recruitment  
5 and retention are difficult due to economic conditions and cost of liv-  
6 ing; and

7 (c) Wildland firefighter differential pay up to twenty-five percent  
8 (25%) of hourly rates for wildland firefighting personnel who hold cur-  
9 rent incident qualification cards while working on the fireline of a  
10 fire incident not deemed controlled or at a fire incident helibase ser-  
11 vicing active flights.

12 (14) ~~In unusual circumstances,~~ When necessary to obtain or retain qual-  
13 ified personnel and when a distribution has been approved for classified em-  
14 ployees pursuant to section 67-5309D, Idaho Code, each appointing author-  
15 ity, including the elective offices in the executive branch, the legisla-  
16 tive branch, the judicial branch, and the state board of education and the  
17 board of regents of the university of Idaho, may grant nonclassified employ-  
18 ees nonmerit pay in the same proportion as received by classified employees  
19 in that department or institution. Appointing authorities shall submit a  
20 report to the division of financial management and the legislative services  
21 office by October 1 on all such awards granted in the preceding fiscal year.

22 (15) Each appointing authority shall, as nearly as practicable, utilize  
23 the criteria for reimbursement of moving expenses in conformance with sec-  
24 tion 67-5337, Idaho Code, and rules promulgated by the division of human re-  
25 sources pursuant thereto. Appointing authorities shall submit a report to  
26 the division of financial management and the legislative services office by  
27 October 1 on all moving reimbursements granted in the preceding fiscal year.

28 (16) Specific pay codes shall be established and maintained in the state  
29 controller's office to ensure accurate reporting and monitoring of all pay  
30 actions authorized in this section.

31 SECTION 4. An emergency existing therefor, which emergency is hereby  
32 declared to exist, this act shall be in full force and effect on and after  
33 July 1, 2023.