



**LEGISLATIVE SERVICES
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**Change in Employee
Compensation Overview**

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State Employee Compensation Philosophy, Section 67-5309A(1), Idaho Code

It is hereby declared to be the intent of the legislature of the state of Idaho that the goal of a total compensation system for state employees shall be to fund a competitive employee compensation and benefit package that will:

- Attract qualified applicants to the workforce;
- Retain employees who have a commitment to public service excellence;
- Motivate employees to maintain high standards of productivity;
and
- Reward employees for outstanding performance.



State Employee Compensation Philosophy, Section 67-5309A(2), Idaho Code

The foundation for this philosophy recognizes that state government is a service enterprise in which the state work force provides the most critical role for Idaho citizens. Maintaining a competitive compensation system is an integral, necessary and expected cost of providing the delivery of state services and is based on the following compensation standards:

- (a) The state's overall compensation system, which includes both a salary and a benefit component, when taken as a whole shall be competitive with relevant labor market averages.
- (b) Advancement in pay shall be based on job performance and market changes.
- (c) Pay for performance shall provide faster salary advancement for higher performers based on a merit increase matrix developed by the division of human resources.
- (d) All employees below the state's midpoint market average in a salary range who are meeting expectations in the performance of their jobs shall move through the pay range toward the midpoint market average.



State Employee Compensation Philosophy, Section 67-5309A(3), Idaho Code

It is hereby declared to be legislative intent that regardless of specific budgetary conditions from year to year, it is vital to fund necessary compensation adjustments each year to maintain market competitiveness in the compensation system. In order to provide this funding commitment in difficult fiscal conditions, it may be necessary to increase revenues, or to prioritize and eliminate certain functions or programs in state government, or to reduce the overall number of state employees in a given year, or any combination of such methods.



What is included in Total Compensation

Total compensation consists of both salary and benefits for full-time, part-time, and temporary positions. The Legislature appropriates at a high level and the agency has flexibility to use that appropriation as needed.

- **Salary Examples:**
 - Base Salary
 - Comp Time Payouts
 - Vacation Payouts
 - Bonuses
- **Benefit Examples:**
 - Health Insurance
 - Social Security/Medicare
 - Unemployment Insurance
 - Life Insurance
 - Retirement
 - Unused sick Leave
 - DHR Fee
 - Workers' compensation
 - Paid holidays
 - 401k/457 plans



Idaho Compensation Plan, Section 67-5309C, Idaho Code

- Division on Human Resources' Compensation Report
 - Annually by December 1st
- Governor's Budget Recommendation
 - State-of-the-State Address in January
- Legislative Action
 - The Legislature may by concurrent resolution, accept, modify, or reject the Governor's recommendation, but any such action by the Legislature, at a minimum, must address the four components, and subsequent funding of each component. The failure of the Legislature to do so shall constitute approval of the Governor's recommendation.
 - Annual appropriation to each State agency



Four Components to Employee Compensation, Section 67-5309C(2), Idaho Code

Recommendations shall at a minimum include:

- Market Related Changes - Salary Structure
- Specific Occupational Inequities (Pay line Exceptions)
- Merit Increase
- Benefit Package



Contact Information



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