



# Joint Change in Employee Compensation Committee Idaho State Legislature

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February 1, 2023

To: Members of the 67<sup>th</sup> Idaho Legislature, First Regular Session

The Joint Change in Employee Compensation (CEC) Committee has completed its hearings and deliberations. The committee received many reports, including an overview of the statutory requirements of Idaho's compensation system and information from the Division of Human Resources, the Division of Financial Management, and the Legislative Services Office. The committee also received information from the Office of Group Insurance about the employee group healthcare plan, as well as from PERSI, Idaho's retirement system, about retirement benefits. In addition, the committee received testimony from the public and agency directors.

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 within the means reasonably available to the state. To that end, and in accordance with Section 67-5309C(4), Idaho Code, the CEC Committee offers the following recommendations to the Joint Finance-Appropriations Committee for FY 2024:

- 1. Salary Structure Adjustment:** The compensation schedule should be shifted upwards by an average of eight and one-half percent (8.5%) as recommended by the Division of Human Resources, with the exception of Pay grade D where the minimum shall stay at \$7.25 per hour, and that the Legislature does not fund the shift. The additional salary structure for Public Safety should be implemented as recommended by the Division of Human Resources in the FY 2024 Change in Employee Compensation and Benefits Report.

*ESTIMATED FISCAL IMPACT: There is no additional funding for this component of CEC because this motion supports the Governor's recommendation to not fund this shift.*

- 2. Specific Occupational Inequities:** The state should maintain the job classifications that currently have a payline exception to address specific recruitment or retention issues, as recommended in the FY 2024 Change in Employee Compensation & Benefits Report from the Division of Human Resources.

*ESTIMATED FISCAL IMPACT: There is no additional cost because the classifications are already covered in the personnel cost appropriation in each agency budget.*

- 3. Salary Increase:** The Legislature should fund a 4 percent (4.0%) increase for a merit-based salary increase for state employees with flexibility allowed for agency heads and institution presidents to distribute those funds as they see fit for retention and recruitment purposes. Additionally, the Legislature should fund an additional six percent (6%) for public safety positions as outlined in appendix Z, page 195, of the FY 2024 Change in Employee Compensation and Benefits Report.

*ESTIMATED FISCAL IMPACT: The total for this motion is estimated to cost \$73,014,300 from all funds, of which \$39,589,900 is from the General Fund, \$23,620,600 is from the dedicated funds, and \$9,803,800 is from federal funds. Public School compensation, military compensation, and fund shifts should be taken up on a case-by-case basis for each agency budget.*

**4. Employee Benefit Package:**

The Legislature should maintain the current employee benefit package with no significant changes in plan design. Appropriation levels for FY 2023 should increase from \$12,500 to \$13,750 per FTP.

*ESTIMATED FISCAL IMPACT: This will increase the appropriation by \$850 per FTP.*

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

*Kevin Cook*

Senator Kevin Cook, Co-chair

Senator Jim Guthrie  
Senator Van Burtenshaw  
Senator Cindy Carlson  
Senator Janie Ward-Engelking

*Matt Bundy*

Representative Matthew Bundy, Co-chair

Representative James Holtzclaw  
Representative Mike Kingsley  
Representative Josh Wheeler  
Representative John Gannon