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September 26, 1997

SALARY SURVEY RESULTS AND RECOMMENDED PAY POLICY FISCAL YEAR 1999

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*Working together to attract and
retain a quality workforce for
Idaho State Government.*

Introduction

Section 67-5309B(d), Idaho Code, requires the Personnel Commission to submit a report of the results of salary surveys and recommendations for changes in salaries, together with their estimated costs of implementation based on the competitive labor market average rate of each pay grade, to the Office of the Governor not later than the first day of October of each year.

Methodology

In 1994, pay policy for State employees was established in line with the markets in which we compete for employees. It was determined that State employees fall into four pay policy categories, each category described by the size of the job in Hay point terms and the identified marketplace. The categories, current pay policy and competitive marketplace for each are:

<u>Pay Policy Group</u>	<u>Current Pay Policy</u>	<u>Marketplace</u>
0 to 270 Points	\$.04621/Point + \$2.07	Small to medium size Idaho employers and large Idaho employers.
271 to 550 Points	\$.02845/Point + \$6.862	Amalgam of Idaho employers and 9 western region state governments.
551 to 1050 Points	\$.01936/Point + \$11.41	9 western region state governments.
1051 + Points	\$.01327/Point + \$17.81	9 western region state governments.

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This year, we collected salary survey data from two main sources, analyzed that data and compared our current pay policies with those of employers in our identified markets.

Based on these detailed analyses we have determined:

1. Competitive pay policies for each pay policy group; and
2. The estimated cost of maintaining our market position under the proposed new pay policies.

Market Survey Sources

Idaho Cross - Industry Salary & Benefits Survey

Prepared by Western Management Group

23 large private sector employers

2 large public sector employers

Covers policy groups 0 to 270 points and 271 to 550 points.

Central States Compensation Survey

Prepared by Central States Compensation Association

23 state governments participate

7 of the 9 western region state governments: Arizona, Colorado, Montana, Nevada, New Mexico, Utah and Wyoming

Covers policy groups 271 to 550 points, 551 to 1050 points and 1051+ points.

Idaho Personnel Commission Survey

Other 2 western region state governments: Oregon and Washington

Covers policy groups 271 to 550 points, 551 to 1050+ points.

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Findings

For classes between 0 and 270 Hay points, the data comes from the Western Management Group's Idaho Cross-Industry Survey. Our analysis suggests that the current pay policy is an average of approximately 7.8% below market at this level.

For classes between 271 and 550 Hay points, data from the Idaho Cross-Industry and 9 Western States surveys suggests a market differential of approximately 7.5% on the average.

For classes between 551 and 1050 Hay points and for classes above 1051 Hay points, the survey source, the 9 Western States survey, indicates that our current pay policies are comparable with the market.

Cost Estimates

The General Account cost of this recommendation for classified and non-classified employees other than public schools would be approximately \$27 *million* or 7.7% of payroll.

Recommendations

We recommend adjusting our pay policies in the following manner:

0 - 270 points	5.8%
271 - 550 points	5.5%
551 - 1050 points	5.6%
1051 - + points	3%

As mentioned above, we recommend funding of 7.7%. The 5.7% increase in pay policies would provide needed movement in our salary structure, while the additional 2% would give agencies flexibility in moving their employees closer to policy, on the average. Even though our surveys show comparable salaries for employees on the upper policy groups, we know salaries are increasing and we need to adjust our structure accordingly. It is essential that we pay attention to our salary policies since we are experiencing difficulties in recruiting and retaining quality employees.

If you have any questions, please contact Dennis Moberly at 334-3346.

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ADOPTION ORDER


Pursuant to Section 67-5309B, Idaho Code, the Idaho Personnel Commission hereby adopts the following recommendation for FY 1999:


Pay policy represented by the following formulas:

0 - 270 points	$\$.0493 + \$2.11 \text{ \$/hr.}$
271 - 550 points	$\$.0294 + \$7.47 \text{ \$/hr.}$
551 - 1050 points	$\$.0198 + \$13.68 \text{ \$/hr.}$
1051 and above	$\$.0137 + \$18.34 \text{ \$/hr.}$

Upon adoption, this recommendation will be forwarded to the Office of the Governor by October 1, 1997 and submitted to the Legislature.

ADOPTED: September 26, 1997 by:
THE IDAHO PERSONNEL COMMISSION


Sherry Dyer, Vice-Chair


Peter Boyd, Vice-Chairman


Don Miller, Commissioner


Ken Wieneke, Commissioner

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