

IN THE SENATE

SENATE BILL NO. 1057

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO EMPLOYEE COMPENSATION; AMENDING SECTION 67-5309B, IDAHO CODE,  
2 TO REVISE A PROVISION REGARDING JOB EVALUATION; AND AMENDING SECTION  
3 67-5309C, IDAHO CODE, TO PROVIDE THAT THE ANNUAL SURVEY SHALL CONTAIN  
4 CERTAIN DATA; AND DECLARING AN EMERGENCY.  
5

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

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

9 67-5309B. IDAHO COMPENSATION PLAN. (1) The administrator of the divi-  
10 sion of human resources shall establish benchmark job classifications and  
11 shall assign all classifications to a pay grade utilizing ~~the Hay profile~~  
12 ~~method~~ a job evaluation system, in which the factors of know-how, problem  
13 solving and accountability are considered to determine the relative value  
14 of a job by using a point factor rating, in combination with market data.  
15 Pay grades established or revised by the administrator shall appropriately  
16 weigh ~~Hay points~~ job evaluation factors and market data to ensure internal  
17 equity and market equity within the classified service.

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

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

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

33 (5) No employee shall advance in a salary range without a performance  
34 evaluation on file certifying that the employee meets the performance crite-  
35 ria of the assigned position.

36 (6) Each employee's work performance shall be evaluated through a  
37 format and process approved by the department and the division of human re-  
38 sources. The employee shall be evaluated after one thousand forty (1,040)  
39 hours of credited state service from the date of initial appointment or pro-  
40 motion, and thereafter be evaluated after each two thousand eighty (2,080)  
41 hours of credited state service. Employees may be eligible for advancement  
42 in pay if certified as meeting the performance requirements of this section.

1 However, such in-grade advancement shall not be construed as a vested right.  
2 The department director shall designate in writing whether such in-grade ad-  
3 vancement is temporary, conditional or permanent. It shall be the specific  
4 responsibility of the employee's immediate supervisor to effect the evalua-  
5 tion process. Such evaluation shall be approved by the department director  
6 or the director's designee.

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

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

15 SECTION 2. That Section 67-5309C, Idaho Code, be, and the same is hereby  
16 amended to read as follows:

17 67-5309C. ANNUAL SURVEYS, REPORTS AND RECOMMENDATIONS. (1) The admin-  
18 istrator of the division of human resources shall conduct or approve annual  
19 salary and benefit surveys within relevant labor markets to determine salary  
20 ranges and benefit packages that represent competitive labor market aver-  
21 age rates and benefits provided by private industry and other governmental  
22 units. The annual survey shall include a separate component that uses pri-  
23 vate and public sector data, specific to the Idaho labor market, that com-  
24 pares salaries and benefits of state employees with nonstate employees.

25 (2) A report of the results of the annual salary and benefit surveys and  
26 recommendations for changes to meet the requirements of section 67-5309A,  
27 Idaho Code, together with their estimated costs of implementation, shall be  
28 submitted to the governor and the legislature not later than the first day  
29 of December of each year. The recommendation shall include, at a minimum,  
30 four (4) components to address the compensation philosophy described in sec-  
31 tion 67-5309A, Idaho Code, and shall include specific funding recommenda-  
32 tions for each component:

33 (a) A recommendation for market related changes necessary to address  
34 system wide structure adjustments to stay competitive with relevant  
35 labor markets. Such recommendation may include a market related pay-  
36 line adjustment for all eligible employees, as well as the structure, to  
37 avoid compression in the salary system.

38 (b) A recommendation for market related changes necessary to address  
39 specific occupational inequities.

40 (c) A recommendation for a merit increase component to recognize and  
41 reward state employees in the performance of public service to the citi-  
42 zens of Idaho.

43 (d) A recommendation for any changes to the employee benefit package,  
44 including any adjustments to the overall design of the benefit package  
45 and/or employee contributions.

46 (3) The governor shall submit his own recommendations on proposed  
47 changes in salaries and benefits to the legislature prior to the seventh  
48 legislative day of each session. Such recommendation shall address, at a

1 minimum, the four (4) components and subsequent funding for each component  
2 required in this section.

3 (4) The legislature may, by concurrent resolution, accept, modify or  
4 reject the governor's recommendations, but any such action by the legis-  
5 lature, at a minimum, shall address the four (4) components and subsequent  
6 funding of each component required in this section. The failure of the leg-  
7 islature to accept, modify or reject the recommendations prior to adjourn-  
8 ment sine die shall constitute approval of the governor's recommendations,  
9 and such recommendations shall be funded through appropriations provided by  
10 law. The administrator of the division of human resources shall implement  
11 necessary and authorized changes to salary and pay schedule by rule. The  
12 director of the department of administration shall implement necessary and  
13 authorized changes to benefits.

14 SECTION 3. An emergency existing therefor, which emergency is hereby  
15 declared to exist, this act shall be in full force and effect on and after its  
16 passage and approval.