



Joint Senate Finance – House Appropriations Committee

STATEWIDE DECISIONS: PERSONNEL BENEFIT COSTS AND CEC

JANUARY 31, 2025

Prepared by:



COMMITTEE SUMMARY

MEMBERS:

Senator C. Scott Grow
(Co-chair)
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Senator Kevin Cook
Senator Carl Bjerke
Senator Phil Hart
Senator Cindy Carlson
Senator Glenneda Zuiderveld
Senator Codi Galloway
Senator Janie Ward-Engelking
Senator Melissa Wintrow

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Representative Steve Miller
Representative Rod Furniss
Representative Clay Handy
Representative James Petzke
Representative Josh Tanner
Representative Dustin Manwaring
Representative Brandon Mitchell
Representative Elaine Price
Representative Soñia Galaviz

REMAINING STATEWIDE DECISIONS

Includes committee decisions that will apply to each agency's budget. Decisions includes Personnel Benefit Cost Changes and Change in Employee Compensation.

PERSONNEL BENEFIT COST ADJUSTMENTS (PAGE 2 - 3)

CHANGE IN EMPLOYEE COMPENSATION (PAGES 4 - 17)

APPENDIX (PAGE 18)

Backup documentation of motions in packet.

FY 2026 PERSONNEL BENEFIT COST INCREASES

Motion: I move to adopt the CEC's FY 2026 recommendation to increase the appropriation amount for health insurance per eligible full-time FTP to **\$13,960**, and other variable rate changes by agency, which result in increases of **\$29,996,000** from the General Fund, **\$7,179,000** from dedicated funds, and **\$3,086,200** from federal funds, for a total increase of **\$40,261,200**.

	General	Dedicated	Federal	Total
Personnel Benefit Costs	\$29,996,000	\$7,179,000	\$3,086,200	\$40,261,200

OR

Motion: I move to adopt the Governor's FY 2026 recommendation to increase the appropriation amount for health insurance per eligible full-time FTP to **\$14,300**, and other variable rate changes by agency, which result in increases of **\$42,076,600** from the General Fund, **\$9,908,300** from dedicated funds, and **\$4,330,300** from federal funds, for a total increase of **\$56,315,200**.

	General	Dedicated	Federal	Total
Personnel Benefit Costs	\$42,076,600	\$9,908,300	\$4,330,300	\$56,315,200

OR

Motion: I move to adopt for FY 2026 an increase of the appropriation amount for health insurance per eligible full-time FTP to **\$14,130**, and other variable rate changes by agency, which result in increases of **\$36,043,900** from the General Fund, **\$8,599,500** from dedicated funds, and **\$3,753,800** from federal funds, for a total increase of **\$48,397,200**.

	General	Dedicated	Federal	Total
Personnel Benefit Costs	\$36,043,900	\$8,599,500	\$3,753,800	\$48,397,200

FY 2026 Personnel Benefit Cost Language (for any motion that passes):

Plan Structure. The Office of Group Insurance shall maintain the current health insurance plan structure and benefit package for state employees. Adherence with the plan structure shall not preclude the Office of Group Insurance from implementing positive plan changes as identified.

Motion 2: “I request unanimous consent to accept the language as shown on the screen.”

CHANGE IN EMPLOYEE COMPENSATION

1. Adjusted CEC Committee Rec. - \$1.55 per employee per hour with \$1.00 per hour minimum. Flexibility between \$1.00/hr. and \$1.55/hr.

Motion: I move for FY 2026, to provide \$84,411,000 for \$1.55 per hour per employee for permanent employees of state agencies and institutions; include \$2,305,700 for Community Colleges; include \$6,042,800 for salary schedule adjustments for those at the minimum of the pay grade, for parity with federal military compensation, for a 4.5% salary increase for IT/engineering workers, additional funding for ISP troopers, and for nursing/healthcare workers to receive \$1.55 or 3%, whichever is greater; and include \$84,669,500 for public schools and Idaho Bureau of Educational Services for the Deaf and the Blind.

The totals for these adjustments include **\$128,354,900** from the General Fund, **\$34,266,900** from dedicated funds, and **\$14,807,200** from federal funds for a total of **\$177,429,000**.

	General	Dedicated	Federal	Total
1 Funding Allocated at \$1.55 per hour per FTP	39,728,900	30,874,500	13,807,600	84,411,000
2 Additional Funding for X% minimum	-	-	-	-
3 Community Colleges at 5%	2,305,700	-	-	2,305,700
4 Other CEC Related Actions	1,650,800	3,392,400	999,600	6,042,800
5 Public Schools and IEDSB	84,669,500	-	-	84,669,500
Total	\$ 128,354,900	\$ 34,266,900	\$ 14,807,200	\$ 177,429,000

Summary: Provides flexibility to agency heads and institution presidents to provide a CEC of no less than \$1.00 per hour to no more than \$1.55 per hour.

CEC Language Summary:

Paragraph 1

1. Provides funding to state agencies and institutions at \$1.55 per hour per full-time equivalent positions
2. Directs that employees shall receive pay increases between \$1.00 per hour and \$1.55 per hour, except in specific circumstances outlined in paragraphs 2 through 5
3. Directs that any new funding cannot be transferred from personnel costs to other expenditure categories
4. Directs that any new funding not allocated for pay increases must be reverted and reported back to the Legislature
5. Directs that if agencies use existing resources to provide increases more than \$1.55 per hour they must report to the Legislature
6. Directs DHR and SCO to develop a monthly report on pay changes provided

Paragraph 2

1. Shifts all four salary schedules upward by no less than \$1.55 per hour and
2. Provides new funding to agencies with employees at the bottom of the pay ranges

Paragraph 3

1. Provides funding for an additional 4.5% salary increase for classified and non-classified IT and engineering state workers.

Paragraph 4

1. Provides additional funding to Idaho State Police for troopers to receive a total salary increase that does not exceed 8%

Paragraph 5

1. Provides funding to state agencies with nursing and healthcare state workers to receive \$1.55 per hour per FTP, or a 3% salary increase, whichever is greater.

Motion 1.A (If CEC Rec + adjustments passes): “I request unanimous consent to include the language on the screen.”

EMPLOYEE COMPENSATION. Each agency is appropriated additional funding for change in employee compensation at the equivalent of \$1.55 per hour per full-time equivalent position for permanent employees. Of this appropriation, agency heads and institution presidents have flexibility to distribute no more than \$1.55 per hour per permanent employee and no less than \$1.00 per hour per permanent employee, provided that (1) the employee’s performance meets or exceeds expectations, and (2) the employee has been employed by the agency or institution for at least six months. Notwithstanding Section 67-3511, Idaho Code, and any other provision of law, new funding provided in this act for change in employee compensation shall not be transferred from personnel costs except for existing contractual obligations requiring automatic salary or wage increases or the ability to hire emergency contract staff. No portion of the additional funding provided in this act for change in employee compensation shall be used to fund bonuses or additional salary increases above \$1.55 per hour per permanent employee for the period July 1, 2025, through June 30, 2026, except in conditions specifically met in subsections 2, 3, 4, or 5 of this section. Any unallocated additional funding from change in employee compensation shall be reverted to the fund from which the appropriation was made, and the agency or institution president shall report on the unallocated and reverted amount by fund source to the legislature on June 30, 2026. Notwithstanding subsections 2, 3, 4, or 5 of this act, agency heads and institution presidents shall report to the legislature on June 30, 2026, the fund source and amount for any bonus or ongoing salary increase greater than the \$1.55 per hour per permanent employee from funding not provided in this act. The division of human resources shall work with the state controller to develop a monthly report showing all pay changes and listing the pay changes by code. The legislative services office shall approve the format of the report.

(2) The Division of Human Resources shall shift the primary compensation schedule’s minimum and maximum amounts upward by an average of 3.2%, but not less than \$1.55 per hour, beginning on July 1, 2025, with the exception in pay grade D where the minimum wage shall remain at \$7.25 per hour. The Division of Human Resources shall also shift the IT/engineering compensation schedule’s minimum and maximum amounts upward by an average of 3%, but not less than \$1.55 per hour, shift the public safety compensation schedule’s minimum and maximum upward by an average of 3.2%, but not less than \$1.55 per hour, and the shift the nursing/healthcare compensation schedule’s minimum and maximum amounts upward by an average of 3.5% but not less than \$1.55 per hour. The division shall maintain the job classifications currently on

payline exception. Additional funding is provided to ensure employees are paid at the new minimum of their pay grade.

(3) Specific agencies are appropriated additional funding for a 4.5% salary increase for classified and non-classified IT and engineering state workers to be distributed with flexibility for the agency head to recruit and retain hard-to-fill positions.

(4) Idaho State Police is appropriated additional funding to provide troopers a salary increase that does not exceed 8% with flexibility for the agency head to recruit and retain positions.

(5) Specific agencies are provided additional funding for nursing and healthcare workers of \$1.55 per hour per FTP or 3%, whichever is greater, with flexibility allowed for agency heads to distribute those funds for retention and recruitment.

2. Adjusted CEC Committee Rec. plus 3%

Motion: I move for FY 2026, to provide \$84,411,000 for \$1.55 per hour per employee for permanent employees of state agencies and institutions; include \$611,500 to provide all state employees with a minimum of 3% salary increase; include \$2,305,700 for Community Colleges; include \$6,042,800 for salary schedule adjustments for those at the minimum of the pay grade, for parity with federal military compensation, for a 4.5% salary increase for IT/engineering workers, additional funding for ISP troopers, and for nursing/healthcare workers to receive \$1.55 or 3%, whichever is greater; and include \$84,669,500 for public schools and Idaho Bureau of Educational Services for the Deaf and the Blind.

The totals for these adjustments include **\$128,643,300** from the General Fund, **\$34,527,800** from dedicated funds, and **\$14,869,400** from federal funds for a total of **\$178,040,500**.

	General	Dedicated	Federal	Total
1 Funding Allocated at \$1.55 per hour per FTP	39,728,900	30,874,500	13,807,600	84,411,000
2 Additional Funding for 3% minimum	288,400	260,900	62,200	611,500
3 Community Colleges at 5%	2,305,700	-	-	2,305,700
4 Other CEC Related Actions	1,650,800	3,392,400	999,600	6,042,800
5 Public Schools and IEDSB	84,669,500	-	-	84,669,500
Total	\$ 128,643,300	\$ 34,527,800	\$ 14,869,400	\$ 178,040,500

Summary: Includes \$1.55 per hour for all FTP, flexibility for select employees to receive additional compensation, but no more than a total of 3%, unless otherwise provided.

Motion 2.A. (If Adjusted CEC + 3% Minimum motion passes): “I request unanimous consent to include the language on the screen.”

EMPLOYEE COMPENSATION. Each agency is appropriated additional funding for change in employee compensation at the equivalent of \$1.55 per hour for permanent employees. Additional funding is provided for full-time permanent positions earning more than \$51.67 per hour to receive up to a 3% salary increase. Of this appropriation, agency heads and institution presidents have flexibility to distribute no more than a 3% salary increase for permanent employees earning more than \$51.67 per hour, provided that (1) the employee’s performance meets or exceeds expectations, and (2) the employee has been employed by the agency or institution for at least six months.

(2) The Division of Human Resources shall shift the primary compensation schedule’s minimum and maximum amounts upward by an average of 3.2%, but not less than the funded increase of \$1.55 per hour, beginning on July 1, 2025, with the exception in pay grade D where the minimum wage shall remain at \$7.25 per hour. The Division of Human Resources shall also shift the IT/engineering compensation schedule’s minimum and maximum amounts upward by an average of 3%, but not less than the funded increase of \$1.55 per hour, shift the public safety compensation schedule’s minimum and maximum upward by an average of 3.2%, but not less than the funded increase of \$1.55 per hour, and shift the nursing/healthcare compensation schedule’s minimum and maximum amounts upward by an average of 3.5% but not less than the funded increase of \$1.55 per hour. The division shall maintain the job classifications currently on payline exception. Additional funding is provided to ensure employees are paid at the new minimum of their pay grade.

(3) Specific agencies are appropriated additional funding for a 4.5% salary increase for classified and non-classified IT and engineering state workers to be distributed with flexibility for the agency head to recruit and retain hard-to-fill positions.

(4) Idaho State Police is appropriated additional funding to provide troopers a salary increase that does not exceed 8% with flexibility for the agency head to recruit and retain positions.

3. Adjusted CEC Committee Rec. plus 4% additional funding all distributed on merit.

Motion: I move for FY 2026, to provide \$84,411,000 for \$1.55 per hour per employee for permanent employees of state agencies and institutions; include \$2,883,100 to provide all state agencies with additional funding for 4%; include \$2,305,700 for Community Colleges; include \$6,042,800 for salary schedule adjustments for those at the minimum of the pay grade, for parity with federal military compensation, for a 4.5% salary increase for IT/engineering workers, additional funding for ISP troopers, and for nursing/healthcare workers to receive \$1.55 or 3%, whichever is greater; and include \$84,669,500 for public schools and Idaho Bureau of Educational Services for the Deaf and the Blind. All funding provided to state agencies and institutions shall be distributed on merit.

The totals for these adjustments include **\$129,653,700** from the General Fund, **\$35,430,300** from dedicated funds, and **\$15,228,100** from federal funds for a total of **\$180,312,100**.

	General	Dedicated	Federal	Total
1 Funding Allocated at \$1.55 per hour per FTP	39,728,900	30,874,500	13,807,600	84,411,000
2 Additional Funding for 4% minimum	1,298,800	1,163,400	420,900	2,883,100
3 Community Colleges at 5%	2,305,700	-	-	2,305,700
4 Other CEC Related Actions	1,650,800	3,392,400	999,600	6,042,800
5 Public Schools and IEDSB	84,669,500	-	-	84,669,500
Total	\$ 129,653,700	\$ 35,430,300	\$ 15,228,100	\$ 180,312,100

Summary: Includes a calculated \$1.55 per hour for all FTP, and an amount to receive additional compensation - calculated to a minimum of at least 4%, all CEC is based on merit.

Motion 3.A. (If Adjusted CEC + 4% Minimum motion passes): “I request unanimous consent to include the language on the screen.”

EMPLOYEE COMPENSATION. Each agency is appropriated additional funding for change in employee compensation at the equivalent of \$1.55 per hour or 4% per full-time equivalent position, whichever is greater, for permanent employees. Of this appropriation, agency heads and institution presidents have flexibility to distribute these funds based on merit.

(2) The Division of Human Resources shall shift the primary compensation schedule’s minimum and maximum amounts upward by an average of 3.2%, but not less than the funded increase, beginning on July 1, 2025, with the exception in pay grade D where the minimum wage shall remain at \$7.25 per hour. The Division of Human Resources shall also shift the IT/engineering compensation schedule’s minimum and maximum amounts upward by an average of 3%, but not less than the funded increase, shift the public safety compensation schedule’s minimum and maximum upward by an average of 3.2%, but not less than the funded increase, and shift the nursing/healthcare compensation schedule’s minimum and maximum amounts upward by an average of 3.5% but not less than the funded increase. The division shall maintain the job classifications currently on payline exception. Additional funding is provided to ensure employees are paid at the new minimum of their pay grade.

(3) Specific agencies are appropriated additional funding for a 4.5% salary increase for classified and non-classified IT and engineering state workers to be distributed with flexibility for the agency head to recruit and retain hard-to-fill positions.

(4) Idaho State Police is appropriated additional funding to provide troopers a salary increase that does not exceed 8% with flexibility for the agency head to recruit and retain positions.

4. Governor’s CEC Recommendation

Motion: I move for FY 2026, to provide \$91,854,900 for 5% additional funding of for permanent employees of state agencies and institutions; include \$4,385,900 for salary schedule adjustments for those at the minimum of the pay grade, for parity with federal military compensation, and for a 4.5% salary increase for classified IT/engineering workers; and include \$84,669,500 for public schools and Idaho Bureau of Educational Services for the Deaf and the Blind. All funding provided to state agencies and institutions shall be distributed on merit.

The totals for these adjustments include **\$131,451,900** from the General Fund, **\$35,564,900** from dedicated funds, and **\$13,637,000** from federal funds for a total of **\$180,653,800**.

	General	Dedicated	Federal	Total
1 Funding Allocated at 5% distributed on merit	45,988,700	32,700,600	12,909,100	91,854,900
2 Other CEC Related Actions	793,700	2,864,300	727,900	4,385,900
3 Public Schools	84,669,500	-	-	84,669,500
Total	\$ 131,451,900	\$ 35,564,900	\$ 13,637,000	\$ 180,653,800

Summary: Includes calculations of 5% with all funds to be distributed based on merit; Other CEC does not include the additional 4.5% for non-classified IT/Engineering positions.

Motion 4.A. (If Revised Governor’s Recommendation motion passes): “I request unanimous consent to include the language on the screen.”

EMPLOYEE COMPENSATION. Each agency is appropriated additional funding for change in employee compensation at the equivalent of 5% per full-time equivalent position, for permanent employees to be distributed by the agency head or institution president on the basis of merit.

(2) The Division of Human Resources shall shift the primary compensation schedule’s minimum and maximum amounts upward by an average of 3.2%, but not less than the funded increase, beginning on July 1, 2025, with the exception in pay grade D where the minimum wage shall remain at \$7.25 per hour. The Division of Human Resources shall also shift the IT/engineering compensation schedule’s minimum and maximum amounts upward by an average of 3%, but not less than the funded increase, shift the public safety compensation schedule’s minimum and maximum upward by an average of 3.2%, but not less than the funded increase, and shift the nursing/healthcare compensation schedule’s minimum and maximum amounts upward by an average of 3.5% but not less than the funded increase. The division shall maintain the job classifications currently on payline exception. Additional funding is provided to ensure employees are paid at the new minimum of their pay grade.

(3) Specific agencies are appropriated additional funding for a 4.5% salary increase for classified IT and engineering state workers to be distributed with flexibility for the agency head to recruit and retain hard-to-fill positions.

**CEC Motions - All Funds
Comparative Report**

	Group of Employees	Motion 1 [\$1 to \$1.55]	Motion 2 [\$1.55 <=3%]	Motion 3 [\$1.55 <=4%]	Motion 4 [5%]
1	State Employee FTP @ \$1.55/hr	\$61,121,500	\$61,121,500	\$61,121,500	\$60,709,800
2	State Employees \$1.55 and no less than 3%	\$0	\$611,500	\$0	\$0
3	State Employees \$1.55 and no less than 4%	\$0	\$0	\$2,883,100	\$0
4	College & Universities @ \$1.55/hr	\$19,536,600	\$19,536,600	\$19,536,600	\$23,945,300
5	Community Colleges @ 5%	\$2,305,700	\$2,305,700	\$2,305,700	\$2,305,700
6	Ag Research & Extension @ \$1.55/hr	\$1,354,900	\$1,354,900	\$1,354,900	\$1,449,000
7	Special Programs @ \$1.55/hr	\$198,800	\$198,800	\$198,800	\$213,300
8	Health Education Programs @ \$1.55/hr	\$185,900	\$185,900	\$185,900	\$254,300
9	CTE Post Secondary @ \$1.55/hr	\$2,013,300	\$2,013,300	\$2,013,300	\$2,464,500
10	Other Pay (Troopers, IT/Engineering, Healthcare, schedule shifts)	\$4,674,800	\$4,674,800	\$4,674,800	\$3,975,200
11	Military Compensation	\$410,700	\$410,700	\$410,700	\$410,700
12	Non Classified IT/Engineering	\$957,300	\$957,300	\$957,300	\$0
13	Public School Employees @ 5%	\$84,669,500	\$84,669,500	\$84,669,500	\$84,669,500
14	TOTAL	\$177,429,000	\$178,040,500	\$180,312,100	\$180,653,800
15					
16	Difference from Governor's Totals	(\$3,224,800)	(\$2,613,300)	(\$341,700)	\$0
17					
18	General Fund	\$128,354,900	\$128,643,300	\$129,653,700	\$131,451,900
19	Dedicated Funds	\$34,266,900	\$34,527,800	\$35,430,300	\$35,564,900
20	Federal Funds	\$14,807,200	\$14,869,400	\$15,228,100	\$13,637,000
21	TOTAL	\$177,429,000	\$178,040,500	\$180,312,100	\$180,653,800

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METHODOLOGY

Calculations:

Salary calculated using \$1.55 per hour, per full-time equivalent position:

1. LSO used the authorized FTP in the LSO Budget System, by fund source
 - a. College and Universities used the total FTP, but with the funding calculated using the same fund splits as in the Governor's Recommendation.
2. Each FTP was multiplied by \$1.55 and 2,080 hours to calculate the annual amount for an FTP.
3. Associated variable benefit costs were added to the salary and combined at the agency level; the statewide average rate was applied to Higher Education institutions.

Salary calculated using a percentage of each employee's current [established] salary:

- 1) Using the Personnel Cost Forecaster (PCF) data in LUMA, current salaries were multiplied against a variable percentage rate (ex. 3% or 4%).
- 2) The percentage calculations were then added to the \$1.55 amounts explained above to determine the total cost needed for each motion, when applicable.

TABLE Descriptions:

Each table contains the same five rows of data elements. If a specific motion does not contain that element, then it will reflect \$0. This format allows for "apples to apples" comparisons.

- **ROW 1:** Includes the \$1.55 per hour calculations for state agencies and for the higher education programs (excluding community colleges).
- **ROW 2:** Includes, when applicable, special flexibility-based funding to allow the CEC to be distributed at an amount of no less than a specified percentage.
- **ROW 3:** Includes a 5% CEC for Idaho's four Community Colleges.
- **ROW 4:** Includes other CEC adjustments recommended by the agency, Governor, CEC Committee, or during the JFAC discussions on 1/16/25. This includes funding for:
 - Shifting the compensation schedule amounts by no less than \$1.55 per hour.
 - Providing funding for ISP Troopers, for a CEC to not exceed 8% in total.
 - Provide funding for Nursing/Healthcare workers, to ensure that they receive no less than 3% of additional compensation; "whichever is greater motion."
 - Providing funding for all IT/Engineering employees, for an additional 4.5% increase.
 - Provide compensation for the Idaho Military Division to maintain parity with federal military compensation.
- **ROW 5:** Provide a five percent increase in funding for the statutory allocations for all public-school employees including Teachers, Administrators, Classified, and all staff at the Educational Services for the Deaf and the Blind (IESDB)

All motions include a version of funding for rows 3, 4, and 5. The more significant differences are in rows 1 and 2. Variations are noted in each motion below.

Motion 1: Provides flexibility to agency heads and institution presidents to provide a CEC of no less than \$1.00 per hour to no more than \$1.55 per hour.

Row	Funding Group	General Fund	Dedicated Funds	Federal Funds	All Funds
1	Funding Allocated at \$1.55 per hour per FTP	\$39,728,900	\$30,874,500	\$13,807,600	\$84,411,000
2	Additional Funding for a X% minimum	\$0	\$0	\$0	\$0
3	Community Colleges at 5%	\$2,305,700	\$0	\$0	\$2,305,700
4	Other CEC Related Actions	\$1,650,800	\$3,392,400	\$999,600	\$6,042,800
5	Public Schools and IESDB at 5%	\$84,669,500	\$0	\$0	\$84,669,500
Total		\$128,354,900	\$34,266,900	\$14,807,200	\$177,429,000

Motion 2: Includes \$1.55 per hour for all FTP, flexibility for select employees to receive additional compensation, but no more than a total of 3%, unless otherwise provided.

Row	Funding Group	General Fund	Dedicated Funds	Federal Funds	All Funds
1	Funding Allocated at \$1.55 per hour per FTP	\$39,728,900	\$30,874,500	\$13,807,600	\$84,411,000
2	Additional Funding for a 3% minimum	\$288,400	\$260,900	\$62,200	\$611,500
3	Community Colleges at 5%	\$2,305,700	\$0	\$0	\$2,305,700
4	Other CEC Related Actions	\$1,650,800	\$3,392,400	\$999,600	\$6,042,800
5	Public Schools and IESDB at 5%	\$84,669,500	\$0	\$0	\$84,669,500
Total		\$128,643,300	\$34,527,800	\$14,869,400	\$178,040,500

Motion 3: Includes a calculated \$1.55 per hour for all FTP, and an amount to receive additional compensation - calculated to a minimum of at least 4%, all CEC is based on Merit.

Row	Funding Group	General Fund	Dedicated Funds	Federal Funds	All Funds
1	Funding Allocated at \$1.55 per hour per FTP	\$39,728,900	\$30,874,500	\$13,807,600	\$84,411,000
2	Additional Funding for a 4% minimum	\$1,298,800	\$1,163,400	\$420,900	\$2,883,100
3	Community Colleges at 5%	\$2,305,700	\$0	\$0	\$2,305,700
4	Other CEC Related Actions	\$1,650,800	\$3,392,400	\$999,600	\$6,042,800
5	Public Schools and IESDB at 5%	\$84,669,500	\$0	\$0	\$84,669,500
Total		\$129,653,700	\$35,430,300	\$15,228,100	\$180,312,100

Motion 4: Includes calculations of 5% with all funds to be distributed based on merit; Other CEC does not include the additional 4.5% for non-classified IT/Engineering positions.

Row	Funding Group	General Fund	Dedicated Funds	Federal Funds	All Funds
1	Funding Allocated at \$1.55 per hour per FTP	\$43,683,000	\$32,700,600	\$12,909,100	\$89,292,700
2	Additional Funding for a X% minimum	\$0	\$0	\$0	\$0
3	Community Colleges at 5%	\$2,305,700	\$0	\$0	\$2,305,700
4	Other CEC Related Actions	\$793,700	\$2,864,300	\$727,900	\$4,385,900
5	Public Schools and IESDB at 5%	\$84,669,500	\$0	\$0	\$84,669,500
Total		\$131,451,900	\$35,564,900	\$13,637,000	\$180,653,800

APPENDIX – SUPPORTING DOCUMENTATION

CEC Committee Report

Benefit Costs

CEC

FY 2026 Benefit Cost Increases - Health Insurance @ CEC Rec

	General	Dedicated	Federal	Total
1 Education				
Public School Support	19,878,900	0	0	19,878,900
Agricultural Research & Extension Service	325,200	0	0	325,200
College and Universities	2,754,700	1,858,700	0	4,613,400
Community Colleges	551,000	0	0	551,000
Education, Office of the State Board of	73,300	4,800	0	78,100
Health Education Programs	43,400	1,400	0	44,800
Career Technical Education	504,300	0	9,600	513,900
Idaho Public Television	13,200	1,000	0	14,200
Special Programs	46,700	0	300	47,000
Department of Education	53,800	21,000	48,100	122,900
Vocational Rehabilitation	31,100	2,000	107,700	140,800
Charter School Commission	800	3,700	0	4,500
Total Education	24,276,400	1,892,600	165,700	26,334,700
2 Health and Human Services				
Health and Welfare, Department of	1,031,200	340,200	1,164,000	2,535,400
Medicaid, Division of	113,500	4,900	164,300	282,700
State Independent Living Council	1,700	2,200	0	3,900
Total Health and Human Services	1,146,400	347,300	1,328,300	2,822,000
3 Public Safety				
Correction, Department of	1,894,400	247,000	7,600	2,149,000
Judicial Branch	361,400	28,500	2,500	392,400
Juvenile Corrections, Department of	377,700	0	1,800	379,500
Police, Idaho State	395,000	209,400	33,500	637,900
Total Public Safety	3,028,500	484,900	45,400	3,558,800
4 Natural Resources				
Environmental Quality, Department of	182,600	52,600	127,200	362,400
Fish and Game, Department of	0	291,700	200,500	492,200
Land, Board of Commissioners	78,700	323,000	13,700	415,400
Parks and Recreation, Department of	34,100	138,400	11,900	184,400
Water Resources, Department of	116,700	36,400	5,200	158,300
Total Natural Resources	412,100	842,100	358,500	1,612,700
5 Economic Development				
Agriculture, Department of	81,800	137,900	13,700	233,400
Commerce, Department of	27,300	12,100	6,400	45,800
Finance, Department of	0	69,600	0	69,600
Industrial Commission	0	122,000	0	122,000
Insurance, Department of	0	68,000	3,300	71,300
Labor, Department of	5,600	51,300	440,700	497,600
Public Utilities Commission	0	46,700	0	46,700
Self-Governing Agencies	159,100	930,400	192,400	1,281,900
Transportation Department, Idaho	0	1,142,200	165,600	1,307,800
Total Economic Development	273,800	2,580,200	822,100	3,676,100
6 General Government				
Administration, Department of	12,800	120,600	0	133,400
Permanent Building Fund	0	0	0	0
Attorney General	201,000	6,900	8,100	216,000
State Controller	49,900	45,800	0	95,700
Governor, Office of the	132,600	750,600	358,100	1,241,300
Legislative Branch	67,200	14,800	0	82,000
Lieutenant Governor	2,400	0	0	2,400
Revenue and Taxation, Department of	350,800	73,400	0	424,200
Secretary of State	33,400	0	0	33,400
State Treasurer	8,700	19,800	0	28,500
Total General Government	858,800	1,031,900	366,200	2,256,900
Report Total:	29,996,000	7,179,000	3,086,200	40,261,200

FY 2026 Benefit Cost Increases - Health Insurance @ Gov Rec

	General	Dedicated	Federal	Total
1 Education				
Public School Support	28,347,100	0	0	28,347,100
Agricultural Research & Extension Service	441,200	0	0	441,200
College and Universities	3,751,000	2,538,800	0	6,289,800
Community Colleges	745,400	0	0	745,400
Education, Office of the State Board of	99,200	6,300	0	105,500
Health Education Programs	58,800	1,900	0	60,700
Career Technical Education	694,500	0	13,200	707,700
Idaho Public Television	18,000	1,300	0	19,300
Special Programs	63,100	0	400	63,500
Department of Education	72,500	28,300	63,700	164,500
Vocational Rehabilitation	43,400	2,600	148,800	194,800
Charter School Commission	1,100	5,100	0	6,200
Total Education	34,335,300	2,584,300	226,100	37,145,700
2 Health and Human Services				
Health and Welfare, Department of	1,379,400	462,400	1,569,800	3,411,600
Medicaid, Division of	154,600	6,600	223,800	385,000
State Independent Living Council	2,200	3,000	0	5,200
Total Health and Human Services	1,536,200	472,000	1,793,600	3,801,800
3 Public Safety				
Correction, Department of	2,570,600	335,400	10,400	2,916,400
Judicial Branch	488,200	38,500	3,400	530,100
Juvenile Corrections, Department of	515,900	0	2,500	518,400
Police, Idaho State	534,600	281,700	45,500	861,800
Total Public Safety	4,109,300	655,600	61,800	4,826,700
4 Natural Resources				
Environmental Quality, Department of	248,000	71,000	174,600	493,600
Fish and Game, Department of	0	511,500	398,700	910,200
Land, Board of Commissioners	106,400	427,600	18,000	552,000
Parks and Recreation, Department of	46,100	187,600	16,100	249,800
Water Resources, Department of	158,600	49,500	8,300	216,400
Total Natural Resources	559,100	1,247,200	615,700	2,422,000
5 Economic Development				
Agriculture, Department of	111,200	188,000	18,400	317,600
Commerce, Department of	37,000	16,400	8,700	62,100
Finance, Department of	0	94,100	0	94,100
Industrial Commission	0	165,600	0	165,600
Insurance, Department of	0	92,600	4,500	97,100
Labor, Department of	7,700	69,800	599,400	676,900
Public Utilities Commission	0	63,000	0	63,000
Self-Governing Agencies	213,300	1,224,400	264,100	1,701,800
Transportation Department, Idaho	0	1,636,600	231,700	1,868,300
Total Economic Development	369,200	3,550,500	1,126,800	5,046,500
6 General Government				
Administration, Department of	17,200	161,700	0	178,900
Permanent Building Fund	0	0	0	0
Attorney General	271,100	9,600	11,000	291,700
State Controller	70,600	64,700	0	135,300
Governor, Office of the	181,100	1,016,300	495,300	1,692,700
Legislative Branch	90,800	20,000	0	110,800
Lieutenant Governor	3,900	0	0	3,900
Revenue and Taxation, Department of	475,600	99,500	0	575,100
Secretary of State	45,300	0	0	45,300
State Treasurer	11,900	26,900	0	38,800
Total General Government	1,167,500	1,398,700	506,300	3,072,500
Report Total:	42,076,600	9,908,300	4,330,300	56,315,200

FY 2026 Benefit Cost Increases - Health Insurance @\$14,130

	General	Dedicated	Federal	Total
1 Education				
Public School Support	24,113,100	0	0	24,113,100
Agricultural Research & Extension Service	383,600	0	0	383,600
College and Universities	3,256,700	2,201,400	0	5,458,100
Community Colleges	649,000	0	0	649,000
Education, Office of the State Board of	86,400	5,500	0	91,900
Health Education Programs	51,200	1,700	0	52,900
Career Technical Education	600,100	0	11,400	611,500
Idaho Public Television	15,600	1,100	0	16,700
Special Programs	55,000	0	400	55,400
Department of Education	63,100	24,700	55,500	143,300
Vocational Rehabilitation	37,700	2,200	129,400	169,300
Charter School Commission	900	4,400	0	5,300
Total Education	29,312,400	2,241,000	196,700	31,750,100
2 Health and Human Services				
Health and Welfare, Department of	1,197,300	401,900	1,362,700	2,961,900
Medicaid, Division of	134,200	5,800	194,200	334,200
State Independent Living Council	1,900	2,600	0	4,500
Total Health and Human Services	1,333,400	410,300	1,556,900	3,300,600
3 Public Safety				
Correction, Department of	2,235,100	291,700	9,000	2,535,800
Judicial Branch	425,200	33,500	3,000	461,700
Juvenile Corrections, Department of	447,300	0	2,200	449,500
Police, Idaho State	465,300	245,300	39,600	750,200
Total Public Safety	3,572,900	570,500	53,800	4,197,200
4 Natural Resources				
Environmental Quality, Department of	215,700	61,800	151,600	429,100
Fish and Game, Department of	0	442,200	344,900	787,100
Land, Board of Commissioners	94,400	380,000	16,000	490,400
Parks and Recreation, Department of	40,100	163,400	14,000	217,500
Water Resources, Department of	137,800	43,000	7,200	188,000
Total Natural Resources	488,000	1,090,400	533,700	2,112,100
5 Economic Development				
Agriculture, Department of	96,600	163,400	16,000	276,000
Commerce, Department of	32,200	14,300	7,600	54,100
Finance, Department of	0	81,900	0	81,900
Industrial Commission	0	144,000	0	144,000
Insurance, Department of	0	80,400	3,900	84,300
Labor, Department of	6,700	60,700	520,400	587,800
Public Utilities Commission	0	54,800	0	54,800
Self-Governing Agencies	186,300	1,078,600	228,800	1,493,700
Transportation Department, Idaho	0	1,391,400	198,800	1,590,200
Total Economic Development	321,800	3,069,500	975,500	4,366,800
6 General Government				
Administration, Department of	15,000	141,200	0	156,200
Permanent Building Fund	0	0	0	0
Attorney General	236,300	8,400	9,500	254,200
State Controller	61,400	56,200	0	117,600
Governor, Office of the	157,100	884,800	427,700	1,469,600
Legislative Branch	79,000	17,300	0	96,300
Lieutenant Governor	3,400	0	0	3,400
Revenue and Taxation, Department of	413,500	86,500	0	500,000
Secretary of State	39,400	0	0	39,400
State Treasurer	10,300	23,400	0	33,700
Total General Government	1,015,400	1,217,800	437,200	2,670,400
Report Total:	36,043,900	8,599,500	3,753,800	48,397,200

FY 2026 Adjusted CEC Recommendation

	General	Dedicated	Federal	Total
1 Education				
Public School Support	84,669,500	0	0	84,669,500
Agricultural Research & Extension Service	1,354,900	0	0	1,354,900
College and Universities	11,610,400	7,926,200	0	19,536,600
Community Colleges	2,305,700	0	0	2,305,700
Education, Office of the State Board of	378,300	27,100	3,300	408,700
Health Education Programs	179,200	6,000	0	185,200
Career Technical Education	2,223,700	0	41,500	2,265,200
Idaho Public Television	65,500	4,000	0	69,500
Special Programs	193,400	0	5,400	198,800
Department of Education	212,200	88,700	189,300	490,200
Vocational Rehabilitation	128,400	8,000	448,300	584,700
Charter School Commission	6,000	13,900	0	19,900
Total Education	103,327,200	8,073,900	687,800	112,088,900
2 Health and Human Services				
Health and Welfare, Department of	4,569,900	1,458,200	5,182,300	11,210,400
Medicaid, Division of	488,400	22,300	707,800	1,218,500
State Independent Living Council	6,800	9,000	0	15,800
Total Health and Human Services	5,065,100	1,489,500	5,890,100	12,444,700
3 Public Safety				
Correction, Department of	8,252,000	1,070,700	33,000	9,355,700
Judicial Branch	1,061,200	120,100	65,200	1,246,500
Juvenile Corrections, Department of	1,676,500	0	8,100	1,684,600
Police, Idaho State	2,165,000	1,068,300	140,100	3,373,400
Total Public Safety	13,154,700	2,259,100	246,400	15,660,200
4 Natural Resources				
Environmental Quality, Department of	740,900	333,200	681,100	1,755,200
Fish and Game, Department of	0	1,443,700	989,800	2,433,500
Land, Board of Commissioners	285,200	1,113,000	36,800	1,435,000
Parks and Recreation, Department of	142,000	580,000	49,600	771,600
Water Resources, Department of	593,900	196,500	27,400	817,800
Total Natural Resources	1,762,000	3,666,400	1,784,700	7,213,100
5 Economic Development				
Agriculture, Department of	355,300	637,300	60,000	1,052,600
Commerce, Department of	112,900	50,100	26,500	189,500
Finance, Department of	0	321,500	0	321,500
Industrial Commission	0	502,800	0	502,800
Insurance, Department of	0	291,000	14,100	305,100
Labor, Department of	26,700	347,700	2,352,000	2,726,400
Public Utilities Commission	0	184,300	7,100	191,400
Self-Governing Agencies	658,000	3,463,700	858,000	4,979,700
Transportation Department, Idaho	0	7,481,200	796,300	8,277,500
Total Economic Development	1,152,900	13,279,600	4,114,000	18,546,500
6 General Government				
Administration, Department of	51,700	482,700	0	534,400
Permanent Building Fund	0	0	0	0
Attorney General	859,300	39,800	34,800	933,900
State Controller	209,500	403,300	0	612,800
Governor, Office of the	671,600	4,137,600	2,049,400	6,858,600
Legislative Branch	310,300	63,700	0	374,000
Lieutenant Governor	7,800	0	0	7,800
Revenue and Taxation, Department of	1,583,700	275,900	0	1,859,600
Secretary of State	164,500	0	0	164,500
State Treasurer	34,600	95,400	0	130,000
Total General Government	3,893,000	5,498,400	2,084,200	11,475,600
Report Total:	128,354,900	34,266,900	14,807,200	177,429,000

FY 2026 Gov's Revised CEC Recommendation

	General	Dedicated	Federal	Total
1 Education				
Public School Support	84,669,500	0	0	84,669,500
Agricultural Research & Extension Service	1,449,000	0	0	1,449,000
College and Universities	14,159,300	9,790,700	0	23,950,000
Community Colleges	2,305,700	0	0	2,305,700
Education, Office of the State Board of	406,800	28,600	0	435,400
Health Education Programs	243,300	11,000	0	254,300
Career Technical Education	2,695,500	0	39,200	2,734,700
Idaho Public Television	74,300	0	0	74,300
Special Programs	212,600	0	700	213,300
Department of Education	248,300	95,100	223,700	567,100
Vocational Rehabilitation	109,900	6,100	414,000	530,000
Charter School Commission	6,700	17,100	0	23,800
Total Education	106,580,900	9,948,600	677,600	117,207,100
2 Health and Human Services				
Health and Welfare, Department of	4,410,700	1,329,000	4,970,300	10,710,000
Medicaid, Division of	529,000	22,000	769,100	1,320,100
State Independent Living Council	6,500	8,700	0	15,200
Total Health and Human Services	4,946,200	1,359,700	5,739,400	12,045,300
3 Public Safety				
Correction, Department of	7,755,600	976,000	31,700	8,763,300
Judicial Branch	1,072,800	162,500	20,500	1,255,800
Juvenile Corrections, Department of	1,523,000	0	9,000	1,532,000
Police, Idaho State	2,056,900	914,600	168,100	3,139,600
Total Public Safety	12,408,300	2,053,100	229,300	14,690,700
4 Natural Resources				
Environmental Quality, Department of	940,000	272,700	711,000	1,923,700
Fish and Game, Department of	0	1,567,000	984,400	2,551,400
Land, Board of Commissioners	262,500	1,147,600	48,400	1,458,500
Parks and Recreation, Department of	123,400	485,200	40,100	648,700
Water Resources, Department of	638,000	195,300	23,000	856,300
Total Natural Resources	1,963,900	3,667,800	1,806,900	7,438,600
5 Economic Development				
Agriculture, Department of	367,000	583,500	52,900	1,003,400
Commerce, Department of	128,400	56,000	27,000	211,400
Finance, Department of	0	373,600	0	373,600
Industrial Commission	0	486,200	0	486,200
Insurance, Department of	0	296,000	11,000	307,000
Labor, Department of	22,600	222,900	1,863,100	2,108,600
Public Utilities Commission	0	258,400	0	258,400
Self-Governing Agencies	737,500	3,633,100	775,300	5,145,900
Transportation Department, Idaho	0	7,441,100	490,600	7,931,700
Total Economic Development	1,255,500	13,350,800	3,219,900	17,826,200
6 General Government				
Administration, Department of	36,200	471,600	0	507,800
Permanent Building Fund	0	0	0	0
Attorney General	1,234,000	33,100	47,700	1,314,800
State Controller	247,200	236,000	0	483,200
Governor, Office of the	779,200	3,977,900	1,916,200	6,673,300
Legislative Branch	379,400	76,300	0	455,700
Lieutenant Governor	5,800	0	0	5,800
Revenue and Taxation, Department of	1,443,400	298,700	0	1,742,100
Secretary of State	136,600	0	0	136,600
State Treasurer	35,300	91,300	0	126,600
Total General Government	4,297,100	5,184,900	1,963,900	11,445,900
Report Total:	131,451,900	35,564,900	13,637,000	180,653,800



Joint Change in Employee Compensation Committee Idaho State Legislature

January 10, 2025

To: Members of the 68th 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 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 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 Legislature and Joint Finance-Appropriations Committee for FY 2026:

- 1. Salary Structure Adjustments:** Shift the primary compensation schedule upwards by an average of 3.2% at all pay rates and in all pay grades, with the exception of pay grade D where the minimum shall stay at \$7.25 per hour, as recommended by the Division of Human Resources. Shift the specialized compensation schedules upwards by an average of 3.2% for public safety, 3% for IT/engineering, and 3.5% for nursing/healthcare. Funding for these shifts is not recommended unless an employee falls below the minimum.

ESTIMATED FISCAL IMPACT: From all funds, \$80,600 to bring employees that fall below the minimum of their paygrade up to the new minimum of their paygrade.

- 2. Specific Occupational Inequities:** Maintain the job classifications that currently have a payline exception to address specific recruitment or retention issues, as recommended in the FY 2026 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:** Recommend the Legislature fund a salary increase for state employees of \$1.55 per hour per FTP.

ESTIMATED FISCAL IMPACT: The total estimated fiscal impact is \$95,805,100, of which \$46,943,900 is from the General Fund, \$35,512,800 is from dedicated funds, and \$13,348,400 is from federal funds. These amounts do not include public schools admin and classified staff, instructional staff, military compensation, or requested fund shifts as those will be taken up in the individual budgets.

4. Targeted Salary Increases:

- a. State Troopers. Recommend that for Idaho State Police troopers in pay grade L, the Legislature fund a salary increase to meet but not exceed 8%, with flexibility allowed for the agency to distribute those funds for retention and recruitment as it sees fit.
- b. IT/Engineering. Recommend that for employees in the IT/engineering salary schedule, in addition to any other salary increase for state employees, the Legislature fund a 4.5% salary increase, with flexibility allowed for agency heads and institution presidents to distribute those funds for retention and recruitment as they see fit.
- c. Nursing/Healthcare. Recommend that for nursing/healthcare positions, the Legislature fund the above-referenced salary increase of \$1.55 per hour per FTP or 3%, whichever is greater, with flexibility allowed for agency heads and institution presidents to distribute those funds for retention and recruitment as they see fit.

STATE TROOPERS, ESTIMATED FISCAL IMPACT: Additional funding to achieve an 8% pay increase for state troopers is estimated to cost \$496,300 from all funds, of which \$364,900 is from the General Fund and \$131,500 is from dedicated funds.

IT/ENGINEERING, ESTIMATED FISCAL IMPACT: From all funds, the targeted IT/engineering market increase would cost \$3,623,900 for classified employees only. This does not include non-classified IT/engineering positions.

NURSING/HEALTHCARE, ESTIMATED FISCAL IMPACT: This adjustment reduces the cost of \$1.55 per hour per FTP for employees with hourly pay in excess of \$51.66 and adds a 3% salary increase for those employees, for an estimated net cost of \$64,200.

5. Benefits Package:

Maintain the current employee benefit package with no significant changes in plan design. Appropriation levels for FY 2026 should increase from \$13,000 to \$13,960 per FTP. The Committee did not vote on the insurance appropriation for the school districts and recommends that those amounts be addressed within that budget.

ESTIMATED FISCAL IMPACT: Maintaining the current employee group insurance package with an increase to the current year appropriation from \$13,000 to \$13,960 for an increase of \$960 per FTP for health insurance for a total increase of \$43,083,800. Compared to the Governor's recommendation of \$14,300 per FTP and applied statewide, this would reduce \$13,600,400 in health insurance funding, which includes \$5,192,700 for state employees and \$8,407,700 for public schools. By targeting the contractual minimum health plan balance, this change would also reduce health insurance reserves by an additional \$380 per FTP versus the \$14,300 appropriation. Additionally, this motion would maintain current PERSI benefits with the PERSI board approved employer and employee contribution rates.

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



Senator Dan Foreman, Co-chair



Representative James Holtzclaw, Co-chair

Senator Jim Guthrie
Senator Van Burtenshaw
Senator Cook
Senator Janie Ward-Engelking

Representative Raybould
Representative Tony Wiesnieski
Representative Josh Wheeler
Representative John Gannon