




**IDAHO**

Division of Human  
Resources

**GOVERNOR** | Brad Little  
**ADMINISTRATOR** | Janelle White

TO: Governor Brad Little  
Members of the Idaho State Legislature

FROM: Janelle White, Administrator   
Idaho Division of Human Resources

DATE: December 1, 2025

SUBJECT: Fiscal Year 2027 Change in Employee Compensation (CEC)  
Recommendation

In accordance with Idaho Code § 67-5903C and informed by the [FY2026 State of the State Workforce Report](#), I respectfully submit the Division of Human Resources' recommendation for the Fiscal Year 2027 (FY2027) Change in Employee Compensation (CEC).

As stated in the FY2026 State of the State Workforce report:

- The state's average base salary is 15% behind the 50<sup>th</sup> percentile of the market (public and private).
- The state experienced a 14.6% turnover rate, in comparison to a national average of 13%.
- The state's vacancy rate was 11.2%, compared to Idaho's job opening rate of 4.6% in May 2025.
- National salary surveys anticipate wages will increase between 3.4%-3.6% in 2026.

For FY2027, DHR Recommends the following:

**1. Salary Structure Adjustment**

Maintain existing salary structure minimum, midpoint and maximum across all pay structures (primary, IT/Engineering, Nursing/Healthcare and Public Safety).

**2. Specific Occupational Inequities (Payline Exceptions)**

Continue with the job classifications that are currently on payline exceptions to address specific recruitment and retention issues.

**3. Merit Increase Component**

Implement salary increases for all eligible employees consistent with projected market wage trends, provided revenue projections indicate sufficient funding.

**4. Employee Benefit Package**

Maintain the State's existing benefits and retirement package.

FY2027 CEC Recommendation Cost Estimate

The Governor values the hard work and contributions made by state employees and has consistently recommended change in employee compensation to ensure state employee pay is competitive in the job market. CEC remains a priority for the Governor and if revenue projections provide sufficient funds to recommend change in compensation in FY2027, a cost estimate will be provided.

FY2025 Salary Savings Report

As required by Idaho Code § 67-5903C, DHR worked with the State Controller's Office (SCO) to develop the annual salary savings [report](#).