

**Representative Jana Kemp asked that this be included as an addendum to the minutes of December 21, 2005. These are her suggestions for consideration by the committee.**

**Employee Compensation Interim Committee of the Idaho Legislature - 2005**

Suggestions for inclusion in the Committee Report to the 2006 Legislature

Given that the State of Idaho's non-farm and government jobs in 2004 totaled 114, 299 (Idaho Department of Commerce and Labor report),

And

Given that "incomes in Valley don't keep pace with U.S. average" (\$32,000 for Boise/Nampa residents in 2003 versus over \$36,000 across the U.S. in 2003 according to the Idaho Statesman November 16, 2005),

And

Given that Idaho's overall 2003 per capita personal income was \$25,583 (US Department of Commerce, Bureau of Economic Analysis) which ranked it 46<sup>th</sup> out of 50 states and that Idaho's 2003 below poverty level percent of the population was 13.8% which ranked it 16 out of 50 states,

And

Given that in 2003 State of Idaho state and local government annual pay per employee was \$35,269 which ranked it 37<sup>th</sup> out of 50 states (US Department of Commerce, Bureau of Economic Analysis),

And

Given that Idaho's state employee compensation includes:

salary or wages, health insurance, dental insurance, vision insurance, long-term care insurance (new in 2006), 34 paid days off a year whereas typical Idaho industry employees receive 22 days off per year, reasonable work environments, limits on the length of day and hours worked, a retirement plan (PERSI), job security, opportunities to apply for other state jobs, merit increases on occasion, and a maximum bonus potential of \$1000 per year,

The 2005 Interim Compensation Committee has held four committee meetings and makes the following reports and recommendations.

House Concurrent Resolution No. 22: Resolution Charges in five whereas clauses and eight committee assignments:

1. Review the distribution of health insurance costs

The committee found that: \_\_\_\_\_?

2. Review the Hay Plan

The committee found that: the Hay Plan is an appropriate system for the state of Idaho and that it can continue to be used; and that in some cases Agency/Department funding is needed to accomplish the market pay levels required in Idaho Code 67-5309C while in other cases Agency/Department personnel funding appears to be adequate as gauged by both un-expended personnel dollars and by the movement of personnel dollars to other budget line items.

3. Review the concept of merit increase for specific occupational groups.

The committee found that: a legislative recommendation will be made to the 2006 body.

4. Review agency specific human resource compensation issues.  
The committee found that: upon hearing from a variety of state agency/departments the largest concerns seem to be “fund us so we can pay people at market, hire and retain qualified staff, and be competitive in the job marketplace.”
5. Review temporary merit increases and their funding sources.  
The committee found that: \_\_\_\_\_ ?
6. Review agency use of funding appropriated for personnel costs.  
The committee found that: In the July 2005 Interim Committee meeting, both the Department of Corrections and of Health and Welfare indicated that personnel dollars have been being moved out of personnel and being spent on other department expenses for a number of years (over 20 years in Corrections). The Interim Committee has legislation to recommend to the 2006 session to address this issue.
7. Review any other human resource management issues.  
The committee found that: Holiday pay and structures were reviewed. And \_\_\_\_\_?
8. Develop any legislation or recommendations related to these matters as the committee deems appropriate.  
The committee found that: See the recommendations that follow.

#### Policy recommendation regarding State Employee Compensation

##### Immediate Recommendations

1. Legislation suggested by committee - see attachments, including the Basic Compensation Statute (67-5309 - several sections) changes and others.
2. Use of the FY 2005 “surplus” of revenue could include getting those state employees who are not at market pay and should be to market pay for the 2006FY and thereby creating a new permanent salary base for those employees.
3. Recommendations to CEC - 3% permanent increase and?
4. Recommendations to JFAC - Fund the compensation plans of agencies that present them in 2006 session. - Budget employee compensation both first and last in the budgeting process so that state employees are not bearing the largest burden of the budgeting process. - Support a pay package for FY07 that contains an across the board permanent pay increase of 3%.
5. Recommendations to JLOC - Investigate the payment of payroll, overtime, and shift differentials being paid in the Department of Corrections and any other agencies which seem to be having problems.
6. Recommend to Legislative Council a 2006 Interim Committee be charged with the review of statewide teacher pay.

##### Longer Term Recommendations

1. Address the handling of un-expensed personnel dollars (approximately \$34M in FY 2005)
2. Other?