

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 19, 2012

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Andreason, Vice Chairman McKague, Senators Goedde, Smyser, Tippets, Johnson, Stennett, and Schmidt

ABSENT/ EXCUSED: Senator Cameron.

NOTE: The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

Chairman Andreason called the meeting to order at 1:31 p.m.

MOTION: **Senator Tippets** moved, seconded by **Senator Johnson**, to approve the minutes of January 12, 2012. The motion carried by **Voice Vote**.

Presentation from the Division of Human Resources, Vicki Tokita, Administrator, Division of Human Resources stated the presentation encompasses the accomplishments of the Division for the last year and the projects they are currently working on. The divisions they will be covering in this presentation are: Status of employee compensation, salary survey and retention, employee compensation and benefits and finally I-PEFORM—statewide Performance Management System. **Ms. Tokita** advised in this section of her presentation are the current workforce statistics. The historical comparison of change in employee compensation. The last appropriation made was FY2009. The last slide is the comparison of the appropriated Change in Employment Compensation (CEC) to the market. Since 2009, the economy has stabilized so that the market rates did not increase. As the economy slowly improves the employee's salaries are falling further behind.

While preparing the CEC Report for FY2013, the Division identified gaps in statewide data relevant to employee retention and turnover. The Division has developed exit interview questions to gather information from employees that are voluntarily leaving state service that will be used by all statewide agencies. Agencies code the reasons for the separation of employees from state service. These codes did not provide enough information concerning where the employees were going so they updated these codes to broaden the data collected. (See Attachment 1, tabs 1 through 4, for additional disclosure of this testimony.)

Brandon Wolfe, Deputy Chief, State Comptrollers Office, advised that their office has developed a new Performance Management System in partnership with the I-Time System named I-Perform. The I-Perform System is designed for management to quickly build their organizational structure of their agency. (See Attachment 1, tab 5, for additional disclosure of this system.)

Sharon Duncan, Project Manager, presented a slide overview of the I-Perform System. This system has been designed for managers and supervisors to use when they are creating an evaluation for an employee. It also allows the employee to access the evaluation. There are five areas in the I-Perform, Performance evaluation: Performance review, administrative functions, performance data, and my evaluation. There are four statewide performance expectations for employees: Professionalism, promoting responsible state government, customer

focus, leadership for supervisors and managers. There are five areas to the evaluation: The performance cover sheet, performance objective, performance expectations, performance summary, audit and attachments. The evaluation is routed electronically through the supervisor and to the reviewer.

As soon as it is complete there will be an electronic signature that will show up on the evaluation. There is a supervisors form with comments where they can document appropriately and share the information with their employee. Sample of questions are: what was the event, where did it occur, who was present, what was the outcome, what was a potential outcome, how does it impact the agencies value or services. A sample of performance objectives the supervisor would document would be the key job responsibilities of an employee, review of the prior year objectives, and prior year employee development plan. The system documents how well the employee succeeded or what objectives still need to be completed. Whether they need retraining or educational opportunities to reach the objectives. Performance expectations include the four statewide standards. Under these standards is a description of what it means to be exemplary, solid, or achieved. Documentation area would be where letters would be attached that might have complimented the employee for their service or work performed. Performance summary which contains the overall summary of the employee's performance is documented and outlined with the objectives for next year. When a reviewer needs to access an item they would click on performance review and this will show the reviewer what evaluations are sitting in the que for review, comment on, and sent back to the supervisor. The performance data will display history of all of the evaluations on the employee. The last area is my evaluation tab, this would be where the employee could see their completed evaluation.

Human Resource Division is in the process of developing training for the I-PERFORM System and will start with the Human Resource staff and then piloting the system with a couple of smaller agencies to get them up and running. The majority of the larger agencies will be transitioning to the system. **Senator Johnson** asked what kind of training the Division gives the supervisor's to facilitate an effective performance evaluation? **Ms. Duncan** replied that the Division is in the process of revising their supervisor training program to enhance the philosophy of performance management training.

Kim Toryanski, Deputy Administrator, stated in the process of revising their supervisor training program one of the areas that is a priority is risk management. Two of the highest risks at agencies are personnel actions in the hiring and termination process. The Human Resource Professionals at the agencies are in charge of carrying out the human resource rules and complying within their agencies to carry out state and federal performance laws. In the spring the Human Resource Professionals received training on "Retaliation in the Workforce" and also collaborate with the Human Rights Commission in the process of that training. They have purchased CD's that the Division loans out to the agencies for additional training in personnel issues and employment law.

Presentation from the Idaho Business Council

Jared Bauer, Executive Director, Idaho Business Council advised that they have developed a business concept that creates a partnership between the State Legislature, the three universities, as well as business and community leaders statewide and is called the Idaho Business Council. It is dedicated to researching economic and business issues in the state. Their goal is to research issues that will help the state grow in certain areas. It will help the state grow economically, raise median income, and bring quality jobs to Idaho.

The Council is different than some of the other organizations as they are research oriented. They are not industry specific; representing all industries within the state.

The Council requires the help of the members of the legislature in order for them to operate. Their goal is to offer to the business community statewide approach to business and economic research. They are not a lobbying organization. Their goal is through a partnership to be a tool to the legislature to offer new research each year regarding issues that their constituents are facing in the business arena.

Idaho faces a great deal of issues such as lowering median income, high unemployment and a decreased corporate presence. Two of these are items that Idaho shares with nearly every state in the union, which are decreased corporate presence as well as high unemployment. Three of Idaho's bordering states have increased their median income year after year, even during the recession, (Utah, Washington and Oregon). Idaho's median income has continued to drop. What can Idaho do to increase jobs and develop innovative sustainable economic growth? The Council's mission is to increase jobs and develop innovative, sustainable economic growth. The Idaho Business Council provides a neutral, comprehensive, statewide forum to facilitate business and legislative professionals to identify specific issues, and leverage university research to propose consensus based solutions.

Jenni Herberg, CEO, Idaho Business Council, stated that every year the Council will ask the legislators to become a part of the voting membership. Each legislator will select business or community leaders from your district to become a member of this voting council. Three topics will be selected each year from this membership to be turned over to the universities to research these topics. As the research projects come back, the Idaho Business Council will prepare a condensed version of the research and action that the state can pursue. A commitment letter for research hours from graduate students and faculty will be e-mailed to the Commerce Committee on January 19 from all three deans at the business colleges of Boise State, Idaho State and the University of Idaho.

The members of their Executive Board of Directors are Brian O'Morrow, Brown's Industries, President; Salmon Rapids Lodge; James Jacobson, Idaho Business Law Group; Shawn Walters, past Chairman for the Idaho Potato Commission; Cindy Lee, Owner of Heart N Home Hospice; Karin Hart, Vice President of Simplot Food Groups; Steve Dominguez, Steve's Hometown Motors Toyota; Jeff Hamilton, Five 11 Main Restaurant; CPA Firm; Jim Frank, President Lighthouse Salad Dressings; James Sabala, CFO Hecla Mining; Richard Crowley, Small Business Owner; and Bruce Eastman, COO Inovus Solar.

The Council is asking for two items: 1) The commitment of the legislators to be a part of the voting membership and 2) That the legislators will pick two members from their district that represent business and community leadership. (See Attachment 2, tabs 1 through 4, for additional disclosure of this testimony.)

Senator Goedde stated that he thought their approach is a great idea. He suggested that they might solicit the presidents of the universities for their signatures, which would be more powerful than the dean's of the business schools.

There being no further business, the meeting adjourned at 2:28 P.M.

Senator Andreason
Chairman

Carol Deis
Secretary