

MINUTES  
**CHANGE IN EMPLOYEE COMPENSATION COMMITTEE**

**DATE:** Tuesday, February 03, 2015

**TIME:** 4:30 P.M.

**PLACE:** EW42

**MEMBERS PRESENT:** Senators Co-chairman Tippetts, Patrick, Cameron, Martin, Lakey, Heider, Lee, Schmidt, Ward-Engelking

Representatives Co-chairman Anderson, Hartgen, Anderst, Holtzclaw, Loertscher, Romrell, Mendive, King, Rudolph

**ABSENT/ EXCUSED:** Representative(s) Romrell

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the Senate Commerce & Human Resources office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** Co-Chairman Tippetts called the meeting to order at 4:30 p.m. and welcomed all to the meeting.

**Consideration of the Addition of Approximately \$50,000 to Provide for Changes to the Minimum Pay Rates on the State's Compensation Schedule.** Co-Chairman Tippetts introduced Robyn Lockett, Budget and Policy Analyst, Legislative Services Office (LSO). Ms. Lockett gave an overview of moving the minimum in every pay grade to 70 percent of policy from 68 percent of policy. She said the Change in Employee Compensation Committee (CECC) made a recommendation to the Joint Finance Appropriations Committee (JFAC) for an approximate appropriation of \$350,000 to accomplish the goal of moving the minimum pay rates on the State's compensation schedule. However, Ms. Lockett said the Division of Human Resources (DHR) advised there was a miscalculation and the amount was higher. The cost to move the pay grade for fiscal year (FY) 2016 was now \$620,000. She went over how the agencies arrived at the amount. She pointed out that DHR estimated a cost of \$620,000, but by removing the temporary and group positions the total was reduced to \$605,000. She said group positions were budgeted in the personnel pool and not at the Personnel Control Number (PCN) level, as is done with individual employees. This removed approximately \$15,000. Ms. Lockett said LSO and the Division of Financial Management (DFM) recommended \$400,900 be appropriated to fund the change. The fund change did not include employees who were hired by an agency for a new full-time position (FTP) with new personnel funding in the current year. She said LSO was assuming the money was still there to fund the position. These positions were budgeted at 80 percent of policy, which significantly impacted the Department of Health and Welfare (DHW), the Department of Corrections (DOC) and the Idaho State Police (ISP).

Co-Chairman Tippetts clarified that certain employees were not included in the calculations because they were already funded. He said employees who were at

68 or 69 percent of pay level, would receive an increase to 70 percent in pay policy. No employee in that range will be excluded from the pay increase. **Ms. Lockett** said that no one would earn less than 70 percent of policy in their pay grade if they are in the classified system.

**Ms. Lockett** explained what she meant when referring to "excluding." When true costs are discussed (\$620,000), LSO has to determine whether new money or existing money within personnel budgets would be available to cover costs. The agencies that were impacted were DHW (18 positions) and the DOC (350 employees who moved from the private jail system to the State in the current year). There were a few positions at Boise State that were vacant and were likely going to be left vacant. The amounts are categorized in the General Fund for \$255,300, dedicated funds for \$89,200 and federal funds for \$56,400, for a total of \$400,900. This is the amount of the new money that should be taken into consideration as a funding recommendation to JFAC by the CECC.

**Co-Chairman Tippetts** stated that the previous motion he made at the CECC meeting of January 17, 2015 was to recommend to JFAC to move the pay policy, at an approximate cost of \$350,000. He clarified that the DHR estimate was \$620,000 to move the policy rate. However, if the positions that are budgeted at 80 percent are deducted, the number drops to \$400,900.

**Senator Cameron** said he was not sure the original motion reflected a dollar amount; rather there was a motion to move the payline from 68 to 70 percent. **Senator Cameron** and **Co-Chairman Tippetts** had a discussion regarding the previous motion and whether the dollar amount was specified and how the costs would be funded. **Co-Chairman Tippetts** explained the CECC was making a recommendation to JFAC to appropriate the money. **Senator Cameron** indicated the cost of moving the pay rates should be left to JFAC's ability to find money and to assess and determine which agencies actually needed the money. He did not want to limit JFAC or staff as to the appropriation figure. He said he was comfortable with the CECC setting the goal of ensuring everyone receives 70 percent.

**Co-Chairman Tippetts** stated there was no anticipation by the CECC in recommending a specific dollar amount. He referred to the DOC line-item request. He said the \$350,000 may be able to offset some other costs in the DOC and would not cost the full \$350,000. He said if the CECC were to decide to make a recommendation that JFAC shift the pay grade from 68 to 70 percent, the cost may be the full \$400,900. All or most of the \$191,600 for the Department of Corrections could be reduced or eliminated. Since the cost was different than what was represented in the CECC, **Co-Chairman Tippetts** said he felt it was necessary to have the CECC meet again.

**Senator Patrick** said he preferred a motion to raise the goal to 70 percent without using a dollar amount.

**Representative Hartgen** wanted to know if the breakdown of general, dedicated and federal funds is encumbered and safe. **Ms. Lockett** said the funds were safe because this was a recommendation from the CECC, and JFAC could look at funds and cash balances more specifically agency-by-agency

**Co-Chairman Tippetts** asked if there were any more comments or questions. **David Fulkerson**, Interim Administrator, Department of Human Resources (DHR), commented that when DHR discovered the error, he wanted both Co-Chairmen to know. He said the first calculation was 69.4 percent. A recalculation had to be done to get to 70 percent.

**Senator Heider** commented he thought the CECC should not recommend a dollar figure to JFAC.

**Co-Chairman Tippetts** outlined scenarios for the CECC. He said the previous action could be rescinded or the CECC could take action on the current issue.

**Senator Cameron** said he did not think any further action was necessary. He said it was admirable that Co-Chairman Tippetts wanted to have the numbers understood, but the recommendation still stands. He said the decision of the CECC was to move employees to 70 percent of pay rate, and JFAC would take the recommendation under advisement and do their best to see that each agency would have adequate resources embedded in their budgets. **Co-Chairman Tippetts** said he wanted to make sure the CECC members understood the issue. He said the CECC could leave the action in place and a motion could be made to move the bottom to 70 percent.

**Representative Rudolph** remarked he was comfortable with moving forward. **Co-Chairman Anderson** commented he thought there was no intent to assume JFAC's responsibilities by the CECC. **Senator Cameron** expressed his sentiment about not needing another motion and said it was important the CECC had appreciation of cost, but a dollar amount was not necessary for the recommendation. He said JFAC would sort through how to fund the CEC.

**Co-Chairman Tippetts** indicated if there was no new motion then it was the decision of the CECC to move the bottom of the pay grade from 68 to 70 percent.

**Co-Chairman Anderson** said there had been a draft done by LSO to circulate amongst the CECC before giving it to JFAC. He said he welcomed any comments from the members of the CECC.

**ADJOURNED:** There being no further business, **Co-Chairman Tippetts** adjourned the meeting at 4:56 p.m.

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Senator Tippetts  
Co-Chairman

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Linda Kambeitz  
Secretary

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Representative Anderson  
Co-Chairman