

Good afternoon Chairmen and members of the committee—

First, a word of thanks for past CEC. Today, my talking points focus on a few trends we are seeing along with examples.

The ISDA has 209 FTPs but we jump to around 600 employees annually during peak inspection and harvest season. We have a wide variety of employees— including everyone from boat inspectors to chemists to range specialists.

My first example is a common one: it's tough to hire qualified IT professionals. Last session, ISDA received funding to hire an IT system programmer senior. We posted that position on July 11th last year, and now 6 months later, we have yet to find one hireable candidate for the position. This is a higher level position in terms of pay and responsibility. We are trying to hire at \$34.50 an hour and still cannot find a qualified candidate.

Much of our work at the ISDA is highly specialized to a very specific regulatory area. The more technical experience an employee has, the better they can serve our customers. However, it also makes them more likely to be hired away by a private sector company wanting regulatory expertise and willing to pay for experience. To put it bluntly, the ISDA has become the perfect hunting ground for businesses looking to poach trained employees. CEC helps us retain the technical staff needed to support Idaho's key industries, because it is increasingly difficult to replace technical employees who leave due to pay.

Let's look at dairy plant inspectors. Idaho's dairy industry alone accounts for nearly one-third of all of Idaho's ag revenue. This is a critical industry. Dairy plant inspectors must have specific FDA credentials which makes them highly sought after. There are only 62 individuals credentialed like this in the entire nation. Three of those are ours and we need a total of 6. It takes 1 to 2 years of training plus an FBI background check and FDA credentialing to get a person ready to inspect. It is very difficult to compete with private companies for this same small pool of experts, but without these inspectors, Idaho's dairy plants would grind to a stop.

It used to be that we had difficulty hiring only some positions, but now it is difficult to hire in every single area. For example—like most state agencies—the ISDA employs many technical records specialists. These employees enter data, work with customers and help determine program compliance. They are the backbone of our programs, but we hire people into these positions at \$15.08 per hour. ISDA has recently struggled to fill these positions in a timely manner. We cannot afford to lose the TRS employees we already have, and CEC funding is part of what helps us compensate these employees for their hard work.

Next, I'll turn to retention. The ISDA is blessed to have some outstanding employees. Despite a very competitive job market, we have maintained a high standard for hiring and many of those employees have stayed with us. But that isn't always easy. Three years ago, I provided a written

personnel update to the Vice Chairman of this committee. That letter raised concerns about retention, recruitment and retirement. Our retirement rate was 10 percent last fiscal year. At the time of my letter three years ago, ISDA's classified turnover rate was 14.2 percent. Today—due to a better economic environment—our turnover rate is 19.4 percent. In exit interviews, 34 percent of employees who left the ISDA did so for higher pay. It takes more than a year to get many of our staff enough training and sometimes credentials to do their jobs according to standards. To lose these employees after that time and money commitment, is a losing proposition for the agency and the people we serve. It's expensive, can result in significant overtime and can even delay service.

I also want to mention something I'm passionate about. Agencies must be able to grow their employees. For instance, one of my administrators started her ISDA career as a temp inspector on a potato processing line. My Chief Operating Officer started as an intern. Agencies need to be able to use their tools to keep employees. This committee has an opportunity to influence our ability to retain staff with fair compensation.

Another powerful tool is the state's benefit package. We heard from several people last year who were offered other jobs but chose to stay at ISDA because of health insurance and benefits. Our health insurance, PERSI and life insurance options are very high quality and remain affordable for employees. We also have great vacation and sick leave benefits.

To wrap-up, the examples I have shared support three points:

- CEC is critical to dealing with recruitment and retention
- There are challenges throughout all pay grades—not just salaries less than \$40,000
- Despite challenges, we have been able to hire and retain some excellent staff

We often ask state government to run more like a business, but sometimes we forget that when it comes to pay. In the private sector, businesses know they have to compete with other companies if they want to hire quality staff. CEC is the state's way of trying to keep pace.

As many of you know, I was a legislator myself for 16 years, and I have to admit that perhaps I was not fully aware of workload and dedication of Idaho's state employees then. As a Director, my experience has been very different. I have seen day in and day out the work ethic and service-minded attitudes of state employees. I am so proud of these public servants who are the living embodiment of the government structure designed into law by all of you.

I do not intend to put all of these challenges in your laps. Those of us in the executive branch work on solutions too using the tools that we're given. We use salary savings, look at data and make adjustments when possible. However, there is no getting around how important CEC funding is for recruitment, retention and fairly compensating staff. My final word to you is to

offer my strong support for Governor Otter's recommendation for a 3% change in employee compensation.

Thank you so much for your time.