

MINUTES

CHANGE IN EMPLOYEE COMPENSATION COMMITTEE

DATE: Thursday, January 16, 2020

TIME: 3:00 P.M.

PLACE: Room WW17

MEMBERS PRESENT: Senators Co-chairman Patrick, Agenbroad, Lakey, Guthrie, Ward-Engelking

Representatives Co-chairman Anderson, Holtzclaw, Syme, Kingsley, Gannon

**ABSENT/
EXCUSED:** Rep. Syme

Co-chairman Patrick called the meeting to order at 3:07 pm.

MOTION: **Co-chairman Anderson** made a motion to approve the Governor's CEC recommendation, all four parts inclusive (salary structure increase by 3%, pay line exception – make no change, merit increase by 2%, benefit package left as is).

SUBSTITUTE MOTION: **Sen. Ward-Engelking** made a substitute motion to approve the Governor's recommendation, with the addition of providing an extra 2% salary increase to the 20 job classifications identified by the Division of Human Resources (DHR) as most in need of adjustment for fiscal year 2021.

Sen. Ward-Engelking noted the 2% increase for the 20 high-need job classifications would cost \$712,200 from the General Fund, with an additional \$741,000 from dedicated and federal funds. She pointed out in contracting hard-to-fill positions, the state spends more money in the long run and relies on an individual who may be unfamiliar with state processes. This proposed increase aims to fill positions with better employees and retain them. No temporary, group, or seasonal employees would be included in the additional increase.

AMENDED SUBSTITUTE MOTION: **Rep. Gannon** made an amended substitute motion to approve the Governor's recommendation with the proposed addition by **Sen. Ward-Engelking** and also include an extra 27 cent per hour increase in pay to permanent employees.

Rep. Gannon stated each permanent employee would receive \$560 dollars annually from this addition, with the intent to alleviate the financial stress on public employees, specifically rent and property tax increases as Idaho experiences such rapid growth. Furthermore, he emphasized, state employees experience a 12% gap between their wages and private wages. The state internet sales tax fund has a six-month balance \$35.8 million, with an original estimate of \$30 million a year, and could pay for this increase. He argued that, alone, the proposed 2% doesn't address the serious wage stagnation problem and may only cover the increase in property tax. The fiscal impact of this amendment is an additional \$7 million from the General Fund and \$8 million from dedicated and federal funds.

The Committee discussed the details of the separate motions, emphasizing the need to help make hard-to-fill positions more competitive in today's market, especially to save money for the state on the external contractors and overtime expenses it takes to cover unfilled positions. They wrestled with the pull of fiscal cutbacks to prepare for possible economic downturns as well as the need to take care of State employees.

**VOTE ON
AMENDED
SUBSTITUTE
MOTION:**

Co-chairman Patrick called for a vote on the amended substitute motion. Roll call vote was requested. **Amended substitute motion failed by a vote of 2 AYE, 7 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Rep. Gannon** and **Sen. Ward-Engelking. Voting in opposition** to the motion: **Sens. Agenbroad, Lakey, Patrick** and **Guthrie; Reps. Holtzclaw, Kingsley** and **Anderson. Rep. Syme** was absent/excused.

Sen. Ward-Engelking reminded the Committee the substitute motion would not require tapping into the new online sales tax fund, as it can depend on leftover and higher corporate taxes.

**VOTE ON
SUBSTITUTE
MOTION:**

Co-chairman Patrick called for a vote on the amended substitute motion. Roll call vote was requested. **Substitute motion carried by a vote of 6 AYE, 3 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Sens. Patrick, Agenbroad, Lakey** and **Ward-Engelking; Reps. Gannon** and **Anderson. Voting in opposition** to the motion: **Sen. Guthrie; Reps. Holtzclaw** and **Kingsley. Rep. Syme** was absent/excused.

MOTION:

Co-chairman Anderson made a motion to approve the minutes of the January 3, 2020 meeting. **Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the Committee, the meeting adjourned at 3:53 pm.

Co-chair

Erica McGinnis
Secretary

Co-chair