

Chairman Patrick, Chairman Anderson and members of the committee,

My name is Donna Yule and I'm the Executive Director of the Idaho Public Employees Association.

IPEA has members that work in almost every entity of government in Idaho, but the largest percentage of our members work in state government.

You all know by now that state employees are grossly underpaid in comparison to people doing comparable work in the private sector and in comparison to public employees in the surrounding states.

Some of you have been serving in your positions far longer than I have been speaking for public employees, but some of you are quite new to the process. And that is why it is important for you to understand the history of the management of the state workforce to make good decisions concerning raises and benefits.

Management of the state workforce has changed a lot over the last couple of decades. You may be unaware that the state Personnel Commission used to have a great deal more authority over Human Resources than it does today. The Commission was an independent agency that had the authority to hire and fire a Director of Human Resources. The Commission was actively engaged in keeping the classification system up to date, and ensuring that the Director of Human Resources was a competent, trained, HR professional who understood the very complex nature of managing a workforce of nearly 20,000 people.

In the late 1990s, the legislature decided to change that dynamic by taking almost all authority away from the Personnel Commission, and placing that authority in the Governor's office. They also decided to change the position of "HR Director" to that of "HR Administrator". That may seem like a small change, but in reality it is very important. Because HR was no longer an independent agency, it allowed for politics to begin creeping back into our state system.

It was also at about this time that Idaho eliminated longevity and cost of living raises. Now our system is entirely pay-for-performance, or a merit system. A strict merit system works against good government. It keeps almost all employees on the low end of the pay scale, offers very little opportunity for advancement, contributes to high turnover and wage compression, gives too much power to Department Directors for arbitrary promotions and raises, and contributes to the perception of unfairness in the system.

The position of HR Administrator is no longer held by a true Human Resources trained professional. In fact, I listened to the current Administrator, Susan Buxton, at Tuesday's hearings, and although she has been in her position for almost a year now, she was unable to answer most of the questions the committee put to her. Thank goodness for Robyn, who actually knows the answers to those questions. This is a problem, because managing a workforce of this size is an extremely complex endeavor, and no one, regardless of how smart and accomplished they might be in another field, will have the necessary knowledge to be effective if they are not educated in HR management.

I would like to commend the committee members for their questions to Ms. Buxton and the other presenters. For the past eight years that I have been in my position with IPEA, I have taken note

of the caliber of the questioners at these hearings, and in the beginning, most committee members accepted every word from the presenters from the Governor's office with few or any questions, but that has changed. While we know that many of the decisions concerning the state work force are made by the executive branch of government, the questions and concerns raised by the members of this committee are taken to heart and can have a very positive influence on the working conditions, salary structure, and compensation for state employees.

And, as always, I'm here today to encourage you to give generous raises to state employees this year. But I'm asking for more than that. I'm asking you to change the way those raises are implemented. If you are serious about getting our pay scale up to where it should be, and if you want to solve the problems of high turnover and difficulty in recruitment, you should include cost of living raises as well as merit raises when you recommend a pay increase. The problems we have with low wages, a meaningless "policy" rate, and high turnover could be alleviated greatly simply by giving a cost of living raise along with a merit raise. IPEA recommends that you give a 5% raise this year, and divide it by 2% COLA and 3% merit.

Thank you.