

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Monday, February 01, 2021

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss, Representatives Crane, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway, Mitchell, Shepherd, Berch, Green (Morales)

**ABSENT/
EXCUSED:** Representative Palmer

GUESTS: None

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

MOTION: **Rep. Berch** made a motion to approve the minutes from January 27, 2021. **Motion carried by voice vote.**

RS 28088: **Rep. Furniss** presented **RS 28088**, legislation repealing certain unused or conflicting sections of Title 41 insurance codes. He stated that the legislation is backed by the NAIC, repeal certain tax interest penalties and workers compensation requirements for businesses. It would also repeal Chapter 35's risk management for public works projects. He said the benefits would go toward business owners.

In response to Committee questions, **Rep. Furniss** said he was unaware of consequences for employees and hadn't heard of any other concerns for the repeals.

MOTION: **Rep. Clow** made a motion to introduce **RS 28088**. **Motion carried by voice vote.**

RS 28155: **Rep. Furniss** presented **RS 28155**, legislation also backed by NAIC, which aims to preempt federal regulations on accreditation requirements for re-insurance.

In response to Committee questions, **Rep. Furniss**, stated that 16 other states have enacted this legislation and is confident that state law will trump any potential federal regulation.

MOTION: **Rep. Shepherd** made a motion to introduce **RS 28155**. **Motion carried by voice vote.**

RS 28231: **Rep. Bundy** presented **RS 28231**, legislation which expands the allowance of some insurance board member maximums from 15 to 25 members.

In response to Committee questions, **Rep. Bundy** stated the reason for the 15 member maximum was an older standard and that he was not aware of any additional expense to the state or policy holders, but would bring that information to the bill hearing.

MOTION: **Rep. Adams** made a motion to introduce **RS 28231**. **Motion carried by voice vote.**

Christine Otto, Senior Budget & Policy Analyst, LSO presented the Idaho Division of Occupational and Professional Licenses (IDOPL) budget. She reviewed the organizational restructuring and centralization as well as their move of physical location to the Chinden Campus. Ms. Otto explained that she was giving a broad picture of the budget at \$31 million with 271 full time employees, (FTEs).

In response to Committee questioning **Ms. Otto** confirmed that board members from each association were paid a \$100 per diem rate on days they attended meetings. Ms. Otto clarified that DOPL was using dedicated funds to help move because dedicated funds are allowed to be used as administrative funds and that each board has its own balance. Ms. Otto clarified the 256% increase to the budget projected in 2022 was a result of the consolidation of individual board projections while some divisions brought in a net-zero line item. Regarding questions around the savings associated with the consolidation, Ms. Otto said they have not requested saving projections from agencies for 2022 and that she would not speak for them. Concern was expressed for the lack of evaluation and reflection on immediate savings of the consolidation, including the opportunity to cut employees. Concern was also expressed at the cash budget amounts of each division which Ms. Otto read, totalling \$38 million, as it was stated cash is expensive to hold and insure.

Administrator, **Russ Baron** responded to questioning that most divisions are instructed to have one to one and a half years expenses in budget but that the boards do have audits and their budgets can be deemed too high. Policies on this vary and typically address lower limits. Mr. Baron stated that there would be cost savings of \$600,000 immediately in building lease and additional subsequent office costs due to the consolidation. In response to committee questioning Mr. Baron stated that there are no planned cuts to FTEs. The committee requested a bigger picture of cost savings and efficiencies and noted that fee reductions had been seen in the past. Mr. Baron described that their budgeting process included forecasting for stability and standardizing fees but that opportunities to reduce or eliminate fees would be taken into consideration. Mr. Baron confirmed that no reduction in FTEs had taken place yet.

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 2:28pm.

Representative Dixon
Chair

Beth Norton
Secretary