

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 17, 2022

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Holtzclaw, Vice Chairman Syme, Representatives Harris, Kingsley, Christensen, Wisniewski, Horman, Hanks, Weber, McCann, Chew, Necochea, Toone

**ABSENT/
EXCUSED:** None

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library

Chairman Holtzclaw called the meeting to order at 1:30pm.

DOCKET NO. 28-0000-2100: **Ewa Szewczyk**, Rules Review Officer, Idaho Department of Commerce presented **Docket No. 28-0000-2100** and explained there have been no changes since these rules were last reviewed by the legislature.

MOTION: **Rep. Weber** made a motion to approve **Docket No. 28-0000-2100**. **Motion carried by voice vote.**

H 589: **Rep. Erickson** explained **H 589** would add juvenile detention officers, juvenile probation officers, and adult misdemeanor probation officers to the list of police officer members eligible for Rule of 80 retirement. These officers go through very intense training and are POST-certified. There are currently many positions which qualify for Rule of 80 which do not face extreme risk; these officers are out in the field facing potentially dangerous situations. Additionally, the cost increases would not be prohibitive.

In response to questions about the opinion of the counties, **Rep. Erickson** said that reports from these professionals indicate that the counties are on board.

Don Drum, Executive Director of PERSI, explained this change could have both positive or negative effects on the overall cost of the benefits. It should not cost additional money because the cost is covered by the employees receiving the benefits, however, with more people paying in, it may cost less. There is still the possibility that it will cause an increase in rates over time.

In response to questions about whether there is a buy in when changing from Rule of 90 to Rule of 80, **Director Drum** said there is not as the change is not retroactive. Those who make the change in the middle of their career will be mixed and end up somewhere between Rule of 80 and Rule of 90.

Brian Walker, Director of 3-B Juvenile Detention Center, spoke in support of **H 589** as these are POST-certified officers who go through the same vetting system as other officers. They perform the same tasks those in the adult system do, often dealing with the same types of crimes and facing the same risks. In order to maintain employees, they need to be able to compete by offering similar benefits. In the last year, Mr. Walker said five out of the fourteen employees in his facility left.

MOTION: **Rep. McCann** made a motion to send **H 589** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erickson** will sponsor the bill on the floor.

H 594: **Rep. Horman** said **H 594** would amend and repeal existing law to provide for consistency of terminology with respect to state employees. Adding inclusive language to include "classified and nonclassified state employees" will help to ensure employee best practice standards are applied across all state employees in the executive department and provide a foundation for decisions and policies. The changes will further clarify that only classified state employees are subject to the merit system and due process.

In response to questions about how this will affect universities, **Rep. Horman** explained there will be specific policies to ensure the board can work with these institutions to conform to state law.

MOTION: **Rep. Weber** made a motion to send **H 594** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Horman** will sponsor the bill on the floor.

H 554: **Rep. Syme** said **H 554** clarifies the definition of early retirement in certain sections of Idaho Code as retirement prior to age sixty for police officers or sixty-five for general members while having fulfilled their Rule of 80. If someone retires early prior to reaching the Rule of 80 then they will experience deductions from their benefits.

In response to questions about a distinction between the different rules, **Director Drum** said police officers operate under service requirements which allows them to retire at age sixty with full benefits regardless of whether they have reached their Rule of 80 requirements.

MOTION: **Rep. Horman** made a motion to send **H 554** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Syme** will sponsor the bill on the floor.

H 463: **Rep. Syme** explained **H 463** amends existing law to increase the authorized cost limit for the delegation of public works projects from one hundred fifty thousand dollars to three hundred thousand dollars. If the agency has sufficient capabilities, they can request oversight of the project be delegated to the agency by the Permanent Building Fund Advisory Council.

MOTION: **Rep. McCann** made a motion to send **H 463** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Syme** will sponsor the bill on the floor.

H 595: **Rep. McCann** said **H 595** would amend existing law to provide for compensation increases based on performance as well as consideration of certain internal and external factors. Current policy restricts agencies' ability to be competitive when filling positions because employees can't receive raises without a performance evaluation. This legislation would allow them to be raised up to market value even before this evaluation as well as increase the maximum performance bonus from two thousand to five thousand dollars. This would give flexibility to agency directors to allow for better recruitment and retention of employees.

In response to questions about this requiring additional appropriations in the future, **Lori Wolff**, Administrator, Division of Human Resources explained this would simply increase the allowed performance bonus to the same level as the recruitment and retention bonuses. Additionally, agencies must already have room in their existing budget for these bonuses and all of these must be approved by the Division of Human Resources and the Division of Financial Management. This would not be a massive financial commitment because these bonuses will not be given to all employees, just to hard-to-fill positions.

Michelle Peugh, Strategic Business Partner, Division of Human Resources explained equity adjustments would be given when wage compression occurs prior to the employee's first performance evaluation. This legislation would allow them to be brought up to current market values. This would be within the limits of the pay grade and would never be raised above the salaries of the employee's peers.

Ms. Wolff said the funding for these bonuses and equity adjustments would come from salary savings. Agencies are given appropriations based on the number of positions they have. When these positions are not filled, the agency experiences salary savings from not paying wages for these positions. These savings are already within the agency's budget designated to be spent on personnel. This legislation would simply give directors more flexibility on how these funds are spent allowing them to be more competitive in the job market and retain the best employees.

MOTION: **Rep. Weber** made a motion to send **H 595** to the floor with a **DO PASS** recommendation.

Rep. Harris expressed concerns that this would create tremendous pressure for agencies to increase personnel spending. There may not be a major fiscal impact the first year but there will be pressure to increase the budget later on.

Rep. McCann clarified they are not asking to raise budgets but to give the directors the ability to fill necessary positions with money not being spent on salaries.

Rep. Necochea reminded the committee the legislature is still in control of appropriations and this would give agencies a tool to help fill necessary positions.

ROLL CALL VOTE: **Rep. Hanks** requested a roll call vote on **H 595**. **Motion failed by a vote of 6 AYE and 7 NAY. Voting in favor** of the motion: **Reps. Syme, Weber, McCann, Chew, Necochea, and Toone. Voting in opposition** to the motion: **Reps. Harris, Kingsley, Christensen, Wisniewski, Horman, Hanks, and Holtzclaw.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:05pm.

Representative Holtzclaw
Chair

Emily Huddleston
Secretary