AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Wednesday, January 13, 2016

SUBJECT	DESCRIPTION	PRESENTER		
	Organizational Meeting	Chairman Hartgen		

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Rep Horman

Chairman Hartgen Rep Nielsen
Vice Chairman Anderson Rep Packer
Rep Harris Rep Redman
Rep Holtzclaw Rep King
Rep Romrell Rep Chew
Rep Chaney Rep Rudolph

COMMITTEE SECRETARY

Chelsea Cantrell Room: EW06 Phone: 332-1149

email: hcom@house.idaho.gov

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE:	wednesday, January 15, 2016
TIME:	1:30 P.M.
PLACE:	Room EW05
MEMBERS:	Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph
ABSENT/ EXCUSED:	None
GUESTS:	None
	Chairman Hartgen called the meeting to order at 1:31 p.m.
	Chairman Hartgen welcomed the committee and introduced this sessions page and secretary. The committee will have a intern this session, if there are any projects for the intern bring those to Chairman Hartgen.
	Chairman Hartgen said the committee will be going through the House Administrative Rules with the goal of completing those in three meetings. He reviewed the rules the committee will be discussing over the next few meetings.
	Chairman Hartgen said the committee will have a new topic this year, the Uniforn Athlete Agents Act. The committee will be hearing from and working with Dale Higer as he serves on the Uniform Rules Commission.
	Chairman Hartgen notified the committee that the last day to introduce a bill is February 15th.
ADJOURN:	There being no further business to come before the committee, the meeting was adjourned at 1:51 p.m.
Representative H	artgen Chalaga Cantrall
Chair	artgen Chelsea Cantrell Secretary
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AGENDA

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Tuesday, January 19, 2016

SUBJECT	DESCRIPTION	PRESENTER
09-0106-1501	Rules of the Appeals Bureau	Amy Hohnstein
09-0130-1501	Unemployment Insurance Benefits / Administration Rules	Joshua McKenna
17-0206-1501	Employers' Reports	Scott McDougall
17-0207-1501	Procedures to Obtain Compensation	Scott McDougall
17-0208-1501	Miscellaneous Provisions	Scott McDougall
17-0210-1501	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law / Security for Compensation / Insurance Carriers	Scott McDougall
17-0211-1501	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law / Security for Compensation / Self Insured Employers	Scott McDougall

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	
Rep Horman		

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, January 19, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ Representative Chew

EXCUSED:

GUESTS: Scott McDougal, Courtney Butler, Mary Stumpp, Mindy Montgomery, and Tony

Limbaugh, Idaho Industrial Committee; Wayne Hammon, Idaho AGC; Seneca Hull, Franz Witte, Josh McKenna, Amy Hohnstein, Michael Johnson, Idaho Dept. of Labor;

Jonathon Oppenheimer, ICL; Roger Seiber, Capital West

Chairman Hartgen called the meeting to order at 1:30 p.m.

MOTION: Rep. Anderson made a motion to approve the minutes of the January 13, 2016

meeting. Motion carried by voice vote.

DOCKET NO. Amy Hohnstein, Chief Appeals Bureau, presented Docket No. 09-0106-1501. This

09-0106-1501: rule will allow the Department of Labor to send notices of hearing to interested parties

or by electronic transmission.

MOTION: Rep. Packer made a motion to approve Docket No. 09-0106-1501. Motion carried

by voice vote.

DOCKET NO. Joshua McKenna, Benefit Bureau Chief, Idaho Department of Labor, presented

09-0130-1501: Docket No. 09-0130-1501. Changes allow workers to receive unemployment insurance benefits for a maximum of 16 weeks while they are laid off if they meet

all remaining eligibility requirements of the unemployment insurance program.

This would be a change from the current maximum of 12 weeks. This will benefit employers by allowing them to retain skilled workers who are laid off for short periods of time. It also waives the work search requirement for seasonal worker with

confirmed return to work dates.

MOTION: Rep. King made a motion to approve Docket No. 09-0130-1501. Motion carried

by voice vote.

DOCKET NO. Scott McDougal, Benefits Administration Manager, Idaho Industrial Commission, 17-0206-1501: presented **Docket No.** 17-0206-1501. The Commission intends to implement

a secured electronic interchange of documents system. This would allow for submission of all workers compensation claims to be reported electronically to the

Commission alleviating repetitive data entry.

In response to the committee questions, **Scott McDougal** clarified that if someone is unable to submit a claim electronically they can still locate a hard copy on the website

or in person at the Commission's office.

MOTION: Rep. Rudolph made a motion to approve Docket No. 17-0206-1501. Motion

carried by voice vote.

DOCKET NO. Scott McDougal, Benefits Administration Manager, Idaho Industrial Commission,

17-0207-1501: presented Docket No. 17-0207-1501. The rule amendments would allow the

Commission to adopt and incorporate by reference in rule the industry standard of the current International Association of Industrial Accidental Boards and Commission.

Updates to the EDI Guide would be made available on IIC website.

MOTION: Rep. Romrell made a motion to approve Docket No. 17-0207-1501. Motion carried by voice vote. DOCKET NO. Scott McDougal, Benefits Administration Manager, Idaho Industrial Commission, 17-0208-1501: presented **Docket No. 17-0208-1501**. This change allows the party giving notice may supply to copy to the Industrial Commission in accordance with the Commissions' rule on electronic submission of documents. MOTION: Rep. Anderson made a motion to approve Docket No. 17-0208-1501. Motion carried by voice vote. DOCKET NO. Scott McDougal, Benefits Administration Manager, Idaho Industrial Commission, 17-0210-1501: presented **Docket No. 17-0210-1501**. The proposed rule amendment defines a Claims Administrator who adjusts workers' compensation claims in the State of Idaho. this adjuster would be a resident of the State of Idaho. Each claims administrator shall only have one mailing address on record at the Commission for claims adjusting purposes. Also, each insurance carrier will maintain a claims administrator employing and Idaho license, resident adjuster, or the carrier's own Idaho adjusting officers who have been appointed and given full authority to make claims adjusting decisions and authorize the payment of all compensation due. MOTION Rep. Harris made a motion to approve Docket No. 17-0210-1501. Motion carried by voice vote. DOCKET NO. Scott McDougal, Benefits Administration Manager, Idaho Industrial Commission. 17-0211-1501: presented Docket No. 17-0211-1501. This rule allows self insured employers to self adjust their claims. Claims will be designated in writing to a claims administrator employing an Idaho licensed resident adjuster, they do not have to live in Idaho, but shall only have one address on record at the Commission for claims and adjusting purposes. Rep. Holtzclaw made a motion to approve Docket No. 17-0211-1501. Motion carried by voice vote. ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:40 p.m. Representative Hartgen Chelsea Cantrell

Chair

Secretary

AMENDED AGENDA #1 HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Thursday, January 21, 2016

SUBJECT	DESCRIPTION	PRESENTER
17-0209-1502	Medical Fees	Patti Vaughn
17-0209-1503	Medical Fees	Patti Vaughn
38-0301-1501	Rules Governing Group Insurance	Jennifer Pike
38-0501-1501	Rules of the Division of Purchasing	Sarah Hilderbrand

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS	COMMITTEE SECRETARY

Chairman Hartgen Rep Nielsen Chelsea Cantrell Rep Packer Room: EW06 Vice Chairman Anderson Rep Harris Rep Redman Phone: 332-1149 Rep Holtzclaw email: hcom@house.idaho.gov Rep King Rep Romrell Rep Chew(Wallace) Rep Rudolph Rep Chaney Rep Horman

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 21, 2016

TIME: 1:30 P.M.
PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew (Wallace),

Rudolph

ABSENT/ EXCUSED:

Rep. Nielsen

GUESTS: Patti Vaughn, Mindy Montgomery, Idaho Industrial Commission; Larry Tisdale,

Idaho Hospital Association; Dennis Stevenson, Office of Administration; Woody

Richards, Blue Cross of Idaho

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

MOTION: Rep. Anderson made a motion to approve the minutes of the January 19, 2016

meeting. Motion carried by voice vote.

DOCKET NO. Patti Vaughn, Fee Schedule Analysis, Idaho Industrial Commission, presented

17-0209-1502: Docket No. 17-0209-1502. This rules clarifies how outpatient hospital procedures are to be paid in the presence or absence of Comprehensive

Ambulatory Payment Classification codes including status indicator J1. The standard for reimbursement of rehabilitation hospitals will be changed to the

same as other noncritical Access Hospitals.

In response to committee questions, **Patti Vaughn** clarified that this billing system would allow procedures to be bundled. For example, the primary procedure would be covered at 100%, and a subsequent procedure at 50%.

MOTION: Rep. Rudolph made a motion to approve Docket No. 17-0209-1502. Motion

carried by voice vote.

DOCKET NO. Patti Vaughn, Fee Schedule Analysis, Idaho Industrial Commission, presented

17-0209-1503: Docket No. 17-0209-1503. This Temporary Rule will delay the implementation

of the 2015 Centers for Medicare & Medicaid Services Outpatient Prospective Payment System Ambulatory Payment Classification relative weights that became effective on January 1, 2015. By extending the use of the 2014 Outpatient Prospective Payment System, payments will remain stable while revisions are made to better align with Centers for Medicare and Medicaid

Services.

MOTION: Rep. Redman made a motion to approve Docket No. 17-0209-1503. Motion

carried by voice vote.

DOCKET NO. Jennifer Pike, Administrator, Office of Group Insurance, presented **Docket No. 38-0301-1501: 38-0301-1501.** This rule revises the definition for eligible active employees.

38-0301-1501. This rule revises the definition for eligible active employees, adds definitions for seasonal, part-time, and temporary employees, and removes

the obsolete definition.

In response to committee questions, **Jennifer Pike** confirmed that by definition a seasonal employee is someone who works less than 6 months out of the year

but has no hour restrictions while working.

MOTION: Rep. Harris made a motion to approve Docket No. 38-0301-1501. Motion

carried by voice vote.

DOCKET NO. Sarah Hilderbrand, Administrator, Division or Purchasing, presented Docket 38-0501-1501: No. 38-0501-1501. This rule provides a consistent definition for both terms. "purchasing authority", and "purchasing activity". The term "purchasing authority" is used in the rules revised by the 2015 Legislative Session. The term "purchasing activity" remains in the rules where revisions were not approved. This rule making blends the revised and unrevised rules by establishing a definition for both terms. This definition says Purchasing Activity or Authority is a division or an agency exercising authority based on a delegation of authority by the administrator or as provided under these rules to an individual within the division or agency to engage in the conduct of purchasing. Rep. Romrell made a motion to approve Docket No. 38-0501-1501. Motion MOTION: carried by voice vote. There being no further business to come before the committee, the meeting ADJOURN: was adjourned at 2:01 p.m. Representative Hartgen Chelsea Cantrell Secretary Chair

AMENDED AGENDA #1 HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Monday, January 25, 2016

SUBJECT	DESCRIPTION	PRESENTER
28-0201-1501	Idaho Community Development Block Grant Program	Megan Ronk
RS24030C1	Relating to the Idaho Global Entrepreneurial Mission	Megan Ronk
59-0103-1402	PERSI Contribution Rules	Don Drum
59-0103-1403	PERSI Contribution Rules	Don Drum

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

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Chairman Hartgen Rep Nielsen

Vice Chairman Anderson Rep Packer

Rep Harris Rep Redman

Rep Holtzclaw Rep King

Rep Romrell Rep Chew(Wallace)

Rep Chaney Rep Rudolph

Rep Horman

COMMITTEE SECRETARY

Chelsea Cantrell Room: EW06 Phone: 332-1149

email: hcom@house.idaho.gov

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, January 25, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris,

Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew

(Wallace), Rudolph

ABSENT/ None

EXCUSED:

GUESTS: Don Drum, Kelly Cross, Mike Hampton, Joanna Guilfoy, PERSI; Megan Ronk,

Amanda Ames, Dennis Porter, Ragan Minor, Carmen Achabal, Matt Borud, Dept.

of Commerce; Brad Hunt, O.A.R.C.; Miguel Leqarock, Realtors

Vice Chairman Anderson called the meeting to order at 1:30 p.m.

Vice Chairman Anderson introduced Mrs. Hartgen who is filling in for Chairman

Hartgen while he is out.

MOTION: Rep. Redman made a motion to approve the minutes of the January 21, 2016

meeting. Motion carried by voice vote.

DOCKET NO. Megan Ronk, Director, Idaho Department of Commerce, presented **Docket 28-0201-1501**: No. 28-0201-1501. The changes in this Rule will help the Idaho Community

No. 28-0201-1501. The changes in this Rule will help the Idaho Community Development Block Grant (ICDBG) program align with its Consolidated Plan, eliminate confusing language, comply with the Code of Federal Regulations, and help facilitate increasing interest from Idaho cities and counties. The change will better define program eligible activities, expand the Senior and Community Center

set-aside to include public parks, and update verbiage and terminology.

In response to committee questions Dennis Porter, Idaho Department of

Commerce, explained the reason for some of the verbiage is to leave the definitions broad so that people are not discouraged from applying for Grants. Mr. Porter also clarified that the funds come from the U.S. Department of Housing and Urban Development. Idaho receives \$7.7 million, which are then distributed following federal regulations. The reason the matching funds are slightly lower is to bring in

more health clinics, hospitals, shelters, fire stations etc.

MOTION: Rep. Packer made a motion to approve Docket No. 28-0201-1501. Motion

carried by voice vote. Rep. Nielsen requested to be recorded as NAY.

RS 24030C1: Megan Ronk, Director, Idaho Department of Commerce, presented RS 24030C1.

The purposed legislation will make several important changes to the existing Idaho Global Entrepreneurial Mission statute. This legislation will focus on the statute that allocated the 1 million to the Idaho Department of Commerce under IGEMS for commercialization grants supporting university and industry research partnership. The change provides clarification in the programs administration and the distribution

of commercialization revenue from sponsored projects.

MOTION: Rep. Romrell made a motion to introduce RS 24030C1. Motion carried by voice

vote.

DOCKET NO. Don Drum, Executive Director, PERSI, presented **Docket No. 59-0103-1402**. This

59-0103-1402: rule would eliminate the contribution rate increases for employers and employees.

MOTION: Rep. Horman made a motion to approve Docket No. 59-0103-1402. Motion carried by voice vote. DOCKET NO. Don Drum, Executive Director, PERSI, presented Docket No. 59-0103-1403. 59-0103-1403: This rule would reduce the excess merger cost portion of the firefighter retirement fund employer rate from 17.24% to 5%. **MOTION:** Rep. King made a motion to approve Docket No. 59-0103-1403. Motion carried by voice vote. There being no further business to come before the committee, the meeting was **ADJOURN:** adjourned at 2:30 p.m. Representative Anderson Chelsea Cantrell Secretary Vice Chair

AMENDED AGENDA #1 HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Wednesday, January 27, 2016

SUBJECT	DESCRIPTION	PRESENTER
59-0201-1501	Rules for the Judges' Retirement Fund	Don Drum
<u>59-0201-1601</u>	Rules for the Judges' Retirement Fund	Don Drum
RS23986	Relating to the Employment Security Law	Michael Johnson
RS24028	Relating to the Employment Security Law	Larry Ingram
RS24095	Relating to the Revised Uniform Athlete Agents Act	Dale Higer

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen(Hartgen)	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	
Rep Horman		

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, January 27, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris,

Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew,

Rudolph

ABSENT/ None

EXCUSED:

GUESTS: Michael Johnson, Larry Ingram, Idaho Dept. of Labor; Dale Higer, Uniform Law

Commission; Kelly Cross, Mike Hampton, Don Drum, Jess Simonds, PERSI; Andrea Patterson, Barry Wood, Idaho Supreme Court; Dennis Stevenson, Dept.

of Administration; Brad Hunt, Dept. of Transportation

Vice Chairman Anderson called the meeting to order at 1:29 P.M.

MOTION: Rep. Redman made a motion to approve the minutes of the January 25, 2016

meeting. Motion carried by voice vote.

DOCKET NO. Don Drum, Executive Director, PERSI, presented **Docket No. 59-0201-1501**. These rules apply to the Judge's Retirement Fund (JRF). The changes are

proposed in anticipation of seeking for the JRF determination letter of qualified status from the IRS. They are also designed to amend the rules in certain areas so the language tracks the language in the rules for the PERSI Base Plan. The tracking will make for easier and consistent administration and may also lessen

the need for future revisions.

In response to committee questions **Mr. Drum** explained that these rules are being presented now in 2016 because H 660 was passed in 2014 and a determination letter was received with requirements that would need to be addressed to stay in compliance with federal laws. During the 2015 Legislative Session a temporary rule was established and today this Pending Rule will put PERSI in compliance with

federal regulations, as well as protect the IRS determination letter.

MOTION: Rep. Romrell made a motion to approve Docket No. 59-0201-1501. Motion

carried by voice vote.

DOCKET NO. Don Drum, Executive Director, PERSI, presented **Docket No. 59-0201-1601**. These rules apply to the Judge's Retirement Fund (JRF). The actuarial valuation

These rules apply to the Judge's Retirement Fund (JRF). The actuarial valuation for the JRF for the period ending June 30, 2015, reflected that the amortization period is above the maximum 25 year amortization period contained in statute. The PERSI Board has acted to adopt the rate increase to bring the amortization period to 25 years or less as required by Idaho Code Section 1-2004A. The primary concern for the PERSI Board was to set a rate that would allow them to not need to come

back to the legislature year after year for an increase.

In response to committee questions **Mr. Drum**, reviewed the estimated dollar increase and said if they make this increase and achieve a 7% return, in 17 years the unfunded liability would be paid and the cost could be reduced back down to

normal rates.

In response to committee questions **Judge Barry Wood**, Idaho Supreme Court, explained that he and other judges feel very comfortable with this Retirement Fund. He said Judges understand they will be responsible for these increased rates and there have been no complaints. The retirement fund is a very lucrative benefit that is offered to the judges and if the benefits were lessened in the retirement fund, the quality of people in these position would decline.

MOTION: Rep. Neilsen made a motion to approve Docket No. 59-0201-1601. Motion

carried by voice vote. Rep. King and Rep. Harris requested to be recorded

as voting NAY.

RS 23986: Michael Johnson, Unemployment Insurance Division Administrator, Idaho

Department of Labor, presented **RS 23986.** He said the proposed legislation will include words and letters from the Department of Labor requiring a response within a specified time. This law change will allow the department to consider documents requesting information to be considered served and complete when the department mails documents to the claimants last know address or sends them digitally via e-mail. Electronic communication is utilized when the claimant states they prefer

their communication electronically.

MOTION: Rep. Horman made a motion to introduce RS 23986. Motion carried by voice

vote.

RS 24028: Larry Ingram, Compliance Bureau Chief, Idaho Department of Labor, presented

RS 24028. This proposed legislation will address ten specific different sections of Idaho Code. He said the Bureau would like to provide consistency in language

and provide employers due process.

In response to committee questions, **Mr. Ingram** explained the reason they are addressing this issue now is because the Department of Labor has looked at all determinations, and reviewed code which has led to findings they thought could be better and more consistent. They believe these changes will make them more

conformed with Supreme Court Decisions.

MOTION: Rep. Redman made a motion to introduce RS 24028. Motion carried by voice

vote.

RS 24095: Dale Higer, Chairman, Idaho Commission on Uniform State Laws, presented

RS 24095. This revision will expand the definition of "athlete agent", provides for reciprocal registration of agents, adds new requirements to the signing of an agency contract, expands the notification requirement to educational institutions,

and provides remedies to student athletes.

MOTION: Rep. Packer made a motion to introduce RS 24095. Motion carried by voice vote.

ADJOURN: There being no further business to come before the committee, the meeting was

adjourned at 2:46 P.M.

Representative Anderson
Vice Chair

Chelsea Cantrell
Secretary

AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Monday, February 01, 2016

SUBJECT	DESCRIPTION	PRESENTER
	Workforce Development	Ken Edmunds, Idaho Dept. of Labor
RS24313	Relating to Workers Compensation	Michael McPeak, Gardner Law
<u>H 377</u>	Global Entrepreneurial Mission Program	Megan Ronk, Idaho Dept. of Commerce

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen(Hartgen)	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	

Rep Horman

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, February 01, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris,

Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ None

EXCUSED:

GUESTS: Carmen Achabel, Megan Ronk, Idaho Dept. of Commerce; Dr. David Hill, Idaho State

Dept. of Education; Tom Baskin, RD Maynard, Idaho Industrial Commission; Quinn Perry, Barbara Jorden, Idaho Trial Lawyers Association; Aaron White, Idaho AFL-CIO; Michael McPeek, Alan Gardner, Gardner Law Office; Connie Barnett, George Parham, Idaho State Insurance Fund; Woody Ricahrds, Insurance COS; Phil Barber, American

Insurance

Vice Chairman Anderson called the meeting to order at 1:29 P.M.

MOTION: Rep. Redman made a motion to approve the minutes of the January 27, 2016 meeting. Motion carried by voice vote.

Ken Edmunds, Director, Idaho Dept. of Labor, presented a Workforce Development Presentation. Idaho has been the national leader in job growth for several years, which in return has had a positive impact on our unemployment rate. Idaho has a 4% unemployment rate, the national average is 5%. When looking at the job growth over the next ten years, we can predict that our population will be increasing by 1.5% and there will also be a 1.5% increase in new jobs per year. One problem will be the baby boomer generation leaving the workforce causing many vacant positions to stay unfilled.

Mr. Edmunds said there are many concerns about wages in Idaho and many believe the cost of living in Idaho, which is 8% less than the National average, plays a significant part in that. The Idaho Dept. of Labor tends to disagree with this, stating the median wages in Idaho ranked 45 out of 51 jurisdictions, and after the cost of living adjustment, Idaho ranked 44th.

The current unemployment tax rate is at 1.488% which is down from 3.3%. **Mr. Edmunds** stated there are two insurance funds, the federal fund and the state fund. These funds were "broken," requiring 200 million on bonds to get out of debt. Currently both funds are properly funded based on the agreement the Idaho Dept.of Labor has with the Idaho Legislature. The current federal fund balance is maintained at \$500 million, the state fund is at \$180 million. These amounts will protect Idaho against economical challenges.

During a labor shortage the goal is to drive people into the marketplace. The Idaho Dept. of Labor is making a proposal to change the maximum number of weeks to be eligible for unemployment insurance from 26 weeks to 20 weeks. Another proposal would be to flatten out the benefit curve. Currently the benefit curve pays more benefits in a good economy than a bad economy, which the Department feels is not ethically correct.

The workforce development training fund is the primary tool for dealing with workforce shortage issues. Three percent of unemployment taxes are collected by the Workforce Development Council. In the last 20 years 268 companies were awarded over \$88 million, and it provided training for over 27,000 employees. The funds have been used for new and growing companies.

RS 24313:

Michael McPeek, Attorney, Gardner Law Office, presented RS 24313. The proposed legislation intends to reverse an Idaho Supreme Court ruling in the Neel vs. Western Construction case which has resulted in increased medical expenses in many workers' compensation cases. The Court imposed a judicially created financial penalty on employers and sureties who reasonably contest but lose a claim for medical services. This decision requires payment of medical expenses in an amount greater than the amount provided under the Industrial Commission's medical fee schedule. This proposed legislation will return the law back to the status quo prior to the referenced court case. This proposed legislation will also eliminate the judicially created financial penalty on employers and sureties that acted reasonable.

In response to committee questions, **Alan Gardner**, Gardener Law Office, clarified that the Industrial Commission Advisory Committee on workman's compensation did not review this proposed legislation because this legislation was not complete at the time of their last meeting. The standard put forth on their advisory committee is to determine whether or not there would be a consensus and Mr. Gardner believes on the proposed legislation there will not be a consensus. Mr. Gardner also clarified that the injured person is not responsible for the fees. **Mr. McPeek** responded that the fee schedule will apply to all workman's compensation cases.

MOTION: Rep Redman made a motion to introduce RS 24313. Motion carried by voice vote.

H 377:

Megan Ronk, Director, Idaho Dept. of Commerce, presented H 377. This legislation will make several important changes to the Idaho Global Entrepreneurial Mission Statute. These changes provide clarification in the programs administration and in the distribution of commercialization revenue from sponsored projects. This legislation will also remove reference to the now defunct innovation license plate program. It will provide flexibly in language when designating a chairman from the councils private sector to provide equal opportunity for any member from the council at the governor's discretion to service the chairman. This legislation will include the term industry partners. It will provide clarifying language on the necessity of industry partnerships. The legislation will provide clarification of commercialization revenue and distribution out line on how the State of Idaho will recuperate investments from IGEM projects. It will give clarification for reimbursement of direct project costs. The legislation adds language to support commercialization revenue distribution in accordance with the university intellectual properties policies, and provides definitive reimbursement percentages to the State General Fund and IGEM fund.

In response to committee questions, **Mrs. Achabal**, Idaho Dept. of Commerce explained the definition of licensing. The royalties will come from an agreement that the University has with the business who has the license. A contractual agreement will be created before revenue and distribution occurs. If the a student or staff was apart of a project that produced commercialization revenue they would be entitled to a portion of that revenue.

In response to committee questions, **Ms. Ronk**, stated there has not been any money received from commercialization revenue.

MOTION:

Rep. Romrell made a motion to send **H 377** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep.** Romrell will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:45 P.M.

Representative Anderson	Chelsea Cantrell
Vice Chair	Secretary

AMENDED AGENDA #1 HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Wednesday, February 03, 2016

SUBJECT	DESCRIPTION	PRESENTER
H 396	Employment Security, Law/Notice	Joshua Mckenna, Idaho Dept. of Labor
<u>H 397</u>	Employment Security, Notice/Appeal	Larry Ingram, Idaho Dept. of Labor
	Idaho Department of Commerce Presentation	Megan Ronk, Idaho Dept. of Commerce

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen(Hartgen)	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	
Rep Horman		

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, February 03, 2016

TIME: 1:30 P.M.
PLACE: Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris,

Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew,

Rudolph

ABSENT/ EXCUSED: None

GUESTS: Brenda Ceja, Josh McKenna, Larry Ingram, Joanna Henry, Michael Johnson, Idaho

Department of Labor; Megan Hill, Ragan Minor, Megan Ronk, Idaho Department

of Commerce

Vice Chairman Anderson called the meeting to order at 1:30 P.M.

H 396: Josh McKenna, Benefits Bureau Chief, Idaho Dept. of Labor, presented H

396. This legislation will change the current Statute 72-1368(5) to allow the department requesting information to be considered delivered and complete when the department sends documents to the last known address or e-mail address of

the claimant.

In response to committee questions, **Mr. McKenna** explained that when a person files a claim for benefits they chose a preferred contact method which they can change at any time, and if the department receives a returned piece of mail or a bounced back e-mail the department would use other methods available to contact

the individual.

MOTION: Rep. Rudolph made a motion to send H 396 to the floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Packer will sponsor the bill

on the floor.

H 397: Larry Ingram, Compliance Bureau Chief, Idaho Department of Labor, presented H

397. This legislation will amend the Employment Security Law. These amendments are requested to make the notice provision for determinations and other important actions by the department consistent throughout the Employment Security Law. Directing the notice requirements to one statute is beneficial because if a law requires a change in a notice requirement of the Employment Security law the changes can be made to all affected statutes by only amending one statute.

In response to committee questions, **Mr. Ingram**, explained the 14 days on the appeals process is standard in all protest rights, the reason it was not included in 72-1349 (1) was an oversight by the department which this legislation is correcting

to make consistent with the rest of the legislation.

MOTION: Rep. Packer made a motion to send H 397 to the floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Packer will sponsor the bill

on the floor.

Megan Ronk, Director, Idaho Dept. Of Commerce, presented the Idaho Commerce Annual Report. When our Governor took office he launched project 60 and the goal was to hit \$60 Billion in GDP. This goal was reached a year ago and as a result we launched the next phase of our economic strategy, Accelerate Idaho. This program is the departments commitment to being a national and global leader for economic growth and prosperity. There are three areas of focus for this project which are advancing individuals, elevating industries, and build strong communities.

Idaho exports are declining. Major factors that are affecting Idaho's exports are semi conductors. The global supply and demand for this item as well as the price fluctuations have had an impact on Idaho's semi conductors exports. Mining specifically for gold and silver has had a dramatic decline, reducing Idaho exports by over \$372 million.

Tourism in Idaho has been rising, the 2% lodging tax has had an 8% growth in 2015, and over a 13% growth in this last quarter. Vacancy rates are very low and average daily rates are increasing. Half of the lodging tax money is used to market Idaho as a tourist destination, and the other half goes back to local communities in the form of a grant program.

The Idaho Global Entrepreneurial Mission program's goal is to commercialize new technology by promoting research partnerships between universities and the private sector. One million dollars is granted for these commercialization grants and in 2016 they are almost fully committed.

Idaho Opportunity Fund was established to allow the Idaho Department of Commerce a tool that when negotiating with clients they would have the ability to award a performance based grant to help with infrastructure needs for an expansion.

The State and the Idaho Department of Commerce will often take the lead when a project is looking at a competitive expansion throughout the state. The tax reimbursement incentive has been a game changer for this in Idaho. This makes a major difference in the Department's ability to encourage business growth and expansion. In 18 months the Economic Advisory Council who ultimately approves these projects has approved 25 projects which is estimated to create 4,138 jobs, and has an anticipated revenue back to the state of over a 400% return on investment. Of the 25 projects approved to date, thirteen are existing Idaho companies that are leveraging the Idaho tax reimbursement incentive to attract new capital invest to their businesses. Fourteen of the approved projects are in rural communities. The maximum award when receiving this tax credit was to receive up to a 30% refundable tax credit on all payroll income and sales taxes for up to 15 years. The Department of Commerce is pleased to report they are only putting in the minimum amount possible to make these projects a reality, averaging 21% for 9 years, which is significantly less than the maximum allowable.

ADJOURN

There being no further business to come before the committee, the meeting was adjourned at 2:25 P.M.

Representative Anderson	Chelsea Cantrell
Vice Chair	Secretary

AGENDA

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Tuesday, February 09, 2016

SUBJECT	DESCRIPTION	PRESENTER
RS24324	Nat apprenticeship week, recognized	Rep. Erpelding
<u>H 398</u>	Rev'd uniform athlete agents act	Dale Higer, Idaho Commission on Uniform State Laws
<u>H 435</u>	Worker's comp/medical fees/employer	Michael McPeek, Gardner Law Office

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen(Hartgen)	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	
Rep Horman		

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 09, 2016

TIME: 1:30 P.M. PLACE: Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris,

Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew,

Rudolph

ABSENT/ **EXCUSED:** None

GUESTS: The sign in sheet will be retained in the committee secretary's office until the end of

the session. Following the end of the session, the sign in sheet will be filed with

the minutes in the Legislative Library.

Vice Chairman Anderson called the meeting to order at 1:29 p.m.

MOTION: Rep. Redman made a motion to approve the minutes of the February 1, 2016,

meeting. Motion carried by voice vote.

RS 24324: Rep. Sue Chew, District 17, presented RS 24324 regarding the recognition of

National Apprenticeship Week. In 2015, Governor Otter signed a proclamation

proclaiming November 2nd to 6th to be Idaho Apprenticeship Week.

Apprenticeships help workers to "earn while you learn" and increase wages. College is not a good fit for everyone and apprenticeships can create a pathway to middle-class jobs without a four year degree. Apprenticeships are part of the tools

available to train a 21st Century workforce.

ORIGINAL MOTION:

Rep. Chaney made a motion to introduce RS 24324.

SUBSTITUTE MOTION:

Rep. King made a motion to introduce RS 24324 and recommend it be sent

directly to the Second Reading Calendar.

Rep. Rudolph expressed his support of RS 24324. His father was a machine shop owner and had many apprentices who were able to go on to become journeymen and earn a good wage. Rep. Nielsen had concerns regarding the substitute motion and would like more time for public input. Rep. Chaney indicated he would vote in

support of the substitute motion.

VOTE ON SUBSTITUTE **MOTION:**

Chairman Anderson called for a vote on the substitute motion to introduce RS 24324 and recommend it be sent directly to the Second Reading Calendar. Motion carried by voice vote. Rep. Chew will sponsor the bill on the floor.

H 398:

Dale Higer, Chairman, Idaho Commission on Uniform State Laws presented H 398 regarding the Revised Uniform Athlete Agents Act. The Uniform Athlete Agents Act (UAAA) was adopted in Idaho in 2001. Forty-two states and districts have adopted this Act. Abuses have continued since then and Mr. Higer outlined examples of the abuse. In response to these abuses many states have amended the UAAA thereby making it less uniform. H 398 is the product of the drafting committee and a two year process reviewing the UAAA and meeting with all stakeholders. The Revised Uniform Athlete Agents Act (RUAAA) updates and improves the definition of "athlete agent," providing for reciprocal registration of agents, adding new requirements to the signing of an agency contract, expanding the notification requirements to educational institutions and providing remedies to student athletes. The term "athletic agent" now includes financial advisors, business advisors and

career managers. Mr. Higer reviewed the details of additional changes. The RUAAA has been endorsed by Boise State University and University of Idaho.

In response to questions from the committee regarding concerns of penalties, **Mr. Higer** assured the members that this legislation would not shift culpability, but rather assist compliance officers to do their job. Concerns were also raised about students who wanted to change their minds after signing a contact. Mr. Higer reminded the committee that there are many warnings to the students before they sign contracts and that the rules regarding eligibility have been in place since 2001. The revisions to the UAAA have been vetted for the last two years.

MOTION:

Rep. Packer made a motion to send **H 398** to the floor with a **DO PASS** recommendation.

In discussion of the motion, it was asked if there was a representative from University of Idaho who would speak on the bill. **Mr. Joe Stegner**, said the University of Idaho had reviewed the bill and it is an improvement from the UAAA. It protects the students from agents that misrepresent themselves. The language of the RUAAA is a guideline for individual to follow and he felt there is room for reconsideration of those entering into contracts if needed. **Rep. Nielsen** said he liked the bill in general, but was bothered by the language and felt it could be written better.

VOTE ON MOTION:

Chairman Anderson called for a vote on the motion to send H 398 to the floor with a DO PASS recommendation. Motion carried by voice vote. Rep. Nielsen requested he be recorded as voting NAY. Rep. Harris will sponsor the bill on the floor.

H 435:

Mike McPeak, Gardner Law Office, presented H 435 that has been proposed out of concern for the impact of the Idaho Supreme Court's 2009 decision *Neel vs. Western Contruction Inc.* has on the payment of medical expenses in workers' compensation cases and on workers' compensation claim costs. *Neel* applies to cases which are decided by the Industrial Commission. Medical expenses make up an estimated 60% to 70% of the total costs of workers' compensation claims in Idaho. To assist in controlling costs the legislature in 2005 gave the Industrial Commission statutory authority to adopt medical fee schedules. Mr. McPeak reviewed how costs impact Idaho businesses. Mr. McPeak stated the imposition of *Neel* in a specific case essentially results in payment of an additional 54% above the fee schedule amount. The court's action effectively imposes a judicially created financial penalty on employers and insurance companies who have acted reasonably. H 435 seeks to restore the balance by returning the workers' compensation system to the status quo prior to *Neel*.

In response to questions from the committee, **Mr. McPeak** let the committee know there was not a consensus from stakeholders. There was a question regarding whether there was an appeal in front of the Idaho Supreme Court or not. There were many concerns from the committee members on the financial costs to claimants and unreasonable denials. Mr. McPeak said of the 900 claims filed last year, 80% were settled or used mediation.

Speaking **in opposition** of the bill was **James F. Kile**, former Chairman, Idaho Industrial Commission, who testified that the current system is well balanced and finely tuned. There is a current compromise between labor, business and insurance companies. Mr. Kile is concerned that any changes will affect the fragile nature of the law and states the fee schedule rates are set to encourage employers to accept the claim. The net effect of **H 435** would be to disrupt the balance that has taken years to set up.

Kelly Edens, citizen, provided his personal experiences with being injured on the job twice in the last ten years. He is still battling the insurance companies to settle his case and has spent over \$100,000 out of pocket on medical expenses. Mr. Edens feels that if **H 435** is passed it would hurt his ability to recover the money he has spent out of pocket.

Barbara Jorden, Idaho Trial Lawyers Association (ITLA), testified against the bill and asked the committee to hold **H 435**. Ms. Jordan reviewed the impact of the *Neel* decision as well as the current scenario of the fee schedule and the process an injured worker goes though to file a claim and when the Idaho Industrial Commission comes into play. She then turned the time over to **James Ruchti**, ITLA, to further the testimony. Mr. Ruchti mentioned that *Neel* is an incentive to insurance companies to think carefully before they deny treatment.

Rep. Packer declared Rule 38 stating a possible conflict of interest but she would be voting on the legislation. She stated her experience dealing with insurance companies in her job.

MOTION:

Rep. Packer made a motion to HOLD H 435 in committee.

In discussion of the motion, **Rep. Packer** outlined her reasoning to hold the bill in committee. She feels the Governor's advisory committee should do due diligence and there may be a Idaho Supreme Court ruling that would address some of the concerns stated.

Testimony continued with **Al Gardner**, Gardner Law Office, **in support** of **H 435**. He was concerned with the misconceptions regarding fairness and insurance companies looking to deny claims.

Mike McPeak closed his presentation and stood for questions from the committee. Questions were asked about the phrase "reasonable grounds" on the last line of the statement of purpose. Mr. McPeak stated that if there is a reasonable reason to deny a claim, there is no reason for attorney fees. A question was also asked regarding appeals from the Idaho Industrial Commission. There is an appeal process built in to the hearing process at the Industrial Commission.

UNANIMOUS CONSENT REQUEST: **Rep. Harris** made a unanimous consent request to call for the question. There being no objection, the request was granted.

VOTE ON MOTION:

Chairman Anderson called for the vote on the motion to HOLD H 435 in committee. Motion carried by voice vote.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 3:33 p.m.

Representative Anderson	Michele Jarvis
Vice Chair	Secretary

AMENDED AGENDA #1 HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Thursday, February 11, 2016

SUBJECT	DESCRIPTION	PRESENTER
RS24402	Employment Security Act / Benefits	Ken Edmunds, Idaho Dept. of Labor
<u>S 1202</u>	Personnel System / Nonclassified Employees	David Fulkerson, Division of Human Resources

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS	COMMITTEE SECRETARY

Chairman Hartgen(Hartgen)

Rep Nielsen

Vice Chairman Anderson

Rep Packer

Rep Harris

Rep Redman

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Rudolph

Rep Horman

Chelsea Cantrell

Room: EW06 Phone: 332-1149

email: hcom@house.idaho.gov

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

Thursday, February 11, 2016

DATE:

TIME:	1:30 P.M.
PLACE:	Room EW05
MEMBERS:	Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph
ABSENT/ EXCUSED:	Representative(s) Holtzclaw, Chaney, Chew
GUESTS:	
	Vice Chairman Anderson called the meeting to order at 1:30 P.M.
MOTION:	Rep. Redman made motion to approve the minutes of the February 3, 2016 meeting. Motion carried by voice vote.
RS 24402:	Ken Edmunds , Director, Idaho Department of Labor, presented RS 24402 . This proposed legislation would stabilize the benefit amount at 55% of the state average weekly wage paid by covered employers regardless of the economical state. This proposed legislation would also create a sliding scaled for the maximum weeks of entitlement to benefits depending on economic conditions, the scale would range from 20 weeks in a good economy to 28 weeks in a bad economy.
	In response to committee questions, Mr. Edmunds explained that the State of Idaho offers training that is funded by the state so if a person's skill set is in an industry that may be struggling, that individual can obtain training in another skill set and be able to find employment in another industry. Mr. Edmunds also explained that if the Federal Government imposed an extension in benefits, in order to stay eligible for federal funds, the state may need to extend the benefits policy.
MOTION:	Rep. Redman made a motion to introduce RS 24402. Motion carried by voice vote.
S 1202:	David Fulkerson , Interim Administrator, Division of Human Resources, presented \$1202 . This legislation would change Idaho Code 6753-03, which contains the list of the state non classified positions. This legislation would add all employees in the Stem Action Center, Office of Species Conservation, Office of Drug Policy, and Office of Energy Resources, to the list of non classified employees.
MOTION:	Rep. Harris made a motion to send S 1202 to the floor with a DO PASS recommendation. Motion carried by voice vote . Rep. Harris will sponsor the bill on the floor.
ADJOURN:	There being no further business to come before the committee, the meeting adjourned at 1:44 P.M.
Representative A Vice Chair	nderson Chelsea Cantrell Secretary

AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Monday, February 15, 2016

SUBJECT	DESCRIPTION	PRESENTER
RS24214	Worker's Comp, Security Instrument	Woody Richards, Associated Loggers Exchange

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY

Chairman Hartgen(Hartgen)

Vice Chairman Anderson

Rep Packer

Rep Harris

Rep Redman

Rep Holtzclaw

Rep Romrell

Rep Chew

Rep Chaney

Rep Rudolph

Rep Horman

email: hcom@house.idaho.gov

Chelsea Cantrell

Phone: 332-1149

Room: EW06

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

Monday, February 15, 2016

DATE:

TIME:	1:30 P.M.	
PLACE:	Room EW05	
MEMBERS:	Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph	; ,
ABSENT/ EXCUSED:	Representative Chaney	
GUESTS:	Woody Richards, Angela Richards, Association Loggers Exchange	
	Vice Chairman Anderson called the meeting to order at 1:29 P.M.	
RS 24214:	Woody Richards, Attorney Lobbyist, Association Loggers Exchange, presente RS 24214. The proposed legislation amends the language of Idaho Code Secti 72-301 to state that Idaho rated bonds with a rating of A- or higher is considere investment grade. The Industrial Commission has access to the description and credit rating of these bonds because they are Idaho Bonds. If a bond is downgrated to below an A- the worker compensation insurers is required within 30 days to replace the bond with one that meets the statuary requirements. These bonds are liquid and can be sold if funds are needed but they aren't required to be sold they can be replaced. Purchasing bonds helps to maintain Idaho infrastructure Idaho's bonds may have higher yields than treasury notes which allow insurance companies to be stronger financially.	ion ed d aded d,
	In response to committee questions, Mr. Richards explained there are a variety ranges of bonds depending on the risk of the bond. A bond rating is based on all to repay in a timely interest and return the principal when it is due. Bond rating range from AAA to D. The rating level gives the purchaser a level of confidence that it will not disappear and it will be there to its maturity date. Investment grad bonds by law are acknowledge to be BBB and above. Many bonds are never to AAA, many times to get a AAA rating backup insurance on the bond is purchas to protect the bond.	bility s e de iple
MOTION:	Rep. Romrell made a motion to introduce RS 24214. Motion carried by voic vote.	е
ADJOURN:	There being no further business to come before the committee, the meeting adjourned at 1:44 P.M.	
Representative Ar	nderson Chelsea Cantrell	
Vice Chair	Secretary	

AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Wednesday, February 17, 2016

SUBJECT	DESCRIPTION	PRESENTER

Organizational Meeting

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Hartgen(Hartgen)

Vice Chairman Anderson(Carter)

Rep Packer

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Redman

Rep Chew

Rep Redman

Rep Horman

COMMITTEE SECRETARY

Chelsea Cantrell Room: EW06 Phone: 332-1149

email: hcom@house.idaho.gov

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE:	Wednesday, February 17, 2016		
TIME:	1:30 P.M.		
PLACE:	Room EW05		
MEMBERS:	Chairman Hartgen (Hartgen), Vice Chairman Anderson (Carter), Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph		
ABSENT/ EXCUSED:	Represenatives Holtzclaw, Horman, Nie	elson, King	
GUESTS:	None		
	Vice Chairman Anderson called the m	eeting to order at 1:29 P.M.	
MOTION:	Rep. Redman made a motion to approve the minutes of the February 9, 2 meeting. Motion carried by voice vote.		
MOTION:	Rep. Redman made a motion to approve the minutes of the February 11, 2016 meeting. Motion carried by voice vote.		
	Vice Chairman Anderson recognized the Page, Olivia Thomas for their help to the committee during the first half of the session.		
ADJOURN:	There being no further business to come before the committee, the meeting adjourned at 1:37 P.M.		
Representative Ar	nderson	Chelsea Cantrell	
Vice Chair		Secretary	

AGENDA

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Thursday, February 25, 2016

SUBJECT	DESCRIPTION	PRESENTER
H 485	Employment security act/benefits	Ken Edmunds, Idaho Dept. of Labor
<u>H 501</u>	Worker's comp, security instrument	Woody Richards, Idaho Loggers Exchange
RS24482	Procurement act, established	Rep. Anderson
RS24472	Public procurement/study committee	Rep. Anderson

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen(Hartgen)	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	
Rep Horman		

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 25, 2016

TIME: 1:30 P.M. PLACE:

Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris,

Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew,

Rudolph

ABSENT/ **EXCUSED:** Represenatives Chaney, Nielson

GUESTS: Woody Richards, Angela Richards, Chap Neptune, John Graham, Associate

> Loggers Exchange; Ken Edmunds, Idaho Depatment of Labor; Elizabeth Bowen, Legislative Services Office; Dan Goicoecheau, Idaho State Controllers Office; Paul

Jackson

Vice Chairman Anderson called the meeting to order at 1:29 P.M.

MOTION: Rep. Redman made a motion to approve the minutes from the February 15, 2016

meeting. Motion carried by voice vote.

MOTION: Rep. Redman made a motion to approve the minutes from the February 17, 2016

meeting. Motion carried by voice vote.

H 485: Ken Edmunds, Director, Idaho Department of Labor, presented H 485. This

legislation will result in changes with how unemployment is handled. The first change is a change in language and it removes references to specific years. This legislation would stabilize the benefit amount at a consistent 55% of the states average weekly median wage paid by covered employers regardless of the economical state. This legislation would also create a sliding scale for the maximum number of weeks of eligibility to benefits. Based on economical conditions ranging from 8% or greater down to 3% or less, the maximum number of weeks would decrease one week for each 1% decrease in the states unemployment rate. These legislation changes would not cause any financial impact on State Funds, but by decreasing the number of eligible weeks it results in 3.3 to 4 million dollar savings in the states insurance fund for each 1% decrease in unemployment rates.

In response to committee questions, Mr. Edmunds states that unemployment rates are based on 55% of the states median wage, which for Idaho the amount is right under \$400 a week. There may be some variation depending on what they were making, but will be in the range of the calculated state median. The median state wage is calculated yearly if not quarterly. The amount of weeks someone is eligible is based on what the unemployment rate is in the state of Idaho. Depending on a persons employment history, and the states unemployment percentage at the time is how it is determined how many weeks that person is eligible for unemployment benefits. This legislation does not consider industry, sector, or job classification when determining benefits eligibility. Changing the maximum number of weeks will

not have a significant impact on the unemployment fund.

MOTION: Rep. Packer made a motion to send H 485 to the floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Anderson will sponsor

the bill on the floor.

H 501:

Woody Richards, Associated Loggers Exchange, presented **H 501**. This legislation amends the language of Idaho Code Section 72-301 to state that Idaho rated bonds with a rating of A- or higher is considered investment grade. The Industrial Commission has access to the description and credit rating of these bonds because they are Idaho Bonds. If a bond is downgraded to below an A- the worker compensation insurers is required within 30 days to replace the bond with one that meets the statuary requirements. These bonds are liquid and can be sold if funds are needed but they aren't required to be sold, they can be replaced. Purchasing bonds helps to maintain Idaho infrastructure. Idaho's bonds may have higher yields than treasury notes which allow insurance companies to be stronger financially.

In response to committee questions, **Mr. Richards** explained the pre 2014 law would allow any rating on any bond within the United States, in 2014 the laws changed and restricted bonds to just treasure bonds but no regulation in the rating. This legislation would satisfy the requirement for an Idaho or treasury bond to have a minimum of an A- rating. The idea is this will help the Idaho's infrastructure.

MOTION:

Rep. Redman made a motion to send **H 501** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Packe**r will sponsor the bill on the floor.

Vice Chairman Anderson turned the gavel over to **Rep. Harris**. The committee is viewed as a privileged committee for the day.

RS 24482:

Rep. Anderson presented **RS 24482.** This proposed legislation recodifies the existing laws into a new chapter of the Idaho Code. It will also ensure everybody who purchases and there by commits the state of Idaho, has the sufficient training to do that job correctly. The ethical procedures that need to be followed when someone spends the states money, formalized delegated authority guidelines, contract monitoring, and increased latitude with open contracts is included in the proposed legislation.

MOTION:

Rep. Romrell made a motion to introduce RS 24482. Motion carried by voice vote.

RS 24472:

Rep Anderson presented **RS 24472.** This proposed legislation is a request to allow the interim committee to continue its work for the balance of the 2016 year with a recognized fiscal impact of around \$10,000 for the work the committee does.

In response to committee questions, **Rep. Anderson** explained that the previous **RS 24482** will stand alone complete.

MOTION:

Rep. Packer made a motion to introduce RS 24472. Motion carried by voice vote.

Rep. Harris turned the gavel over to **Vice Chairman Anderson**.

ADJOURN:

There being no further business to come before the committee, the meeting was

adjourned at 2:07 P.M.

Representative Anderson Chelsea Cantrell
Vice Chair Secretary

AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Monday, February 29, 2016

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1314</u>	Trust institutions, trustees	Trent Wright, Idaho Bankers Association
RS24515C1	Worker's compensation, firefighters	Rep. Packer

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen(Hartgen)	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	
Rep Horman		

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, February 29, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ Representatives Chaney, Nielsen

EXCUSED:

GUESTS: Shaun Laughlin, Grant Hamilton, Tom Lovell, Professional Fire Fighters of Idaho;

Marty Durand Building Trades; Aaron White, Idaho AFL-CIO; Woody Richards, Angie Richards, Ins Cos; John McGown, TEPI; Mary Hughes, Idaho Dept. of

Finance; Joseph Jones, Attorney General's Office

Chairman Hartgen called the meeting to order at 1:32 P.M.

Chairman Hartgen asked to take a moment of personal privilege. He thanked the committee for supporting Linda Hartgen as she filled in for him while he was gone and Rep. Anderson for siting in as the chair of the committee. Chairman Hartgen asked that the record reflect that both Mrs. Hartgen and Rep. Anderson

substituted well for the committee.

S 1314: Trent Wright, Idaho Banker Association presented S 1314. This legislation is

to amend the Idaho Trust Institutions Act to clarify that individual who does not engage in trust business, may serve as a trustee of a trust without obtaining a state trust company charter. This legislation would provide an exception for individual acting as fiduciary for a individual. Currently there is no clear exception whether an individual should or should not apply for a charter with the Dept. of Finance and it is the intention of this bill to clarify that an individual acting as fiduciary for a friend or individual is not subject for the chartering requirements that the Dept.

of Finance currently requests.

In response to committee questions, **Mr. Wright** explained that this legislation is coming forward because of discussion between the Idaho Dept. of Finance, Trust Estates Professionals of Idaho, and Idaho Bankers Association to identify the minimal capital requirements to enter into a trust charter agreement with the Dept. of Finance. Prior to that getting accomplished they felt they first needed to clearly identify the individual, so that future legislation will not be intended to affect individuals that are acting in good faith while helping out other individuals with their financial capabilities. There has not been issues in the past in regards to this legislation and the goal is to keep it that way. In regards to number 14 in the activities requiring a charter the language is not redundant but instead is the most effective way to identify an individual. To clarify the court has the ability to appoint anyone whom they find fit to be a trustee and this legislation clarifies as long as they are not doing this as their trade they do not need to apply for trust charter.

In response to committee questions, **Joseph Jones**, Deputy Attorney General, Dept. of Finance, explained that state trust companies are entities that are independent from banks and if someone has assets and they want to set up a trust and have the means to have it administered in most cases they would do that through a bank. There are people in businesses, who also manage trusts t and those people can possibly oversee millions of dollars. The Idaho Trust Institutions Act enforces this. The Dept. of Finance will examine private charters to make sure they are compliant. The purpose for charter is to protect the client. There is nothing about being in a charter that limits a trust.

John McGown, Attroney, Hawley Troxell Law Firm, expressed concern regarding a personal representative of an estate He said there is not an exception for naming an individual as a trustee and allowing that individual to be a representative. There w\should be remedies to protect a person asking a friend to be trustee, which would allow clients the freedom to name whom they choose as their trustee. No one can guarantee they will do the job they are supposed to do, but there are remedies to safe guard someone. If the representative or trustee violates their fiduciary duty by using funds for themselves they would be subject to a lawsuit.

MOTION:

Rep. Rudolph made a motion to send S 1314 to the floor with a DO PASS recommendation. Motion carried by voice vote. Rep. Redman will sponsor the bill on the floor.

Rep. Packer asked to have Shawn Laughlin present RS 24515C1.

RS 24515C1:

Shawn Laughlin, Professional Firefighters of Idaho, presented **RS 24515C1.** This proposed legislation would extend workers compensation benefits to firefighters in the state of Idaho for cancers listed in the legislation that are presumed as a result of their duties as a firefighter.

In response to committee questions, **Mr. Laughlin** stated that volunteer firefighters are covered under workman's compensation and the premium is paid by the fire district which they work. There has not been a request for an Attorney General's opinion since the changes on the legislation occurred.

MOTION:

Rep. Romrell made a motion to introduce RS 24515C1. Motion carried by voice vote.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:01 P.M.

Representative Hartgen	Chelsea Cantrell
Chair	Secretary

AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Tuesday, March 01, 2016

SUBJECT	DESCRIPTION	PRESENTER
HCR 48	Public procurement/study committee	Rep. Anderson
H 538	Procurement act, established	Rep. Anderson

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

	COMMITTEE	MEMBERS
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Chairman Hartgen Rep Nielsen

Vice Chairman Anderson Rep Packer

Rep Harris Rep Redman

Rep Holtzclaw Rep King

Rep Romrell Rep Chew

Rep Chaney Rep Rudolph

Rep Horman

COMMITTEE SECRETARY

Chelsea Cantrell Room: EW06 Phone: 332-1149

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 01, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ Representatives Chaney, Nielsen

EXCUSED:

GUESTS: Kent Kunz, Idaho State University; Stacy Pearson, Boise State University

Chairman Hartgen called the meeting to order at 1:31 P.M.

MOTION: Rep. Redman made a motion to approve the minutes of the February 25, 2016

meeting. Motion carried by voice vote.

H 538: Rep. Anderson presented H 538. This legislation has been put forth by the

interim committee. The state of Idaho issues over 40,000 contracts, and spends around 1.5 billion dollars every year for goods and services. This legislation will update terms. The main change in terms is using the word procurement instead of purchasing, which is a broader word that means the gathering of services. The legislation recodifies the code so the laws of purchasing are all in one area. This legislation implements oversight of contracts. This will also establish a system to track goods and services in a state contract as per the terms of the contract. The legislation will also establish training for people who issues these contracts. The Division of Purchasing will promulgate rules to make sure the intent of the law is carried out. In regards to open contracts, this legislation will provide a provision that an agency can apply for a exception if a local contract produces a better offer. Universities need to buy on open contracts but their provision in current law establishes their own purchasing process and they aren't required to go through the Division of Purchasing. The intent of the fiscal note is intended to cover expenses for training and the cost for experts to oversee contracts.

In response to committee questions, **Rep. Anderson** explained the fiscal note is an educated estimate. If a department wants the contract issued through the Department of Purchasing they can do that at no cost, but for state contracts there is a small fee. The legislation also specifies if a department issues a contracts for 1.5 million or more they report it to the legislature.

Elizabeth Bowen, Legislative Services Office, stated a lot of what is in this bill is existing recodified law. This legislation rewords laws to make them easy to read and understand. It explains delegation of authority, and established terms and conditions. The delegation of authority could be given authority to an agency not just an individual within the agency. Training would be required for everyone in the state who has procurement duties. State procurement can take up to 1/3 of the states expenditures annually so the committee wanted to make sure everyone involved in the procurement process has sufficient training. Currently Idaho Law does not give the administrator for the Division of Purchasing flexibility to grant exceptions when it is reasonable, this legislation would change that. This legislation would give more flexibility to institutions of higher education when purchasing or entering into open contracts because they typically don't have an area of focus when it comes to purchasing. This legislation will also have an ethics statute so

it clearly lays out the expected conduct, and what constitutes a breach and what penalties for a breach would be.

In response to committee questions, **Ms. Bowen** explained the types of contracts that will require a 3rd party oversight. The process for delivering a legislative report to the legislature would be to deliver a report to the Speaker of the House on first legislative day of the session. There will be monitoring on the flexibility for exemptions for purchasing instead of using open contracts. The appeals statute will not be changed this year but may be addressed next year.

Kent Kunz, Director of Government Relations, Idaho State University stated he is **in support** of **H 538**. He believes this legislation will save the University money. Universities are apart of a community where local businesses employ the University's students and graduates so they would very much like to do business with them at an equal or lower price.

Stacy Pearson, Chief Financial Officer, Boise State University, testified **in support** of this legislation. This legislation will assist in helping manage tight budgets, and save grant funds. This legislation will give universities the flexibility they need.

Dan Goicoechea, Chief Deputy Controller, Idaho State Controllers Office, testified **in support** of this legislation but highlighted that the rules may have areas of concern for them.

MOTION: Rep. Packer made a motion to send H 538 to the floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Anderson will sponsor

the bill on the floor.

HCR 48: Rep. Anderson presented HCR 48 which would authorize the Purchasing Laws

Interim Committee to continue its work for the upcoming year.

MOTION: Rep. Horman made a motion to send HCR 48 to the floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Anderson will sponsor

the bill on the floor.

There being no further business to come before the committee, the meeting was

adjourned at 3:02 P.M.

Representative Hartgen	Chelsea Cantrell
Chair	Secretary

AGENDA HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

1:30 P.M. Room EW05 Thursday, March 03, 2016

SUBJECT	DESCRIPTION	PRESENTER
H 554	Worker's compensation, firefighters	Rep. Malek

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Hartgen Rep Nielsen
Vice Chairman Anderson Rep Packer
Rep Harris Rep Redman
Rep Holtzclaw Rep King
Rep Romrell Rep Chaney Rep Rudolph
Rep Horman

COMMITTEE SECRETARY

Chelsea Cantrell Room: EW06 Phone: 332-1149

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 03, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ None

EXCUSED:

GUESTS: Rob Shoplock, Richard Owen, Grant Hamilton, Tom Lovell, Travis Woolford, Shaun

Laughlin, PFFI; Chris Johnson, Cancer Data Registry of Idaho; Stacey Carson, CDRI; Don Drum, PERSI; Dennis Doan, Jim Waler, Phillip Desilet, Rick Stover, Boise Fire Department; Juan Bonilla, Donnelly Fire Department; Woody Richards,

Ins. Cos; Pat McDanulyn, DISB; Krystal Hinkle, ISFCA

Chairman Hartgen called the meeting to order at 1:31 P.M.

H 554: Rep. McDonald stated this bill gives a level of protection for fireman. Fireman are

the ones on the inside where the problems are occurring, they typically don't know what they are going to be exposed to until they get to where they are going and even then they usually do not know the toxicity of the elements in the buildings they are in, and they may be exposed to very toxic elements. Safety equipment is designed to keep firefighters protected from elements but they only provide so much protection, exposure still happens. They may be exposed to something for a

minute at a job that can cause major harm to them five years down the road.

Chris Johnson, epidemiologist, Cancer Data Registry of Idaho, provided information about cancer. Incident Rates are the number of newly diagnosed cases, and in Idaho there is about 8,000 newly cancer diagnosis each year. cancer is cause by external factors like unhealthy diets, smoke, tobacco, etc as well as internal factors like genetics, these factors can act together or independently to cause cancer. Often ten or more years can pass between exposure by an external factor and the development of cancer. Between two and eight percent of cancer is contributed to occupational exposures. There have been several studies of groups of firefighters to learn about cancer risks, more than 40 studies have been completed. The studies differ in what is measured, and the results of the study's are not always consistent, because of different exposures to different groups of firefighters. After multiple studies were completed it did show there were elevated risks for firefighters for many different types of cancer but few were observed consistently. For all the cancers included in the bill except breast cancer it did show that there is elevated rates for fire fighters to contract those types of cancer. Men are 100 times more likely to not get cancer than woman and since firefighters are predominately men these studies didn't show increased numbers but it presumed that breast cancer is also more likely to develop in firefighters.

In response to committee questions, **Mr. Johnson** explained the scale that was applied to incident rations reflect 95% confidence intervals for those measurements, which means we can be 95% assured that these studies are correct. Even if boundaries for confidence intervals were changed all we are showing is that firefighters have a higher chance of having cancer. These studies mean we can be assured there is a correlation with firefighters having an increased risks for cancers. These studies did not address causality.

Dr. Francesa Litow, Occupational Medicine physician, and Assistant Professor, John Hopkins University, explained that in the past two to three decades workplace conditions have greatly improved but that is not the case for firefighters because they are still entering into uncontrolled, hazardous environments regularly. Smoke is a complex mixture of cancer causing chemicals from combustions of all various products in modern fires. Wood, coal and diesel fuel are also considered as known or probably carcinogens. Studies have revealed that firefighters are commonly exposed to chemicals that the International Agency of Research on Cancer classifies as group 1 agents that are known to cause cancer in humans. In addition, thousands of new chemicals are produced annually making it impossible to study the toxic properties of each one. There is evidence that large number of chemicals can be present in smoke, in one study 70 chemicals were present. Further adding to the risk is that the only equipment available to firefighters are also the least effective to established workplace exposure controls because the equipment does not completely eliminate exposure. There has been many scientific studies linking increased cancer risks to firefighters including three large cohort studies all showing increased risks of firefighters contracting cancer than the general population. Cancer has been shown to take typically 5-10 years but up to 40 years after the exposure to develop. Studies have shown certain cancers are 20%-50% more likely to develop in firefighters than the general population. It is believed that these statistics are actually underestimated because of multiple factor including firefighters health which generally is better that the general population because of their job requirements. Firefighters actually have a 10% less risk of dying at any given age than the general population which makes research very unsettling when it shows firefighter are actually at an increased chance to develop cancer.

Dr. Litlow explained that when firefighters are diagnosed with cancer as a result of their job, they face a system that is stacked against them. When occupational induced cancers are not covered by workers compensation, firefighters must use up leave time and spend personal savings in order to cover medical costs after the insurance maximum is met. Workplace accommodations are very difficult for cancer patients when the work is physically demanding as with firefighters.

In response to committee questions **Dr. Litow**, explained that it is hard to find a statistical research with breast cancer relating to firefighters when the research numbers or firefighters with breast cancer is so limited. When we talk about causality it mostly comes from disasters, we can't give carcinogens to people and see what happens and that is what we would need to do to have a perfect clinical trial. In the case of firefighters many studies have shown that smoke causes cancer in firefighters, and firefighters have multiple exposures. They also look at time frame and if the exposure happens before the cancer. Also consistency, you can see associations when looking at a population of people.

In response to committee questions, **Dr. Litlow** explained that living a healthy life style is encouraged but there has not been a solution to fully protect firefighters from getting cancer. Having a pre disposition to a cancer or engaging in an unhealthy habit like smoking can disqualify them from receiving the workers compensation benefits.

Rob Shoplock, Executive Vice President of the Professional Firefighters of Idaho, has been working on this legislation for eight years and has vetted it through many people and committees, this draft has had many adjustments and he feels everyone is pleased with this legislation.

In response to committee questions, **Mr. Shoplock** explained the fiscal note. NCCI rates workers compensation concerns and they look at this rate and the NCCI were not able to provide a financial impact estimate because there has not been claims, and without claims there would not be an initial increase to workman's compensation premiums. Mr. Shoplock stated that workers compensation is a protection for the employee. Cancer insurance can be purchased, but the intent of this legislation is to pay for the injury or illness that happened at work. If the cancer is proven to be work related it should be covered by the workman's compensation. Through science certain cancers have been identified and found are cause by carcinogens that firefighters are exposed too. Over the years he does expect the amount of cancers listed in the legislation to increase.

In response to committee questions, **Dr. Litlow** explained that although cancer is common, the very serious cancers that this legislation is talking about is rare. She also explained they look at consistency with cancers to understand what may be causing these cancer to occur, but these studies are estimates. Presumption permits firefighters to submit a claim, but it doesn't guaranteed that the cancer was caused do to their occupation.

Richard Owens, Lawyer, testified on what this bill will actually do to the injured worker. For a firefighter to win a workman compensation case they would have to prove that the cancer was caused by their exposure while on the job. First a detailed record of every time a worker had exposure to a carcinogen would be required and he would have to prove that it was more probable than not that these exposures happen and when and where they happened. Then they would need to prove that they were exposed to a particular toxin each time. The last thing that would need to be proven is that what they were exposed to increased their risk to the cancer that the individual has. The standard in a legal case is 51% more likely than not. If all of that can be proven this legislation provides piece of mind they do have some protection and they would not lose their homes under a diagnoses of cancer.

In response to committee question **Mr. Owens** explained that it is very difficult to prove certain exposures caused a cancer with the standard in a legal case. If there were a rebuttable presumption that most of the evidence brought forward to cast doubt on colorations, it would be available to a defense attorney and those same arguments would be available for the courtroom.

Travis Willford, Boise Firefighter, testified in support of **H 554**. He shared his story about his experience with cancer, he had a type of cancer that doctors explained as an old mans cancer but he has been seeing more and more cases of firefighters being diagnosed with this cancer. The financial burden that was placed upon him and his family was devastating. Mr. Willford, stated that if this legislation passes it will provide piece of mind and provide financial stability for firefighters who get diagnosed with cancer due to their employment as a firefighter.

MOTION: Rep. Nielsen made a motion to send H 554 to the floor with DO PASS recommendation. Motion carried by voice vote. Rep. Harris requested to recorded as voting NAY. Rep. Malek will sponsor the bill on the floor.		voice vote. Rep. Harris requested to be	
Adjourn:	There being no further business to co adjourned at 3:26 P.M.	no further business to come before the committee, the meeting was 3:26 P.M.	
Representative Chair	Hartgen	Chelsea Cantrell Secretary	

AMENDED AGENDA #1

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

1:30 P.M. or Upon Adjournment Room EW05 Monday, March 07, 2016

SUBJECT	DESCRIPTION	PRESENTER
S 1288	Workforce development, training fund	Ken Edmunds, Idaho Dept. of Labor
<u>S 1318</u>	Appraisal management companies	Bill Scoggin, Real Estate Valuation Advocacy Association

If you have written testimony, please provide a copy of it along with the

to ensure accuracy of records.	onsible to the committee secretary
COMMITTEE MEMBERS	COMMITTEE SECRETARY

Chairman Hartgen Rep Nielsen Rep Packer Vice Chairman Anderson Rep Harris Rep Redman Rep Holtzclaw Rep King Rep Romrell Rep Chew Rep Chaney Rep Rudolph

Rep Horman

COMMITTEE SECRETARY Chelsea Cantrell

Room: EW06 Phone: 332-1149

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, March 07, 2016

TIME: 1:30 PM or Upon Adjournment

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ Representative(s) Packer

EXCUSED:

GUESTS: Tim Sullivan, Appraisal Institute; Sarah Fuhriman, Bill Scoggin, REVAA; Mike

Brassay, ID Services Assn; Trent Wright, Idaho Bankers Association

Chairman Hartgen called the meeting to order at 3:00 P.M.

S 1318: Bill Scoggin, REVAA, presented **S 1318**. This legislation is needed because

before the late 2000's and the mortgage crisis a mortgage loan consumer would go to a loan officers get a loan and have an appraiser come out and get the house appraised and that would be it, the value would be what appraiser said. This caused the to be collusion between appraisers and lender. Appraisers would get a lot of pressure to have the appraisal match the amount of loan. The government responded by creating policies to separate the lenders and appraisers. The Federal Agencies issued the appraisal independence requirement that requires appraisals to be outsourced to an appraisal management company or the bank could develop a appraisal department inside their institute that was separate from all other departments within that institute. This legislation is needed because in the rules that Federal Financial Agency issued it states that states need to have some sort of minimal structures in place to oversee appraisal management companies to ensure the independence requirement is being met. If there is not a process in place by December of 2018 lenders will be unable to use appraisal management companies in those states and they can only use a federal related transaction option. Appraisal Management Companies in Idaho couldn't do appraisals for these mortgage loans that have a federal related agency involved. This legislation does a minimal thing and asks for regulation of appraisal management companies. Appraisal management companies want this as well so in 2018 there will be no disruption to the process.

In response to committee questions **Mr. Scoggin** explained that if this legislation doesn't get enacted by 2018 there is no state oversight plan in place than any residential transaction that involves a federal related agency, those types of transaction cannot be appraised by an outside appraiser and lenders would be extremely limited on who could provide appraisals.

Tim Sullivan, Government affairs Chairman for the Southern Idaho Chapter Appraisal Institute, encourages the passage of **S 1318**. Idaho has been licensing appraisers since 1991. The Bureau of Occupational Licensing and the Real Estate Appraisal Board over sees that program. The boards the primary objective of appraisal licensing is for the protection of the public. standards are set for appraisers to follow. Appraisal management companies administer the appraisal process for their clients which are usually banks. Often these companies are not licensed in the State of Idaho. The legislation before you would register these companies with state of Idaho. Similar to appraisal licensing, the Bureau of Occupational Licensing and the Real Estate Appraisal Board will over see that these appraisal companies would meet a certain level of standards.

Mike Brassey, Idaho Financial Services Association, strongly encourages the committee to pass this legislation.

Trent Wright, Idaho Banker Association- states this legislation is vital for what we need to go forward, and encouraged the committee to send to the floor with a do pass recommendation.

In response to committee questions, Mr. Wright explained that it would be unlikely for all community banks to come together and create their own independent appraising board. This legislation would only imply to the mortgage process for which it is a federally backed mortgage, such as a veteran affairs loan. .These standards would apply to banks but not credit unions.

Scott Calvin, Commercial Real Estate Appraiser, testified in support of S 1318. He stated the folks that drafted this legislation have done a great job allowing the Real Estate Appraisal Board to give input and edits. This legislation is something the board is comfortable with the administration of and believe all issues have been addressed and resolved.

In response to committee questions, Mr. Calvin explained that this legislation is only for administration of the appraisal process by the lender on primary residential mortgages in federally regulate transactions. It adds an independence piece in the bidding and review process. This legislation does not reduce the number of appraisers in the state. There will be an increase in fees to public but it will be minimal. An appraiser is usually chosen based on quickest return time an lowest bid. Government backed loans have higher requirements because they get spot audited to ensure compliance.

MOTION: Rep. Romrell made a motion to send S 1318 to thew floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Rudolph will sponsor

the bill on the floor.

S 1288: **Ken Edmunds**, Director of the Department of Labor, presented **S 1288**. This

legislation will strengthen the Workforce Development Fund and broaden applications around the state. The fund is used as a training fund, and is important especially due to shortage of the workforce gap Idaho will soon encounter that for about every two jobs there will only be one person to fill those positions. The workforce training group provides important guidance for the fund. They oversee the expansion of the this fund for example they oversaw the expansion of the industry sector grants and micro grants. The fund is evolved but with that it has created needs for changes like when the grant fund was set up any unobligated funds over 6 million dollars would go into their reserve fund and could not be transferred back. This has caused some problems by restricting funds that can be used for other grants, and losing that money to general reserve fund, because it cannot be retuned into the training fund. This legislation strikes that 6 million dollar cap from the bill. This legislation would changed the word perpetual to annual. It is also asking for re training activities is addition to initial training activities to be included. The last thing would be to have the repealed date change to the year 2022 which would prevent them from having to come back every 2 years asking for re approval.

In response to committee questions, **Mr. Edmunds** explained that they try to coordinate all training activities with the Professional Technical Education. but sometimes they do not use technical education groups, so it's a matter of coordination.

MOTION: Rep. Nielson made a motion to send S1288 to floor with DO PASS recommendation. Rep. Nielson will sponsor bill on floor.

ADJOURN:	adjourned at 3:33 P.M.	come before the committee, the meeting was
Representative H	lartgen	Chelsea Cantrell
Chair		Secretary

AGENDA

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

1:30 P.M. or Upon Adjournment Room EW05 Wednesday, March 09, 2016

SUBJECT	DESCRIPTION	PRESENTER
S 1346	State employee health plans, admin	Senator Steven Thayn

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Hartgen Rep Nielsen

Vice Chairman Anderson Rep Packer

Rep Harris Rep Redman

Rep Holtzclaw Rep King

Rep Romrell Rep Chew

Rep Chaney Rep Rudolph

Rep Horman

COMMITTEE SECRETARY

Chelsea Cantrell Room: EW06 Phone: 332-1149

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, March 09, 2016 **TIME:** 1:30 PM or Upon Adjournment

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw,

Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

ABSENT/ Repersenative Horman

EXCUSED:

GUESTS: Russ Hendricks, Farm Bureau; Dan Goicoeche, SCO; Lance Clow

Chairman Hartgen called the meeting to order at 1:31 P.M.

MOTION: Rep. Redman made a motion to approve the minute from the meeting on February

29, 2016. Motion carried by voice vote.

S 1346: Senator Thayn presented S 1346. The reason for this legislation is due to

heath care costs rapidly increasing over the last few years. This is causing the inability to provide employees higher wages. This legislation would give options to employees when it comes to their insurance needs. This legislation will not save the state money but may lower insurance cost increases over a period of time. This legislation will amend Section 67-5761B and require the State Department of Administration to offer a funded health saving account that has a high deductible health plan that is HSA qualified. There would be a funded portion because the deductible is higher. The premiums that would usually pay on a lower deductible plan would now be deposited into the employees health saving account. The fiscal impact for this legislation would be a onetime set up cost of \$64,000 for the payroll modification. This HSA plan would be optional for employees. The state Indiana started a program similar to this in 2006 and at first only 4% of employees signed up but by the end of 2014 96% of employees signed up. Benefits from having an HSA for an employer includes that employees look at these funds as their own money which it is but it changes the way they spend it. Studies show that employees on a HSA plan had fewer hospital admissions, use generic instead of name brand drugs, have more out patient procedures, have less emergency room visits, and use a primary care physician more. Employees become educated on the actual price of health care costs and start accessing the health care system as a responsible consumer.

In response to committee questions, **Sen. Thayn** explained that the funds are able to rollover, the employee will not lose their funds. He doesn't believe that offering this plan will not deteriorate the quality of benefits offered by the state. An employee does not have to give up their current state plan, and this legislation does not effect current offerings. If an employee chooses to be on the HSA plan, they cannot be on full coverage plan as well, it is one or the other. Consumers cannot use HSA's for premiums. The State of Idaho is estimated to contribute between \$1500 and \$2000 dollars in each state employees account each year. This legislation is not intended to reduce state costs. Preventative care is still covered in HSA plans. The implementation date would July 1, 2017 which would allow plenty of time to install this legislation. The idea for the savings account is for it to pay a large portion of that high-deductible plan.

Michael Berry, President and CEO of American Health Value. American Health Value is a national health savings account administration company. Mr. Berry explained that this legislation will provide state employees more savings choices and control over their health care expenses while reducing health care costs. HSA's are the fastest growing options in today's markets place. Indiana estimated it saved 20 million dollars in 2010 because of HSA's, slowed down medical costs. HSA's make employees health insurance more cost effective.

In response to committee questions Mr. Berry stated there are fees through HSA companies. He also explained that as a state employee when you do go to the doctor you still would pay a negotiate price not retail because the plan is still a qualified health plan and all those prices are negotiated. Dependents can stay on a HSA plan ads long as they are considered a dependent. The money put into the HSA is tax deferred. HSA's are very flexible and allows the consumer to change the amount they would like to put in throughout the year. HSA's will cover dental, vision, hearing, any medical costs. The money is all paid into the account with tax deferred money. The exact amount the employer will deposit into each employees account will be determined by the Dept. of Administration. The contribution amount paid by the employer can change each year. The HSA plan will be virtually identical to the employees current PPO plan but the deductible level they have to meet would be different. If you chose a higher deductible plan the amount the state deems appropriate is deposited into your HSA account. There would be investment option for employees to put their money into to grow their funds, but this would be up to each employee and may depend on how much you use your funds and how fast you need to access to your funds. Most investment plane are set up on self directed basis, but for people that want to do investments themselves they can get advice if they need it. Investments are always subject to risk, and it is up to the individual to make that decision if they want to do that. In the event of the death of an account holder, the money will go to beneficiary. HSA accounts are individually owned and even after employment ends that HSA is that individuals.

In response to committee questions, **Senator Thayn** stated we currently do not have a HSA available to employees. This legislation is following IRS rules. States that have high deductible health plans that follows certain criteria can have an HSA that is coupled with that high deductible plan but the IRS does not require employers to pay out money into the HSA's but the State of Idaho is suggesting we do put money into each employees HSA. State employees do not have to choose the HSA option they can stay with current PPO plan.

Russ Hendricks, Idaho Farm Bureau Federation, is testifying in support of this legislation that permits or assist in permitting individual HSA's. The Idaho Farm Bureau Federation has a policy to support HSA's. This is legislation is a great opportunity for choice for employees and is passed will hopefully lead to broader offering of HSA's across the state.

Rep. Clow testified in support of **S 1346**. HSA's give flexibility to employees and save employer funds. The insurance is virtually identical just a matter of meeting the deductible. It also can be deducted at a certain age for retirement income. The funds come in pre tax and pre payroll tax. Rep. Clow encouraged the committee to give this legislation a do pass recommendation.

Dan Goicoeche, Chief Deputy for the State Controller Brandon Wolf, explained the current cost estimates are one years old, but he does believe that if this legislation passes these cost will be close to or the actual cost it would take to implement this plan.

MOTION:

Rep Packer moved to send S 1346 to the floor with a DO PASS recommendation. **Motion carried by voice vote. Rep. King** would like to be recorded as voting **NAY. Rep. Clow** will sponsor the bill on the floor.

ADJOURN:	There being no further business to adjourned at 2:52 P.M.	come before the committee, the meeting was
	I	
Representative	 Hartgen	 Chelsea Cantrell
Chair		Secretary

AMENDED AGENDA #1 HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE 1:30 P.M.

Room EW05 Monday, March 21, 2016

SUBJECT	DESCRIPTION	PRESENTER
	Minutes Approval	Chairman Hartgen
HCR 56	Insurance and compensation study	Rep. Anderson
RS24795	Empl group insurance, compensation	Rep. Anderson

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Hartgen	Rep Nielsen	Chelsea Cantrell
Vice Chairman Anderson	Rep Packer	Room: EW06
Rep Harris	Rep Redman	Phone: 332-1149
Rep Holtzclaw	Rep King	email: hcom@house.idaho.gov
Rep Romrell	Rep Chew	
Rep Chaney	Rep Rudolph	

Rep Horman

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

Monday, March 21, 2016

DATE:

TIME:	1:30 P.M.		
PLACE:	Room EW05		
MEMBERS:	Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph		
ABSENT/ EXCUSED:	Representative(s) Harris, Holtzclaw, Nielson		
GUESTS:	Jennifer Pike, OGI		
	Chairman Hartgen called the meeting to order	at 4:04 P.M.	
MOTION:	Rep. Redman made a motion to approve the man 1, 2016. Motion carried by voice vote.	ninutes from the meeting on March	
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MOTION:	ep. Redman made a motion to approve the minutes from the meeting on March 2016. Motion carried by voice vote.		
MOTION:	Rep. Redman made a motion to approve the minutes from the meeting on March , 2016. Motion carried by voice vote.		
HCR 56:	p. Anderson presented HCR 56 . This legislation has a problem with the guage. In line 20 on page 1, and line 1 on page 2 it refers to patient provider ich is incorrect it should refer to the patient protection, he requested that the mmittee hold this legislation in committee.		
MOTION:	Rep. Romrell made a motion to HOLDHCR 56 in committee. Motion carried by voice vote.		
RS 24795:	Rep. Anderson presented RS 24795 . This proposed legislation is a concurrent resolution that authorizes the establishment of an interim committee through the year of 2016 to study employee compensation in monetary compensation and benefits, primarily health care benefits.		
	Rep. King made a motion to introduce RS 247 directly to the Second Reading Calendar. Motion Anderson will sponsor the bill on the floor.		
	Chairman Hartgen thanked Committee Page, It this session, he also thanked the Secretary, Cheexpressed his appreciation to Vice Chairman Amembers for their support of him as Chairman.	elsea Cantrell. Chairman Hartgen	
ADJOURN:	There being no further business to come before adjourned at 4:17 P.M.	e the committee, the meeting	
Representative Ha	artgen	Chelsea Cantrell	
Chair	-	Secretary	