

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
5:00 PM or Upon Adjournment of Plenary Ethics Forum
Room EW05
Wednesday, January 11, 2017

SUBJECT	DESCRIPTION	PRESENTER
	Organizational Meeting	

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep Redman

Rep Scott

Rep Kingsley

Rep Moon

Rep Syme

Rep King

Rep Chew

COMMITTEE SECRETARY

Erica McGinnis

Room: EW06

Phone: 332-1149

email: hcom@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, January 11, 2017
TIME: 5:00 PM or Upon Adjournment of Plenary Ethics Forum
PLACE: Room EW05
MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Scott, Kingsley, Moon, Syme, King, Chew
**ABSENT/
EXCUSED:** Representative Chew
GUESTS: None

Chairman Hartgen called the meeting to order at 4:15 pm.

Chairman Hartgen welcomed the Committee and had members and the secretary introduce themselves.

Chairman Hartgen mentioned that the Committee works on a hodgepodge of issues and with diverse departments, including Labor, Commerce, PERSI, unemployment issues, the Industrial Commission and international trade. The Committee will hold a number of scheduled presentations from these agencies to receive any relevant updates.

Chairman Hartgen then announced the Committee will begin reviewing Administrative Rules on Tuesday 17 January. Due to the limited number of rules this year, the Committee will not split into Subcommittees for the review.

Vice Chairman Anderson discussed the Committee for Employee Compensation and reviewed future meeting dates.

Chairman Hartgen asked for two representatives to proofread the meeting minutes. **Reps. King and Horman** were selected.

Chairman Hartgen introduced the page, Bridger LaBau. He will be working for the Committee during the first half of the session.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:35 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AMENDED AGENDA #1
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, January 17, 2017

SUBJECT	DESCRIPTION	PRESENTER
	Rules Review Overview	Dennis Stevenson, Administrative Rules Coordinator, Department of Administration
<u>28-0207-1601</u>	Rules Governing the Administration of the IGEM Grant Program	Megan Ronk, Director, Department of Commerce
<u>09-0135-1601</u>	Unemployment Insurance Tax Administration Rules	Larry Ingram, Bureau Chief, Department of Labor

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

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep. Redman

Rep Kingsley

Rep Moon

Rep Syme

Rep King

Rep Chew

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, January 17, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, King, Chew

**ABSENT/
EXCUSED:** Rep. Horman

GUESTS: Larry Ingram, Department of Labor; Matt Borud, Carmen Achabal and Megan Ronk, Department of Commerce; Soren Dorius, John Eaton and Max Pond, Realtors; Dennis Stevenson and Brad Hunt, Department of Administration

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

MOTION: **Rep. King** made a motion to approve the minutes of the January 11, 2017, meeting. **Motion carried by voice vote.**

Chairman Hartgen discussed **HJR 5** with the Committee and noted that it enshrines the Legislative Rules Review process in the Idaho Constitution.

Dennis Stevenson, Administrative Rules Coordinator, Department of Administration, provided the Committee with an overview of the Rules Review process. In response to Committee questions, Mr. Stevenson clarified how to find the Administrative Bulletin online and discussed what the Department does to raise public awareness of agency rules and provide opportunities for public comment.

DOCKET NO. 28-0207-1601: **Megan Ronk**, Director, Department of Commerce, presented **Docket No. 28-0207-1601**. This rule clarifies the Department of Commerce will issue RFPs, defines "industry partner" and "commercialization revenue", clarifies the matching requirement must be met by the industry partners and clarifies the process for termination of grant funding. She explained these changes are due to both partner feedback from the universities and the growth and maturing of the program, which is now in its fifth year.

In response to Committee questions, **Megan Ronk** and **Carmen Achabal**, IGEM Program Manager, said \$4.3 million from the state's General Fund has been invested in the program, with \$0 in returns to date. As the new businesses grow or the new product begins to sell, the Department anticipates a return on state investment as the grants are repaid. The process by which the IGEM Council evaluates proposals was explained, as well as the terms of the contracts between the Department, universities and industry partners. Program safeguards to ensure the funds are spent appropriately and new technology developed benefits to the Idaho economy, were also discussed.

MOTION: **Rep. Harris** made a motion to approve **Docket No. 28-0207-1601**. **Motion carried by voice vote.**

DOCKET NO. 09-0135-1601: **Larry Ingram**, Bureau Chief, Department of Labor, presented **Docket No. 09-0135-1601**. This rule adds partnership payments to a partner and from a sole proprietor to themselves as exclusions to wages.

In response to questions from the Committee, **Larry Ingram** clarified such payments are already classified as incorrect, the rule change is meant to be a method to educate new business owners and prevent them from making this reporting mistake.

MOTION: Rep. Packer made a motion to approve **Docket No. 09-0135-1601. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:35 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AMENDED AGENDA #1
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, January 19, 2017

SUBJECT	DESCRIPTION	PRESENTER
<u>09-0130-1601</u>	Unemployment Insurance Benefits Administration Rules	Joshua McKenna, Bureau Chief, Department of Labor
<u>15-0401-1601</u>	Rules of the Division of Human Resources and Idaho Personnel Commission	Shelli Boggie, Senior HR Specialist, 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

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

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Rep Syme

Rep King

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 19, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, King, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Shelli Boggie, Kim Toryanski, Susan Buxton and Joe Webber, Division of Human Resources; Josh McKenna, Department of Labor; Paul Spannknebel, Department of Health and Welfare

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

MOTION: **Rep. King** made a motion to approve the minutes of the January 17, 2017, meeting. **Motion carried by voice vote.**

**DOCKET NO.
09-0130-1601:** **Joshua McKenna**, Benefits Bureau Chief, Department of Labor, presented **Docket No. 09-0130-1601**. These changes are meant to bring the rule language more in line with current operations by removing most references to "local offices" and replacing them with "Boise Office" or "Boise Claims Office" since most unemployment operations happen in Boise. He explained this move toward centralization has been driven by reduced funding from the U.S. Department of Labor. The Boise call center has protected claimants from longer processing times due to fewer personnel and has increased the volume of unemployment claims processed and employee productivity by working from a central location.

In response to multiple Committee questions, **Mr. McKenna** explained this will not result in decreased accessibility for people living outside of Boise, because they can file claims online or over the telephone. The intent in changing the language was not to discourage people from filing online at their local offices, because that option remains available, but to clarify they could file online anywhere they had an internet connection, not exclusively at a local office.

In response to further Committee questions, **Mr. McKenna** emphasized there are no plans to close local offices. Nine local offices still do unemployment work, but because unemployment claims are handled online or over the telephone, the associated staff positions have naturally shifted away from local offices. No one has been fired or forced to move to Boise, rather, as attrition among unemployment claims staff has occurred, these positions have either not been replaced or replaced by an employee in Boise. Those wishing to file a claim over the telephone may call their local office, but will likely be routed to Boise because that's where the bulk of the employees are located. The published unemployment claims number is for the Boise call center, but because of the nine remaining offices, the call may be routed to a different office. All employees handling unemployment claims do the same work, but a small number are physically located in a different place. The rule changes are to get in line with the direction the Department is moving and with where most of the employees operate from.

**ORIGINAL
MOTION:** **Rep. Harris** made a motion to approve **Docket No. 09-0130-1601**.

SUBSTITUTE MOTION: **Rep. Syme** made a substitute motion to approve **Docket No. 09-0130-1601**, with the exception of **Rule 425.11.b**. In response to Committee questions, Rep. Syme indicated he did not want to strike every instance of "Boise Claims Office" replacing "local office", only this particular instance because it refers specifically to filing claims via telephone, not online. **Substitute motion carried by voice vote.**

DOCKET NO. 15-0401-1601: **Shelli Boggie**, Senior Human Resources Specialist, Division of Human Resources, presented **Docket No. 15-0401-1601**. These rule changes give clarification or update language to meet current practices. The changes define "seasonal", remove references to non-online applications and exams and clarify practices regarding employees with probation status.

Chairman Hartgen turned the gavel over to **Vice Chairman Anderson**.

MOTION: **Rep. Redman** made a motion to approve **Docket No. 15-0401-1601**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:02 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, January 23, 2017

DOCKET	DESCRIPTION	PRESENTER
59-0201-1601	Judges' Retirement Fund	Don Drum, Executive Director, PERSI
59-0201-1602	Judges' Retirement Fund	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.

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep Redman

Rep Kingsley

Rep Moon

Rep Syme

Rep King

Rep Chew

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, January 23, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman (Reed), Packer, Redman, Kingsley, Moon, Syme, King, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Mike Hampton and Don Drum, PERSI; Barry Wood and Andrea Patterson, Idaho Courts

Chairman Hartgen called the meeting to order at 1:29 pm.

MOTION: **Rep. King** made a motion to approve the minutes of the January 19, 2017, meeting. **Motion carried by voice vote.**

DOCKET NO. 59-0201-1601: **Don Drum**, Executive Director, Public Employee Retirement System of Idaho (PERSI), presented **Docket No. 59-0201-1601**. This rule increases employer and employee contribution rates to the Judges' Retirement Fund (JRF) to lower the amortization period to 25 years or less, as required by Idaho Code.

In response to Committee questions, **Don Drum** stated a 7% net market return is required to break even and explained there is the option to reduce contribution rates, but the amortization rate is based off the latest actuarial valuation and therefore is not immediately reflective of market performance. PERSI has only been administering the JRF since 2014 and has never reduced contribution rates.

In response to Committee questions, **Andrea Patterson**, Human Resources Director, Idaho Courts, explained COLA provisions for the JRF and stated court fees offset employer contributions, thus significantly decreasing the net employer contribution percentage.

MOTION: **Rep. King** made a motion to approve **Docket No. 59-0201-1601**. **Motion carried by voice vote. Reps. Harris and Moon** requested they be recorded as voting **NAY**.

DOCKET NO. 59-0201-1602: **Don Drum** also presented **Docket No. 59-0201-1602**. This rule brings state law into compliance with the Internal Revenue Code, which limits an individual who is participating in two or more defined benefit plans from withdrawing more than \$210,000 total, per year.

MOTION: **Rep. Harris** made a motion to approve **Docket No. 59-0201-1602**. **Motion carried by voice vote.**

Jessica Epley, State Relations Executive, National Council on Compensation Insurance, presented information on Workers Compensation Insurance.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:15 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AMENDED AGENDA #1
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, January 25, 2017

SUBJECT	DESCRIPTION	PRESENTER
<u>RS24843</u>	Technical Changes: WIA to WIOA	Georgia Smith, Communications and Research, Department of Labor

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

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep Redman

Rep Kingsley

Rep Moon

Rep Syme

Rep King

Rep Chew

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, January 25, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman (Reed), Packer, Redman, Kingsley, Moon, Syme, King, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Georgia Smith and Roy Valdez, Department of Labor
Chairman Hartgen called the meeting to order at 1:29 pm.

MOTION: **Rep. King** made a motion to approve the minutes of the January 23, 2017, meeting. **Motion carried by voice vote.**

RS 24843: **Georgia Smith**, Deputy Director, Communications and Research, Department of Labor, presented **RS 24843**, proposed legislation that will change technical references in Idaho Code from the Workforce Investment Act (WIA) to the Workforce Innovation and Opportunity Act (WIOA). These Code references authorize the implementation of several workforce programs funded by the US Department of Labor and operated by the Idaho Department of Labor. Other significant changes between the WIA and WIOA include: alignment of US Departments of Education and Labor workforce programs; and a requirement for a single, statewide plan with standardized performance measures between the state agencies charged with carrying out these programs, which include Idaho Division of Career and Technical Education, Idaho Division of Vocational Rehabilitation and Idaho Commission for the Blind and Visually Impaired.

In response to Committee questions, **Georgia Smith** and **Roy Valdez**, Deputy Director, Department of Labor, promised to bring the relevant statistics on federal funding and measurable results for the program before the Committee at the bill hearing.

MOTION: **Vice Chairman Anderson** made a motion to introduce **RS 24843**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 1:39 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, January 31, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS24826	Unlicensed engineering and land surveying	Keith Simila, Executive Director, Board of Professional Engineers and Land Surveyors
RS24916	Personnel system, IDHW physicians	Lisa Hettinger, Deputy Director, Medicaid, Behavioral Health and Managed Care Services, Department of Health and Welfare

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

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep Redman

Rep Kingsley

Rep Moon

Rep Syme

Rep King

Rep Chew

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, January 31, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, King, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Monica Young, Jennifer Hannah, Elke Shaw-Tulloch, Paul Spannknebel and Lisa Hettinger, Department of Health and Welfare

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

MOTION: **Rep. King** made a motion to approve the minutes of the January 25, 2017, meeting. **Motion carried by voice vote.**

RS 24826: **Keith Simila**, Executive Director, Board of Professional Engineers and Land Surveyors, presented **RS 24826**, proposed legislation that clarifies that unlicensed practice of engineering or land surveying is a violation of Idaho statute.

In response to Committee questions, **Keith Simila** explained the Board's attorney recommended the specific language that was used and cited several projects erroneously done by unlicensed individuals to illustrate the need for this clarification.

MOTION: **Vice Chairman Anderson** made a motion to introduce **RS 24826**. **Motion carried by voice vote.**

RS 24916: **Lisa Hettinger**, Deputy Director, Department of Health and Welfare, presented **RS 24916**, which would allow the Department to address physician recruitment and retention challenges by designating physicians employed by the Department as non-classified employees, with the potential to be paid closer to market rate. Physician job classifications have already received multiple pay line exceptions, but Ms. Hettinger stated the existing schedule remains insufficient.

In response to Committee questions, **Ms. Hettinger** and **Vice Chairman Anderson**, who sits on JFAC, explained the question before the Committee was whether or not to change the classification of these physician positions, not whether to approve a specific amount of money. If the Committee approved the classification change, JFAC would then be able to make specific monetary recommendations.

MOTION: **Rep. King** made a motion to introduce **RS 24916**. **Motion carried by voice vote.** **Rep. Moon** requested she be recorded as voting **NAY**.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 1:49 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, February 01, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25069	Concurrent Resolution for Labor Department rule rejection	Rep. Syme
H 63	Technical Changes: WIA to WIOA	Georgia Smith, Deputy Director, Department of Labor

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

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep. Redman

Rep Scott

Rep Kingsley

Rep Moon

Rep Syme

Rep King

Rep Chew

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, February 01, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew

**ABSENT/
EXCUSED:** Rep. Chew

GUESTS: Laurel McMahan, Roy Valdez, Darlene Carnopis, Ken Edmunds, Josh McKenna, Michael Johnson and Georgia Smith, Idaho Department of Labor

Chairman Hartgen called the meeting to order at 1:33 pm.

RS 25069: **Rep. Syme** presented **RS 25069**, a Concurrent Resolution to reject a portion of the Department of Labor rule, Docket No. 09-0130-1601.

Chairman Hartgen recognized the presence of **Ken Edmunds**, Director, Department of Labor and noted Director Edmunds had concerns about **RS 25069**. Chairman Hartgen encouraged the Committee to return the RS to the sponsor while any issues were worked out.

MOTION: **Rep. Holtzclaw** made a motion to return **RS 25069** to the sponsor. **Motion carried by voice vote.**

H 63: **Georgia Smith**, Deputy Director of Communication and Research, Department of Labor, presented **H 63**. This bill authorizes changes in Idaho Code to update references from the Workforce Investment Act (WIA) to the Workforce Innovation and Opportunity Act (WIOA). During the print hearing the Committee asked Ms. Smith to return with some hard data on the programs authorized by WIOA. Ms. Smith introduced **Laurel McMahan**, Workforce Programs Administrative Manager, to provide the Committee with these numbers.

Laurel McMahan presented on the services provided via WIOA. She noted the program has experienced a 10-15% funding decrease each year, due to the improving economy and a decreasing need for unemployment services. The Department of Labor tracks statistics for adults, dislocated workers and youth. The majority of individuals who exited the WIOA program entered directly into employment.

MOTION: **Rep. Redman** made a motion to send **H 63** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Redman** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:55 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, February 07, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25069	Department of Labor, rule rejection	Rep. Syme
H 84	Unlicensed engineers and surveyors	Jim Szatkowski, Deputy Director, Board of Professional Engineers and Land Surveyors
H 85	Personnel system, IDHW physicians	Lisa Hettinger, Department of Health and Welfare
	Department of Commerce presentation	Megan Ronk, Director

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 07, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Jim Szatkowski, IPELS; Wesley W. Hoyt; Lisa Hettinger, Jennifer Hannah, Monica Young and Michelle Peugh, Department of Health and Welfare; Mark Lunders; Michael Johnson and Josh McKenna, Department of Labor; Dennis Stevenson, Rules Coordinator

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

MOTION: **Rep. King** made motions to approve the minutes of the January 31, 2017 and February 1, 2017, meetings. **Motions carried by voice vote.**

Chairman Hartgen reviewed **Joint Rule 18** with the Committee.

RS 25069: **Rep. Syme** presented **RS 25069**, a Concurrent Resolution to reject a portion of the Department of Labor rule, **Docket No. 09-0130-1601**. He noted the Department of Labor has developed language for a temporary rule to address Committee concerns and introduced **Ken Edmunds**, Director, Department of Labor, to discuss the temporary rule.

Director Edmunds stated that even though the language change in the rejected rule was minor, it had significant implications. The temporary rule will change all references to the "Boise Claims Office" to "Central Claims Office."

In response to Committee questions, **Director Edmunds** confirmed each "Boise Claims Office" reference in **Docket No. 09-0130-1601** will be changed, not only the instance in the rejected rule subsection. He noted Boise is where the unemployment claims center is located and local offices do not process unemployment claims, however the Department wants to make it clear that claimants can always call their local office first, even though the claimant will then be transferred to the Boise Claims Office.

MOTION: **Rep. Packer** made a motion to introduce **RS 25069**.

**SUBSTITUTE
MOTION:** **Rep. Redman** made a substitute motion to introduce **RS 25069** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by voice vote.** **Rep. Syme** will sponsor the bill on the floor.

H 84: **Jim Szatkowski**, Deputy Director, Board of Professional Engineers and Land Surveyors, presented **H 84**, which makes clear that claiming to be, or practicing as, a professional engineer or land surveyor is a violation of Idaho Code. The bill copies the language in the definition section and places it into the enforcement section.

In response to Committee questions, **Chairman Hartgen** stated any legislative action taken by the Committee or the House this session would not affect a current lawsuit relating to the IPELS Board. He reminded Committee members to focus their questions on the substance of **H 84** and not on concerns about the Board generally.

In response to Committee questions, **Mr. Szatkowski** explained Professional Engineers and Land Surveyors are not recognized nationally, so to call yourself a PE or Land Surveyor in Idaho, you must be licensed in Idaho. To bid on work it is standard to note which states you are licensed in, therefore to go after work an individual would have to represent themselves as licensed, the misrepresentation of such is what the bill aims to address.

Wesley Hoyt, an attorney from the Grangeville area, testified **in opposition to H 84**. Mr. Hoyt expressed concern the language of the bill was too broad because the definition of "practice" in Idaho includes those who consult or testify, so attorneys or others who bring in out of state professionals, who may not be licensed in Idaho, to offer an expert opinion, may be in violation of the law by employing an unlicensed practitioner. He felt this was important because the Board often fined licensed engineers or surveyors who criticized others or the Board, making it difficult to find someone willing to speak candidly in an expert testimony or other matter.

Mr. Szatkowski was invited to respond to these concerns. He stated the intent of the legislation was to clarify the illegality of offering engineering or surveying services without being licensed in Idaho. He stated if there was a problem it was unintentional and the Board would be happy to review the language and ensure those who come to consult or testify would not be in violation of Idaho Code.

Mark Lunders testified via phone **in opposition to H 84**. He expressed concern that if passed, the bill would make it impossible to hire an out-of-state expert on original government or Bureau of Land Management land surveys, unless the expert was licensed in Idaho. He stated the Board regularly persecutes people for indiscriminate criticism, so people are unwilling to speak candidly to discuss the Board's actions.

In response to Committee concerns about the accessibility of out-of-state experts who are licensed in Idaho, **Mr. Szatkowski** estimated that of approximately 10,000 Idaho-licensed engineers, only 4,000 live in Idaho, with similar percentages for surveyors.

MOTION: **Vice Chairman Anderson** made a motion to **HOLD H 84** in committee, pending the discretion of the chair. **Motion carried by voice vote.**

H 85: **Lisa Hettinger**, Deputy Director, Department of Health and Welfare, presented **H 85**, which would allow the Department to address recruitment and retention challenges by designating physicians employed by the Department as non-classified employees, with the potential to be paid closer to market rate. Physician job classifications have already received multiple pay line exceptions, but Ms. Hettinger stated the existing schedule remains insufficient and when Department physicians are not available, they must rely on locums, who are more expensive and may not be familiar with hospital procedures.

In response to Committee questions, **Ms. Hettinger** stated Department physicians are up to pay grade V, which is the highest classification.

MOTION: **Rep. King** made a motion to send **H 85** to the floor with a **DO PASS** recommendation.

In response to Committee questions, **Ms. Hettinger** asserted physicians offer a very specialized set of services and there were many reasons switching them to non-classified status made sense. She noted Health and Welfare is the only department to employ physicians directly and while they also employ other medical positions, they have not found a need to move those positions to non-classified status. She introduced **Monica Young** to answer specific questions about physician recruitment and retention.

Monica Young, Human Resources Manager, Department of Health and Welfare, stated the Department has eight physician positions, with two currently vacant. The Department has incurred 12 physician vacancies since 2010, demonstrating the high turnover rate.

In response to Committee questions, **Ms. Hettinger** said the Department is looking to increase physician salaries from \$88-92/hour to \$105/hour and medical director salaries from \$96-97/hour to \$120/hour and a budget request has been made to JFAC that would help them get to those rates.

VOTE ON MOTION:

Chairman Hartgen called for a vote on the motion to send **H 85** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Harris, Packer, Kingsley, Moon and Scott** requested to be recorded as voting **NAY**.

Megan Ronk, Director, Department of Commerce, presented on several programs the Department has a statutory responsibility to report on to the Committee. She discussed the Tax Reimbursement Incentive, Idaho Opportunity Fund, 2% lodging tax, the "Visit Idaho" tourism team and the Department's international program, which helps small and medium-sized companies establish export opportunities.

ADJOURN:

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

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, February 09, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25091	State Procurement, Higher Education	Rep. Crane
RS25089	Procurement/Cooperative Purchasing Agreements	Rep. Vander Woude
RS25115	Keep IDaho Safe (KIDS) Act	Rep. Packer
RS25124C1	PERSI "employer" definition	Rep. Harris
	PERSI presentation	Don Drum, Director

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

Erica McGinnis
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 09, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew

**ABSENT/
EXCUSED:** Vice Chairman Anderson

GUESTS: Don Drum, Alex Simpson, and Kelly Cross, PERSI; Andrea Patterson, Supreme Court; Cheryl George, Deputy AG for PERSI; Valerie Bollinger and Sarah Hilderbrand, DOP; Luke Kilcup, Lobby Idaho

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

RS 25091: **Rep. Crane** presented **RS 25091**, proposed legislation meant to clarify language regarding state institutions of higher education and their purchase of property. The new language makes clear a state university can purchase off of the state contract, provided the cost of the item itself is equal or less than it would be on the state contract.

MOTION: **Rep. Harris** made a motion to introduce **RS 25091**. **Motion carried by voice vote.**

RS 25089: **Rep. Vander Woude** presented **RS 25089**, proposed legislation to enable individual state agencies to participate in both cooperative purchasing agreements with other public agencies and contracts made by other Idaho public agencies, provided any shared contract must have followed the competitive bidding process, as outlined in state law.

MOTION: **Rep. Horman** made a motion to introduce **RS 25089**. **Motion carried by voice vote.**

RS 25115: **Rep. Packer** presented **RS 25115**, proposed legislation to establish the KIDS List, a voluntary tool for parents to keep their kids safe from unsolicited emails, texts and instant messages. There would be no cost to the state.

MOTION: **Rep. Horman** made a motion to introduce **RS 25115**. **Motion carried by voice vote.**

RS 25124C1: **Rep. Harris** presented **RS 25124C1**, proposed legislation to limit the definition of an "employer" in PERSI to a statutorily created unit of government. This definition would apply to any new employers wishing to join PERSI in the future.

MOTION: **Rep. Redman** made a motion to introduce **RS 25124C1**. **Motion carried by voice vote.**

Don Drum, Director, Public Employee Retirement System of Idaho, presented to the Committee regarding PERSI, focusing on four issues: roles, rules, laws and reviews; sustainability; cost; and risk. He emphasized the role of the legislature as the plan's sponsor and the group capable of making any changes they wished or deemed necessary. He noted the proposed rate increases set to go into effect July 1, 2018 and explained what the current status of 88% funded means and how it relates to the yearly market returns.

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

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, February 13, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25088	Procurement: multiple awards	Rep. Anderson
RS25090	Procurement: void contracts	Rep. Anderson
RS25111	CR for Procurement Committee	Rep. Anderson
RS25275	Unlicensed engineering and surveying	Keith Simila, Idaho Board of Professional Engineers and Professional Land Surveyors
RS24844C1	Statutory Authority for Background Checks	Georgia Smith, Department of Labor
	Department of Labor presentation	Ken Edmunds, Director

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Monday, February 13, 2017
- TIME:** 1:30 P.M.
- PLACE:** Room EW05
- MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew
- ABSENT/
EXCUSED:** Rep. Harris
- GUESTS:** Georgia Smith, Michael Kalm, Elizabeth Knox and Larry Ingram, Department of Labor; Roger Seiber, Capitol West
- Chairman Hartgen** called the meeting to order at 1:31 pm.
- MOTION:** **Rep. Horman** made a motion to approve the minutes of the February 7, 2017, meeting. **Motion carried by voice vote.**
- RS 25088:** **Vice Chairman Anderson** presented **RS 25088**, proposed legislation from the 2016 State Procurement Laws Interim Committee that addresses multiple awards, when the Division of Purchasing wants to buy items from multiple vendors.
- MOTION:** **Rep. Redman** made a motion to introduce **RS 25088**. **Motion carried by voice vote.**
- RS 25090:** **Vice Chairman Anderson** presented **RS 25090**, proposed legislation to handle void state contracts and how vendors who acted in good faith should be treated.
- In response to Committee questions, **Vice Chairman Anderson** noted all three RSs he was presenting were unanimously passed by the State Procurement Laws Interim Committee and all committee members are listed as co-sponsors.
- MOTION:** **Rep. Horman** made a motion to introduce **RS 25090**. **Motion carried by voice vote.**
- RS 25111:** **Vice Chairman Anderson** presented **RS 25111**, a Concurrent Resolution to appoint another State Procurement Laws Interim Committee to continue studying issues such as: information technology procurement, administrative and judicial review of procurement challenges and appeals, and the applicability of the State Procurement Act to certain persons and entities.
- MOTION:** **Rep. Packer** made a motion to introduce **RS 25111**. **Motion carried by voice vote.**
- RS 25275:** **Keith Simila**, Executive Director, Board of Professional Engineers and Land Surveyors, presented **RS 25275**, proposed legislation that clarifies that unlicensed practice of engineering or land surveying is a violation of Idaho statute. This new RS addresses concerns raised during the hearing for **H 84**, by specifically exempting individuals who are involved in providing expert testimony from violating the statute.
- MOTION:** **Rep. Moon** made a motion to introduce **RS 25275**. **Motion carried by voice vote.**

RS 24844C1: **Georgia Smith**, Deputy Director of Communications and Research, Department of Labor, presented **RS 24844C1**, proposed legislation which would give the Department statutory authority to perform FBI fingerprint-based background checks on employees, prospective contractors, subcontractors, interns, volunteers and applicants for employment. The FBI requires state agencies to have the statutory authority to conduct these checks on employees with access to Federal Tax Information (FTI) and gave agencies a deadline of fall 2017. The fiscal impact, which includes equipment and background checks on the 26 existing employees with access to FTI, is \$10,910.

In response to Committee questions, **Ms. Smith** stated the benefits of the Department having its own machine to use include the machine's direct, secure connection to the FBI, and the time and cost saved by being able to perform checks without sending employees or applicants to the State Police. Ms. Smith anticipates as the demand for data security grows, the federal government will require additional employees to undergo background checks beyond the 26 of whom it is currently required.

MOTION: **Vice Chairman Anderson** made a motion to introduce **RS 24844C1**. **Motion carried by voice vote.** **Rep. Moon** requested to be recorded as voting **NAY**.

Ken Edmunds, Director, Department of Labor, presented to the Committee on the current challenges facing Idaho's workforce and the status of Department programs. Mr. Edmunds laid out the four main challenges as: shortage of skilled workforce, with a projected worker gap of 49,000 by 2024; college and career readiness; increased industry expectations for training and the increasing use of technology. He noted the Department of Labor is funded through grants that come almost exclusively from the federal government and the Department is currently emphasizing workforce development. There is an Unemployment Insurance Tax Relief Bill before the legislature this session which would provide \$115 million in savings over three years by adjusting the risk multiplier.

In response to Committee questions, **Mr. Edmunds** elaborated on additional Department programs including Apprenticeship Idaho, Rural Micro Grants and discussed the Workforce Development Task Force, which was appointed by the Governor and will deliver recommendations by July 1, 2017.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:36 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, February 15, 2017

<u>SUBJECT</u>	<u>DESCRIPTION</u>	<u>PRESENTER</u>
H 142	Procurement: Higher Education	Rep. Crane
H 143	Procurement: Cooperative Purchasing Agreements	Rep. Vander Woude
H 166	Procurement: Void Contracts	Rep. Anderson
HCR 6	Procurement Study Committee	Rep. Anderson
H 144	Keep IDaho Safe (KIDS) Act	Rep. Packer
H 145	PERSI "employer" definition	Rep. Harris

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

Erica McGinnis
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, February 15, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew (Reifers)

**ABSENT/
EXCUSED:** None

GUESTS: Maria Lorcher, Idaho PTA; Don Drum and Mike Hampton, PERSI; Cheryl George, Attorney General's Office; Nick Veldhouse and Laura Lantz, Idaho Association of Highway Districts; Kent Kunz, Idaho State University; Russell Westerberg, Cigar Association of America; Valerie Bollinger and Sarah Hilderbrand, DOP; Jason Kreizenbeck, Lobby Idaho, LLC/AT&T; Senator Lori Den Hartog; Kate Haas, Kestrel West; Skip Smyser, Altria Client Services

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

MOTION: **Rep. King** made a motion to approve the minutes of the February 9, 2017, meeting. **Motion carried by voice vote.**

H 142: **Rep. Crane** presented **H 142**, which changes the term "expense" to "cost" to clarify when state institutions of higher education are procuring property, it is the basic cost of an item that should be compared between the state open contract and a local vendor.

MOTION: **Rep. Harris** made a motion to send **H 142** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Crane** will sponsor the bill on the floor.

H 143: **Rep. Vander Woude** presented **H 143**, which would allow state agencies to join in cooperative purchasing agreements with other agencies, instead of only purchasing items on the state contract.

MOTION: **Rep. Holtzclaw** made a motion to send **H 143** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Vander Woude** will sponsor the bill on the floor.

Chairman Hartgen presented a gift to the Committee's page, **Bridger LaBau**, and thanked him for his service.

H 166: **Vice Chairman Anderson** presented **H 166**, a proposed new statute to provide flexibility for different circumstances when a state contract is voided.

In response to Committee questions, **Vice Chairman Anderson** deferred to **Elizabeth Bowen**, a bill drafter in the Legislative Services Office. Ms. Bowen explained the proposed legislation came out of the State Procurement Laws Interim Committee's opinion that the current statute treats all instances of illegal contracts as if they're all in bad faith, instead of allowing for contingencies when vendors did act in good faith. **H 166** addresses different scenarios, including emergency situations and the repayment of vendors who acted in good faith and already delivered goods or services before the contract was voided.

In response to Committee questions, **Ms. Bowen** clarified repayment to vendors who acted in good faith is not discretionary on the part of the state and the statute will treat the contract as valid up until the point of termination.

- MOTION:** **Rep. Redman** made a motion to send **H 166** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderson** will sponsor the bill on the floor.
- HCR 6:** **Vice Chairman Anderson** presented **HCR 6**, which reauthorizes the State Procurement Laws Interim Committee for another year. The expense of doing so will be paid out of the preexisting Legislative Accounts for the House and Senate.
- MOTION:** **Rep. Packer** made a motion to send **HCR 6** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderson** will sponsor the bill on the floor.
- H 144:** **Rep. Packer** presented **H 144**, the Keep Idaho Safe Act which would create the KIDS List, a voluntary, do-not-contact registry for children. Parents and other adults register the child's contact points and marketers are then blocked from sending messages promoting age-restricted materials and services. She stated the registry would not cost any money and the two states that already have one have generated a small amount of revenue. She noted an RFP is required and addressed concern about violations by intermediaries like a phone company, by noting the bill clearly states a person does not violate the proposed code chapter by being an intermediary between transmitter and receiver. Finally she addressed security and privacy concerns and stated if a person were to inadvertently gain access to the list, the information would be encrypted in a hash and not identifiable.
- Maria Lorcher**, Vice President of Advocacy for the Idaho PTA, testified **in support** of **H 144**. The Idaho PTA sees this as an issue of digital safety for Idaho kids and feels now is the time to put filters in place to protect kids from adult content, as technology use continues to increase in schools.
- Jason Kreizenbeck**, Lobby Idaho, LLC, testified **in opposition** to **H 144** on behalf of his client, AT&T. He expressed support for the goal of the bill to protect kids from inappropriate online communications, but expressed concern the bill would actually increase risks for children by creating a single database with their verified contact information. He also stated email providers already provide customizable filters to prevent unwanted communication.
- In response to Committee questions, **Mr. Kreizenbeck** also expressed concern regarding the cost of the bill, stating the way the company will maintain records is to charge a fee for each age inappropriate email sent to minors, so all compliant companies would have a cost.
- Kate Haas**, Kestrel West, testified **in support** of **H 144** on behalf of her client, Unspam Technologies, one of the companies that could run the proposed program. She gave an overview of the encryption process for the contact points that parents register and noted spam filters offer insufficient protection because kids can still easily access the emails they contain. Ms. Haas also noted the legislation requires an annual security audit by an independent third party.
- In response to Committee questions on the technical aspects of the legislation, **Ms. Haas** deferred to **Eric Langheinrich**, CEO of Unspam Industries. He explained his company looks to build off the lessons of the national phone do-not-call movement and apply them online. His company ensures a double-blind process where marketers checking their contact lists only compare encrypted information to the encrypted information the company stores and the company never stores the contact point information in their system.

In response to Committee questions regarding costs, **Ms. Haas** explained the fee required in the legislation as a user fee, not to exceed two cents. It is the cost to the marketer when they scrub the contact lists against the KIDS List and is scalable based on the number of people the marketer wishes to contact. She described it in simple terms as passing a law to require companies to scrub their lists before they market illegal-to-children products in Idaho and noted these products are defined in Code as being illegal for minors to purchase, such as alcohol and tobacco. She asserted the state would not be liable because it is not involved in creating the registry, parents input their children's information directly and it is the responsibility of marketers to check against the list. The legislation does provide a 30 day grace period when first enacted to give marketers time to scrub their lists.

MOTION:

Rep. Moon made a motion to **HOLD H 144** in committee at the call of the chair.

In response to the Committee's request, **Chairman Hartgen** tabled the motion until the final testifier was heard.

Skip Smyser, Lobby Idaho, LLC, testified **in opposition** to **H 144** on behalf of his client, Altria Client Services. He argued the opt-in provision of the bill, which allows the adult who controls the contact point to consent to receiving marketing, was not sufficiently flexible to be a meaningful option for adult consumers by requiring face-to-face age verification. He expressed his preference that the KIDS Act should be crafted with input from all stakeholders and measures should be taken to ensure the tobacco industry, along with other legitimate businesses, are not punished by being asked to finance this system when they are already trying to comply with the law. He expressed concern that by not designating an agency to control this new registry and leaving the decision to the Governor, it was an unlawful delegation of legislative authority.

Skip Smyser, representing himself as a restaurant owner, testified **in opposition** to **H 144**. He expressed concern at the mention of restaurants in the legislation and stated it would be a burden for him to have to scrub his email list every 30 days, even though his primary purpose is not to market to kids.

Rep. Packer was recognized to close testimony on **H 144**. She noted similar programs have been run in two other states for more than ten years, with none of the problems raised in testimony. There has been no cost to those states and the program has been a revenue generator. She stated other stakeholders were spoken with and she worked with these organizations to protect retailers and restaurants from any ill effects of the proposed law. She noted restaurants are mentioned in the legislation specifically to exclude them and owners would not be required to scrub their email lists if their communications have nothing to do with promoting age inappropriate products. She emphasized the primary purpose of the legislation is to protect Idaho children in a voluntary fashion that won't cost the state any money. Rep. Packer asked that rather than voting on **Rep. Moon's** motion to hold **H 144** in committee at the call of the chair, it be held until time certain.

SUBSTITUTE MOTION:

Rep. Horman made a substitute motion to **HOLD H 144** for time certain, February 21, 2017. **Motion carried by voice vote.**

H 145:

Rep. Harris presented **H 145**, which defines "employer" for purposes of admittance into PERSI as a "unit of government." This will prohibit any non-government employers from being added in the future.

In response to Committee questions, **Rep. Harris** listed several of the non-government employers currently participating in PERSI and argued it is inappropriate to spend time, resources and effort supporting non-public employees in a defined benefit plan meant for public employees.

MOTION: **Rep. Redman** made a motion to send **H 145** to the floor with a **DO PASS** recommendation.

Don Drum, Director, PERSI, testified as a neutral party to provide additional information to the Committee. The PERSI fund is a governmental plan, meant for governmental employees. The IRS restricts who qualifies as a government employee. In prior decades the IRS was more relaxed in its definition of a government employee, but is currently trying to clarify this issue via proposed rules, which have not yet been adopted. The delay has been due to concern over how to handle current plan participants who would no longer qualify as government employees under the proposed rules. Mr. Drum stated **Rep. Harris** is addressing the same issue as the IRS, but **H 145** bypasses the issue of current participants.

In response to Committee questions, **Mr. Drum** noted any new participants in PERSI must have 60 months of service for their benefits to vest and he currently receives applications from 7-15 employers per year wanting to join the PERSI fund.

VOTE ON MOTION: **Motion carried by voice vote. Reps. King and Chew(Reifers)** requested to be recorded as voting **NAY. Rep. Harris** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:38 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, February 21, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 164	Statutory Authority for Background Checks	Georgia Smith, Department of Labor
H 167	Procurement: Multiple Awards	Rep. Anderson
H 144	Keep Idaho Safe (KIDS) Act: Call of time certain 2/21/17	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

Chairman Hartgen
Vice Chairman Anderson
Rep Harris
Rep Holtzclaw
Rep Horman
Rep Packer
Rep Redman

Rep Kingsley(Lohman)
Rep Moon
Rep Syme
Rep Scott
Rep King
Rep Chew(Gill)

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 21, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley (Lohman), Moon, Syme, Scott, King, Chew (Gill)

**ABSENT/
EXCUSED:** None

GUESTS: Georgia Smith, Elizabeth Knox and Michael Kalm, Department of Labor; Dawn Peck, Idaho State Police; Roger Batt, Idaho Grape and Wine Producers; Jennifer Pike, Department of Administration; Valerie Bollinger and Sarah Hilderbrand, Division of Purchasing; Jeremy Chou, Givens Pursley; Colby Cameron, Sullivan and Reberger/MPAA

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

Chairman Hartgen welcomed substitute **Reps. Gill** and **Lohman**. Chairman Hartgen also introduced the page, **Rebecca Arreola**. She will be working for the Committee during the second half of the session.

MOTION: **Rep. King** made a motion to approve the minutes of the February 13, 2017 meeting. **Motion carried by voice vote.**

H 164: **Georgia Smith**, Deputy Director for Communications and Research, Records Custodian, Department of Labor, presented **H 164**, which creates a new Code section and gives the Department statutory authority to conduct FBI fingerprint-based background checks. The US Department of Labor requires the Idaho Department of Labor to use IRS databases to collect the Treasury Offset Program to collect overpayments due to claimant fraud or misreported earnings. The IRS has restricted data access to those who have had a background check, because as part of their job, they will have access to the social security numbers of Idaho workers and other sensitive information. The Human Resources Department within the Department of Labor will have the authority to conduct the checks. Ms. Smith addressed previously raised questions regarding why the Department needs its own machine to perform the background checks. She stated it will be more secure, will result in a quicker turnaround and will provide cost savings since employees will not need to travel to the Idaho State Police to be checked. The machine is being paid for by a US Department of Labor Integrity Grant, which has already been procured. The Department plans to start the background checks with the 26 existing employees with access to federal tax information, as required by the FBI by September 30, 2017. Other Department employees have already been background checked; they may need to be recertified in the future and as the importance of data security increases, Ms. Smith expects the number of employees who need to be checked to grow.

In response to Committee questions, **Ms. Smith** stated if an employee failed their background check, the Department would, if allowable, look for another position for that person. She explained only employees in the Central Office and Unemployment Claims Center, which are both located in Boise, have access to federal tax data and need to be background checked; employees in other parts of the state would not need to travel to Boise to be checked. If the Department did not have its own machine, Ms. Smith said their estimate of the cost to background check all employees, including new hires over a 10-year span, ranged from \$6,000-67,000. She also explained employees who have been background checked need to be recertified every 3-5 years, including being fingerprinted again because fingerprints can change due to skin damage.

Dawn Peck, Manager of the Idaho State Police Bureau of Criminal Identification, testified **in support** of **H 164** and in response to Committee questions, provided technical expertise about the background check process. She noted ISP encourages agencies to share the full background check record with applicants. She stated ISP has one fingerprint machine, the Department of Health and Welfare has seven or eight machines around the state and the Department of Education also fingerprints employees on paper and ISP converts those into a digital format. She confirmed non-criminal history background checks are only based on fingerprints and do not include any other biometric data.

In response to further Committee questions, **Ms. Smith** explained the legislation does not address the purchase of the fingerprinting machine, it only gives the statutory authority to conduct the checks. The Fiscal Note lists the cost of the machine, but it has already been paid for by a federal Integrity Grant. Without the statutory authority to conduct FBI fingerprint-based background checks, the Department would lose access to federal tax information data without background checks on the pertinent employees.

In response to Committee questions, **Ms. Peck** clarified ISP cannot process any background checks without this statutory authority from the Legislature.

ORIGINAL MOTION:

Rep. Packer expressed her concern the Department be able to access the data they need to fulfill their statutory duties in a responsible manner and made a motion to send **H 164** to the floor with a **DO PASS** recommendation.

Reps. Redman and **Syme** expressed similar feelings and stated they were **in support** of the motion. **Rep. Holtzclaw** expressed his concern about the breadth of the legislation, but stated he too would support the motion.

SUBSTITUTE MOTION:

Rep. Scott made a substitute motion to **HOLD H 164** in committee, in the hope the language could be changed and narrowed.

VOTE ON SUBSTITUTE MOTION:

Chairman Hartgen stated he was in doubt regarding the voice vote on the substitute motion and asked for a roll call vote.

ROLL CALL VOTE:

Substitute motion failed by a vote of 4 AYE and 9 NAY. Voting in favor of the substitute motion: **Reps. Harris, Scott, Kingsley(Lohman) and Moon. Voting in opposition** to the substitute motion: **Vice Chairman Anderson, Reps. Holtzclaw, Horman, Packer, Redman, Syme, King, Chew(Gill) and Chairman Hartgen.**

SUBSTITUTE MOTION:

Rep. Holtzclaw made a substitute motion to send **H 164** to General Orders.

Chairman Hartgen noted this would open the entire bill to modification or change, not only the concerning language in line 20.

Ms. Smith was called upon to answer a question from the committee regarding that language. She explained prospective contractors, subcontractors, interns and volunteers were all included intentionally and each category had been considered carefully. AmeriCorps volunteers, who work at the Idaho Department of Labor, are nationally required to have fingerprint-based background checks. Department interns undergo data security training and background checks because they have access to personally identifiable data (PID). Contractors are often software engineers because it is difficult to hire them full time and they too have access to PID.

**MOTION
WITHDRAWN:**

Rep. Holtzclaw withdrew his substitute motion to send **H 164** to General Orders.

**VOTE ON
ORIGINAL
MOTION:**

Chairman Hartgen called for a vote on the original motion to send **H 164** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Harris, Scott, Kingsley(Lohman) and Moon** requested they be recorded as voting **NAY. Rep. Redman** will sponsor the bill on the floor.

H 167:

Vice Chairman Anderson presented **H 167**, which came from the State Procurement Laws Interim Committee and addresses multiple awards. He introduced **Elizabeth Bowen** to review the legislation in detail.

Elizabeth Bowen, Bill Drafter, Legislative Services Office, stated the changes to the statute were of three types: clarify/simplify language that was confusing or outdated, address concerns brought by the Division of Purchasing and incorporate changes the Committee agreed on. The requirement that property be "the same or similar" was struck out of line 10 at the request of the DOP because there has been confusion about what constitutes similar property. The legislation explicitly states multiple awards contracts may be awarded on a regional basis and the administrator must always submit a written justification for why a multiple award is necessary.

In response to Committee questions, **Ms. Bowen** stated the language "best interest of the state" was added in line 21 at the request of the Interim Committee to make clear that just because a circumstance is not specifically listed in the legislation, does not mean a multiple award cannot be made. She explained the other procurement statutes apply to awarding a single contract, whereas this statute is comparing a situation that would justify a multiple award with normal circumstances, hence some of the language referencing "more effectively" or "some other manner." Ms. Bowen stated it was the will of the Interim Committee to make it easier for DOP to procure property and protect the vendor community and the state by more clearly spelling out situations where a multiple award could be made.

Jeremy Chou, Attorney at Givens Pursley and lobbyist for Syringa Networks, testified **in opposition** to **H 167**. He gave an overview of the IEN/Syringa lawsuit and listed three reasons Syringa Networks is opposed to the legislation. First, there are concerns with the language in line 21 stating multiple awards can be made if they "in some other manner serve the best interest of the state." Mr. Chou stated that particular language gives an extraordinary amount of discretion to the state to bypass the standard procurement laws. Secondly, he noted "other factors" in line 15 as being too broad. Thirdly, he expressed his opposition to the removal of the "same or similar" language which removes the premise of competition that underlies the bidding process for procurement.

In response to Committee questions, **Mr. Chou** stated he had been working with the Department of Administration on mutually acceptable language and they had come to an agreement. He was told by the DOA that either the language in the legislation or the language that had been worked on was acceptable.

Sarah Hilderbrand, Administrator of the Division of Purchasing, testified in support of **H 167**. She noted when she looks to the Multiple Awards statute, she is looking for a law that makes sense, is fair to the vendor community, is practical and is easy for vendors or the public to read and understand. She emphasized the Division's issue with "similar" and stated it is unclear what that language means and that makes it difficult to apply the statute. It is the DOP's responsibility to clearly identify what criteria vendors will be evaluated on, whether by line item, by regional location, or by another factor. The Multiple Awards statute tells the state not to accept more bidders than it needs and Ms. Hilderbrand stated it is her responsibility to examine the justification for why more than one bidder is required to provide certain goods or services. She noted there are only a handful of multiple awards requests a year out of thousands of contracts awarded.

In response to Committee questions, **Ms. Hilderbrand** expressed her opinion that the requirements for "same or similar" property are in other areas of Code and IDAPA and are covered in detail by the specifications, the standards or requirements for property to be procured, as explicitly stated in the solicitation document. The DOP is required to list the specifications and property is considered "same or similar" based on what has been written into the solicitation. She stated both the bill language and the language worked on with **Mr. Chou** was satisfactory and it was the Legislature's policy decision about what they would like to see in Code. She also noted protections for vendors relate to how the specifications are written, so they know what is needed and how they will be evaluated. The Division encourages vendor use of the question and answer period and the appeals process. She stated the Division has already written specifications and done evaluations before deciding if a multiple award is warranted.

Elizabeth Bowen was called upon to explain the choice of language. She explained the "best interest of the state" was added because of the Interim Committee's concerns that the bill language, especially in subsection 4, would prevent regional contracts from being awarded when it made the most sense. She stated a bill drafter is always concerned something they wrote will be declared unconstitutional because they could not think of all the circumstances where something might apply, so the language was meant to prevent that misunderstanding.

Vice Chairman Anderson was recognized to close testimony on **H 167**. He emphasized the Interim Committee made their recommendations after hearing testimony and noted there are checks on multiple awards in place: the written justification that is required and the Legislature's review of all multiple awards. He said the "same and similar" language was removed so it did not become a point of contention in the future and noted the opinion of the Attorney General's Office that the bill will advance the interests of the state and reduce ambiguity.

MOTION: **Rep. Redman** made a motion to send **H 167** to the floor with a **DO PASS** recommendation.

VOTE ON MOTION: **Chairman Hartgen** stated he was in doubt regarding the voice vote on the motion and asked for a roll call vote.

ROLL CALL VOTE: **Motion failed by a vote of 5 AYE and 7 NAY, 1 Absent/Excused. Voting in favor of the motion: Vice Chairman Anderson, Reps. Redman, Syme, King and Chairman Hartgen. Voting in opposition to the motion: Reps. Harris, Holtzclaw, Horman, Packer, Scott, Kingsley(Lohman) and Moon. Rep. Chew(Gill) was absent/excused.**

H 144: **Chairman Hartgen** returned **H 144** to the committee for consideration, which was held for time certain from the meeting of Wednesday, February 15, 2017.

MOTION: **Rep. Packer** made a motion to **HOLD H 144** in committee at the call of the chair. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:42 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Wednesday, March 01, 2017

SUBJECT	DESCRIPTION	PRESENTER
S 1055	Personnel, bonuses, legal remedies	Susan Buxton, Division of Human Resources
RS25423	Statutory Authority for Background Checks	Ken Edmunds, Director, Department of Labor
	Department of Commerce International Team Presentations:	
	Asia Office	Eddie Yen
	China Office	Tara Qu
	Mexico Office	Fabiola McClellan

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

Erica McGinnis
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, March 01, 2017

TIME: 1:30 PM or Upon Adjournment

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Susan Buxton and Sharon Duncan, Division of Human Resources; Dawn Peck, Idaho State Police; Larry Ingram, Michael Kalm and Ken Edmunds, Idaho Department of Labor; Tom Shaner, Cynthia Adrian and Doreen Warren, ISTC; Miguel Legarreta, Associated Taxpayers of ID; Laura Johnson, Idaho Department of Agriculture

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

MOTION: **Rep. Horman** made a motion to approve the minutes of the February 15, 2017, meeting. **Motion carried by voice vote.**

MOTION: **Rep. King** made a motion to approve the minutes of the February 21, 2017, meeting. **Motion carried by voice vote.**

S 1055: **Susan Buxton**, Administrator, Division of Human Resources, presented **S 1055**, which amends Idaho Code to clarify ambiguity in the implementation, authorization and enforcement of recruitment and retention bonuses. The use of these bonuses was suspended in early 2016 due to ambiguity in the Code authorizing them. Through clarifications, this amendment aims to improve the utilization of bonuses as a recruitment and retention tool for state employees. After at least six months of achieving department standards, a bonus can be awarded by a department director. The legislation addresses the means to enforce the terms of the award of the bonus, in the event an employee leaves prior to the completion of the recruitment or retention time frame and authorizes department directors or the Division of Human Resources to seek repayment of bonuses from accrued vacation funds or other lawful remedies. The use of bonuses, as well as their recoupment when necessary, will be utilized within existing agency budgets.

In response to Committee questions, **Ms. Buxton** stated bonuses are most commonly used by agencies in an attempt to retain essential subject matter experts. The ability to recover bonuses has been in statute since 2006, but due to questions regarding the authority of such recoupments, it was suspended until DHR could reaffirm the intent of the Legislature to allow use of this tool to recover funds. She noted the Division will bring rule language next session to set forth requirements for such agreements, along with a required template.

MOTION: **Rep. Harris** made a motion to send **S 1055** to the floor with a **DO PASS** recommendation.

In response to additional Committee questions, **Ms. Buxton** acknowledged the purpose of the legislation is to clarify and enhance the authority given by the Legislature to take action to recover bonuses. The confusion about this authority on the part of state agencies primarily regarded recoupment, not the authority to offer bonuses. She also noted recruitment bonuses are limited in amount and smaller than those for retention, but those amounts are identified elsewhere in statute and not up for amendment in the current legislation.

VOTE ON MOTION:

Chairman Hartgen called for a vote on the motion to send **S 1055** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Harris** will sponsor the bill on the floor.

RS 25423:

Ken Edmunds, Director, Department of Labor, presented **RS 25423**, which is a rewrite and tightening of **H 164**, which failed to pass the House of Representatives. The proposed legislation came out of a need for the Idaho Department of Labor to have access to federal tax information (FTI); to retain access, employees must subject to a FBI fingerprint-based background check. At times other department programs require employees to be background checked, but because the Committee felt that was too broad, that language was removed and the proposed legislation only addresses the 26 current employees with access to FTI. Other changes in the proposed legislation include the removal of some immunity language and the decision not to buy a fingerprint machine; the Department will wait until the Tax Commission has determined how many of their employees will need to undergo a background check, before potentially purchasing a machine. For now, Department of Labor employees will be sent to the Idaho State Police for their background check.

In response to Committee questions, **Mr. Edmunds** stated if the IDOL could not access FTI, the state would lose several million dollars per year in unpaid, unrecovered unemployment taxes. He estimated the Tax Commission will have more than 400 employees with access to FTI that will need to be background checked; legislation to buy a fingerprint machine to handle the increased need may be introduced next session.

MOTION:

Rep. Anderson made a motion to introduce **RS 25423**.

In response to additional Committee questions, **Mr. Edmunds** explained the scope of the original legislation was broader because the Department wanted to avoid asking the Legislature for authorization every time a new group of employees, no matter how small, needed to be checked. He noted the proposed legislation meets the current minimum requirements to preserve access to FTI. He acknowledged FBI fingerprint-based background checks can only be done with statutory authority and without the provided access to FTI, there would not be a way for the department to prevent unemployment fraud.

SUBSTITUTE MOTION:

Rep. Packer made a substitute motion to introduce **RS 25423** and recommend it be sent directly to the Second Reading Calendar, in acknowledgment of the good faith changes made by the department.

Reps. Holtzclaw and **Scott** stated they were **in support** of the substitute motion, because the proposed legislation had addressed their concerns with the original bill.

VOTE ON SUBSTITUTE MOTION:

Chairman Hartgen called for a vote on the substitute motion to introduce **RS 25423** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by voice vote. Rep. Anderson** will sponsor the bill on the floor.

Megan Ronk, Director, Department of Commerce, introduced Idaho's three international trade office managers: **Eddie Yen**, Asia Office; **Tara Qu**, China Office and **Fabiola McClellan**, Mexico Office. Director Ronk explained the state has invested in international trade for decades and the international trade offices are jointly managed by the Department of Commerce and State Department of Agriculture. She also stated over 80% of Idaho's international exports come from small-medium businesses.

Eddie Yen, Manager, Asia Trade Office, presented to the Committee. He noted Taiwan, where his office is located, is Idaho's third largest export market and accounts for 13% of total exports. He also discussed trade in Southeast Asia and gave an overview of his office's activities in the entire region, including trade shows attended.

Tara Qu, Manager, China Trade Office, gave an overview of the Chinese market and the leading industry opportunities. She noted China is the United States' second largest trading partner and Idaho's fourth largest export market. Overall Idaho exports to China grew by 10.6% from 2015 to 2016.

Fabiola McClellan, Manager, Mexico Trade Office, gave an export market overview. Mexico is Idaho's biggest agricultural export market and sixth largest overall.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 2:57 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Tuesday, March 07, 2017

SUBJECT	DESCRIPTION	PRESENTER
<u>SCR 104</u>	Department of Administration - medical diversion program	Sen. Thayn
<u>S 1046</u>	Health Savings Accounts for state employees	Sen. Thayn
<u>S 1061</u>	Personnel and elected officials overtime	Susan Buxton, 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

Chairman Hartgen	Rep Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 07, 2017
TIME: 1:30 PM or Upon Adjournment
PLACE: Room EW05
MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew
**ABSENT/
EXCUSED:** None
GUESTS: Susan Buxton and Michelle Peugh, Division of Human Resources; Blake Youde, State Board of Education

Chairman Hartgen called the meeting to order at 1:57 pm.

SCR 104: **Sen. Thayn** presented **SCR 104**, which directs the Department of Administration to implement a health transparency tool to help state employees save money on their health insurance. The Department may either have price, quality and availability information for procedures on the state insurance carrier's website, or implement a medical diversion program, which allows a third-party vendor to contact employees when they need medical imaging or surgery and would provide lower cost options found in different medical facilities. The Interim State Employee Group Insurance and Benefits Committee, which will meet in the fall, will give the Department direction on which option to choose and the deadline for the Department to implement a tool is July 1, 2018.

In response to Committee questions, **Sen. Thayn** explained the costs in the Fiscal Note. The \$100,000 cost for the website tool came from the Department of Administration; the \$1.8 million cost for a medical diversion program came from the per employee cost charged by the company that runs a similar program in Oklahoma, but based on the correct employee numbers for Idaho. He confirmed the Department is free to choose either option and the funding is already in place via the State Health Insurance Fund, but the chosen cost will not be in the current year's budget.

MOTION: **Rep. Packer** made a motion to send **SCR 104** to the floor with a **DO PASS** recommendation.

In answer to further Committee questions, **Sen. Thayn** explained why he chose a concurrent resolution format that directs the Department of Administration, rather than the Interim Committee. He asserted a transparency tool is needed and will be topic of discussion for the Committee. Their job will be to determine which tool is best and the Department will follow their recommendation accordingly.

Jennifer Pike, Administrator, State Office of Group Insurance and **Keith Reynolds**, Deputy Director, Department of Administration, were asked to answer questions regarding how the state would save money by using a transparency tool. They testified the state is fully insured using a hybrid model, meaning the state effectively pays claims directly. If state employees began seeking out lower cost facilities for medical imaging and surgery, the state would immediately see savings via the lower claim amounts.

Vice Chairman Anderson spoke in **opposition** to the motion; he felt the legislation preempts the work of the Interim Committee and restricts what they can choose to do regarding health care issues in the state.

Reps. Scott and Redman spoke in support of the motion, expressing their opinion this is a step in the right direction toward transparency and medical cost savings.

**ROLL CALL
VOTE:**

Chairman Hartgen requested a roll call vote on the motion to send **SCR 104** to the floor with a **DO PASS** recommendation.

**SUBSTITUTE
MOTION:**

Rep. Scott made a substitute motion to send **SCR 104** to the floor with no recommendation.

**ROLL CALL
VOTE:**

Roll call vote was requested. **Substitute motion carried by a vote of 10 AYE, 2 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Chairman Hartgen, Vice Chairman Anderson, Reps. Holtzclaw, Horman, Packer, Redman, Scott, Kingsley, Moon and Syme. Voting in opposition** to the motion: **Reps. King and Chew. Rep. Harris was absent/excused. Rep. Syme** will sponsor the bill on the floor.

S 1046:

Sen. Thayn presented **S 1046**, which requires the state to offer state employees an optional Health Savings Account (HSA) paired with a high-deductible health plan. The state would be required to deposit a minimum of \$500 annually in each HSA and the cost would be \$68,000 for a one-time payroll system modification. The use of HSA's will be budget positive for the state because the \$500 contributions will come from money that would have gone to the insurance company for the deductible, with additional money left over for cost savings.

In response to Committee questions, **Jennifer Pike** explained the Department currently uses a third-party vendor to administer Flexible Spending Accounts and they could also administer HSA's. She said having the program administered by experts, rather than the Department, would reduce administrative costs.

MOTION:

Rep. Scott made a motion to send **S 1046** to the floor with a **DO PASS** recommendation.

Mr. Reynolds explained in years past the Department has studied the cost savings of switching to high-deductible, HSA eligible health plans and determined the state would save \$900 per individual that changed to a \$2000 deductible plan. He noted this left plenty of latitude for the state to deposit a minimum of \$500 in each account and testified, assuming this minimum payment, the legislation would be revenue positive.

In response to Committee comments that \$500 was an inadequate amount to incentivize people to change to HSA eligible plans, **Sen. Thayn** agreed, but noted he was unable to pass legislation last year that called for a higher amount to be deposited and stated his goal was to get the tool in place as a starting point.

**VOTE ON
MOTION:**

Chairman Hartgen stated he was in doubt regarding the voice vote on the motion and asked for a roll call vote.

**ROLL CALL
VOTE:**

Motion failed by a vote of 4 AYE, 7 NAY, 2 Absent/Excused. Voting in favor of the motion: **Chairman Hartgen, Reps. Redman, Scott and Kingsley. Voting in opposition** to the motion: **Vice Chairman Anderson, Reps. Holtzclaw, Horman, Packer, Moon, Syme and King. Reps. Harris and Chew were absent/excused.**

S 1061: **Susan Buxton**, Administrator, Division of Human Resources, presented **S 1061**, which amends Idaho Code to clarify the application of the state personnel system to certain classified and nonclassified positions under the auspices of the Department of Education. The bill was worked on jointly by the State Board of Education (SBE) and the Division of Human Resources. The legislation does not change overtime provisions for elected officials or any other state employees. It identifies the professional staff of all state educational institutions and agencies under the SBE's governance, including Idaho Public Television, as nonclassified employees. The legislation also changes the dividing point between classified and nonclassified employees from the middle of pay grade K (355 Hay points or more) to pay grade L (373 Hay points or more) to provide better delineation.

In response to Committee questions, **Ms. Buxton** restated the legislation does not affect any overtime provisions and clarified the difference between classified and exempt status. The decision about which employees are classified or nonclassified is a state decision and does not affect overtime eligibility. Exempt or non-exempt status is subject to the federal Fair Labor Standards Act and does determine overtime eligibility.

Tracie Bent, Chief Planning and Policy Officer, State Board of Education, was called upon to further clarify. She stated part of the reason for the cleanup of the language is this confusion and noted some state employees, regardless of their classified status, are still eligible for overtime. She stated the changes made by the legislation would ensure Idaho statute is not in conflict with the Fair Labor Standards Act.

MOTION: **Vice Chairman Anderson** made a motion to send **S 1061** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE: Roll call vote was requested. **Motion carried by a vote of 6 AYE, 5 NAY, 2 Absent/Excused. Voting in favor** of the motion: **Chairman Hartgen, Vice Chairman Anderson, Reps. Redman, Syme, King and Chew. Voting in opposition** to the motion: **Reps. Holtzclaw, Packer, Scott, Kingsley and Moon. Reps. Harris and Horman were absent/excused. Rep. Syme** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:57 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Thursday, March 09, 2017

SUBJECT	DESCRIPTION	PRESENTER
S 1039aa	DOL career info staff, classified	Georgia Smith, Department of Labor
S 1045	Idaho Global Entrepreneur Mission council	Megan Ronk, Director, Department of Commerce
S 1057	Employee comp, job evaluation/survey	Sen. Guthrie
S 1046	Reconsideration Of - Health Savings Accounts for state employees	Sen. 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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

Erica McGinnis
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Thursday, March 09, 2017
- TIME:** 1:30 PM or Upon Adjournment
- PLACE:** Room EW05
- MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew
- ABSENT/
EXCUSED:** Rep. Horman
- GUESTS:** Fred Birnbaum, Idaho Freedom Foundation; Georgia Smith and Geri Murray, Idaho Department of Labor; Dan Goicoechea, State Controller; Mark Estess, Eiguren Ellis
- Chairman Hartgen** called the meeting to order at 1:30 pm.
- MOTION:** **Rep. King** made a motion to approve the minutes of the March 1, 2017, meeting. **Motion carried by voice vote.**
- S 1039aa:** **Georgia Smith**, Deputy Director of Communications and Research Division, Department of Labor, presented **S 1039aa**, which amends Idaho Code to change the status of Idaho Career Information System (CIS) staff from nonclassified to classified. This change will allow the Department to recruit from within when these positions become available and increase the ability to recruit top-tier candidates who want a classified position. The Senate amendment allows current CIS employees to make a onetime election to remain nonclassified; if the position becomes classified then the employees will need to compete for their positions.
- In response to Committee questions, **Ms. Smith** and **Geri Murray**, Human Resources Officer, Department of Labor, explained the advantage of classified status is those positions fall under merit system provisions for examination, selection, promotion, dismissal, appeal, etc. Most positions in the Department are classified and there is not a need to modify the nonclassified statute to remove the CIS positions from that listing.
- MOTION:** **Rep. Redman** made a motion to send **S 1039aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Redman** will sponsor the bill on the floor.
- S 1045:** **Megan Ronk**, Director, Department of Commerce, presented **S 1045**, which codifies the ability of the Idaho Global Entrepreneurial Mission (IGEM) Council to establish subcommittees. There is currently a subcommittee of private sector experts which provides input on research projects. Their meetings will fall under the auspices of the open records act, but sometimes include confidential business information, so the formalization of the subcommittee would allow exemptions when necessary to protect trade secrets, pending patents, or other information from disclosure.
- In response to Committee questions, **Ms. Ronk** confirmed the legislation authorizes the Council to appoint multiple subcommittees; this language allows for flexibility in case a subcommittee is needed to handle a specific issue, perhaps only temporarily. The current subcommittee does not make any funding decisions and the membership is somewhat fluid, often due to members' time constraints, so there are no specific provisions on how it must be staffed. With this authorization, minutes will be kept and proper notice posted for subcommittee meetings.

MOTION: **Rep. Packer** made a motion to send **S 1045** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Harris, Scott and Moon** requested to be recorded as voting **NAY**. **Rep. Packer** will sponsor the bill on the floor.

S 1057: **Sen. Guthrie** presented **S 1057**, which requires the annual salary and benefits survey to show data specific to Idaho public and private sector employers as part of the market comparisons and amends Idaho Code to remove language specific to a provider for job evaluations. It also includes an emergency clause so these changes can be used next year. **Sen. Guthrie** has been working with **Susan Buxton**, Division of Human Resources, to resolve concerns over removing the "Hay profile method" language from statute and recommended **S 1057** be sent to General Orders to allow further adjustments to be made.

MOTION: **Vice Chaiman Anderson** made a motion to send **S 1057** to General Orders.

In response to Committee questions, **Sen. Guthrie** explained if a new job evaluation system was used, the state may have to change the entire employee evaluation model to accommodate that and expressed concern this may give department heads too much flexibility to experiment. He felt most strongly about incorporating Idaho data into the survey market comparisons and stated this may be cost neutral if the Division of Human Resources lessened the regional data they gather and focused more on Idaho-specific data.

Fred Birnbaum, Idaho Freedom Foundation, testified **in support** of **S 1057** as currently written. He expressed his opinion that removing mentions of "Hay" evaluations would pull brand names out of Idaho statute where they do not belong. He stated 45% of the data points in the market comparison survey came from very high cost Northwest areas, so it is very important to include data that is more applicable to Idaho so employee compensation decisions can be made more accurately.

Susan Buxton, Administrator, Division of Human Resources, testified **in support** of amending **S 1057**. She stated the Division has every intention of gathering more Idaho-specific data for the annual survey. She explained the "Hay profile" is a methodology, not a vendor and by preserving that language it will maintain the way the state sets up jobs. She noted various state agencies have expressed a desire to evaluate jobs differently than the Idaho Compensation Plan, if the language is changed, and could not say what fiscal impact that would have. There is a reference to Hay Management Consultants, a vendor, in the rules and the Division would like to have that removed.

In response to Committee questions, **Ms. Buxton** stated she was in full support of the motion to send **S 1057** to General Orders and believed she could quickly work with **Sen. Guthrie** to provide amendment language.

SUBSTITUTE MOTION: **Rep. Harris** made a substitute motion to send **S 1057** to the floor with a **DO PASS** recommendation. He expressed his support for either motion, but noted concern about the time it would take to amend the legislation and noted the legislation could be revisited next year if changes turn out to be needed.

Sen. Guthrie was recognized to close testimony on **S 1057**. He stated he did not think there was a big risk to leave the legislation as written, but was prompted to slow down the process of removing the "Hay" language by concerns raised about departments being too creative and flexible in job evaluations. He stated he was happy with either motion.

Rep. Packer spoke **in support** of the substitute motion and expressed her desire to move the "Hay" language from statute to rules.

Ms. Buxton spoke in **opposition** to the substitute motion. She noted the Division plans to present rule amendments next session and expressed concern about unintended consequences costing time and money between the end of the session and rule making by removing the "Hay" language.

Keith Reynolds, Deputy Director, Department of Administration, spoke in **support** of the substitute motion and expressed confidence in the Department's ability to move the "Hay profile" and "Hay points" language to rules via a temporary rule.

Rep. Redman spoke in **support** of the substitute motion and expressed confidence in **Ms. Buxton's** ability to prevent departments from exercising too much flexibility in job evaluations.

**VOTE ON
SUBSTITUTE
MOTION:**

Substitute motion carried by voice vote. Rep. Anderson requested to recorded as voting **NAY. Rep. Packer** will sponsor the bill on the floor.

MOTION:

Rep. Packer made a motion to reconsider **S 1046. Motion carried by voice vote. Reps. King** and **Chew** requested to be recorded as voting **NAY**.

S 1046:

Sen. Thayne presented **S 1046**, which would offer state employees the option to change to a high-deductible health plan paired with a Health Savings Account (HSA). The state must place \$500 per year into the HSA of each participating employee. This will save the state money because the employee will shoulder more of the cost for their total deductible and copay.

MOTION:

Rep. Scott made a motion to send **S 1046** to the floor with a **DO PASS** recommendation.

Rep. King spoke in **opposition** to the motion because of the cost to modify the payroll system and her opinion not very many state employees will participate.

Rep. Redman spoke in **support** of the motion and noted \$500 may not be an adequate incentive, but that can be worked on next year.

**VOTE ON
MOTION:**

Motion carried by voice vote. Rep. King and **Chew** requested to be recorded as voting **NAY. Rep. Clow** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 3:00 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, March 13, 2017

SUBJECT	DESCRIPTION	PRESENTER
	Group Insurance 101 presentation	Jennifer Pike, Group Insurance Administrator

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

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Horman

Rep Packer

Rep Redman

Rep Kingsley

Rep Moon

Rep Syme

Rep Scott

Rep King

Rep Chew

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, March 13, 2017

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew

**ABSENT/
EXCUSED:** Reps. Harris, Holtzclaw and Packer

GUESTS: None

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

MOTION: **Rep. King** made a motion to approve the minutes of the March 7, 2017 meeting.
Motion carried by voice vote.

Jennifer Pike, Administrator, Office of Group Insurance, presented on the state's group insurance component of total compensation. She discussed the plans administered by the Office, which are: Basic Life Insurance, Voluntary Term-Life, Short and Long-Term Disability, Flexible Spending Accounts, Active employee dental, and Active employee and retiree medical. Basic Life and Disability are automatic benefits included with employment, while the others are optional. The medical insurance is the largest dollar value program and covers nearly 47,000 people.

The health benefit plan is a fully-insured plan, so the state is removed from ultimate liability for claims and defending claim decisions. There is, however, a unique funding mechanism that reconciles the account with Blue Cross of Idaho at the end of each month and if there are excess funds, they are returned to the state. The state also maintains a contingency reserve. The projected medical and dental costs for fiscal year 2018 are \$350.8 million.

In response to Committee questions, **Ms. Pike** explained school districts are eligible to participate in the state's health benefit plan, but only a handful of districts have made inquiries and none have joined. She stated districts pay significantly more for their dependent premiums, but beyond that did not know how their current health coverage compared to that offered by the state. The Office has not worked on any legislation to encourage districts to join.

Chairman Hartgen announced the Committee will now meet subject to the call of the Chair.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:16 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
Upon Adjournment
Room EW05
Friday, March 17, 2017

SUBJECT	DESCRIPTION	PRESENTER
S 1076aa	Public employees, adverse actions	Sen. Lakey

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

Erica McGinnis
Room: EW08
Phone: 332-1149
email: hcom@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Friday, March 17, 2017

TIME: Upon Adjournment

PLACE: Room EW05

MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew

**ABSENT/
EXCUSED:** Reps. Holtzclaw and Syme

GUESTS: Teresa Baker, Idaho Association of Counties; Senator Todd Lakey
Chairman Hartgen called the meeting to order at 11:24 am.

MOTION: **Rep. King** made a motion to approve the minutes of the March 9, 2017, meeting.
Motion carried by voice vote.

MOTION: **Rep. King** made a motion to approve the minutes of the March 13, 2017, meeting.
Motion carried by voice vote.

S 1076aa: **Sen. Lakey** presented **S 1076aa**, which adds a good faith requirement in protections for employees who participate or give information in an investigation or other listed proceedings. It clarifies employees who act in good faith are protected from employer retaliation, whether they are reporting waste, violation of the law or participating in an investigation.

In response to Committee questions, **Sen. Lakey** clarified employees who act in good faith were already protected when reporting waste of public funds or violations of the law. The legislation adds the same protection to employees participating in court proceedings, investigations or other listed proceedings.

Teresa Baker, Idaho Association of Counties, testified in support of **S 1076aa**. She gave examples of when an employee would not be considered to have acted in good faith.

MOTION: **Rep. Scott** made a motion to send **S 1076aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. King** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 11:35 am.

Representative Hartgen
Chair

Erica McGinnis
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 PM or Upon Afternoon Adjournment
Room EW05
Tuesday, March 21, 2017

SUBJECT	DESCRIPTION	PRESENTER
	Approval of Minutes	

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 Kingsley
Vice Chairman Anderson	Rep Moon
Rep Harris	Rep Syme
Rep Holtzclaw	Rep Scott
Rep Horman	Rep King
Rep Packer	Rep Chew
Rep Redman	

COMMITTEE SECRETARY

Erica McGinnis
Room: EW08
Phone: 332-1149
email: hcom@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 21, 2017
TIME: 1:30 PM or Upon Afternoon Adjournment
PLACE: Room EW05
MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew
**ABSENT/
EXCUSED:** Vice Chairman Anderson, Reps. Packer and Redman
GUESTS: None
MOTION: **Chairman Hartgen** called the meeting to order at 2:09 pm.
Rep. Horman made a motion to approve the minutes of the March 17, 2017, meeting. **Motion carried by voice vote.**
Chairman Hartgen noted tomorrow on the floor he will ask for concurrence to the Senate amendments on **H 145aaS**. The bill originated in the Committee.
Chairman Hartgen thanked Committee Page, **Rebecca Arreola**, for her work this session. He also thanked the Secretary, **Erica McGinnis**.
ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:14 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary