

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 16, 2021

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Agenbroad, Riggs, and Burgoyne

ABSENT/ EXCUSED: Senator Ward-Engelking

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Patrick** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:36 p.m.

MINUTES APPROVAL: **Vice Chair Souza** moved to approve the Minutes of February 9, 2021. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

S 1051

Relating to the Personnel System - Division of Human Resources (DHR). **Senator Guthrie** noted each year the DHR compiles a report to show how the compensation for the State of Idaho employees compares to relevant markets. He stated the compensation package offered to employees is in part driven by using salary savings. **Senator Guthrie** reported this legislation will require the annual report to depict the amount of salary savings Idaho has each year and the final dispensation of that resource.

Senator Guthrie indicated the fiscal impact would be negligible or non-existent because this legislation would only require reporting of data that the various departments already have. He said the data will be centralized and clearer to decision-makers.

Senator Guthrie referred to an article from the Office of Performance Evaluations (Attachment 1) and pointed out the average estimated salary savings for fiscal years 2006-2014 was 10.5 percent of the total personnel appropriation. He noted for fiscal year 2014, agencies had \$105 million in salary savings.

DISCUSSION: **Vice Chair Souza** commented this type of transparency and accountability is necessary to track money allocated for each department or agency.

Senator Burgoyne and **Senator Guthrie** discussed the analysis of agency salary savings, noting the data was already available.

Senator Riggs queried what would happen if there was no salary savings in light of the amended language's implication there would always be a salary savings every year. **Senator Guthrie** indicated it would be noted there was none.

TESTIMONY: **Susan Buxton**, Administrator, Division of Human Resources (DHR), explained the process of obtaining salary savings information from agencies. She reported some of the data is already available for the Change in Employee Compensation Committee (CECC) and the Joint-Finance Appropriations Committee (JFAC). **Ms. Buxton** indicated the existing system may not be able to generate details by agency; however, the new Luna system may. She said her biggest concern would be to add another day or two to allow each agency time to give a report before the CECC.

DISCUSSION: In answer to a question from Senator Burgoyne, **Ms. Buxton** stated she did not know how easy it would be to incorporate the information into a report format across all agencies.

Senator Agenbroad remarked he saw reporting as a global number and not agency by agency. **Ms. Buxton** remarked that a report with a broader perspective would be easier and more transparent.

Vice Chair Souza remarked the Legislature needed to know where the money went and how it was spent Statewide. She noted she appreciated Ms. Buxton taking the broader view. She said language could be changed and updated, and this is a good starting point. **Vice Chair Souza** noted the Committee is asking for a basic report. **Ms. Buxton** reiterated her Division wants to do the best job possible.

Senator Agenbroad stated there were four components to address the compensation philosophy described in Idaho Code § 67-5309A, including specific funding recommendations for each component. He noted those recommendations for market-related changes necessary to address system-wide structure adjustments include: 1) to stay competitive with relevant labor markets; 2) to address specific occupational inequities; 3) a merit increase component to recognize and reward state employees in the performance of public service to the citizens of Idaho; 4) and any changes to the employee benefit package, including any adjustments to the overall design of the benefit package and/or employee contributions.

Senator Guthrie clarified this legislation does not ask for information by agency and is intended to only ask for an aggregate number. He commented that if he called an agency today they should be able to report what salary savings was used for and where the money went.

MOTION: **Vice Chair Souza** moved to send **S 1051** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

S 1083 **Relating to Occupational Licenses - Military.** **Senator Lakey** noted this legislation relates to occupational licensing reform, and improves the clarity of the license by endorsement process for military members, veterans, and spouses. **Senator Lakey** remarked this bill provides a deadline for processing applications for licensure is included. He said basic requirements for proof of military or veteran status and licensure in another jurisdiction is provided in this bill, which allows for a limited scope of practice rather than outright denial.

Senator Lakey outlined the provisions in the bill, which included specific criteria and limits to validate eligibility.

DISCUSSION: **Senator Martin** stated he supported this legislation. He asked for a clarification of the scope of practice. He queried if there was an area where a person could not perform because they were not trained in that area. **Senator Lakey** remarked the idea was that if another state had a narrower scope of practice and the scope of practice in Idaho was broader, a narrow scope of practice could be authorized with expansion at a later time.

MOTION: **Senator Martin** moved to send **S 1083** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

S 1084 **Relating to Occupational Licenses - Sunset Review.** **Senator Den Hartog** stated this legislation relates to occupational licensing reform and provides for the regular review of existing licensure requirements and regulation also known as a "sunset" review. She noted the sunset process is intended to determine the appropriateness and necessity of existing regulation and provides a regular opportunity to reduce or eliminate unnecessary regulation. **Senator Den Hartog** noted the legislation provides framework for the sunset review process, but the criteria to be evaluated when determining whether existing regulations are still necessary and appropriate. She stated this responsibility will be incorporated into the duties of the existing Sunrise Committee.

Senator Den Hartog stated the Occupational and Professional Licensure Review Committee (OPLRC) was established to provide oversight of occupational and professional licensure and related issues. She noted the OPLRC will conduct sunrise reviews for two years and will make a report to the first regular session of the 68th Idaho Legislature in 2023. She said in 2022, the OPLRC will conduct a sunset review of each licensing authority on a rotating basis. **Senator Den Hartog** reported the review will include the existing laws and regulations related to a licensing authority. She went into detail about how the review process will be conducted.

Senator Den Hartog reported these regular sunset reviews will require one additional administrative staff person in the Legislative Services Office (LSO). She said it is estimated that this position would have a fiscal impact of \$70,000, which includes salary, benefits, and some one-time expenses for office items. She said the position would then be subject to the ongoing budget and appropriation process for LSO. The meetings of the Sunset Committee will require some expenses associated with travel and other items, which is anticipated to be less than \$10,000 annually.

DISCUSSION: **Senator Martin** noted he was in support of the bill. He asked for clarification of the power of the OPLRC to draft legislation and to review new applications for licensure. **Senator Den Hartog** stated the ultimate authority rests with the germane committee.

MOTION: **Senator Burgoyne** moved to send **S 1084** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion.

DISCUSSION: **Senator Martin** stated he strongly supported the sunset act. He objected to the sunrise section because upon completion of the review process, the OPLRC shall deliver its report to the Legislature for subsequent delivery to the appropriate germane committee chairs. Even though a germane committee shall not be bound by a recommendation of the OPLRC, he said he is not in support of going through one committee in order to have legislation heard by another committee. He stated he was concerned about the process and would not vote for the bill.

VOICE VOTE: The motion to send **S 1084** to the floor with a **do pass** recommendation carried by **voice vote**. **Senator Martin** requested he be recorded as voting **nay**.

S 1095

Relating to Public Employee Retirement System of Idaho (PERSI) - Board Member Compensation. Don Drum, Executive Director, PERSI, reported this legislation amends Idaho Code § 59-1304 to exempt PERSI Board members from accruing PERSI service and provides an honorarium in accordance with Idaho Code § 59-509(p). Mr. Drum noted all boards in the State have had issues finding qualified and willing candidates for Board appointments. He stated one minor obstacle is that participation in PERSI (mandated for state boards that offer a wage) can affect retirement options for potential Board members or applicants. Mr. Drum advised many boards have opted for an honorarium rather than a wage. PERSI has not previously made this move as it could and would have the same impact on potential PERSI Board applicants.

Mr. Drum remarked accrual of PERSI service for Board members is de minimis and may impact the ability of the Board member to retire and maintain Board member status. He explained if a Board member wished to retire and start drawing PERSI, the member must first become inactive (no longer drawing a wage in a PERSI-eligible position). He indicated members of state boards who draw a wage are considered active PERSI-eligible employees. Mr. Drum stated drawing an honorarium does not qualify a Board member for PERSI service and allows a smooth transition into retirement.

Mr. Drum explained the legislation would have no impact on the General Fund. He said annual compensation from dedicated funds would increase between \$3,500 and \$7,000 annually, depending upon the number of Board meetings. He reported annual cost increases would be offset by eliminating future PERSI benefits earned and paid in retirement.

MOTION: Senator Guthrie moved to send **S 1095** to the floor with a **do pass** recommendation. Senator Martin seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, Chairman Patrick adjourned the meeting at 2:36 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary