

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 16, 2021

TIME: 1:30 P.M.

PLACE: Room WW54

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

ABSENT/ EXCUSED: None

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: **Vice Chair Souza** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:31 p.m.

MINUTES APPROVAL: **Senator Burgoyne** moved to approve the Minutes of March 9, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 178 **Relating to Apprenticeship Programs.** **Senator Lakey** said this legislation expands the concept of allowing those who want to be licensed barbers and cosmetologists to serve an apprenticeship instead of attending barber or cosmetology school for most licensed professions in Idaho. He noted this bill requires State licensing authorities to issue a license if a person serves an apprenticeship, pays the required fees, and passes a certification exam if one is required. **Senator Lakey** stated if the licensure authority denies a license or deems an apprenticeship not up to standards, an explanation must be made in writing. He remarked licensure authorities cannot create requirements for apprenticeship applicants that are more onerous or restrictive than those for applicants who attend a school.

Senator Lakey reported licensure boards are able to recognize existing apprenticeship programs in lieu of classroom instruction. No new process or staff is required, resulting in no impact to the General Fund, he said.

MOTION: **Senator Burgoyne** moved to send **H 178** to the floor with a **do pass** recommendation. **Senator Riggs** seconded the motion. The motion carried by **voice vote**.

H 143 **Relating to the Building Code Act, International Building Code (IBC), Mass Timber.** **Senator Woodward** stated this bill adopts a specific section of the IBC to allow Idaho to use mass timber in commercial and residential construction, and declares an emergency to allow prompt review by the Idaho Building Code Board in response to current market conditions.

Senator Woodward noted the 2021 IBC provides for three new types of mass timber construction that correspond to allowable building heights. He said at the core of these new methods is a timber product called cross-laminated timber. He reported cross-laminated timber is made from trees grown in Idaho. **Senator Woodward** indicated the intent of this bill is to support the timber and building construction industries by allowing construction of these wood-framed buildings in Idaho. He stated what is different about cross-laminated timber is that it allows for construction of taller buildings than in the past when using wood products. He said with cross-laminated timbers,

the physical properties are much more consistent and can be designed into products based on the expected loading.

Senator Woodward remarked wood products traditionally have required a higher safety factor because of the variation of physical properties in a natural product. He noted the result is a limitation in what can be constructed. He advised when designing a building, most components are analyzed as a beam or column. He said to determine the component size, engineers calculate structural loading based on design assumptions. An adequate size can be determined based on the physical properties of the material, the yield, strength, and the modulus of elasticity, he said.

DISCUSSION: **Senators Martin** and **Woodward** discussed the intent of **H 143** is to add this section of the IBC because of the timber industry located in Idaho. They also discussed the difference between wood, steel, and cross-laminate wood loads and the level of use of cross-laminate wood for taller buildings.

Senator Riggs pointed out the reason cross-laminate wood needed its own unique category is because it is a new type of building construction.

TESTIMONY: **Heather Stegner**, Director, Communications, American Wood Council, testified in support of the bill. She highlighted the positive qualities of mass timber buildings, noting they are not a new concept. She noted mass timber buildings are constructed with large panels that are high-strength and lightweight.

MOTION: **Senator Riggs** moved to send **H 143** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Preparedness of Idahoans to Retire: Deciding the State's Role.** **Rakesh Mohan**, Director, Office of Performance Evaluation (OPE), introduced Ryan Langrill, Principal Evaluator, OPE. **Mr. Langrill** remarked that before evaluating specific options, Idaho policymakers must first decide on the State's role in expanding workplace retirement. He noted Idaho could establish a formal group of policymakers and stakeholders to articulate the State's role and general directions for studying policy options. **Mr. Langrill** stated workers who do not save for retirement see decreases in their standard of living. He went over the statistics for other states that have pursued a variety of policies, noting outcomes are still uncertain (Attachments 1, 2 and 3).

Mr. Langrill reported one-third to two-thirds of workers will not have enough savings to maintain a pre-retirement standard of living. He said 25 percent of elderly households rely almost exclusively on Social Security.

DISCUSSION: **Vice Chair Souza** and **Mr. Langrill** discussed that one-fourth of the agriculture industry, one-fourth of the hospitality industry, and most who work in the service industry do not have access to a retirement plan.

PRESENTATION:

Mr. Langrill reported when the American Association of Retired Persons (AARP) conducted a Statewide survey, small employers said they are less likely to have automatic payrolls. He said there is a large cost to set up a plan for employees, but it is less expensive for larger employers to offer retirement plans than smaller employers.

Mr. Langrill outlined the two approaches of saving for retirement: mandated and voluntary. He went over the problems of a mandated retirement plan. He said an employer is prohibited from matching funds because these plans are Individual Retirement Accounts (IRA), fairly costly, and it is harder for people to accumulate much savings when they arrive at retirement.

Mr. Langrill noted a state-operated automatic IRA in Idaho would be revenue neutral in year 12. He said after year 6, the State plan would have more revenue than costs per year.

Mr. Langrill reported there are also voluntary retirement programs that are multi-employer plans sponsored by the State. He said voluntary approaches have more flexibility, but it is not clear that they are effective to expand to workplace retirement. He remarked the Legislature may wish to assign a formal group to discuss options.

**PASSED THE
GAVEL:**

Vice Chair Souza passed the gavel to Chairman Patrick.

PRESENTATION:

Overview of Unemployment Insurance Identity Theft Fraud. **Jani Revier**, Director, Idaho Department of Labor (IDOL), reported the unemployment system has always had some level of fraud, such as claimants not reporting additional income while receiving benefits, claiming benefits after going back to work, or claiming benefits while on vacation.

She noted monthly and weekly identity theft claims were flagged, with the months of February, March, and April having the highest rates. **Ms. Revier** stated with more unemployment aid coming, states are being inundated with new waves of fraud as they scramble to update security systems.

Ms. Revier reported the IDOL has dealt with traditional unemployment fraud for years. She said the IDOL works to prevent fraud in order to ensure integrity in the system, and to protect the trust fund and employers who pay into the system. **Ms. Revier** outlined the steps the IDOL has put in place to help prevent suspicious and fraudulent claims (Attachment 4).

DISCUSSION:

Senator Lakey and **Ms. Revier** discussed individuals who engage in fraudulent activities and who keep trying to work the system. **Ms. Revier** noted some individuals use fake identification and documents.

Senator Agenbroad and **Ms. Revier** discussed the verification process, and if an individual is struggling to navigate the IDOL site, verification can take much longer. **Ms. Revier** said there is an off-line process in place for those who do not have access to technology.

Senator Riggs asked for an explanation of the personal security process. **Ms. Revier** deferred to Kevin Wauhob, Operations Manager, IDOL. **Mr. Wauhob** remarked fraud is seen across the board and an individual may have all the victim's information. He said sometimes an individual will make up a Social Security number but the work history does not match.

Senator Lakey, Vice Chair Souza, and Mr. Wauhob discussed identifying those who commit fraud, cost prevention, and criminal penalties.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:37 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary