

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 27, 2022

TIME: 1:30 P.M.

PLACE: Room EW05

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

**ABSENT/
EXCUSED:** None

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

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

MOTION: **Rep. Kingsley** made a motion to approve the minutes January 19, 2022. **Motion carried by voice vote.**

MOTION: **Rep. Kingsley** made a motion to approve the minutes January 25, 2022. **Motion carried by voice vote.**

H 450: **Rep. Syme** explained that **H 450** freezes the base rate of unemployment insurance rates charged to businesses. The base rate is determined by the 3 years with the highest cost in the last 20 years. Freezing the rate at 2021 levels will save businesses 64 million dollars. It will cost the Unemployment Insurance Trust Fund 64 million dollars over the next two years.

In response to questions about the sustainability of the fund, **Rep. Syme** said the Unemployment Insurance Trust Fund has adequate supplies so long as nothing catastrophic happens in the next two years. He further explained that the Department of Labor initiated this legislation to prevent the government from charging businesses more for unemployment insurance was needed.

Jani Revier, Director of the Department of Labor, testified that freezing the unemployment insurance now would prevent businesses from facing an unnecessary increase in the rates. Last year the rates decreased because 200 million dollars was allocated to cover pandemic costs. Without that additional money, this year's rates would increase substantially due to the high cost years. However, because of the way the formula for determining the unemployment insurance rate works, the rates will drop after 2023. Therefore, freezing the rate at the 2021 level would prevent unnecessary costs to businesses.

Salvador Vazquez, Labor Market Information Director for the Idaho Department of Labor, explained the methodology behind the formula which determines the unemployment insurance rate.

MOTION: **Rep. McCann** made a motion to send **H 450** to floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Syme** will sponsor the bill on the floor.

Chairman Holtzclaw turned the gavel over to **Vice Chairman Syme**.

RS 29056C1: **Chairman Holtzclaw** explained that **RS 29056C1** would allow Idaho government agencies to reimburse hard working agency employees. Any agency employee with 1040 hours or more would be able to be reimbursed for education by the agency.

In response to questions, **Chairman Holtzclaw** clarified that 1040 hours is roughly 6 months of work. Additionally, this legislation would expand a similar program to all agency employees.

Lori Wolff, Administrator for the Division of Human Resources, explained that when an agency enters into an agreement to help an employee pay for education in return for that employee working for the agency for a certain period of time and that agreement is broken by the employee, the clawback provision in this legislation allows that agency to regain the lost funds.

In response to questions, **Ms. Wolff** said that no cost is seen in the fiscal note because agencies must use existing funding or go through the Joint Finance and Appropriations Committee for funding. These would be considered on a case by case basis. The agreement is made with the director of the agency and that agency determines what funding is available for how long the employee must remain.

Ms. Wolff clarified that the current program is limited to specific professions and is a loan repayment program while this would be a reimbursement program for all agencies, allowing for more flexibility.

In response to concerns that this would create growing additional costs, **Ms. Wolff** explained the legislature would have control over all additional funding.

In response to further questions, **Ms. Wolff** said a requirement for consistency of the years of work required for education payment was not included in the legislation because agreements differ on the amount of education they cover and therefore the number of years served must also fluctuate. However, the Division of Human Resources would oversee the agreements to ensure consistency. Additionally, maximum budgetary limits were not included because this would be covered in administrative rules.

Chairman Holtzclaw explained that they are seeking to give agencies another tool to retain employees without causing an excessive drain on the budget.

MOTION: **Rep. Necochea** made a motion to introduce **RS 29056C1**. **Motion carried by voice vote.** **Reps. Hanks, Christensen,** and **Wisniewski** requested to be recorded as voting **NAY**.

Vice Chairman Syme turned the gavel over to **Chairman Holtzclaw**.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:11pm.

Representative Holtzclaw
Chair

Emily Huddleston
Secretary