

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, February 21, 2022

TIME: 3:00 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:** Representative(s) Kingsley

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 3:11pm.

Chairman Holtzclaw introduced the new Page for the second half of the session, **Elijah Zeller**.

H 555: **Rep. Horman** explained **H 555** would correct an imbalance in the PERSI contribution rate for school employees. This occurs because these individuals usually live longer and retire later. If this legislation is enacted, the PERSI board would consider adjusting the contribution rates so the general members would no longer bear the cost of filling in this gap. Also, this legislation would create a short-term solution for dealing with the workforce shortage by allowing retirees to be rehired in a cost neutral way.

Don Drum, Executive Director of PERSI, explained this is different than the current return to work program because it sunsets in 2026 and only allows individuals who retired prior to January, 2021, to take advantage of this program. This would prevent the costs of changing retirement patterns seen in other return to work programs.

In response to questions about individuals with two relevant occupations, **Director Drum** said that rates would be determined based on their primary job. If their primary job is teaching, then they will be under the new teacher rates.

MOTION: **Rep. Toone** made a motion to send **H 555** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Horman** will sponsor the bill on the floor.

H 588: **Rep. Dixon** presented **H 588** which would allow for differential pay for wildland firefighters. Firefighter pay in Idaho is currently not competitive with neighbor states which makes retaining employees difficult. Paying these individuals a higher rate when they face extreme hazards will help retain valuable employees.

Scott Phillips, Policy and Communications Chief, Idaho Department of Lands, explained employee turnover is not just bad, it is very dangerous. It is vital for everyone's safety that these individuals are experienced and constant turnover leaves these positions vulnerable.

Murphy Olmstad, Lobbyist representing The Southern Idaho Timber Protective Association and the Clearwater-Potlatch Timber Protection Association, and **Jeremy Chou**, Lobbyist representing Stella Jones, spoke **in support** of **H 588** because of the need for recruitment and retention of employees.

MOTION: **Rep. Necochea** made a motion to send **H 588** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Dixon** will sponsor the bill on the floor.

H 592: **Rep. Syme** explained **H 592** which would attempt to close the gap in funding that exists in developing affordable housing. This legislation does not spend money but would simply create an Idaho Workforce Housing Fund and a corresponding Idaho Workforce Housing Advisory Commission. The fund would be a mechanism to spend any monies appropriated for workforce housing and the commission would develop a plan for how these monies would be spent.

In response to questions about the use of American Rescue Plan Act (ARPA) funding, **Rep. Syme** stressed that this legislation was not about spending money but about creating a mechanism for it to be spent, regardless of where those funds come from. ARPA funding could be used, but it is not necessary and not mentioned because the legislature would approve any money regardless of where it comes from.

In response to questions about how much setting up the Idaho Workforce Housing Advisory Commission would cost, **Rep. Syme** said they would not receive compensation unless they were required to travel and then there would be a small cost.

In response to questions about the possibility of creating incentives for local communities to spend more money because of a provision for fund matching, **Rep. Syme** said the fund matching is not restricted to money; the match can be in land, waiving of development fees, or other forms.

MOTION: **Rep. Weber** made a motion to send **H 592** to the floor with a **DO PASS** recommendation.

Alex Adams, Administrator for the Division of Financial Management, explained the federal requirements attached to accepting ARPA funding include encouraging contractors to wear seatbelts, encouraging them not to text while drawing, and to direct the money towards individuals at or below eighty percent of the median income.

Jim Foudy, Superintendent Blaine County School District, **Caleb Roope**, President and CEO of The Pacific Companies, **Liza Leonard**, Director of Public Affairs, Ball Ventures, **Ellen Ganz**, Mountain Central Association of Realtors, all spoke **in support** of **H 592** because of the need for housing with a rapidly expanding population. This would assist with solving the employee shortage and boost the economy by creating development jobs.

Fred Birnbaum, Legislative Affairs Director, Idaho Freedom Foundation, spoke **in opposition** to **H 592**. The current affordable housing crisis exists because the federal government policies of injecting trillions of dollars into the economy and suppressing interest rates has driven asset inflation and increased housing costs. Additional government involvement historically has never solved this problem. It is disingenuous to say that this legislation would exist apart from the ARPA funding. In the future, when the ARPA funding has run out, this fund will still need money on an ongoing basis and this will likely come from the General Fund.

In response to questions about previous examples of government involvement in affordable housing, **Mr. Birnbaum** said in 2008 and 2009 a huge inflationary housing bubble was created by federal policies. Specifically, artificially low interest rates led to speculation in the housing market which ultimately set the stage for the crash.

Rep. Syme said **H 592** would help solve a significant problem when no other solutions have been presented.

**ROLL CALL
VOTE:**

Rep. Christensen requested a roll call vote on **H 592**. **Motion carried by a vote of 8 AYE, 4 NAY, and 1 Absent/Excused. Voting in favor of the motion: Reps. Syme, Horman, Weber, McCann, Chew, Necochea, Toone, and Holtzclaw. Voting in opposition to the motion: Reps. Harris, Christensen, Wisniewski, and Hanks. Rep. Kingsley** was 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 4:33pm.

Representative Holtzclaw
Chair

Emily Huddleston
Secretary