

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 07, 2019

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Holtzclaw, Vice Chairman Anderson, Representatives Harris, Kingsley, Syme, Christensen, Giddings, Green(2), Wisniewski, Chew, Abernathy, Ellis

**ABSENT/
EXCUSED:** None

GUESTS: Don Drum, Mike Hampton, PERSI; Brian Wonderlich, Governor's Office; Fred Rivnbaum, Idaho Freedom Foundation; Tony Smith, IPEA.

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

MOTION: **Rep. Ellis** made a motion to approve the minutes of January 29th, 2019 as written. **Motion carried by voice vote.**

H 68: **Rep. Harris** explained the purpose of this legislation is to conform statute with a recent directive of the Citizens' Committee on Legislative Compensation dated November 13, 2018. When determining retirement benefits, this legislation applies the appropriate "split" calculation for legislators elected after July 1 2019 "in the same manner as any other part-time elected or appointed official's credited service is computed."

In response to committee questions, **Rep. Harris** further explained that if this bill failed then Idaho statute would be out of compliance with the Citizen's Committee's decision. The bill is being brought up because the committee quoted statute to describe the legislators' situation and what they wanted to change.

Fred Rivnbaum, Idaho Freedom Foundation, gave testimony in support of the bill.

MOTION: **Rep. Syme** made a motion to send **H 68** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Harris** will sponsor the bill on the floor.

Don Drum, Executive Director of PERSI, explained the brief history of PERSI and it's purpose. He presented how the Idaho Code governs PERSI. He also explained how PERSI is funded. He gave details on the rate of retirees increasing since 1997, and how the payroll to retirees has increased since 2010. He also gave brief description on how PERSI utilizes actuaries.

In response to committee questions, **Executive Director Drum** further explained how changes would be made to PERSI plans. He stated that there are about 70% of PERSI assets in diverse equities. He gave further information on how the contribution rates balance with the goal rate of return over time.

Rep. Anderson explained how the CEC committee got to their recommendations to work with the Director of PERSI on what he wants to achieve via legislative avenues.

Chairman Holtzclaw advised the committee that there would be a subcommittee on PERSI this year and invited interested committee members to let him know.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:23PM.

Representative Holtzclaw
Chair

Ivi Taylor
Secretary