

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Tuesday, March 19, 2013
- TIME:** 1:30 p.m. or Upon Adjournment of the House
- PLACE:** Room EW05
- MEMBERS:** Chairman Hartgen, Vice Chairman Anderson(31), Representatives Loertscher, Anderst, Hancey, Harris, Holtzclaw, Mendive, Romrell, VanOrden, King, Woodings
- ABSENT/
EXCUSED:** None
- GUESTS:** Angela Crawford, citizen; Casey Turcato and Joe Webber, Department of Human Resources; Tamara Mackenthun, Idaho Division of Veterans' Services; Tony Smith, Benton Ellis
- Chairman Hartgen** called the meeting to order at 1:31 p.m.
- MOTION:** **Rep. Anderst** made a motion to approve the minutes of February 21, 2013.
Motion carried by voice vote.
- S 1068aa:** **Senator Durst** presented **S 1068aa**, which would authorize professional and occupational licensing boards within self-governing state agencies to promulgate rules expediting occupational licensure for active duty service members and their spouses. These seekers of expedited licenses would be required to have an equivalent license in another state, commonwealth, possession or territory of the United States, or District of Columbia. He said military families are sometimes asked to relocate with very little notice and need to quickly establish residency in a new state, where they must continue to provide for their families. The Department of Defense is attempting to establish this type of legislation across the country, to provide consistency for military service families.
- In response to questions, **Senator Durst** explained that if a licensing board has a backlog, military families would receive preference to allow them to normalize. The language in the bill is permissive and states that agencies and boards "may" expedite these licenses; they would not be required to provide preferential treatment to military families. If Idaho's licensing requirements were stricter than those of a state from which a military family was relocating, Idaho's licensing requirements would need to be met before a license could be issued. Boards and agencies would retain their authority to deny requests for licensure, if an applicant was found to be not qualified. Some agencies would need to make slight changes to their rules, however, rule changes would be minor in nature. The Department of Defense has explained that becoming relicensed in new states is an issue for some service member families. This change would apply to spouses as defined in Idaho Code.
- Rep. Wills** testified in support of **S 1068aa**. He provided an example: an airman gets transferred from Maryland to Mountain Home Air Force Base. His wife wants to resume working here as she did in Maryland, and is told by the bureau supporting her trade that there is a backlog of applications and she will have to wait many months to begin working again. He gets deployed to Afghanistan and she is left here, unable to work, in a family situation with a reduced income. He said this bill could allow families in these common situations to continue working.
- MOTION:** **Rep. Holtzclaw** made a motion to send **S 1068aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Wills** will sponsor the bill on the floor.

S 1045aa: **Tamara Mackenthun**, Idaho Division of Veterans' Services, presented **S 1045aa**, which would strike out the requirement that a person must have served in a war or combat zone as defined by the federal government under United States Code in order to be called a veteran and receive veterans' preference. She said currently the definition of "veteran" makes a false distinction because serving during a war does not mean that a service member actually left the United States, and a service member who served during a time of peace could have still suffered hardships and could have been in harm's way. This change would define anyone who honorably served on active duty in the United States military for 180 days or more as a veteran. She served more than 21 years and is considered a veteran because she served during Desert Shield and Desert Storm, however, she never left the United States during those times.

Rep. Holtzclaw said he served in a hazardous duty zone in the Air Force and is a member of the Veterans of Foreign Wars (VFW). He said he is honored to have served. He knew other service members who remained in the United States during wars and said their contributions were just as important as those made by members serving in war zones.

Responding to questions, **Ms. Mackenthun** said this would give hiring preference to service members who are currently not considered, under Code, to be veterans, despite having served. She does not believe this would have a significant impact on the number of women who receive preference. Spouses, widows and widowers of service members could also be impacted by this change. The federal government is more restrictive than the proposed change. Currently for Idaho State jobs, veterans' preference gives an additional five points during hiring exams and guarantees an interview for applicants who make it to the top ten. Agencies are not required to hire veterans; this would only provide veterans with an enhanced opportunity to receive an interview. All veterans, as they are currently defined by Idaho Code, do receive this advantage, however, all service members do not receive this advantage. Reserve Officers' Training Corps (ROTC) would not be considered military service. Service schools, such as the Air Force Academy or Naval Academy, have a separate distinction. Reserve members would not be eligible as veterans unless they had been mobilized to active duty for 180 days or longer.

MOTION: **Rep. Holtzclaw** made a motion to send **S 1045aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hancey** requested to be recorded as voting NAY. **Rep. Holtzclaw** will sponsor the bill on the floor.

S 1106aa: **Senator Thayn** presented **S 1106aa**, which would set up a funded health savings account (HSA) system for state employees. If an employee chose a high deductible policy, the Department of Administration would have the authority to put funds into an HSA for that employee. Eighteen percent (18%) of our gross domestic product (GDP) currently goes to healthcare costs, and Senator Thayn believes this could help reduce that number. Additionally, while employee wages are not going up, their health insurance costs are; this could help employees with their personal financial health. The State of Indiana now has approximately 70% of their employees on a plan like the one being proposed, and it has been successful.

Responding to questions, **Senator Thayn** said the funds going into the HSAs would come from the Department of Administration but would not present a cost increase to the Department. The cost to the State for employees who are currently utilizing more expensive health plans is higher than the cost for those who select the high deductible plan. When those employees switch, the difference would be deposited into their HSAs. Federal HSA rules state that only a certain amount can be deposited into an HSA before there is a tax applied.

Teresa Luna, Department of Administration, spoke **in favor** of **S 1106aa**. She said this creates another option for the State. It does not force the Department to bank money for employees, it simply allows the option. There is currently a Group Insurance Advisory Council examining options. This bill would provide an additional idea for the Council to consider.

In response to questions, **Ms. Luna** said she believes only 25 to 30 individuals employed by the State of Idaho participate in the high deductible plan. Currently the State pays 91% of full time employees' health plan premiums. There is not a large premium savings for the employee who takes the high deductible plan. Current administration of employee health insurance would have to be adjusted if this change was implemented. She believes their existing resources would be sufficient to implement the change, should the Council decide to move forward with this option. The State pays for the costs of claims plus 6%; Ms. Luna said that Idaho is about as close to being self-insured as possible, without actually being self-insured. Currently the State appropriates a certain amount per employee and dependent (approximately 44,000 people this year). This bill would only allow the State to select this option if it is deemed to be the best option, with consideration from the Legislature and other involved bodies. Families would not need to have separate HSAs for each member; participating State employees would hold one account to serve all of their dependents.

Senator Thayn responded to additional questions. He said these accounts would be the property of the employees and would be held in banks.

Responding to additional questions, **Ms. Luna** said the method for how payments would be delivered to employees' accounts has not yet been determined, but she imagines it could be done through direct deposits.

Senator Thayn, responding to questions, said HSAs are held by individuals, while other accounts can be held by trusts. Public employees' unions have indicated concerns that the establishment of employee HSAs means that benefits will be cut, but he does not believe that would be the case. Funds in HSAs are the private property of the account holder, which in this case would be the State employee.

Suzanne Budge, National Federation of Independent Business, representing over 4,500 small businesses across Idaho, spoke **in support** of **S 1106aa**. She said the benefit of an HSA is that it is owned by the employee and remains year after year if unused. She commended the State of Idaho for examining options.

MOTION: **Rep. Woodings** made a motion to send **S 1106aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Woodings** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:32 p.m.

Representative Hartgen
Chair

Mary Tipps
Secretary