

House Commerce & Human Resources Committee

Minutes
2008



MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: January 15, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayne, Thomas, Ringo, Pasley-Stuart and Chew

**ABSENT/
EXCUSED:** All present

GUESTS: Maribeth Connell, Co-Chair CCTF/AARP; Bob Fick, Department of Labor; Andrew Hanhardt, President, E.D., NAGE/IAGE; Chris Bauwens, DHW HR Manager; Dennis Moberly, Dept. Of Human Resources, Program Mgr.; Don Drum, Deputy Director, PERSI; Vicki Lotika, Dept. Of Human Resources, Program Mgr.; Benjamin Davenport, Transportation

Chairman Schaefer called the meeting to order at 1:30. Secretary was instructed to e-mail future agendas to each committee member and to place a hard copy at each member's floor desk. **Chairman Schaefer** welcomed everyone and introduced the new Page, Jessica Stiefel. The meeting was then turned over to **Vice Chairman Bradford** who conducted saying that we always look forward to all visitors who are here to help. He then called on Department of Labor to begin presentation of rules.

Docket No. 09-0106-0701 Rules of Appeals Bureau - 026.05 Conduct of Hearing, Exhibits and Recordings. **Bob Fick**, Dept of Labor, explained that the word "tape" is being eliminated because Bureau will be using CDs. This change will result in a \$5,000 savings.

Docket No. 09-0130-0701 Rule 550 Reporting Requirements for unemployment insurance claims was explained by **Bob Fick**. Claimants can use cards for weekly reporting of job search and availability. This change makes the process easier for Claimants who do not have access to a telephone or computer for reporting. There are approximately 400 claimants who are in job training who can also use cards signed by their trainer. **Rep. Ringo** asked what happens if a person might use the wrong system and be late. **Bob Fick** answered that it could happen and does. The claimant then must come into the local office to file a late statement. Claimant does lose benefits for that week, but number of weeks are extended.

Docket No. 09-0201-0701 **Bob Fick** explained Social Security Administration requested that a one (1) year time limit be required for submission of bills by vendors from date of services rendered to Disability Determinations Services in order to receive payment. Disability Determinations Services is funded by federal grants and their funds can be jeopardized for outstanding unliquidated obligations. Vendors services are with the agency not the client.

MOTION **Rep. Mortimer** made the motion that **Docket Nos. 09-0106-0701,**

09-0130-0701 and **09-0201-0701** be adopted. **Rep. Thayn** seconded. Motion passed.

Docket No.
15-0401-0702

Rules of the Division of Human Resources and Personnel Commission **Dennis Moberly**, Program Manager, Dept of Human Resources explained that the changes being made are to avoid duplication of rules already covered by Federal & State Statute. Certain rule sections were cited to show the removal of language to avoid duplication. These changes do not affect Veterans rights or benefits.

Rule 10.29 Earned Administrative Leave only applies now to law enforcement, correctional and firefighting activities and replaces Rule 250.7. Rule 241.02 has been changed from six (6) months to twelve (12) weeks of absence due to disability. This rule will now coincide with the Federal Family Medical Leave Act. This rule provides more balance between agency needs to refill a position and individual employee needs who are on disability. Rule 240.04 the rule covering MDA leave (Medical, Dental or optical Appointments) is recommended to be eliminated and these types of appointments would be covered under sick leave. There seems to be more difficulty managing the use of MDA as opposed to regular sick leave. **Rep Pasley-Stuart** stated she had received more comments regarding the elimination of MDA than any other issue and questioned why it would be more difficult to manage MDA than sick leave. **Dennis Moberly** stated that MDA is not really set aside for use by employees, whereas a specific amount of sick leave is provided. Original MDA was meant for one-time application and not for recurring situations. Agencies have not used MDA consistently, whereas sick leave is managed more consistently. MDA was never provided in Idaho Code.

Rep Pasley-Stuart commented that she was under the impression that MDA is a common benefit in the private sector and asked if HR had done a survey regarding this. **Dennis Moberly** stated that no survey has been done. **Rep Trail** inquired as to a dollar figure cost and usage impact of MDA and requested a report from Human Resources.

Dennis Moberly stated that a report on MDA usage can be generated. **Vice Chairman Bradford** stated that with the other changes made to insurance benefits, employees may feel fearful of losing another benefit. **Chairman Schaefer** indicated that. He would like to see additional data pertaining to what steps were taken in deciding to discontinue MDA. **Rep Pasley-Stuart** referred to a lack of communication between professionals and human resources and said that no records of hearings have been found. **Dennis Moberly** then mentioned a letter from Human Resources responding to the concerns raised by Legislative Services and further asked if this rule can be approved with two exceptions: Rule 71.03, Exceptions to Use of a Matrix (for salary increases) and Rule 260.03 Forfeiture of Compensatory Time. **Rep Mortimer** inquired if the whole rule must be adopted or none of the rule. **Dennis Stevenson** was then asked by **Vice Chairman Bradford** if these rules can be approved with exceptions or not. **Dennis Stevenson** indicated that changes to the rule could be made through concurrent resolution. **Vice Chairman Bradford** inquired as to a Motion being made. **Rep Mortimer** suggested that he would like to have more time to review the situation. **Vice Chairman Bradford** suggested that the committee meet again next week with **Dennis Moberly** regarding this issue.

Docket No.
59-0103-0801

Contribution Rules for the Public Employee Retirement System of Idaho (Temporary Rule) **Don Drum**, Deputy Director of PERSI, indicated that due to continued favorable market conditions and based on actuarial data, the Board has now determined that the two additional increases scheduled for July 1, 2008 and July 1, 2009, are no longer needed to adequately fund the plan. Favorable conditions achieved 105% of local funding. The Board will continue to put off increasing contribution rates.

Docket No.
59-0106-0701

Retirement Rules for the Public Employee Retirement System of Idaho (Temporary Rule). **Don Drum** indicated that this rule will delay the remaining two contribution rate increases for the public schools' unused sick leave fund until July 1, 2009 and July 1, 2010 respectively. The rule amends Retirement Rule 552.02 and temporarily keeps contribution rates at current levels.

Chairman Schaefer commented that the way PERSI has handled things is much appreciated. He further asked where we are now? **Don Drum** related that we haven't gained as much as in 2007. So far the gain is at 1 - 1 ½ % in 2008. Activity is pretty stable now compared to the bouncing around in mid-October last year. He further stated that raising contributions is not needed at this time.

Docket No.
59-0107-0701

Miscellaneous Rules of the Public Employee Retirement System of Idaho (Pending Rule). **Don Drum** explained that this rule will more closely balance the interest credited to member accounts with the actual net earnings of the fund over time as compared with current rules. They provide that all member accounts receive the greater of net returns to the fund or an average of 90 day treasury rates. This allowed members who took a separation benefit before retirement to benefit from the extraordinary gains of the 1990s. Prior to 1999, members' accounts accrued interest only money market rates. This rule also amends the PERSI address in Coeur d' Alene.

Vice Chairman Bradford commented on the excellent job by PERSI.

MOTION

Rep Mortimer moved to accept Temporary rules for Docket Nos. 59-0103-0801 and 59-0106-0701 and accept the Pending rule Docket No. 59-0107-0701 as presented. **Rep Trail** seconded. Motion was carried by voice vote.

ADJOURN

Vice Chairman Bradford thanked the committee for their time and effort. There being no further business, meeting adjourned at 2:25 p.m.

Representative Robert Schaefer
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: January 17, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** Representatives Bradford, Trail and Lake

GUESTS: Tom Limbaugh, Commissioner, Idaho Industrial Commission (IIC); Cindy Hedge, Lobbyist, AFL-CIO; Barbara Jordan, ITLA; Mindy Montgomery, Director, IIC; Patty Sarossy, Medical Fee Analyst; Denise Roger, Executive Director, Idaho Association of Chiropractic Physicians (IACP); Catherine Dickinson, Intern DFM; Woody Richards, Attorney/Lobbyist, Associated Loggers Exchange (ALE) and Workers Compensation Exchange (WCE)

Chairman Schaefer opened the meeting by welcoming everyone. A silent roll was taken by the secretary. Commissioner Limbaugh was then welcomed and asked to begin his presentation.

**Docket No.
17-0208-0702**

Commissioner Limbaugh was welcomed and began his presentation. From the past 2 years analyzing a consultant's findings and much testimony statewide, the Commission adopted the Pending Rule including the following changes:

- A reduction in the number of conversion factors from 36 to 11.
- A redistribution of some of the system dollars to medicine codes to help ensure access to physical medicine and primary care.
- A revision of the method for annual updates to be implemented by FY2009 for compliance with the statute 72-803.
- Clarification of the relative value unit (RVU) that is to be used to determine the acceptable charge as determined by place of service.

Rep Mortimer requested verification of his understanding that Conversion Factor adjustments will be determined by Department of Health & Welfare beginning automatically in FY2009 rather than continuing to be adjusted by the Board. **Commissioner Limbaugh** indicated "yes" that would be the case. Fees would be adjusted each year using the same methodology. Discussion turned to the timely payment of fees to physicians providing services to Workmen's Compensation patients.

Commissioner Limbaugh indicated that the primary interest is in getting workers compensation people back to work and at this point is working well. Discussion and questions ensued regarding the amount of required paperwork for Workmen's Comp claims. **Commissioner Limbaugh** indicated that paperwork is about securing and stabilizing the system.

Rep Mortimer complimented the Industrial Commission for helping to develop a better understanding of the system over past 2 years.

Chairman Schaefer asked for guest testimony. **Denise Rogers**, Executive Director of the Idaho Association of Chiropractic Physicians,

stood to make a short statement on their behalf regarding the conversion factors being lower for chiropractic physicians than any other physician and would like to request that the Industrial Commission work with chiropractors to remedy this disparity. She indicated that currently the chiropractic reimbursement is on a par with physical therapists. Discussion ensued between members of the Committee regarding CPT codes. **Commissioner Limbaugh** indicated that there is a complaint process to go through for the Industrial Commission to re-evaluate the medical grouping of chiropractors.

Woody Richards, Attorney and Lobbyist for Associated Loggers Exchange and Workers' Compensation Exchange, testified that he opposes this increase because currently reimbursement rates received by Idaho physicians are among the highest in the nation (Idaho is ranked overall at the 4th highest). He further stated that insurance companies and employer groups have repeatedly told legislators that there needed to be some balance between the reality of Idaho's per capita personal income ranking and the fees being paid to physicians treating workers compensation patients in Idaho. Physicians feel that the higher rates are justified due to the volume of paperwork. However, the other side of the issue is that physicians receive much faster payment, with no deductibles or co-pays for physicians to calculate or collect; generally 100% of the medical bills are paid with no lifetime maximums, and, contractual controls over care are extremely limited. The Ingenix consulting firm cites that Idaho has fewer physicians per population compared to other states.

Mr. Richards thanked the Committee for hearing his testimony.

Rep Mortimer asked if there is a solution today? **Mr. Richards** indicated that basically he wants to find more affordable rates for employers.

Chairman Schaefer asked if there were more questions. **Rep Mortimer** complimented the work that Mr. Richards' company is doing and wants to see continuation of working together on these issues. **Ms. Lynn**

Darrington echoed Mr. Richards sentiment and also indicated that no matter what the health issue, it is important that the employee be made well and able to get back to work. **Chairman Schaefer** asked if there would be any further testimony. No further testimony was offered.

Rep Mortimer moved to adopt Docket #17-0208-0702 as presented.

Rep Thayne seconded the motion. The Motion passed with **Rep Marriott** voting nay.

With no further business, Chairman Schaefer adjourned the meeting at 2:55 p.m.

Representative Robert Schaefer
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: January 23, 2008

TIME: 1:30 p.m.

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** Representative Thayn

GUESTS: Karen Ewing, Management Assistant, Board of Veterinary Medicine; Mike Cooper, Bureau Chief, Department of Agriculture; Cynthia Ness, Administration; Joanna Guilfooy, DAC, Administration; Dennis Porter, Manager, Department of Commerce; Monica Young, Human Resources, Department of Health & Welfare; Dr. Dave Schulz, Board of Veterinary Medicine; Laura Johnson, Section Mgr., Department of Agriculture

Chairman Schaefer called the meeting to order at 1:35 p.m. He welcomed everyone and announced that the microphones are working. He requested a Motion for Minutes to be approved for January 15 and 16.

MOTION: **Rep Lake** moved to accept Minutes for January 15 as printed.
Rep Mortimer seconded. Motion passed by voice vote.
Rep Ringo moved to accept Minutes for January 17 as printed.
Rep Pasley-Stuart seconded. Motion passed by voice vote.

RS17388C2 **Mike Gwartney** was welcomed by **Chairman Schaefer** and asked to begin the first order of business. **Mr. Gwartney** thanked the Committee and gave a short background of his experience in human resources. He related that Governor Otter recommends a 5% pay increase for all state employees and wants state employees to have the best benefits. **Mr. Gwartney** explained that this legislation will provide the following changes as listed on the Statement of Purpose for **RS17388C2**:

- make changes to the statutes governing state employee health care service coverage - both active and retired.
- clarify that the Department of Administration determines eligibility requirements for active and retired personnel.
- provide that until June 30, 2008, active and retiree coverage shall be jointly rated and the increased cost of coverage to the active employees as a result of joint rating shall be paid in equal shares (subsidy) by the state and by active employees.
- provide effective July 1, 2008, active and retiree coverage be separately rated and any increase in the cost of retiree coverage as a result of separate rating shall be paid by the retiree but that the state will pay \$155 per eligible retiree per month toward such coverage.
- provide that retiree health care service coverage will no longer be available for state personnel who begin service or employment on or after July 1, 2008.

Mr. Gwartney further explained that after passage of this legislation, the Department of Administration intends to change eligibility requirements as

follows:

- retiree must work for the for the state until eligible for early retirement (prior to age 65) and must be retiring directly from state service to be eligible for retiree health care service coverage.
- retiree health care service coverage will not be available to any retiree who is or becomes Medicare eligible.
- provide correct code citations and make other technical corrections.

Mr. Gwartney also stated that the Government Accounting Standards Board (GASB) Statement No. 45 requires liability for non-pension post-employment benefits. The estimated GASB liability would be reduced from \$442 million to \$81.6 million as a result of the following:

1. Setting the state contribution (subsidy) toward retirement coverage at \$155 per eligible retiree per month.
2. Eliminating state retiree coverage for Medicare eligible retirees.
3. Requiring that personnel must work for the state until eligible for early retirement and must retire directly from the state service to be eligible for retiree health care service coverage.

Eliminating the plan for state personnel beginning service on or after July 1, 2008 will slow the growth of the estimated GASB 45 liability and eventually begin reducing that liability.

In response to a question from **Rep Mortimer** regarding employees in the 1860 hours per year category, **Mr. Gwartney** stated that there is a separate plan for the 3100 employees making less than \$5000 per year.

MOTION

Motion was made by **Rep Lake**, seconded by **Rep Marriott** to introduce **RS17388C2** to print. **Rep Ringo** asked whether we have received recommendations from CEC Committee (Change in Employee Compensation). **Mr. Gwartney** responded "No". **Rep Ringo** related that she was uncomfortable with the presentation and inquired as to a study being done comparing Idaho with other states. **Mr. Gwartney** said that nearby states are a little ahead of Idaho - 15% behind market. **Rep Ringo** asked whether prescriptions are included. **Mr. Gwartney** replied "yes". **Rep Pasley-Stuart** asked that since the average age of state employees is 37.3, are we premature in making these changes. **Mr. Gwartney** responded that he had been asked to make the presentation. **Rep Schaefer** inquired as to any further questions. **Rep Pasley-Stuart** asked that the secretary conduct a Roll Call Vote. **Motion** passed six (6) to four (4) to introduce **RS17388C2** to print.

RS17305

Mike Cooper, Bureau Chief, Department of Agriculture, was welcomed to begin his presentation regarding amending Section 67-5303, Idaho Code, adding line (z) which provides that certain employees and their supervisors hired to conduct activities under the Idaho Plant Pest Act shall be considered non-classified employees rather than temporary personnel. He indicated that many pest control programs are begun with temporary personnel only to be completed by another due to the hours limitation. The need is for personnel to be able to stay on more than 1385 hours to complete the job. **Rep Pasley-Stuart** commented that a number of state agencies are having difficulty holding on to part-time employees. **Mr. Cooper** indicated that pest control programs are project-oriented. Some projects need to be 6 to 8 months in duration while others are on a multi-years schedule.

MOTION **Rep Marriott** moved to send **RS17305** for print. **Rep Trail** seconded. **Rep Lake** commented that it seems that people on these projects specifically could be part-time or full-time as long as funding is in order. **Mr. Cooper** said that temporary employees are defined as working 1385 hours or less, while non-classified employees are exempt from that limitation in hours. **Rep Schaefer** asked for further questions. There being none, the motion was voted on and passed to accept **RS17305**.

RS17325 **KAREN EWING**, Management Assistant, Board of Veterinary Medicine was welcomed and began her presentation regarding amending the existing statute to authorize the Board of Veterinary Medicine to employ a non-classified executive director and such support staff as deemed necessary by the Board, to provide for compensation of these employees and clarify the Board's authority to enter into services contracts. She explained that core responsibilities for the Veterinary Board are similar to other departments and boards and that there is no additional money required to make this change. **Rep Lake** asked why the Board does not already have authorization. **Ms Ewing** indicated that authorizations are already in the statutes for all other boards except the Veterinary Board. **Rep Lake** followed up by asking if the Board then gives authorization to the new executive director. **Ms Ewing** stated, yes, that both the executive director and Board have responsibility. **Rep Lake** followed up by asking whether this position is being created for her. **Ms Ewing** said, no, that if she were to drop dead, the Board of Veterinary Medicine would have a difficult time finding someone to replace her with the current title designation. **Rep Schaefer** asked for any further questions.

MOTION **Rep Pasley-Stuart** moved to send **RS17325** to print. **Rep Bradford** seconded. Motion passed.

Chairman Schaefer turned the meeting over to **Vice Chairman Bradford** to conduct the Rules Review portion of agenda.

RULES REVIEW - Department of Commerce

Docket No. 28-0304-0701 **Dennis Porter**, Department of Commerce, presented the facts for Temporary Rule of the Business and Jobs Development Grant Fund. The purpose of this rulemaking is to change grant awards from \$200,000 not to exceed \$250,000.

MOTION There being no questions, **Rep Mortimer** moved to pass **Docket No. 28-0304-0701**. **Rep Trail** seconded. Committee members were asked to raise their hands in favor. All hands raised in agreement.

Docket No. 28-0203-0701 **Cathy Bourner**, Idaho Regional Travel & Convention Grant Program, presented a summary of this Pending Rule. She explained that the purpose of this rulemaking is to update language and concepts that relate to previous changes and advances in technology. It is also necessary to update outdated language and to bring consistency between rules. The inconsistencies in language cause questions and confusion in the administration of existing Idaho Travel Council grants. Items f. (Procurement) and h. (Rental Costs) were changed from not to exceed \$5000 to not to exceed \$20,000. It was noted that the change to f. was overlooked and would need to be addressed next year. **Ms Bourner**

explained that grantees are awarded a 10% fulfillment dollar amount which is paid at the end of the project excluding amounts for uncompleted projects. **Ms Bourner** discussed No. 222. Plan Section, d. dealing with shifting funds between line items according to a set of dollar and percentage amounts. Item e. deals with shifting funds in excess of the limits indicated and receiving approval of the regional ITC members.

MOTION

Rep Trail moved to approve **Docket #28-0203-0701**. Motion seconded by **Rep Marriott**. Motion passed by voice vote.

ADJOURN

There being no further business, **Chairman Schaefer**, adjourned the meeting at 3:35 p.m.

Representative Robert Schaefer
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: January 29, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** All members present

GUESTS: Dona VanTrease, Executive Director, IPEA;
Attendees from the Department of Human Resources (DHR):
Judie Wright, Acting Administrator; Vicki Tokita, Program Mgr.; Patty Hodges, Program Mgr.; Dennis Moberly, Program Mgr.; Michael Savoie, Program Mgr., and Joe Webber, Employee Relations Specialist;
from Department of Agriculture, Section Manager, Laura Johnson, and Damien Bard, Department of Commerce Administrator

Chairman Schaefer called the meeting to order at 1:34 p.m. and welcomed all members, presenters and guests.

Docket No. 28-0203-0401 First order of business was to discuss Docket No. 28-0203-0701, Idaho Regional Travel & Convention Grant Program pending rule. At this time **Chairman Schaefer** stated further discussion of Docket No. 28-0203-0701 would follow the Department of Agriculture presentation.

Damien Bard, Administrator, Division of International Business Idaho Department of Commerce, was welcomed by **Chairman Schaefer** and began his presentation by stating a few Idaho export facts: a) 1/3 of Idaho's products (manufactured and agricultural) are exported; b) more than 57,600 Idaho jobs depend on exports; c) Export-related jobs pay 13 - 18% more than the national average wage; d) 10% of companies in foreign direct investment pipeline are international companies (30% by dollar volume); e) Nearly 10% of Idaho's visitors are international travelers. **Laura Johnson**, Section Manager, Department of Agriculture, was welcomed by **Chairman Schaefer** and began her presentation by sharing a report for 1st quarter through 3rd quarter 2007 of the top ten (10) Idaho Exports by dollar amounts with #10 being Electrical Machinery at the top with \$1,876,055,164 and ending with #1 Seeds at \$35,850,642. She reported Idaho Exports by Product were at 73% for High Tech; Food & Agriculture at 12%; Wood & Building Materials at 4%; Transportation at 3% and Other at 8%. In reporting on Idaho's top ten trading partners, **Laura Johnson** indicated that the top 3 in order are China, Singapore and Canada. Top 10 agricultural markets begin with Canada, Mexico and Japan. Idaho exports to China have increased steadily from 2003 through 2007. She indicated the agriculture and export picture for 2007 to be 17% ahead of 2006. **Damien Bard** said there has been a rapid export change in the last decade to semiconductors, computer hardware and software;

industrial equipment; renewable energy, environmental technologies & Engineering Services; Building Materials, Wood & Paper Products; Food Processing Equipment & Farm Machinery and Sporting Goods. **Rep Ringo, Rep Chew, Rep Pasley-Stuart** were posing questions regarding jobs exported. **Mr. Bard** indicated he could do more research, i.e., sector by sector; county by county. It was agreed further research and information would be very helpful. **Mr. Bard** also related that there are companies from other countries beginning to open new offices in the U.S. and hiring local employees. **Laura Johnson** began again by relating that Idaho's export sales are growing faster than domestic sales, especially fresh produce. Trade missions by the governor and other state leaders have and continue to be important in increasing the export activity. There are at this time six (6) Idaho International Trade Offices: Taiwan, Mexico, China, Korea, Japan and India. **Rep Thomas** requested a copy of the brochure titled "Idaho Agriculture Trade Issues Report".

Chairman Schaefer thanked Laura Johnson and Damien Bard for their informative international trade presentation.

Chairman Schaefer then welcomed **Judie Wright**, Acting Administrator, Division of Human Resources (DHR), to present an overview of the changes and accomplishments in Human Resources over the past year following the Memorandum of Understanding between the Idaho Division of Human Resources and Delegated Agencies. **Ms Wright** further related that DHR partnered with Leslie Goddard, Human Rights Commission Director, to move Joe Webber, the Employee Relations Specialist for the State of Idaho to her office, thereby providing consultation to State employees, managers and human resource professionals on a variety of Human Resource practices as well as federal and state statutes such as civil rights, EEO, Title VII and the Americans with Disabilities Act. **Rep Pasley-Stuart** inquired as to how an ordinary state employee would be aware of Joe Webber. **Ms Wright** stated that Mr. Webber has received several calls since July, 2006. **Rep Pasley-Stuart** requested more information regarding access to Mr. Webber by employees vs agencies. **Rep Lake** was curious as to the massive amount of responsibilities delegated to the 18 state agencies and asked if these agencies have re-classified employees from within or added new employees. **Ms Wright** indicated the employees were already present. **Rep Lake** inquired as to how we keep agencies from competing within for specific employees. **Ms Wright** stated that Michael Savoie specializes in recruitment, has full responsibility for the recruitment of agencies and provides on-going recruiting support and training. DHR's applicant services team, lead by Mr Savoie, is housed at the Department of Labor's administrative offices which gives them the ability to work closely with all local labor offices around the state to further improve our ability to attract and retain employees for the State of Idaho. She further elaborated on the Applicant Tracking System. In 2007, DHR signed a Memorandum of Understanding (MOU) with the Department of Labor to provide Information Systems Technician staff to maintain and make

improvements to the State's applicant tracking system. This partnership has resulted in completion of many enhancements to the on-line system -

a few examples:: a) Applicants can apply and complete the exam process on-line; b) Potential applicants can be notified of job openings in their field of interest; c) Records of applicants and hiring lists are maintained; d) Hiring supervisors may communicate with applicants via e-mail from an automated list of candidates. **Rep Thomas** asked how DHR keeps up with all these agency staff requirements and activities. **Ms Wright** indicated that agencies appreciate having more hands-on in hiring and being in charge of their own human resources. A pilot project (from April through June) was instigated with seven (7) agency directors and their HR staff to expedite various human resources actions and functions such as recruitment, classification, compensation and employee relations. Based on the positive results of the pilot project, DHR has signed MOU's with an additional 11 agencies bringing the total to 18 agencies performing delegated duties. Some specific responsibilities delegated to agencies: 1) Classification and Job analysis; 2) Classification Development and Revision; 3) Compensation policies and practices; 4) Exam Development and revision; 5) Exam Administration and Scoring; 6) Recruitment and Job Announcements; 7) Hiring Lists Creation and Maintenance. Some examples of responsibilities maintained by DHR: 1) General classification and examination revisions; 2) Removal of names from hiring lists; 3) Provide administrative support to the Idaho Personnel Commission. The FY 09 Governor's budget recommendation for DHR reflects a base reduction of \$829,000 and a corresponding decrease of approximately 35% in the HR fees assessed each delegated agency. To further review and evaluate the State's compensation system, HayGroup was contracted with for a total of \$325,000. DHR has not used HayGroup for the past ten years and therefore many issues needed to be addressed. **Ms Wright** listed some other accomplishments and also indicated some of the future projects DHR will be engaged in collaboration with other agencies. She said that reports are being prepared for the CEC Committee and offered to distribute them to Commerce & Human Resources Committee as well. **Chairman Schaefer** asked if there are further questions. There being none, **Chairman Schaefer** thanked **Ms Wright** and moved the committee on to finish the discussion regarding Docket #28-0203-0701.

**Docket No.
28-0203-0701**

Idaho Regional Travel & Convention Grant Program
Chairman Schaefer indicated that the Senate Commerce & Human Resources Committee had rejected changes to Section 222.02.e. Discussion ensued with the decision being made that **Docket No. 28-0203-0701** required further clarification. **Docket No. 28-0203-0701** was held in committee.

Rep Ringo began a short discussion regarding removal of Medical, Dental, or Optical Appointments Leave (MDA - 240.04) from **Docket No. 15-0401-0702**, saying she would like to see more usage information over the period of a few years. **Rep Trail** would like to see a trend; **Rep Lake** indicated that MDA is probably being used, but not tracked. **Chairman Schaefer** would like to see MDA under control. **Rep Thomas** said that perhaps there is more of a management problem than an employee problem. **Rep Marriott** said we should either make it legislation or ax it.

ADJOURN

Chairman Schaefer adjourned the meeting at 3:50 p.m.

Representative Robert Schaefer,
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: February 5, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayne, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** Rep Trail was excused to leave early

GUESTS: Dona Van Trease, Executive Director, Idaho Public Employee Association; Laura Johnson, Section Mgr., Department of Agriculture; Mike Cooper, Bureau Chief, Department of Agriculture; Mindy Montgomery, Director, Ind comm; Judie Wright, Acting Administrator, Division of Human Resources; Bob Wells, Special Assistant, Office of Governor; Erin Bennett, Lobbyist, Veritas Advisors; Daniel Wolf, Organizer, SEIU/IAGE; Ed Hawley, Administrative Rules; Ken Miracle, Human Resources Officer, Department of Agriculture; Lyn Darrington, The Gallatin Group

Chairman Schaefer called the meeting to order at 1:32 p.m. First order of business was approval of minutes.

MOTIONS **Rep Pasley-Stuart** moved to accept the Minutes as written for January 23, 2008. Motion carried by voice vote. **Rep Pasley-Stuart** moved to accept Minutes as written for January 29, 2008. Motion carried by voice vote.

Docket No. 28-0203-0701 Previous discussion was reviewed on Pending Rule 28-0203-0701 as submitted by Department of Commerce.

MOTION **Rep Mortimer** moved to approve **Docket No. 28-0203-0701** with the exception of Section 222.02.d. and e., the amended language only. Seconded by **Rep Bradford**. Motion carried by voice vote.

Docket No. 51-0401-0702 **Judie Wright**, Acting Administrator, Division of Human Resources, apologized for the confusion created by the sweeping changes of Pending Rule 15-0401-0702. She respectfully requested that the changes to the entire docket be rejected by the Committee. She went on to explain that DHR had been working on pending rules for the past three years because of complaints that there were too many rules.

MOTION **Rep Lake** moved to respectfully reject **Docket No. 51-0401-0702**. **Rep Ringo** added she would like to see MDA not totally eliminated, but possibly clarified. **Judie Wright** indicated that by Code DHR does not have a right to continue MDA, but nothing is stated in code to allow it either. **Rep Pasley-Stuart** likes to see the duplication in the rules so

there is employee access. **Rep Marriott** stated that is what sick leave is for and would vote against retaining MDA as an benefit. **Rep Mortimer** moved to respectfully reject **Docket No. 51-0401-0702** as respectfully requested by DHR. Motion carried by voice vote.

RS17770

Chairman Schaefer welcomed **Lyn Darrington** to present **RS17770** on behalf of Employers' Insurance Group. She indicated that at this time, public corporations, such as city and county governments and school districts, may only insure against liability for workers compensation through the State Insurance Fund. This legislation would amend Chapter 9 of Title 72 by adding a new Section 72-928A to Idaho Code to provide that public corporations may insure against liability for compensation with the State Insurance Fund or with certain licensed insurance carriers.

MOTION

Rep Thomas moved that **RS17770** be introduced. Motion passed by voice vote.

H 414

Mike Cooper, Bureau Chief, Department of Agriculture, presented House Bill Number 414 for approval. This legislation amends Section 67-5303 by adding Paragraph (z) which will provide an exemption from the 1385 hours annual limit to create a new group of non-classified employees for personnel hired to carry pest survey, detection, control and eradication project efforts. This legislation is specific to pest control requirements.

MOTION

Rep Lake moved to send H 414 to the floor with a Do Pass. Motion passed by voice vote.

ADJOURN

There being no further business, **Chairman Schaefer** adjourned the meeting at 2:15 p.m.

Representative Robert Schaefer
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: February 7, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** Representatives Lake, Ringo, Thayn, Marriott, Trail

GUESTS: Marsi Woody, Financial Executive Officer, ISP; Ann Cronin, Special Assistant, ISP; Chris Bauwens, HR, Department of Health & Welfare; Brandon Woolf, Deputy Controller, Office of Idaho State Controller; Patrick Hodges, Div Administrator, IDL; Dave Whaley, President, Idaho State AFL-CIO; Kerry Ellen Elliott, Lobbyist, IAC; Joseph Alcala, President; JBSteel

Rep Schaefer called the meeting to order at 1:50 p.m. **Rep Schaefer** welcomed **Christian Zimmermann** who gave a brief history of his life and service as a representative from Valley County for two sessions and served on Commerce & Human Resources Committee. Since 2005, he has been teaching in China at the South China Normal University and working to establish an educational program between China and the United States. Cascade, Idaho will be the first city in the United States to have a Kindergarten through 12th grade Chinese Education System. Under the supervision of qualified traditional Chinese speakers and writers, interns will learn the Idaho Primary Education System and teach American students for a period of one year about China's languages, traditions and culture, while learning U.S. traditions and cultures. These students/teachers would then go back to teach in China. He stated that China is the largest English-speaking country in the world. **Chairman Schaefer** thanked **Mr. Zimmermann** for sharing the information he had presented earlier in the day to House & Senate Education Committees.

RS 17784 **Marsi Woody**, Financial Executive Officer, Idaho State Police, was welcomed by **Chairman Schaefer** to present **RS17784**. This bill amends Idaho Code Chapter 67-5302(20) with added language permitting the definition of "overtime work" for those employees engaged in law enforcement, correctional and fire protection activities to also include hours earned in excess of forty (40) hours in a period of one hundred sixty-eight (168) consecutive hours upon emergency declaration by the governor or with the approval of the appointing authority and the board of examiners. The added language will align statute with the previous practice of allowing Commissioned Officers to directly charge extra shifts to overtime funded grants and projects.

MOTION **Rep Pasley-Stuart** moved that **RS17784** be introduced. Motion passed by voice vote.

RS 17848

Chairman Schaefer welcomed **Rep Branden Durst** to present **RS17848**. This legislation amends the public works contractor licensing requirements to include contractor-provided comprehensive health insurance as an additional condition. Rep Durst stated that comprehensive health insurance is defined as insurance that is the equivalent of health insurance provided to state employees in terms of coverage and cost. He indicated that public works contractors who do offer health insurance currently to their employees are significantly disadvantaged in securing public works contracts due to their added cost of doing business. This is further exacerbated by the competitive bid process which is utilized in a majority of the State's public works projects. Contractors who do not offer health insurance to their employees are more likely to send employees to county hospitals in the case of on-site accident, which can cost the taxpayers through the county indigent fund programs. Although these contractors are required to offer workmen's compensation insurance, they may choose, illegally, to not utilize this option because of the negative impact it would have upon their rates. **Rep Thayne** inquired if this bill would affect others. **Rep Durst** indicated that it only applies to certain projects with the State.

MOTION

Rep Bradford moved that **RS17484** be introduced. Motion passed by voice vote.

ADJOURN

Chairman Schaefer thanked everyone and adjourned the meeting at 2:20 p.m.

Representative Robert Schaefer
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: February 13, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayne, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** Chairman Schaefer

GUESTS: Kevin Courtney, IVF & ESA; Phil Gridley, Mtn Home Fire; Grant Hamilton, Firefighter, Professional Firefighters of Idaho (PFFI); Rob Shoplock, Firefighter, PFFI; McKinsey Miller, Lobbyist, The Gallatin Group; Judie Wright, Acting Administrator, Division of Human Resources; Steve Cooke; Dennis Stevenson, Rules Coordinator, Administration; Andrew Hanhardt, President, SEIU/IAGE; Dona VanTrease, Executive Director, Idaho Public Employees Assoc (IPEA); Dennis Moberly, Program Manager, Division of Human Resources; Jane Kinn Bos; Executive Director, Human Resources, BSU; Catherine Dickinson, Intern, DFM

Vice Chairman Bradford called the meeting to order.

MOTIONS

Rep Thomas moved to accept the Minutes of February 7, 2008, with the exception that the last sentence under **RS17848** be clarified for accuracy. She noted that the statement saying **RS17848** would only apply to certain projects with the State is inaccurate because **RS17848** could affect counties and cities as well. Motion passed by voice vote.

Rep Mortimer moved to accept the Minutes of February 5, 2008 as written. Motion passed by voice vote.

RS17801

Rep Ringo introduced **Rob Shoplock**, firefighter with PFFI, to present **RS17801**. **Mr. Shoplock** explained that this legislation amends Section 72-438 by adding to the list of enumerated occupational diseases under the Idaho Worker's Compensation Laws certain cancers: primary brain cancer, malignant melanoma, leukemia, non-Hodgkins lymphoma, bladder, ureter, kidney and testicular for currently employed firefighters or formerly paid firefighters, employed or once employed by a municipality, village or fire district as a regular member of a lawfully established fire department, caused by proximate exposure or by cumulative exposure over a period of four (4) years or more to heat, smoke, chemical fumes or other toxic gases arising directly out of, and in the course of his employment. This legislation would provide firefighters the same kind of protection currently afforded for glanders and anthrax, plus infectious diseases found in subsection 14 as presumptive occupational diseases. **Rep Trail** asked if there is research background to share with the Committee. **Rob Shoplock** indicated studies have shown that firefighters are 1.5 times more likely to acquire the cancers listed than the general public. **Rep Trail** asked about the number of states that have listed these cancers. **Rob Shoplock** indicated that 24 states have listed

them. **Rep Trail** asked as to the number of claims. **Rep Shoplock** answered that it varies as to size of state. For example, Washington State has about ten times the number of firefighters as Idaho and that New York with its 9/11 has 76 claims.

MOTIONS

Rep Chew moved to introduce **RS17801**. **Rep Lake** inquired as to how cancers that are professionally caused, and those that are not, are separated. **Rep Shoplock** indicated that independent studies report statistically increased risk among firefighters. **Rep Lake** moved for a **substitute motion to Hold RS17801** until physical evidence is presented. **Rep Ringo** indicated that there is no cost to the general fund and apologized that the SOP did not address that fact. **Rep Pasley-Stuart** related that it is time to have a full hearing for the people involved in this bill and moved to accept the original motion to introduce **RS17801**.

VOTE ON MOTIONS

A roll call vote was requested. The **substitute motion to Hold RS17801 failed 4 to 6**. Voting in favor of the Hold: **Reps. Lake, Marriott, Mortimer, Thayne**. Voting in opposition: **Reps. Bradford, Trail, Thomas, Ringo, Pasley-Stuart, Chew**. The roll call vote on the **original motion to Print RS17801 PASSED 6 to 4**. Voting in favor of Print: **Reps. Bradford, Trail, Thomas, Ringo, Pasley-Stuart, Chew**. Voting in opposition: **Reps Lake, Marriott, Mortimer, Thayne**. Chairman Schaefer was absent and excused.

MOTION

Rep Thomas moved to approve Concurrent Resolutions **RS17899 and RS17902** to Print. Motion carried by voice vote.

H 495

Lyn Darrington was welcomed to present **H 495**. She indicated this legislation will amend Chapter 9 of Title 72, Idaho Code, to permit public corporations, such as city and county governments and school districts, to insure against liability for workers compensation through private insurance carriers. It does not mandate any change, just allows the bidding process to provide opportunities to seek bids from the private sector as well as the State Insurance Fund. **Rep Trail** commented that it opens the process to competition. **Lyn Darrington** indicated this legislation would save money for county and city government. **Rep Trail** inquired if states other than Utah had input. **Lyn Darrington** indicated that no negative input had been received.

MOTION

Rep Trail moved to send **H 495** to the floor with Do Pass recommendation. Motion passed by voice vote.

H 496

Marsi Woody, Financial Executive Officer, Idaho State Police, presented **H 496**. She explained that this bill amends Idaho code Chapter 67-5302(20) with language permitting the definition of "overtime work" for those employees engaged in law enforcement, correctional and fire protection activities to also include hours earned in excess of forty (40) hours in a period of one hundred sixty-eight (168) consecutive hours upon emergency declaration by the governor or with the approval of the appointing authority and the board of examiners. The added language will align statute with the previous practice of allowing commissioned officers to directly charge extra shifts to overtime funded federal grants and projects and allows officers to correctly charge overtime worked on

overtime-funded projects at the point in the pay cycle when the work occurs.

MOTION

Rep Lake moved to send **H 496** to the floor with a Do Pass with amendments to be placed on general orders for consideration. Motion carried by voice vote.

S 1250

Bob Fick, Department of Labor, presented **S 1250**. He indicated this is a housekeeping bill containing amendments to Idaho's Employment Security Law. Section 1 amends the statute that defines which employers are covered by Idaho's unemployment insurance program. The amendment replaces the term "crew leader" with "farm labor contractor" and changes the coverage provisions for farm labor contracts to be consistent with Idaho's farm labor contractor licensing law. Section 2 clarifies that to claim unemployment benefits a worker must have received wages from covered employers. This would deny benefits to a person who works for multiple employers – such as a house cleaner – who makes enough money from all of them to meet the wage requirement for unemployment benefits while none of the multiple employers pays out enough to be required to pay unemployment taxes and therefore, is not a covered employer. Section 3 and 4 remove references to Idaho's pre-2005 law prohibiting businesses to transfer their employees to another entity solely for the purpose of shedding a high unemployment insurance tax rate for the lower basic rate given new employers. Section 4 also specifies the factors that may be considered when determining whether a transfer of a trade or business has occurred. Section 5 extends the civil penalty for employers that collude with a current or former employee to file a fraudulent claim for unemployment insurance benefits.

MOTION

Rep Ringo moved to send **S 1250** to the floor with a Do Pass. Motion carried by voice vote.

ADJOURN

Vice Chairman Bradford adjourned the meeting at 3:05 p.m.

Representative Larry Bradford
Vice Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** February 27, 2008
- TIME:** 1:30
- PLACE:** Room 316
- MEMBERS:** Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew
- ABSENT:** Rep Mortimer
- GUESTS:** Bob Fick, Idaho Department of Labor; Roger Holmes, Bureau Chief, Department of Labor
- Chairman Schaefer** called the meeting to order at 1:33
- MOTION:** **Rep Thomas** moved to approve the Minutes of February 13, 2008 as written. Motion passed with voice vote.
- S 1256** **Bob Fick**, Department of Labor, was welcomed to present **S 1256**. He indicated that this legislation establishes the Idaho Career Information System in state law and places it in the Idaho Department of Labor. The services and products provided by this system are critical components of the department's employment and work force development programs. This internet-based system provides information on over 600 specific occupations – what each does, how much it pays, what education or training is required, where that education and training is offered in Idaho, and most recently what kind of life style the compensation offered in any occupation might support. It provides information that individuals, parents and school and employment counselors can use in outlining a future course of study or training. Students in over 90% of Idaho's high schools and 60% of its middle schools have access, and it is available at colleges, universities, Vocational Rehabilitation local offices and correctional facilities, and it is used by thousands of job seekers every year as they search for work through the Labor Department's 24 local offices. The enactment of this legislation will have a positive fiscal impact of \$213,900 on the state General Fund. Idaho Career Information System will be funded by money generated by its services, and if necessary, by the Department's Special Administration Fund. **Rep Thomas** asked whether school districts pay for access to the system and if the money goes into the Treasury. **Mr. Fick** indicated that it does.
- MOTION:** **Rep Thomas** moved to send **S 1256** to the floor with a Do Pass recommendation. Motion carried by voice vote.
- S 1311** **Mr. Fick**, began his presentation of **S 1311** by stating that this legislation brings Idaho into required compliance with new regulations of the U.S. Department of Labor on confidentiality of employment security information and unemployment benefit eligibility for workers in training programs. 20 CFR Part 603 – Establishes uniform minimum

requirements for safeguards against unauthorized disclosure of confidential information and recoupment of costs of authorized disclosures, and requires states to adopt penalties for unlawful disclosure of confidential information. Also for compliance with U.S. Department of Labor are changes to 20 CFR Part 604 – Requires states to limit payments of unemployment insurance benefits to claimants who are in approved job training. If claimant misses more than half the training for the previous week, even if for legitimate, compelling reasons, they lose their eligibility for that week, just as traditional claimants would if they were not available and able to work during the previous week.

MOTION: There being no questions, **Rep Ringo** moved to send **S 1311** to the floor with a Do Pass recommendation. Motion carried by voice vote.

Chairman Schaefer requested **Rep Pasley-Stuart** to sponsor **S 1256** and **Rep Thayn** to sponsor **S 1311**.

ADJOURN: There being no further business, **Chairman Schaefer** adjourned at 1:50.

Representative Robert Schaefer,
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: March 3, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

ABSENT: Representative Lake

GUESTS: Damien Bard, Administrator, Department of Commerce; Eddie Yen, Idaho-Taiwan Manager ; Akemi Harima, Idaho-Japan Trade Manager

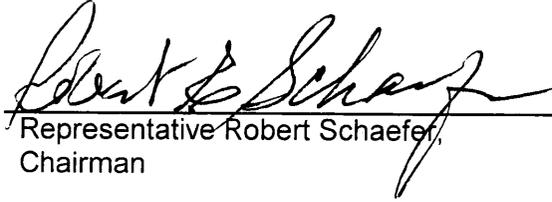
MOTION: **Chairman Schaefer** requested a motion to approve minutes. **Rep Ringo** moved to approve the minutes of February 27, 2008, as written. Motion carried by voice vote.

TAIWAN TRADE PRESENTATION: **Chairman Schaefer** welcomed **Damien Bard**, Administrator, Department of Commerce. **Mr. Bard** introduced **Eddie Yen**, Director of the Idaho-Asia-Trade Office in Taipei, Taiwan. **Mr. Yen** indicated that he considers himself very fortunate to have been representing Idaho for close to 20 years and always looks forward to coming to Boise. **Mr. Yen** works with hundreds of Idaho companies and helps organize trade missions, trade shows and educational visits. He has a comprehensive and deep understanding of Idaho's industries, market opportunities and export needs. Taiwan is a small island (1/6 the size of Idaho) and has a population of 22.8 million. Idaho exports to Taiwan totaled \$304 million in 2007; Taiwan was Idaho's 6th largest export market in 2007; total exports from Idaho to Taiwan increased by 76.8%; the three largest market sectors for Idaho products and services in Taiwan are high tech, food & agriculture and wood & building materials.

JAPAN TRADE PRESENTATION: **Damien Bard** introduced **Akemi Harima**, Official Representative, of the Idaho-Japan Part-time Trade Office. The Idaho-Japan Trade Office provides Idaho with market information; advises Idaho companies on the best approaches to entering the Japanese market and finding partners; represents Idaho companies in selected trade shows; promotes Idaho Tourism in the Japanese market; provides information on Idaho to Japanese companies to encourage trade as well as investment in Idaho. **Ms. Harima** is also the managing director of Kobe International, Ltd., a marketing and trading company founded in March 2006 to assist with U.S. companies wishing to enter the Japanese market. **Ms. Harima** reported that in 2007 Idaho exports to Japan totaled \$325.4 million; Japan is Idaho's 4th largest international market. She has produced a 30-minute TV program to show the Japanese

public some of the qualities and areas of Idaho. **Mr. Bard** offered to bring copies of the DVD to share with the committee members.

ADJOURN: Chairman Schaefer thanked the guests and adjourned at 3:00 p.m.



Representative Robert Schaefer,
Chairman



Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: March 5, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representative Lake, Representative Trail, Representative Marriott, Representative Mortimer, Representative Thayn, Representative Thomas, Representative Ringo, Representative Pasley-Stuart, Representative Chew

**ABSENT/
EXCUSED:** All present

GUESTS: Fairy Hitchcock, Theatre Tech, Hitchcock Family Advocates
William Price, Producer, Blue Star Corporation; Don Dietrich, Acting Director; Commerce; Lance Thompson, Pros Idaho Media, Ideas to Go; Marie A. Boller, Costume Supervisor, Film & TV; Dan Allers, Gaffer, Idaho Cinematic Equipment; Dennis Moberly, HR Program Mgr., Division of Human Resources; Vicki Tokita, HR Program Mgr., Division of Human Resources; Judie Wright, Acting Administrator, Division of Human Resources; Brandon Woolf, SCU; Lee McCormick, DFM; Ben Shedd; Tom Williamson; Thomas Lewis; Karen Toronjo, Film producer; Aimee Nell Lewis, General Mgr., Dramatic Entertainment; Pamela Thompson, Recruiter, Ideas to Go; Heather Ray, Producer; Jesse Cordtz, Adj Boise State, Totally New Faces; Ron Torres, Producer, Heeeeey! Entertainment; Sherry Cann, Writer, IMP; Tamara Cameron, Performing Arts Mgr., Boise City Arts Commission; Julie Taylor; Kat Haas, Film Specialist, Department of Commerce

Chairman Schaefer called the meeting to order at 1:34 p.m.

MOTION: Rep Thomas moved to approve the minutes of March 3, 2008 as written. Carried by voice vote.

S 1252 Dennis Moberly, Program Mgr., Division of Human Resources, was welcomed to begin his presentation of **S 1252**. It was explained that this bill: 1) Allows newly-promoted executives 12 months to use any previously earned compensatory time balances from the date of this act or from the date of their appointment, whichever is later, with any unused compensatory time being forfeited; 2) Caps compensatory time earned by employees who are exempt from earning overtime under the Fair Labor Standards Act (FLSA) at 240 hours and will discontinue accruing compensatory time until the existing balance is below 240 hours. Any balances in excess of 240 hours are forfeited after the last pay period in June 2009; 3) Allows an exception for payment of overtime during a disaster or emergency with the approval of the Board of Examiners; 4) Allows for exceptions to overtime designations to be approved by the Division of Human Resources Administrator; (5) Adds definition to Idaho Statutes for computer workers; 6) Deletes reference

administrative leave (EAL); 7) Updates definitions in Idaho Code for administrative, professional, and computer workers; 8) Aligns definition for part-time classified and non-classified employees to earn leave benefits. A lively discussion ensued regarding exempt vs non-exempt, compensatory time vs overtime; definitions of part-time employees.

MOTION:

Rep Lake moved to report **S 1252** back with Amendment attached to be placed on general orders for consideration.

Rep Thomas inquired about reviewing the Federal Fair Labor Standards Act concerning compensatory time. **Chairman Schaefer** requested **Mr. Moberly** provide copies of federal policies for committee use. **Rep Pasley-Stuart** expressed strong opposition to this bill and requested a Roll Call Vote.

**ROLL CALL
VOTE:**

Voting in favor of the motion to send S 1252 back with amendment attached to place on general orders for consideration: **Reps Thayne, Mortimer, Marriott, Trail, Lake, Bradford, Schaefer.** Voting in opposition: **Reps Ringo, Pasley-Stuart, Chew, Thomas.** Carried 7 to 4 in favor.

H 592

Chairman Schaefer welcomed **Rep Eric Anderson** to present **H 592**. He indicated the intent of this legislation is to establish a program to grow the media production industry in Idaho. The Department of Commerce would begin by utilizing the program as economic stimulus to develop a media industry workforce by providing a 20% cash rebate on specific Idaho expenditures if at least \$200,000 is spent in Idaho and 20% of the crew hired is from Idaho. He then introduced **Don Dietrich**, Acting Director of the Idaho Department of Commerce and the Administrator of the Idaho Division of Economic Development to discuss the merits of **H 592**. **Mr. Dietrich** indicated the top priority of Department of Commerce is working toward and actively recruiting industries that bring new enterprise payroll to the state. In an analysis of targeted industries, the film production business would increase enterprise payroll and help Idaho diversify its economic portfolio. Film and TV production is a clean, high tech, well-paying industry. The entertainment business is recession proof and continues to expand every year with new technology and distribution platforms. Building the production industry in Idaho may keep more high school and college graduates from leaving the state. **H 592** is closely modeled after Utah's program, which has been a thriving film industry for 5 years. According to the Utah Governor's Office of Economic Development, Utah's incentive program has reported a \$12 return for every \$1 spent from the fund. Approximately 1700 industry-related jobs have been established in Utah in 2007 and 2008 alone. **Chairman Schaefer** asked for questions from the committee and for further testimony. One by one, eight representatives from the local film industry stepped up to testify in favor of **H 592**. Testimonies were heard from local individual artists and business persons who are writers, film makers, photographers, producers, theater techs, directors, costume supervisors, stage equipment workers, recruiters from Ideas to Go, Idaho Media Productions and teachers. They testified as to the growing interest and advantages in fostering the film industry in Idaho. There are incredibly

talented people who graduate here, but cannot work here due to lack of jobs. Being able to live and work in Idaho is the greatest wish of these people. **Kat Haas**, who is the first full-time employee film specialist at the Idaho Department of Commerce, indicated that the film industry is incredibly capital intensive. She indicated that Idaho needs a film incentive program to attract major studios and producers who annually spend billions of dollars on productions around the world. States with innovative and aggressive incentives have been able to diversify their economies, create new private sector jobs, develop training programs and benefit from increased sale of goods and services, as well as an increase in construction dollars. These film projects would bring benefits to the marketing and promotion of Idaho businesses, products and tourism. In addition, the industry leaves work locations better than they found them. Idaho needs the tools of tax credits and rebates for investing and competing in the successful, lucrative, forward-looking film and television industry.

MOTION:

Rep Trail moved to send **H 592** to the floor with a Do Pass recommendation.

Rep Lake expressed his opposition to **H 592** as the dollar figures come up short. **Rep Anderson** in his closing statement indicated that the film industry is a growing industry and Idaho will be modeled after states that have been successful. **Rep Thayn** expressed unease with **H 592** and would have to vote against it as currently constituted. A voice vote was taken, deemed inconclusive, so **Chairman Schaefer** asked for a Roll Call Vote.

**ROLL CALL
VOTE:**

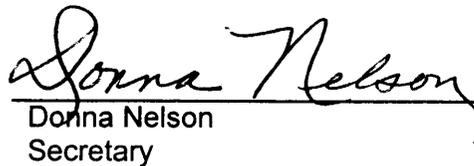
Roll Call Vote was taken: Voting in favor of the motion to send H 592 to the floor with a Do Pass recommendation: **Reps Bradford, Trail, Thomas, Ringo, Chew, Schaefer**. Voting in opposition: **Rep Lake, Marriott, Mortimer, Thayn**. Rep Pasley-Stuart was absent. Motion carried 6 to 4 in favor.

S 1252 revisited:

At this time, **Rep Lake** brought to the committee's attention that **S 1252** was available in the engrossed version. He rescinded his previous motion and moved to send **S 1252** to the floor with a Do Pass recommendation. A Roll Call Vote was called for. Voting in favor: **Vice Chairman Bradford, Reps Lake, Trail, Marriott, Mortimer, Thayn, Chairman Schaefer**. Voting in opposition: **Reps Thomas, Ringo, Chew**. Rep Pasley-Stuart was absent. Motion carried 7 to 3 in favor.



Representative Robert Schaefer,
Chairman



Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: March 17, 2008

TIME: 1:30

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** All present

GUESTS: Greg Redden, Executive Director, Idaho Volunteer Fire & Emergency Services Association; Phil Gridley, Chief, Mountain Home Fire District

Chairman Schaefer called the meeting to order at 2:25 p.m.

MOTION: **Rep Thayn** moved to approve the minutes from March 5, 2008 as written.
Motion carried by voice vote.

S 1444 **Chairman Schaefer** welcomed guests and invited **Rep Anderson** and **Rep Bock** to present **S 1444**. **Rep Bock** spoke of his own town where firefighters and emergency help are all volunteer. He further stated there are 5,000 fire and emergency services volunteers in the state of Idaho. The purpose of this bill is to provide worker's compensation benefits to volunteer emergency responders who are injured or disabled in the line of duty. **Rep Anderson** indicated that requirements and training have become more strict and stringent and require more dedication from volunteer fire and emergency responders. This bill allows for a more equal playing field. **Greg Redden**, Executive Director of the Idaho Volunteer Fire & Emergency Services Association explained that "Volunteer Emergency Responder" includes volunteer firefighters, volunteer/reserve peace officers, and volunteer EMT/EMS personnel. **S 1444** is an amendment to the Worker's Compensation Act, and will provide a minimum weekly benefit for volunteer emergency responders who sustain injuries in the line of duty. This benefit will be based on 67% of the average weekly state wage and will be paid for the first 52 weeks that the volunteer is unable to perform his/her regular job. Currently the income benefit is a minimum of 45% of the volunteer's average weekly wages in their regular employment. Most Idaho volunteers are self-employed farmers, ranchers, and small business owners in rural areas. Statistics show that the number of volunteer emergency responders has declined over 10% during the last 20 years, even though they are needed more than ever. These responders risk their lives every day and have earned the right to receive fair benefits. This bill will address these issues and enhance the ability of communities to recruit and retain volunteer emergency responders. There will be no fiscal impact to the State General Fund. This benefit will be funded through Worker's Compensation premiums paid by organized fire and police districts and departments throughout the state.

MOTION: Rep Thomas moved to send **S 1444** to the floor with a Do Pass recommendation. Motion carried by voice vote.

**IDAHO-CHINA
TRADE
PRESENTATION**

Dr. Cao Guoli, Director of the Idaho-Shanghai Trade Office in Shanghai, China, was introduced by Damien Bard, Administrator, International Business Development, State of Idaho. Dr. Cao cited a few statistics reporting that Idaho exports to China have increased over the past 5-year period from a total of \$163.64 million in 2002 to a total of \$891.65 million in 2007. Tech products represented \$822 million of Idaho's total exports to China in 2007, representing an increase of 21.9% from 2006. Wood & Building Materials exports increased by 45.4% from the previous year.

Chairman Schaefer thanked Dr. Cao Guoli for his presentation and adjourned the meeting at 3:08.

Representative Robert Schaefer,
Chairman

Donna Nelson
Secretary

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: March 31, 2008

TIME: 1:00 p.m.

PLACE: Room 316

MEMBERS: Chairman Schaefer, Vice Chairman Bradford, Representatives Lake, Trail, Marriott, Mortimer, Thayn, Thomas, Ringo, Pasley-Stuart, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Julie Taylor, Blue Cross of Idaho; Dona VanTrease, Idaho Public Employees Association; Don Brennan, Idaho Public Employees Association; Ron Moore

RS 18149 Meeting was called to order at 1:00 p.m. by Chairman Schaefer. He explained that the purpose of the meeting today was to consider a new RS, **RS 18149**, which will direct the Legislative Council to create an interim committee to study group insurance for retired State of Idaho employees. He further noted that **S 1447**, which is currently being held at the desk, has not come before the Commerce & Human Resources Committee this session. Chairman Schaefer explained that his intent is to ask the committee to introduce RS 18149 and send it directly to the second reading calendar, thus putting the matter into leadership's hands. He said he thinks it is important to have a legislative interim committee in place this summer to hold hearings and gather information from state employees and retirees, in order to be able to formulate a proper response to their concerns.

MOTION **Rep. Pasley-Stuart** moved to **introduce RS 18149** and send it directly to the second reading calendar, with a corrected statement of purpose, to delete "S 1447" from the bottom of the page.

Rep. Ringo raised a question as to whether the resolution should deal with both retired and active employees of the State of Idaho, and she suggested that the title of the resolution should be changed to add "and active" following "retired". **Rep. Lake** suggested that the same addition would need to be made to line 11 on page 2 of the resolution, and the statement of purpose would need to be changed to reflect the same addition. **Rep. Thomas** asked whether the addition of active employees to the deliberations of the interim study committee would increase the fiscal impact; Chairman Schaefer noted that it would not result in any increase in cost.

MOTION **Rep. Pasley-Stuart** withdrew her motion and offered a **new motion**, to **introduce RS 18149C1** and to send it directly to the second reading calendar. The RS will be changed to add the words "and active" following the word "retired" on page 1, line 4 and on page 2, line 11. Rep. Pasley-Stuart included in her motion that the Statement of Purpose for the RS be corrected to add "and active" following "retired" and to remove "S1447" from the bottom of the page.

VOTE ON **Chairman Schaefer** called for a vote on the motion, to **introduce**

MOTION **RS18149C1** to print and send it directly to the second reading calendar, with a corrected Statement of Purpose. **Motion carried on voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:18 p.m.

Representative Robert Schaefer
Chairman

MaryLou Molitor
Secretary