

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 13, 2011
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** Representative Trail
GUESTS: Daniel Wolf, Idaho Association of Governmental Employees; Alex Neiwirth, Idaho Association of Governmental Employees; Ed Hawley, Rules Specialist, Administrative Rules; Dennis Stevenson, Coordinator, Administrative Rules; Tamara Prisock, Department of Health & Welfare; Wayne Hammon, Acting Administrator, Human Resources; Tom Stroschein, County Commissioner, Latah County; Tim Olsen, Regence BlueShield of Idaho

Chairman Block called the meeting to order at 1:40 p.m.

Chairman Block welcomed new and returning members of the committee then asked members to introduce themselves. The committee reviewed Legislative Rules of Decorum. Chairman Block said the committee has 40 rules to review this year and two Administrative Rules Subcommittees have been appointed. Subcommittee #1 Chairman is Representative Hartgen and subcommittee members are Representatives Simpson, Nessel, and Ringo. Subcommittee #2 Chairman is Representative Thayn and subcommittee members are Representatives Marriott and King.

Ed Hawley, Rules Specialist, Administrative Rules, demonstrated to the committee how to access and navigate the rules on computer. **Chairman Block** said a hard copy of the rules is available upon request.

Dennis Stevenson, Coordinator, Administrative Rules, commented on the full process of approval or rejection of rules, the role of committee members in the process, the history of development of rules process, and how members can access rules electronically.

Chairman Block announced that the next committee meeting will be Monday, January 17, at 1:30 p.m., to review Docket #16-0304-1002. Upon adjournment of that meeting, the two subcommittees will meet.

Adjourn: There being no further business before the committee, **Chairman Block** adjourned the meeting at 2:29 p.m.

Representative Block
Chair

Sheila Doherty
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, January 17, 2011

SUBJECT	DESCRIPTION	PRESENTER
16-0304-1002	Rules Governing the Food Stamp Program in Idaho	Rosie Andueza Department of Welfare

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: (208) 332-1147
email: mtipps@house.idaho.gov

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, January 17, 2011

TIME: 1:30 P.M.

PLACE: EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayne, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Trail, Loertscher

GUESTS: Jeanette Ross, Church Women United; Melanie Roper, Catholic Charities; Kathy Gardner, Idaho Hunger Task Force; Breland Draper; Merry McKeazie, Idaho Hunger Task Force; Dennis Kirk, Idaho Interfaith Round Table Against Hunger (IIRAH); Timothy McFarlane, Vineyard Christian Fellowship; Ann Kirkpatrick, Unitarian Universalists; Tempe McFarlane, Vineyard Christian Fellowship; Karen Vault, The Idaho Food Bank; Jack Crane, St Vincent de Paul; Judy Halverson, IIRAH; Rita Wood, IIRAH; Mary Fennin, IIRAH; Vivian Parrish, IIRAH; Nita Sherrill; Benjamin Sherrill; Bob Parrish, IIRAH; Anthony Yeuason; Rosie Andueza, Department of Health and Welfare (DHW); Kandace Yearsley, DHW; Kathy McGill, DHW; Russell Barron, DHW; Ben Barr, DHW; Dennis Stevenson, Rules Coordinator, Department of Administration; Max W. Pond, Risch Pisca; Darcy James, IIRAH; Pam Nagel; Eric Bergset; Barbara Blasch, IIRAH; Bruce Blasch, IIRAH; Karen Ralse, IIRAH; Rick Groff, IIRAH; Jaylane Biggs, Idaho Community Action Network (ICAN); Jessica Schultz, ICAN; Robin Evans, ICAN; Debbra Maltos, ICAN; Retta Green, ICAN; Roxy Carr, ICAN

The meeting was called to order at 1:35 p.m. by Chairman Block.

DOCKET No. 16-0304-1002: **Rosie Andueza**, Program Manager of the Department of Welfare, presented **Docket No. 16-0304-1002**. This rule has been adopted by the agency and is pending review by the 2011 Idaho Legislature for final approval. This rule reinstates the asset test with an increase in the amount allowed for all food stamps households. The pending rule is being adopted as proposed. The complete text of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 251 through 253. The Department of Health and Welfare anticipates a fiscal impact to the State General Fund due to this rulemaking. The impact will be for operating costs to cover the required automation changes to the Idaho Benefits Information System (IBES), the Department's automated system, which is funded with existing IBES funding. The actual food stamp benefits are 100% federally funded and any change in the amount distributed does not impact state general funds. FNS (Food and Nutrition Service), the federal body with oversight of states' food stamps programs, allows states the authority to increase the amount of assets families are allowed to have and remain eligible for benefits. In order to qualify for food stamps benefits, families must be at or below 130% of federal poverty level. The asset test looks at each family's assets including bank accounts. Increasing the amount a family can hold onto while continuing to receive benefits allows families to receive assistance without going deeper into poverty by depleting their remaining resources.

In response to questions, Ms. Andueza stated that many of our surrounding states do not have an asset limit. She also stated that citizens who receive benefits are issued a food stamp card that works like an ATM card. This is issued after an interview and verification of income and assets takes place in a Health and Welfare field office. One automobile per adult household member is excluded from the asset test. Within the food stamp program, there are services offered to individuals with special circumstances such as unemployment. The Department has a fraud unit. Fraud occurs in less than 1% of cases. Referrals to the fraud unit are brought in from the public. Punishments for fraud include exclusions from the program for a period of time or for life, and in some cases people committing fraud in the food stamps program have served time in jail. The original \$2000 figure was put in place in 1986. Today's buying power and economy were taken into consideration, as well as federal regulations. Five thousand dollars is on the conservative side, as federal regulations allow states to create a \$10,000 asset limit. In 2008, the asset limit was removed and the Department expected to see a 4% to 5% increase in services. Data on asset amounts has not been gathered in the last two years. Anecdotally, she believes that there are not many cases that are close to the proposed \$5000 limit. Eligibility is based on the family household unit as a whole. Encumbrances are considered. The home in which the family lives is excluded as an asset, and as a liability.

Robin Evans, a member of the Idaho Community Action Network (ICAN) from Grangeville, testified in favor of the change. Her family receives food stamps benefits. Before the asset test was removed in 2008, she had a retirement plan with \$6000 in it. Her family was not eligible for food stamps until she spent her retirement savings. Each time she drew money from her retirement savings, she had to pay a penalty and taxes on those monies. If the asset test had been at the current proposed limit of \$5000, she would have been able to have some money set aside for retirement.

Debra Maltos, a member of the Twin Falls Chapter of ICAN, believes the asset level should be raised. Before her husband was able to receive disability benefits, she applied for assistance and was over the qualification limit by \$2.00.

Jaylane Biggs from Downy, Idaho, is also a member of ICAN. She does not think it's possible for someone to own a vehicle worth less than \$2000. Even though a home is excluded from the asset test, she stated that she believes the items in the home are not. She stated that a refrigerator, television, and other items could carry combined value that would prohibit a family who was truly in need from receiving benefits. In response to questions, she stated that each adult household member is exempted one car. She lives in a rural area and her children drive out of necessity.

Jessica Schultz, from Lewiston, Idaho, is a member of ICAN. She participated in the food stamps program while she was a college student and single mother. She is an elementary school teacher now. As a teacher, she has to save money during the school year in order to pay her family's expenses through the summer. Unless the asset test is raised, she would not qualify if she had those savings reflected on her bank statement, even though her income would be below 130% of federal poverty level.

Retta Green, representing ICAN, spoke in favor of the rule change. She stated that Idahoans are choosing between paying rent and buying food. The current asset test is over 20 years old and needs desperately to be updated. It is important to remember that citizens must still meet the federal poverty guidelines in order to qualify.

Roxy Carr, with ICAN, spoke in favor of the change. Her husband is retired and she is on disability. If the change was put into effect, it would help a lot of elderly couples who are just barely over the guidelines now but still need assistance.

In response to questions, **Ms. Andueza** stated that income and assets are considered separately. She stated that currently under federal regulation, furniture, clothing, appliances, and other items in the home are not considered. The state has been given the authority to increase the asset limit, however, the income limit is set by the federal government and the state can not change it.

Melanie Roper, as a legislative advocate for the Roman Catholic Charities of Idaho, supports the change. The food stamps program assists those who are vulnerable in our communities. Many families are currently receiving benefits who would not have received them before, due to current economic hardships. These families will go back to self sufficiency when the economy improves.

Timothy McFarlane, Executive Pastor of Vineyard Christian Fellowship in Boise, spoke in favor of the change. He oversees the benevolence ministry at his church. The church does complete a screening process to determine whether the individual or family requesting assistance is eligible for help through the state or through other programs. The recession has caught many off guard and the church has found many families who would not otherwise require help, coming with requests.

Karen Vaultk, President and CEO of the Idaho Food Bank, testified in support of increasing the asset limit. The food bank has been in operation for 26 years and works in three major Idaho cities. They partner with community organizations and provide free food to those in need, including children through a backpack program that provides food for weekend meals for children who depend on school lunches during the week. As unemployment rates rise, more people require assistance. There has been an 87% increase in needs for food and services from the food bank in recent years. If the asset test is not increased, the food bank will have to take on even more responsibility for feeding our communities. Raising the limit will allow a continued successful partnership between the state and the Idaho Food Bank.

Ms. Andueza responded to additional questions. She stated that the federal government established the \$2000 asset limit originally. Taking that number and adjusting it for today's market brings us to just less than a \$4000 limit. In the seventies, the federal government increased the limit to \$3000. In today's marketplace and economy, that limit would be \$10,000. When the asset test was lifted in June of 2008, the Department expected no more than around a 5% increase in eligibility for the program. In 2010, the program grew by 41% in Idaho. Because of the many economic factors, it is not possible to determine how much the removal of the asset limit contributed to that increase. It is believed that putting the asset test back in place at \$5000 could exclude a small number of families. The food stamps program is 100% federally funded. The administrative costs are split 50/50 between the federal and state governments. She stated that there will not be an increase in administrative cost. Whether a family is eligible or not, the same amount of administrative work is required to process the application. To be approved for food stamps, a family comes to the Health and Welfare Office. A small number of cases are chosen for further review and home visits can occur. She cannot speak to why individuals might have believed that the asset test would impact the federal poverty guidelines that are used to determine eligibility. Each food stamps case is reviewed regularly. Seventy percent of cases are reviewed every 6 months, and the other 30% are reviewed every 12 months. If, upon review, a family is discovered to have assets above the limit, their case would be closed and they would stop receiving benefits. Retirement accounts are currently excluded from asset tests, however, Ms. Andueza believes that before 2 years ago, these accounts were considered in the asset test. She read a list of excluded assets to the committee. It included, among other items, life insurance policies, burial plots, jewelry, property that produces income consistent with fair market value, livestock, property required for employment of a household member, certain accounts, government payments

for home restoration after a disaster, security deposits, irrevocable trusts, trust funds under certain conditions, and agent orange settlements.

MOTION: **Representative King** moved to **accept Docket No. 16–0304–1002**. She spoke to her motion, stating that the amount seems reasonable and this will not cost the state money. **Representative Hartgen** stated he will vote yes on the motion, however, he has some concerns. The list of excluded assets seems fairly extensive, however, that is not part of the rule that is before the committee today. Inflation has moderated considerably. He would be more comfortable with a slightly lower figure, but will vote yes today. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:50 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AMENDED #2 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
HARTGEN SUBCOMMITTEE
Upon adjournment of regular meeting
Room Majority Caucus Room #403
Monday, January 17, 2011

DOCKET NO.	DESCRIPTION	PRESENTER
09-0104-1001	Unemployment Insurance Benefit Fraud and Overpayment Rules	Michael Johnson, Department of Labor
09-0106-1001	Rules of the Appeals Bureau	Josh McKenna, Department of Labor
09-0130-1001	Unemployment Insurance Benefits Administration Rules	Josh McKenna, Department of Labor
09-0135-1001	Unemployment Insurance Tax Administration Rules	Michael Johnson, Department of Labor
	* PLEASE NOTE MEETING ROOM CHANGE	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Stephen Hartgen

Rep Erik Simpson

Rep Jeff Nasset

Rep Shirley Ringo

COMMITTEE SECRETARY

Mary Tipps

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
HARTGEN SUBCOMMITTEE
Subcommittee on Rules

DATE: Monday, January 17, 2011
TIME: Upon Adjournment of the Full Committee
PLACE: Majority Caucus Room #403
MEMBERS: Chairman Hartgen, Representatives Simpson, Nessel, Ringo
**ABSENT/
EXCUSED:** None
GUESTS: Bob Fick, Department of Labor; Michael Johnson, Department of Labor; Rob and Vivian Parrish, Boise.

The meeting was called to order at 3:18 p.m. by Chairman Hartgen.

DOCKET NO. 09-0104-1001: **Docket No. 09-0104-1001** outlines Unemployment Insurance Benefit Fraud and Overpayment Rules. This particular rule relates to a determination of waiver of repayment. The rules already specify that the request must be made within fourteen days of the date of (physical) mailing, and the proposed change is to add the wording as outlined to also include the means of electronic transmission. The pending rule also adds required subsections for incorporation and makes technical corrections.

Mr. **Bob Fick**, from the Department of Labor, participated in the meeting via his cell phone on speaker phone. He explained that this rule conforms with **HB 510** to allow for electronic transmissions. He clarified that if there is an error with the Department not sending the appropriate notification, i.e. an incorrect email address, then there is an appeal period, counting 14 days from the date of notification. Also, letters are sent through the regular mail to let claimants know when their notification changes to electronic mail.

MOTION: **Rep. Ringo** moved to recommend approval of **Docket No. 090104-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 09-0106-1001: **Docket No. 09-0106-1001** on Rules of the Appeals Bureau provides recourse for errors in electronic transmission of determinations or decisions, adds that notice of decisions may be served by electronic transmission, adds required subsections for incorporation, and makes technical corrections. This rule change states that the date of mailing or date mailed shall be the date the document was deposited in the US mail, or was electronically transmitted to an email address.

Mr. Fick, Dept. of Labor, outlined that the same provision is put forth in this proposed rule change to allow for electronic transmission in this separate section of rules. Also, the 14 day notification period applies to the original filing determination.

MOTION: **Rep. Simpson** moved to recommend approval of **Docket No. 09-0106-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 09-0130-1001: **Docket No. 09-0130-1001** relates to Unemployment Insurance Benefits Administration Rules. This rule provides for the reissuing of benefit payment checks that are lost, stolen, destroyed, or forged by means other than paper checks; reduces the amount of unemployment insurance benefits that are paid in a week by an amount equal to the temporary disability benefits a claimant received for worker's compensation for the same week. This rule changes the wording from benefit 'check' to benefit 'payment'.

Bob Fick, Dept. of Labor, stated how this rule is for the use of debit cards. The Department of Labor has moved from writing checks to primarily using debit cards with their unemployment compensation. The new term 'benefit payment' will cover all methods of payment, i.e. debit cards, direct deposit, and checks. Mr. Fick explained that prior to **HB 646**, worker's compensation type benefits could be received in addition to unemployment monies. This rule reduces the number of claimants receiving both. The proposed rule covers the week in question that the claimant would be entitled to both disability and unemployment benefits.

MOTION: **Rep. Nasset** moved to recommend approval of **Docket 09-0130-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 09-0135-1001: **Docket No. 09-0135-1001**, on Unemployment Insurance Tax Administration Rules, was presented by **Michael Johnson**, Department of Labor. He said this rule adds that notice of determinations may be served on interested parties by electronic transmission; requires employers to maintain unemployment insurance tax records for five years, in order that the Department can implement a new five year enforcement limitation period; provides a five year statute of limitations (instead of three years) for audits and inspections of employer records; and makes technical corrections.

Chairman Hartgen deferred to **Mr. Fick**, Dept. of Labor, who expressed that there were essentially two pieces to this rule. Page 21 in **Docket No. 09-0135-1001** is to accommodate electronic means as a basis for appeals. Then pages 22 through 24 refer to **HB 510**, regarding an extended period for action by the Department, should they later find fraudulent claims. This increases the period for action from three to five years. Mr. Fick cited that for each new determination, or each time a claimant calls in with their weekly report, the time for action against them begins at that point. The Department needs to have the time to review these and sometimes they find out well after the benefits were paid that they were fraudulent and need to be able to recover those monies. Benefits can run for 99 weeks, or almost two years. Hence, the extended statute of limitations will assist in this type of recovery.

MOTION: **Rep. Ringo** moved to recommend approval of **Docket No. 09-0135-1001** to the full committee. **Motion carried on voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:41 p.m. by Chairman Hartgen.

Representative Stephen Hartgen
Chair

Kimberly Jensen-Porter
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
THAYN SUBCOMMITTEE
Subcommittee on Rules
Upon adjournment of regular meeting
Room EW05
Monday, January 17, 2011

DOCKET NO.	DESCRIPTION	PRESENTER
16-0301-1001	Eligibility for Health Care Assistance for Families and Children <i>(Pending Rules Review)</i>	Kathy McGill Department of Welfare
16-0301-1002	Eligibility for Health Care Assistance for Families and Children <i>(Pending Rules Review)</i>	Kathy McGill Department of Welfare
16-0301-1003	Eligibility for Health Care Assistance for Families and Children <i>(Temporary Rules Review)</i>	Kandace Yearsley Department of Welfare
16-0303-1001	Rules Governing Child Support Services <i>(Temporary Rules Review)</i>	Kandace Yearsley Department of Welfare
16-0304-1003	Rules Governing the Food Stamp Program in Idaho <i>(Pending Rules Review)</i>	Rosie Andueza Department of Welfare

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Steven Thayn

Rep Jim Marriott

Rep Phylis King

COMMITTEE SECRETARY

Mary Tipps

Room: EW06

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
THAYN SUBCOMMITTEE
Thayn Subcommittee on Rules

Date: Monday, January 17, 2011

TIME: Upon Adjournment of the Full Committee

PLACE: EW05

MEMBERS: Chairman Thayn, Representatives King, Marriott

**ABSENT/
EXCUSED:** None

GUESTS: Max W. Pond, Risch Pisca; Kathy McGill, Department of Health and Welfare (DHW); Kandace Yearsley, DHW; Rosie Andueza, DHW

**CALL TO
ORDER:** The meeting was called to order at 3:00 p.m. by Chairman Thayn.

**DOCKET No.
16-0301-1001** **Kathy McGill**, Department of Health and Welfare, presented **Docket No. 16-0301-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the rule was published in the July 7, 2010, Idaho Administrative Bulletin, Vol. 10-7, pages 18 and 19. This rule adds a definition of "financially deprived child" and the eligibility criteria for a "financially deprived child" under Section 400, Aid to Families with Dependent Children (AFDC) Budget Related Unit. This will improve caseworkers' understanding of eligibility requirements, will allow for better training, and will assist during the appeals process for Medicaid eligibility decisions. The change has no impact on a person's eligibility, and continues the Department's current policy in compliance with federal regulations.

In response to questions, Ms. McGill stated that a biological, adoptive, or natural parent, or representative of specified degree (someone who is a grandparent, aunt, uncle, sibling, or other person who is a child's caretaker) can apply for Medicaid on behalf of a child. The relative applying for a child to receive Medicaid must live with the child and provide care for the child, but does not have to be the child's legal guardian. When Medicaid was reformed several years ago, language was streamlined and simplified. For the most part, the Department is pleased, however in this section it is believed that the detailed information will be helpful both to caseworkers and applicants. The rule exists in federal statute. The details are not in the state's administrative rules.

MOTION: **Representative King** moved to recommend approval of **Docket No. 16-0301-1001** to the full committee. **Motion carried on a voice vote.**

**DOCKET No.
16-0301-1002:** **Kathy McGill**, Department of Health and Welfare, presented **Docket No. 16-0301-1002**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, Pages 245 through 250. This docket contains three separate and unrelated changes. They have been combined into one docket in the interest of efficiency. The Children's Access Card is for the State Children's Health Insurance Program (SCHIP). It allows families to enroll their children in a private healthcare program, up to \$100. per child. Only children whose family income exceeds 130% of the federal poverty limit could use this program under current rule. Under the new rule, that limit would be dropped to 100% of federal poverty level. Since the average monthly cost for direct Medicaid coverage generally exceeds the cost of enrolling a child in the

SCHIP program, there would be no cost to the state. This is a very small program. Ms. McGill believes there are 35 to 40 children enrolled in the program. The next rule change category pertains to U.S. Citizenship and identity. It is in Sections 224 and 225. The Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 allowed states to use an electronic match through the Social Security Administration for verification of U.S. citizenship. Under the Act, there must be a 90 day period for individuals to provide citizenship verification before the loss of their benefits. In Idaho, approximately 3% of people will not be authorized through a data match and would have to provide U.S. citizenship verification. The third and final rule change included in this docket concerns eligibility for Iraqi and Afghan nationals. Originally there was an eight month cap on medical benefits for these immigrants, however, in 2008 that cap was removed and now these immigrant families only have to meet the eligibility requirements that others must meet. The total anticipated fiscal impact to the State General Fund is \$120,714, which is the state's portion at the current federal match rates for this rule making.

In response to questions, Ms. McGill stated that Title 19 refers to Title 19 of the Social Security Act, which governs Medicaid. She believes it was created in 1967 and most Idahoans who are covered under Medicaid are covered under Title 19. There are separate funding sources for Title 19 and Title 21, which refers to the State Children's Health Insurance Program (SCHIP).

MOTION: **Representative Marriott** moved to recommend approval of **Docket No. 16-0301-1003** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 16-0301-1003: **Kandace Yearsley**, Department of Health and Welfare, presented **Docket No. 16-0301-1003**. Ms. Yearsley stated that in recent years the Department of Health and Welfare's Self Reliance Program has implemented many technological and process improvements, which have allowed the Department to meet the increasing need for services while maintaining quality. This rule change would allow telephone and electronic signatures. Currently, in order to receive services, a citizen must complete a paper application, sign, and deliver to a Health and Welfare Office. This can be a hardship for people who do not live near a field office. Pursuant to Section 67-5226(1)(c), Idaho Code, the Governor has found that temporary adoption of this rule is appropriate due to the closure of ten field offices in 2010, resulting in a reduced number of locations customers can access for services. Allowing electronic and telephone signatures improves access for rural customers and helps support the communities in which offices closed.

In response to questions, Ms. Yearsley stated that if someone completed a telephonic application, he or she would be given a list of requirements at the end of the call. Telephonic signatures are kept on file in case fraud is ever suspected. In the case of a computer signature, the agency can trace the origin of signatures to a specific computer. Examples of questions that an applicant could be asked to verify identity relate to income, social security, date of birth, family members, and other personal information that can be verified. Currently these processes are not in place, however the technology is in place. The rule will allow the Department to build the processes.

MOTION: **Representative King** moved to recommend approval of **Docket No. 16-0301-1003** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 16-0303-1001: **Kandace Yearsley** of the Department of Health and Welfare presented **Docket No. 16-0303-1001**. She stated that the request for this rule is exactly the same as **Docket No. 16-0301-1003**, except the rule would apply to Child Support.

MOTION: **Representative King** moved to recommend approval of **Docket No. 16-0303-1001** to the full committee. **Motion carried on a voice vote.**

DOCKET No. Rosie Andueza, Department of Health and Welfare, presented **Docket No. 16-0304-1003**: **16-0304-1003**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 254 through 263. The rule changes are being made to align the food stamp program rules with federal regulations and other benefit programs to improve accuracy and processing when determining eligibility. Idaho has had the largest growth in state food stamps caseloads in the country, with an error rate well below the federal threshold. Idaho ranks in the top 10 in the nation for delivering benefits to qualified applicants in a timely manner. The changes in this docket aim to assist Idaho's most vulnerable populations by encouraging self reliance through work and education, while maintaining the nutrition support that the families need. This docket also allows the Department to immediately stop benefits when a recipient dies. In addition, Iraqi and Afghan immigrants would be eligible for assistance for as long as they continue to meet eligibility requirements, as stated in federal law in 2009. There is no anticipated impact to the State General Fund. The food stamps program is 100% federally funded.

In response to questions, Ms. Andueza stated that there is a list of excluded educational income. There are very specific requirements for students. If someone should be approved for food stamps benefits and later be determined to be ineligible, the food stamps benefits would end, and if the person committed fraud, he or she would be penalized under the law.

MOTION: **Representative Marriott** moved to recommend approval of **Docket No. 16-0304-1003** to the full committee. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:41 p.m. by Chairman Thayn.

Representative Steven Thayn
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, January 19, 2011

Docket No.
16-0305-1001

Rules Governing Eligibility for Aid to the Aged,
Blind, and Disabled

Alberto Gonzales,
Division of Welfare

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, January 19, 2011
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** Representative Trail
GUESTS: Peggy Cook, Department of Health and Welfare (DHW); Kathy McGill, DHW; Callie King, DHW; Alberto Gonzales, DHW; Bev Barr, DHW; Frank Powell, DHW; Genie Sue Weppner, DHW; Garland Draper, DHW; Tom Shanahan, DHW; Ed Hawley, Department of Administration; Rosie Andueza, DHW; Cherry Bowers, DHW; Russ Barron, DHW

The meeting was called to order at 1:30 p.m. by Chairman Block.

MOTION: **Representative Ringo** moved to approve the minutes of January 13, 2011. **Motion carried on a voice vote.**

MOTION: **Representative Ringo** moved to approve the minutes of January 17, 2011. **Motion carried on a voice vote.**

DOCKET NO. 16-0305-1001: **Alberto Gonzales**, Department of Health and Welfare, presented **Docket No. 16-0305-1001**. The effective date of the amendment to the temporary rule is July 1, 2010. This pending rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. Changes are being made to the proposed rule and amending the temporary rule to clarify and add definitions for "needy" and "Title XV1" of the Social Security Act. Other changes have been made to clarify that a participant living in a Residential Care of Assisted Living Facility (RALF) or a Certified Family Home (CFH) is not eligible for Aid to the Aged, Blind, and Disabled (AABD) cash payments. The original text of the proposed rule was published in the June 2, 2010, Idaho Administrative Bulletin, Vol. 10-6, pages 39 through 44.

Total cost savings to the State General Fund for SFY 2011 for changes made to the AABD cash payment program is anticipated to be \$1,370,608 over a twelve month period.

In response to questions, Mr. Gonzales stated that cash payments given are not earmarked for specific expenses, but are for the participants' personal needs. Certified family homes can receive \$584 dollars each month to assist with rent and utilities, plus \$53 per day per individual that is cared for. Income guidelines and resource guidelines do exist for participants who receive AABD but not for family members and providers. The percentage of participants who are in certified family homes with actual family members is thought to be close to 70% Currently there is a lawsuit in family court, addressing notification. This rule change will not remove Medicaid coverage from AABD recipients. There could be instances of medical type expenses that would fall to the client or providers that would not be covered by Medicaid. AABD dates back to 1974. Cash payments received by AABD participants are not taxable.

He yielded to **Peggy Cook**, who stated that RSDI refers to Retirement Social

Security Income, or Disability Social Security Income. It is based on lifetime earnings, as opposed to Social Security which is a means tested program.

MOTION: **Representative Simpson** moved to approve **Docket No. 16-0305-1001**. **Representative Ringo** stated that she will oppose the motion. She stated that we have other options including revenue options, and that she will not support further cuts for people who are already struggling. **Motion carried on a voice vote.** Recorded as voting NO are **Representative(s) Ringo, King, and Nessel**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:00 p.m. by Chairman Block.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
HARTGEN SUBCOMMITTEE
Hartgen Subcommittee on Rules
Upon Adjournment of the Full Committee
Room EW20
Wednesday, January 19, 2011

DOCKET NO.	DESCRIPTION	PRESENTER
15-0401-1001	Rules of the Division of Human Resources and Personnel Commission	Michael Savoy, Division of Human Resources
15-0401-1002	Rules of the Division of Human Resources and Personnel Commission	Donna Weast, Division of Human Resources
59-0102-1001	Eligibility Rules of PERSI	Don Drum, Public Employee Retirement System (PERSI)
59-0103-1001	Contribution Rules of PERSI	
59-0104-1001	Disability Rules of PERSI	
59-0105-1001	Separation of Service Rules of PERSI	
59-0106-1001	Retirement Rules of PERSI	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Stephen Hartgen
Vice Chair
Rep Erik Simpson
Rep Jeff Nasset
Rep Shirley Ringo

COMMITTEE SECRETARY

Mary Tipps
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Phone: (208) 332-1147
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
HARTGEN SUBCOMMITTEE
Rules

- DATE:** Wednesday, January 19, 2011
- TIME:** Upon Adjournment of the Full Committee
- PLACE:** Room EW20
- MEMBERS:** Chairman Hartgen, Representatives Simpson, Nessel, Ringo
- ABSENT/
EXCUSED:** None
- GUESTS:** Michael Savoie, Division of Human Resources; Donna Weast, Division of Human Resources; Don Drum, Public Employee Retirement System (PERSI); Joanna Guilfooy, PERSI; Ed Hawley, Department of Administration.
- The meeting was called to order at 2:15 p.m. by Chairman Hartgen.
- DOCKET NO. 15-0401-1001:** **Michael Savoie**, Division of Human Resources, presented **Docket No. 15-0401-1001**, Rules of the Division of Human Resources and Personnel Commission. He described how this rulemaking will reflect the changes made last year to the Idaho Code, which was amended to increase the number of names on a hiring list or register from 10 to 25. He stated that after the economy went downhill, the Division was receiving many times the number of applicants for state jobs. In response to questions, he explained that there is an on-line application process and exam, which helps to streamline the process and screen applicants. The personnel selection procedures include an exam with minimum standards to be met, face to face interviews, and an entrance probation period. Applicants are assigned a numerical score, so the most highly qualified individuals are ranked at the top of the applicant pool, and the list goes on down to the 25th most qualified individual, or those that tie for 25th in their test scores.
- MOTION:** **Rep. Ringo** moved to recommend approval of **Docket No. 15-1401-1001** to the full committee. **Motion carried by voice vote.**
- DOCKET NO. 15-0401-1002:** **Donna Weast**, Division of Human Resources, presented **Docket No. 15-0401-1002**, Rules of the Division of Human Resources and Personnel Commission. She stated that this rulemaking removes redundant phrases and definitions, removes references to deleted rules, and clarifies language that was perceived to conflict with other rules. One of the obsolete terms removed was that of 'traded time'. Also the Division wished to be consistent statewide in their requirement of 15 days' notice of layoff, instead of using the terminology of 'pending, scheduled, or prospective' layoffs. There was discussion of the section about Layoff after 12 Weeks' Disability. Ms. Weast detailed that if any employee becomes disabled, regardless of reason for their leave (whether or not due to a worker's compensation injury, and including childbirth), such employee may take up to 12 weeks off, which need not occur consecutively, during any consecutive 52 week period, and still retain their job. The language describing eligibility for the Family and Medical Leave act was struck. Ms. Weast also added that the State is considered as one employer, which is able to share information between its agencies, i.e. regarding personnel transfers.
- MOTION:** **Rep. Simpson** moved to recommend approval of **Docket No. 15-0401-1002** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 59-0102-1001: **Don Drum**, PERSI, presented **Docket No. 59-0102-1001**, Eligibility Rules of PERSI. This rule corrects a statutory cross reference and amends another to clarify the definition of “normally works 20 hours”. It also makes clear the rule regarding leave of absence without pay.

MOTION: **Rep. Nessel** moved to recommend approval of **Docket No. 59-0102-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 59-0103-1001: **Don Drum**, PERSI, presented **Docket No. 59-0103-1001**, Contribution Rules of PERSI. This proposed rule was published in August 2010. Idaho Code requires the Retirement Board to establish contribution rates to fund benefits, within certain constraints. They have determined that it is necessary to increase the contributions by 5.28%, to be phased in over a three year period. These findings are based on actuarial values of reserves and liabilities. These figures and specific dates allow the Legislature and employers to plan, and to calculate where the fund will be at in the future. The Board wishes to amend and delay the effective date of the contribution rate increases by one year, to July 1, 2012. If the rules are not implemented as stated, they would be out of compliance with the State statute to keep within the allotted 25 year amortization period and PERSI would slip into unfunded liability. Subcommittee members expressed concern over the full committee’s ability to revisit this rule next year. **Joanna Guilfooy**, PERSI, and **Ed Hawley**, Dept. of Administration, were called upon and spelled out that once the rule is passed, it is completed, unless there is a House Concurrent Resolution. They verified that next year the rule could be called back for further discussion over concerns of how pressures and growth affect the State’s pension plan. The Legislature could still address the first rate increase next session, as the increase does not go into effect until July 2012.

MOTION: **Rep. Ringo** moved to recommend approval of **Docket No. 59-0103-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 59-0104-1001: **Don Drum**, PERSI, presented **Docket No. 59-0104-1001**, Disability Rules of PERSI. This rule amends some sections and implements **HB 458**, regarding a disability retiree returning to work under certain conditions. Technical corrections were made and a duplicate rule was deleted.

MOTION: **Rep. Nessel** moved to recommend approval of **Docket No. 59-0104-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 59-0105-1001: **Don Drum**, PERSI, presented **Docket No. 59-0105-1001**, Separation of Service Rules of PERSI. This rulemaking deletes rule 104 allowing for pre-tax payroll deduction to pay for reinstatement of prior service. This could be pre-tax through a rollover from a qualified plan and can be made with after tax dollars.

MOTION: **Rep. Simpson** moved to recommend approval of **Docket 59-0105-1001** to the full committee. **Motion carried on voice vote.**

DOCKET NO. 59-0106-1001: **Don Drum**, PERSI, presented **Docket No. 59-0106-1001**, Retirement Rules of PERSI. This rulemaking clarified a table to reflect the factors applicable to persons who retired before July 1, 1995. It deleted an item controlled by statute, which does not need a rule, and added a new rule to incorporate definitions for uses of the federal Pension Protection Act. The definitions of chaplain, eligible retired public safety officer, normal retirement age, and public safety officer are set forth. The aforementioned federal act grants that PERSI pays insurance premiums from retirement allowance for retired public safety officers, which is exempt from income tax up to \$3,000. In response to a question, Mr. Drum explained that PERSI must be consistent in their use of ratios. Also, the federal tax exemption doesn’t change a person’s PERSI status, it merely simplifies the process through which they report and obtain their exemption.

MOTION: **Rep. Ringo** moved to recommend approval of **Docket No. 59-0106-1001** to the full committee. **Motion carried on voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:07 p.m. by Chairman Hartgen.

Representative Stephen Hartgen
Chair

Kim Jensen-Porter
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
THAYN SUBCOMMITTEE
 Thayn Subcommittee on Rules
 Upon Adjournment of the Full Committee
 Room EW05
 Wednesday, January 19, 2011

DOCKET NO.	DESCRIPTION	PRESENTER
16-0305-0904	Rules Governing Eligibility for Aid to the Aged, Blind, and Disabled	Callie King, Department of Welfare
16-0305-1002	Rules Governing Eligibility for Aid to the Aged, Blind, and Disabled	Callie King, Department of Welfare
16-0612-1003	Idaho Child Care Program, Electronic Signatures	Kandace Yearsley, Department of Welfare
16-0304-1004	Food Stamps Program of Idaho, Electronic Signatures	Kandace Yearsley, Department of Welfare
16-0305-1003	Aid to the Aged, Blind, and Disabled, Electronic Signatures	Kandace Yearsley, Department of Welfare
16-0308-1002	Temporary Assistance to Families in Idaho, Electronic Signatures	Kandace Yearsley, Department of Welfare
16-0324-1001	The Medically Indigent Program — Request for Medicaid Eligibility Determination	Alberto Gonzales, Department of Welfare
16-0308-1001	Rules Governing Temporary Assistance for Families in Idaho	Genie Sue Weppner, Department of Welfare

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Steven Thayn

Vice Chair

Rep Jim Marriott

Rep Phylis King

COMMITTEE SECRETARY

Mary Tipps

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
THAYN SUBCOMMITTEE
Thayn Subcommittee on Rules

DATE: Wednesday, January 19, 2011
TIME: Upon Adjournment of the Full Committee
PLACE: Room EW05
MEMBERS: Chairman Thayn, Representatives Marriott, King
**ABSENT/
EXCUSED:** None
GUESTS: Kandace Yearsley, Department of Health and Welfare (DHW); Russ Barron, DHW; Callie King, DHW; Kathy McGill, DHW; Genie Sue Weppner, DHW; Alberto Gonzales, DHW

The meeting was called to order at 2:14 p.m. by Chairman Thayn.

DOCKET No. 16-0305-0904: **Callie King**, Department of Health and Welfare, presented **Docket No. 16-0305-0904**. The effective date of the amendment to the temporary rule is January 1, 2010. This pending rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The Department is amending the text of the proposed rules and the temporary rule based on federal guidance from the Centers for Medicare and Medicaid Services (CMS). CMS has provided this guidance to implement the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008. The amendments to these rules align the Medicare Saving Program for Qualified Medicare Beneficiary (QMB), the Specified Low-Income Medicare Beneficiary (SLMB), and the Qualifying Individual (QI) for Medicare Part B with the Full Benefit Low-Income Subsidy (LIS) Program resource limits and updates references to the Social Security Act. The original text of the proposed rule was published in the December 2, 2009, Idaho Administrative Bulletin, Vol. 09-12, pages 85 through 88.

The fiscal impact to the State General Fund for FSY 2010 for this rulemaking is \$199,700 and federal matching funds of \$777,700. For SFY 2011, the anticipated impact is \$1,834,000 and federal matching funds of \$5,496,300.

In response to questions, Ms. King stated that this will bring a cost which is already reflected in the SFY 2010 and SFY 2011 projections. She is not sure how many people are currently enrolled in the program. Approximately 25% of people who apply each month are approved. The number of applications varies. The Medicare Savings Program pays Medicare premiums, deductibles, and coinsurance. Ms. King can provide more information about the breakdown of services at the request of the committee. The Low Income Subsidy program provides assistance with prescription drug costs. That is a federally funded program. This docket pays premiums, deductibles, and coinsurance.

Ms. King yielded to **Kathy McGill**. Ms. McGill stated that Medicare Part A covers hospitalization. Medicare Part B covers outpatient costs. Medicare Part D covers drug costs. People on Medicare generally have some out of pocket cost for all of these. Social Security (federal money) helps people pay for their out of pocket costs. The Low Income Subsidy helps with copayments with hospitalization and medical costs, not drug costs. The intent of this legislation is provide one application for people to complete for help with all of these Medicare parts. The rule eliminates an administrative step.

MOTION: **Representative Marriott** moved to recommend approval of **Docket No. 16-0305-0904** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 16-0305-1002: **Callie King**, Department of Health and Welfare, presented **Docket No. 16-0305-1002**. This has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. These rule changes were made due to federal regulations and the removal of the Idaho State School and Hospital (ISSH) Waiver from the Medicaid State Plan. The complete text of the proposed rule was published in the September 1, 2010, Idaho Administrative Bulletin, Vol. 10-09, pages 168 through 175.

In response to questions, Ms. King stated that the state has never had an immigrant on Aid to the Aged, Blind, and Disabled (AABD) Medicaid. Individuals can prove citizenship through the Social Security Administration (SSA). For about 3% of people, another form of proof of citizenship is required because they are unable to be verified through the SSA. A person who applies for Medicaid and declares him or herself to be a U.S. citizen has 90 days to prove citizenship. If citizenship is not proved within 90 days, Medicaid services are withdrawn. The 90 day period is per federal regulation.

Ms. King yielded to **Kathy McGill**, who stated that there are safeguards in place. A social security number match takes place immediately upon processing of an application. Applicants must also provide additional identity information. Typically people who receive benefits through AABD have already had their citizenship verified. Anecdotally, when someone does not match, it is often due to a misspelled name, or a middle name that was left out.

MOTION: **Representative King** moved to recommend approval of **Docket No. 16-0305-1002** to the full committee. **Motion carried on a voice vote.**

DOCKET Nos. 16-0612-1003, 16-0304-1004, 16-0305-1003, and 16-0308-1002: **Kandace Yearsley**, Department of Health and Welfare, presented **Docket Nos. 16-0612-1003, 16-0304-1004, 16-0305-1003, and 16-0308-1002**. These rules would allow electronic and telephonic signatures for Idaho citizens applying for assistance through the Idaho Child Care Program (ICCP), the Food Stamps Program, the Aid to the Aged, Blind and Disabled (AABD) Program, and the Temporary Assistance to Families in Idaho (TAFI) Program. In recent years, the Department of Health and Welfare's Self-Reliance Program has implemented many technological and process improvements including a new case management system, consolidated service centers, and electronic case records. These improvements have allowed the Department to meet the ever increasing need for services while maintaining quality. In order to further maximize these improvements, electronic and telephonic signatures will further streamline practices, improve access to services, increase productivity, and better utilize technology and other solutions to connect customers with services.

The Department closed 10 field offices in 2010, resulting in less availability for customers. Allowing electronic and telephonic signatures will provide access for those rural citizens who need services but do not have access to a field office, and for others who might have difficulty completing, signing, and delivering a paper application.

In response to questions, Ms. Yearsley stated that the rules are temporary. She yielded to **Dennis Stevenson**, Rules Coordinator, Department of Administration, who stated that the Department is asking that the rule be extended until the end of the 2012 Legislative Session, unless it is rescinded by the agency.

MOTION: **Representative King** moved to recommend approval of **Docket Nos. 16-0612-1003, 16-0304-1004, 16-0305-1003, and 16-0308-1002** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 16-0308-1001: **Genie Sue Weppner**, Department of Health and Welfare, presented **Docket No. 16-0308-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. In order to better support Idaho's low income individuals in need of temporary assistance, the Department is amending these rules to align with federal regulations and other Department chapters on excluded resources and special immigrants. The U.S. Census that is conducted every ten years hires temporary employees to conduct this field work. The Department is excluding this temporary census income from countable income in order to treat income for Temporary Assistance for Families in Idaho (TAFI) the same as other benefit programs. Federal regulations updated the special immigrants' length of eligibility and those rules are being amended to align with those updates. The Department is also removing barriers that have excluded participation under the Career Enhancement (CE) services to help participants obtain or maintain employment. These changes will align with Emergency Assistance services by removing the requirements to have a job search assistance plan, removing the restriction from CE services for anyone who received emergency assistance payments in the past 12 months, and removing housing and utility costs prohibited supportive service expenditures. These rules were adopted as temporary rules and were published in the April 7, 2010, Idaho Administrative Bulletin, Vol. 10-5, pages 27 through 32.

In response to questions, Ms. Weppner stated that there is still a 24 month limit on receipt of these funds in Idaho. Career Enhancement services have been streamlined. Career Enhancement service plans and Emergency Service Plans are limited to a four month period. Emergency assistance funds are for child protection, when a family has a child at risk. In the past, a family who received emergency assistance payments could not receive Career Enhancement payments during the same year. The Department has found that families with at risk children often also have a need for Career Enhancement services.

MOTION: **Representative Marriott** moved to recommend approval of **Docket No. 16-0308-1001** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 16-0324-1001: **Alberto Gonzales**, Department of Health and Welfare, presented **Docket No. 16-0324-1001**. The effective date of the amendment to the temporary rule is July 1, 2010. This pending rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. Under Title 31, Chapter 35, Idaho Code, the Department has the responsibility to develop and implement rules for a Medicaid eligibility determination process for applicants applying for financial assistance through the County Medically Indigent Program and Catastrophic Health Care Cost Program. This new chapter of rules provides the requirements necessary for a hospital or county to submit applications and requests to the Department to determine Medicaid eligibility for an applicant who may be medically indigent.

At this time, the Department is unable to determine the number of County Medically Indigent applicants who will meet the Medicaid eligibility criteria. The administrative operating costs for State Fiscal Year 2011 appropriated by the Legislature is \$137,600 of which 50% is from the State General Fund.

In response to questions, Mr. Gonzales stated that from July 1, 2010 through December of 2010, 7% of applications were approved. Denials are because an applicant does not meet eligibility criteria. Medicaid can pay retroactively. There are some restrictions to retroactive coverage. He believes there has been great collaboration between county officials and hospitals so far. The process has been streamlined.

Mr. Gonzales yielded to **Dennis Stevenson**, who stated that this rule was a temporary rule and is now a pending rule.

MOTION: **Representative King** moved to recommend approval of **Docket No. 16-0324-1001** to the full committee. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:08 p.m. by Chairman Thayn.

Representative Steven Thayn
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, January 25, 2011

SUBJECT	DESCRIPTION	PRESENTER
Docket No. 16-0602-1001	Rules Governing Standards for Child Care Licensing	Marian Woods, Division of Family and Community Services
Docket No. 16-0602-1002	Rules Governing Standards for Child Care Licensing	Marian Woods, Division of Family and Community Services
Docket No. 16-0602-1003	Rules Governing Standards for Child Care Licensing	Marian Woods, Division of Family and Community Services

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Tuesday, January 25, 2011
- TIME:** 1:30 P.M.
- PLACE:** Room EW05
- MEMBERS:** Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
- ABSENT/
EXCUSED:** None
- GUESTS:** Rep. JoAn Wood; Rep. Janice McGeachin; Rep. Brent Crane; Dennis Stevenson, Administrative Rules; Paige Parker, Legislative Services; Rob Luce, Health and Welfare's Family and Community Services; Wendy Lieberman, A Child's Choice Montessori; Tony Vincelli, Parent of Parkcenter Montessori; Mary Clements, Lakewood Montessori; Christine Silva, Nampa Montessori; Christel Nordhausen, Rose Hill Montessori; Anita Wolberd, Caspari Montessori Institute; Melissa Telford, Vista Montessori School; Michelle Jund, Immanuel Lutheran Childcare; Gena Anderson, Right On Track Childcare; Cynthia Biberos, Jazzy's Early Learning Center LLC; Tara Kelly, Immanuel Lutheran Childcare; Susanna Reay, Parent of Rosehill Montessori child; Becky diVittorio, Parent of Montessori students; Mike Malterre, Amanda Neill, Jeremy Gunther and Jon Butler, with Eagle Montessori; Tara Fossey, Montessori Academy; Gerald Martens, Immanuel Child Development; Dane Ehrlicher, BSU; Marci Shaw, BSU; Drew Hall, Bev Barr, and Marian Woods, with Health & Welfare; Sally Alvarado, Health & Welfare and ICDVVA; Jody Malterre, Montessori Academy; Robin Fisher, Parkcenter Montessori; Susan Dwello, Health & Welfare FACS; Shirley Alexander, Health & Welfare FACS; CJ Retzlaff, Eagle Montessori Center; Mike Connell; Marti Monroe, Private Consultant; Maiya Vink, Montessori Academy; Jennifer Terry, Parent of Montessori Academy student; David Miles, Parent of Montessori child; Genie Sue Weppner, Health & Welfare; David Lehman, parent; Peter Draper, parent; Raichael Nelson, Eagle Montessori; Chery Bowers, Health & Welfare; Lila Afoa, Parkcenter Montessori; JoDee Novak, Eagle Montessori; Rosie Andueza, Health & Welfare; Carrie McKee-Little, Foothills School; Dustin Hearst, IdahoReporter.com.
- Chairman Block** called the meeting to order at 1:35 p.m.
- MOTION:** **Rep. Ringo** moved to approve the minutes of January 19, 2011, as written. **Motion carried on voice vote.**
- DOCKET No. 16-0602-1001:** **Marian Woods**, Division of Family and Community Services, presented **Docket No. 16-0602-1001**. The effective date of these rules is July 1, 2010.

Title 39, Chapter 11, Idaho Code, was amended to provide a statewide system for the protection of children in day care facilities. The statutory changes were effective on January 1, 2010, and necessitate corresponding changes and clarification to this chapter of rules. The Department presented rules to the 2010 Idaho Legislature that were rejected. These rules are being published as temporary rules, in order to have rules effective July 1, 2010, with changes to address concerns of the legislature.

These rule changes provide requirements and clarification for areas related to day care licensing that include: safety and health standards, licensure requirements, suspension, denial, and revocation of licenses. While maintaining these child care licensing rules for day care standards, other updates were made for consistency in language, clarification, deletion of obsolete language, and updating references.

These amendments will help assure standards and processes to better protect the health and safety of children in child care licensed by the Department.

Ms. Woods deemed that the wording of the definitions provided in this rule align with the statute. She explained the minimum standards that an operator must meet, such as minimum age, criminal history, child staff ratio, group sizes, training, and fire and safety standards. The Department is responsible to ensure compliance on these issues. In response to questions, Ms. Woods said that the words “regardless of care” speak to the relationship between the care giver and the children in day care. In reply to a question, it was pointed out that **Rep. Luker's** analysis on the rules before the House last year was given in May of 2010. Ms. Woods continued that the ratios and group sizes found in the statute were the same as those quoted in the rule. She outlined the negotiated rulemaking process two years ago, when public participation was sought. Their Division sent out a mailing with frequently asked questions to 1000 child care providers around the state, letting them know about the rule changes. There were very few phone calls with questions about the matter. Ms. Woods deferred to **Bev Barr**, a rules specialist with Health and Welfare administrative procedures. Ms. Barr affirmed that 25 people are needed to hold a public hearing. There were no such requests. All types of providers had opportunity to voice concerns. Most public comments were in favor of the rules, but no formal statistics were kept.

Dennis Stevenson, Administrative Rules, was called upon to confirm the requirements for public meetings and rulemaking. He stated that public forums are encouraged when possible or feasible. In the case of this previous rulemaking and the mailing that went out, the Department felt that they had enough input and that citizens can indeed make written comments within a certain time period.

Rep. Thayne pointed out that in a family day care home, the ratio for one teacher is to have no more than six children; however this ratio differs for group day care facilities. Also, a mother with children of her own, and caring for others, seems unnecessarily restricted in how many children can be cared for in her home. **Ms. Woods** confirmed this to be correct, and that day care in a home can choose to be licensed or not. For inspections and safety, every child is counted, whether related to the care giver or not. **Mr. Luce** was called upon and agreed that the key problem is the different ratios for the different types of day care. This set of rules comes from the code. There is ambiguity concerning counting the children, related or not, in reference to the staff caring for them. **Rep. Hartgen** expressed confusion over the definition in the statute, enumerating the number of degrees of relationship, from the child to the care giver, and how to sum these numbers of degrees to determine how closely related they are. Mr. Luce, Health and Welfare, was called upon and commented that these loquacious words and definitions come straight from the code and there are many ways that relatives have been defined from this. This particular reference, on the number of degrees of relationship, uses more archaic terms, but it essentially means to count backwards to a common ancestor.

Rep. King observed that Montessori groups, many of whom were present at the meeting, were not aware of the rule changes and were not consulted or solicited to give opinion on this rulemaking.

Chairman Block asked **Paige Parker**, Legislative Services, to give a summary explanation or history of legislative intent. Mr. Parker described that the Legislature can reject rules if they are not consistent with the legislative intent. It is also possible that they can find that rules approved in a prior legislative session are not consistent with the intent of the current Legislature. They can request the agencies to rewrite the rules to comply with the statute or the Legislature can amend the statute for perceived flaws. The rules can then be promulgated to be consistent with the revised statute. In some instances, the courts can find that an agency has stepped beyond its authority, in enacting rules that are not in accordance with the statute. Ideally, the statute can be clarified and rules can then be made that are consistent with the intent of the legislation.

Rep. JoAn Wood testified that she came to the Legislature 29 years ago with a mandate from day care providers, to stop them from making statewide rules that lump different types of care givers in the same category and impose the same requirements upon them all. She advised the committee that day care circumstances vary between small communities and large ones. Her concern is that it is beyond the capacity of many small providers to comply with the current rules and still have a business. She asserted that the rules before the committee are not in concert with the information that was supplied to the Legislators. She firmly believes that cities and counties should be given responsibility to make ordinances in their respective areas for day cares. She related an instance of a mother who stayed home with her own children and wished to care for some additional children; however, with the total number of children, including those related to her, the fees and restrictions were overly imposing. Rep. Wood expressed concern that the State's rules were too intrusive and not consistent with the intent of the legislation. She asked that the Legislators consider rejecting these rules and leave them, along with their enforcement, to the cities and counties. Her plea is to rewrite the statute and rules so that they are not such a hindrance for those providing child care, especially in small communities.

Rep. McGeachin spoke in opposition to the rules before the committee and recommended that they reject them, as she believes they violate the legislative intent. Careful consideration has been given to reading and analysis of this docket by legislative services. The definitions seem to conflict, between those given in the law and in the rules. The process did not intend to give a ratio requirement below seven children. She stated that the statute is flawed and needs to be fixed. There are ambiguities and inconsistencies on how to apply the standards. She is concerned with the familial relationships and how they are affected by the current rulemaking. Also, the Montessori schools are affected. She reflected that in other cities, they operate off a point system, which is a more straightforward way to deal with this issue. She hopes that the Legislature can provide a better law for the state and perhaps make the legislation retroactive for when these rules went into effect. She advised the committee to please reject these rules.

Rep. Crane testified that he was contacted by a friend whose children attend a Montessori school. He expressed their concern over limiting class sizes, which curtails the fostering of the children in their programs, according to the Montessori philosophy. He asked the committee to reject these day care rules and fix them through the legislative process.

Wendy Lieberman, owner of A Child's Choice Montessori School, commented that her main concerns with this rulemaking are to do with the ratios and mixed age groups. By reducing the student teacher ratio, the law has caused unintended consequences, detrimental to the children. The operator of the day care can reduce the staff's pay, raise the children's' fees, or go out of business. None of these are good for the children. She stressed the benefits of larger class sizes, how children make more friends, mentor each other, work together, and have more teachers as resources. When wages are lowered, less educated and qualified teachers are available. The rule before the committee is inflexible, causes age segregation, splits up siblings, and creates a less suitable environment for learning in the classroom. She suggested going back to the older law or implementing a point system.

Ms. Woods explained that the Montessori schools were not asked for input regarding this rule. **Ms. Lieberman** responded to questions by reiterating that she did not receive any information on this rule until the fall, and did not know about the new rules for ratios and class sizes until her re-licensing. The law went into effect last July, but the mailing she received came in October. **Mr. Luce** offered that the program has changed directors, and was not sure why the mailing was delayed getting out. **Ms. Woods** said she would provide the committee with a copy of that correspondence. In regards to questions about ratios, **Ms. Lieberman** stated that she suggests not limiting class size. The number of teachers and ratios defined in the rule is different than the issue of class size.

Mary Clements, owner of Lakewood Montessori, which serves 120 children in Boise, communicated her concern over restricting class sizes and recommended eliminating a maximum group size. She outlined the Montessori method of education as being recognized internationally. There are over 25 Montessori schools operating in Idaho, but they are more commonly found in other states. She stressed the need for productive class sizes for their optimum environment and learning experience. Ms. Clements proposed an exemption for religious schools, so that Montessori schools could have larger class sizes. The current laws limit these types of schools considerably. She has been in compliance with Boise's point system. Regarding the loss of income with these rules in question, she stated that her main concern is the children's need for peers. Her concerns are more philosophical in approach than financial.

Rep. Luker came before the committee. He was intensely involved in amendments that helped this bill to pass in 2009. Prior to that, he gave details that day care licensing was for facilities with 13 or more children. There were interests in lowering that threshold and the Legislators worked on that issue. They came up with some compromises that brought the licensing number down to seven. Their primary concern was how this affected people, particularly in rural areas, who cared for their own children or relatives, in addition to day care. The Legislators sought to balance safety concerns with the economy of staying in business and being able to provide a service. The rules were rejected last session because they didn't comply with the legislative intent. He stated that, in his opinion, the current rules do not comply either. The meat of the bill was in the definitional phrases and in how children were counted. Related children were meant to be exempted from those definitions. The rules were redrafted with definitions that overrode the statute. The rulemaking authority in the day care area is intentionally narrow, and is limited to specific standards required by the statute. He believes it is possible to follow and interpret the definitions under the statute, however cumbersome they may be, but not to let the rules dictate those definitions. Rep. Luker has spent considerable time drafting legislation, in conjunction with the Department of Health and Welfare, as a potential solution to the questions raised. This may be ready within a few days for the Department's review. In the meantime, he stated that the previous legislation stands and that the rules should not attempt to redefine the statute.

MOTION:

Rep. Simpson moved to reject **Docket No. 16-0602-1001**.

Gena Anderson, representing three day care facilities in Twin Falls, wished to express her concerns regarding the child staff ratios and maximum class sizes. Their day care buildings were constructed for larger group sizes, and mixed group curriculums have been used. Their ratios had to be cut nearly in half, taking away a large portion of their income. These centers would have to consider closing their doors if the smaller group sizes were instated. They have already decreased their staff's hourly pay. Ms. Anderson had previously attended a meeting two years ago about this legislation. There was little representation allowed, in her opinion. When the new licensing came out, it did not characterize what had been discussed. She was supportive of a point system being employed and encouraged committee members not to let these rules pass. In response to questions, Ms. Anderson explained that many colleagues had called the Department and asked questions, only after a friend went through re-licensing and passed on information about the new rules. They had not otherwise been notified of the changes.

Anita Wolberd presented information from the Caspari Montessori Institute, an accreditation center with programs in Idaho and Montana for the past 15 years. Their institute is also recognized by the US Department of Education. Their philosophy is similar to those already mentioned regarding the importance of the learning environment for the children involved. She favors groups of about 24 children because she can integrate three, four and five year olds, who in turn learn from each other. Her main concern is for training, which is difficult with class sizes that are limited to 20 or less. Their program would have a hard time placing interns with the ratios outlined in the rules. Ms. Wolberd prefers larger groups with more adults attending. Her organization is a training center and thus they had not received the mailing. She would like to be involved with the next step.

Jodi Novak, parent of two Montessori boys, explained that the parents at her school are strongly in favor of larger classroom sizes. She believes the Montessori programs should have an exemption to the rulemaking. **Rep. King** encouraged setting class size limits for safety reasons. She hopes that Health and Welfare can set a rule that will be flexible for them and for the Montessori programs.

Carrie McKee-Little, Football School of Arts and Sciences, has an early learning program with a lab for college students. She values a mixed age group and larger class size, although theirs is not a Montessori program. She prefers a student teacher ratio around one to eight, instead of a limit on maximum class size. Her role is to ensure that the children are engaged and that the teachers have different specialties to offer. With smaller class sizes, the students would be missing out. Her suggestion would be to reject the rule.

**ROLL CALL
VOTE:**

Rep. Hartgen requested a **roll call vote** for the previous motion by **Rep. Simpson**. By a vote of **ten aye** and **zero nay**, and **one absent and excused**, the motion passed and **Docket No. 16-0602-1001** was rejected. Voting in the affirmative: **Reps. Hartgen, Lake, Trail, Marriott, Simpson, Loertscher, Nessel, Ringo, King, and Chairman Block**. Voting in the negative: none. Absent and Excused: **Rep. Thayn**.

DOCKET No. 16-0602-1002: **Marian Woods**, Division of Family and Community Services, presented **Docket No. 16-0602-1002**. She explained that Section 39-1107, of Idaho Code, established a maximum licensing fee for a basic day care license not to exceed \$175 for day care centers, and \$100 for group day care facilities and a family day care home voluntarily licensed. Criminal history and background checks are the responsibility of the applicant and are based on the actual cost of the check. The Department estimates that the cost for the State Fiscal Year 2011 will be approximately \$69,000, which is the difference for licensing fees collected and expenditures for health and safety inspections. This cost will be covered by the Federal Child Care Development Funds, which are 100% federally funded.

MOTION: **Rep. King** moved to approve **Docket No. 16-0602-1002**.

SUBSTITUTE MOTION: **Rep. Hartgen** offered a **substitute motion**, to reject **Docket No. 16-0602-1002**.

ROLL CALL VOTE: **Rep. Hartgen** requested a **roll call vote**. By a vote of **seven aye** and **three nay** and **one absent and excused**, the **substitute motion passed** and **Docket No. 16-0602-1002** was rejected. Voting in the affirmative: **Reps. Hartgen, Lake, Marriott, Simpson, Loertscher, Nessel, and Chairman Block**. Voting in the negative: **Reps. Trail, Ringo and King**. Absent and Excused: **Rep. Thayne**.

DOCKET No. 16-0602-1003: **Marian Woods**, Division of Family and Community Services, presented **Docket No. 16-0602-1003**. The Department is amending the proposed rule based on comments received from the Legislative Services Office (LSO). The amendments clarify when an adult member of a foster care household who is between ages 18 and 21 years old must have a criminal history and background check.

MOTION: **Rep. Lake** moved to approve **Docket No. 16-0602-1003**. **Motion carried on voice vote**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:31 p.m. by **Chairman Block**.

Representative Block
Chair

Kim Jensen-Porter
Majority Pool Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
THAYN SUBCOMMITTEE
Thayn Subcommittee on Rules
Upon Adjournment of the Full Committee
Room EW05
Tuesday, January 25, 2011

DOCKET NO.	DESCRIPTION	PRESENTER
16-0601-1001	Child and Family Services	Shirley Alexander, Division of Family and Community Services
16-0612-1001	Rules Governing the Idaho Child Care Program (ICCP)	
16-0612-1002	Idaho Child Care Program (ICCP)	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Steven Thayn

Vice Chair

Rep Jim Marriott

Rep Phylis King

COMMITTEE SECRETARY

Mary Tipps

Room: EW06

Phone: (208) 332-1147

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
THAYN SUBCOMMITTEE
RULES

DATE: Tuesday, January 25, 2011
TIME: Upon Adjournment of the Full Committee
PLACE: Room EW05
MEMBERS: Chairman Thayn, Representatives Marriott, King
**ABSENT/
EXCUSED:** None
GUESTS: Rep. Hartgen; Shirley Alexander, Department of Health and Welfare (DHW); Genie Sue Weppner, DHW; and Cheryl Bowers, DHW

The meeting was called to order at 3:39 p.m. by Chairman Thayn.

DOCKET No. 16-0601-1001: **Shirley Alexander**, Division of Family and Community Services, presented **Docket No. 16-0601-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the proposed rule was published in the September 1, 2010, Idaho Administrative Bulletin, Vol. 10-9, pages 322-345.

The Department is amending the proposed rule based on comments received from the Region X federal review of the rule changes. The amendments clarify the language regarding compliance with the requirements of the Multiethnic Placement Act of 1994 (MEPA), as amended by the Interethnic Adoption Provisions of 1996.

In response to questions, Ms. Alexander explained that the youth are removed from foster care when legal guardianship is assumed. This is not the same as an adoption. The guardianship program is federally funded and is only available for relatives of the youth. A relative is anyone related by blood or adoption. The parents' rights do not have to be terminated for the federal guardianship assistance to take place; however, for state funds, the parents' rights do need to be terminated. The process to obtain guardianship would start with the child in foster care, and having a relative approach the foster care program to ask if they can take over care for the child, with the guardianship assistance program. Once in place, the guardianship assistance payments would be made to the family (not the child).

Ms. Alexander noted that the payment rates are published in the IDAPA rules. For ages 13 to 18, the payment is up to \$431 per month, plus a one time payment of \$2000, which covers the legal fees to transfer the guardianship. When the youth reaches age 18, the legal guardianship and payments are terminated, but the family relationship can still be maintained. Also, some families do not request the full monthly funding, but only utilize a part of it.

Ms. Alexander also presented information on adoption assistance eligibility. Historically, finances have been a major obstacle for families wishing to adopt. The Adoption Assistance and Child Welfare Act helps these families by providing funding assistance to adopt children who were abused, neglected, or have special needs. The purpose of this rule revision is to clarify who is eligible for adoption assistance funding. These funds were not intended for all adoptions, only for those children with special needs conditions. In response to questions, the Department has not received negative comments on these rules thus far. The financial assistance for adoption is at the same rates as the guardian assistance. The number of children in the family cannot exceed the foster care rate. Adoption

Assistance is reviewed on an annual basis. Notices are sent to families, asking if there are changes and if the youth is still residing in their home. Assistance rates are reviewed according to the age brackets that apply. Ages 0-5 for adoption are paid up to \$274 per month; ages 6-12 are paid up to \$300 per month. The guardianship option does not change the adoption assistance numbers.

MOTION: **Rep. Marriott** moved to recommend approval of **Docket No. 16-0601-1001** to the full committee. **Motion carried on voice vote.**

DOCKET No. 16-0612-1001: **Genie Sue Weppner**, Health and Welfare, presented **Docket No. 16-0612-1001**, rules governing the Idaho Child Care Program (ICCP). This pending rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. This rule was adopted as a temporary rule that was published in the April 7, 2010, Idaho Administrative Bulletin, Vol. 10-4, pages 23 and 24. The complete text of the proposed rule was published in the May 5, 2010, Idaho Administrative Bulletin, Vol. 10-5, pages 35 and 36. The pending rule is being adopted as proposed.

The U.S. Census is conducted every 10 years and the census for 2010 requires the Census Bureau to hire employees to conduct this field work. The State of Idaho has received approval from the Centers for Medicare and Medicaid Services to exempt temporary earned income by individuals temporarily working for the Census Bureau on the 2010 Census. The Department is aligning this chapter of rules with other Department rules to exclude the temporary census income from countable income in order to treat income for the Idaho Child Care Program (ICCP) the same as other benefit programs. For ICCP participants, the temporary employment income cannot exceed a time period of six months.

This program is 100% federally funded and this rule making has no anticipated fiscal impact to the State General Fund for excluding this temporary income for ICCP participants. The estimated impact to federal funds is \$168,600.

MOTION: **Rep. King** moved to recommend approval of **Docket No. 16-0612-1001** to full committee. **Motion carried on voice vote.**

DOCKET No. 16-0612-1002: **Cheryl Bowers**, Health and Welfare, presented **Docket No. 16-0612-1002** on the Idaho Child Care Program (ICCP). This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 275 through 286.

The Idaho Child Care rules are being amended to be more effective and user friendly for Idahoans to access the program. These rules have been reorganized, repetitive requirements have been removed, and clarification has been added for how income and qualifying activity is calculated. Application time frames are being clearly defined in order to streamline eligibility determinations.

In response to questions, Ms. Bowers explained that one person can state their monthly income to include child support. In regards to maximum income limits, the program has a federally capped amount and is not able to review the limits every year, but do bring them before the Legislature to be raised as their funding allows.

MOTION: **Rep. King** moved to recommend approval of **Docket No. 16-0612-1002** to full committee. **Motion carried on voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:10 p.m. by Chairman Thayn.

Representative Steven Thayn
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, January 27, 2011

SUBJECT	DESCRIPTION	PRESENTER
Presentation	Crime Victims' Compensation Program	Hannah Crumrine, Office of Performance Evaluations
Docket No. 16-0504-1001	Rules of the Idaho Council on Domestic Violence and Victim Assistance Grant Funding	Sally Alvarado, Idaho Council on Domestic Violence
<u>RS19968</u>	Insurance and School Work Experience Programs	Jane McClaran, Industrial Commission
<u>RS19971</u>	Workers' Compensation Insurance Premium Tax	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 27, 2011
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** None
GUESTS: Hannah Crumrine, Office of Performance Evaluations (OPE); Sally Alvarado, Idaho Council on Domestic Violence; Jane McClaran, Industrial Commission; Gail Johnson, DHW; Luann Dettman, DHW; Megan Holbrook, Industrial Commission; Blair Jaynes, Industrial Commission; Nancy Beeson, Industrial Commission; Mindy Montgomery, Industrial Commission; Patti Vaughn, Industrial Commission; Scott McDougal, Industrial Commission; Tom Limbaugh, Industrial Commission; Tom Baskin, Industrial Commission; Sarah Scott, Idaho Coalition Against Sexual and Domestic Violence (ICASDV); LaDessa Foster, ICASDV; Paul Jackson, Farmers Insurance; Holly Koole, Idaho Prosecuting Attorneys Association (IPAA); Fairy Hitchcock, Hitchcock Family Advocates; Dave Whaley, Idaho AFL-CIO; George Gutierrez, Industrial Commission; Dennis Stevenson, Rules Coordinator; Lisa Bostaph, Boise State University; Kelly Miller, IDCASDV; Woody Richards, National Council on Compensation Insurance, Workers Compensation Exchange, and Associated Loggers Exchange

The meeting was called to order at 1:35 p.m. by Chairman Block.

PRESENTATION: **Vice Chairman Hartgen** introduced the Crime Victims' Compensation Program (CVCP), stating that he requested a program overview to be presented to the full committee. **Rakesh Mohan**, Office of Performance Evaluations, stated that today's presentation will not include any opinions or recommendations about the program, but will simply provide an overview of data that was gathered. He then introduced **Hannah Crumrine**, Office of Performance Evaluations, to give the presentation. The CVCP program was established in 1986, after the Federal Victims of Crime Act was passed in 1984. Each state is given flexibility to determine its own compensation awards and limitations, and to determine whether victims will be compensated directly, or reimbursed. Idaho offers reimbursement except in the case of lost wages. Minimum benefits that a state must offer are medical compensation, mental health counseling services, dependent counseling benefits, weekly wage compensation, funeral expenses, and death benefits. Idaho Code outlines eligibility requirements. The program is funded through offender fines, federal grant funding, and other funding. In State Fiscal Year (SFY) 2010, 70% of eligible victims used the fund. One thousand, three hundred ninety applications were approved, and 569 were denied. The average award for SFY 2010 was \$2,472, and a total amount of \$2,174,278 was awarded to all victims.

In response to questions, Ms. Crumrine yielded to **George Gutierrez**, Bureau Chief of the Crime Victims' Compensation Program. He stated that the dollar amounts awarded to victims have not been increased due to limited funding. At the end of each fiscal year, unspent appropriations revert back to the fund. On average, the program receives around 2500 applications each year. At any given time there are about 6000 to 7000 active applications that are open. It takes a great deal of time to gather data from law enforcement and the courts. Employees of the fund assist families to locate services and must examine and review all incoming claims for

medical care, sexual assault exams, mental health care, lost wages, etc., as well as administrative processes and appeals. Federal grants fluctuate, so budget projections are just that: projections. In SFYs 2008 and 2009, the program did not have sufficient appropriations to cover all medical costs that came in. They have cut back expenditures in an effort to meet requirements. The current fund balance is roughly \$900,000, maybe \$1,000,000. Prior to SFY 2008 the fund was growing. In 2001, sexual assault benefits were added. In 2003, family members were added. In 2005, mental health benefits were added. As of July 1, 2010, the program has adopted a new fee schedule that has protected access to care for recipients, but also saved money for the fund. The majority of victims are under the age of 18. In order to be eligible for lost wage benefits, the victim must be working at the time of the crime and be prevented from working for a period of time due to the crime that was committed against him or her. Victims are referred to the program by law enforcement agents, advocate groups, hospitals, shelters, and other providers of services for crime victims. The fund rotates over time. There is no State General Fund money in the fund. The application that is available for victims is designed so that a victim should never have to provide supplemental information. All of the information that is required on the form is necessary to determine eligibility. The information requested is required by federal law. Denials for insufficient evidence are generally due to a lack of evidence provided by law enforcement to show that an actual crime was committed.

**DOCKET No.
16-0504-1001:**

Sally Alvarado, Idaho Council on Domestic Violence and Victim Assistance, presented **Docket No. 16-0504-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol.10-10, pages 270 through 274.

The Idaho Council on Domestic Violence is updating the minimum standards document for the Domestic Violence Batterer Treatment Program that is incorporated by reference in this chapter of rules. The minimum standards are being updated to reflect current research on domestic violence treatment, in particular, evidence based batterer intervention. The primary goal of the rule change is to continue to build an effective program for batterer treatment. The Council wants to allow new methods of intervention that are not currently available. Currently state approved programs are founded on and geared for male offenders. This does not address the needs of female offenders, who are on the rise.

In response to questions, Ms. Alvarado stated that providers vary across the state. Most are Masters level professionals in the mental health field. Members of the committee that determines who will be approved to provide batterer treatment programs are professionals in the field. A battered person has the right to refuse to participate in treatment with his or her batterer. The revised standards that are being proposed do not refer to marriage or couples counseling. The language does allow for other treatment options to be considered after a batterer has completed the traditional 52 week program. Victim safety is top priority. There are programs in other parts of the country that do offer couples treatment modalities. They offer extensive victim consultation and screening to determine the victim's level of interest in pursuing this line of treatment, and to ensure that a victim is not coerced into treatment with the offender. The current version of minimum treatment standards was approved in 2005.

Dennis Stevenson, Department of Administration, stated that incorporation by reference is part of the Administrative Procedure Act (APA). It allows specific types of documents that are adopted by reference, for example fire codes, or administrative rules by another agency, or a manual or guideline that is created by

an agency itself. He generally requests that agencies provide documents to the legislature so that they can see what they are being asked to approve.

Dr. Lisa Bostaph, Idaho Coalition Against Sexual and Domestic Violence, opposes the rewrite of the standards that would allow offenders to use couples or marital therapy as a form of treatment. Marriage and couples therapy has been found to be inappropriate for treatment of batterers. Most couples therapy research does not involve court ordered batterers. Domestic violence often involves coercion that can not be easily detected, and this makes it very difficult to guarantee victims' safety.

In response to questions, Dr. Bostaph stated that the committee that oversees court approved therapies is a revolving committee, and there is not another body that oversees it. A minority of marriage and family therapists follow their own professional guidelines as they pertain to domestic violence. Especially in rural areas where there are not many mental health professionals, safety of the victim can be compromised.

Holly Koole, Idaho Prosecuting Attorneys' Association, has concerns. The court does not have jurisdiction over a victim, only over a defendant. To mandate that a victim is required to attend couples counseling is outside the jurisdiction of the court. A victim could be coerced by her abuser to attend. Incorporating couples counseling can be a choice after a no contact order is dropped.

LaDessa Foster, Idaho Coalition Against Sexual and Domestic Violence, spoke in opposition. She has great concern for victims' safety. The court does not have jurisdiction over the victim, they are able to order therapies for the perpetrator only. She believes that couples counseling in these cases could put victims at further risk.

Sarah Scott, Idaho Coalition Against Sexual and Domestic Violence, spoke on behalf of the Coalition's membership. They oppose the change that would allow couples counseling. There is nothing in the language that discusses how the victims' safety will be assured. She stated that when a victim's safety is not assured, somebody dies.

In response to questions, Ms. Scott stated that no couples have been ordered into counseling for domestic violence as this language does not yet exist in rule. Currently, batterers are required to attend 52 weeks of treatment.

Fairy Hitchcock, Hitchcock Family Advocates, stated that when police are called out for domestic violence in Ada County, someone must be charged. When someone is charged, that person must undergo 52 weeks of treatment as well as a no contact order. Sometimes families really do want another option for treatment.

Ms. Alvarado stated that court ordered treatment applies to offenders who have pleaded guilty to or been found guilty of a domestic violence charge. If someone is found guilty of domestic violence in Idaho, he or she must attend a court approved domestic violence program. The court determines how a domestic violence perpetrator is sentenced. Currently every offender is funneled into a one size fits all program and that is not effective. The original standards were designed to fit the extreme power and control abuser and that is not all that is being seen today in the court system. The rule change would allow a spectrum of treatment options and help people in their individual situations. She stated that people can file grievances if they are not happy with the decisions of the committee that oversees domestic violence treatment options for the State of Idaho.

MOTION:

Representative Thayne moved to approve **Docket No. 16-0504-1001**. He spoke to his motion, stating that the language in the rule does not say anything about couples counseling. He believes there is some imbalance in domestic violence treatment in the state. The courts do not have jurisdiction over victims and therefore can not order them into counseling.

SUBSTITUTE MOTION:

Representative Ringo moved to approve **Docket No. 16-0504-1001** with the exception of paragraph 1.B.4 in the Minimum Standards for Domestic Violence Offender Intervention Programs as incorporated by reference. She spoke to her motion, stating that we must be sensitive to how vulnerable domestic victims are. It is not uncommon for a victim of domestic violence to be confused with respect to maintaining separation from the person who has been abusing him or her. The language of "other interventions" allows for couples' counseling even though this is not specifically stated in the rule.

AMENDED SUBSTITUTE MOTION:

Representative Marriott moved to reject **Docket No. 16-0504-1001**. **Vice Chairman Hartgen** supports this motion. He believes the issues should be worked out between the Department and the professionals who have testified today, and who have understanding of their field. **Amended Substitute Motion carried on a voice vote.**

RS 19968:

Jane McClaran, Industrial Commission, presented **RS 19968**. The proposed amendment is a housekeeping measure which removes language denoting that school district's workers' compensation policy is "with the state insurance fund". Current law states that a student participating in a school's work experience program will be covered by the school district's workers' compensation insurance policy with the state insurance fund. However, Idaho Code 72-301 authorizes any employer, including school districts, to self-insure their obligations under this law with the approval of the Industrial Commission. The Commission recently approved the School District #2 (Meridian), to be self-insured. The removal of this language will eliminate any confusion created by this conflict.

MOTION:

Representative Thayne moved to introduce **RS 19968**. **Motion carried on a voice vote.**

RS 19971:

Jane McClaran, Industrial Commission, presented **RS 19971**. The proposed amendment would allow the Idaho Industrial Commission the authority to waive, in whole or part, the premium tax paid by all insurers and self-insured employers when deemed prudent. Current law requires the Commission to collect 2.5% of net premiums that are written. It also provides for a 1.3% deduction of the net premiums written by insurance companies for the sum that they are required to pay to the Department of Insurance as a tax on workers' compensation premiums. The basis for premium tax assessments by the Idaho Industrial Commission differs from the way premium tax is calculated by the Department of Insurance. Unlike the Idaho Industrial Commission, the Department of Insurance excludes dividends paid to policyholders and large deductible policies from its premium tax liability calculation. The Idaho Industrial Commission imposes a minimum assessment of \$75 on all sureties authorized to write workers' compensation, regardless of whether or not the company wrote premiums. The Department of Insurance compares the credit for premium tax paid to the Idaho Industrial Commission to its tax calculation on net premiums written, and allows a credit for the lesser of the two amounts. The proposed statutory amendment changes the credit allowable to insurance companies to 50% of the actual premium tax paid, which maintains parity with current practice. This proposed change would allow the Commission to collect less in premium tax and use a portion of the case balance in the Industrial Administration fund to support operations. The Department of Insurance would collect more premium tax, which is ultimately distributed to the State General Fund. Sureties, other than those paying the minimum \$75, would pay less in overall premium tax. The National Council on Compensation Insurance would include any reduction in the Idaho Industrial Commission's premium tax rate in its annual rate making computation, which benefits employers.

MOTION: **Representative Loertscher** moved to introduce **RS 19971**. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:29 p.m. by Chairman Block.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
HARTGEN SUBCOMMITTEE
 Upon Adjournment of the Full Committee
 Room EW05
 Thursday, January 27, 2011

DOCKET NO.	DESCRIPTION	PRESENTER
Rules of the Industrial Commission:		
17-0203-1001	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law — Security for Compensation	Jane McClaran, Industrial Commission
17-0210-1001	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law — Security for Compensation — Insurance Carriers	
17-0211-1001	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law — Security for Compensation — Self Insured Employers	
17-0208-1001	Miscellaneous Provisions	Patti Vaughn, Industrial Commission
17-0208-1002	Miscellaneous Provisions	
17-0209-1001	Medical Fees	
17-0205-1001	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law — Industrial Commission	Scott McDougal, Industrial Commission

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Stephen Hartgen

Vice Chair

Rep Erik Simpson

Rep Jeff Nasset

Rep Shirley Ringo

COMMITTEE SECRETARY

Mary Tipps

Room: EW06

Phone: (208) 332-1147

email: mtipps@house.idaho.gov

MINUTES
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
HARTGEN SUBCOMMITTEE**

DATE: Thursday, January 27, 2011
TIME: Upon Adjournment of the Full Committee
PLACE: Room EW05
MEMBERS: Chairman Hartgen, Representatives Simpson, Nessel, Ringo
**ABSENT/
EXCUSED:** None
GUESTS: Scott McDougal, Industrial Commission (IIC); Jane McClaran, IIC; Patti Vaughn, IIC
The meeting was called to order at 3:34 p.m. by Chairman Hartgen.

DOCKET No. 17-0203-1001: **Jane McClaran**, Industrial Commission, presented **Docket No. 17-0203-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The notice of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, page 290.

This chapter is being repealed and replaced with two new chapters, created to separately address the requirements for insurance carriers and those pertaining to self-insured employers.

MOTION: **Representative Ringo** moved to recommend approval of **Docket No. 17-0203-1001** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 17-0210-1001: **Jane McClaran**, Industrial Commission, presented **Docket No. 17-0210-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 306 through 316.

This is one of two new chapters created to replace IDAPA 17.02.03 that adopts rules governing insurance carriers, clarifies definitions and terms, and implements more comprehensive application requirements. Changes include filing a surety bond with the State Treasurer rather than with the Commission, a provision to request the partial release of securities, updates appointing the Director of the Department of Insurance as its agent to receive service of legal process, provides the Commission's current address, clarifies what constitutes receipt of nonrenewal notices, streamlines reporting requirements including extending the timeline for filing and adding a certification requirement to the report of outstanding awards, clarifies that the First Report of Injury is the required notice to the Commission, and removes rules governing recitals in insurance contracts found in statute.

MOTION: **Representative Nessel** moved to recommend approval of **Docket No. 17-0210-1001** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 17-0211-1001: **Jane McClaran**, Industrial Commission, presented **Docket No. 17-0211-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The complete text of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 317 through 326.

This is the second of two new chapters created to replace IDAPA 17.02.03 that adopts rules governing self-insured employers, clarifies terms, provides a more detailed application process and outlines continuing reporting and security deposit requirements necessary to maintain self insured status. This rule increases the basic security deposit from \$50,000 to \$150,000 and includes a \$250 application fee for employers requesting self-insurance authority. Additional changes include a definition of payroll, specifying qualifications for new self-insured employers previously missing from rule, a provision to request the partial release of securities, provides the Commission's current address, expands reporting requirements including the timeline for filing and adds a certification requirement for the report of outstanding awards, requires submission of financial statements annually, and clarifies that the First Report of Injury is the required notice to the Commission.

MOTION: **Representative Ringo** moved to recommend approval of **Docket No. 17-0211-1001** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 17-0208-1001: **Patti Vaughn**, Industrial Commission, presented **Docket No. 17-0208-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The notice of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, page 291. The chapter is being repealed, rewritten and separated into two new chapters. A new chapter, IDAPA 17.02.09, Medical Fees, moves the conversion factors into a separate chapter for clarity. This new chapter adjusts conversion factors used to calculate physician fees in workers' compensation cases to reflect changes in current market conditions, pricing and other factors. IDAPA 17.02.08 contains the balance of the rule without substantive change and is being published under Docket No. 17-0208-1002.

MOTION: **Representative Nessel** moved to recommend approval of **Docket No. 17-0208-1001** to the full committee. He notified the committee that he is on the Board of Directors for Regents Blue Shield of Idaho. **Motion carried on a voice vote.**

DOCKET No. 17-0208-1002: **Patti Vaughn**, Industrial Commission, presented **Docket No. 17-0208-1002**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The notice of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 292-297. The new IDAPA 17.02.09, Medical Fees, adjusts conversion factors used to calculate physician fees in workers' compensation cases to reflect changes in current market conditions and pricing. It also provides a new workers' compensation fee schedule for hospitals and ambulatory surgery centers. Since these adjustments may occur annually, they were split from IDAPA 17.02.08, Miscellaneous Provisions, which is being rewritten with the balance of the former rule without substantive changes.

MOTION: **Representative Ringo** moved to recommend approval of **Docket No. 17-0208-1002** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 17-0209-1001: **Patti Vaughn**, Industrial Commission, presented **Docket No. 17-0209-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The notice of the proposed rule was published in the October 6, 2010, Idaho Administrative Bulletin, Vol. 10-10, pages 298 through 305. This pending rule is the result of public hearings conducted and written comments received from sureties, hospitals, and Ambulatory Surgery Centers. The definition of Critical Access Hospitals was redefined for better clarity. Changes were made to clarify which APC weight schedule is to be used and the annual effective date of the APC weight schedule. A slight increase in the base rate was made for both the hospital outpatient and surgery center services. Invoice costs for reimbursement of implantable hardware was changed to aggregate invoice costs with a cap of \$3,000 for inpatient services and \$1,000 for outpatient services.

In response to questions, Ms. Vaughn stated that testing that has been done based on data provided by the State Insurance Fund and it appears the new fee schedule will be successful.

MOTION: **Representative Nasset** moved to recommend approval of **Docket No. 17-0209-1001** to the full committee. **Motion carried on a voice vote.**

DOCKET No. 17-0205-1001: **Scott McDougal**, Industrial Commission, presented **Docket No. 17-0205-1001**. This rule has been adopted by the agency and is now pending review by the 2011 Idaho State Legislature for final approval. The notice of the temporary and proposed rule was published in the July 7, 2010, Idaho Administrative Bulletin, Vol. 10-7, pages 82-85. This proposed rule is to coincide with statute changes in Section 72-528, Idaho Code, made last legislative session, which made filing of Forms 1022 and 1023 required only upon request of the Industrial Commission. The temporary rule was subsequently adopted. The intent is to reduce the redundancy of reporting to the Industrial Commission information on attorney's fees and costs, and workers' compensation claims. The claimant's attorney's costs and fees are already required on all proposed lump sum settlements and on the accompanying Attorney Fee Memorandum. Forms 1022 and 1023 sent out by the Commission require the same information.

MOTION: **Representative Ringo** moved to recommend approval of **Docket No. 17-0205-1001** to the full committee. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:09 p.m. by Chairman Hartgen.

Representative Stephen Hartgen
Chair

Mary Tipps
Secretary

AMENDED #1 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, January 31, 2011

SUBJECT	DESCRIPTION	PRESENTER
	<u>Subcommittee Reports on Administrative Rules</u>	
	Report from Hartgen Subcommittee on Department of Labor Administrative Rules	Representative Hartgen
Docket Numbers:	09-0104-1001, 09-0106-1001, 09-0130-1001, and 09-0135-1001	
	Report from Hartgen Subcommittee on Office of the Governor, Division of Human Resources Administrative Rules	
Docket Numbers:	15-0401-1001, and 15-0401-1002	
	Report from Hartgen Subcommittee on Industrial Commission Administrative Rules	
Docket Numbers:	17-0203-1001, 17-0205-1001, 17-0208-1001, 17-0208-1002, 17-0209-1001, 17-0210-1001, and 17-0211-1001	
	Report from Hartgen Subcommittee on Public Employee Retirement System Administrative Rules	
Docket Numbers:	59-0102-1001, 59-0103-1001, 59-0104-1001, 59-0105-1001, and 59-0106-1001	
	Report from Thayn Subcommittee on Division of Welfare Administrative Rules	Representative Thayn
Docket Numbers:	16-0301-1001, 16-0301-1002, 16-0301-1003, 16-0303-1001, 16-0304-1004, 16-0305-0904, 16-0304-1003, 16-0305-1002, 16-0305-1003, 16-0308-1001, 16-0308-1002, and 16-0324-1001	
	Report from Thayn Subcommittee on Division of Family and Community Services Administrative Rules	
Docket Numbers:	16-0601-1001, 16-0612-1001, 16-0612-1002, and 16-0612-1003	
<u>RS19963</u>	Workforce Development Training Fund	Bob Fick, Department of Labor
<u>RS19973</u>	Exempting Certain Corporate Officers from Coverage	Bob Fick, Department of Labor

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott

Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, January 31, 2011
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** None
GUESTS: Megan Holbrook, Patti Vaughn, Jane McClaran, and Tom Limbaugh, Idaho Industrial Commission; Bob Fick, Communications Manager, Idaho Department of Labor; Dave Whaley and Cindy Hedge, Idaho AFL-CIO; Wendy Widman, Rosie Andueza, Bev Barr, Kathy McGill, Marian Wood, Shirley Alexander, Falen LeBlanc and Marilyn Peoples, Department of Health and Welfare; Joanna Guilfooy, Public Employee Retirement System (PERSI)/Deputy Attorney General; Dennis Stevenson, Office of the Administrative Rules Coordinator; Clark Corbin, Post Register

The meeting was called to order at 1:33 p.m. by **Chairman Block**.

Representative Hartgen, Subcommittee Chairman on Administrative Rules presented **Docket Nos. 09-0104-1001, 09-0106-1001, 09-0130-1001, 09-0135-1001**, Department of Labor rules. After summarizing them, he reported that all rules listed were recommended for approval by the subcommittee.

MOTION: **Representative Hartgen** moved to approve **Docket Nos. 09-0104-1001, 09-0106-1001, 09-0130-1001, 09-0135-1001**. **Motion carried on a voice vote.**

Representative Hartgen presented **Docket Nos. 15-0401-1001 and 15-0401-1002**, Office of the Governor, Division of Human Resources rules. He reported that both rules were recommended for approval by the subcommittee.

MOTION: **Representative Thayn** moved to approve **Docket Nos. 15-0401-1001 and 15-0401-1002**. **Motion carried on a voice vote.**

Representative Hartgen presented **Docket Nos. 17-0203-1001, 17-0205-1001, 17-0208-1001, 17-0208-1002, 17-0209-1001, 17-0210-1001, and 17-0211-1001**, Industrial Commission rules. He summarized all of the rules, and he reported that all rules listed were recommended for approval by the subcommittee.

MOTION: **Representative Nessel** moved to approve **Docket Nos. 17-0203-1001, 17-0205-1001, 17-0208-1001, 17-0208-1002, 17-0209-1001, 17-0210-1001, and 17-0211-1001**. **Motion carried on a voice vote.**

Representative Hartgen presented **Docket Nos. 59-0102-1001, 59-0103-1001, 59-0104-1001, 59-0105-1001, and 59-0106-1001**, Public Employee Retirement System rules. He summarized all of the rules, and he reported that all rules listed were recommended for approval by the subcommittee.

MOTION: **Representative Ringo** moved to approve **Docket Nos. 59-0102-1001, 59-0103-1001, 59-0104-1001, 59-0105-1001, and 59-0106-1001**. **Motion carried on a voice vote.**

Representative Thayn Subcommittee Chairman on Administrative Rules presented **Docket Nos. 16-0301-1001, 16-0301-1002, 16-0301-1003, 16-0303-1001, 16-0304-1003, 16-0304-1004, 16-0305-0904, 16-0305-1002, 16-0305-1003, 16-0308-1001, 16-0308-1002, and 16-0324-1001**, Division of Welfare rules.

MOTION: After discussion regarding the Division of Welfare dockets, **Rep. Trail** moved to approve **Docket Nos. 16-0301-1001, 16-0301-1002, 16-0301-1003, 16-0303-1001, 16-0304-1003, 16-0304-1004, 16-0305-0904, 16-0305-1002, 16-0305-1003, 16-0308-1001, 16-0308-1002, and 16-0324-1001**. **Motion carried on a voice vote.**

Representative Thayn presented **Docket Nos. 16-0601-1001, 16-0612-1001, 16-0612-1002, and 16-0612-1003**, Division of Family and Community Services rules. He summarized the rules, and stated all four were recommended for approval by the subcommittee.

MOTION: **Representative Lake** moved to approve **Docket Nos. 16-0601-1001, 16-0612-1001, 16-0612-1002, and 16-0612-1003**. **Motion carried on a voice vote.**

RS 19963: **Bob Fick**, Communications Manager, Idaho Department of Labor, explained the technical correction for determining the unencumbered Workforce Development Training Fund balance. The sunset provision is extended to January 1, 2018, with no fiscal impact to the General Fund or to local government funds.

In response to questions, Mr. Fick noted that roughly eight companies inquired about the training fund in 2010. Uncommitted fund amounts in excess of \$6 million revert to the trust fund, and approximately \$4 million did so in the last twelve months.

MOTION: **Representative Lake** moved to introduce **RS 19963**. **Motion carried on a voice vote.**

RS 19973: **Bob Fick**, Idaho Department of Labor, stated that corporations would be allowed to exempt from unemployment insurance coverage certain corporate officers. Those who do not elect this exemption would have to dissolve the corporation, or the officer would have to leave employment at the company, in order for an officer to collect unemployment insurance benefits. There is no fiscal impact to the General Fund or to local government funds.

In response to questions, Mr. Fick reported that from 2008 - 2010 approximately \$35 million was paid into the fund for corporate officers. During that same period, the fund paid out approximately \$42 million to roughly 5,000 corporate officers. Those officers' companies only paid \$5.8 million into the fund over those three years. Fourteen other states currently have similar laws. A person appealing a decision would have the burden of presenting "clear and convincing evidence". Mr. Fick stated that appeals are heard by the Idaho Department of Labor Appeals Bureau. If desired, a party is able to protest a decision to the Industrial Commission.

MOTION: **Representative Thayn** moved to introduce **RS 19973**. **Motion carried on a voice vote.**

There being no further business to come before the committee, the meeting was adjourned at 2:09 p.m. by Chairman Block.

Representative Block
Chair

Jana Filer
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, February 01, 2011

SUBJECT	DESCRIPTION	PRESENTER
PRESENTATION	Annual Update from the Public Employee Retirement System (PERSI)	Don Drum, PERSI

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: (208) 332-1147
email: mtipps@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Tuesday, February 01, 2011
- TIME:** 1:30 P.M.
- PLACE:** Room EW05
- MEMBERS:** Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
- ABSENT/
EXCUSED:** Representative Simpson
- GUESTS:** Don Drum, Public Employees Retirement System of Idaho (PERSI); Bob Maynard, PERSI; Mark Ollemaw, Milliman; Dustin Hurst, Idaho Reporter
- The meeting was called to order at 1:33 p.m. by Chairman Block.
- MOTION:** **Representative Ringo** moved to approve the minutes of January 19, 2011. **Motion carried on a voice vote.**
- MOTION:** **Representative Hartgen** moved to approve the Hartgen Subcommittee minutes of January 17, 2011. **Motion carried on a voice vote.**
- MOTION:** **Representative Ringo** moved to approve the Hartgen Subcommittee minutes of January 19, 2011. **Motion carried on a voice vote.**
- MOTION:** **Representative Nessel** moved to approve the Hartgen Subcommittee minutes of January 27, 2011. **Motion carried on a voice vote.**
- PRESENTATION:** **Don Drum**, Public Employees Retirement System of Idaho (PERSI), presented an annual update to the committee. He discussed the various ways pension programs get into trouble. He stated that Idaho has always been conservative and prudent. The state has always paid contributions on time and does not give "pension contribution holidays". Idaho Code 59-1302(5D)(e) prevents spiking. PERSI's retirement age for general member service is 65, or age 60 for police officer/firefighter service retirement. This is higher than many other systems. Valuation considers annual 1% Cost of Living Adjustment (COLA), which is mandated by law (Statute 59-1355). The cost is built into contribution rates. Retiree healthcare costs are not paid for by PERSI. Historically, the fund ebbs and flows and does not accumulate surpluses. This makes it harder to face an economic downturn and remain fully funded. Many pension systems use a process called smoothing. This process spreads unusually high returns in a given year over a multi-year period to lower the volatility of the gains and losses from pension fund investment returns. PERSI does not want to use this process because it decreases the transparency of the program. The value of PERSI investments is calculated and published daily. This provides a clear representation of the plan status in a fluctuating economy. Idaho provides modest benefits, 11th lowest nationwide. The state and school districts are mandated to participate in PERSI, however, other employers may elect to participate as well. There are approximately 67,000 active members, with an average annual salary of \$39,130.
- Bob Maynard**, PERSI, presented information about PERSI's total fund returns since Fiscal Year (FY) 2008. PERSI's funding status declined sharply during the recession, however, the fund has recovered, and reached a record peak on January 18, 2011. From the beginning of FY 2008, to March 9, 2009, the fund experienced a 34% drop. By January 18, 2011, the fund has recovered by 59%. PERSI's investment philosophy involves three main ideas: to rely primarily on public markets over time, to maintain a transparency and be easy to understand, and to focus on

the big picture over the long term.

Mark Ollemaw, Milliman, an actuarial firm working for PERSI, discussed PERSI's investment return assumption as it compares to other states' retirement plans. PERSI focuses on long term expected returns. The basic funding principle is that contributions and investment income funnel in as assets, and those assets funnel out to cover expenses and benefits. He discussed how various projections are made, how unfunded actuarial liability is determined, amortization periods, and stable contribution rates.

Don Drum responded to questions. He stated that the total contribution into the fund right now is 16.89%. Benefits are not increased without an income stream to cover the increase. Firefighters and police officers contribute more than other members, because their benefit is greater than that of general members. Potential gains and costs must be evaluated when considering any change. State Law protects the fund. If a rate adjustment was made to lower employer contributions, the employee rate would need to be increased. Such an adjustment would not protect the fund from future drops during recessions. The total amount contributed would remain the same, the change would simply be in how much of that total contribution came from employers or employees. PERSI has staff members who work directly with employers. PERSI does not have a problem with employers making contributions on time. Mr. Drum yielded to Mr. Maynard, who stated that we could take more risks and possibly arrive at the same result. One of the things that has allowed Idaho to stay the course through two recessions is the focus on long term results while also being conservative enough to be able to react if necessary.

During discussion about upcoming budget meetings, **Representative Nessel** disclosed that he is on the Board of Directors for Regents Blue Shield of Idaho.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 3:15 p.m.

Representative Block
Chair

Mary Tipps
Secretary

**AMENDED #3 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, February 03, 2011**

SUBJECT	DESCRIPTION	PRESENTER
	<u>BUDGET PRESENTATIONS</u>	
	Legislative Services Office (LSO), Introduction	Keith Bybee, LSO
	Department of Commerce	Don Dietrich, Dept. of Commerce
	Public Employees Retirement System of Idaho (PERSI)	Don Drum, PERSI
	Industrial Commission (IIC)	Jane McClaran, IIC
	Division of Financial Management (DFM), Office of the Governor, Commerce	Wayne Hammon, DFM
	Department of Labor	Bob Fick, Dept. of Labor
<u>RS20221</u>	Employment Security Law and Unemployment Benefits Financing, amending Idaho Code 67-6205	Bob Fick, Dept. of Labor
RS20215	Unemployment Security Law and Extensions, amending Idaho Code 72-1367A	Bob Fick, Dept. of Labor

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block Rep Ringo
Vice Chair Hartgen Rep. King
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: (208) 332-1147
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 03, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** None

GUESTS: Keith Bybee, Legislative Services Office (LSO); Don Dietrich, Department of Commerce; Don Drum, Public Employees Retirement System of Idaho (PERSI); Jane McClaran, Industrial Commission (IIC); Bob Fick, Department of Labor; Wayne Hammon, Division of Financial Management (DFM), Office of the Governor; Damien Bard, Department of Commerce; Jay Engstrom, Department of Labor

The meeting was called to order at 1:32 p.m. by Chairman Block.

MOTION: **Representative Ringo** moved to approve the minutes of January 25, 2011. **Motion carried on a voice vote.**

MOTION: **Representative Ringo** moved to approve the minutes of January 27, 2011. **Motion carried on a voice vote.**

Keith Bybee, Legislative Services Office, introduced the budget process. Policy typically drives what benefits will be paid out. The budgets that the committee will be looking at have to do with operating expenses of the agencies as well.

Don Dietrich, Department of Commerce, stated that the Department of Commerce has been dedicated to accomplishing its mission while cutting costs. The number one priority is to take care of its existing companies. It continues to recruit domestically and internationally. He discussed two line items: business and jobs development funds that are associated with recruitment of jobs to Idaho, and small business assistance grants to be used for development and submission proposals for federal grant funding.

In response to questions, Mr. Dietrich stated that the funds they are requesting do exist, but are not available to them without spending authority. The Rural Professional Program funded seventeen rural economic development professionals across the state. The fund is currently up and running and is an integral part of what the Department does statewide. The need for funds for that program was decreased during the economic downturn. Community Economic Development Block Grants also assists rural areas. Rural initiative programs help small businesses in rural communities to prosper. Budget reductions are spread across all departments. There are ongoing foreign trade projects being supported by the Department of Commerce.

Keith Bybee responded to a question, stating that the film and media production program was never funded by the legislature. It has no appropriation or spending authority. His understanding is that a fund was built and that no tax dollars would be spent on the program.

Don Drum, Public Employees Retirement System of Idaho (PERSI), gave an overview of two budget enhancements that are being requested by PERSI. They have an IT system that is about ten years old. It has received more than 1800 modifications in those ten years. The provider of that system is no longer providing support to the system, so support must be done in house. Upgrades and enhancements that are made now all carry a risk of the system going down. Certain processes must be done manually. Recently there were retirees who received checks late because of an IT problem. Virtually every bank in Idaho had to be approached by PERSI and asked to waive insufficient fund fees for PERSI recipients. The second budget enhancement being requested is to move spending authority to Personnel Costs (PC) from Operating Expenditures (OE), to provide the PERSI Board agreed upon flexibility regarding the variable-based component of total compensation for the Chief Investment Officer.

In response to questions, Mr. Drum stated that the original cost of the IT system was approximately \$6.3 million. It will cost approximately \$13 million to replace it. The hope is that a new system would last another ten years, however, there are not guarantees. Building a foundation that can be built upon will be important.

Jane McClaran, Industrial Commission (IIC), presented a brief overview of the IIC's departments and funding. Certain monies are in dedicated funds. Their specific requests for Fiscal Year (FY) 2012 include a line item for video equipment and printer/sorters which total \$4300. Their total appropriation is anticipated to be slightly less than FY 2011.

In response to questions, Ms. McClaran stated that the only way to retain spending authority, which is branded annually, is to set a new limit each year on what can be spent. The current amount in the Crime Victims' Compensation Fund is approximately \$800,000. The IIC is asking for replacement SUVs because the vehicles must travel year round, in all weather, over all types of terrain. Vehicles are usually replaced at around 140,000 miles, which is approximately every three years.

Bob Fick, Department of Labor, stated that the Department of Labor budget is fairly limited. Money that was provided in the stimulus package in 2009 was earmarked for computer system replacement. The current system for taxes and benefits is very old. A task force is working to implement a new system. Mr. Fick also briefly discussed Wage and Hour, the Human Rights Commission, and the Serve Idaho program.

In response to questions, Mr. Fick stated that Serve Idaho is the AmeriCorps arm for the state government. Interest earned on the reserve portion of the trust fund is used to supplement declining federal grants and keep local offices open rather than moving to call centers. There is \$75 million in the reserve fund. Before the recession there was about \$118 million there. Fifty million of the \$75 million sits still as assurance to bond holders.

Wayne Hammon, Division of Financial Management, Office of the Governor, spoke about the Department of Human Resources (DHR) budget. There are no line items or replacement costs. There is one supplemental. DHR used to be a large agency with around 50 employees at its height. It now has eleven employees. DHR is funded by fees charged to other agencies. They have almost \$1 million in the fund that they would like to return. This will require a supplemental. If the supplemental is not approved, the federal government will become involved. DHR is now at a point where expenditures equal funds coming in.

Mr. Hammon stated that the Governor's recommendation is 99.9% of the time less than the agency requests. This year vehicles for Department of Homeland Security and police, and certain items at state hospitals, are recommended to be

replaced, however, other replacement costs are not recommended. The Governor fully supports PERSI's request for \$13 million for a new computer system.

In response to questions, Mr. Hammon stated that a detailed report about all salary changes and bonuses is available. Changes and bonuses are not equitable between agencies because some agencies have salary savings and some do not. Good employees are sought after and do sometimes move from one agency to another. Each time an employee moves, he or she has an opportunity to learn new skills. DHR now hosts regularly scheduled meetings with HR staff from agencies. It also holds trainings.

In response to a question, **Chairman Block** stated that the committee's recommendations to the Joint Finance and Appropriations Committee (JFAC) will be presented on February 16 or February 17. She would like to make decisions on the items heard today because there will be Health and Welfare line items to address as well. The Committee can decide to accept recommendations that have been made, or to make new recommendations.

MOTION: **Representative Hartgen** moved to accept the Governor's recommendation on the Department of Commerce budget. During discussion on the motion, **Representative Lake** stated that he hesitates to make a recommendation without knowing what the bottom line is going to be.

SUBSTITUTE MOTION: **Representative Lake** moved to postpone decisions on all budget items presented today until February 15, 2011. During discussion on the motion, he stated that the budget as recommended is not currently valid, as there is not revenue available to cover that budget. **Representative Block** stated that in previous years, the budget was more clearly defined. **Representative Ringo** stated that in previous years, chairmen provided reports to JFAC with varying degrees of details. There is no guarantee that the Committee will have more information on the 15th. **Representative Trail** stated that he shares the concern that not all the information necessary for decision making is available today. **Motion carried on a voice vote.**

RS 20215: **Bob Fick**, Department of Labor, presented **RS 20215**. This amends the Employment Security Law to add an additional temporary total unemployment rate indicator for extended benefits that qualify for 100% federal funding. The change only applies to 2011. At the end of the year the extended benefits will expire.

In response to questions, Mr. Fick stated that the extended benefits are paid by the federal government. There are other costs shared between the federal government and the state.

MOTION: **Representative Simpson** moved to introduce **RS 20215**. **Motion carried on a voice vote.**

RS 20221C1: **Bob Fick**, Department of Labor, presented **RS 20221C1**, which amends the Idaho Housing and Finance Association and Employment Security Laws to allow the Idaho Housing and Finance Association to issue bonds to repay advances from the federal Unemployment Insurance Trust Fund and to increase the unemployment insurance trust fund size multiplier, to ensure a more solvent trust fund.

Representative Lake stated that he is not comfortable including both of these subjects in one bill.

In response to questions, Mr. Fick stated that the two items are tied together due to concern about the integrity and solvency of the trust fund. He shared financial projections with and without bonding, with and without a future recession. He is not able to assume or predict the depth of future recessions. The requirement that states have Unemployment Insurance is in Social Security Law.

Jay Engstrom, Department of Labor, answered a question, stating that the Idaho Housing and Finance Association has been involved in discussions related to this legislation. Estimates can be made but until bonds are rated, they will change.

MOTION: **Representative Lake** moved to introduce **RS 20221C1**. He spoke to his motion, saying that if, at the bill hearing, it appears there is concern about the two subjects being tied together, the Committee might want to separate the two subjects. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:40 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, February 07, 2011

SUBJECT	DESCRIPTION	PRESENTER
RS20217	Employment Security Law	Bob Fick, Dept. of Labor
RS20219	Employment Security Law	Bob Fick, Dept. of Labor
<u>BUDGET PRESENTATIONS</u>		
	Department of Health and Welfare (DHW), Division of Welfare	Russ Baron, DHW
	Department of Health and Welfare (DHW), Child Welfare and Protection	Rob Luce, DHW
	Department of Health and Welfare, Division of Vocational Rehabilitation (DVR)	Dr. Michael Graham, DVR
	Idaho Council on Developmental Disabilities (ICDD)	Marilyn Sword, ICDD
	JFAC, Health and Welfare	Rep. Fred Wood
	Division of Financial Management (DFM), Office of the Governor, Health and Welfare	Wayne Hammon, DFM

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, February 07, 2011
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** None
GUESTS: Bob Fick, Department of Labor; Russ Baron, Department of Health and Welfare (DHW); Rob Luce, DHW; Dr. Michael Graham, DHW; Marilyn Sword, Idaho Council on Developmental Disabilities (ICDD); Representative Fred Wood; Wayne Hammon, Division of Financial Management (DFM), Office of the Governor; Dave Goins, Idaho New Service; Clark Corbin, Post Register; Sara Stover, DFM; Amy Holly, Sullivan Reberger Eiguren; Diana Cox, Givens Pursley; Kris Ellis, Benton Ellis

The meeting was called to order at 1:30 p.m. by Chairman Block.

- MOTION:** **Representative Thayn** moved to approve the minutes of January 31, 2011. **Motion carried on a voice vote.**
- MOTION:** **Representative Nessel** moved to approve the minutes of February 1, 2011 with a spelling correction to add an "l" to the word "allowed" at the bottom of page 2. **Motion carried on a voice vote.**
- MOTION:** **Representative Thayn** moved to approve the Thayn Subcommittee minutes of January 17, 2011. **Motion carried on a voice vote.**
- MOTION:** **Representative King** moved to approve the Thayn Subcommittee minutes of January 19, 2011. **Motion carried on a voice vote.**
- MOTION:** **Representative Thayn** moved to approve the Thayn Subcommittee minutes of January 25, 2011. **Motion carried on a voice vote.**

Russ Baron, Department of Health and Welfare, presented an overview of the budget for the Division of Welfare. Welfare makes up 5.7% of the total budget for the Department of Health and Welfare. The three main categories of the Welfare budget are personnel, operating expenses, and trustee/benefits. The Department has four areas of funding shortages. They are Aid to the Aged, Blind, and Disabled (AABD) cash, automation support for the IBES computer system, child support, as federal matching funds that used to assist the program will no longer be available, and electronic benefits transfer (EBT) cards that are used to issue food stamps benefits.

In response to questions, Mr. Baron stated that the two biggest priorities are, first, money for the AABD Cash program, and second, support for the IBES system, which is used to determine eligibility. The IBES system is one year old. The system is working well and is not reaching obsolescence. Federal reporting timeframes must be met and maintenance to the system is necessary to avoid missing deadlines.

Rob Luce, Department of Health and Welfare, presented an overview of the budget for Child Welfare and Protection. One area of concern for the program is the entry of more children into the foster care system. The decline in the number of foster homes that is taking place will mean more children experiencing multiple placements, and more children in facilities, which is more expensive for the state. Social workers are carrying more caseloads than they should optimally carry, which leads to higher turnover. With fewer resources and fewer social workers, and without any ability to control the number of children entering the system or the number of Idahoans who will volunteer to become foster parents, this department is at risk of having poorer outcomes unless it can receive adequate funding.

In response to questions, Mr. Luce stated that care of the children who are in foster homes is not the only expense the program faces. Foster and adoptive parents who care for children with special needs can receive stipends. When children exit the foster system, they may go back to their natural parents, be adopted, or age out. Law enforcement and the courts make decisions about individual children entering the system. The federal government issues an incentive bonus for increasing adoptions. There are no specific line items.

Dr. Michael Graham, Department of Health and Welfare, presented an overview of the budget for the Division of Vocational Rehabilitation (DVR). The DVR works with any individual who has an impediment to employment, except blindness or visual impairment, as there is a separate agency to assist people with those disabilities. He cited Cornell University's Disability Status Report Idaho 2008, which stated that disabled persons equal 29.6% of the total Idaho population ages 21 to 64. Funding has already been cut to the point where certain programs have waiting lists that were not there before, and the funding for people with epilepsy has been eliminated entirely.

In response to questions, Dr. Graham stated that the DVR does not cover medical expenses, however, they do cover insurance premiums, pharmaceuticals, and transportation.

Marilyn Sword, Idaho Council on Developmental Disabilities (ICDD), presented an overview of the budget for the ICDD. Every state in the country has one such council. The original purpose of the ICDD was to assist individuals coming out of institutions. The Council still helps those individuals, however, it also assists those who have not been institutionalized. A developmental disability is a disability that occurs prior to age 22, is expected to last through the person's entire life, and affects the person's life in at least three major areas. There are about 28,000 people in Idaho with developmental disabilities. The Department of Health and Welfare helps with the ICDD's development and provides support and human resources functions, however, the ICDD operates autonomously in other areas. A majority of the ICDD's funding is from the Federal Administration on Developmental Disabilities through a formula grant. A portion of those funds require a 25% match. The State General Fund provides 15% to 20% of the agency's funding. Currently their estimated revenue and expenditures match because the Council has been dedicated to making necessary cuts, for instance, an employee who recently retired has not yet been, and might not be, replaced.

In response to questions, Ms. Sword stated that the Council believes it can better achieve long term system change through staff involvement rather than through other methods. The best way for them to achieve positive outcomes is to have people involved rather than simply granting money out. While some projects might sound as though they have been or are being duplicated in the nonprofit sector, the programs and services through the ICDD are tailored for individuals with significant disabilities and are very specialized.

Wayne Hammon, Division of Financial Management (DFM), Office of the Governor, discussed the Health and Welfare budget. The federal government requires various councils and boards, and when grants are given to those councils and boards, there are rules and regulations that must be followed in conjunction with that funding. As to the Child Welfare and Protection programs, there are many hidden costs. Turning child welfare over to individual counties would be difficult because there is a disparity in resources county to county. It is important to remember that staff members are spread throughout the state and agency employees live in the areas they serve. The computer system for Health and Welfare is huge and many years went into development and building before the system was actually put in place. Funding was given to DHW for the initial system, but no funding was awarded for maintenance. To explain, Mr. Hammon stated that he does not want to get to the point where money has been spent on a nice Corvette, with no money to put gas in it.

RS 20217: **Bob Fick**, Department of Labor, presented **RS 20217**, which amends Employment Security Law to provide a civil penalty for professional employers who fail to file quarterly wage reports or file them late contrary to the requirements of existing state law.

In response to questions, Mr. Fick stated that there is a section of law that regulates professional employers. The penalty is per employer, per client, per quarter. The representatives of professional employer organizations who were consulted on this legislation were in agreement and did not have concerns. The penalty is similar to others that currently exist. A professional organization has 1,000 or more clients and is regulated. During an audit of these organizations, not one was in compliance. Even after discussions, there continued to be violations of the existing law.

MOTION: **Representative Lake** moved to return **RS 20217** to the sponsor. He spoke to his motion, stating that the \$500 fine per employer, per client, per quarter is excessive. **Representative King** stated she will agree to return this RS to the sponsor, however, she believes that many professional employer organizations are large and have the financial well being to pay the proposed fines if they were to be incurred. **Representative Nessel** stated that if this legislation returns to the committee, he would like more information. **Motion carried on a voice vote.**

RS 20219: **Bob Fick**, Department of Labor, presented **RS 20219**, which would amend Employment Security Law to revise the ratios of total base period earning to the highest quarter earnings. This provision would reduce the number of weeks seasonal workers would be able to receive benefits. This proposed legislation is being brought before the committee because of complaints from Idaho employers that seasonal workers qualify for the maximum benefit, and are receiving benefits that are higher than their average weekly wage.

In response to questions, Mr. Fick stated that there would be no savings. People who are more closely tied to the labor force would receive more, and those who are less closely tied would receive less. This is simply a redistribution of benefits.

MOTION: **Representative Simpson** moved to introduce **RS 20219**. **Motion carried on a voice vote.**

Representative Fred Wood, a member of the Joint Finance and Appropriations Committee (JFAC), presented an overview of the Health and Welfare budget. The two computer systems for the Department of Health and Welfare (DHW) are essential. If they are not up and running, DHW cannot function. During any given year, the Department does not know how much federal funding will be received. At a certain point, if money is removed from certain programs, actual physical harm will come to citizens. We are most in danger in the area of child welfare. In the future, some DHW policies will be refined and updated, and put in statute.

In response to questions, Representative Wood stated that he relies on DHW to assist in making recommendations. There is a small working group that is looking into duplication of services that might be taking place. The group has received information that will be included in policy changes.

ADJOURN: There being on further business to come before the committee, the meeting was adjourned at 3:45 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AMENDED #1 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, February 09, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>RS20321</u>	Daycare Licensing Law	Representative Luker
<u>RS20308C1</u>	Shaken Baby Syndrome Awareness	Representative Jaquet
<u>H 76</u>	Public Employment and Coverage Department of Commerce Budget Discussions and Recommendations Department of Health and Welfare Budget Discussions and Recommendations	Jane McClaran, Industrial Commission

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, February 09, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** None

GUESTS: Representative Luker; Representative Jaquet; Jane McClaran, Industrial Commission (IIC); Megan Holbrook, IIC; Mike Malterre, Eagle Montessori; Drew Hall, Department of Health and Welfare (DHW); Marilyn Peoples, DHW; Ben Botkin, Times-News; Don Dietrich, Bibiana Nertney, Damien Bard, Lane Packwood, and Melanie Bartulome, Department of Commerce; Dennis Stevenson, Department of Administration; Marilyn Sword, Idaho Council on Developmental Disabilities; Cameron Gilliland and Brian Baldwin, DHW; Bob Fick, Department of Labor; Sara Stover, Department of Financial Management; Russ Baron, DHW; Wayne Hammon, Department of Financial Management (DFM)

The meeting was called to order at 1:30 p.m. by Chairman Block.

MOTION: **Representative Ringo** moved to approve the minutes of February 3, 2011. **Motion carried on a voice vote.**

MOTION: **Representative Ringo** moved to approve the minutes of February 7, 2011. **Motion carried on a voice vote.**

RS 20321: **Representative Luker** presented **RS 20321**, which would amend the Daycare Licensing Law. The proposed legislation would: clarify that the child count thresholds for licensing exclude related children, change staff/child ratios to a point system, remove maximum caps on group size, and exempt ratio requirements for children of providers. It would also add and modify definitions for clarity, amend school busing law to use updated references for daycare centers, group daycare homes and child care homes, without making substantive changes. Additionally, it would provide for a provisional license in certain circumstances, add felony domestic violence, felony controlled substances violations, and grand theft as disqualifying offenses for five years. It would add a tiered maximum fee from \$175 for a two year license to \$250 for daycare centers with 13 to 25 children, and to \$325 for daycare centers with more than 25 children. Maximum license fees for group daycare homes with 7 to 12 children would remain the same at \$100 for a two year license. It would relocate and clarify the background check requirements for people providing compensated child care services for 4 to 6 children, and make minor changes to clarify licensing and background check procedures.

In response to questions, Representative Luker stated that last year he worked with Rob Luce from the Attorney General's office and much of the language in this RS includes material he and the Department of Health and Welfare discussed. He pointed out that the ratios are new, and the point system was not discussed in the last draft. There is also an issue over including or excluding related children in licensing thresholds. He explained that an "operator" is the manager of a facility. He does not believe that a daycare provider would not have an application denied for improperly completing paperwork. Disqualifying offenses would come from a criminal background check or failure to follow safety rules. He believes that this

legislation would be easier than what currently exists for licensed daycare facilities to follow.

MOTION: **Representative Marriott** moved to introduce **RS 20321**. **Representative Simpson** stated that he will support the motion to introduce, however, he has concerns. **Motion carried on a voice vote.**

RS 20308C1: **Representative Jaquet** presented **RS 20308C1**, which would name April "Shaken Baby Syndrome Awareness Month" in conjunction with National Child Abuse Awareness Month. This legislation would encourage agencies that deal with parents to increase parent education on Shaken Baby Syndrome, which is the leading cause of child abuse related death in children under one year old.

In response to a question, Representative Jaquet stated that most hospitals have good materials on this issue.

MOTION: **Representative King** moved to introduce **RS 20308C1**. **Motion carried on a voice vote.**

H 76: **Jane McClaran**, Idaho Industrial Commission (IIC), presented **H 76**. She explained that current law states that a student participating in a school's work experience program will be covered by the school district's workers' compensation insurance policy with the State Insurance Fund, however, Idaho Code 72-301 authorizes any employer, including school districts, to self insure their obligations under this law with the approval of the Industrial Commission. The Commission recently approved the Meridian School District to be self insured. This proposed amendment is a housekeeping measure.

MOTION: **Representative Lake** moved to send **H 76** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote.** **Representative Lake** will carry the bill on the floor.

Chairman Block stated that the committee will discuss the budgets for the Department of Commerce and Department of Health and Welfare (DHW). **Vice Chairman Hartgen** will present the committee's recommendations to the Joint Finance and Appropriations Committee (JFAC) and she will present DHW budget recommendations to JFAC.

Representative King stated that the Department of Commerce should be fully funded because it brings business and jobs to Idaho. A block grant is generally used for infrastructure such as sewers, gutters, etc. Rural development includes obtaining grants to start up businesses, supplementing payroll, and purchasing inventory. She recommends that the committee support the Department's request for funds for this area rather than supporting the Governor's recommendation of zero dollars. **Representative Hartgen** stated that the Rural Initiative has been around a long time, but there have been some questions about whether it is the most effective way to assist small communities. He is comfortable accepting the Governor's recommendation. **Representative Ringo** said that she has difficulty supporting the Governor's recommendations when the resources we have right now are around \$137 million short, perhaps more. She believes the appropriate thing is to ask the Governor for a new recommendation that uses current information. **Chairman Block** stated that since the committee is unsure about a bottom line, and since the committee does respect the work of JFAC, which looks at all of the agencies, recommendations can be made. The budget report to JFAC will state that, in regard to the revenues that may or may not be available, the Commerce and Human Resources Committee recognizes that JFAC may need to adjust the financial amounts. The decisions of JFAC will be respected as they gather more information.

Representative Thayne stated he would like more information about the source of dedicated funds. **Don Dietrich**, Department of Commerce, stated that dedicated funds are federal, with a large portion being made up from tourism. There is a 2% bed tax in the State of Idaho, which is a funding source, and there is some miscellaneous revenue. The Governor's recommended cut is evenly spread across divisions. It is from operating expenses and clearly affects the way they can do business.

MOTION: **Representative Nasset** moved to recommend to JFAC that the committee accept all of the revised budget requests of the Department of Commerce. He spoke to his motion, stating that without good paychecks in Idaho, there will not be increases in funding for anything. He also stated that the Department knows its own needs. In response to a question, he stated that he is discussing the four decision units before the committee.

SUBSTITUTE MOTION: **Representative Lake** offered a substitute motion to recommend to JFAC that the committee accept the Governor's Recommendation on the Business and Job Development decision unit of \$552,500. **Substitute motion carried on a voice vote.**

Sara Stover, Department of Financial Management (DFM), stated that updated budget information is in the works.

MOTION: **Representative Nasset** moved to recommend to JFAC that the committee accept the Governor's Recommendation on line item #1 of the Industrial Commission, for \$4,300. **Jane McClaran**, IIC, responded to a question, stating that line item #1 is for new video equipment and two new printer/sorters. Line item #2 is a fund shift that was not recommended by the Governor. A fund shift nets to zero but is not part of the Governor's Recommendation. **Motion carried on a voice vote.**

MOTION: **Representative Thayne** moved to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #1, Reed Act, for \$2,304,400, of the Department of Labor. **Motion carried on a voice vote.**

MOTION: **Representative Hartgen** moved to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #4, Ongoing Serve Idaho funding, for \$409,400, of the Department of Labor. **Motion carried on a voice vote.**

In response to questions, **Bob Fick**, Department of Labor, stated that item #3 is a fund shift related to the Human Rights Commission.

MOTION: **Representative King** moved to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #3, a Partial General Fund Phase Out of \$104,800, of the Department of Labor. **Motion carried on a voice vote.**

In response to a question, **Mr. Fick** stated that decision unit #2 relates to funds from the Wage and Hour operation, which uses general funds. The loss of this money reduced the department from six to five employees. The workload has increased, however, the Wage and Hour division has continued to fulfill its obligation and complete its work.

MOTION: **Representative King** moved to recommend to JFAC that the committee accept the Agency Request on decision unit #2, to restore a two year fund shift, for \$208,000, of the Department of Labor. She spoke to her motion, stating that the employee returning to work would pay income tax and that would assist the State of Idaho.

SUBSTITUTE MOTION: **Representative Marriott** offered a substitute motion to recommend to JFAC that the committee accept the Governor's Recommendation of zero dollars on decision unit #2 of the Department of Labor. **Motion carried on a voice vote.**

MOTION: **Representative Thayn** moved to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #1, to replace the core IT system, for \$13,000,000, of the Public Employees Retirement System (PERSI). **Motion carried on a voice vote.**

MOTION: **Representative Hartgen** moved to recommend to JFAC that the committee drop decision unit #1, related to computer maintenance, for \$391,400, from their recommendations to the Division of Welfare. **Representative King** stated that this is penny wise and pound foolish. Not servicing and maintaining equipment will lead to a need for more spending later. **Representative Hartgen** stated that there is already money dedicated to maintaining the system, and the request is for additional funding when there is no indication of a problem. Due to the current economic times, he believes that this request can be deferred.

In response to questions, **Russ Baron**, DHW, stated that while the system is not broken, it impacts dozens of other systems. Upgrades and policy changes from the federal government are required. This is not a request for additional funding. The monies that are reflected in the Department's reporting are what was last received and are being used. Because the system is new, the Department is still learning what will be needed. If the funding request is granted and all of the funds are not used, those unused monies will revert back to the State General Fund.

SUBSTITUTE MOTION: **Representative King** offered a substitute motion to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #1 for IBES Ongoing Maintenance, for \$391,400, of the Division of Welfare. During discussion on the substitute motion, **Mr. Baron** stated that if reporting to the federal government is not completed on time, penalties are assessed. If one part of the system is tweaked, there are generally other areas that are affected and must then be tweaked as well. It is not possible to predict what all the needs will be, however, it is possible to look ahead and see that there will be needs. If this funding request is not approved, there will be a negative impact to the Department. Decisions will have to be made on what not to do.

VOTE ON SUBSTITUTE MOTION: Chairman Block called for a vote on the substitute motion. A division was requested. **Substitute motion failed on a tied vote with a show of hands.**

VOTE ON ORIGINAL MOTION: Chairman Block called for a vote on the original motion. A division was requested. **Motion failed on a tied vote with a show of hands**

MOTION: **Representative Nessel** moved to recommend to JFAC that the committee accept the Governor's recommendation on decision unit #1, related to computer maintenance, for \$391,400, of the Division of Welfare. He spoke to his motion, saying that to have dozens of organizations relying on a system makes support necessary. **Motion failed on a show of hands.**

MOTION: **Representative Hartgen** moved to recommend to JFAC that the committee accept the Governor's Recommendations for the entire budget of Child Welfare, for a total of \$53,311,000. **Motion carried on a voice vote.**

In response to a question, **Sara Stover**, DFM, stated that DHW submits budget requests based on the numbers that they have at the time. At some point a deadline must exist so that requests can be evaluated.

MOTION: **Representative King** moved to recommend to JFAC that the committee accept the Governor's Recommendation on the AABD Caseload Increases for the amount of \$2,438,600, of the Aid to the Aged, Blind, and Disabled (AABD) budget. **Representative Ringo** stated that she will not be able to support the motion. **Motion carried on a voice vote.**

MOTION: **Representative Hartgen** moved to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #2, Increased Spending Authority, for \$415,000, for Vocational Rehabilitation. **Motion carried on a voice vote.**

MOTION: **Representative King** moved to recommend to JFAC that the committee accept the Governor's Recommendation for the Person Centered Planning Grant of \$10,000, for the Idaho Council on Developmental Disabilities (ICDD). **Motion carried on a voice vote.**

Wayne Hammon, DFM, commended the committee on its work and stated that there is one decision unit left with a zero dollar amount in the PERSI budget. He explained that budgets have three tiers that are personnel, operating, and trustee/benefits. If there is savings in one area, it can be moved down but not up. PERSI is requesting to move money out of the operating portion of the budget and up into the personnel portion of the budget, which requires legislative approval.

Don Drum, PERSI, yielded to a question, stating that PERSI has two primary budgets. One is the portfolio budget. Five staff members' salaries are funded through that budget. The Chief Investment Officer's salary is determined differently from that of other state employees. Seventy-five percent of his pay is base pay, as a salary. The other 25% is based on merit and can vary. It is dependent on the recommendation of the PERSI Board. If he achieves his full salary this year, the funds are not available to pay him. PERSI is requesting the ability to move funds to cover that employee. The money already exists in the PERSI budget, but is not currently dedicated for personnel.

MOTION: **Representative Thayne** moved to recommend to JFAC that the committee accept the Governor's Recommendation on decision unit #2, to increase personnel costs, for zero dollars, of PERSI. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:28 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
9:00 A.M.
Room EW05
Friday, February 11, 2011

SUBJECT	DESCRIPTION	PRESENTER
RS20217C1	Employment Security Law	Bob Fick, Department of Labor

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Friday, February 11, 2011
TIME: 9:00 A.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** Representative(s) Lake, Loertscher, Marriott, Ringo
GUESTS: Bob Fick, Department of Labor; Dave Goins, Idaho News Service; Clark Corbin, Post Register; Matthew Malek, Risch-Pisca, LLC
The meeting was called to order at 9:00 a.m. by Chairman Block.
RS 20217C1: **Bob Fick**, Department of Labor, presented **RS 20217C1**. He explained that this would amend Employment Security Law to provide a civil penalty for professional employers who fail to file quarterly wage reports or file them late contrary to the requirements of existing law. All six of the employers who were audited when looking at existing law failed to meet this requirement.
MOTION: **Representative King** moved to introduce **RS 20217C1**. **Motion carried on a voice vote.**
ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:06 a.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, February 15, 2011

SUBJECT	DESCRIPTION	PRESENTER
	<u>Department of Commerce Presentation</u> Presentation on Idaho's Foreign Trade with Mexico	Armando Orellana
H 79	Employment Security Law	Bob Fick, Department of Labor
H 80	Employment Security Law	Bob Fick, Department of Labor

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 15, 2011
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nettet, Ringo, King
**ABSENT/
EXCUSED:** None
GUESTS: Damien Bard, Department of Commerce; Armando Orellana; Bob Fick, Department of Labor; Dave Goins, Idaho News Service; Larry Benton, Benton Ellis
The meeting was called to order at 1:30 p.m. by Chairman Block.
MOTION: **Representative Thayn** moved to approve the minutes of February 11, 2011.
Motion carried on a voice vote.

Damien Bard, Department of Commerce, stated that 2010 was a record year for Idaho exports. International trade represents about 10% of Idaho's state gross domestic product. He introduced **Armando Orellana**, who presented information about Idaho's foreign trade with Mexico. He stated that Mexico is currently the 7th most important partner of Idaho with exports equal to \$187 million. This is 1.9% more than in 2008. Opportunities for Idaho companies include trade, investment, and education. Boise State University (BSU) is partnering with Tec. de Monterrey, a college in Mexico, to hold video conferencing so that BSU can attract more foreign students. Upcoming events to support continued trade growth include Governor Otter's trade mission, and trade shows that will showcase processing machinery and building materials from Idaho. Project 60 involves investment seminars in major cities. Last year, four Idaho companies participated, and four more are planned for 2011. Five investors visited Idaho, and two investors have each invested \$500,000. The project has a website in Spanish and is considering opening a Facebook page.

In response to questions, **Mr. Bard** stated that the two biggest trade sectors between Idaho and Mexico have been agriculture and semiconductors. Dairy products and investments are areas of growth. Oregon and Washington do not have trade representation in Mexico. Most trade entering Mexico is carried by truck through Texas. Salaries in Mexico tend to be low. The minimum salary in Mexico is around \$4 to \$5 per day. Farmers tend to have very low incomes. The majority of citizens' income goes to food and caring for their children. Mexico is purchasing dairy and other equipment from Idaho.

H 79: **Bob Fick**, Department of Labor, presented **H 79**, which would amend the Employment Security Law to make a technical correction for determining the unencumbered Workforce Training Fund balance and to extend the sunset provision to January 1, 2018. The Fund was created in 1996, to provide reimbursement to companies that create new jobs or retrain current employees who are in jeopardy of being laid off. The Fund has provided over \$33 million so far. It is considered to be a great development tool for the State of Idaho. It is funded completely by employers.

In response to questions, Mr. Fick stated that if this sunset provision is extended, there is no projected change or requirement that would come to Idaho from the Federal government. Three percent of every Idaho employer's unemployment tax is placed in the Workforce Development Training fund. There is a tax credit for new employees, but that is not related to this provision. Letters of intent are not binding to the Department of Labor. Any contractual responsibility or liability would take place if the fund became completely obligated. In that case, those parties with a letter of intent would be paid before those without such a letter.

MOTION: **Representative Lake** moved to send **H 79** to the floor with a DO PASS recommendation. **Motion carried on a voice vote.** **Representative Lake** will carry the bill on the floor.

H 80: **Bob Fick**, Department of Labor, presented **H 80**, stating that currently the amount of unemployment insurance benefits paid out to corporate officers who temporarily separate from employment and later return to work for the same corporate employer exceeds the amount of unemployment contributions paid on their behalf by a ratio of seven to one. Corporate officer claimants for the fourth quarter of 2007, through the fourth quarter of 2009, paid into the Unemployment Insurance Trust Fund \$5.8 million, but received \$42 million in benefits. Some of those corporate officers laid themselves off from work to obtain unemployment insurance benefits, while continuing to work without pay for their corporate employers. To correct this problem, the Department of Labor would amend the law to allow corporations to exempt from coverage certain corporate officers. For corporations that do not elect this exemption, a corporate officer would not be considered to be unemployed for unemployment insurance purposes unless the corporation was dissolved or the corporate officer was removed from office according to the corporation's articles of incorporation or bylaws.

In response to questions, Mr. Fick stated that he does not believe this would not impact sole proprietors. If a corporate officer was covered, his wages would be taxed for unemployment insurance. It is not possible to predict which businesses would elect to have coverage for their corporate officers.

MOTION: **Representative Ringo** moved to send **H 80** to the floor with a DO PASS recommendation. During discussion on the motion, **Representative Lake** stated that he believes this is good legislation and he is surprised it has not existed before. **Motion carried on a voice vote.** **Representative Thayne** will carry the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:24 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, February 17, 2011

SUBJECT	DESCRIPTION	PRESENTER
	<u>Department of Commerce Foreign Trade Presentations</u>	
	Idaho's Trade with Taiwan	Mr. Eddie Yen
	Idaho's Trade with China	Mr. Xu Fang

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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email: mtipps@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 17, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nettet, Ringo, King

**ABSENT/
EXCUSED:** Representatives Trail, Lake, Simpson, and Loertscher

GUESTS: Damien Bard, Don Dietrich, Department of Commerce; Mr. Eddie Yen; Mr. Xu Fang;

The meeting was called to order at 2:10 p.m. by Chairman Block.

Don Dietrich, Department of Commerce, spoke briefly about Idaho's growing exports to foreign countries. He stated that Idaho is a merchant state, sending about 75% of what we produce abroad. He then introduced **Xu Fang**, Idaho's new foreign trade representative in China, and **Eddie Yen**, Idaho's foreign trade representative in Taiwan.

Eddie Yen presented information on Idaho's foreign trade with Taiwan. The country of Taiwan has a population of 23.1 million people, making it the 48th largest country in the world. Last year the GDP in Taiwan was \$428 billion, which is 24th in the world. In 2010, Taiwan was the 9th leading trading partner with the United States. Taiwan is the 11th largest market for U.S. agriculture products, and the 5th largest market for sending students to U.S. schools. Idaho exported approximately \$655 million to Taiwan during 2010, making it the third largest export market for Idaho in 2010 (January through September). Through the EB-5 Immigrant Investment Promotion, Idaho has recruited more than 100 foreign investors from a joint marketing program by companies in China and Taiwan. Other marketing events have been a Building Materials Show, a Taiwan Green Industry Show, International Flora Expo, and Digitimes, a daily newspaper for high tech companies with a circulation of 65,000 copies and an internet membership of 1,500 companies, with 50,000 members who can access its database. Export successes from Idaho include Albatross UV Lamps, Bullet Tools, Idaho Forest Group, Idaho Timber Corp., and Nicoulai Caviar. An Idaho company called Go Nano has a product that converts CO₂ that is of great interest to Taiwan. Currently Go Nano is one of two companies being considered to provide this product in Taiwan. New marketing tools include newsletters and Facebook. Other emerging opportunities include new materials and technology for green energy, battery and monitoring systems for vehicles, nuclear waste handling and storage, and license extension, green building materials, organic and high-value-added agriculture products, and good EB-5 RC. Projects and programs for 2011 include Foreign Direct Investment (FDI) seminars in spring and fall, education and travel fairs in May, June, and November, a USA-Taiwan trade forum on April 15, 2011, a biotech show in July, a wood show in Vietnam in October, a Taiwan Green Industry Show, also in October, and a building materials show in December.

In response to questions, Mr. Yen said Taiwan has been a good market for agriculture products including pork and beef. Taiwan is the #5 market for U.S. beef. They also use apples, cherries, white peaches, processed potatoes, tortillas, and dairy products from the U.S. Taiwan does have a company doing nanotechnology research. There is a joint marketing effort between China and Taiwan.

Xu Fang presented information on Idaho's foreign trade with China. The bilateral trade between the U.S. and China in 2010 equalled \$360 billion. China was ranked as the 2nd largest trade partner of the United States in 2009, and the largest supplier of goods imported to the U.S. in 2009. Idaho exports to China, Hong Kong, and Macau in 2009 ranked #3, at \$571.95 million. Key exports for Idaho companies were high tech, wood and building materials, and food and agriculture. In the last six months, there have been a number of trade and investment promotions between the U.S. and China including Chinese school teachers' reverse mission to the U.S., EB-5 seminars in five cities, and the Governor's trade mission to China. Idaho building products were introduced to 250 Chinese importers. An agreement was recently signed between schools from Boise and Shanghai for cooperation on student/teacher exchange programs. Emerging opportunities for Idaho companies include green building materials, wind power equipment, paper products, automotive batteries, farm machinery, and food processing equipment. Clean energy is also important in China. The Chinese renewable energy market is expected to continue growing exponentially. Development of an Idaho investment kit that would give more thorough information to potential Chinese investors, and participating in China's investment fair are two ways Idaho companies can be highlighted to China. Upcoming events to support growth include the trade shows and trade missions in China and Japan, as well as educational promotions that will be offered in spring or fall to promote Idaho universities.

In response to questions, **Damien Bard**, Department of Commerce, stated that the Department of Commerce does not send newspapers to Representatives' homes. The Department of Commerce does issue an email newsletter. China Daily is the largest newspaper in China. It is published in both English and Chinese. There is a program through the U.S. Customs and Immigration Service by which if certain investments and job creation opportunities are met, an international investor who is prequalified can qualify for permanent residency status. The investor must invest a certain amount of money and a certain amount of retained jobs in the U.S. to qualify.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:50 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, February 23, 2011

SUBJECT	DESCRIPTION	PRESENTER
H 129	Daycare Licensing Law	Rep. Luker
H 109	Employment Security Law and the Unemployment Rate Indicator	Bob Fick, Department of Labor
H 122	Employment Security Law and Unemployment Benefit Financing	Bob Fick, Department of Labor
H 154	Employment Security Law and Quarterly Wage Reports	Bob Fick, Department of Labor

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, February 23, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayne, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** None

GUESTS: Representative Luker; Representative McGeachin; Bob Fick, Department of Labor; Wendy Lieberman, A Child's Choice Montessori; Gena Anderson, Right on Track Childcare; Cynthia Biberos, Jazzy's Early Learning Center; Mike Malterre, Eagle Montessori; Christel Nordhausen, Rose Hill Montessori; Christine Silva, Nampa Montessori; Alaena Hofkins, Idaho Association for Education for Young Children (Idaho AEYC); Beth Oppenheimer, Idaho AEYC; Dave Whaley, Idaho State AFL-CIO; David Miles, Montessori Academy; Dennis Stevenson, Department of Administration; Tom Stroschein, Latah County; Pat Vaughan, Latah County; Ashley Akina, Vista; Anita Wolberd, Caspari Montessori Institute; Rob Luce, Department of Health and Welfare

The meeting was called to order at 1:30 p.m. by Chairman Block.

MOTION: **Representative Ringo** moved to approve the minutes of February 15, 2011.
Motion carried on a voice vote.

MOTION: **Representative Thayne** moved to approve the minutes of February 17, 2011.
Motion carried on a voice vote.

H 129: **Representative Luker** presented **H 129**, a bill to amend the Daycare Licensing Law. He explained that **H 129** would do the following: It would clarify that child count thresholds for licensing exclude related children, and change staff to child ratio requirements to a more user friendly point system. It would remove maximum caps on group size and exempt ratio requirements for children of providers. It would amend school busing law to use updated references for daycare centers, group daycare homes, and child care homes. It would provide for a provisional license in certain circumstances, and add felony domestic violence, felony controlled substance violations and grand theft as disqualifying offenses for five years. It would increase the licensing fee for daycare centers with more than 13 children, and add a tiered fee schedule for those daycare centers. It would relocate and clarify the background check requirements for providers of care for 4 to 6 children.

He stated that originally the word daycare was defined as care of children provided for compensation by someone not related by blood or marriage in a place other than the child's home. He discussed details contained in a previous bill from 2009, **H 112**.

In response to questions, Representative Luker stated that he has not received very much email activity regarding concerns. He stated that the point system would make it easier for cities to mesh with the state requirements. He explained that **H 129** would remove maximums and also loosen required staff to child ratios. He stated that language in the bill came from the Department of Health and Welfare, as well as from **H 112** that was heard in 2009.

Representative McGeachin testified regarding the clarification of definitions in **H 129**. She stated that last year she received a great deal of contact from daycare providers with concerns that the state law was more restrictive than most of the city ordinances. She explained that the ratio system is more rigid as it does not allow for blending of different age groups, and the move to a point system allows more flexibility. She stated that she worked closely with the City of Ammon on developing legislation that would provide a workable solution.

In response to questions, she stated that the law on the books is unenforceable because there are not rules on the books to enforce the law. She said that providers are concerned that they are out of compliance with state law and could have their licenses revoked. She stated that fire and safety requirements must be met, and that ratios only relate to staffing requirements.

Wendy Lieberman, A Child's Choice Montessori, stated that the ratios in the daycare licensing requirement are too low for children over the age of 5. She stated that school aged children are often on playgrounds at a ratio of 50 children to 1 adult. She suggested a language change.

In response to questions, she stated that she believes a skilled teacher could safely handle having full responsibility for more than six toddlers. She said she only cares for mixed age groups.

Gena Anderson, Right on Track Childcare, Emmanuel Lutheran Child Development Center, and Jazzy's Early Learning Center, spoke about a concern in the current system regarding ratios and the cap on group sizes. She said that she has had to cut wages for her staff members and fears she will see the three centers she represents having to close their doors. She stated that finding quality childcare is not easy for parents. She agrees with the point system in the new legislation but believes the ratio requirements for children ages 5 to 13 is too restrictive.

In response to a question, she stated that unless she had outside funding coming in, she could not operate on a sliding scale.

Mike Malterre, Parkcenter Montessori and Eagle Montessori, stated that his schools work only with mixed age classrooms with children from ages 3 to 6. He stated that in a mixed age room, the older children actually help with younger ones. He said that all his teachers are certified in infant/child CPR and first aid. Currently his schools and most Montessori schools including Foothills Early Learning are in violation of current licensing standards.

In response to questions, he stated that in the last 13 years, his schools have experienced medical emergencies and have handled them appropriately. He explained that current law does not require all daycare providers to be CPR and first aid certified, it only requires one certified person in a building. He said Montessori teachers have the equivalent of an AA and must be certified in the authentic Montessori method in order to serve at a Montessori school.

Christel Nordhausen, Rose Hill Montessori, said that her school takes children age 3 through 6th grade. She supports **H 129**. She believes that ratios, classroom structure, quality of staff members (are they certified or simply a body there to meet ratio requirements?) and other factors must be considered when evaluating safety and efficacy.

Christine Silva, Nampa Montessori Preschool and Kindergarten, said that she has a 1:10 ratio. Her children are ages 3 to 6. To put a maximum group size of only 20 children on her school, she said, would close her doors. She shared that this morning she had a 3-year-old with a birthday. The child came with treats and celebrated with her 26 classmates. If Ms. Silva had gone by the current law, six of those students would not have been able to participate in the celebration with songs, treats, and sharing.

Beth Oppenheimer, Idaho Association for Education of Young Children (Idaho AEYC), stated that staffing ratios based on the age of the youngest child is necessary for the safety. She said it is unlikely that a staff member could move twelve two-year-olds out of a fire safely. She said it is unlikely that a caregiver could provide first aid or CPR for one child while providing care to others. She raised the concern that if a child has any special needs or abusive behavior, it is even more important to have more supervision.

In response to questions, she stated that excluding related children from ratios presents a safety issue.

Anita Wolberd, Caspari Montessori Institute, stated that she supports **H 129**. She said most Montessori teachers have a college degree and also have specialized Montessori teacher training. She said that the stricter ratio requirements compromise Montessori principles and could also cause schools to close or prevent new Montessori schools from opening.

Rob Luce, Department of Health and Welfare, responded to questions. He said that it is possible for a license to be denied due to improperly completed paperwork, or a lack of required paperwork being attached to an application. He stated that someone from the Department would attempt to work with the applicant to correct the deficiency. He stated that the Department is opposed to **H 129**. He said that the Department looks at worst case scenarios.

Representative Luker responded to questions. He stated that if a facility has already become licensed, all related children are counted except the provider's own children.

MOTION: **Representative Simpson** moved to send **H 129** to the floor with a DO PASS recommendation. He spoke to his motion, stating that the bill sponsors have done a good job and this is important to Idaho communities.

SUBSTITUTE MOTION: **Representative Ringo** moved to **hold H 129** in committee subject to the call of the chair. She spoke to her motion, stating that she admires the people who are involved in the Montessori program who have come to testify. She said she does not want to cause them to not be able to carry forward, however, there are many daycare facilities that are not as structured, and those would benefit from having stricter code in place. She would like to see interested parties come to a consensus and address various points of contention so that the finished bill will make it all the way through the system. **Representative King** stated that she will support the substitute motion because she is concerned about safety. **Representative Ringo** responded to a question, stating that she would like to see the legislation modified during this legislative session. **Representative Lake** said that there is existing legislation that is not enforceable because there are no rules. He said that changes will probably have to be made, however, it is not a good idea to continue to operate without rules. **Representative Thayn** stated that we need to move ahead. The current situation is causing financial hardship. He encouraged the committee to support **H 129**.

**ROLL CALL
VOTE ON
SUBSTITUTE
MOTION:**

Representative Hartgen requested a roll call vote on the substitute motion to **hold H 129** in committee subject to the call of the chair. The motion **failed, 2 aye, 9 nay**. **Voting in favor:** Reps. Ringo, King. **Voting in opposition:** Reps. Hartgen, Lake, Trail, Thayn, Simpson, Loertscher, Marriott, Nessel, Block.

**ROLL CALL
VOTE ON
ORIGINAL
MOTION:**

Representative Hartgen requested a roll call vote on the original motion to send **H 129** to the floor with a **DO PASS** recommendation. The motion **carried, 9 aye, 2 nay**. **Voting in favor:** Reps. Hartgen, Lake, Trail, Thayn, Simpson, Loertscher, Marriott, Nessel, Block. **Voting in opposition:** Reps. Ringo, King.

H 109:

Bob Fick, Department of Labor, presented **H 109**, a bill to amend the Employment Security Law to add an additional temporary total unemployment rate indicator for extended benefits that qualify for 100% federal funding.

In response to questions, he stated that the decision to extend benefits would be up to the United States Congress. He stated that under existing law, if Idaho did not agree to extend benefits, the benefits would end. He believes that roughly 17,000 Idahoans are currently receiving extended benefits at a rate of \$3 million to \$4 million per week. These extended unemployment benefits are financed through the federal government. The \$3 to \$4 million per week that is spent is spent in Idaho on items that are taxable. Employees do not pay into unemployment insurance. States are not obligated to pay back extended benefits. Idaho owes \$202.5 million in loans that were borrowed between June 2009 and April 2010. The state has been financially stable since April 2010. The Unemployment Trust Fund balances are posted monthly on the internet.

MOTION:

Representative Thayn moved to **hold H 109** in committee. He spoke to his motion, saying that he is troubled by the idea of continuing to extend unemployment benefits.

**SUBSTITUTE
MOTION:**

Representative Simpson moved to **hold H 109** in committee, subject to the call of the chair. He spoke to his motion, stating that he would like to have employers and affected employees come before the committee to testify.

**AMENDED
SUBSTITUTE
MOTION:**

Representative Lake moved to send **H 109** to the floor with a **DO PASS** recommendation.

**ROLL CALL
VOTE ON THE
AMENDED
SUBSTITUTE
MOTION:**

Representative Ringo requested a roll call vote on the amended substitute motion to send **H 109** to the floor with a **DO PASS** recommendation. The motion **carried, 8 aye, 3 nay**. **Voting in favor:** Reps. Hartgen, Lake, Trail, Marriott, Nessel, Ringo, King, Block. **Voting in opposition:** Reps. Thayn, Simpson, Loertscher. **Representative Lake** will carry the bill on the floor.

H 122:

Bob Fick, Department of Labor, presented **H 122**, a bill to amend the Employment Security Law to revise the ratios of total base period earnings to the highest quarter earnings. This provision reduces the number of weeks seasonal workers would be able to receive benefits. He said that currently some seasonal workers receive benefits that total more than their actual earnings.

In response to questions, he stated that governments do not pay into the fund, they are reimbursable employers. A regular employer pays a tax whether or not he has anyone laid off, and that places money in the trust fund. Benefits are based on a benefit year, not simply on wages from the job that laid off the employee. Under both Idaho and Federal law, people who receive pensions from a base period employer will have their pension amount figured against unemployment benefits, unless it is a contributory pension.

MOTION:

Representative King moved to send **H 122** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote**. **Representative King** will carry the bill on the floor.

H 154: **Bob Fick**, Department of Labor, presented **H 154**, a bill to amend the Employment Security Law to provide a civil penalty for professional employers who fail to file quarterly wage reports or file them late contrary to the requirements of existing state law.

In response to a question, he stated that he believes there are around 200 active professional employer organizations in Idaho.

MOTION: **Representative Thayn** moved to send **H 154** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote.** **Representative Thayn** will carry the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:33 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AMENDED #1 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
8:00 A.M.
Room EW05
Friday, February 25, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>H 108</u>	Idaho Housing and Finance Association, Bonds and Advances	Bob Fick, Department of Labor
<u>HCR 5</u>	Shaken Baby Syndrome	Rep. Jaquet
Docket No. 16-0504-1001	Reconsideration of Rules of the Idaho Council on Domestic Violence and Victim Assistance Grant Funding	Sally Alvarado, Idaho Council on Domestic Violence

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Friday, February 25, 2011

TIME: 8:00 A.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nettet, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Trail, Loertscher, Ringo

GUESTS: John Sager, Idaho Housing and Finance Association; Bob Fick, Communications Manager, and John McAllister, Idaho Department of Labor; Brandi Whaley; Dr. Michael J. Sexton, Medical Director, and Dr. Kathy Lee, Ophthalmology, St. Luke's Children's Hospital; Sally Alvarado and Luann Dettman, Idaho Council on Domestic Violence and Victim Assistance; Roger Sherman, Executive Director, Idaho Children's Trust Fund; Jayson Ronk, VP, Idaho Association of Commerce and Industry; Dennis Stevenson, Office of the Administrative Rules Coordinator; Suzanne Budge, SBS Associates, LLC / Idaho State Director, National Federation of Independent Business; Karla Covington; Gerry Morris; Mary Covington

Chairman Block called the meeting to order at 7:59 a.m.

H 108: **Bob Fick**, Communications Manager, Idaho Department of Labor (DOL) stated this proposed legislation addresses two issues. In the short term, it will authorize Idaho Housing and Finance Association to issue bonds similar to GARVEE bonds. The funds would be used to repay the \$202.5 million loan from the U. S. Department of Labor. In the long term, it will provide stability to the unemployment insurance fund by gradually increasing the desired fund size multiplier, or solvency factor, to 1.50% by January 1, 2018.

Idaho secured a loan from the U. S. Department of Labor to pay unemployment insurance benefits from June, 2009, through April, 2010, and the current loan rate is 4.10%. The interest rate on the proposed bond would be 2.25%, plus .73% of additional fees. Repayment of the bond would be spread over 4 years, beginning in 2012. The Committee discussed the effects of high unemployment for an extended period of time; agreeing that stagnant growth could force the fund to borrow again.

Mr. Fick reported that in 2005 the solvency factor was lowered to .80% from 1.50%, the rationale being the new economy would suffer shorter and more shallow recessions. Returning the solvency factor to 1.50% attempts to restore the target balance in the trust fund without having to borrow money in the future. DOL originally planned on a higher rate, but after holding discussions with stakeholders, i.e. Idaho Association of Commerce and Industry, National Federation of Independent Business, etc., a compromise was reached. Not passing this legislation would result in employers being surcharged an additional amount per employee on top of the taxes already paid.

In response to questions, Mr. Fick noted that the interest rate charged on the loan from the U. S. Department of Labor is reset annually, whereas the rate on the bond will be fixed for the entire term. Idahoans securing higher-paying jobs will not cause the balance in the trust fund to increase more quickly because there is a cap on the wage amount being taxed. DOL doesn't believe that the federal unemployment benefits will be extended. Taxpayers will not be further indebted; the money has already been borrowed.

Jason Ronk, VP, Idaho Association of Commerce and Industry (IACI) , testified in support of **H 108**. He reiterated that IACI participated in meetings over several months. No one anticipated that unemployment would jump from 2.70% in 2007 to over 9.00% for 2010.

Suzanne Budge, SBS Associates, LLC / Idaho State Director, National Federation of Independent Business (NFIB), stated NFIB recognizes the efforts of DOL and appreciates the department reaching out to the business community. Ms. Budge reported that national expertise was sought and she conferred with the national NFIB representative, Douglas Holmes. Other states' programs were reviewed, as well.

MOTION: **Rep. King** moved to send **H 108** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Lake** will sponsor the bill on the floor.

HCR 5: **Rep. Jaquet** stated that the resolution will promote awareness of Shaken Baby Syndrome (SBS), the leading cause of child abuse deaths in children under one (1) year of age. April is National Child Abuse Awareness Month, and agencies and nonprofit organizations will be encouraged to emphasize awareness of this preventable tragedy.

The Committee heard testimony about the effects of SBS from **Brandy Whaley**, whose daughter is a survivor of SBS. Reported incidents of SBS are on the rise, and it is believed this is due to the economic downturn, and the additional stress many families are facing. Research shows that infant crying is the number one trigger for the violent act, and that most offenders are male caregivers, followed by daycare workers.

In response to questions, Ms. Whaley noted she is working with IdahoSTARS to develop a class to educate daycare providers regarding SBS, and coping techniques to prevent it. The first avenue is to work with hospitals on parental education. Classes for young baby sitters don't currently include information on SBS.

Roger Sherman, Executive Director, Idaho Children's Trust Fund, testified in support of **HCR 5**, and reported seeing a 200% increase in reported SBS from 2009 to 2010. Abusive head trauma is the most lethal form of child abuse, and the average age of victims is 3.5 months. The resolution focuses on prevention, and puts Idaho on record in support of education. Hospitals need to meet with parents before they leave the hospital; the knowledge is available, it just needs to be shared.

Dr. Michael J. Sexton, Medical Director at St. Luke's Children's Hospital, also testified in support of **HCR 5**. He works with the Children at Risk Evaluation Services (CARES) program at St. Luke's, where they evaluate approximately 1,000 children annually.

In answer to questions, Dr. Sexton reported that he has testified in multiple SBS cases, and the jury findings vary widely. He also noted that the state could help knowledge acquisition by giving access to child mortality information. Studies could then be done to learn more about the effects of SBS.

Gerry Morris told the Committee about Lily, who suffers from SBS. There are three generations and six physicians devoted to caring for 3-year-old Lily, who is still blind. The monetary costs for SBS survivors are high, as is the cost of incarceration for those sentenced in SBS cases. Lily's care is covered under Medicaid.

Karla Covington shared her traumatic SBS story. Her granddaughter, Hannah, died after being shaken by a trusted daycare provider in 2008. In response to questions from the Committee, Ms. Covington noted that education is the key to prevention. **Vice Chairman Hartgen** asked if groups across the state are working together to propose legislation or rules for the training of providers. At this time, Ms. Covington was not aware of such an effort.

Dr. Kathy Lee, Ophthalmology, St. Luke's Children's Hospital, told the Committee that there is a pattern of bleeding that is characteristic of SBS, and does not occur with falls. When babies are shaken vigorously the sheer force causes tiny blood vessels in the eyes to hemorrhage, and those hemorrhages are too numerous to count. She reiterated that education is so important for this 100% preventable tragedy.

Mary Covington, Hannah's aunt, reminded the Committee that society has benefited from resolutions such as **HCR 5**. Drunk driving awareness, smoking cessation education and immunization education have benefited from resolutions. Education is just the first step toward prevention.

Rep. Rusche commented as a former general practice pediatrician, noting that the Idaho legislature has twice rejected child health study teams. Changes in the laws would probably not reduce SBS; however, training for parents and caregivers is key.

MOTION: **Rep. King** moved to send **HCR 5** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Reps. Jaquet and Block** will sponsor the bill on the floor.

Docket No. 16-0504-1001: **Chairman Block** reported that the Senate Health & Welfare Committee asked if this Committee would be willing to reconsider the rule. A section of the Minimum Standards for Domestic Violence Offender Intervention Programs included language under Section I.B.4 that allowed "other interventions". This document is incorporated by reference under Section 004.03.b. of the rule, which prompted the Committee to reject the entire rule because of the belief that counseling a couple in a domestic violence situation may not be appropriate.

Sally Alvarado, Idaho Council on Domestic Violence and Victim Assistance, testified that the manual has not yet been revised, and will not be finalized until the Council receives legislative approval. The agency intends to introduce a temporary rule that specifically excludes couples counseling.

MOTION: **Vice Chairman Hartgen** moved to reconsider the **Amended Substitute Motion** made by **Rep. Marriott** to reject **Docket No. 16-0504-1001.** **Motion carried on voice vote.**

MOTION: **Chairman Block** called for a vote on the **Amended Substitute Motion** to reject **Docket No. 16-0504-1001.** **Amended Substitute Motion failed on a voice vote.**

MOTION: **Vice Chairman Hartgen** moved to accept **Docket No. 16-0504-1001**, with the exception of Section I.B.4 only of the Minimum Standards for Domestic Violence Offender Intervention Program Manual, effective July 1, 2011, as incorporated by reference in Section 004.03.b. **Motion carried on voice vote.** **Rep. Hartgen** will present the RS.

ADJOURN: There being no further business to come before the Committee, meeting was adjourned at 9:32 a.m.

Representative Block
Chair

Jana Filer
Secretary

AMENDED #2 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
Upon Adjournment of the House
Room EW05
Tuesday, March 01, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>H 176</u>	Healthcare Professional Transparency Act	Molly Steckel, Idaho Medical Association

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 01, 2011

TIME: 3:51 p.m.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** None

GUESTS: Molly Steckel, Idaho Medical Association; Wayne Hoffman, Idaho Freedom Foundation; Randy Andregg, Idaho Optometric Physicians; Susie Poiilot, Idaho Medical Association; Steve Millard, Idaho Hospital Association; Margaret Henbest, Nurse Leaders of Idaho

The meeting was called to order at 3:51 p.m. by Chairman Block.

H 176: **Molly Steckel**, Idaho Medical Association, presented **H 176**. She stated that this bill would provide transparency for consumers by asking that medical professionals accurately and clearly disclose their training and qualifications. She said that it would not expand the scope of any licensed healthcare provider, but would give authority to healthcare licensure boards to regulate the honest and accurate identification of healthcare providers. Ms. Steckel explained that many years ago, a doctor was a physician, veterinarian, or dentist, however, there are many other providers who now refer to themselves as "doctors", such as chiropractors and podiatrists. She provided another example, explaining that someone who refers to him or herself as a "counselor" can be a psychiatrist, psychologist, licensed clinical social worker, or marriage and family therapist. She said that under this legislation, providers would need to list what kind of doctor, counselor, etc. they are in their advertising, in their offices, and on their name badges, if they have name badges.

Ms. Steckel stated that an amendment was requested by Representative Simpson. The amendment reads: "On page 2 of the printed bill, in line 38, following "practitioner who" insert: "knowingly"; and in line 40, delete "is" and insert "may be".

In response to questions, she stated that she believes most people, when they hear the word "doctor", think of medical doctors. She stated that various types of doctors are not listed in order of importance in the bill. The legislation does not require a practitioner to wear a name badge, however, if a practitioner does wear a badge, that badge would have to indicate the practitioner's job title/qualifications. Licensure boards of each different practice will be responsible for determining how providers' qualifications would be listed on name badges. It is her belief that licensure boards will create rules and will have a measured approach in dealing with their own providers. She explained that the language is intentionally broad to give discretion to the licensure boards.

Also in response to questions, Ms. Steckel stated that there have been a lot of anecdotal stories from members who have seen patients who were not fully informed about the type of practitioner they are seeing. She cited an ad from yesterday's newspaper that asked "Do you have a child suffering with ADD/ADHD?" and lists a doctor with a phone number. The ad did not state what kind of doctor would be providing treatment to the child, so it could be a medical doctor, a chiropractor, a psychologist, or any other number of doctors. She stated that she has seen ads for diabetes treatment that are from chiropractors and naturopaths, but that do not state that the doctor is not a medical doctor. She also discussed ads for treating melanoma, a deadly form of skin cancer, from nonmedical doctors who are not stating that the therapy being offered is not a traditional medical approach. She stated that she has heard from physicians that patients have lost valuable treatment time in seeing alternative care providers without understanding that the doctor is not a medical doctor. She stated she is not aware of nametags creating problems, however, she does not see a problem with asking a provider to identify the type of care he or she provides on a nametag, if that provider chooses to wear a nametag.

Ms. Steckel explained that this bill would not create any new jurisdiction. This bill would have no impact on professors, as it is only applicable to healthcare professionals. She stated that other states are looking at this issue. She said that the bill's language was modified for Idaho from the American Medical Association. She reiterated that the bill seeks transparency, and informed decisions for consumers.

Wayne Hoffman, Idaho Freedom Foundation, testified in opposition to **H 176**. He stated that this kind of government interaction with the free market is something that the Idaho Freedom Foundation generally opposes. He is concerned that in order to avoid hassle related to listing credentials on a name badge, practitioners could stop wearing name badges altogether. Another concern is that a regulatory board could decide to take legal action over small issues such as font size, and he does not believe that is what they were designed to do.

Steve Millard, Idaho Hospital Association, stated that he was assured by the Idaho Medical Association that details would be left up to licensure boards, and he supports **H 176**. He stated that it is very important for patients to understand who is treating them.

Dr. Randy Andregg, Idaho Optometric Physicians, spoke in opposition to **H 176**. He said that there are existing laws to protect citizens from practitioners who do not accurately represent themselves. He believes that this would duplicate existing statute, and he believes this bill insinuates that professionals are not capable of self regulation.

Margaret Henbest, Nurse Leaders of Idaho, supports **H 176**. She stated that she believes it is important for patients to understand who is caring for them. She stated that healthcare has become increasingly complex. In 2019, the "Doctor of Nursing Practice" degree will allow nurse practitioners to be called "doctor", and while they will be providing medical care in medical settings, and although they will be called "doctor", they will not be medical doctors in the M.D. sense. Physical therapists and pharmacists will also be entering with a doctoral degree. She believes that the public needs to be able to distinguish between different practitioners, and that this legislation would allow better transparency. She suggested that on page 1 of the printed bill, line 27, the word "correctly" be deleted.

Ms. Steckel responded to Dr. Andregg's comment that this bill's language and/or intent is already in written code, stating that while that may be true for optometrists, it is not true across the board. She stated that the bill was sent out to various licensing boards in December for comment and no opposition has been received. The bill was reviewed by the Healthcare Task Force and they are in support.

MOTION:

Representative King moved to send **H 176** to General Orders with the following amendments: "On page 2 of the printed bill, in line 38, following "practitioner who" insert: "knowingly"; and in line 40, delete "is" and insert "may be" AND "On page 1 of the printed bill, in line 27, delete "correctly".

SUBSTITUTE MOTION:

Representative Hartgen moved to hold **H 176** in committee. He spoke to his motion, stating that he understands the intent and nature of the bill and does not disagree with those, however, the bill contains language that is heavy handed. He also believes it is directed at certain professionals who are said to be intruding on others. He is concerned that the bill could overlap with existing code as it pertains to optometry. **Representative Lake** stated that he is concerned that members of the public will not know the meaning of all the various initials that correspond with licenses. He supports the substitute motion. **Representative Ringo** stated that the amendments would remove the heavy handedness from the bill's language. She believes that this bill would be a step in the right direction. Representative **Marriott** stated that he believes the violation and enforcement section of the bill are a little heavy. **Representative Simpson** thanked Ms. Steckel for her help with his concerns on the bill. He stated that he supports transparency, however, as he reads the language he realizes that practitioners would have to spend money to change their billboards and signage. He will support the substitute motion.

VOTE ON SUBSTITUTE MOTION:

The substitute motion to **hold H 176 in committee carried** on a voice vote.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 4:55 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AMENDED #1 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
Upon Adjournment of the House
Room EW05
Thursday, March 03, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1017</u>	Employers who serve in the Idaho Guard or Reserves	Senator Corder
<u>S 1020</u>	IRS Compliance Relating to the Public Employee Retirement System of Idaho (PERSI)	Don Drum, PERSI

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 03, 2011

TIME: Upon Adjournment of the House

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Lake, Thayn, Simpson

GUESTS: Senator Tim Corder; Don Drum, Executive Director, Public Employees Retirement System of Idaho (PERSI); Joanna Guilfooy, PERSI / Attorney General
Chairman Block called the meeting to order at 3:27 p.m.

MOTION: **Rep. Ringo** moved to approve the minutes of the February 9, 2011, meeting as written. **Motion carried on voice vote.**

S 1017: **Senator Corder** said the current law penalizes those employers who are called to active military duty and are forced to layoff employees or place employees on limited duty during their absence. The affected employees file for unemployment insurance benefits, and the employer's taxable wage rate is increased. This bill does not relieve employers of any amounts due or from the responsibility to pay unemployment taxes. The bill simply says that taxable wage rates may not be negatively impacted because an employer is deployed, and his employees are forced to file for unemployment insurance benefits. Upon passage of the bill, the taxable wage rate that applied before deployment will be the taxable wage rate that applies after employment resumes.

MOTION: **Rep. Marriott** moved to send **S 1017** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Marriott** will sponsor the bill on the floor.

S 1020 **Don Drum**, Executive Director, PERSI, stated this legislation will amend statute to bring Idaho law into compliance with federal laws Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008 and Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994. HEART provides that military personnel who die while performing qualified service are treated as if they died during employment and participation in PERSI. Also, this legislation provides that while the member in active service is an employee, his differential wages are not considered salary and no contributions are required. To comply with USERRA, this legislation provides that a member who incurs a disability resulting from active military service is eligible for disability retirement benefits. All amendments will be effective retroactively to coincide with federal effective dates.

In response to questions, Mr. Drum stated that there are not any current cases where the retroactive dates will have any effect.

MOTION: **Rep. Marriott** moved to send **S 1020** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Trail** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 3:38 p.m.

Representative Block
Chair

Jana Filer
Secretary

AMENDED #1 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M. or Upon Afternoon Adjournment of the House
Room EW05
Monday, March 07, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1074</u>	Blood Donations by Minors	Senator Heider
<u>S 1018</u>	Acting Appointment Service Time	Donna Weast, Department of Human Resources
<u>S 1019</u>	Eliminating Duplication of Efforts Between State Agencies	Bibiana Nertney, Department of Commerce

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, March 07, 2011
TIME: 1:30 PM or Upon Afternoon Adjournment of the House
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** Representative Trail
GUESTS: Senator Heider; Donna Weast, Department of Human Resources (DHR); Bibiana Nertney, Department of Commerce; Tammy Perkins, Office of the Governor

Chairman Block called the meeting to order at 1:31 p.m.

S1074: **Senator Heider** presented **S1074**, a bill related to blood donations by minors. This bill would amend Section 39-3701, Idaho Code, to provide procedures for blood donations by persons sixteen years of age but not seventeen years of age in a voluntary and noncompensatory blood donation program. He said that since these persons are minors, permission would be required by parents or guardians. He stated that currently some young men who are seeking to become Eagle Scouts organize blood drives, but are unable to participate themselves. He also explained that if the minor objects at any time, the blood donation will be stopped.

In response to questions, Senator Heider stated that the procedure would require oral or written consent from a parent or guardian. Revocation of consent could be done orally, however, a reason for the revocation might be required by the blood donation center. He stated that there are no health issues with giving blood that relate to age. He said all donated blood is tested to be sure it does not carry disease. He is unsure of whether a minor's parents would be notified if the blood was tested by the blood bank and was rejected due the discovery of a disease. There are no reports made during the receipt of blood at a blood donation center, because the tests are performed later. He stated that he has talked with Magic Valley Blood Bank, and they are very much in favor of young people donating blood, as this will foster an attitude of giving that will continue through the young person's life. He explained that the American Red Cross is always in need of blood, and sixteen-year-olds are just as qualified to give blood as other adults. He explained that the American Red Cross has a very stringent list of requirements for blood donors.

Representative King stated that she used to work at a hospital, and when blood was donated it was checked for anemia, it was typed twice, and then checked for HIV and STDs. If the blood was found to be carrying HIV or another disease, the patient was notified. She stated a concern that this legislation does not state that parents will be notified if their child is found to have HIV or another disease. She also stated a concern that children are still growing, and their bone marrow, which makes blood, is still growing.

Representative Marriott stated that when he spoke with a physician about this, the physician stated it was okay for a sixteen-year-old to donate blood as long as the child was not having a growth spurt at the time. He stated that parents would know if their child was having a growth spurt and would be able to decide whether or not to give permission for that child to donate blood.

MOTION: **Representative Marriott** moved to send **S1074** to the floor with a **DO PASS** recommendation. **Representative Simpson** supported the motion, stating that this would allow students to support each other. **Motion carried on a voice vote.** **Representatives Wood (27) and Rusche** will carry the bill on the floor.

S1018: **Donna Weast**, Department of Human Resources presented **S1018**, which would amend Section 67-5309, Idaho Code, to remove the term "acting appointment". Since acting appointments require permanent status, service time spent in an acting appointment would not count toward fulfilling entrance probation. Employees on entrance probation do not have permanent status. Section (y) is added to allow the acting appointment service time to count toward the promotional payment period. She stated that once an employee has permanent status, he or she is able to be promoted to a higher classification and higher pay grade.

In response to questions, she stated that when an employee is on entrance probation, he or she can be let go for no cause assigned. Not every agency counts temporary time or acting appointment time toward completion of the probationary period. Since the language was written in 2006, there have not been any problems with employees raising concerns about inequity between agencies.

MOTION: **Representative Ringo** moved to send **S1018** to the floor with a **DO PASS** recommendation. She spoke to her motion, saying that she does not see anything troublesome or objectionable in the bill. **Motion carried on a voice vote.** **Representative Ringo** will carry the bill on the floor.

S1019: **Bibiana Nertney**, Department of Commerce, presented **S1019**. This bill would amend Section 67-4703, Idaho Code. When the Department of Commerce and Labor was split into two separate agencies by legislative action in 2008, the research and data functions transferred to the Department of Labor. All key research people and tools left the Department of Commerce, and the Department of Labor became the clearinghouse for data collection and dissemination to the public. The purpose of this legislation is to eliminate a duplication of efforts between state agencies and create efficiencies in the dissemination of accurate research.

MOTION: **Representative Loertscher** moved to send **S1019** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote.** **Representative Loertscher** will carry the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:00 p.m.

Representative Block
Chair

Mary Tipps
Secretary

**AMENDED #1 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, March 09, 2011**

SUBJECT	DESCRIPTION	PRESENTER
<u>S1098</u>	Board of Nursing, Shared Investigative Information	Sandra Evans, Board of Nursing
<u>S1101</u>	Immunization Records in Daycare Facilities	Christine Hahn, Department of Health and Welfare
<u>S1103</u>	Timeframes for Child Support Collection and Liens	Kandace Yearsley, Department of Health and Welfare
<u>HCR21</u>	Rejection of a Rule Docket of the Department of Health and Welfare Relating to Childcare Licensing	Rep. Block

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, March 09, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nettet, Ringo, King

**ABSENT/
EXCUSED:** Representatives Trail, Hartgen

GUESTS: Sandra Evans, Judith Nagel, Dan Edmonds, Anita Thomas, Board of Nursing; Dr. Christine Hahn, Kandace Yearsley, Mitch Scoggins, Russ Baron, Department of Health and Welfare (DHR); Rachel Beck, Marie Cotton, Dave Ehrlicher, Marci Shaw, Ashley Craft, Jessica Garcia, Tiffany Perrine, Malherbe Desert, Elizabeth Kidd, Jennifer O'Hara, Nicci Reoch, BSU Nursing Program; Scott Keim, Office of the Attorney General

Chairman Block called the meeting to order at 1:29 p.m.

MOTION: **Representative Ringo** moved to approve the minutes of February 23, 2011. **Motion carried on a voice vote.**

MOTION: **Representative King** moved to approve the minutes of February 25, 2011. **Motion carried on a voice vote.**

MOTION: **Representative Thayn** moved to approve the minutes of March 1, 2011. **Motion carried on a voice vote.**

MOTION: **Representative Ringo** moved to approve the minutes of March 3, 2011. **Motion carried on a voice vote.**

S1098: **Sandra Evans**, Board of Nursing, presented **S1098**. She explained that the Bill: 1) Clarifies statutory reference to Idaho Code, Title 9, Chapter 3, also known as the Idaho Public Records Law; and 2) Grants authority to the executive director of the Board of Nursing to share investigative or disciplinary information and to otherwise cooperate with government regulatory and law enforcement agencies. She said that Idaho's Public Records Law currently prevents Board of Nursing disclosure of information related to investigations into the conduct and practice of licensed nurses, however, language included in the Nurse Licensure Compact, of which Idaho is a member, specifically authorizes the Board to report this information to state boards of nursing who are also members of the Compact. Currently, this ability to share information does not extend to the 25 states outside of the Compact. A nurse who is known to have violated standards of conduct and practice in Idaho may pose a threat to patients in other states in which he or she might be practicing. She stated that this legislation would extend the Board's authority to share critical information to all boards of nursing as well as to other regulatory and law enforcement agencies thereby extending protection beyond the Idaho Board's immediate jurisdiction.

In response to questions, Ms. Evans stated that Title 9, Chapter 3 is the Public Records Law. There are exceptions in the law that are specifically spelled out. One exception pertains to investigative information and how it may or may not be disclosed. Investigations are frequently run concurrently with law enforcement, and it would be helpful to law enforcement if the Board was able to disclose its findings. If a subpoena was issued, the Board would be compelled to disclose information. The Board is not asking to have authority to disclose information to the public, only to disclose information to certain other agencies with interest in the information. She stated that this change would not violate the due process rights of individuals who are subjects of complaints. She said that those rights are protected by statute. Law enforcement agencies are held to the same statute and must protect due process. This language was crafted by the Deputy Attorney General. The language does not force the release of any information, but allows the Board to have discretion.

Also in response to questions, she stated that the Board of Nursing has a long history of integrity and they are overly conscientious about protecting the rights of their nurses. The Board of Nursing investigates any complaints of violations of the standards of practice. Most complaints close with minimal investigation and do not end in disciplinary action. Letters of warning can be issued by the Board. Egregious complaints can result in the loss of a nursing license. She provided an example of why this legislation is necessary: the Board received a phone call from a hospital where a nurse/EMT was employed. She had been arrested and charged with sexual misconduct with her own children. During the course of her employment, she had cared for pediatric patients. This nurse was also employed in Wyoming. The Idaho Board of Nursing was not immediately able to alert the Wyoming Board of Nursing due to the restriction in current law.

MOTION: **Representative Thayne** moved to send **S1098** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION: **Representative Marriott** moved to **hold S1098** in committee. He spoke to his motion, stating he does not believe this would support due process. **Representative King** stated that she will support the original motion. **Representative Lake** stated that he understands it may be helpful to share information, however, he will support the substitute motion.

VOTE ON SUBSTITUTE MOTION: **Chairman Block** called for a vote on the substitute motion to **hold S1098** in committee. A voice vote was taken. **Representative Lake** called for a division. On a show of hands, the **substitute motion to hold S1098 in committee carried**.

S1101: **Dr. Christine Hahn**, Department of Health and Welfare, presented **S1101**. She explained that the purpose of this bill is to modernize language within Title 39, Health and Safety, Chapter 11, Basic Daycare License, to conform to current standard medical practice. She said that currently, licensed healthcare professionals such as nurse practitioners, physicians' assistants, registered nurses and licensed nurses, are not authorized to sign immunization documents required for daycare attendance. This authority is presently limited to physicians and representatives of district health departments. She said that updating this language will make it easier for providers and parents to show proof of immunity for daycare attendance, and will also allow for the use of electronic health records.

MOTION: **Representative King** moved to send **S1101** to the floor with a **DO PASS** recommendation with one grammatical change (in paragraph 1, line 14, change the word "his" to "their") and one change to a typographical error (in paragraph 1, line 16, move the first word "or" over one space to line up with the lefthand margin). **Motion carried on a voice vote.** **Representative King** will carry the bill on the floor.

S1103:

Kandace Yearsley, Department of Health and Welfare, presented **S1103**. She stated that for at least the past ten years, the Department has operated under the legal interpretation that child support that is past due can be collected indefinitely provided enforcement activities commenced prior to the youngest child's 23rd birthday and regular enforcement has continued. A recent District Court decision has placed the Department's current interpretation of the statutes concerning the collection of child support judgments in question. The court interpretation impacts families where the youngest child is over the age of 23 and the non custodial parent did not pay their court ordered support when it was due. This also impacts collection of unpaid child support assigned to the State for reimbursement of expenditures such as cash assistance and birth costs provided on behalf of a family as well as court fees owed to the State. She explained that the proposed language is intended to clarify and resolve any potential questions about the timeframes in which child support that is past due can be collected. This proposal is intended to hold non custodial parents accountable to their court ordered obligations. The proposed legislation also clarifies that Idaho does not grant amnesty to child support obligors for failure or refusal to pay their court ordered child support prior to the 23rd birthday of their youngest child. She said that in researching this issue, the Department discovered that if Idaho were to apply the present statutes as interpreted in the District Court decision, Idaho would have the shortest timeframe in which to collect unpaid child support judgments of all 54 U.S. jurisdictions. It was also discovered that 27 jurisdictions have no explicit collection deadline for child support judgments. Currently the Idaho Child Support Program has close to 6000 cases in which all of the children are over the age of 23 and past due child support is still owed. The amount of past due support totals approximately \$63M with \$43M owed to families and \$20M owed to the State. The Program collects about \$1.2M per year on these cases. Each year an average of 1200 families in the child support caseload are impacted when their youngest child turns 23. In the Judge's decision, clarification from the legislature was advised. The Department chose to take this advice and bring this to the legislature for clarification. Ms. Yearsley said that she has spoken with the Supreme Court's administrative director who has conferred with members of the Judiciary and informed her that they do not intend to object to this proposal. She stated that this proposed legislation will guarantee Idaho does not grant amnesty to child support obligors for failure or refusal to pay their court ordered child support prior to the 23rd birthday of their youngest child.

In response to questions, Ms. Yearsley stated that child support that is collected would be given to the parent who is owed that support, or to the State, if the State is owed reimbursement for services. This change would not allow the Department to bring an old case in for collection. It would only apply to those cases where collection activity has already been in process. Child support orders in Idaho end when the child turns 18, or age 19, depending on when the child graduates from high school. She stated that additional time is sometimes required for people to meet their legal obligations. This bill language allows the Department to seek a judgement every ten years. She stated it is not in the best interest of families or the program to let debts sit unpaid.

Scott Keim, Office of the Attorney General, explained that the language in **S1103** is intended to provide consistency. In response to a question, he stated that in Idaho, early emancipation can only be achieved through marriage or entry into military service.

MOTION:

Representative Loertscher moved to send **S1103** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote.** **Representatives Lake** and **Marriott** are recorded as voting nay. **Representative Loertscher** will carry the bill on the floor.

- HCR21:** **Representative Block** presented **HCR21**. This concurrent resolution would reject a pending rule docket of the Idaho Department of Health and Welfare relating to Rules Governing Standards for Child Care Licensing as being not consistent with legislative intent. The effect of this resolution, if adopted by both houses, would be to prevent the entire pending rule docket from going into effect.
- MOTION:** **Representative Marriott** moved to send **HCR21** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote.** **Representative Block** will carry the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:21 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, March 15, 2011

SUBJECT	DESCRIPTION	PRESENTER
H243	Workers' Compensation Procedures	Rep. Luker

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: (208) 332-1147
email: mtipps@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 15, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Trail, Simpson

GUESTS: Representative Luker; Dan Bowen, Bowen and Bailey, LLP; Mindy Montgomery, Megan Holbrook, Tom Baskin, Industrial Commission; Al Gardner, Gardner and Breen; Mike Haxby, Intermountain Claims; Kent Day, Liberty Mutual

Chairman Block called the meeting to order at 1:30 p.m.

MOTION: **Representative Ringo** moved to approve the minutes of March 7, 2011. **Motion carried on a voice vote.**

H243: **Representative Luker** presented **H243**. This bill makes a change to section 72-701, Idaho Code, related to workers' compensation law. He explained that this change makes voluntary payment exception consistent for both notice and claim requirements. It clarifies that filing an application for hearing counts as a claim for benefits if a claim was not previously filed. The existing one year claim requirement would continue to apply where no benefits are paid, and the complaint is filed as a claim. This change seeks to prevent the cessation of benefits if voluntary payment of claims has been taking place and it is later decided that adequate notice was not given.

In response to questions, he stated that it can be difficult for notice to be given in the timeframe provided due to injuries that seem minor but become more troublesome later, as well as pressure employees might face to not report injuries. He explained that sometimes claims are accepted after the 60 day period, if investigation reveals that the injury appears to be legitimately work related. He said that this bill would not remove insurance companies' right or ability to examine secondary issues that might be related to an injury that is said to be work related.

Dan Bowen, Bowen and Bailey, LLP, testified in **opposition to H243**. He is an attorney who tried the case, Industrial Commission in Federko v. Sun Valley Company (IC 2008-017353), which held that the voluntary payment exception to Section 72-701 does not apply to a notice of accident, because only the word "claim" is mentioned in the section and not the word "notice". He stated that compensation includes both income benefits and medical payments. He said that if this legislation goes into effect, insurance companies would be denied the opportunity to adequately investigate claims of injuries when injuries are new, when memories of the injury are fresh, and when the scene of an injury is still available for examination.

Al Gardner, Gardner and Breen, testified in **opposition to H243**. He is an attorney who has practiced in the area of workers' compensation in Idaho for 33 years. He is concerned that this proposed legislation is being brought based on only one case that has taken place, and equated changing Code on the basis of that one case to killing a gnat with a sledgehammer. He stated that generally when an injury is severe, it is reported right away. He stated he believes that this legislation could discourage insurance companies from paying claims.

In response to questions, Mr. Gardner stated he does believe that many times people might have an injury and not immediately be aware of how serious it is. He said he does not believe that payment equals notice, however, he understands the inference that if the insurance company has begin paying on a claim, they have received at least some sort of notification that an injury exists.

Mike Haxby, Intermountain Claims, testified in **opposition to H243**. He is a workers' compensation claims manager. He stated that often claims that are filed without adequate notice are from "tough, old, Idaho workers who dust themselves off" - people who do not want an injury on their record or who do not want to rock the boat at work. He believes that if this legislation goes into effect, companies will be much more likely to deny claims rather than to act in good faith and begin taking care of their people while they are investigating.

Tom Baskin, Industrial Commission, testified in **opposition to H243**. He stated his concern is about the unintended consequences of the bill. He said paradoxically, this would cause workers to be less likely to receive benefits.

In response to questions, Mr. Baskin stated that notice might be stated to have been given, and an employer could come back later and say that notice was not received. He said that he believes this legislation is based on an unusual case that took place.

Representative Luker spoke to **H243**, saying that decision making, in the past, has been based on whether or not an injury was work related. He said that the recent court case that was referenced has opened the door for insurance companies to base decision making on notification timeframes.

MOTION: **Representative Lake** moved to **hold H243** in committee. He spoke to his motion, stating that he is persuaded that there is no great rush to put this legislation through. **Motion carried on a voice vote.** **Representative Marriott** is recorded as voting nay.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:33 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AMENDED #2 AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, March 17, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>HCR22</u>	Rejection of a Rule Docket of the Idaho Council on Domestic Violence and Victim Assistance Grant Funding	Rep. Hartgen
<u>H263</u>	Public Assistance, Food Stamps	Rep. Moyle
<u>H261</u>	Public Assistance, Food Stamps	Rep. Roberts
<u>RS20643C1</u>	Public Assistance, Food Stamps	Rep. Roberts
<u>H262</u>	Public Assistance, Food Stamps	Rep. Perry
<u>H240</u>	Industrial Commission, Premium Tax	Jane McClaran, Industrial Commission
<u>H267</u>	Public Records, Revising Definitions	Rep. Hartgen

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 17, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayne, Simpson, Loertscher, Nessel, Ringo, King

ABSENT: Representative Trail

GUESTS: Jane McClaran and Mindy Montgomery, Idaho Industrial Commission; Max Pond, Risch Pisca; Melanie Roper and Landis Rossi, Catholic Charities of Idaho; Joanna Guilfooy, Deputy Attorney General, and Don Drum, Executive Director, PERSI; Genie Sue Weppner, Malinda Jones, Russ Barron, and Rosie Andueza, Idaho Department of Health & Welfare; Leo Morales and Sharron McWilliams, Idaho Community Action Network (ICAN); Sherri Wood and Bert Marley, Idaho Education Association; Hannah Brass, ACLU of Idaho; Donna Yule, Idaho Public Employees Association (IPEA); Roy Eiguren, Northwest Grocery Association; Wayne Hoffman, Idaho Freedom Foundation; Pam Eaton, President, Idaho Retailers Association

Chairman Block called the meeting to order at 1:30 p.m.

MOTION: **Rep. Ringo** moved to approve the minutes of March 9 as written. **Motion carried on voice vote.**

H 261: **Rep. Roberts** brought **H 261** to the committee and said it was his intent to hold **H 261** in committee and present **RS 20643C1** in its stead.

MOTION: **Rep. Lake** moved to **HOLD H 261** in committee at the request of the sponsor. **Motion carried on voice vote.**

RS 20643C1: **Rep. Roberts** presented **RS 20643C1**. He said it is a replacement for **H 261** and deals with distribution of food stamp benefits to 230,000 residents of Idaho. He said those funds are distributed on the first day of each month and results in grocery store problems of congestion, freight management, and demand for extra personnel. Rep. Roberts said this proposed legislation requires the Department of Health and Welfare to distribute the food stamp benefits over a period of not less than ten consecutive days per month beginning on the first day of the month. He said the one-time cost to convert to this distribution system is up to a maximum \$301,500 from the General Fund minus a contribution of \$25,000 to \$50,000 from the Idaho members of the Northwest Grocery Association. Rep. Roberts said the subsequent annual administration cost is up to a maximum \$190,000 from the General Fund with matching Federal Funds.

Chairman Block announced that the Commerce and Human Resources Committee had been designated by the Speaker as a privileged committee to hear **RS 20643C1**.

Landis Rossi, Executive Director, Catholic Charities of Idaho, testified in **opposition to RS 20643C1**. She said distribution over five days was realistic but over ten days was unrealistic because of the impact the change would have on food banks, soup kitchens, and others who feed the hungry in Idaho. Ms. Rossi said there was a 263 percent growth in the number of food stamp recipients in Idaho over the last five years and she is concerned about how this change will affect recipients and taxpayers.

Roy Eiguren, Northwest Grocery Association, testified in favor of **RS 20643C1**. He said the association representatives have met with government and Health & Welfare representatives six times in 18 months and they are in favor of this legislation. Mr. Eiguren said there is no mandate of 10 days, but instead says "not less than ten days."

Russ Barron, Administrator, Division of Welfare, testified in favor of **RS 20643C1**. He said the department is trying to streamline and do more with less. He said the growth in participation in food stamps has sky rocketed. He said most other states have staggered issuance days. Mr. Barron said the process of change will result in high costs to cover phone calls. He said part of the issue is that so many other employers also pay on the first of the month.

MOTION: **Rep. Marriott** moved to send **RS 20643C1** to the **second reading calendar**.

SUBSTITUTE MOTION: **Rep. King** offered a substitute motion to **return RS 20643C1 to sponsor**.

AMENDED SUBSTITUTE MOTION: **Rep. Ringo** offered an amended substitute motion to **introduce RS 20643C1**.

ROLL CALL VOTE ON AMENDED SUBSTITUTE MOTION: A roll call vote was requested on the amended substitute motion to **introduce RS 20643C1**. By a vote of **2 aye** and **8 nay** the **motion failed**. Voting in the affirmative: **Reps. Ringo and King**. Voting in the negative: **Reps. Hartgen, Lake, Thayne, Simpson, Loetscher, Marriott, Nessel and Block**.

VOTE ON SUBSTITUTE MOTION: The substitute motion to **return RS 20643C1 to sponsor failed on voice vote**. **Reps. King and Ringo** requested that they be recorded as voting **aye**.

VOTE ON ORIGINAL MOTION: The original motion to send **RS 20643C1 to the second reading calendar carried on voice vote**. **Reps. King and Ringo** requested that they be recorded as voting **nay**. **Rep. Roberts** will sponsor the bill on the floor.

HCR 22: **Rep. Hartgen** presented **HCR 22**. He said this is a rejection of a rule docket of the Idaho Council on Domestic Violence and Victim Assistance grant funding and is a minimum standards document. Rep. Hartgen said there was a dispute over appropriateness of couples counseling and, based on testimony, the rule was rejected. The formal rejection of the rule is **HCR 22**.

MOTION: **Rep. King** moved to send **HCR 22** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote**. **Rep. Hartgen** will sponsor the bill on the floor.

H 263: **Rep. Perry** presented **H 263**. She said this bill is to assure that qualifiers are the only ones using the benefit of food stamps. She said this bill is aimed at those who would defraud the system. This legislation would require any entity that provides public benefits to a recipient to obtain positive proof of identification.

MOTION: **Rep. Marriott** moved to send **H 263** to the floor with a **DO PASS** recommendation. **Melanie Roper**, Legislative Advocate, Catholic Charities of Idaho and the Roman Catholic Diocese of Boise, testified in **opposition to H 263**. She said retailers are already authorized to request identification from any person suspected of fraudulent use of a Food Stamp card. Ms. Roper said that if Idaho mandates identification, this invites possible Civil Rights complaints. She spoke of the negative human impact of this legislation.

Leo Morales, Idaho Community Action Network (ICAN), testified in **opposition to H 263**. He said the retailers run the risk of civil complaints. He said he is concerned about unintended consequences to immigrant, refugee, and homeless recipients of food stamps because obtaining an acceptable identification card may be an issue with a certain population. He said the issue is minor children who live in a household where immigration status is in process of adjustment so that the adults do not have status to receive proper identification.

Sharron McWilliams, Idaho Community Action Network (ICAN), testified in **opposition to H 263**. She spoke of the difficulty she and her twin sister had in obtaining proper identification needed to apply for disability. She and her sister are homebound and concerned about how a caregiver could shop in her stead.

Genie Sue Webbner, Program Manager, Department of Welfare, testified in **opposition to H 263**. She said the bill is in direct conflict with federal code in several areas. Ms. Webbner said the bill contains a violation of the Food Stamps Act and identification would be required of all persons to comply with this bill.

Malinda Jones, Department of Health & Welfare, in answer to questions, said the Food Stamps card is similar to a credit card, without the name on it. She said a series of numbers on the card ties it to a case name in the computer. She said an eligibility search is done at the time of the initial application, then again every 12 months at the time of recertification.

Pam Eaton, President, Idaho Retailers Association, testified in **opposition to H 263** as it is written. She said she has conflicting information regarding federal law about requiring identification and that causes concern with this bill.

Rep. Perry said this bill is to try to stop sale of food stamps cards. She said the federal code requires equal treatment and asking for identification does not break that code. She said the federal code says Health & Welfare must help secure identification cards for food stamps recipients. Rep. Perry said that federal code says the identification card has to have the recipient's name on the card.

VOTE ON MOTION:

Motion to send **H 263** to the floor with a **DO PASS** recommendation **carried on voice vote**. **Reps. King** and **Ringo** requested that they be recorded as voting **nay**. **Rep. Perry** will sponsor the bill on the floor.

H 262:

Rep. Perry presented **H 262**. She said this bill is aimed at trying to deter fraud through the beneficiaries of food stamps. Rep. Perry said this bill assists in identifying the number of dependent children being claimed on applications for food stamps. She said this is not intended to cause applicants to provide immigration or lawful presence status of their minor children or themselves. It seeks to determine that the number of dependent children is actual.

MOTION:

Rep. Lake moved to send **H 262** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote**. **Rep. Perry** will sponsor the bill on the floor.

H 240:

Jane McClaran, Financial Officer, Idaho Industrial Commission, presented **H 240**. She said this bill reduces the premium tax rate and provides a permanent tax credit to businesses in the form of lower workers' compensation insurance costs for all insured Idaho employers. Ms. McClaran said the indirect positive fiscal impact to the General Fund is \$3.2 million. She said this is a very conservative estimate and it could be closer to a \$4 million impact.

MOTION:

Rep. Lake moved to send **H 240** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote**. **Reps. Hartgen** and **Lake** will sponsor the bill on the floor.

H 267: **Rep. Hartgen** presented **H 267**. He said it is a rewrite of an earlier piece of legislation and its purpose is to require all organizations that participate in PERSI to comply with the public records provisions in Idaho Code. He said it would have no fiscal effect on the General Fund. Rep. Hartgen said this legislation allows for additional transparency of all those entities who participate in PERSI, including the non-government agencies that take advantage of the PERSI system. Rep. Hartgen said there are about 80 exemptions available for use to deny public access under the Open Records Act.

Sherri Wood, President, Idaho Educators Association (IEA), testified **in opposition to H 267**. She said she represents 13,000 members of IEA and they believe the purpose the bill reflects goes beyond a legitimate act. In response to questions, Ms. Wood said IEA has had no talk of withdrawing from PERSI if this bill becomes law.

Wayne Hoffman, Executive Director, Idaho Freedom Foundation, testified **in favor of H 267**. He said taxpayers are on the hook for unfunded pensions and should be able to see what they are supporting.

Don Drum, Executive Director, PERSI, answered questions about calculating the unfunded portion an entity would pay in fees in order to withdraw from PERSI. He said it would be calculated dependant on many things, including the number of participants and the unfunded liability at the time of withdrawal. He said each entity is responsible for their share of unfunded liability.

Joanna Guilfoy, Deputy Attorney General assigned to PERSI, said each entity has a contractual obligation and would be subject to being adjusted by a bankruptcy court.

MOTION: **Rep. Simpson** moved to send **H 267** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION: **Rep. Lake** offered a substitute motion to **HOLD H 267** in committee.

ROLL CALL VOTE ON SUBSTITUTE MOTION: A **roll call vote** was requested on the substitute motion to **HOLD H 267** in committee. By a vote of **6 aye** and **3 nay, motion carried**. Voting in the affirmative: **Reps Lake, Thayn, Marriott, Nessel, Ringo, and King**. Voting in the negative: **Reps. Hartgen, Simpson, and Block**.

ADJOURN: There being no further business before the committee, the meeting adjourned at 4:56 p.m.

Representative Block
Chair

Sheila Doherty
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Monday, March 21, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>S1049</u>	Revising Terminology in Public Assistance Law	Steve Bellomy, Department of Health and Welfare
<u>S1139</u>	Security for Compensation	Jane McClaran, Industrial Commission

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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Phone: (208) 332-1147
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, March 21, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Trail, Loertscher

GUESTS: Steve Bellomy, Department of Health and Welfare (DHW); Jane McClaran, Megan Holbrook, Industrial Commission (IIC);

Chairman Block called the meeting to order at 3:25 p.m.

S1049: **Steve Bellomy**, Department of Health and Welfare (DHW), presented **S1049**. He testified that the Welfare Fraud Investigations Unit is a team of eight investigators throughout the state that will handle about 2,800 fraud complaints this year, and will complete about 2,400 investigations. Of those investigations, most will be handled with administrative remedies, but about thirty will be referred to a county for criminal prosecution. This bill will allow the counties to prosecute fraud when food stamp benefits are issued electronically. The bill updates the language in the statute from "Food Stamps" to "Food Stamp Benefits" so that the law can be applied to benefits that are issued electronically. He stated that anywhere the term "food stamps," is used, it will now be followed by the word "benefits." He said that the legislation also expands the language to include that the issuance of food stamp benefits can be "in any form." This should cover any eventuality for future means of distribution. He said that in the same paragraph, it is stated "for the sole purpose of purchasing food." This was added because the electronic benefit cards are now used for temporary assistance and child support, which can be used for non-food purchases. He said that the Department is seeking to update the language because some counties have refused to prosecute food stamp fraud, because the current law only mentions "food stamps", which no longer exist. He said that this bill should restore the ability to prosecute fraud when benefits are issued electronically.

In response to questions, Mr. Bellomy stated that the Welfare Fraud Investigations Unit focuses on prevention and detection. The Unit is aware that sometimes individuals trade food stamp benefits for a lesser amount of cash, and this is not allowed under the law. The word "stamp" was left intact even though actual stamps are no longer issued, however, eventually the name of the program will probably be changed.

MOTION: **Representative Thayn** moved to send **S1049** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote. Representative Thayn** will carry the bill on the floor.

S1139: **Jane McClaran**, Industrial Commission (IIC), presented **S1139**. She stated that the proposed changes are limited to updating the term "workmen" to the commonly used term "workers". She also explained that this amendment clarifies the portion of statute applicable to insurers, as defined in IC 41-103, and that portion applicable to self-insured employers, by replacing the term "surety" with that of "insurer". She said that while these proposed amendments do nothing to change the original legislative intent of maintaining a security deposit adequate to secure the payment of benefits to injured workers and their families, making these statutory changes better clarifies the distinction between insurers and self insured employers. This lays the groundwork necessary for the Commission to further work with its advisory committee and the Security for Compensation Subcommittee to resolve the issues surrounding the adequacy of security for self insured employers.

MOTION: **Representative Lake** moved to send **S1139** to the floor with a **DO PASS** recommendation. **Motion carried on a voice vote. Representative Marriott** will carry the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:36 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Wednesday, March 23, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>S1147</u>	Restrictions on Employment of Certain Children	Senator Winder

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

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email: mtipps@house.idaho.gov

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, March 23, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Loertscher, Lake, and Trail

GUESTS: Senator Winder; Eric Exline, Joint School District No. 2
Chairman Block called the meeting to order at 1:30 p.m.

MOTION: **Representative King** moved to approve the minutes of March 15, 2011. **Motion carried on a voice vote.**

MOTION: **Representative King** moved to approve the minutes of March 17, 2011, with a spelling correction on page 2. **Motion carried on a voice vote.**

MOTION: **Representative Ringo** moved to approve the minutes of March 21, 2011. **Motion carried on a voice vote.**

S1147: **Senator Winder** presented **S1147**. He explained that the purpose of this legislation is to amend current code to allow a student who is under fourteen years of age to be employed by a public school of the district where he or she is enrolled for a maximum of ten hours per week, provided the employment is voluntary and with the consent of the student's legal guardian.

Eric Exline, Joint School District No. 2, responded to questions. He stated that this legislation is restrictive in terms of hours and the requirement for consent from a guardian, however, it does not restrict the type of work a student may perform for pay. He stated that sometimes students help in their school cafeterias, and elementary school children are sent to pick up trash from the playground, however, they do not receive any compensation. He said up until the fall of 2010, students participating in cafeteria service received a free meal and payment in ten minute increments, however, when it was discovered that this was in conflict with existing law, the schools were no longer able to compensate students and were only able to utilize their help on a voluntary basis. The schools would like to go back to being able to compensate students who are working in their schools.

MOTION: **Representative Thayn** moved to send **S1147** to the floor with a DO PASS recommendation. **Motion carried on a voice vote.** **Representative Thayn** will carry the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:50 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Tuesday, March 29, 2011

SUBJECT	DESCRIPTION	PRESENTER
HCR27	Vocational Rehabilitation and the Commission for the Blind and Visually Impaired	Rep. Jaquet

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

COMMITTEE SECRETARY

Mary Tipps
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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 29, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nettet, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Trail, Thayn, Loertscher

GUESTS: Representative Jaquet; Paul Brickey; Robbi Barrutia, Idaho State Independent Living Council; Bill Morgan, Don Nepple, Kathy Harris, Susan Bradley, Noel Newhouse, Tygh Hales, Rebecca Hales, Mike Gibson, Ramona Walhof, Mary Symns Pallot, Mary Ellen Halverson, National Federation of the Blind; Marilyn Sword, Developmentally Disabled Council; Joe Webber, Department of Human Resources; Roger Howell, Living Independence Network Corporation (LINC); Mike Rush, State Board of Education; Dana Goven; Angela Jones, Commission for the Blind and Visually Impaired (CBVI)

Chairman Block called the meeting to order at 3:00 p.m.

MOTION: **Representative Ringo** moved to approve the minutes of March 23, 2011. **Motion carried on a voice vote.**

HCR27: **Representative Jaquet** presented **HCR27**. She explained that this resolution calls on the State Board of Education (SBOE) to convene a task force to explore the impacts of combining the Division of Vocational Rehabilitation (DVR) and the Commission for the Blind and Visually Impaired (CBVI). She stated that the Commission for the Blind and Visually Impaired would select two people to serve on the task force.

In response to questions, she stated that there is existing funding and no general fund dollars would be used. The purpose of the task force would be to explore more than just feasibility, she stated that pros and cons would be explored as well. She said she believes that other states have combined these groups, and she believes that the two groups have synergy in that they both assist people to get into the workforce. She stated that the grant writing and reporting is similar and there may be some duplication.

Kathy Harris read a brief statement by **Paul Brickey**, who is opposed to **HCR27**. She also read a statement by **Jan Gawith**, who is also opposed to **HCR27**. In response to a question, she stated that she objects to combining services. She said the funds that would be spent on this proposed study could be going toward rehabilitation, and a study is unnecessary.

Robbi Barrutia, Idaho State Independent Living Council (SILC), stated that if **HCR27** passes, her organization would like to be part of the proposed task force, and would also like to be included in the bill, which she stated contains incorrect language. She said that the funding her organization receives flows through the DVR. The SILC is not a direct service provider.

Bill Morgan, National Federation for the Blind (NFB), stated that, historically, mixing vocational rehabilitation with services for the blind has never worked. He stated that everything that has led to his independence was brought through agencies that directly assisted blind persons. He stated that a blind person's needs are very unique.

Don Nepple, NFB, stated that he is receiving computer training at the Commission for the Blind, and without that training he would not be able to correspond with his family. He is opposed to **HCR27**, as he believes that essential life skills taught specifically for the blind will no longer be available if the agencies are combined.

Susan Bradley, NFB, stated that the Commission for the Blind and Visually Impaired (CBVI) provides an extensive one stop method for blind people ages 14 years and over, which includes teaching independent living skills and job skills. She said that Idaho ranks higher than its peer states in providing services to the blind. She is opposed to **HCR27**.

Roger Howell, Living Independence Network Corporation (LINC), discussed funding, and differences and similarities between state agencies and nonprofit organizations. He stated that if **HCR27** passes, his centers and other nonprofit centers would like to contribute recommendations. He believes that the SILC should be incorporated into the HCR by name. He responded to a question, stating that he believes looking at combining agencies might reveal a cost savings. He said that when there are two parallel systems that have common goals, it is possible that they could share administrative costs. He said that his nonprofit centers serve people with any type of disability and they do not specifically serve the blind or visually impaired.

Tygh Hales, NFB, stated that he appreciates Idaho's good services to the blind. He stated that if the two agencies are put under the same umbrella, people might not be able to continue receiving the important services that are currently provided, that allow Idaho's blind persons to gain vital independent living and employment skills.

Mike Gibson, NFB, and a former client of the CBVI, said it worries him when he hears there will be no budget impact, because it always costs money to do anything. He is concerned that the dollars spent for the proposed task force would be better spent on continuing to serve the blind and visually disabled in Idaho. He said that on paper, combining agencies might look good, but in reality, it might be harmful. He said that currently, the CBVI is a working, successful agency that produces blind citizens who are able to live independently and contribute to their communities. He does not see a need to change something that is currently successful.

Ramona Walhof, NFB, stated that blindness is a low incidence disability, and if agencies are combined, providing the specialized services required for blind people would be a problem for that reason. She believes that 99% of the blind people in the state of Idaho would be opposed to even researching the combining of agencies, because the money could be spent elsewhere and because blind citizens of Idaho could be harmed by combining agencies. In response to questions, she stated that there are states that combine agencies, and those states do not provide adequate services to the blind. She does not believe that the resolution will save money. She has not heard anyone complain that either DVR or the CBVI is not doing a great job currently, and sees no reason to change something that is working well.

Mike Rush, State Board of Education (SBE), stated that the SBE has not heard this resolution. He stated that if it passes, the SBE will conduct a fair study. He said that whatever is decided, the stakeholders must be involved in the discussions. He stated that he anticipates that the study could be completed before the next legislative session, and would cost approximately \$22,000. He said that the issues involved in the potential combination are significant, and there are a number of constituent groups, regional considerations, and happenings in surrounding states that would need to be considered. He said that a task force would be convened by the SBE and would probably be run by a hired consultant.

Mary Symns Pallot, NFB, stated that services for the blind are very specialized. She stated that blindness is a characteristic such as having brown hair, and that it does not have to be a handicap as long as the blind person is provided with adequate, specialized training. In response to a question, she stated that if Idaho does not continue providing specialized training for the blind, blind people will have to travel to other states in order to learn necessary skills, and this will bring additional expenses.

Angela Jones, CBVI, stated that she is always willing to look at ways to save money, however, she pointed out that no general fund dollars will be saved here. She said that the CBVI has its own grants, and DVR has its own grants.

Mary Ellen Halverson, NFB, stated that services to blind people are good in Idaho, and the CBVI provides some of the best training in the country. No complaints are being made or received. She believes that studying combining agencies is unnecessary.

Representative Jaquet thanked the testifiers and stated that she would not have a problem with the resolution going to general orders for amendments. She stated that she was told New Hampshire and Vermont have successfully combined agencies, and perhaps if a task force is created, it would look at those states. In response to questions, she stated that she believes travel costs and other potential costs would be involved in having a task force. She stated that down the road, the legislature will have to look for more efficiencies.

MOTION: **Representative Simpson** moved to **send HCR27 to general orders** with amendments to be determined by the sponsor.

Mike Rush, SBE, responded to a question and stated that he does not have the staff to conduct the study proposed in the resolution. He believes that in order to conduct the study it would be necessary to hire an outside consultant.

SUBSTITUTE MOTION: **Representative Marriott** moved to **hold HCR27** in committee. He spoke to his motion, saying that the committee has not heard testimony in favor of this resolution and there does not appear to be a clear need to proceed. He also has concerns that the task force would not equitably represent the blind community.

WITHDRAWAL OF MOTION: **Representative Simpson** withdrew his motion to **send HCR27 to general orders**.

VOTE ON SUBSTITUTE MOTION: **Chairman Block** called for a vote on the Substitute Motion to **hold HCR27** in committee. **Motion carried on a voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:34 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room EW05
Thursday, March 31, 2011

SUBJECT	DESCRIPTION	PRESENTER
S1166	Workers' Compensation Insurance Fraud	Senator Goedde
S1186	Workers' Compensation Fees and Reimbursements	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 31, 2011

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** Representative(s) Trail, Loertscher

GUESTS: Senator Goedde; Megan Holbrook, Tom Limbaugh, Tom Baskin, David Young, Industrial Commission; Diane Anderson, Citizens' Advocacy Group

Chairman Block called the meeting to order at 2:05 p.m.

MOTION: **Representative Nessel** moved to approve the minutes of March 29, 2011. **Motion carried on a voice vote.**

S1166: **Senator Goedde** presented **S1166**. He explained that this bill makes technical corrections related to workers' compensation insurance fraud, and would make committing workers' compensation insurance fraud a felony offense. He said that a person who is found guilty of committing workers' compensation insurance fraud would still be eligible for benefits from a future legitimate claim.

In response to questions, Senator Goedde stated that misdemeanors carry a one year statute of limitations. Felonies carry a five year statute of limitations. Insurance fraud is not always discovered in the first year, so is not always able to be prosecuted if it is a misdemeanor. Insurance fraud would be prosecuted in a court of law. Determination of benefits does not influence criminal prosecution.

Tom Baskin, Industrial Commission, responded to questions. He stated that the Industrial Commission responds when complaints of fraudulent claims are received. Under current statute, an injured worker who is guilty of a misdemeanor forfeits rights to all compensation. Under the proposed legislation, the claimant would still be eligible for benefits on legitimate claims. The Industrial Commission is not a court of law and can not, on its own, determine that insurance fraud has or has not occurred. The proposed legislation would assist the Industrial Commission in correctly paying on claims. Fraudulent claims are infrequent. In a case here in Idaho, the monetary amount involved in the fraudulent claim was over \$100,000. He stated that he hopes this legislation would be a deterrent to insurance fraud, and believes it would provide better consistency. He stated that the word "materially", inserted by amendment, does not need to be inserted twice.

Diane Anderson, Citizens' Advocacy Group, testified in opposition to **S1166**. She stated that this legislation would allow the Industrial Commission to deny claims based on presumed guilt before a person is found guilty of insurance fraud. She stated that making workers' compensation fraud a felony could cause someone who stole only \$10 to spend time in jail, be unable to vote or carry a firearm, and to have life long difficulty getting a job.

Senator Goedde pointed out that workers' compensation is required to do business in Idaho, and any fraud costs money.

MOTION: **Representative Marriott** moved to **hold S1166** in committee.

Senator Goedde responded to additional questions. He stated that under the current statute, there is an option to prosecute workers' compensation insurance fraud as a felony.

SUBSTITUTE MOTION:

Representative Hartgen moved to send **S1166** to the floor with a DO PASS recommendation. He spoke to his motion, stating that it is very difficult to collect reimbursement once a fraudulent claim has been paid. He believes the amendment from the Senate is good. **Representative Simpson** stated he supports the concept in this bill, however, he does not believe a person should be convicted of a felony over a small dollar amount. He will support the original motion. Representative King stated that if the reason for making all workers' compensation insurance fraud a felony is to increase the statute of limitations, perhaps the statute of limitations should be changed.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Chairman Block called for a roll call vote on the Substitute Motion to send **S1166** to the floor with a DO PASS recommendation. On a vote of 3 aye, 6 nay, 2 absent and excused, the motion **failed**. Voting in the affirmative **Representatives Block, Hartgen, and Lake**. Voting in the negative: **Representatives Thayne, Simpson, Marriott, Nessel, Ringo, and King**. **Representatives Trail and Loertscher** were absent and excused.

VOTE ON ORIGINAL MOTION:

Chairman Block called for a vote on the Original Motion to **hold S1166** in committee. **Motion carried on a voice vote**.

S1186:

Senator Goedde presented **S1186**. He explained that Section 7 of **H260**, which is currently pending, will repeal Section 56-136, Idaho Code. Section 72-803, Idaho Code, requires the Industrial Commission to use methodology set forth in Section 56-136, to adjust physician fees each year. This bill would remove the reference to Section 56-136, Idaho Code, and require the Industrial Commission to adopt rules for annual adjustment of those fees.

In response to questions, he stated that the fee schedule system involves a base for procedure categories that is adjustable. The timeline referenced in current statute related to the first fee schedule that was established. The timeline is no longer relevant. Some conversion factors that might be higher than appropriate could come down.

Tom Limbaugh, Industrial Commission, confirmed that annual adjustments in conversion factors are adopted in rule and brought to the legislature for approval or rejection. He responded to additional questions, stating that there are various methods used by other states to watch increases or decreases. A number of states use advisory committees. This year in Idaho, there was a decrease in reimbursements for orthopedic doctors. The Industrial Commission no longer looks at Usual, Customary and Reasonable (UCR). He stated that he believes having the legislature look at the changes annually in rule is appropriate.

MOTION:

Representative Thayne moved to send **1186** to the floor with a DO PASS recommendation. **Representative Marriott** stated that he supports the motion, because this legislation would allow the Industrial Commission to better control costs. **Motion carried on a voice vote**. **Representative Thayne** will carry the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:56 p.m.

Representative Block
Chair

Mary Tipps
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Tuesday, April 05, 2011

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1185a</u>	Workers' Compensation Insurance Law	Senator Goedde
<u>S 1193</u>	Child Support	Senator Lodge

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nasset
Rep Ringo
Rep King

COMMITTEE SECRETARY

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, April 05, 2011

TIME: 1:30 PM or Upon Adjournment

PLACE: Room EW05

MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King

**ABSENT/
EXCUSED:** None

GUESTS: Alan Gardner; Ken Robins, Idaho Attorney General; Tom Limbaugh, Tom Baskin, Blair Jaynes, and Megan Holbrook, Idaho Industrial Commission

Chairman Block called the meeting to order at 1:12 p.m.

MOTION: **Rep. Thayn** moved to approve the minutes of March 31, 2011. **Motion carried on voice vote.**

S 1193: **Senator Lodge** stated that there was a drafting oversight on line 41, page 2, of **S 1103**. The retroactive date should read July 1, 1995. **S 1193** is a trailer bill to correct the oversight.

MOTION: **Rep. Simpson** moved to send **S 1193** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Simpson** will sponsor the bill on the floor.

**S 1166a
MOTION:** **Rep. Simpson** moved to reconsider **S 1166a**. He reported that under Title 41 a material misstatement can be prosecuted as a felony, and this legislation will provide consistency to Idaho Code. He noted that the Idaho Industrial Commission (IIC) would have to provide benefits if a person is found innocent of providing a material misstatement.

Rep. Marriott spoke in opposition of the motion. He stated that he is concerned that a person's right of due process is not considered, that the bill allows the IIC to penalize a person without due process.

Rep. Hartgen voiced support of the motion to reconsider the legislation.

**VOTE ON
MOTION:** By a **Roll Call Vote** the motion **failed, 4 AYE and 7 NAY. Voting in favor** of the motion, **Reps. Hartgen, Thayn, Simpson, and Block. Voting in opposition** to the motion, **Reps. Lake, Trail, Marriott, Loertscher, Nessel, Ringo, and King.**

S 1185a: **Senator Goedde** stated that there has been a proliferation of applications from public entities for self-funded Worker's Compensation insurance in the past year. Applications increased to seven last year, up from two received the prior year. Senator Goedde suggested that **S 1185a** sets forth parameters that require public entities to submit an actuarial analysis, a feasibility study, showing the advantages and disadvantage of being self-insured, and a business plan when submitting an application. He further suggested that smaller public entities don't have the expertise to analyze long-term impacts of self-funded insurance. Senator Goedde also noted that the taxpayer may be liable if a public entity experiences inadequate funding. He pointed out that current plans will be grandfathered.

Alan Gardner spoke in opposition to **S 1185a**. He stated that there were no Idaho self-insured public entities up until the last 13 years. He remarked that this legislation would create a restriction on competition with the State Insurance Fund (SIF), intended or not. He noted that several entities saved a lot of money because they were able to get lower premiums outside the SIF. He said that Meridian School District did not perform an actuarial analysis, and the plan seems to be working fine.

MOTION:

Vice Chairman Hartgen moved to table **S 1185a**. He explained that timing of the legislation was an issue because of the broad implications.

Senator Goedde responded that the Meridian School District has only been self-insured for one year, so it may be premature to say the plan is working fine. In response to questions, Senator Goedde reported that there have only been two self-insured companies that have failed.

Rep. Thayne spoke in favor of the motion, agreeing that it was too late in the session to fully explore the issue.

VOTE ON MOTION:

Chairman Block called for a vote on the motion to table **S 1185a**. **Motion carried on voice vote.**

ADJOURN:

There being no further business to come before the Committee, the meeting was adjourned at 1:48.

Representative Block
Chair

Jana Filer
Secretary

AGENDA
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE
Upon Adjournment
Room EW05
Thursday, April 07, 2011

SUBJECT	DESCRIPTION	PRESENTER
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Approval of Minutes

COMMITTEE MEMBERS

Chairman Block
Vice Chair Hartgen
Rep Lake
Rep Trail
Rep Marriott
Rep Thayn
Rep Simpson
Rep Loertscher
Rep Nessel
Rep Ringo
Rep King

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MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, April 07, 2011
TIME: Upon Adjournment
PLACE: Room EW05
MEMBERS: Chairman Block, Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
**ABSENT/
EXCUSED:** None.
GUESTS: None.
Chairman Block called the meeting to order at 10:00 a.m.
MOTION: **Rep. Ringo** made a motion to approve the minutes of Tuesday, April 5, 2011. By a **voice vote** the **motion carried**.
ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 10:02 a.m.

Representative Block
Chair

Susan Werlinger
Secretary