

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 14, 2012

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Andreason, Vice Chairman Malloy(McKague), Senators Cameron, Goedde, Smyser, Tippetts, Johnson, Stennett, and Schmidt

**ABSENT/
EXCUSED:**

NOTE: The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

Chairman Andreason called the meeting to order at 1:33 p.m.

PAGE PRESENTATION: **Chairman Andreason** graduated the Committee's page **Brian Kreis** from the page program and thanked him for his dedicated service to the Committee.

MINUTE APPROVAL **Senator Schmidt** moved, seconded by **Senator Stennett**, to approve the minutes of February 7, 2012. The motion carried by **Voice Vote**.

GUBERNATORIAL APPOINTMENT TO BE HEARD **Chairman Andreason** introduced **Jeff Sayer**, the Governor's appointment for the Director of the Department of Commerce to serve a term commencing October 3, 2011 and serving at the pleasure of the Governor. **Jeff Sayer** advised that he started his career as a CPA with Ernst & Young in Silicon Valley (California) at the height of one of the main technology booms that our country has ever seen. The firm was one of the top five offices worldwide and all of the major technology clients were their clients. This was a phenomenal career experience. **Mr. Sayer** moved back to Salt Lake in the late 1980s. Seven years ago **Mr. Sayer** moved to Idaho to help with a venture hospital project in Idaho Falls. He helped grow this 20 bed physician owned hospital into a much larger facility, which grew revenues well over 400%. At this juncture **Mr. Sayer** left the position and knew he wanted to get involved in Idaho's economy.

Mr. Sayer accepted this gubernatorial appointment because he loves Idaho and believes that the state has unlimited opportunities. Idaho has many assets that are not on paper and one of the most important is the fact that the state is small enough that they can have a consensus, talk about issues, and find the right solutions. The state has nothing but an upside and a great future ahead.

Senator Smyser asked **Mr. Sayer** what he considered was the biggest asset he would bring to this position. **Mr. Sayer** replied the pace that they have set for the Department of Commerce. The standard that they have set for the Department is to run at the speed of business. To make sure that they are engaged with the businesses across the state. That they are eating, drinking, and sleeping the world they live in, the way they look at the world, and the needs that they have.

Senator Cameron stated that **Mr. Sayer** has a very proactive vision for the Department of Commerce and for the state. He requested **Mr. Sayer** to share with the Committee his vision of the Department of Commerce, the direction he perceives it going, and the realignment they are working on. **Mr. Sayer** reported in their analysis there were some objectives that needed to be considered. They have reduced their staff in an effort to try to move and shift resources into a more strategic outlooks.

They are getting their team out in front of the state, businesses, and communities that could use a little extra help. Their intent is to engage in, be a resource, and a champion for communities and businesses. They have identified three objectives: 1) Protect and retain the existing businesses making sure that our own companies do not get pulled away from the state; 2) Commitment to make sure that existing businesses grow. The fastest source of new jobs is going to come from our own backyard and helping existing companies grow stronger; and 3) Recruiting new businesses. Improve the process of the presentation of the state to the outside world. How fast the Department responds and how can they help communities all across the state participate in that process so everyone has an equal chance of recruiting a business. The standard again is that their Department is truly devoted to making sure that they are running as fast as business. They want businesses to know that the Department is looking at the world the same way, thinking about their needs, and making the same hard decisions that they have to make every day.

Mr. Sayer spoke to the realignment of the grant program. In the analysis of the Department they found it had fallen into a rut where they were deploying a fair amount of grant money to only those grants that qualified or had the best application of monies that would come through the doors. Instead of simply allowing communities to apply for the grants and then selecting the very best and take the grant monies and divide it up to those grants that qualify. The Department's change is to go out across the state and ask the communities to let the Department know what projects are coming, what they are working on, and how they can be involved. The Department will assist in looking for grant money and help those communities submit and qualify for the monies. The intent of their involvement is to make sure they take the limited funds that are available and disperse those strategically and as widely as they can across the state. The Department got on the phone last week and called all of the communities they work with and asked them what they were working on, what they saw coming, and how they could assist them to accomplish their grant processing. The communities came back with a list of 90 projects.

In the past, the Department would have handed out at most five or six grants each year. Their intent is to turn this around and hand out as many as they can and get them into the communities that can truly use them. The Department is going to start asking the question when the grants come into the communities, "do you really need this maximum amount?" The intent of their grant program will be to give the communities exactly what they need and keep some of the monies in the coffers so there is enough money for another grant. Carefully deploying the monies to spread the dollars around to help more communities find access to the funds.

HCR31

Rejecting Rule Docket Relating Use of National Electrical Code. The Committee chose not to hear **HCR31** because this rule rejection had passed the Senate under **SCR118**.

H418

Relating to PERSI Revising a Definition. Representative Lake stated this bill instructs Public Employee Retirement System of Idaho (PERSI) to not include travel reimbursements when they calculate salary for the purposes of PERSI benefits. This became an issue last summer when an investigative reporter pointed out that local legislators were receiving their travel expense reimbursements and they were being included into PERSI as salary. This legislation is not retroactive. **Senator Cameron** asked the definition of salary as it applied in Section 31 is for the calculation of benefit or the calculation of contribution or is it both? **Representative Lake** clarified the calculation on salary is for the benefit. **Senator Cameron** said how will this bill affect those legislators, who in the past, had their per diem included as part of their salary by PERSI? They would have paid a contribution for a benefit that they no longer will be able to claim. **Representative Lake** replied that if a legislator would leave service now, their highest months of pay, would be used for the calculation of their retirement dollars. **Senator Cameron** stated when you retire, PERSI will calculate your highest 42 months assuming your highest 42 months included the per diem in the salary calculation. Would PERSI be required under this legislation to pay benefits based on the salary that included per diem or would they not pay the benefits with per diem included? **Representative Lake** stated that PERSI would include the per diem because that would be the highest 42 months of service.

President Pro Tempore Brent Hill stated that he was testifying on this bill for purposes of full disclosure. The Committee should make their decision based on all of the information available for this legislation. In normal circumstances taxable compensation is what is used to calculate pension contributions. Because of the district government plan they can define what portion of compensation they want to use for calculating the pension benefit. If this were a private corporate plan, it would include all taxable compensation in that calculation. Travel reimbursement during the legislative session, per diem and travel back and forth between residence and the capitol are taxable if you live within 50 miles of the capitol. If a legislator lives beyond 50 miles of the capitol and they travel home on the weekend they will get travel and per diem tax free.

MOTION:

Senator Goedde moved, seconded by **Senator Cameron**, to send H418 to the floor with a do pass recommendation. The motion carried by **Voice Vote**.

There being no further business, the meeting adjourned at 2:03 p.m.

Senator Andreason
Chairman

Carol Deis
Secretary