

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Thursday, February 23, 2012
- TIME:** 1:30 p.m. 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:** Representative Thayn
- GUESTS:** Rhonda Ledford, state employee; Donna Yule, Idaho Public Employees Association; Bob Fick, Department of Labor; Tony Smith, Benton Ellis; Alex Neiwirth and Daniel Wolf, Idaho Association of Government Employees
- Chairman Block** called the meeting to order at 2:50 p.m.
- MOTION:** **Representative Lake** made a motion to approve the minutes of February 21, 2012. **Motion carried by voice vote.**
- H 523:** **Mr. Bob Fick**, Idaho Department of Labor, presented **H 523**, which creates a July 31, 2012 deadline for corporate officers to opt out of the unemployment insurance program. It also creates a procedure for corporate officers of newly established businesses in Idaho to opt out of the unemployment insurance program from the time they begin operating in Idaho and at least the two calendar years following that date. The July 31, 2012 deadline for corporate officers of existing businesses to opt out of the unemployment insurance program is being established to assist those corporate officers who failed to meet the original deadline of December 15, 2011. Corporate officers who opt out before the July 31, 2012 deadline will be out of the system for all of 2012 and through at least 2013. In cases where the unemployment insurance tax has already been paid on the corporate officer's wages, an amended return can be filed to recover that payment. The bill will take effect upon the Governor's signature.
- Committee members asked questions about corporate officers' ability to file amended returns and implications of "calendar years" versus "fiscal years."
- MOTION:** **Representative Marriott** made a motion to send **H 523** to General Orders with an amendment on line 20, page 2 that adds the word "calendar" between the words "consecutive" and "years". **Representative Lake** seconded the motion. **Motion carried by voice vote.** **Representative Shepherd** will sponsor the bill on the floor.
- MOTION:** **Representative Hartgen** made a motion to **HOLD HCR 41** in committee. **Motion carried by voice vote.**
- HCR 40:** **Representative Hartgen** presented **HCR 40**, which sets the Change of Employee Compensation (CEC) at 2% merit-based ongoing change for all classified and non-classified permanent employees and rejects the Governor's recommendations for employee compensation of a one-time 3% change upon certain conditions. Representative Hartgen said the reason the bill is before the committee is to determine three key issues: (1) whether the change is to be an across-the-board or merit-based change; (2) whether the change is a one-time or an ongoing change; and (3) whether the change is to be a dollar or a percentage amount.
- There was a general discussion by the committee pertaining to all aspects of the bill, including fiscal impact, eligible employees, parity of merit-based increases, and policy (one-time versus long-term change).

Testimony was heard from **Rhonda Ledford**, state employee; **Donna Yule**, Executive Director of the Idaho Public Employees Association; and **Alex Niewirth**, Idaho Association of Government Employees, who testified in **opposition** to **HCR 40**. They were of the general opinion that (1) *all* state employees deserve a raise and (2) merit-based raises are not always equitable.

MOTION: **Representative Lake** made a motion to send **HCR 40** to General Orders with the amendment to conform to the recommendation of the JFAC Committee.

SUBSTITUTE MOTION: **Representative Simpson** made a substitute motion to send **HCR 40** to the floor with a **DO PASS** recommendation.

WITHDRAWAL OF SUBSTITUTE MOTION: After further discussion, **Representative Simpson** withdrew the substitute motion.

ORIGINAL AMENDED MOTION: **Representative Lake** made an amendment to his original motion to send **HCR 40** to General Orders with the following amendment: On line 21, the words "merit-based" be deleted, and on line 23, the word "performing" be inserted before the word "employees." **Representative King** seconded the motion. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:30 p.m.

Representative Hartgen
Vice Chairman

Jeanne Clayton
Secretary