

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Tuesday, February 05, 2013
- TIME:** 1:30 P.M.
- PLACE:** Room EW05
- MEMBERS:** Chairman Hartgen, Vice Chairman Anderson(31), Representatives Loertscher, Anderst, Hancey, Harris, Holtzclaw, Mendive, Romrell, VanOrden, King, Woodings
- ABSENT/
EXCUSED:** None
- GUESTS:** Marty Durand, Idaho Building Trades Council (Idaho BTC); Donna Yule, Idaho Public Employees Association (IPEA); Bert Marley, Idaho Education Association (IEA); Donna Weast, Department of Human Resources (DHR); Roger Madsen, Dwight Johnson, Bob Fick, Michael Johnson and Josh McKenna, Department of Labor; Aaron White, International Brotherhood of Electrical Workers 291 (IBEW 291); John Kierce, United Association 296 (UA 296); Pam Eaton, Idaho Retailers Association and Idaho Lodging and Restaurant Association
- Chairman Hartgen** called the meeting to order at 1:28 p.m.
- MOTION:** **Rep. Anderst** made a motion to approve the minutes of January 31, 2013. **Motion carried by voice vote.**
- RS 21797:** **Rep. King** presented **RS 21797**. She explained that this proposed legislation would give a thirty minute unpaid lunch break to employees who work a shift of more than 7.5 consecutive hours. Certain Department of Corrections employees would be exempt. The Department of Corrections currently has an 11% turnover rate, which Rep. King surmised might be reduced if employees were given lunch breaks. Rep. King stated that employers can end up spending more on employees who are not properly cared for, through increases in health care costs and employee assistance programs. Currently Idaho State employees are not entitled to lunch breaks. Twenty-one states have requirements for meal breaks. Washington requires a break for employees who work a shift longer than five hours, and Nevada requires a break for employees who work longer than eight hours in a single shift.
- In response to questions, **Rep. King** stated that the Department of Labor would take complaints related to enforcement. The words "insofar as is practicable" allow the employee and employer to reach an agreement about the timing of the break. Tracking of breaks can be addressed through rulemaking. Section 44-1508 (1), Idaho Code, addresses provisions for enforcement. She has considered employee abuse in sweatshops and stated that this situation is "much, much more minor" but does still have implications for employee health and safety. She does not believe that this proposed legislation would have a negative impact on employer-employee relationships and their natural right to associate. She has not received any negative comments or concerns from employers except the Director of the Department of Corrections. If the proposed legislation is introduced, all concerned parties will be welcome to testify. Special circumstances such as when an employee requests to work through his or her break in order to leave early, or when an employer has rented expensive equipment and needs to maximize time, are exceptions and not the rule for Idaho workers.
- Rep. Woodings** expressed her support for the proposed legislation, citing the story of a family member who had to work without breaks and sharing her concern that in many rural communities in Idaho, workers are not able to "vote with their feet" due to a lack of job opportunities.

- MOTION:** **Rep. Woodings** made a motion to introduce **RS 21797**.
- Rep. Holtzclaw** spoke in opposition to the motion. He stated that as a small business owner, sometimes he and his employees need to work when the work is there.
- VOTE ON MOTION:** **Chairman Hartgen** called for a vote on the motion to introduce **RS 21797**. **Motion failed by voice vote**.
- H 44:** **Bob Fick**, Department of Labor, presented **H 44**. He explained that the Federal Trade Adjustment Extension Act of 2011 requires states to amend their unemployment insurance law to impose a monetary penalty on benefit claimants whose fraudulent acts result in overpayments. Additionally, states are required to pay the first 15% of an assessed civil penalty into the Employment Security Fund, and to prohibit employers from being relieved of charges to their unemployment insurance accounts when their actions lead to improper benefit payments. States must also amend the definition of "rehire" in the State Directory of New Hires to include individuals previously employed by the employer who were separated from that employer for at least 60 consecutive days prior to reemployment. Under these changes, the amount of funds available for use from the State's Penalty and Interest Fund will be reduced by approximately \$460,000 per year. The change to the listing requirements in the State Directory of New Hires will allow more money to be saved and recovered, as those employees who fail to report that they have returned to work will be discovered earlier and more easily. Failure to adopt these provisions would result in Idaho's Unemployment Insurance Program to fall out of compliance with Federal regulations and would have a negative fiscal impact on employers and the State.
- In response to questions, **Mr. Fick** stated that the first 15% of assessed civil penalties that would now go into the Employment Security Fund have previously gone into the Penalty and Interest Fund. As the balance in the main Unemployment Insurance Trust Fund rises, tax rates go down, and when the balance declines, tax rates go up. The current balance of the Unemployment Insurance Trust Fund is approximately \$350 million.
- MOTION:** **Rep. Hancey** made a motion to send **H 44** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote**. **Rep. Harris** requested to be recorded as voting **NAY**. **Rep. Holtzclaw** will sponsor the bill on the floor.
- H 43:** **Jeff Sayer**, Department of Commerce, presented **H 43**. He explained that **H 43** would amend the membership of the Economic Advisory Council to clarify that no more than four members from any one political party can serve, which is consistent with other boards and councils. There is also clarifying language to confirm that advisory council members serve at the pleasure of the Governor.
- In response to questions, **Mr. Sayer** stated that council members do not have to be Republicans or Democrats to serve. Currently there are two Independents who serve as council members.
- MOTION:** **Rep. VanOrden** made a motion to send **H 43** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote**. **Rep. VanOrden** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:23 p.m.

Representative Hartgen
Chair

Mary Tipps
Secretary