

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Tuesday, February 19, 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:** Jeff Sayer and Megan Ronk, Department of Commerce
- Chairman Hartgen** called the meeting to order at 1:31 p.m.
- MOTION:** **Rep. Anderst** made a motion to approve the minutes of February 13, 2013.
Motion carried by voice vote.
- H 91:** **Phil McGrane**, Office of the Ada County Clerk, presented **H 91**, which was previously heard in Committee on February 7, 2013, and received a **DO PASS** recommendation. The bill would exempt temporary election workers, such as poll workers, from unemployment eligibility based upon that work. **H 91** was brought back for a hearing today so that an amendment could be evaluated. Mr. McGrane presented the amendment, which reads, "On page 1 of the printed bill, in line 33, following "(f)" delete "As election personnel serving on a temporary basis" and insert: "As an election official or election worker"; and in line 35, following "board" insert: ", if the amount of remuneration received by the individual during the calendar year for services as an election official or election worker is less than one thousand dollars (\$1,000)". He said this is necessary to avoid conflict with Federal law regarding the exemption of election workers from unemployment. The term "temporary" is replaced with language matching Federal Code, which is more specific and only includes election workers who have earned less than \$1,000 for this type of work in a calendar year. If Idaho does not follow Federal requirements, there could be a negative impact on the \$28 million in Federal grants that fund the Department of Labor, and the 5.4% tax credit received by employers on the Federal Unemployment Insurance Tax levied against the first \$7,000 paid to each worker. Making this change would not have an impact on the General Fund or any local government funds.
- MOTION:** **Rep. Harris** made a motion to send **H 91** to General Orders with the amendment attached. **Rep. Mendive** seconded the motion. **Motion carried by voice vote.**
Rep. Harris will sponsor the bill on the floor.
- Jeff Sayer**, Department of Commerce, presented an overview of the Department of Commerce. He explained that the Department has three pillars of focus, which are protecting and retraining companies that already operate in Idaho, growing existing companies, and attracting new businesses. Emerging sectors include software, recreation technology (outdoor culture), aerospace, biotechnology, wine producing, and light manufacturing. The Department's focus areas include economic development including business and community development, tourism, international trade, the Leadership in Nuclear Energy (LINE) Commission, and the Idaho Global Entrepreneurial Mission (IGEM) program. The IGEM program has a twelve-person council working on creating a strong commercialization platform for Idaho. Idaho's annual exports have continued to increase and in 2012 reached an all-time high of \$6.1 billion. Electronics and manufacturing represent 56% of Idaho's exports, followed by mining products, food and agriculture. Wood and paper, fertilizer, transportation, office and home furnishings and personal care products are

also measurable exports from Idaho. Canada is Idaho's top international trading partner. Other international trading partners include Taiwan, China, Singapore, South Korea, Japan and Mexico. The Department believes three things are necessary for Idaho to move forward as a state. They are protecting Idaho's low-cost business environment, solving the skills-gap issues in Idaho's workforce by linking higher education with industry needs, and investing in infrastructure including transportation and freight.

In response to questions, **Mr. Sayer** said that the Department is concerned with having a qualified workforce. The challenge is matching and enhancing skills that are needed by industry. One of the most important conversations happening in Idaho relates to education, both at the lower and higher levels, and the challenges involved with refining the system to produce the results Idaho needs.

In response to additional questions, **Mr. Sayer** said Chobani is an Idaho success story; Idaho was one of three finalists, and then one of two, in their decision about where to locate their production. Twin Falls presented a competitive package and involved the Mayor, city engineers, colleges, the Department of Commerce and other parties. Ultimately, Idaho was able to secure their business because of the team approach and the benefits of doing business here. The City of Arco utilized grant money of approximately \$40,000 to \$50,000 to help expand a road so that they could build their first new building in 25 years. It was a dollar store. While the Department of Commerce is interested in helping larger businesses such as Chobani, they are also interested in helping Idaho's smaller communities with their individual needs, as in the case of Arco's dollar store.

In response to additional questions, **Mr. Sayer** said that The Department of Commerce employs approximately 43 to 45 people. The Division of International Business tracks funds that move in and out of Idaho through trade. Idaho is one of sixteen states that provide a trade surplus. Singapore is a large Micron customer. In light of the Federal government's funding drop, Idaho needs to find creative ways to self-fund infrastructure growth.

In response to additional questions, **Mr. Sayer** indicated Industry will get involved in education. The J.A. and Kathryn Albertson Foundation is offering scholarships for trade programs at the high school level. Mr. Sayer's brother worked with Mackie High School to create a bridge building project for a local citizen; the entire responsibility for engineering, bids, purchasing supplies, and building was taken by students. The Department reaches out to industries and sponsors symposiums by sector around the State, to have discussions about what industries need and what the Department can do to assist those industries to add value, to add customers, and to be more competitive. The Department of Commerce is looking at returns on investments and successes for industry in the State. When a company moves into Idaho, the Department has conversations with company representatives to determine their reasons for coming to Idaho. Additionally, they seek information from companies that decide against Idaho, in order to determine whether Idaho can make changes to be more inviting to new businesses. Idaho also studies what other states are doing. Tax credits are effective tools used in other states, as are opportunity funds. Idaho's exports to other states are higher than international exports.

In response to additional questions, **Mr. Sayer** said Chobani currently uses two to three million pounds of milk a day, but their goal is 9 million. To hit full production, they will need tens of thousands more cows and tens of thousands more feed acres for the cows. Idaho has an opportunity to be a leader in the agriculture sector, not only in business practices but also in advancing technology, research, and industry connections. The agriculture growth market will not disappear in our lifetimes.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:40 p.m.

Representative Hartgen
Chair

Mary Tipps
Secretary