

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Wednesday, February 11, 2015
- TIME:** 1:30 P.M.
- PLACE:** Room EW05
- MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph
- ABSENT/
EXCUSED:** Rep. Chew
- GUESTS:** Kenneth Edmunds, Department of Labor; Kelly Cross, PERSI, Sara Scudder, Department of Labor/CIS; Dwight Johnson, Professional Tech Education; Skip Srepos; Megan Ronk, Megan Hill, Jeff Sayer, Department of Commerce; Marilyn Whitney, Governor's Office.
- Chairman Hartgen** called the meeting to order at 1:32 p.m.
- MOTION:** **Rep. Chaney** made a motion to approve the minutes of the February 3, 2015 meeting. **Motion carried by voice vote.**
- MOTION:** **Rep. King** made a motion to approve the minutes of the February 5, 2015 meeting. **Motion carried by voice vote.**
- MOTION:** **Rep. Holtzclaw** made a motion to approve the minutes of the February 9, 2015 meeting. **Motion carried by voice vote.**
- Chairman Hartgen** turned the gavel over to **Vice Chairman Anderson** to chair the meeting.
- RS 23553:** **Chairman Hartgen** presented **RS 23553** which rejects IDAPA 59.0103.1401, as it has been superseded by another rule related to PERSI contributions. The PERSI board took away the increased contribution rates and this change solidifies that this amended portion will be removed. There is no fiscal impact to the General Fund.
- MOTION:** **Rep. Redman** made a motion to introduce **RS 23553**. **Motion carried by voice vote.**
- Vice-Chairman Anderson** turned the gavel back over to **Chairman Hartgen** to chair the meeting.
- RS 23586:** **Megan Ronk**, Department of Commerce, presented **RS 23586** which aligns the number of planning regions as well as the disparity in compensation for members of the Idaho Travel Council and the Economic Advisory Council (EAC). Currently EAC members are not compensated, but with this change, they would receive a \$50.00 per day stipend. The stipend is recommended because of added responsibilities and time of members because of their reviews of applications for the Idaho Tax Reimbursement Incentive. Additionally, the change will move the EAC to a seven region model which would increase the board to eight people. Each board member must reside in the region they represent. Because the board has an even number of members, in the event of a tie vote, the motion would fail or the chairman's vote would not count. This bill will have zero fiscal burdens, costs and would be absorbed by the Idaho Department of Commerce.
- MOTION:** **Rep. Packer** made a motion to introduce **RS 23586**.
- In response to questions, **Ms. Ronk** stated that the job increase requirements for applying for the tax incentive is 50 in urban areas and 20 in rural areas. Raw agricultural and farming are allowed to apply for this incentive.

**VOTE ON
MOTION:**

Chairman Hartgen called for a vote on the motion to introduce **RS 23586**. **Motion carried by voice vote. Rep. Nielsen** requested to be recorded as voting **NAY**.

Kenneth Edmunds, Idaho Department of Labor, presented the Governor's Industry Sector Grant Proposal. He mentioned that Idaho is in an economic upcycle. Unemployment is decreasing and jobs are increasing. There is a disparity in the number of people available to work and the demand for employment in specific industry sectors. There is a need for 109,000 new workers in the job force and only about 14,000 people coming into the workforce. The health care field is the largest growing, followed by construction.

The Department of Labor is 75% federally funded and the rest comes from internal funding. They have 625 full-time equivalent people working in the Department because when the economy is good they have less need for staff. Unemployment tax collection is \$199 million per year, which is a reduction from tax collection rates at the peak of the recession. In the 2014 unemployment payments made were \$126 million. The unemployment tax collection rates should stay at 1.5 to 1.6% and the fund should continue to be healthy. The workforce development fund is used to fund workforce training. The Department also handles unemployed worker claims and placement of unemployed people. With changes in the economy they are trying to find employees for employers as opposed to finding employment for unemployed people. They also handle wage and hour disputes, Idaho Career Information Services, the Human Rights Commission, Serve Idaho, and the Disability Determination Service with funds generated internally. The Department also handles iUS Internet-Based Computer Systems for the Unemployment Insurance Taxes and Benefits, career planning and counseling for students and job seekers.

Mr. Edmunds stated the Industry Sector Grant program allows for industry and education to merged to create training for students in industries that need employees. To receive the grant, the education institution must find at least three industry partners who will provided partial funding and sign off on the institutions training programs. The Governor has requested that more funds be given to grow this program. This grant program is being utilized at many Idaho colleges and universities and is a successful way to get more graduates into specific high demand fields with employee shortages. The industry partners are working with the education institutions and are receptive to training programs for students in high demand industries.

In response to questions about a statewide overhaul of the state computer system for reporting and collection of data, **Mr. Edmunds** stated that information systems and accounting systems are statewide. In their Department, there are other separate computer information systems which they had to develop. The Department will have the same state system for budgeting, and additional systems to fit their specific needs. The goal of the computer system is to allow people to file for unemployment benefits for sixteen weeks before having to prove they are job hunting. The new computer system was developed in Idaho using an independent contractor and some staff members.

In response to questions about staffing reductions in the Department of Labor, **Mr. Edmunds** stated because there was a decrease in funding, the number of employees at the Department had to be reduced. The salary saving was just keeping up with funding decreases.

In response to questions about underemployment, **Mr. Edmunds** stated that Idaho is a leader in part-time, low wages and underemployment. As a state this is an issue as well as the growing numbers of people over 65 leaving the job market and lack of number of younger people and college graduates to replace the numbers leaving. Idaho acknowledges the issue of this disparity in the job market. The Boise State University (BSU) computer technology project created with funds from the Industry Grant allowed for a 2 year training period which increases the number of graduates in Computer Sciences.

In response to questions regarding the gender equality legislation, **Mr. Edmunds** stated the numbers of cases pending do not come from the Department of Labor. They only respond to the unemployment disputes fairly and only deal with laws given to them.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:41 p.m.

Representative Hartgen
Chair

Erin Hutto
Secretary