

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, March 11, 2015
TIME: 1:30 PM or Upon Adjournment
PLACE: Room EW05
MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph
**ABSENT/
EXCUSED:** Representative(s) Holtzclaw
GUESTS: Dana Barney, Industrial Commission; Blair Jaymes, Attorney General-Industrial Commission; Karin Magnelle, Attorney General-IDOC; Andrea Sprengel, Correctional Industries; Ken Mallea, John Buck, Idaho Funeral Directors; Alan Anderson, Idaho Correction Industry; James Aydelotte, Department Health and Welfare-Vital Statistics; Marty Durand, Idaho Building Trades; Kathy Griesmyer, American Civil Liberties Union

Chairman Hartgen called the meeting to order at 1:32 PM

S 1075: **Senator Hill** presented **S 1075** to the committee. He stated that this is a clarification of a bill that passed last year 20-413A giving Correctional Industries, a division of Idaho Department of Correction (IDOC), the ability to contract with private agricultural business and provide inmate labor. This clarifies that the employers must pay the prevailing wage determined yearly by the Department of Labor. The employer also pays all prevailing costs which is equal to, if paying for Worker's Compensation, the department of Correctional Industries. The funds do not go into benefits for the inmate since they are covered by IDOC insurance along with a supplemental insurance purchased by the state.

Andrea Sprengel, Correctional Industries testified, **in support** of the bill. This has benefited the community in many ways. Does not change previous legislation, only clarifies it. Employers must reach OSHA standards and pay Worker's Compensation to ensure the safety of inmates.

In response to questions, **Ms. Sprengel** explained nobody gets a discount by using inmate workers. She also explained she would need to do a full review of both the life and dismemberment insurance policies and come back to the committee with all the details. This program does not take jobs away from young or unskilled workers by using inmates. Employers report that have a history of struggling to locate workers and have insufficient workers available. Voluntary inmate workers are moving pipe, driving tractor, and anything related to the agricultural practice in addition to perishable products. Inmates do not receive benefits or retirement. Inmates do have access to 33% of their prevailing wage averaging eight to nine dollars an hour, after deductions, if they have restitution or child support. There have been no inmate escapes.

In response to questions, **Senator Hill** explained the pay is equivalent. Inmates are not covered by Worker's Compensation, unemployment benefits, or retirement. Inmates do not come close to making enough to file taxes.

Marty Durand, Idaho Building Trades Council, spoke **in opposition** of the bill. Liability insurance is not the same as Worker's Compensation. Worker's Compensation is a no fault and the worker does not have to prove employers negligence. With insurance they only pay if the insured is at fault. Private industries should not profit from inmate labor. This will also drive already low wages in the state of Idaho ever lower.

In response to questions, **Ms. Durand** explained the program only states the employer has no way to obtain employees, not because the wages the employer is offering are too low. The employers who are having a worker shortage have these shortages due to low wages because the wages they are offering are too low, and workers define the wage they are willing to work for, not inmates.

Ms. Sprengel explained again to the committee that Correctional Industries consults on the prevailing wage every year through the Department of Labor. She will come back to the committee with a full review of the insurance policies.

Kathy Griesmyer, Public Policy Strategist American Civil Liberties Union of Idaho spoke against the bill. **S 1075** attempts to shield agricultural industries from providing appropriate care for workers currently under the watch of IDOC. Testimony in the Senate hearing disclosed if an inmate is injured, Correctional Industries could make a claim against the employer's general liability insurance to cover the ongoing care of the prisoner. This bill potentially allows businesses to pass on their responsibility to the Idaho tax payers.

In response to questions, **Ms. Griesmyer** explained health issues are a human right not just a civil right.

MOTION:

Rep. Romrell made a motion to send **S 1075** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nielsen** will sponsor the bill on the floor.

S 1077:

Senator Schmidt presented **S 1077** to the committee. He stated this is an issue Idaho funeral homes have made him aware of. When a person passes away, to have the authority to dispose of the remains, a person must have a death certificate from vital statistics. Vital statistics has a rule in place. For people to obtain a death certificate they must have a direct tangible interest.

In response to questions, **Mr. Schmidt** explained this is different than organ harvesting.

Ken Mallea, Idaho Funeral Director spoke in **support of S 1077**. This will fill the gap between Vital Statistics and statute which will make this process easier on everybody.

John Buck, Emmett Funeral Director, gave his full support of the bill. This will make the process so much easier on families during strenuous times.

James Aydelotte, Department Health and Welfare-Vital Statistics advised that the department gave their input and are **in support** of the bill as well.

MOTION: **Rep. Nielsen** made a motion to send **S 1077** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Beyeler** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:47 PM

Representative Hartgen
Chair

Heidi McKay
Secretary