

**AMENDED AGENDA #1**  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**3:30 P.M.**  
**Room EW05**  
**Tuesday, January 13, 2015**

Time Change

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
----------------	--------------------	------------------

Organizational Meeting

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen  
Vice Chairman Anderson  
Rep Harris  
Rep Holtzclaw  
Rep Romrell  
Rep Chaney  
Rep Horman

Rep Nielsen  
Rep Packer  
Rep Redman  
Rep King  
Rep Chew  
Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, January 13, 2015  
**TIME:** 1:30pm or Call to Close  
**PLACE:** Room EW05  
**MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph  
**ABSENT/  
EXCUSED:** None  
**GUESTS:** None

**Chairman Hartgen** called the meeting to order at 3:31 p.m.

**Chairman Hartgen** welcomed the Committee and had members, the page and secretary introduce themselves.

**Chairman Hartgen** mentioned that the Committee will be working with labor, international trade, commerce, economic development, workers compensation, industrial commissions, pension fund PERSI, wages and hour issues during the session. He then reviewed the Rules of Decorum for Legislative Hearings.

**Chairman Hartgen** stated that the Committee would meet on odd days with the next meeting on Thursday 15 January. The next meeting will be split into the two Subcommittees for rule review and will be held concurrently at 1:30 p.m.

**Chairman Hartgen** made Subcommittee assignments for hearing the rules. Subcommittee One will be chaired by **Rep. Harris** and will include **Rep. Hartgen, Holtzclaw, Horman, King, Redman, and Rudolph**. Subcommittee One will hear rules from the Department of Labor, the Idaho Industrial Commission, and the Public Employee Retirement System of Idaho.

**Chairman Hartgen** said Subcommittee Two will be chaired by **Rep. Romrell** and will include **Rep. Anderson, Chaney, Chew, Nielsen, and Packer**. Subcommittee Two will hear rules from the Idaho Industrial Commission, the Idaho Department of Commerce, and the Department of Administration. He said the entire committee will, at a later meeting, hear rules from the Public Employee Retirement System of Idaho (PERSI).

**Rep. Nielsen** noted that old rules may be brought up for new discussion and should be brought to **Chairman Hartgen**, should that be of interest.

**Chairman Hartgen** appointed **Rep. King and Holtzclaw** to proof read meeting minutes.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:55 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**HARRIS SUBCOMMITTEE**  
Administrative Rules  
1:30 P.M.  
Room EW05  
Thursday, January 15, 2015

<b>DOCKET NO.</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>17-0204-1401</u></a>	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law – Benefits	Matt Vook, Benefits Analyst, Idaho Industrial Commission
<a href="#"><u>17-0206-1401</u></a>	Employers' Reports	Matt Vook, Benefits Analyst, Idaho Industrial Commission
<a href="#"><u>17-0208-1401</u></a>	Miscellaneous Provisions	Matt Vook, Benefits Analyst, Idaho Industrial Commission
<a href="#"><u>17-0211-1401</u></a>	Administrative Rules of the Industrial Commission Under the Workers' Compensation Law – Security for Compensation – Self-Insured Employers	Jane McClaran, Financial Officer, Idaho Industrial Commission

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Harris  
Rep.Hartgen  
Rep.Holtzclaw  
Rep.Horman  
Rep.Redman  
Rep.King  
Rep.Rudolph

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: hcom@house.idaho.gov

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**HARRIS SUBCOMMITTEE**  
Administrative Rules

**DATE:** Thursday, January 15, 2015  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW05  
**MEMBERS:** Chairman Harris, Representatives Hartgen, Holtzclaw, Horman, Redman, King, Rudolph  
**ABSENT/  
EXCUSED:** None  
**GUESTS:** Mindy Montgomery, Dara Barney, Jane McClaran, Tom Limbaugh, Matthew Vook, Scott McDougall, Faith Cox, and Chelrea Comon, Idaho Industrial Commission

**Chairmen Harris** called the meeting to order at 1:30 p.m.

**DOCKET NO. 17-0204-1401:** **Matthew Vook**, Idaho Industrial Commission, presented **Docket No. 17-0204-1401**, which allows for reimbursement of health care travel expenses for injured workers. This change removes the form from the actual rule and directs the injured worker to the Commission address or website.

**MOTION:** **Rep. King** made a motion to recommend the full committee approve **Docket No. 17-0204-1401**. **Motion carried by voice vote.**

**DOCKET NO. 17-0206-1401:** **Matthew Vook**, Idaho Industrial Commission, presented **Docket No. 17-0206-1401**, which eliminates language that allows for an extension of the deadline for a summary of payments, when income payments have not been made timely. The rule change extends the deadline to submit a summary of payments, in the case of default by an employer for reason of insolvency or bankruptcy to 120 days.

**MOTION:** **Rep. Horman** made a motion to recommend the full committee approve **Docket No. 17-0206-1401**. **Motion carried by voice vote.**

**DOCKET NO. 17-0208-1401** **Matthew Vook**, Idaho Industrial Commission, presented **Docket No. 17-0208-1401**, which adds the address of the Industrial Commission to the disclosure statement signed and given an injured worker upon retention. Additionally, the "Change of Status" form will be removed from the actual rule and directs the adjuster to the Commission address or website to obtain the form.

**Mr. Vook**, responded to questions stating that currently paper copies of the form are sent out. The form can either be downloaded via the Commission website, or picked-up by contacting the Commission directly. If the adjuster does not have a computer, they can either collect the form or have it delivered to them. The request for the form does not require a signed release for retained records.

**MOTION:** **Rep. Hartgen** made a motion to recommend the full committee approve **Docket No. 17-0208-1401**. **Motion carried by voice vote.**

**DOCKET NO  
17-0211-1401:**

**Jane McClaran**, Idaho Industrial Commission, presented **Docket No. 17-0211-1401**, which changes implemented exceptions to the qualification and continuing requirements of self-insured employers. It requires INL contractors working under a cost reimbursement contract with the federal government to have three year average payroll history, excess insurance, custodial agreement and security deposits. Any surety company issuing a surety bond must be independent from the principal self-insured employer for which the bond is issued. A proposed addition establishes a Premium Tax Computation which allows self-insured employers, who elect to apply to the National Council on Compensation Insurance for an experience modification factor, which may then be applied to the Idaho premium tax computation, effective beginning with the calendar year 2014.

**Jane McClaran**, responded to questions stating that the new section allows for additional cost reimbursement for contractors specific to the INL. A self-employed individual must apply and be approved to be self-insured.

**MOTION:**

**Rep. Redmen** made a motion to recommend the full committee approve **Docket No. 17-0211-1401** . **Motion carried by voice vote.**

**ADJOURN:**

There being no further business to come before the subcommittee, the meeting was adjourned at 1:48 p.m.

---

Representative Harris  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**ROMRELL SUBCOMMITTEE**  
Administrative Rules  
1:30 P.M.  
Room EW20  
Thursday, January 15, 2015

<b>DOCKET NO.</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>38-0301-1401</u></a>	Rules Governing Group Insurance	Keith Reynolds, Department of Administration Chief Fiscal Officer

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Romrell  
Rep.Anderson  
Rep.Chaney  
Rep.Nielsen  
Rep.Packer  
Rep.Chew

COMMITTEE SECRETARY

Joyce McKenzie  
Room: EW06  
Phone: 332-1149  
email: hcom@house.idaho.gov

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**ROMRELL SUBCOMMITTEE**  
Administrative Rules

**DATE:** Thursday, January 15, 2015  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW20  
**MEMBERS:** Chairman Romrell(1), Representatives(5), Anderson, Chaney, Nielsen, Packer, Chew  
**ABSENT/  
EXCUSED:** None  
**GUESTS:** Brody Aston, Lobby Idaho; Colby Cameron, Sullivan & Reberger  
**Chairman Romrell** called the meeting to order at 1:30 P.M.  
**DOCKET NO.  
38-0301-1401:** **Keith Reynolds**, Department of Administration, Chief Fiscal Officer, presented **Docket No. 38-0301-1401**, which addresses rule changes for group insurance. In response to questions, Mr. Reynolds stated the rule changes are necessary to conform with federal law pertaining to dependant eligibility as required by the Affordable Care Act. The rule changes also address the expiration of the Medicare Prescription Medication Reimbursement Program effective January 1, 2010, expiring December 31, 2013.  
**MOTION:** **Rep. Packer** made a motion to recommend the full committee approve **Docket No. 38-0301-1401. Motion carried by voice vote.**  
**ADJOURN:** There being no further business to come before the subcommittee the meeting was adjourned at 1:42 P.M.

---

Representative Romrell  
Chair

---

Joyce McKenzie  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**HARRIS SUBCOMMITTEE**  
Administrative Rules  
1:30 P.M.  
Room EW05  
Wednesday, January 21, 2015

<b>DOCKET NO.</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>09-0104-1401</u></a>	Unemployment Insurance Benefit Fraud and Overpayment Rules	Larry Ingram, State of Idaho Department of Labor
<a href="#"><u>09-0106-1401</u></a>	Rules of the Appeals Bureau	Larry Ingram, State of Idaho Department of Labor
<a href="#"><u>09-0130-1401</u></a>	Unemployment Insurance Benefits Administration Rules	Josh McKenna, State of Idaho Department of Labor
<a href="#"><u>59-0201-1401</u></a>	Rules for the Judges' Retirement Fund	Don Drum, PERSI Executive Director  Senior District Judge Barry Wood, Idaho Supreme Court

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Harris  
Rep.Hartgen  
Rep.Holtzclaw  
Rep.Horman  
Rep.Redman  
Rep.King  
Rep.Rudolph

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: hcom@house.idaho.gov

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**HARRIS SUBCOMMITTEE**  
Administrative Rules

**DATE:** Wednesday, January 21, 2015  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW05  
**MEMBERS:** Chairman Harris, Representatives Hartgen, Holtzclaw, Horman, Redman, King, Rudolph  
**ABSENT/  
EXCUSED:** Representative King  
**GUESTS:** Lisa Steele, PERST; Josh McKenna, Larry Ingram, Department of Labor; Don Drum, PERSI, and Robyn Lockett, LSO.

**Chairman Harris** called the meeting to order at 1:30 p.m.

**MOTION:** **Rep. Rudolph** made a motion to approve the minutes of January 15, 2015. **Motion carried by voice vote.**

**DOCKET NO. 09-0104-1401:** **Larry Ingram**, State of Idaho Department of Labor, presented **Docket No. 09-0104-1401** to the committee. The rule change will reflect the legal standard used by the Idaho Supreme Court in unemployment insurance benefit fraud cases by explaining that to "willfully" make a false statement or to "willfully" fail to report a material fact in order to obtain unemployment insurance benefits only requires a purpose or willingness to commit the act or make the omission. There will be no fiscal impact with the rule change.

In response to questions, **Mr. Ingram** stated this is an administrative standard but the department felt the change should be approved so that it could be defined. If an individual is pursued for criminal fraud it is separate from the rule. He gave an example of willful unemployment fraud, stating that if an individual was filing for unemployment each week and stated that he or she worked, but did not or misstate the amount earned, the individual would receive more benefits than they are owed.

**MOTION:** **Rep. Horman** made a motion to recommend the full committee approve **Docket No. 09-0104-1401**. **Motion carried by voice vote.**

**DOCKET NO. 09-0106-1401:** **Larry Ingram**, State of Idaho Department of Labor, presented **Docket No. 09-0106-1401** to the committee. The current rule allows appeals to be filed in any of the 25 Job Service Offices in the State. Appeals are then collected and sent to Boise, Idaho. The rule change will prevent appeals from being delayed or misdirected by requiring them to be filed by mail or electronically transmitted directly to the Department of Appeals Bureau. There is no fiscal impact to the General Fund, however, there is a positive fiscal impact to the Department due to a streamlined appeals process saving the Department mailing and document handling costs.

In response to questions, **Mr. Ingram**, stated that rule does not eliminate local filing, it just ensures that the local staff will not have to file for the individual.

**MOTION:** **Rep. Horman** made a motion to recommend the full committee approve **Docket No. 09-0106-1401**. **Motion carried by voice vote.**

**DOCKET NO. 09-0130-1401:** **Josh McKenna**, State of Idaho Department of Labor, presented the rule change which reflects how the Department currently processes unemployment insurance claims. The change will delete references to mailed and in person claims which are no longer used. Claims are instead filed via the internet or in special circumstances by telephone.

In response to questions, **Mr. McKenna** stated that individuals have not had issues with this filing method. Internet claims filing has been in effect since 2002 and in the last several years they have started allowing individuals to file via telephone. If an individual is having difficulty filing online, they may file via telephone, a service which will not be refused.

**MOTION:** **Rep. Redman** made a motion to recommend the full committee approve **Docket No. 09-0130-1401. Motion carried by voice vote.**

**DOCKET NO. 59-0201-1401:** **Don Drum**, PERSI, presented **Docket No. 59-0201-1401**, in regards to rules for the Judges' Retirement Fund (JRF), to the committee. This new chapter of rules was effective as of July 1, 2014 and includes guidelines on the administration of the Judges' Retirement Fund. Approximately \$2 million is anticipated to be offset by civil filing fees which will be redirected from the Judges' Retirement Fund to the General Fund. The new rule has been administrated before JSF moved under PERSI management. The rule deals with assumptions and contribution rates to include that the Fund will incorporated the same as in the PERSI plan. The rules outline the process and comply with the IRS and the court staff.

In response to questions **Mr. Drum** stated that the as contribution rate went up, the employers rate was set at 55.28% to reduce the amortization to 25 years. The amortization rate is dependent on market returns but aims for net 7%. If there is a 7% return the amortization rate the contribution rates for employers may drop. Funds from the court fees is approximately \$2.0 million and the total employer rate is \$2.8 million.

**Rep. Hartgen** stated that this effects less than 200 employees and that contributions and rates have been incorrect in the past and changes in rates of return, amortization and the mix of contributions needed to be adjusted. PERSI is required to make a report annually to the legislature in regards to the status of the fund.

In response to questions, **Mr. Drum** stated that this docket does not change the benefits to Judges. PERSI rules protect their benefits. It was determined that the dollars needed were in excess of dollars coming in and it was the goal of JRF and JFAC to have the court fees cover the employer cost, which is currently not the case. The Judges' Retirement Fund is a separate fund from PERSI, although PERSI handles four funds to include the Judges' Retirement Fund. All of the funds are reported and tracked separately.

**Rep. Hartgen** stated that because of the relatively small amount in the fund, not everyone was looking at every part of the fund. As court cases increased, so were the costs coming from JFAC and because the fund was not handled by PERSI, it was not highly scrutinized. The rates and contributions were reanalyzed and new figures were determined.

**MOTION:** **Rep. Redman** made a motion to recommend the full committee approve **Docket No. 59-0201-1401. Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the subcommittee, the meeting was adjourned at 2:03 p.m.

---

Representative Harris  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**ROMRELL SUBCOMMITTEE**  
Administrative Rules  
1:30 P.M.  
Room EW20  
Wednesday, January 21, 2015

<b>DOCKET NO.</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>28-0401-1402</u></a>	Rules Governing the Idaho Reimbursement Incentive Act	Megan Ronk, Chief Operating Officer, Department of Commerce
<a href="#"><u>17-0209-1401</u></a>	Medical Fees	Patti Vaughn, Medical Fee Schedule Analyst, Idaho Industrial Commission
<a href="#"><u>17-0209-1501</u></a>	Medical Fees	Patti Vaughn, Medical Fee Schedule Analyst, Idaho Industrial Commission
<a href="#"><u>17-0501-1401</u></a>	Rules Under the Crime Victims Compensation Act	George M. Gutierrez, Bureau Chief Crime Victims Compensation Program Idaho Industrial Commission

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Romrell  
Rep.Anderson  
Rep.Chaney  
Rep.Nielsen  
Rep.Packer  
Rep.Chew

COMMITTEE SECRETARY

Joyce McKenzie  
Room: EW06  
Phone: 332-1149  
email: hcom@house.idaho.gov

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**ROMRELL SUBCOMMITTEE**  
Administrative Rules

**DATE:** Wednesday, January 21, 2015  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW20  
**MEMBERS:** Chairman Romrell, Representatives Anderson, Chaney, Nielsen, Packer, Chew  
**ABSENT/  
EXCUSED:** Representatives Anderson, Chew  
**GUESTS:** Megan Ronk, Susie Davidson, Kallen Hayes, Jenny Hemly, Cindy Lee, Patrick Watson, Department of Commerce; Angela Richards, various insurance companies; Mindy Montgomery, David Barney, Patti Vaughn, Idaho Industrial Commission; George Gutierrez, Idaho Industrial Commission/Crime Victims Compensation Program; Tom Limbaugh, Idaho Industrial Commission; Matt Warnick, Division of Financial Management; Woody Richards, insurance companies.

**Chairman Romrell** called the meeting to order at 1:30 P.M.

**MOTION:** **Rep. Packer** made a motion to approve the minutes of the Thursday, January 15, 2015, meeting. **Motion carried by voice vote.**

**DOCKET NO.  
28-0401-1402:** **Megan Ronk**, Chief Operating Officer, Department of Commerce presented **Docket No. 28-0401-1402**. The Pending Rule governs administration of the new Idaho Reimbursement Incentive Act (TRI). The rule addresses program intent, eligibility, job creation criteria, and the application process. Also clarified are conflict of interest, agreements and tax credit authorization.

**MOTION:** **Rep. Packer** made a motion to recommend the full committee approve **Docket No. 28-0401-1402**. **Motion carried by voice vote.** **Rep. Nielsen** requested to be recorded as voting **NAY**.

**DOCKET NO.  
17-0209-1401:** **Patti Vaughn**, Medical Fee Schedule Analyst, Idaho Industrial Commission, presented **Docket No. 17-0209-1401**. Ms. Vaughn stated the rule change is a code range adjustment, housekeeping in nature and is done to align with coding changes by the American Medical Association relative to physicians, hospitals and ambulatory surgery centers as well as billing and payment requirements.

**MOTION:** **Rep. Packer** made a motion to recommend the full committee approve **Docket No. 17-0209-1401**. **Motion carried by voice vote.**

**DOCKET NO.  
17-0209-1501:** **Patti Vaughn**, Medical Fee Schedule Analyst, Idaho Industrial Commission presented **Docket No. 17-0209-1501**. Ms. Vaughn stated the temporary rule addresses the Idaho workers' compensation hospital outpatient fee schedule modeled after the Ambulatory Payment Classification (APC) payment system created by Centers for Medicare & Medicaid Services (CMS). In order to keep payments stable and to avoid unnecessary confusion the agency has adopted this Temporary Rule.

**MOTION:** **Rep. Nielsen** made a motion to recommend the full committee approve **Docket No. 17-0209-1501**. **Motion carried by voice vote.**

**DOCKET NO. 17-0501-1401:** **George M. Gutierrez**, Bureau Chief, Crime Victims Compensation Program, Idaho Industrial Commission presented **Docket No. 17-0501-1401**. Mr. Gutierrez stated the changes in the rule address payments to innocent crime victims for medical services, reimbursement for transportation expenses in connection with obtaining benefits and payment of bills for reasonable treatment and services for victims who suffer injuries as the direct result of criminally injurious conduct.

**MOTION:** **Rep. Packer** made a motion to recommend the full committee approve **Docket No. 17-0501-1401**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the Subcommittee, the meeting was adjourned at 2:29 P.M.

---

Representative Romrell  
Chair

---

Joyce McKenzie  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Tuesday, January 27, 2015**

SUBJECT	DESCRIPTION	PRESENTER
	Report from the Harris Subcommittee on Administrative Rules	Rep. Harris
Docket Nos.	<a href="#">17-0204-1401</a> , <a href="#">17-0206-1401</a> , <a href="#">17-0208-1401</a> , <a href="#">17-0211-1401</a> , <a href="#">09-0104-1401</a> , <a href="#">09-0106-1401</a> , <a href="#">09-0130-1401</a> , <a href="#">59-0201-1401</a>	
	Report from the Romrell Subcommittee on Administrative Rules	
Docket Nos.	<a href="#">38-0301-1401</a> , <a href="#">17-0209-1401</a> , <a href="#">17-0501-1401</a> , <a href="#">28-0401-1402</a>	
Docket No.		
<a href="#">59-0103-1401</a>	PERSI Contribution Rules	Don Drum, Executive Director, PERSI
<a href="#">59-0103-1402</a>	PERSI Contribution Rules	Don Drum, Executive Director, PERSI
<a href="#">59-0103-1403</a>	PERSI Contribution Rules	Don Drum, Executive Director, PERSI
<a href="#">59-0106-1401</a>	PERSI Retirement Rules	Don Drum, Executive Director, PERSI

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen	Rep Nielsen
Vice Chairman Anderson	Rep Packer
Rep Harris	Rep Redman
Rep Holtzclaw	Rep King
Rep Romrell	Rep Chew
Rep Chaney	Rep Rudolph
Rep Horman	

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, January 27, 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:** None

**GUESTS:** Don Drum, Lisa Stuck, Kelly Cross, Jess Simonns, PERSI; Dustin Haul, Idaho Responders; and Tom Limbaugh IIC

**Chairman Hartgen** called the meeting to order at 1:32 p.m.

**MOTION:** **Rep. Holtzclaw** made a motion to approve the full committee minutes of January 13, 2015. **Motion to carried by voice vote.**

**Chairman Hartgen** turned the committed over to **Rep. Romrell** to approve the minutes and dockets reviewed in his subcommittee meeting as testimony (attached).

**Chairman Romrell** called the subcommittee to order at 1:35 p.m.

**Chairman Romrell** asked that his subcommittee review the minutes and dockets from the subcommittee on 21 January 2015 meeting as testimony.

**MOTION:** **Rep. Anderson** made a motion to approve the minutes of January 21, 2015 meeting of the Romrell Subcommittee on Administrative Rules as Testimony. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the Subcommittee, the meeting was adjourned at 1:36 p.m. and **Chairman Hartgen** resumed the full committee meeting.

**MOTION:** **Rep. Harris** made a motion to approve the minutes of the January 21, 2015 meeting of Harris Subcommittee on Administrative Rules. **Motion carried by voice vote.**

**Rep. Harris** presented his subcommittee's findings on the Administrative Rules they reviewed. He said that the subcommittee's recommendation was to approve **Docket Nos. 17-0204-1401, 17-0206-1401, 17-0208-1401, 17-0211-1401, 09-0104-1401, 09-0106-1401, 09-0130-1401** and **59-0201-1401**, which represent all dockets that were before the subcommittee.

**MOTION:** **Rep. Harris** made a motion to approve **Docket Nos. 17-0204-1401, 17-0206-1401, 17-0208-1401, 17-0211-1401, 09-0104-1401, 09-0106-1401, 09-0130-1401** and **59-0201-1401**. **Motion carried by voice vote.**

**Rep. Romrell** presented his subcommittee's findings on the Administrative Rules they reviewed. He said the subcommittee's recommendation was to approve **Docket Nos. 38-0301-1401, 17-0209-1401, 17-0209-1501, 17-0501-1401** and **28-0401-1402**, which represent all dockets that were before the subcommittee.

**MOTION:** **Rep. Romrell** made a motion to approve **Docket Nos. 38-0301-1401, 17-0209-1401, 17-0209-1501, 17-0501-1401** and **28-0401-1402**. **Motion carried by voice vote.**

**DOCKET NO. 59-0103-1401:** **Don Drum**, Public Employee Retirement System of Idaho (PERSI), presented **Docket No. 59-0103-1401**, which addresses the PERSI Board recommendation to eliminate increases in contribution rates scheduled. He said, given the Board's action on the elimination of the rate increases, the Board recommends the pending rule be rejected.

Responding to questions, **Don Drum** stated that this rule is different than **Docket No. 59-0103-1403** which relates to contributions to Firemen's Retirement Fund (FRF) and this rule does not effect that rule.

**MOTION:** **Rep. Romrell** made a motion to reject **Docket No. 59-0103-1401**. **Motion carried by voice vote.**

**DOCKET NO. 59-0103-1402:** **Don Drum** presented **Docket No. 59-0103-1402**, which is a temporary rule addressing PERSI Contribution rate increases scheduled. Due to market recovery and the strong status of the fund, the Board determined that it could eliminate the scheduled increases. This docket also changes some wording in Rule 27.

Responding to questions, **Don Drum** noted that the fire fighters and class D employees who contribute to the fund are affected. Additionally, the contribution rate will not increase. The rate determined in 2013 is still in effect and will continue to be the rate moving forward.

**Rep. Romrell** went on the record thanking and applauding the PERSI Board for the management of the Fund.

**MOTION:** **Rep. Chaney** made a motion to approve **Docket No. 59-0103-1402**.

In response to questions, **Don Drum** remarked that if the market is in trouble, the Board can take action to increase contribution rates with a temporary rule. The Board gets a valuation of the funded status, the amortization period, and market performance at which point, rate increases are proposed and presented. There is also a grace period to get the fund aligned at the start of the fiscal year. Implementation of rate increases must be reviewed and approved by a House committee and will not go into effect until January of the following year.

**VOTE ON MOTION:** **Chairman Hartgen** called for a vote on the motion to **approve Docket No. 59-0103-1402**. **Motion carried by voice vote.**

**DOCKET NO. 59-0103-1403:** **Don Drum** presented **Docket No. 59-0103-1403**, which is a temporary rule addresses excess merger costs rates paid by the 22 employers responsible under the statute to pay the added costs associated with paying down the liability in the Firemen's Retirement Fund (FRF). The PERSI Board determined that it could lower the excess merger rates from 17.24% to 5% effective January 1, 2015 due to the FRF being funded to 110%. The docket also changes some wording in Rule 27.

Responding to questions, **Don Drum**, stated that the FRF is completely separate from PERSI. The over funded money stays in the FRF and is invested. If the over funded money increases then the rate of contribution would reduce. If the fund is dissolved, the employers who were part of the FRF before 1980 would divide up the balance of the funds.

**Don Drum** stated this rule has not had opposition from the retired fire fighters and that action is wanted immediately.

**MOTION:** **Rep. King** made a motion to approve **Docket No. 59-0103-1403**.

In response to questions, **Don Drum** stated that there are four separate pools managed by the Board to include, PERSI, Firemen's Retirement Fund, Sick Leave Fund and the Judges Retirement fund. The benefits are all separate and gains and losses are all tracked separately.

In response to questions, **Don Drum** stated that employers are all paying PERSI rates and the additional 5% FRF rate.

In response to questions, **Don Drum** stated that there is investment risk but the Board attempts to invest in relatively safe investment. Contributions are combined for investing, but withdrawal is based on their overall investment. If the contributions were more conservative the funds would have lower return rates. The contributing employers are not comfortable with more conservative investments because they would have to increase contribution rates.

**VOTE ON MOTION:**

**Chairman Hartgen** called for a vote on the motion to **approve Docket No. 59-0103-1403. Motion carried by voice vote.**

**Docket No. 59-0106-1401**

**Don Drum** presented **Docket No. 59-0106-1401**, which is a pending rule which changes Rule 131 and 132 of the PERSI retirement rules. The change makes both rules applicable to a PERSI member who is eligible to retire in place, meaning if an employee is age 62 or older plus rule of 90 (or 80 for firefighters), that employee can retire and draw their benefit and continue to draw a wage. Also, the change makes both rules consistent with the Internal Revenue Code. The docket was published as proposed in July 2014, to which PERSI received no questions or comments on these rules.

Responding to questions, **Don Drum** stated that retirement can occur before 62. If a person does not want to retire and keep their retirement building, they can keep working.

**MOTION:**

**Rep. Anderson** made a motion to approve **Docket No. 59-0106-1401. Motion carried by voice vote.**

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 2:32 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**ROMRELL SUBCOMMITTEE**  
Administrative Rules

**DATE:** Wednesday, January 21, 2015  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW20  
**MEMBERS:** Chairman Romrell, Representatives Anderson, Chaney, Nielsen, Packer, Chew  
**ABSENT/  
EXCUSED:** Representatives Anderson, Chew  
**GUESTS:** Megan Ronk, Susie Davidson, Kallen Hayes, Jenny Hemly, Cindy Lee, Patrick Watson, Department of Commerce; Angela Richards, various insurance companies; Mindy Montgomery, David Barney, Patti Vaughn, Idaho Industrial Commission; George Gutierrez, Idaho Industrial Commission/Crime Victims Compensation Program; Tom Limbaugh, Idaho Industrial Commission; Matt Warnick, Division of Financial Management; Woody Richards, insurance companies.

Chairman Romrell called the meeting to order at 1:30 P.M.

**MOTION:** Rep. Packer made a motion to approve the minutes of the Thursday, January 15, 2015, meeting. **Motion carried by voice vote.**

**DOCKET NO.  
28-0401-1402:** Megan Ronk, Chief Operating Officer, Department of Commerce presented **Docket No. 28-0401-1402.** The Pending Rule governs administration of the new Idaho Reimbursement Incentive Act (TRI). The rule addresses program intent, eligibility, job creation criteria, and the application process. Also clarified are conflict of interest, agreements and tax credit authorization.

**MOTION:** Rep. Packer made a motion to recommend the full committee approve **Docket No. 28-0401-1402.** **Motion carried by voice vote.** Rep. Nielsen requested to be recorded as voting **NAY.**

**DOCKET NO.  
17-0209-1401:** Patti Vaughn, Medical Fee Schedule Analyst, Idaho Industrial Commission, presented **Docket No. 17-0209-1401.** Ms. Vaughn stated the rule change is a code range adjustment, housekeeping in nature and is done to align with coding changes by the American Medical Association relative to physicians, hospitals and ambulatory surgery centers as well as billing and payment requirements.

**MOTION:** Rep. Packer made a motion to recommend the full committee approve **Docket No. 17-0209-1401.** **Motion carried by voice vote.**

**DOCKET NO.  
17-0209-1501:** Patti Vaughn, Medical Fee Schedule Analyst, Idaho Industrial Commission presented **Docket No. 17-0209-1501.** Ms. Vaughn stated the temporary rule addresses the Idaho workers' compensation hospital outpatient fee schedule modeled after the Ambulatory Payment Classification (APC) payment system created by Centers for Medicare & Medicaid Services (CMS). In order to keep payments stable and to avoid unnecessary confusion the agency has adopted this Temporary Rule.

**MOTION:** Rep. Nielsen made a motion to recommend the full committee approve **Docket No. 17-0209-1501.** **Motion carried by voice vote.**

**DOCKET NO. 17-0501-1401:** George M. Gutierrez, Bureau Chief, Crime Victims Compensation Program, Idaho Industrial Commission presented Docket No. 17-0501-1401. Mr. Gutierrez stated the changes in the rule address payments to innocent crime victims for medical services, reimbursement for transportation expenses in connection with obtaining benefits and payment of bills for reasonable treatment and services for victims who suffer injuries as the direct result of criminally injurious conduct.

**MOTION:** Rep. Packer made a motion to recommend the full committee approve Docket No. 17-0501-1401. Motion carried by voice vote.

**ADJOURN:** There being no further business to come before the Subcommittee, the meeting was adjourned at 2:29 P.M.

  
\_\_\_\_\_  
Representative Romrell  
Chair

  
\_\_\_\_\_  
Joyce McKenzie  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Thursday, January 29, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Update on the Tax Reimbursement Incentive (TRI), Opportunity Fund, IGEM, and the Department of Commerce general economic development efforts	Jeff Sayer, Director, Department of Commerce

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen	Rep Nielsen
Vice Chairman Anderson	Rep Packer
Rep Harris	Rep Redman
Rep Holtzclaw	Rep King
Rep Romrell	Rep Chew
Rep Chaney	Rep Rudolph
Rep Horman	

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Thursday, January 29, 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. Redman  
**GUESTS:** Jeff Sayer, Megan Hill, Megan Ronk, Department of Commerce; Jack Lyman, Idaho Mining Association

**Chairman Hartgen** called the meeting to order at 1:32 p.m.

**Vice Chairman Anderson** welcomed Mayor of Blackfoot, ID, **Paul Loomis** and Mayor of Firth, ID, **Vincent Larson**.

**Rep. Channey** welcomed Mayor of Nampa, ID, **Bob Henry**.

**Jeff Sayer**, Director, Department of Commerce, gave an update on the Tax Reimbursement Incentive (TRI), Opportunity Fund, Idaho Global Entrepreneurial Mission (IGEM), Accelerate Idaho and the Department of Commerce general economic development efforts. The state reached Project 60 goal figures in 2013 and has increased in 2014. International exports was over \$5.8 billion in 2014. Lodging Tax revenue was over \$8 million in 2014. Idaho currently has the fifth highest growth rate in the nation, eighth highest in manufacturing, and the sixth lowest unemployment rate.

**Mr. Sayer** noted that the IGEM research grant is being split among Boise State University, University of Idaho and Idaho State University. Additionally, he noted the Idaho Opportunity Fund has awarded \$1.9 million dollars to private companies. Since July 1, 2014 Tax Reimbursement Incentive has approved 9 projects with a capital investment of \$317 million, totalling 1,710 jobs, total wages of \$573 million and new state income revenue of \$75 million.

**Mr. Sayer** outlined, Accelerate Idaho, which is an initiative to advance individuals earning capabilities through education and talent development, to elevate industry by paying attention to current industry needs, and to strengthen communities by preparing them for growth. The projection of new jobs needed is an additional 109,000 employees, but the working population is not an estimated population increase of 14,000 leaving a 95,000 workers shortage. Professionals in technical trades are the most in demand. States Recruiting Talent is the future of the Department of Commerce. Skill levels must be increased so new companies will want to come to Idaho and increase rates of pay.

In response to questions, **Mr. Sayer** explained, there needs to be awareness of the job opportunities are available in the current job market. There also needs to be more training and certification programs offered to fit the job market needs.

In response to questions, **Sayer** said that if there is an increased investment in the opportunity fund the returns would be greater.

In response to questions, **Mr. Sayer** stated that community colleges are working with the industry and making changes to bridge the gap in training. There is a request for \$5 million to go into workforce development.

In response to questions, **Mr. Sayer** said that skilled education for existing technical workers is good and is needed. Industry and education have to link so that developments with current employees is feasible.

In response to further questions, **Mr. Sayer** noted that industry needs to be involved in educational planning. Youth need to be aware of what industries need employees and training is available to become skilled in those areas.

In response to questions, **Mr. Sayer** said that awareness of certification training which can be followed by employment and continuing education in a good option.

In response to further questions, **Mr. Sayer** said that there are multiple industries trying to work together to get grants. The Department of Commerce is creating a list of industry wide, necessary employee skills and is creating a certification or degree program to address industry needs.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:48 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Tuesday, February 03, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>RS23200</u></a>	Employment Security Law	Bob Fick, Communications Manager Communications & Research, Idaho Department of Labor
<a href="#"><u>RS23201</u></a>	Economic Advisory Council	Jeff Sayer, Director, Department of Commerce
	International Trade Managers- Updates on international trade and business economic development efforts	Armando Orellana, Director of Idaho, Mexico Trade Office Xu Fang, Director of Idaho, China Trade Office

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, February 03, 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. Horman

**GUESTS:** Andrew Mitzel, Realtors; Megan Hill, Jeff Sayer, Idaho Association of Commerce; Jay Engstrom, Larry Ingram, Bob Fick, Department of Labor; Jennifer McClaw

**MOTION:** **Chairman Hartgen** called the meeting to order at 1:30 p.m.

**Rep. King** made a motion to approve the minutes of the January 27, 2015 meeting.  
**Motion carried by voice vote.**

**Chairman Hartgen** stated that the agenda would be adjusted so that the Trade Managers could present first and then go to a meeting in the Senate.

**Director Jeff Sayer**, Idaho Association of Counties, introduced **Armando Orellana**, Director of Idaho-Mexico Trade Office and **Xu Fang**, Director of Idaho-China Trade Office.

**Mr. Orellana**, presented on the Mexico Trade Office and the Idaho and Mexico import and export relationship. There has been growth in the economy in Mexico. Trade from Idaho into Mexico has increased and continues to grow. The trade managers are trying to grown trade in commerce and agriculture between Mexico and Idaho. His office is informing Mexican tourists on what is available in Idaho to increase tourism in the State. Additionally, there are efforts to increase trade in new industries and also by working with college students in Idaho. In an effort to increase agriculture imports from Idaho to Mexico, test planting of Idaho bean seed plots in Central Mexico has taken place and Latin American dairy companies are looking to Idaho for development in the dairy industry. The Mexican tax authority has helped the dairy industry so it better understands how and what the tax implications are of exports and imports.

In response to questions, **Mr. Orellana** mentioned that all University students in Idaho are eligible to apply to work with him in Mexico to develop an import market for a specific company trying to expand in Mexico.

In response to questions, **Mr. Orellana** stated the dairy industry of Idaho has been developing and growing its' presence in Mexico. The largest dairy companies in Idaho have a huge amount of exports to Mexico. Vegetable trade, specifically fresh potatoes are in high demand in Mexico. The Idaho Potato Commission is working to increase the number of exports to Mexico.

In response to questions, **Mr. Orellana** said the Idaho bean seed test plot's purpose is to show that Idaho seeds can thrive in Mexico. Mexico is not a huge importer of beans from Idaho because the price of Idaho beans are higher than other states.

Is response to questions, **Mr. Orellana** stated that Mexico is apposed to GMOs, but the government has just recently approved GMO corn. More GMOs are being accepted now than ever before.

In response to questions, **Mr. Orellana** noted he is not an employee of the state but rather a state contractor.

In response to questions, **Mr. Orellana** stated that hemp is illegal in Mexico and it's growth is prohibited.

In response to questions, **Mr. Orellana** said planned expansion of barley has already happened and that there were struggles.

**Mr. Fang** presented on the China Trade Office. China's GDP has decreased slightly and the US is China's second largest import trade partner and largest export market. China is Idaho's third largest export market. There have been developments in the equine, the dairy, and timber industries. The China Trade Office is using WeChat, China's version of Social Media to expose citizens of Idaho industries and tourism opportunities. China ranks potatoes as the fourth highest used food source for its population.

In response to questions, **Mr. Fang** stated that Lewiston, Idaho's access to a seaport creates a large opportunity to have agriculture products transported to China.

In response to questions, **Mr. Fang** noted the largest import to Idaho from China is computer chips. There is a huge potential to increase potato export and farming equipment used to harvest and grow potatoes.

In response to questions, **Mr. Fang** said China's position on GMOs is that they are a solution to creating enough food for the countries population. In China, GMOs are called renovation products technology, to avoid using the GMO name.

In response to questions, **Mr. Fang** stated growing hemp is strictly prohibited in China.

In response to questions, **Mr. Fang** said China does import a large amount of raw materials and then exports them as finished products. China is also importing lumber and feed for animals and some imports are just consumed internally.

In response to questions, **Mr. Fang** noted the Chinese diet has changed and the intake of wheat, meat and dairy has increased. Wheat is the third largest import from Idaho. Beef from the US is still banned, however, there is a need for more beef and when the ban is lifted there will be a huge market for American beef. Beef is consumed in a Western style and also in traditional Chinese entrees.

**RS 23200:**

**Bob Fick**, Communications Manager Idaho Department of Labor, presented **RS 23200**, which is a technical correction to the language which will clarify the civil penalty amount collected by the federal Trade Adjustment Assistance Extension Act of 2011. The amount is equal to 15% of the total overpayment and must be paid into the employment security fund created by Idaho Code Section 72-1346. There is no fiscal impact. The change was addressed with a letter to the Department of Labor and this update aligns what is currently being done with the trust fund.

In response to questions, **Mr. Fick** stated the Department of Labor only allows money to be used to pay unemployment benefits. The money is put into a fund and the fund penalty amount can be adjusted based on fund needs.

In response to questions, **Mr. Fick** noted the tax paid by businesses has decreased. The fund will remain stable through recessions due to its stability and will not dip below a safe amount.

**MOTION:**

**Rep. Anderson** made a motioned to introduce **RS 23200**. **Motion carried by voice vote**

**RS 23201:** **Mr. Sayer**, Idaho Association of Commerce, presented **RS 23201** which is a change to provide Economic Advisory Council (EAC) members with \$50.00 per day compensation to ensure there is a parity in compensation for EAC and Idaho Travel Council members. Additionally, changes to the EAC model will change it from six to seven regions which also aligns with the seven region model of the Idaho Travel Council. The Idaho Department of Commerce will be paying this compensation amount and is not requesting any additional funds.

**MOTION:** **Rep. Chaney** made a motion to introduce **RS 23201**.

In response to questions, **Mr. Sayer** noted there will be one additional region added to the EAC. There will be a \$5,000 to \$6,000 budgetary cost which comes out of the Department of Commerce budget.

In response to questions, **Mr. Sayer** stated the application reviews of Tax Reimbursement Incentive is an added task of the EAC which creates a need for monthly meetings. This job expansion, is the reason for the compensation increase.

**Rep. Nielsen** stated he is against the Tax Reimbursement Incentive and is in favor of free market.

**VOTE ON MOTION:** **Chairman Hartgen** called for a vote on the motion to introduce **RS 23201**. **Motion carried by voice vote**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:46 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Thursday, February 05, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Informal Discussion: Workers Compensation for First Responders and the Chemical Industry	

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen  
Vice Chairman Anderson  
Rep Harris  
Rep Holtzclaw  
Rep Romrell  
Rep Chaney  
Rep Horman

Rep Nielsen  
Rep Packer  
Rep Redman  
Rep King  
Rep Chew  
Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Thursday, February 05, 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. Packer

**GUESTS:** Mike Taylor, Woody Richards, Angela Richards, NCCI Ins. Cos.; George Parham, SIF; Al Gardner; Kelly Paananen, Ada County; Stephanie Butler, Mindy Montgomery, Beth Kilian, RD Maynard, Tom Limbaugh, Idaho Industrial Commission; Richard Owen, Tom Lovell, PFFI; Michael McPeck, Gardner Law Office; Matt Pigjeon, Alexandr Rangel, FCSN; Rob Shoplock, Professional Firefighters; Shawn Laughlin, Nampa Firefighters, Leon Duce, Association of Idaho Cities; Bryon Welch, Office of Performance Evaluations; Elizabeth Criner, NWFPA/FWAA; Joe Stear, ISFCA; Kevin Courtney, Idaho Volunteers; Juan Bonilla, IVFESA/Chiefs; Seth Grigg, AIC; Tom Donovan, Department of Insurance; Phil Barber, American Insurance Association; Paul Jackson, Farmers Insurance; Jennifer Law, District 6; Chad Ranstrom, Morton and Co.

**Chairman Hartgen** called the meeting to order at 1:30 p.m.

**MOTION:** **Rep. Harris** made a motion to approve the minutes of January 29, 2015. **Motion carried by voice vote.**

**Chairman Hartgen** stated the purpose of the meeting was to begin to gather opinion, ideas and facts on first responders compensation and that no legislation, will happen this year.

**Woody Richards** NCCI INS COS., stated the company has worked to develop rates and rules on first responders coverage.

**Mike Taylor** NCCI INS. COS., said the company measures data on first responders compensation. Most first responders are not self-insured for cancer coverage and state employees are not covered either. The number of first responders with cancer is not easy to track. The NCCI INS. COS. has created a list of presumptive diseases applicable to workers compensation coverage by the state. Idaho workers compensation does not cover cancer or blood/infectious diseases for first responders. Seventy percent of fire fighters in Idaho are volunteer so it is difficult to gauge cancer rates in the state.

In response to questions, **Mr. Taylor** noted insurance coverage carriers are required to submit annual statistics on coverage and workers compensation claims because there are volunteer first responders and full-time first responders, the coverage is different and not true, comprehensive statistics do not exist. He also stated thirty to forty years ago presumptive disease and cancer were added to coverage and in 2001 there was a big push for additional coverage.

**Matt Pidjeon**, Fire Fighters Cancer Support Network, Idaho Chapter stated they educate fire departments on the dangers they face when on the scene and how to better protect themselves. Cancer is the leading cause of death among fire fighters. One in three fire fighters develop cancer. Fire fighters are more likely to develop cancer than in any other field. Chemical readings post fire showed there were chemical reading recorded forty five to sixty minutes after fires were out. This is the reason first responders are more at risk, because of synthetic material burning versus natural materials. Synthetic materials burn faster and hotter than natural materials and for every 5 degree increase in skin temp there is a 400% increase of skin absorption thus increasing the likelihood of cancer development.

In response to questions, **Mr. Pidejon** commented that the safety of materials the fire fighters wear has improved, but the materials create a film that is actually dangerous over time. Some of the dangerous chemicals are still able to penetrate protective gear. He said there are chemical readings thirty to forty feet from the fire so even fire fighters not directly in the fire are still exposed to dangerous materials. He also noted the fire fighters are learning more about how to protect themselves. Teaching is a big part of exposing fire fighters to dangers they face in the profession. He said blood and infectious diseases are also a concern to fire fighters. Additionally, he stated the largest number of fire fighters are volunteers, 70% in Idaho and nationally. He is unsure if volunteers are required to have yearly physicals.

**Rob Shoplock**, Professional Firefighters Association, told a story of a local fire at a mobile home at which they were told no one was home. The first responders went inside and found a pregnant woman, husband and child. They rescued them and then did CPR for forty minutes. When called to an emergency first responders do what they have to, there is not an option to stay in a safe area. The gear they wear is good, but danger is still there and they are still exposed to hazardous materials. In the past fifteen years, in Idaho there have been two cases of cancer developed in actively working first responders. Most cases of cancer development is in retired first responders. All that the fire fighters want is protection for cancer when they meet the qualifications.

In response to questions, **Rob Shoplock**, stated many fire fighters purchase private cancer insurance. He said this does not always have the best treatment solutions. The best coverage for first responders would be through a workers compensation plan. Additionally, he said the studies are from full time fire fighters, not from volunteer fighters. There is blood born tracking for active fire fighters, but there is no tracking on carcinogens of active fire fighters. He also noted they are working with different groups to find the best protective materials, but because there are so many hazardous materials that fire fighters are exposed to, there are not materials that protect against everything. They want coverage for exposure to dangerous materials for fire fighters who have had exposure and have meet the stipulations of healthy lifestyle.

**Joe Stear**, Idaho State Fire Commissioners Association (ISFCA), stated ISFCA position is against first responders coverage because it did not include volunteer fire fighters. There are not perimeters to decipher the amount of coverage for different types of fire fighters. Also, the ISFCA is concerned with the rate increases for workers compensation insurance.

In response to questions, **Joe Stear**, stated volunteers should qualify for workers compensation if they meet specific outlined parameters and volunteer fighters would need to also have yearly physicals. Also, he stated individual fire departments and districts would need to contribute different amounts toward workers compensation. Some districts would be left out because they are not currently providing workers compensation for volunteers. The cost statewide for this added benefit has been estimated at a 1-3% increase in workers compensation rates. For most districts already paying workers compensation, this rate increase would be absorbed. He also noted volunteers who are exposed to hazardous materials at other jobs would need to have parameters set to the number of fires they responded to so that appropriate coverage could be determined.

In response to questions, **Joe Stear**, stated exposure to chemicals is similar in rural and urban areas and all groups are working together to get legislation proposed to make this coverage happen.

**Seth Grigg**, Association of Idaho Cities, stated if they can be a source of information gathering, they are willing to help.

**Mr. Grigg** stated the retirement rules may need to be addressed because of exposure, but the extra cost of early retirement would need to be addressed because of the cost for paying for early retirement.

**Michael McPeck**, Gardner Law Office, presented on Occupational Disease Law, stating the disease needs to show it was caused during the time of employment, and meet the increased risk period. The conditions of that employment must prove additional diseases are not common to average people. He said regarding cancer, the Supreme Court deemed a disease found to the general public, would be covered by workers compensation because the diseases are common to the general public, but there is an increased risk to first responders because of the increased exposure to hazardous materials.

In response to questions, **Michael McPeck**, stated when providing proof of cause of cancer for first responders, there does not need to be an exact date of exposure. History of employment would be looked at and the probability of exposure during the time worked to determine coverage. He stated the level of assuredly to exposure to carcinogens with first responders falls under causation in workers compensation cases and is more likely than not, a 51% certainty that employment has caused that disease. Also, he stated the laws involving workers compensation for first responders cancer cases vary across the US and there are different definitions of what is presumptive across the US. The list of presumptive diseases is available because there is enough of a risk so employees just have to prove exposure. Additionally, he said he had no knowledge of cases when fire fighters died of cancer and was unsure if the employees filed for workers compensation.

In response to questions, **Rob Shoplock**, stated there have been two cases in Idaho of active fire fighters developing cancer. In both cases the individual filed for workers compensation and failed to be approved for coverage.

**Kevin Courtney**, Idaho Volunteers, stated the organization is working with other organizations to get coverage for volunteer fire fighters.

**Richard Owen** PFFI, stated there is no presumption of causation, because it classifies cancer as an occupational disease. It eliminates the need to prove that first responders were exposed to a chemical and that is unusual to the job. The classification needs to change and there is no presumption but still requires documentation and medical proof. The exception to this presumption is there should not be a specific date of exposure which must be proven, because this is already in the law. Exposure and proof are hard to provide by fire fighters so cancers should be listed as an occupational disease.

In response to questions, **Mr. Owen**, stated there is the possibility to have a percentage of exposure in a proposed bill. The bill that is being added addressed the issue of if a first responder is exposed to hazardous materials at work then diseases caused by exposure are considered occupational diseases. He also noted if cancers are stated as occupational disease, proof of exposure will not need to be provided.

**Al Gardner**, Gardner Law Office, stated cancer needs to be added to the list of diseases not just specifically to fire fighters, so the current draft needs to be adjusted. The key is employers are to cover work risks and work covered diseases. If statistical liabilities are added then there is no need to prove exposure. Fire fighting has statistical risk of cancer development and this is not the case for other occupations.

In response to questions, **Al Gardner**, stated the exposure proof is an unknown and standards of proof are used to justify coverage. There is not a large number of workers compensation claims that end up in litigation, but if they do, there needs to be proof and evidence.

**Juan Bonilla**, IVFESA Chiefs, stated The National Fallen Firefighter Foundation has created this task force to help states understand the threat and guide our service in the right direction with prevention as well as presumptive legislation. The four Idaho fire associations have now come together to come up with a strategic plan for this issue as well as presumptive legislation that includes volunteers. The fire associations involved are the Idaho Volunteer Fire and EMS Service Association, Idaho Fire Chief's Association, Professional Firefighters of Idaho, and the Idaho Fire Commissioners. Volunteers with more than five years of service have a 10% higher chance of getting cancer and a retired full time fire fighter has a 20-25% increased risk of getting cancer. Fire fighters have protective gear but carcinogens are still absorbed in the skin, and gear needs to be improved to reduce cancer risk, however, there needs to be worker compensation coverage as well.

In response to questions, **Juan Bonilla**, stated workers compensation contribution rates would not increase much but the coverage would be there to help those fire fighters effected with cancer.

**Tom Lovell** PFFI, stated in his twenty four years of service as a fire fighter, he has kept a log of calls so he has proof all of his over 1,500 calls to over 200 fires. Fire fighter protective gear has improved greatly, but there are still issues with smoke absorption. Even with the advances in protective gear, risk of developing a disease from past exposure is still a concern. Safety training of the risks of exposure is emphasized in the fire department. The biggest concern is to have protection if a work related disease is developed so family members do not need to fight to get coverage. Workers compensation coverage needs to be addressed for coverage of fire fighters.

In response to questions, **Tom Lovell**, said he has averaged two to three fires per month in seven stations in Boise. He has seen cancer impact only one active fire fighter, however, it is when fire fighters retire that cancer impacts them.

**Chairman Hartgen**, stated discussion as a committee will take place and first responders compensation will be addressed next session.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 3:16 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

**AMENDED AGENDA #1**  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Monday, February 09, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">RS23502</a>	Retirement provisions, legislature	Rep. Harris
<a href="#">H0078</a>	Employment Security Law	Bob Fick, Communications Manager, Communications & Research, Idaho Department of Labor
<a href="#">H0079</a>	Economic Advisory Council	Jeff Sayer, Director, Department of Commerce

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: hcom@house.idaho.gov

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Monday, February 09, 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:** None  
**GUESTS:** Don Drum, Lisa Steele, PERSI; Megan Ronk, Megan Hill, Commerce; Bob Fick, Labor; Marilyn Whitney, Governor's Office

**Chairman Hartgen** called the meeting to order at 1:31 p.m.

**H 78:** **Bob Fick**, Idaho Department of Labor, presented **H 78**, which approves changes to the Idaho Code Section 72-1369 required by the federal Trade Adjustment Assistance Extension Act of 2011. The U.S. Department of Labor has now informed the Department of a technical correction necessary to the language to clarify the civil penalty amounts collected, an amount equal to 15% of the total overpayment must be paid into the employment security fund. This change of language brings the law into conformity with what is already being done in the Department of Labor. There is no fiscal impact due to this change.

In response to questions **Mr. Fick** stated the fine was enacted because the Department of Labor wanted all states to have fines for overpayment of 15%. He also stated the director can decide to waive overpayment fees but not in fraud fees. In cases where fraud is determined, the claimant has to repay overpayments and will lose their ability to claim benefits for 52 weeks. The claimant in fraud cases has the right to appeal the decision of fraud. If the error is not fraudulent the claimant is still eligible for benefits after they repay the overpayment.

**MOTION:** **Rep. King** made a motion to send **H 78** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nielsen** requested he be recorded as voting **NAY**. **Rep. King** will sponsor the bill on the floor.

**H 79:** In the absence of **Jeff Sayer**, **Megan Ronk**, Department of Commerce, presented **H 79**, 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. This bill will have zero fiscal burdens, costs would be absorbed by the Idaho Department of Commerce.

In response to questions, **Ms. Ronk**, stated the issue of a tie vote with an eight member board would need to be addressed because there are no rules on the situation. She also said currently all position on the EAC board are filled and the additional committee member would be an at large position that is rotated, and filled by someone who will add value and has a statewide prospective.

In response to questions, **Ms. Ronk**, stated there are no written rules that council members must live in the region they represent and the council has been around since the 1950's so some of its legislative language is broad. The governor makes sure the board members are from the regions in which they live.

In response to questions, **Ms. Ronk**, said the incentive awards have been given to mostly rural areas, but have been awarded all over the state. The council and the director will look at all qualifying projects which apply in all regions including multi-county regions.

**ORIGINAL MOTION:**

**Rep. Romrell** made a motion to send **H 79** to the floor with a **DO PASS** recommendation.

**Rep. Nielsen** stated he has concerns with the motion, because this will negatively impact small businesses.

In response to questions, **Ms. Ronk**, stated the tax incentive is divided into rural and urban areas and in urban areas 50 new jobs is the minimum to be considered and in rural areas a minimum of 20 new jobs is required.

**Rep. Redman** stated he will not support a do pass because this legislation only adds a per diem amount and a region.

**Rep. Rudolph** is concerned with the amount of money in tax deductions decided upon by a board. He feels this bill needs to be more defined before it is sent to the floor.

In response to questions, **Ms. Ronk**, stated they understand the significance the board members have to make the tax incentive decisions. In the history of the EAC, there have not been any cases of the location where board members live being an issue.

**SUBSTITUTE MOTION:**

**Rep. Redman** made a substitute motion to **HOLD H 79** in Committee.

**Rep. King** spoke in favor of the original motion because the change is about adding an eighth member and compensating members of the EAC and not about the premise of what the council does.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:**

**Chairman Hartgen** requested a roll call vote on the substitute motion to **HOLD H 79**. **Motion carried by a vote of 9 AYE and 4 NAY. Voting in favor** of the motion: **Reps. Hartgen, Harris, Hotlzclaw, Chaney, Horman, Nielsen, Redman, Chew, and Rudolph. Voting in opposition** to the motion: **Reps. Anderson, Romrell, Packer, and King.**

**RS 23502:**

**Rep. Harris** presented **RS 23502** which will remove an unfair carve-out, giving special treatment to legislators to accumulated service time for PERSI benefits. Idaho statute governs the PERSI benefits that are eventually paid to part-time, elected officials who have been elected or appointed to a full-time government service. The split calculation considers both full and part-time portions of service in determining retirement benefits. There is no fiscal impact of this legislation.

In response to questions, **Rep. Harris**, stated this is in reference to any elected official who is a part-time elected official and if they are then elected full-time, they will transition to full-time benefits. A part-time employee is classified as working no more than 20 hours a week. The part time employees will receive the appropriate PERSI amount as deemed fair. If the part time employee transitions to working full-time, the accumulated time in each category will then be added to the calculation to determine appropriate benefits.

**ORIGINAL MOTION:**

**Rep. Chaney** made a motion to introduce **RS 23502**.

In response to question, **Rep. Harris** stated the actual amount of dollars in the PERSI accumulation is available and can be withdrawn. This change will only remove the carve-out for legislators. He stated, PERSI benefits would be calculated independently of the hours accumulated, as the appointee spends more time working full-time previously calculated part-time benefits would be deducted from the full-time benefits.

**Rep. Packer** stated as a legislator, it is full-time during session, but over the rest of the year it decreases to part-time, if that. The average hours worked for legislators over a year the time is part-time. This change will effect current legislators, if they take a full-time government service position prior to 1, July 2015.

In response to question, **Rep. Harris** stated this does not take into account that legislators are full-time for the legislative session, but not for the whole year. The equation is not changed, just the carve-out for legislators is removed.

**Rep. Holtzclaw** stated he does not agree with this proposal because it may discourage people from wanting to serve this state.

**SUBSTITUTE MOTION:**

**Rep. Holtzclaw** made a substitute motion to return **RS 23502** to the sponsor.

**Rep. Chaney**, stated he is in opposition to the substitute motion, because he pays into PERSI part-time so he should get the associated benefits.

**Rep. Nielsen**, stated his legislative job has limited his ability to work more hours at his other full time jobs and feels the legislative job is full-time.

**Rep. Packer**, spoke in support of the original motion. She feels this only affects those who go on to a full-time job after their time in the legislature. This will effect 1 or 2 % of legislators, but this change will level the playing field.

In response to questions, **Rep. Harris** stated that this change does not define part-time, this only eliminates the Idaho legislator exception.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:**

**Chairman Hartgen** requested a roll call vote on the substitute motion to return **RS 23502** to the sponsor. **Motion failed by a vote of 1 AYE and 12 NAY. Voting in favor of the motion: Rep. Hotlzclaw. Voting in opposition to the motion: Reps. Anderson, Hartgen, Harris, Chaney, Horman, Nielsen, Redman, Romrell, Packer, Chew, King and Rudolph.**

**ROLL CALL VOTE ON ORIGINAL MOTION:**

**Chairman Hartgen** requested for a roll call vote on the original motion to introduce **RS 23502. Motion passed by a vote of 12 AYE and 1 NAY. Voting in favor of the motion: Reps. Anderson, Hartgen, Harris, Chaney, Horman, Nielsen, Redman, Romrell, Packer, Chew, King and Rudolph. Voting in opposition to the motion: Rep. Hotlzclaw.**

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 2:44 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

**AMENDED AGENDA #1**  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Wednesday, February 11, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">RS23553</a>	PERSI, rule rejection	Chairman Hartgen
<a href="#">RS23586</a>	Economic Advisory Council	Jeff Sayer, Director, Department of Commerce
	Governor's Industry Sector Grant Proposal	Kenneth D. Edmunds, Director, Idaho Department of Labor

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen  
Vice Chairman Anderson  
Rep Harris  
Rep Holtzclaw  
Rep Romrell  
Rep Chaney  
Rep Horman

Rep Nielsen  
Rep Packer  
Rep Redman  
Rep King  
Rep Chew  
Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto  
Room: EW06  
Phone: 332-1149  
email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

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

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Tuesday, February 17, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">HCR 6</a>	PERSI, Rule Rejection	Don Drum, Executive Director, PERSI
<a href="#">H 100</a>	Retirement Provisions, Legislature	Rep. Packer
<a href="#">H 120</a>	Economic Advisory Council	Jeff Sayer, Director, Idaho Department of Commerce

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, February 17, 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:** None

**GUESTS:** Don Drum, PERSI; Jeff Sayer, Megan Hill, Idaho Department of Commerce; Marilyn Whitney, Governor's Office

**Chairman Hartgen** called the meeting to order at 1:31 p.m.

**HCR 6:** **Don Drum**, PERSI Executive Director presented **HCR 6** which is to reject IDAPA 59.0103.1401 as it has been superseded by another rule in regards to PERSI contributions. There is no impact to the General Fund.

**MOTION:** **Vice-Chairman Anderson** made a motion to send **HCR 6** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Vice Chair Anderson** will sponsor the bill on the floor.

**H 120:** **Jeff Sayer**, Director Idaho Department of Commerce, presented **H 120** 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. The Idaho Department of Commerce is asking for support of the Committee to send this to the floor.

In response to questions, **Mr. Sayer** stated the current council is dynamic and they discuss and provide input on issues within the Idaho Department of Commerce, to move issues forward and create resolutions. This body oversees how grants are awarded and with the additional roles added, an additional member to the council would make the council more dynamic and the additional member would have a statewide perspective.

**MOTION:** **Rep. Romrell** made a motion to send **H 120** to the floor with a **DO PASS** recommendation.

**Rep. Nielsen** stated his concern that the grants the council is overseeing, he feels are discriminatory to businesses with less than twenty five employees.

In response to questions, **Mr. Sayer** said if the council members are paid they will not contribute to PERSI. This pay for the council members is just about fairness, so that they are compensated from their time.

**VOTE ON MOTION:**

**Chairman Hartgen** called for a vote on the motion to send **H 120** to the floor with a **DO PASS** recommendation. **Motion carried my voice vote. Reps. Nielsen, Harris and Redman** requested they be recorded as voting **NAY**. **Rep. Chaney** will sponsor the bill on the floor.

**H 100:**

**Rep. Packer** presented **H 100** which removes an unfair carve-out, giving special treatment to legislators to accumulated service time for PERSI benefits. Idaho statute governs the PERSI benefits which are eventually paid to part-time, elected officials who have been elected or appointed to a full-time government service. The split calculation considers both full and part-time portions of service in determining retirement benefits. There is no fiscal impact of this legislation.

**Rep. Harris** stated this split calculation is quite generous putting much weight on the full-time portion. In 1990, new legislation created a special carve-out just for legislators allowing them to consider all service years as full-time. This can create a substantial and inequitable spike in their eventual benefit payments, sometimes four to seven times more than they would have otherwise received. No other elected official can claim this same advantage.

In response to questions, **Rep. Harris** stated PERSI retirement is used by taking the average of the highest paid 42 months to calculate the pay.

**MOTION:**

**Rep. Redman** made a motion to send **H 100** to the floor with a **DO PASS** recommendation.

In response to questions, **Rep. Packer** stated all time served as a state employee is counted, but would just be based on full or part-time

**VOTE ON MOTION:**

**Chairman Hartgen** called for a vote on the motion to send **H 100** to the floor with a **DO PASS** recommendation. **Motion carried by a unanimous voice vote. Reps. Harris and Packer** will sponsor the bill on the floor.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 2:01 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Thursday, February 19, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Informal Committee Discussion: Workers Compensation for the First Responders and Chemical Industry	

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Thursday, February 19, 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:** None

**GUESTS:** Tom Limbaugh, Industrial Commission; Michael McPeck, Gardner Law; Woody Richards, Insurance Cos.; Shaun Laughlin, Professional Firefighters of Idaho; Matt Pidjeon, Alexandra Rangel, Firefighter Cancer Support Network; Tom Lovell, PFFI; Rakesh Mohan, Chelsea Shaver, OPE; Knute Sandiahl, State Fire Marshal

**Chairman Hartgen** called the meeting to order at 1:30 p.m.

**MOTION:** **Rep. King** made a motion to approve the minutes of the February 11, 2015 meeting. **Motion carried by voice vote.**

**MOTION:** **Rep. King** made a motion to approve the minutes of the February 17, 2015 meeting. **Motion carried by voice vote.**

**Chairman Hartgen** stated **H 120** was pulled back and will be re-addressed before it is ready to go to the floor.

**Chairman Hartgen** thanked the audience members for coming. This meeting is not to result in legislation but rather an open committee forum for discussion and questions to members and the audience. There will be no testimony, but rather a discussion to determine a way forward. There is not a bill for the 2015 session, but moving forward, there needs to be determination of the costs legislation would stimulate, who needs to be covered and the type of legislation which needs to be created to address this issue. There are many different factors that need to be addressed and investigated before any legislation will be created. More information in regards to First Responders needs to be collected to determine the need, numbers and the cost associated with coverage. This legislation will need to have constraints for coverage. One constraint would be that coverage only extends to those who do not smoke or use smokeless tobacco. Whatever the way forward, there needs to be a shared responsibility for the cost of this coverage between the State and other organizations to whom covered employees work.

**Rep. Chew** stated claims in the current workers compensation for occupational diseases are usually denied. That is a major concern and that even if there is evidence of exposure, the claimant still has to prove exposure on the job.

In response to questions, **Rakesh Mohan**, Director of the Office of Performance Evaluation (OPE), said he feels his office can handle a study on First Responders. The study request must be submitted to the JLOC committee and their recommendations will determine if OPE will take up the request. Information could be gathered by fall 2015. The OPE looks at current data, background information, questions and areas of interest before they start the actual study. In order to move forward with research, the OPE needs a draft request from the House Committee. Once the request for the study is approved the OPE will determine who will be involved in this study. Once the OPE has spoken with key people they will create a scope for the study. Once the scope has been decided, the OPE will begin interviewing, and data collection to get validation on areas of concern. They are responsive to the legislative needs, they are not an expert in one area but rather look at many issues as per the request of State legislative committees.

**Vice Chair Anderson** stated that OPE studies are impactful.

**Rep. Romrell** stated First Responders are critical members of Idaho and he feels legislation needs to protect and take care of them. Many are volunteers and they have little to no insurance.

**Rep. Redman** stated there are many insurance plans available that cover cancer. He said he would like information about available plans in the OPE study. He said it may be better to go with private insurance versus have cancer covered under Workers Compensation.

**Rep. Rudolph** stated with changes in industries it is harder to prove that diseases are cause by work related exposure. However, there are studies which have already been done on cancer and First Responders. This is an important and cutting edge topic which needs to be addressed.

**Rep. Chaney** feels this a worthwhile topic and feels if diseases are caused by work exposure they should be covered. It is critical to look at the extent of coverage, burden of proof, insurance options and there is evidence that cancer is a hazard of the job.

**Rep. Chew** stated that she does research by trade and feels the analogy of cause and effect is strong. She feels there are many questions related to this topic and the OPE research does not need to examine cause and effect because the evidence already exists. The OPE needs to look at who will pay for coverage, who will be covered, and the health restraints of the coverage. If cancer pops up within 10 years of retirement, studies have shown it is work related. The OPE study needs to be in areas that are not already addressed and researched.

In response to questions, **Mr. Mohan** stated the OPE will look at the public policy issues. The shared cost will be addressed in a study. The OPE can look at the different state models and see how they address the issue. They can also look into the issues raised by members of the committee. The OPE is nonpartisan and is able to look at all literature and independent research and report back with their recommendations.

**Rep. Packer** stated in the US when an individual has a need, others expect that the need will be met. It is the responsibility of the State to protect First Responders for hazards they are exposed to on the job and diseases that are cause from exposure to hazards. This issue needs to be looked at in a responsible manner and policy needs to be addressed with this in mind. The protective gear for First Responders use is good, but they are still exposed to hazards. Some First Responders have to spend their own money to get the best gear. The OPE research need to include a look at the current gear and if it is the best to protect First Responders while they are on the job. There also needs to be Workers Compensation for the hazards they are exposed to. First Responders are exposed to so many hazards and do a huge service for the general public.

**Rep. Chaney** stated he wants to know the cost, data and coverage needed so that legislation can happen as soon as possible. He is in favor of getting all the information needed to create a draft of legislation.

In response to questions, **Mr. Mohan** stated this an extremely important issue and information needs to be gathered so there is enough information to form legislation.

**Rep. Chew** stated she is concerned the OPE research and findings will not come forward as quickly as needed. She wants to see legislation this session. She feels there is enough information and has been enough discussion to move forward with legislation this year.

**Tom Limbaugh**, Industrial Commission, stated the agency is a neutral commission. Any Workers Compensation claim filed goes to the insurance company and they decide if they will accept or deny the claim. Denied cancer claims have never been moved forward to the Industrial Commission. The OPE can be an excellent resource to gathering information to create the right kind of legislation. The Industrial Commission is not an insurance company they only oversee Workers Compensation claims.

**Rep. Redman** suggested that there are group cancer policies for First Responders available and may be a good option for coverage.

**Mike McPeek**, Attorney with Gardener Law Offices, stated there is a provision that will not allow a worker to pay a premium in workers compensation coverage. The claim for cancer coverage depends on the cancers listed as occupational hazards. Most compensation cases are denied if causation is a concern. A denied claim can then be presented to the Industrial Commission and they can decided if a claim will be covered. Most Workers Compensation claims are handled without dispute. In diseases, like cancer in First Responders workers compensation, if legislation is passed to add cancer coverage, no past cases can seek a claim against the employer or the State because of the statute of limitations.

**Rep. Nielsen** stated the statute of limitations puts his mind at ease about First Responders legislation because there will not be a large number of claims from the past being brought against the State or employers.

**Rep. Rudolph** stated since cancer is not covered in Workers Compensation the OPE research needs to look at if there is new causation for cancer and if there is not, how First Responders are exposed.

**Rep. Chew** stated 38 states have already added coverage for First Responders because cause and effect has been proven. The OPE study may need to look at volunteer coverage and exposure. The legislation needs to be heard and the research should be used as guidance on how to address volunteers.

**Chairman Hartgen** stated that since this is not a privileged committee, if legislation will be heard this session it will have to go to a privileged committee.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:04 p.m.

---

Representative Hartgen  
Chair

---

Erin Hutto  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Monday, February 23, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">H 120</a>	Economic Advisory Council	Jeff Sayer, Director, Department of Commerce

***If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Monday, February 23, 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. Romrell and Nielsen  
**GUESTS:**

**Chairman Hartgen** called the meeting to order at 1:30 p.m.

**H 120:** **Jeff Sayer**, Director of the Idaho Department of Commerce, explained **H 120** is a modification to the original bill that passed on February 17, 2015. This will change the payment category of the committee members by replacing sub-paragraph "h" with sub paragraph "n". This change confirms the committee members are not on the Department payroll and thus are not eligible for PERSI.

In response to questions **Chairman Hartgen**, stated the amendment clarifies the only change which is "h" will be deleted and substituted with "n".

**MOTION:** **Rep. Chaney** made a motion to send **H 120** to General Orders with committee amendments attached. **Motion carried by voice vote. Rep. Harris and Redman** requested that they be recorded as voting **NAY. Rep. Chaney** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:40 p.m.

---

Representative Hartgen  
Chair

---

Heidi McKay  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
**1:30 P.M.**  
**Room EW05**  
**Wednesday, February 25, 2015**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1079</u></a>	Engineers/Surveyors	Keith Simila, Executive Director, Board of Engineers and Land Surveyors
<a href="#"><u>S 1081</u></a>	Self-Funded Health Care Plans	Joe, Stegner, U of I, Spec. Asst. to Pres.

***If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Wednesday, February 25, 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. Romrell

**GUESTS:** Kent Nelson, Ron Smith, U of I

**Chairman Hartgen** called the meeting to order at 1:32 p.m.

**MOTION:** **Rep. King** made a motion to approve the minutes of the February 19, 2015 meeting. **Motion carried by voice vote.**

**S 1079:** **Keith Simila**, Executive Director, Board of Engineers and Land Surveyors, presented **S 1079** which provides minor changes to the requirements for plats, records of survey, monuments and the fundamental examinations for college students. There are basic features that land surveyors place on plats and records of survey prior to submitting them for filing or recording in county courthouses. The change will make the basic requirements for documents in order to bring consistency. The basic requirements assist users in orienting themselves and making sure the scaling of these products is correct when copies are enlarged or reduced. The media that plats and records of survey are printed on as described in current law is no longer available.

**Mr. Simila** said there was a change last year that attempted to address this, but it did not change the law in three section of Idaho Code where media is described. This resulted in inconsistency in Idaho Code. The revised law replaces the obsolete language with new media requirements that fits with current technology and the needs of the counties and surveyors.

**Mr. Simila** also said this legislation addresses changes in the two licensing examinations taken by students in their senior year or after graduation. The test can now be taken electronically. The board would like students to pass the examination before they apply for their intern certificate. This legislation will make technical changes to enable all professional land surveyors to set monuments and thus protect public interest.

In response to questions, **Mr. Simila** stated the plats and surveys are still in hard copy which are filed in county offices. This legislation does not require that plats and surveys are digitized, only plats and surveys to be a certain size and made of specific materials. This legislation will update what media is used by surveyors. These three changes are brought together as one bill because they are minor clean-up details that are not controversial.

**MOTION:** **Vice Chairman Anderson** made a motion to send **S 1079** to floor with a **DO PASS** recommendation.

In response to questions, **Mr. Simila** stated previously used materials have become outdated so new materials are now required for plats and surveys.

**VOTE ON MOTION:**

**Chairman Hartgen** called for a vote on the motion to send **S 1079** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Rudolph** will sponsor the bill on the floor.

**S 1081:**

**Joe Stegner**, University of Idaho (U of I) Special Assistant to the President, introduced **Kent Nelson**, General Counsel, U of I who presented **S 1081** which discusses the self-funded benefits plan for employees at U of I and covers health, vision and dental coverage. They purchase two types of stop loss coverage for this plan. Payments are received for trust contributions and claims are paid from monies in the trust. The trust must have surplus funds. The reserve funds change due to the requirements of the funds. The calculation for this plan has changed and because of this the trust must have a larger reserve than necessary. This legislation will allow the trust surplus to revert to a previous defined calculation. The reserve surplus calculation is only for the post secondary coverage trust fund. With the previous calculation, six million dollars a year in funds are released which would otherwise be tied up in the surplus trust fund. The Department of Insurance does not oppose this legislation to revert to previous calculations.

**MOTION:**

**Rep. Redman** made a motion to send **S 1081** to the floor with a **DO PASS** recommendation.

In response to a question, **Mr. Nelson** stated the credit rating would either stay the same or increase due to freeing up the reserve funds. If there is a cancellation adjustment in the future, the amounts in the reserve of the trust would be analyzed. If the U of I decides to terminate the self-funded trust the employees will be able to transition to other insurance plans within the required time. The unpaid claims liability is defined as a calculation done quarterly, which reports on the plan claim history and the amount of reserves needed. The six million dollars of unrestricted reserve money freed by this change is not labeled as trust reserves. These funds could be used for whatever the University deems appropriate. The reserves are measured at the end of the fiscal year to determine the credit rating of U of I. The University needs to have a total of unrestricted reserves but there cannot be restrictions in how the funds can be spent.

**VOTE ON MOTION:**

**Chairman Hartgen** called for a vote on the motion to send **S 1081** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Redman** will sponsor the bill on the floor.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 2:12 p.m.

---

Representative Hartgen  
Chair

---

Heidi McKay  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
1:30 or Upon Adjournment  
Room EW05  
Monday, March 09, 2015

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">S 1001</a>	Workplace Safety	Tom Limbaugh, Industrial Commission and Kelly Pearce, Director of the Division of Building Safety

***If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Heidi McKay

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Monday, March 09, 2015  
**TIME:** 1:30 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) Horman  
**GUESTS:** Dave Barney, Mindy Montgomery, Tom Limbaugh, Woody Richards, Stephanie Butler, Industrial Commission; Jerry Deckard, ALC; C. Kelly Pearce, DBS

**Chairman Hartgen** called the meeting to order at 2:14 PM

**S 1001:** **Tom Limbaugh**, on behalf of the Industrial Commission presented **S 1001** to the committee. He stated the Idaho Code has not been amended to recognize OSHA. This legislation represents the practices of the Industrial Commission and the Division of Building Safety in how they have dealt with public safety inspections and programs over the past twenty five years. This bill clarifies the safety inspections and programs carried out by the Division of Building Safety. This bill transfers the authority to inspect political subdivisions per request and the administration of the Logging Safety Program from the Industrial Commission to the Division of Building Safety, which they have already been performing for years. It removes any question of what authority the state has over private industry workplace safety. This proposal identifies the continued use of the Industrial Commission Administration Fund to fund the Division of Building Safety's inspection of state owned or maintained buildings, public schools and the logging safety training program.

**Kelly Pearce** stated that this legislation is an example of negotiated rule making emphasizing no expansion of authority. This reinforces the process that has occurred for twenty five years.

In response to questions, **Mr. Limbaugh** explained there was no challenge just effort of the Industrial Commission. The state has no power over private employers but OSHA does, unless Idaho establishes an Idaho OSHA. Funding comes from the Industrial Commission. Loggers also endorse this legislation.

**Jerry Deckard** stated to the committee that this is a good bill and should be passed to the floor.

**MOTION:** **Rep. Nielsen** made a motion to send **S 1001** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Rudolph** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:42 PM

---

Representative Hartgen  
Chair

---

Heidi McKay  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
1:30 PM or Upon Adjournment  
Room EW05  
Wednesday, March 11, 2015

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">S 1075</a>	Inmates, employee status, benefits	Senator Hill
<a href="#">S 1077</a>	Death certificates	Senator Schmidt

***If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Erin Hutto

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

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

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
1:30 or Upon Adjournment  
Room EW05  
Tuesday, March 17, 2015

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">S1076</a>	Benefit Corporation Act	Representative Neil Anderson

***If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen

Vice Chairman Anderson

Rep Harris

Rep Holtzclaw

Rep Romrell

Rep Chaney

Rep Horman

Rep Nielsen

Rep Packer

Rep Redman

Rep King

Rep Chew

Rep Rudolph

COMMITTEE SECRETARY

Heidi McKay

Room: EW06

Phone: 332-1149

email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, March 17, 2015

**TIME:** 1:30 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) Chew

**GUESTS:** Mark Buchanan, self; Steve Doud; Jitasa; Russ Stoddard, Oliver Russell  
**Chairman Hartgen** called the meeting to order at 1:35 p.m.

**MOTION:** **Rep. Rudolph** made a motion to approve the minutes of March 9, 2015. **Motion carried by voice vote.**

**MOTION:** **Rep. Rudolph** made a motion to approve the minutes of March 11, 2015. **Motion carried by voice vote.**

**S 1076:** **Rep. Anderson** presented **S 1076** to the committee. The bill purposes to add to existing law to establish the Benefit Corporation Act that voluntarily meets higher standards of corporate purpose and social accountability. The Benefit Corporation does not affect a company's tax status and would need to file annual reports along with beneficial reports.

**Mark Buchanan**, Professor Business and Economics from Boise State University (BSU) testified **in support** of **S 1076**. Mr. Buchanan quoted testimony on behalf of **Lisa Fisher**, Founder and President of Darshan Partners **in support** of **S 1076**.

In response to questions, **Mr. Buchanan** explained the new corporation status does make the annual report public, in house assessment reports need to follow a respective standard. Depending on how the corporation states objectives, narrow or broad, determines ability to switch status. The increase would attract more businesses and investments.

**Steve Doud**, Jitasa testified **in support** of **S 1076**. This bill will bring social and economic improvements to Idaho without fiscal impact on the state. This will attract workforce by community engagement and employees will also engage in the community.

In response to questions, **Mr. Doud** explained businesses do compete today and this is all part of capitalism. This allows a way to reinvest into the local community. Mr. Doud believes this will broaden, not restrict the free market, and this will provide more taxes to the state.

**Rep. Anderson** gave closing comments. Idaho has many wonderful parks and attractions because of businesses giving back to the community.

**MOTION:** Rep. Redman made a motion to send **S 1076** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** Rep. Anderson will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:33 p.m.

---

Representative Hartgen  
Chair

---

Heidi McKay  
Secretary

AGENDA  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**  
1:30 pm or Upon Adjournment  
Room EW05  
Tuesday, March 31, 2015

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">S 1168</a>	Worker's Compensation	Senator Cameron

***If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hartgen	Rep Nielsen
Vice Chairman Anderson	Rep Packer
Rep Harris	Rep Redman
Rep Holtzclaw	Rep King
Rep Romrell	Rep Chew
Rep Chaney	Rep Rudolph
Rep Horman	

COMMITTEE SECRETARY

Heidi McKay  
Room: EW06  
Phone: 332-1149  
email: [hcom@house.idaho.gov](mailto:hcom@house.idaho.gov)

MINUTES  
**HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, March 31, 2015

**TIME:** 1:30 p.m. or Upon Adjournment

**PLACE:** Room EW05

**MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew (Killen), Rudolph

**ABSENT/  
EXCUSED:** None

**GUESTS:** Mindy Montgomery, Dana Baney, Jane McClaran, Stephanie Butler, Tom Limbaugh, Industrial Commission;

Chairman Hartgen called the meeting to order at 1:30 p.m.

**Chairman Hartgen** welcomed **Rep. William Killen**, who is substituting for **Rep. Chew**.

**MOTION:** **Rep. Anderson** made a motion to approve the minutes of March 17, 2015. **Motion carried by voice vote.**

**S 1168** **Sen. Cameron** presented **S 1068** to the committee. He stated this bill will permanently reduce the premium tax for worker's compensation insurance premiums from 2.5% to 2%. There should not be a fiscal impact since currently the premium tax rate for worker's compensation insurance premiums in at 2%.

In response to questions, **Sen. Cameron** explained there is no mechanism to reimburse businesses. There is a three million dollar transfer pending to the Department of Labor budget. The Industrial Commission funds will be fine and should grow.

**MOTION:** **Rep. Packer** made a motion to send **S 1168** to the floor with a **DO PASS** recommendation.

**Tom Limbaugh**, on behalf of the Industrial Commission testified that the department is **neutral on S 1168**. If the Industrial Commission revenues and expenditures follow the projection, it is possible the commission may be requesting an increase in premium tax at some time in the future.

In response to questions, **Mr. Limbaugh** explained there are a number of factors that affect the premium tax rate, currently there is no growth causing the premiums to remain flat. He also explained that the Industrial Commission is a court for workman's compensation disputes. Workers compensation is charged to the employer based on the type of work classification.

**VOTE ON  
MOTION:** **Motion carried by voice vote. Rep. Redman** will sponsor the bill on the floor.

**Chairman Hartgen** recognized and thanked the committee page **Ali Snooks** and secretary for their work and service to the committee.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:07 p.m.

---

Representative Hartgen  
Chair

---

Heidi McKay  
Secretary