

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, January 27, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

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

**ABSENT/
EXCUSED:** None

GUESTS: Michael Johnson, Larry Ingram, Idaho Dept. of Labor; Dale Higer, Uniform Law Commission; Kelly Cross, Mike Hampton, Don Drum, Jess Simonds, PERSI; Andrea Patterson, Barry Wood, Idaho Supreme Court; Dennis Stevenson, Dept. of Administration; Brad Hunt, Dept. of Transportation

Vice Chairman Anderson called the meeting to order at 1:29 P.M.

MOTION: **Rep. Redman** made a motion to approve the minutes of the January 25, 2016 meeting. **Motion carried by voice vote.**

DOCKET NO. 59-0201-1501: **Don Drum**, Executive Director, PERSI, presented **Docket No. 59-0201-1501**. These rules apply to the Judge's Retirement Fund (JRF). The changes are proposed in anticipation of seeking for the JRF determination letter of qualified status from the IRS. They are also designed to amend the rules in certain areas so the language tracks the language in the rules for the PERSI Base Plan. The tracking will make for easier and consistent administration and may also lessen the need for future revisions.

In response to committee questions **Mr. Drum** explained that these rules are being presented now in 2016 because H 660 was passed in 2014 and a determination letter was received with requirements that would need to be addressed to stay in compliance with federal laws. During the 2015 Legislative Session a temporary rule was established and today this Pending Rule will put PERSI in compliance with federal regulations, as well as protect the IRS determination letter.

MOTION: **Rep. Romrell** made a motion to approve **Docket No. 59-0201-1501**. **Motion carried by voice vote.**

DOCKET NO. 59-0201-1601: **Don Drum**, Executive Director, PERSI, presented **Docket No. 59-0201-1601**. These rules apply to the Judge's Retirement Fund (JRF). The actuarial valuation for the JRF for the period ending June 30, 2015, reflected that the amortization period is above the maximum 25 year amortization period contained in statute. The PERSI Board has acted to adopt the rate increase to bring the amortization period to 25 years or less as required by Idaho Code Section 1-2004A. The primary concern for the PERSI Board was to set a rate that would allow them to not need to come back to the legislature year after year for an increase.

In response to committee questions **Mr. Drum**, reviewed the estimated dollar increase and said if they make this increase and achieve a 7% return, in 17 years the unfunded liability would be paid and the cost could be reduced back down to normal rates.

In response to committee questions **Judge Barry Wood**, Idaho Supreme Court, explained that he and other judges feel very comfortable with this Retirement Fund. He said Judges understand they will be responsible for these increased rates and there have been no complaints. The retirement fund is a very lucrative benefit that is offered to the judges and if the benefits were lessened in the retirement fund, the quality of people in these position would decline.

MOTION: **Rep. Neilsen** made a motion to approve **Docket No. 59-0201-1601. Motion carried by voice vote. Rep. King and Rep. Harris** requested to be recorded as voting **NAY**.

RS 23986: **Michael Johnson**, Unemployment Insurance Division Administrator, Idaho Department of Labor, presented **RS 23986**. He said the proposed legislation will include words and letters from the Department of Labor requiring a response within a specified time. This law change will allow the department to consider documents requesting information to be considered served and complete when the department mails documents to the claimants last know address or sends them digitally via e-mail. Electronic communication is utilized when the claimant states they prefer their communication electronically.

MOTION: **Rep. Horman** made a motion to introduce **RS 23986. Motion carried by voice vote.**

RS 24028: **Larry Ingram**, Compliance Bureau Chief, Idaho Department of Labor, presented **RS 24028**. This proposed legislation will address ten specific different sections of Idaho Code. He said the Bureau would like to provide consistency in language and provide employers due process.

In response to committee questions, **Mr. Ingram** explained the reason they are addressing this issue now is because the Department of Labor has looked at all determinations, and reviewed code which has led to findings they thought could be better and more consistent. They believe these changes will make them more conformed with Supreme Court Decisions.

MOTION: **Rep. Redman** made a motion to introduce **RS 24028. Motion carried by voice vote.**

RS 24095: **Dale Higer**, Chairman, Idaho Commission on Uniform State Laws, presented **RS 24095**. This revision will expand the definition of "athlete agent", provides for reciprocal registration of agents, adds new requirements to the signing of an agency contract, expands the notification requirement to educational institutions, and provides remedies to student athletes.

MOTION: **Rep. Packer** made a motion to introduce **RS 24095. 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 Anderson
Vice Chair

Chelsea Cantrell
Secretary