

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 25, 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:** Representatives Chaney, Nielson

GUESTS: Woody Richards, Angela Richards, Chap Neptune, John Graham, Associate Loggers Exchange; Ken Edmunds, Idaho Department of Labor; Elizabeth Bowen, Legislative Services Office; Dan Goicoecheau, Idaho State Controllers Office; Paul Jackson

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

MOTION: **Rep. Redman** made a motion to approve the minutes from the February 15, 2016 meeting. **Motion carried by voice vote.**

MOTION: **Rep. Redman** made a motion to approve the minutes from the February 17, 2016 meeting. **Motion carried by voice vote.**

H 485: **Ken Edmunds**, Director, Idaho Department of Labor, presented **H 485**. This legislation will result in changes with how unemployment is handled. The first change is a change in language and it removes references to specific years. This legislation would stabilize the benefit amount at a consistent 55% of the states average weekly median wage paid by covered employers regardless of the economical state. This legislation would also create a sliding scale for the maximum number of weeks of eligibility to benefits. Based on economical conditions ranging from 8% or greater down to 3% or less, the maximum number of weeks would decrease one week for each 1% decrease in the states unemployment rate. These legislation changes would not cause any financial impact on State Funds, but by decreasing the number of eligible weeks it results in 3.3 to 4 million dollar savings in the states insurance fund for each 1% decrease in unemployment rates.

In response to committee questions, **Mr. Edmunds** states that unemployment rates are based on 55% of the states median wage, which for Idaho the amount is right under \$400 a week. There may be some variation depending on what they were making, but will be in the range of the calculated state median. The median state wage is calculated yearly if not quarterly. The amount of weeks someone is eligible is based on what the unemployment rate is in the state of Idaho. Depending on a persons employment history, and the states unemployment percentage at the time is how it is determined how many weeks that person is eligible for unemployment benefits. This legislation does not consider industry, sector, or job classification when determining benefits eligibility. Changing the maximum number of weeks will not have a significant impact on the unemployment fund.

MOTION: **Rep. Packer** made a motion to send **H 485** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderson** will sponsor the bill on the floor.

H 501: **Woody Richards**, Associated Loggers Exchange, presented **H 501**. This legislation amends the language of Idaho Code Section 72-301 to state that Idaho rated bonds with a rating of A- or higher is considered investment grade. The Industrial Commission has access to the description and credit rating of these bonds because they are Idaho Bonds. If a bond is downgraded to below an A- the worker compensation insurers is required within 30 days to replace the bond with one that meets the statutory requirements. These bonds are liquid and can be sold if funds are needed but they aren't required to be sold, they can be replaced. Purchasing bonds helps to maintain Idaho infrastructure. Idaho's bonds may have higher yields than treasury notes which allow insurance companies to be stronger financially.

In response to committee questions, **Mr. Richards** explained the pre 2014 law would allow any rating on any bond within the United States, in 2014 the laws changed and restricted bonds to just treasure bonds but no regulation in the rating. This legislation would satisfy the requirement for an Idaho or treasury bond to have a minimum of an A- rating. The idea is this will help the Idaho's infrastructure.

MOTION: **Rep. Redman** made a motion to send **H 501** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Packer** will sponsor the bill on the floor.

Vice Chairman Anderson turned the gavel over to **Rep. Harris**. The committee is viewed as a privileged committee for the day.

RS 24482: **Rep. Anderson** presented **RS 24482**. This proposed legislation recodifies the existing laws into a new chapter of the Idaho Code. It will also ensure everybody who purchases and there by commits the state of Idaho, has the sufficient training to do that job correctly. The ethical procedures that need to be followed when someone spends the states money, formalized delegated authority guidelines, contract monitoring, and increased latitude with open contracts is included in the proposed legislation.

MOTION: **Rep. Romrell** made a motion to introduce **RS 24482**. **Motion carried by voice vote.**

RS 24472: **Rep Anderson** presented **RS 24472**. This proposed legislation is a request to allow the interim committee to continue its work for the balance of the 2016 year with a recognized fiscal impact of around \$10,000 for the work the committee does.

In response to committee questions, **Rep. Anderson** explained that the previous **RS 24482** will stand alone complete.

MOTION: **Rep. Packer** made a motion to introduce **RS 24472**. **Motion carried by voice vote.**
Rep. Harris turned the gavel over to **Vice Chairman Anderson**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:07 P.M.

Representative Anderson
Vice Chair

Chelsea Cantrell
Secretary