

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Thursday, March 09, 2017
- TIME:** 1:30 PM or Upon Adjournment
- PLACE:** Room EW05
- MEMBERS:** Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Horman, Packer, Redman, Kingsley, Moon, Syme, Scott, King, Chew
- ABSENT/
EXCUSED:** Rep. Horman
- GUESTS:** Fred Birnbaum, Idaho Freedom Foundation; Georgia Smith and Geri Murray, Idaho Department of Labor; Dan Goicoechea, State Controller; Mark Estess, Eiguren Ellis
- Chairman Hartgen** called the meeting to order at 1:30 pm.
- MOTION:** **Rep. King** made a motion to approve the minutes of the March 1, 2017, meeting. **Motion carried by voice vote.**
- S 1039aa:** **Georgia Smith**, Deputy Director of Communications and Research Division, Department of Labor, presented **S 1039aa**, which amends Idaho Code to change the status of Idaho Career Information System (CIS) staff from nonclassified to classified. This change will allow the Department to recruit from within when these positions become available and increase the ability to recruit top-tier candidates who want a classified position. The Senate amendment allows current CIS employees to make a onetime election to remain nonclassified; if the position becomes classified then the employees will need to compete for their positions.
- In response to Committee questions, **Ms. Smith** and **Geri Murray**, Human Resources Officer, Department of Labor, explained the advantage of classified status is those positions fall under merit system provisions for examination, selection, promotion, dismissal, appeal, etc. Most positions in the Department are classified and there is not a need to modify the nonclassified statute to remove the CIS positions from that listing.
- MOTION:** **Rep. Redman** made a motion to send **S 1039aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Redman** will sponsor the bill on the floor.
- S 1045:** **Megan Ronk**, Director, Department of Commerce, presented **S 1045**, which codifies the ability of the Idaho Global Entrepreneurial Mission (IGEM) Council to establish subcommittees. There is currently a subcommittee of private sector experts which provides input on research projects. Their meetings will fall under the auspices of the open records act, but sometimes include confidential business information, so the formalization of the subcommittee would allow exemptions when necessary to protect trade secrets, pending patents, or other information from disclosure.
- In response to Committee questions, **Ms. Ronk** confirmed the legislation authorizes the Council to appoint multiple subcommittees; this language allows for flexibility in case a subcommittee is needed to handle a specific issue, perhaps only temporarily. The current subcommittee does not make any funding decisions and the membership is somewhat fluid, often due to members' time constraints, so there are no specific provisions on how it must be staffed. With this authorization, minutes will be kept and proper notice posted for subcommittee meetings.

MOTION: **Rep. Packer** made a motion to send **S 1045** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Harris, Scott and Moon** requested to be recorded as voting **NAY**. **Rep. Packer** will sponsor the bill on the floor.

S 1057: **Sen. Guthrie** presented **S 1057**, which requires the annual salary and benefits survey to show data specific to Idaho public and private sector employers as part of the market comparisons and amends Idaho Code to remove language specific to a provider for job evaluations. It also includes an emergency clause so these changes can be used next year. **Sen. Guthrie** has been working with **Susan Buxton**, Division of Human Resources, to resolve concerns over removing the "Hay profile method" language from statute and recommended **S 1057** be sent to General Orders to allow further adjustments to be made.

MOTION: **Vice Chaiman Anderson** made a motion to send **S 1057** to General Orders.

In response to Committee questions, **Sen. Guthrie** explained if a new job evaluation system was used, the state may have to change the entire employee evaluation model to accommodate that and expressed concern this may give department heads too much flexibility to experiment. He felt most strongly about incorporating Idaho data into the survey market comparisons and stated this may be cost neutral if the Division of Human Resources lessened the regional data they gather and focused more on Idaho-specific data.

Fred Birnbaum, Idaho Freedom Foundation, testified **in support** of **S 1057** as currently written. He expressed his opinion that removing mentions of "Hay" evaluations would pull brand names out of Idaho statute where they do not belong. He stated 45% of the data points in the market comparison survey came from very high cost Northwest areas, so it is very important to include data that is more applicable to Idaho so employee compensation decisions can be made more accurately.

Susan Buxton, Administrator, Division of Human Resources, testified **in support** of amending **S 1057**. She stated the Division has every intention of gathering more Idaho-specific data for the annual survey. She explained the "Hay profile" is a methodology, not a vendor and by preserving that language it will maintain the way the state sets up jobs. She noted various state agencies have expressed a desire to evaluate jobs differently than the Idaho Compensation Plan, if the language is changed, and could not say what fiscal impact that would have. There is a reference to Hay Management Consultants, a vendor, in the rules and the Division would like to have that removed.

In response to Committee questions, **Ms. Buxton** stated she was in full support of the motion to send **S 1057** to General Orders and believed she could quickly work with **Sen. Guthrie** to provide amendment language.

SUBSTITUTE MOTION: **Rep. Harris** made a substitute motion to send **S 1057** to the floor with a **DO PASS** recommendation. He expressed his support for either motion, but noted concern about the time it would take to amend the legislation and noted the legislation could be revisited next year if changes turn out to be needed.

Sen. Guthrie was recognized to close testimony on **S 1057**. He stated he did not think there was a big risk to leave the legislation as written, but was prompted to slow down the process of removing the "Hay" language by concerns raised about departments being too creative and flexible in job evaluations. He stated he was happy with either motion.

Rep. Packer spoke **in support** of the substitute motion and expressed her desire to move the "Hay" language from statute to rules.

Ms. Buxton spoke in **opposition** to the substitute motion. She noted the Division plans to present rule amendments next session and expressed concern about unintended consequences costing time and money between the end of the session and rule making by removing the "Hay" language.

Keith Reynolds, Deputy Director, Department of Administration, spoke in **support** of the substitute motion and expressed confidence in the Department's ability to move the "Hay profile" and "Hay points" language to rules via a temporary rule.

Rep. Redman spoke in **support** of the substitute motion and expressed confidence in **Ms. Buxton's** ability to prevent departments from exercising too much flexibility in job evaluations.

**VOTE ON
SUBSTITUTE
MOTION:**

Substitute motion carried by voice vote. Rep. Anderson requested to recorded as voting **NAY. Rep. Packer** will sponsor the bill on the floor.

MOTION:

Rep. Packer made a motion to reconsider **S 1046. Motion carried by voice vote. Reps. King** and **Chew** requested to be recorded as voting **NAY**.

S 1046:

Sen. Thayne presented **S 1046**, which would offer state employees the option to change to a high-deductible health plan paired with a Health Savings Account (HSA). The state must place \$500 per year into the HSA of each participating employee. This will save the state money because the employee will shoulder more of the cost for their total deductible and copay.

MOTION:

Rep. Scott made a motion to send **S 1046** to the floor with a **DO PASS** recommendation.

Rep. King spoke in **opposition** to the motion because of the cost to modify the payroll system and her opinion not very many state employees will participate.

Rep. Redman spoke in **support** of the motion and noted \$500 may not be an adequate incentive, but that can be worked on next year.

**VOTE ON
MOTION:**

Motion carried by voice vote. Rep. King and **Chew** requested to be recorded as voting **NAY. Rep. Clow** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 3:00 pm.

Representative Hartgen
Chair

Erica McGinnis
Secretary