

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 11, 2020

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Agenbroad, Senators Martin, Lakey, Guthrie, Thayne, Souza, Ward-Engelking, and Burgoyne

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Patrick** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Chairman Patrick** asked for approval of the minutes as the first item. **Senator Burgoyne** moved to approve the Minutes of February 4, 2020. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 313 **Relating to Acupuncture.** **Kelley Packer**, Bureau Chief, Idaho Bureau of Occupational Licensing (IBOL), reported this legislation implements a recommendation from the Idaho Board of Acupuncture (IBOA) to update the waiver provision to the modern term "endorsement." As part of the endorsement update, the IBOA needed to include "discipline in another state" or "on a license in a related field" as grounds for non-issuance or discipline of a license in order to assist the IBOA in its charge to protect public health, safety, and welfare. **Ms. Packer** stated this bill will remove the term "crime involving moral turpitude" from the section related to issuance or revocation of a license and replace it with "a crime that reflects on the qualifications, functions, or duties of an acupuncturist."

Ms. Packer noted there is no impact to the General Fund because the IBOA operates solely on dedicated funds. There is no impact to the IBOL's dedicated fund since the proposed legislation will not alter the number of board meetings held each year, or require more services be provided to the IBOA, or change any fee schedules.

DISCUSSION: **Senator Burgoyne** stated he had a conflict of interest pursuant to Senate Rule 39(H), but intended to vote. He noted both he and Senator Lakey served on the Occupational License Interim Committee.

MOTION: **Senator Burgoyne** moved to send **H 313** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

H 318

Relating to Occupational Licensing. Kelley Packer, Bureau Chief, Idaho Bureau of Occupational Licensing (IBOL), indicated this bill is a result of modernizing the statute through clarifying the administrative, legal, investigative, and financial services the agency provides. The amendments include changing the name of the agency from the IBOL to the Idaho Division of Occupational and Professional Licenses (IDOPL), providing a standard honorarium for each board or commission member, requiring applications to be verified under oath, providing for a fee for copying records, and implementing application processes which provide for the clear administration of all licenses. **Ms. Packer** noted additional changes included removing outdated language, such as the ability to establish admission requirements to a school, college, or university, and revamping the requirements for the issuance of a duplicate license.

Ms. Packer stated there is no impact to the General Fund, because the IBOL operates solely on dedicated funds. The projected one-time fiscal impact to the IBOL's dedicated fund is approximately \$30,000. Of that amount, \$7,400 is an ongoing impact for streamlining honorariums across all boards. The other \$22,600 is a one-time Governor's budget recommendation related to the agency's move to the Chinden campus. All agency contact information will be updated as part of the move.

DISCUSSION:

Senator Thayne and **Ms. Packer** discussed why each board member holds office until a successor has been appointed and qualified to ensure a quorum.

Senator Burgoyne and **Ms. Packer** discussed the fiscal note increase.

In response to a question by Senator Souza, **Ms. Packer** noted there had not been any complaints about a member remaining on the IBOL Board until a replacement could be found.

Senator Guthrie questioned the \$22,600 expense of the move to the Chinden campus for business cards, phone number changes, and other items. **Ms. Packer** explained the allocation was for a new seal, stationery, and business cards, and \$7,400 for honorariums.

MOTION:

Senator Souza moved to send **H 318** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT:

Committee Consideration of the Gubernatorial Appointment of Paul Zurlo, Idaho Health Insurance Exchange Board, of Boise, Idaho, term commencing April 10, 2019 and expiring April 10, 2021. **Mr. Zurlo** gave a brief overview of his background. He outlined his duties at Blue Cross as Vice President of Marketing.

DISCUSSION:

Senator Burgoyne and **Mr. Zurlo** discussed Mr. Zurlo's role in the consortium of health plans.

MOTION:

Vice Chairman Agenbroad moved to send the Gubernatorial appointment of Paul Zurlo to the Idaho Health Insurance Exchange Board to the floor with the recommendation that he be confirmed by the Senate. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

PRESENTATION:

Public Employee Retirement System of Idaho (PERSI) - Relating to the Bankruptcy of a Public Entity. Mike Hampton, Deputy Director, PERSI, discussed definitions, withdrawal liability, and re-entry into PERSI for employers or political subdivisions (Attachment 1).

DISCUSSION:

Chairman Patrick and **Don Drum**, Executive Director, PERSI, discussed PERSI payment priorities, possible increases in contribution rates due to inflation and the effect on PERSI investments, retroactive cost-of-living adjustments (COLAs), and the resetting of expectations for retirees.

Senator Ward-Engelking commented she was a PERSI retiree and pointed out PERSI is a good fund, and asked Mr. Drum to comment on future expectations.

Mr. Drum reported the goal of the PERSI Board is to maintain and fund a COLA. However, COLAs could result in higher contribution rates because more employees are retiring. Currently, the contribution rates are close to a glass ceiling and provide a challenge moving forward.

Senator Burgoyne remarked there is no question that PERSI is a tremendous asset and multiplier in the Idaho economy. The inflation rate of 2 percent should not be a problem in giving a COLA. He expressed a concern about the contribution rate approaching the glass ceiling. **Senator Burgoyne** mentioned the Legislature should examine why a municipality would find it necessary to file for bankruptcy.

Vice Chairman Agenbroad remarked PERSI has made some good investments. There is a balance that has to be maintained with retirees.

Senator Ward-Engelking and **Mr. Drum** discussed PERSI funding and the effects of a possible downturn in the economy. **Mr. Drum** emphasized there are a significant number of small employers in the PERSI fund. If the market has a downturn, small rural employers will be especially affected.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:35 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary