

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 04, 2021

TIME: 1:15 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Agenbroad, Riggs, 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 to order at 1:15 p.m.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Brett Thomas, Idaho Health Insurance Exchange Board (IHIEB)**, of Twin Falls, Idaho, term commencing May 27, 2020, and expiring April 4, 2021. **Mr. Thomas** gave a brief overview of his background and job history. **Mr. Thomas** noted he applied to be on the Your Health Idaho (YHI) Board because he brings a perspective from both the consumer and agent. He is on the Marketplace Committee.

DISCUSSION: **Senator Martin** and **Mr. Thomas** discussed the broker system and how it related to YHI.

MOTION: **Senator Martin** moved to send the gubernatorial appointment of Brett Thomas to the floor with the recommendation that he be confirmed. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1010 **Relating to Workers' Compensation. Kamerron Slay**, Secretary, Industrial Commission (IC), stated this bill seeks to eliminate inactive provisions of law. She said this legislation seeks to consolidate duplicative definitions for "burial expenses" from Idaho Code §§ 72-102(4) and 72-436. She noted the elimination will remove obsolete language and will make the statute easier to interpret.

Ms. Slay noted there is no fiscal impact to any fund source. Although there is a fiscal amount listed within the definition, the amount is moving from one chapter of Title 72 to another. She said this amount is paid by the employer's workers' compensation insurance carrier in the event of a work-related death and is not State funds.

DISCUSSION: **Senator Burgoyne** remarked the actual amount noted in the bill is \$6,000, but some confusion is in the language. **Ms. Slay** deferred to Patty Vaughn, IC Administration Benefits Manager. **Ms. Vaughn** explained the burial expense amount was not changed but could not exceed \$6,000. She said if the amount was less, that is what would be paid.

Senator Agenbroad asked if transportation costs were covered. **Ms. Slay** indicated they were covered.

MOTION: **Senator Guthrie** moved to send **S 1010** to the floor with **do pass** recommendation. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**. **Senator Burgoyne** requested he be recorded as voting **nay**.

S 1042 **Relating to Public Contracts.** **Jeremy Chou**, American Council of Engineering Companies, reported this legislation involves clarifications to Idaho's Qualifications-Based Selection process (QBS). He explained QBS is a selection process for the procurement of professional services such as engineering, construction management, architecture, landscape architecture, and land surveying. He said QBS focuses on retaining knowledgeable and skilled professionals with specific experience for constructing complex projects like schools, bridges, roads, municipal water systems, and wastewater facilities. He noted nearly all these projects involve public health, safety, or welfare concerns where involvement of a qualified professional is paramount. He reported the legislation helps to make QBS more transparent and provides more guidance on maneuvering through the QBS process.

Mr. Chou detailed the QBS process. He reported the government entity solicits qualifications for necessary professional services; firms submit qualifications; the government entity scores and ranks the firms based on their qualifications; the first-ranked firm and government entity agree to a scope of services and negotiate a fair fee for them; and if an agreement cannot be reached on the fees, the government entity moves on to the next ranked firm on the list. **Mr. Chou** advised the bill clarifies the number of approved firms on a list and requires that the list be revisited every five years.

Mr. Chou suggested amending the language in the bill on page 1, line 38, by deleting "issuing" and inserting "receiving responses to"; and on page 2, line 4, by inserting "longevity" after "past performance."

DISCUSSION: **Senator Lakey** remarked he was in support of the amendments. **Senator Lakey** and **Mr. Chou** discussed that a government entity can cancel contracts prior to the beginning of a project.

A discussion ensued between **Senator Burgoyne** and **Mr. Chou** regarding the merging of two companies on the list and whether the newly-merged company would have to start the bidding process all over again.

Senator Souza and **Mr. Chou** discussed options for new companies when the government entity did not want to change the list or consider anyone else. **Mr. Chou** noted that some stakeholders do not update their lists in a timely manner.

Senator Lakey commented the five-year cap was an effort to strike a balance. Stakeholders supported this measure.

TESTIMONY: **David Mitchell**, professional engineer, testified remotely in support of this bill. He said QBS is a system that gets the best-qualified individuals.

James Miller, representing himself, testified remotely in support of this bill. He noted having been in the engineering industry for many years, QBS results in better services.

Nick Veldhouse, Idaho Association of Highway Districts (IAHD), testified in support of the bill. He indicated the request for quote (RFQ) threshold is raised from \$25,000 to \$50,000 and now reconciles with the bidding laws that were updated four years ago. He said the process is more transparent. He noted the bill clarifies that a highway district may have more than two firms on a

pre-approved list. This is of tremendous help to some of the rural highway districts that have a difficult time getting contractors or engineers to respond to RFQs, according to Mr. Veldhous.

Keith Watts, Idaho Public Purchasing Association, testified in support of the bill. He remarked that as a procurement manager, he works with Idaho Code § 67-2320 on a regular basis. He appreciates the improvements made with this legislation. He said this bill clarifies and simplifies the process.

Shawn Schupack, Idaho Associated General Contractors, testified in support of the bill. He mentioned QBS is a matter of good public policy. He said this legislation shows best practices. He remarked the five-year pre-approval list was a good middle ground.

MOTION: **Senator Lakey** moved to send **S 1042** to the 14th Order of Business for possible amendment. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Overview of the Division of Occupational and Professional Licenses (DOPL)**. **Russ Barron**, Division Administrator, DOPL, explained the reorganization. He gave a brief overview and noted that 49 boards are associated with 11 agencies. He explained the valuable results related to the reorganization. **Mr. Barron** outlined the main items involved in a successful transition, including determining the best organizational structure; moving all staff located in the Treasure Valley to the Chinden Campus; and making necessary legislative changes that update responsibilities and structure for the success of the new Division.

Mr. Barron referred to two organizational charts (Attachments 1 and 2) and summarized the arrangement of the Boards. He noted there will be a third organizational chart that will list the names of all employees in the appropriate section. **Mr. Barron** provided the fiscal impact of the reorganization; the move to the Chinden campus; and the remodeling costs, which includes construction, contingencies, technology, any needed furniture, and moving costs. He said funding would come from dedicated funds only.

Mr. Barron reported that as the budget is reorganized from 11 agencies into 1, a new agency financial structure is being built and tested in the LUMA system of accounting software. This new system will help DOPL improve the transparency of funding.

Mr. Barron outlined what was next, including communicating changes with staff, stakeholders, and partners through various forums. He said a new website for DOPL is being created. In summary, **Mr. Barron** stated DOPL will continue to try to prevent unnecessary barriers in occupational licensing.

DISCUSSION: **Chairman Patrick** noted there will be three pieces of legislation forthcoming that will allow more latitude for DOPL and align with statute.

RS 28402

Relating to the Division of Occupational and Professional Licenses (DOPL) Reorganization. **Mr. Barron** explained this proposed legislation will continue the reorganization of DOPL consistent with Executive Order No. 2020-10. The proposal will merge the Division of Building Safety (DBS) into DOPL and assign duties of the DBS Administrator to the DOPL administrator. **Mr. Barron** said the proposed legislation amends the licensing renewal and reinstatement provisions to account for differences between licensing boards. He said additionally, the proposed legislation will combine the accounts of the various boards consolidated into DOPL.

Mr. Barron reported there is no impact to the General Fund or the DOPL dedicated fund. He said the centralization of the board funds will aid in accounting for the consolidated boards and the DOPL accounts.

MOTION:

Vice Chair Souza moved to send **RS 28402** to print. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

RS 28385

Relating to the Insured Homeowner Protection Act. **Michael Kane**, American Property and Casualty Insurance Association, explained the purpose of this bill is to protect Idaho homeowners from predatory practice involving the assignment of insurance benefits to third parties after the homeowner has suffered a loss, provides notice to homeowners of options as to the repair of their homes, and protects homeowners from undue pressure and misleading information. **Mr. Kane** brought up the term "storm chasers." He explained the contractor tries to get the homeowner to sign insurance money over to them and asks the homeowner to pay the difference between the repairs and the claim money. He cited another tactic in which the contractor asks the homeowner to assign the insurance money to them or they claim they will reimburse the homeowner, which is illegal.

Mr. Kane cited this bill has no impact on the General Fund or any local government because it pertains solely to matters involving individual homeowners, their insurers, and private contractors.

MOTION:

Senator Guthrie moved to send **RS 28385** to print. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:38 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary