

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 25, 2021
TIME: 1:30 P.M.
PLACE: Room WW54
MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Riggs, Ward-Engelking, and Burgoyne
ABSENT/ EXCUSED: Senator Agenbroad

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 1:32 p.m.

MINUTES APPROVAL: **Senator Guthrie** moved to approve the Minutes of February 16, 2021. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

Senator Lakey moved to approve the Minutes of February 18, 2021. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

H 80

Relating to Insurance - Reciprocal Jurisdictions. **Dean Cameron**, Director, Department of Insurance (DOI), reported reinsurance is a product insurance companies or self-funded plans purchase in order to mitigate extra-large, unforeseen risks. He said when an insurer purchases reinsurance, they obtain a "credit" which is applied as a reduction of potential liability. **Mr. Cameron** said reinsurers are typically from foreign entities such as Bermuda and European nations. He remarked there was a long-standing controversy of requirements of foreign reinsurance companies operating in the US. He noted at one point State regulators required non-US reinsurers to have 100 percent collateral within the US. However, he said, the international insurance community and the US collaborated on appropriate standards that would apply uniformly. **Mr. Cameron** noted during the Obama administration, the US Department of the Treasury signed a "covered agreement" with European nations and the United Kingdom, giving states five years to adhere to the agreement of pre-emption. **Mr. Cameron** said the agreement eliminated the collateral requirement, which Idaho had mostly adopted, and expanded other financial standards reinsurers have to meet in order to obtain the "credit."

Mr. Cameron reported the DOI has the ability to recognize more entities under a variety of options or conditions. He gave examples of demonstration of an insurer's financial strength and rating. **Mr. Cameron** reassured the Committee that no insurer nor is a consumer solvency diminished or more at risk with the passage of this bill. He stated this bill could reduce costs and increase competition, which would be good for consumers.

Mr. Cameron cautioned that failure to pass this legislation could lead Idaho to lose its accreditation, or a reinsurer would avoid working with Idaho companies or self-funded plans, which could result in Idaho companies having to relocate. In addition, he said, failure could certainly lead to federal pre-emption. **Mr. Cameron**

stated the agreement requires federal action by January 2023 for states that have not adopted similar legislation.

TESTIMONY: **Jeff Neumeyer**, General Counsel, United Heritage, testified in support of this bill. He noted this bill will streamline operations. He said savings will be passed on to policyholders. He emphasized that losing accreditation would be devastating for Idaho.

DISCUSSION: **Senator Burgoyne** and **Mr. Neumeyer** discussed financial security arrangements with foreign entities. **Mr. Neumeyer** remarked the DOI, along with three rating agencies, monitor reinsurance companies. **Mr. Neumeyer** stated the American Council of Life Insurers strongly supports this bill.

MOTION: **Senator Lakey** moved to send **H 80** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

H 75 **Relating to Wage Claims.** **Jani Revier**, Director, Department of Labor (DOL), stated this bill clarifies the deadlines and process for appealing wage and hour decisions. She noted that in the bill electronic transmission or email is an acceptable method for submitting a protest or appeal and that the date of mailing or service indicated on the determination is deemed the date of service. **Ms. Revier** clarified the date the DOL receives a protest or an appeal is the date deemed filed or if the protest is received on a holiday or weekend, the next business day. She said the bill also extends the deadline from 5:00 p.m. to the end of the day. She explained these changes align with previously approved rules regarding submitting the appeals to the examiner.

DISCUSSION: In response to a question about the bill's provisions regarding electronic transmissions being too broad and the possibility of texting by Senator Riggs, **Ms. Revier** noted if the DOL had the potential to receive texts in the future, that would be acceptable. She stated that as of now, electronic transmission is limited to email.

MOTION: **Senator Guthrie** moved to send **H 75** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Workforce Development Council (WDC).** **Wendi Secrist**, Executive Director, WDC, explained the WDC is charged with developing and implementing a "comprehensive, statewide strategic workforce development plan." She stated the WDC works with partners within and outside government to ensure they are working towards a future where Idaho's diverse and prepared workforce meets the needs of the State's unique communities and employers.

Ms. Secrist outlined the goals set by the Legislature and Governor. She said those goals include: 1) increasing public awareness of and access to career education and training opportunities; 2) improving the effectiveness, quality and coordination of programs and services designed to maintain a highly-skilled workforce; and 3) providing for the most efficient use of federal, state, and local workforce resources.

Ms. Secrist reported the WDC oversees the Workforce Development Training Fund (WDTF) and serves as the State and local workforce board under the Workforce Innovation and Opportunity Act, which spans programs delivered by the DOL, Idaho Career and Technical Education (CTE), the Division of Vocational Rehabilitation, Idaho Commission for the Blind and Visually Impaired, Health and Welfare, and the Commission on Aging.

Ms. Secrist highlighted three initiatives that WDC implemented in the last year. She stated the Talent Pipeline Management (TPM) developed by the US Chamber of Commerce Foundation applies supply chain management theory to workforce development. She noted the facilitators completed training and are now forming the employer collaboratives in construction, cybersecurity, energy,

healthcare, hospitality, various segments of manufacturing, transportation, and tribal enterprises. She said the bill's authors placed specific emphasis on ensuring a balance between urban and rural Idaho.

Ms. Secrist stated the second initiative is Idaho Launch. She noted that last fall, the WDC utilized the Coronavirus Aid, Relief, and Economic Security Act (CARES) funding to start a new training program available to any Idahoan who needed to reskill or upskill. She noted until the CARES Act funding is exhausted, the WDC can pay the full cost of training that is aligned to employer needs for anyone impacted by the pandemic. The WDC also approved WDTF to augment the program for those not impacted by the pandemic and to sustain it beyond June 30, she said.

Ms. Secrist noted that after surveying Idaho businesses to identify top skills they are looking for in new hires, they determined professional skills were just as important as technical skills. Information from the survey matched with training provided by State institutions along with other providers to seed the opportunities for employment. She explained messaging is targeted toward those impacted by the pandemic, and the training opportunities are mostly online. **Ms. Secrist** reported the WDC has partnered with the DOL and their career planners to provide one-on-one guidance to interested Idahoans. She stated this new program, along with the TPM initiative, helps to achieve a goal the WDC set two years ago to shift to broader workforce development strategies over single employer grants.

Finally, she said, the WDC received a \$2.5 million grant from the US DOL to scale youth apprenticeship in Idaho. Combined with grants that the DOL and CTE have, \$6 million is invested in expanding apprenticeship in the State. **Ms. Secrist** remarked there is a concerted effort to coordinate grants and ensure the most efficient program delivery.

Ms. Secrist stated one of the DOL's focuses to connect high school students directly with apprenticeship programs. Apprenticeship combines on-the-job and classroom training and results in a national credential, she said. She stated if there is a 16- or 17-year-old doing certain jobs, but under a registered apprenticeship model, the DOL waives certain labor laws. **Ms. Secrist** said the goal is to create more than 3,000 new apprenticeships in Idaho over the next four years.

Ms. Secrist stated this year also marked the launch of the "new" Next Steps Idaho, a collaboration between the WDC and the Idaho State Board of Education, to create one spot for Idahoans to access career information. The work of the WDC gets Idahoans into the careers they want and puts them on a path to prosperity.

DISCUSSION: **Chairman Patrick** and **Ms. Secrist** discussed options for career pathways for those who live in rural areas.

Senator Burgoyne and **Ms. Secrist** discussed waiving child labor laws for apprenticeships and that a formal agreement with the student, employer, and parents is required for an apprenticeship.

Vice Chair Souza asked about the apprenticeship pathway for students coming out of high school; Sciences, Technology, Engineering, and Math Education (STEM) schools; or CTE type of schools. **Ms. Secrist** noted the partnership is with CTE high schools, but open to all students. The only limitation is that an applicant has to be between 16 to 24 years old.

Chairman Patrick asked what kind of businesses are taking apprentices. **Ms. Secrist** stated there are employers of all kinds, such as electrical, heating, ventilation, and air conditioning, and union programs for sheet metal.

Chairman Patrick thanked Ms. Secrist for her presentation.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:09 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary