

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 04, 2021

TIME: 1:30 P.M.

PLACE: Room WW54

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

ABSENT/ EXCUSED: Senator Guthrie

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: **Senator Martin** moved to approve the Minutes of February 23, 2021. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

Senator Riggs moved to approve the Minutes of February 25, 2021. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

Senator Riggs moved to approve the Minutes of March 2, 2021. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

S 1128 **Relating to Occupational Licenses - Adds to Existing Law to Provide for Licensing of Naturopathic Practitioners - Motion to Send to the Floor for Re-Referral.** **Chairman Patrick** asked for unanimous consent to send **S 1128** to the floor for re-referral. There were no objections.

S 1143 **Relating to Medicare.** **Mike Reynoldson**, Senior Vice President, Government Affairs and Public Relations, Blue Cross of Idaho, remarked insurance standards are regulated by the State of Idaho. He deferred to Peter Sorensen, BlueCard and Federal Employee Program (FEP) Plan Executive, who indicated this legislation amends Idaho Code § 41-4404 to allow individual health care policyholders to change Medicare Supplement Plans each year without going through an underwriting process, making them eligible to purchase new policies on a guaranteed issue basis. In addition, he said, the list of Medicare Supplement Standards allows for community rating and prohibits the issue of age rating after December 31, 2021.

Mr. Sorensen explained Medicare Parts A and B that cover 80 percent of costs. He noted many individuals elect to purchase a supplemental policy. However, he said, some out-of-state companies start a new risk pool "dead pool" and offer low rates. **Mr. Sorensen** said the pool can be closed after two or three years and, because of that, costs can skyrocket up to \$600 a month or more. He stated this legislation will stop that practice. **Mr. Sorensen** indicated there will be no impact to the General Fund or any other government entity because no expenditure from those accounts is required.

DISCUSSION: **Vice Chair Souza** inquired if it would be possible to remove oneself from the dead pool and if it would cost a significant amount of money. **Mr. Sorensen** noted one would have to go through underwriting and would be stuck in the risk pool. **Vice Chair Souza** queried the costs would still be significant if someone wanted to move to another pool and if there were other options offered without underwriting. **Mr. Sorensen** remarked all policyholders pay the same rate and rates can change annually without going through underwriting.

Senator Martin and **Mr. Sorensen** discussed typical premium charges and the consequences of not passing this bill.

Mr. Reynoldson outlined the changes in the bill, including a guaranteed policy regardless of health status. He indicated, based on age, prices incrementally increase for those who are 65 years old and above. He outlined some of the amendments to the bill that made improvements. He asked the Committee to send the legislation to the amending order.

Senator Martin and **Mr. Reynoldson** discussed the impact on insureds and the compression that will occur for those who are paying. **Mr. Reynoldson** noted prices should be in a similar range, and over time, premiums will grow much slower compared to today.

MOTION: **Vice Chair Souza** moved to send **S 1143** to the 14th Order of Business for possible amendment. **Senator Agenbroad** seconded the motion.

DISCUSSION: A discussion ensued between **Senator Martin** and **Dean Cameron**, Director, Department of Insurance (DOI), relating to premiums. **Mr. Cameron** noted the DOI is not taking a position on the bill, however, in the long run the cost of premiums will be less for consumers. **Director Cameron** stated this bill will allow the DOI to stop companies coming in from another state to start a pool, raise rates, and then leave town.

VOICE VOTE: The motion to send **S 1143** to the 14th Order of Business for possible amendment, carried by **voice vote**.

S 1120 **Relating to Police Officers - Collective Bargaining.** **Mike Miraglia**, Legislative Chair, Fraternal Order of Police, reported the intent of this legislation is to provide men and women in law enforcement an opportunity to be involved in decisions that directly affect their livelihoods, safety, and profession. He said this legislation provides a framework for recognition of exclusive bargaining agents and collaborative problem-solving with the goal of developing solutions to issues that may arise. He noted either party may seek non-binding fact-finding for the purpose of incorporating objective perspectives into the decision-making process. **Mr. Miraglia** stated government leaders and police officers are expected to bargain in good faith, and any final decisions require the agreement of both parties. He noted the obligation to bargain in good faith does not compel either party to agree to a proposal, make a concession, or enter into a contract.

Mr. Miraglia said that since the implementation of this bill hinges on agreements, it is not possible at this time to calculate the financial impact on state or local budgets. He remarked any financial impacts would be understood and agreed upon by the parties involved should an agreement be reached.

Mr. Miraglia asked Rob Shoplock, Vice President, Professional Firefighters of Idaho, to explain collective bargaining from the perspective of the firefighters.

TESTIMONY: **Mr. Shoplock** noted firefighters have engaged in collective bargaining in the State for the past 50 years. He explained that firefighters and their managers use Relationship by Objectives (RBO), a technique that aims to strengthen relationships between unions and management, as a way to come up with collaborative ideas.

DISCUSSION: **Vice Chair Souza** and **Mr. Shoplock** discussed the concept of collective bargaining and its possible effects on police departments. He noted all are working together for transparency. He said as part of the process, the public is invited to these meetings.

Vice Chair Souza and **Mr. Shoplock** discussed using professional negotiators in collective bargaining and the idea that taxpayers feel they do not have enough input. **Vice Chair Souza** stated if a group or union opts to hire a professional negotiator, then the public administration should also use one. **Mr. Shoplock** and **Vice Chair Souza** discussed how outside negotiators may make demands when they do not understand the culture of the organization.

Mr. Miraglia remarked the idea behind **S 1120** is to solve problems locally when parties do not agree. He noted this bill is geared toward having a conversation but not forcing an agreement.

Senator Lakey and **Mr. Miraglia** discussed that collective bargaining may or may not increase costs to the taxpayer. **Mr. Miraglia** said this bill is not intended to promote high-paying jobs.

Senator Burgoyne and **Mr. Shoplock** discussed the aspects of collective bargaining, including wages, benefits, working conditions, and equipment. **Mr. Shoplock** affirmed all those elements of collective bargaining is a collaboration between the firefighters and management. He said firefighters and management have learned how to work together in a better way, putting community first. **Senator Burgoyne** and **Mr. Shoplock** discussed that collective bargaining offers an avenue for discussion.

Senator Agenbroad asked what the consequences would be if this law passes. **Mr. Miraglia** stated the bill is written in such a way that any agreements in place would not be affected. He said good faith efforts will be enforced.

Senator Riggs stated that when people think of collective bargaining, there are inherent concerns about bullying tactics and police potentially walking off the job, putting citizen's safety in jeopardy. **Mr. Miraglia** noted parts of the country view collective bargaining as being heavy handed. He said in this bill, strikes are illegal. The Fraternal Order of Police solicited input and feedback from all its stakeholders.

Senator Ward-Engelking remarked collective bargaining allows both parties to move forward in a mutually acceptable manner. She stated she was in support of this bill.

TESTIMONY: **Fred Birnbaum**, Idaho Freedom Foundation, testified in opposition to the bill. He noted unions operate on a business model resulting in better pay and benefits for members. He said the larger the union, dues can be used to elect those who will negotiate for higher wages and thus an increase in taxes.

DISCUSSION: **Senator Martin** and **Mr. Birnbaum** discussed the consequences if this bill does not pass. **Mr. Birnbaum** said that public sector unions have a long-standing business model to endorse people who agree with them.

Senator Ward-Engelking remarked that Idaho is a right-to-work state and represents all workers. She said no union dues are used for political action. Police and firefighters would have to choose to contribute to their political action Political Action Committee (PAC).

Senator Burgoyne stated it is illegal under Idaho law to use union dues to support political candidates. **Mr. Birnbaum** questioned what this had to do with this bill.

Senator Riggs noted police and firefighters already have unions in Idaho. He queried how a collective- bargaining agreement would change that dynamic. **Mr. Birnbaum** noted there are five police organizations in the State that have union authority in code, but that is not universal. He suggested that if collective bargaining expands in counties and cities, the political capital of firefighters and police departments would increase exponentially.

TESTIMONY: **Ron Pennington**, Vice President, Code 3 to 1 Retired Law Enforcement Officers of Idaho, testified in support of the bill. He stated the matter in question is fairness and Idaho is a fair and equitable state. He remarked there is a 50-year history of collective agreements with the firefighters and not one with the police department. He cited negotiations on both sides has been very helpful and beneficial. He said it is important to any organization to have an opportunity to be heard.

Jeff Lavey, Executive Director, Idaho Sheriffs Association, testified in opposition to the bill. He said he was concerned any agreement would have to be between county commissioners and deputies, as commissioners control funding. He said independently elected sheriffs would be left out of the process when preparing budgets. He noted the sheriff's agreement would have to be with county commissioners, but negotiations for better working conditions would have to be done with sheriffs. He added there were additional concerns for the costs of a fact-finding commission that only adds a recommendation and takes away money from taxpayers. He urged the Committee to hold this bill.

DISCUSSION: **Vice Chair Souza** referred to the five police departments that the community actually voted and confirmed. She questioned whether Mr. Lavey knew about what happened in those five areas. **Mr. Lavey** remarked he did not know what happened in two of them.

Senator Lakey remarked that since this legislation does not require an agreement or concession other than communication, locals control the fiscal impact, and that is the appropriate thing for commissioners to decide. He mentioned the only cost is to communicate, as no one is bound to do anything. **Mr. Lavey** said that was mostly true, but returned to his concern about fact-finding, which is unnecessary if operations work in the local community. He stated the bill gives a false sense of what is going to happen and this bill impacts the Idaho State Police. **Senator Lakey** stated fact-finding is non-binding and when there is an agreement that is non-binding, a solution can usually be found. **Mr. Lavey** said the outcome is fifty-fifty for both parties to reach an agreement.

H 81

Relating to Insurance - Revise Maximum Number on Board of Directors.
Chairman Patrick stated **H 81** would be continued to next week due to lack of time.

- TESTIMONY:** **Joe Andreoli**, President, Fraternal Order of Police, testified in support of the bill. He stated police perform a dangerous job. He said police are simply asking for a seat at the table. He affirmed training and equipment is a top priority on any officer's list. He stated had it not been for new equipment to keep officers safe, many would have died. He declared it was important for the police to express their opinions.
- DISCUSSION:** **Senator Burgoyne** and **Mr. Andreoli** discussed the idea that officers would like to have collective bargaining to express concerns, which could also be about having old equipment and other items.
- TESTIMONY:** **Seth Grigg**, Executive Director, Idaho Association of Counties, testified in opposition to the bill. He noted he supported law enforcement but pointed out there is a statutory levy cap. He said the Justice Fund, which funds sheriffs, is subject to a levy cap. **Mr. Grigg** noted that 15 out of 44 counties in Idaho are at levy cap. He said collective bargaining could have a fiscal impact on small counties due to increased expenses of hiring public defense attorneys during the negotiation process.
- DISCUSSION:** **Senator Lakey** commented he was not sure about the analogy with the Public Defense Commission and not using a prosecutor potentially because of a conflict. **Senator Lakey** remarked that in this case, a prosecutor could be used and the sheriffs could participate. **Mr. Grigg** said the board would have access to the prosecuting attorney, but smaller counties would not have the experience of negotiating contracts.
- CONTINUATION OF S 1120:** **Chairman Patrick** announced due to the lack of time, closing arguments and a vote on this bill would be held until the next meeting.
- ADJOURNED:** There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:06 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary