

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 23, 2025

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Holtzclaw, Vice Chairman Wisniewski, Representatives Weber, McCann, Cheatum, Healey, Beiswenger, Bruce, Burgoyne, Cayler, Fuhriman, Leavitt, Tanner(13), Egbert, Achilles

**ABSENT/
EXCUSED:** Representative Wisniewski

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Holtzclaw called the meeting to order at 1:30 p.m.

Rep. Sauter provided an overview of the following four RSs, explaining Department of Public Works and Department of Administration brought the proposed legislation forward. The reason for the changes is driven by considerable cost inflation within the construction industry over the past 20 years. The increases in project costs are triggering the need for certain increased processes and procedures. The intent of these RSs is to increase efficiency and decrease red tape, which not only benefits state agencies it also helps private industry doing business with the state.

RS 31778: **Rep. Sauter** presented **RS 31778**, which increases the estimated project cost dollar limit from \$25,000 to \$50,000 before requiring a competitive bid process. The limit has not been increased since 2005 and it will make it consistent with the bid limit for political subdivisions.

MOTION: **Rep. Fuhriman** made a motion to introduce **RS 31778**.

In answer to questions from the committee, **Rep. Sauter** explained the proposed legislation would not necessarily lead to increased government spending over what would normally occur, it only makes it easier and faster to review and award projects that have current day costs. However, it is not an automatic green light to go out and spend on expensive projects. He said it would also reduce permitting time.

VOTE ON MOTION: **Motion carried by voice vote.**

RS 31779: **Rep. Sauter** presented **RS 31779**, which increases the limit for delegation of public works projects from \$300,000 to \$500,000. The delegation of projects is based on an agency's in-house project management capabilities with approval from the Permanent Building Fund Advisory Council. He described an example of an Idaho university having a highly experienced project management team capable of overseeing its own projects, but the change in limits will offer a more streamlined process – making it easier for all involved – but will still maintain oversight by the council.

MOTION: **Rep. Healey** made a motion to introduce **RS 31779. Motion carried by voice vote.**

RS 31783: **Rep Sauter** presented **RS 31783**, which increases the professional service limit from \$50,000 to \$100,000 before requiring a formal request for qualification process.

MOTION: **Rep. McCann** made a motion to introduce **RS 31783. Motion carried by voice vote.**

- RS 31787:** **Rep. Sauter** presented **RS 31787**, which increases the estimated project cost limit from \$100,000 to \$200,000 before the bid process changes from an informal bid to a formal written competitive process. This will bring the process in line with the bid limit established for political subdivisions.
- MOTION:** **Rep. Fuhriman** made a motion to introduce **RS 31787**. **Motion carried by voice vote.**
- RS 31824:** **Rep. McCann** presented **RS 31824** on behalf of the Department of Labor. She stated the proposed legislation pertains to employment fraud. More specifically, it incorporates the definitions of knowingly and willfully throughout the statute. The intent is to make it more difficult and less attractive for people to repeatedly commit unemployment fraud by increasing the amount of the penalties, and providing stiffer consequences. She explained the RS defines identity theft and makes it a crime for using a stolen identity to apply for unemployment benefits. Part of this is being driven by the U.S. Department of Labor who has asked states to take actions that help mitigate the impact on victims.
- Upon hearing questions from the committee about changing the definition from knowingly to willfully; changing of penalties that could prevent benefits long-term for people who make honest mistakes; concerns the fiscal note is not an accurate representation of potential costs; and understanding the review and adjudication process, **Rep. McCann** agreed to address during the bill hearing. However, **Chairman Holtzclaw** requested Department of Labor Director **Jani Revier** address questions to alleviate any issues that could be resolved prior to the bill hearing. Ms. Revier explained the definitions are currently used in statute and Administrative Rules. The definition for knowingly is being applied across the entire chapter and the definition for willfully is being moved into statute. She also clarified the penalties are not intended to be for a lifetime. They reflect one year for the first fraudulent offense. Two years for the second and three years for the third fraudulent offense. She continued to describe the review and adjudication process for handling claims made as an honest mistake and for overpayments. She will provide information at the bill hearing about what disclosing a material fact means under the definition for willful.
- MOTION:** **Rep. Fuhriman** made a motion to introduce **RS 31824**. **Motion carried by voice vote.**
- RS 31830:** **Rep. McCann** presented **RS 31830**. She explained the intent of the RS is to consolidate a portion of the agency's Administrative Rules into statute, as a result of legislation passed in 2024. The changes include eliminating, amending and moving sections and rules to the appropriate statutes, without changing their meaning. She provided an overview of sections of Idaho code relating to employment security law and claims for wages that are being amended and created.
- MOTION:** **Rep. Healey** made a motion to introduce **RS 31830**. **Motion carried by voice vote.**
- RS 31989:** **Rep. Dygert** presented **RS 31989**, which will allow newly retired PERSI members to volunteer with PERSI employers without changing their benefits. He explained it adds the definition of a bona fide volunteer.
- MOTION:** **Rep. Achilles** made a motion to introduce **RS 31989**. **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:08 p.m.

Representative Holtzclaw
Chair

Wendy Carver-Herbert
Secretary