

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 29, 2026

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Foreman, Vice Chairman Lenney, Senators Lakey, Guthrie, Nichols, Bernt, Zito, Ward-Engelking, and Ruchti

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

MINUTES APPROVAL: **Senator Ward-Engelking** moved to approve the Minutes of January 22, 2026. **Senator Zito** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Erika Malmen of Boise, Idaho to the Idaho Personnel Commission, to serve a term commencing September 20, 2023 and expiring July 1, 2029. Ms. Malmen** gave a brief overview of her experience. She indicated she was a practicing attorney specializing in natural resources and the office managing partner of the Boise office of a large law firm.

DISCUSSION: In response to questions posed by **Senator Lakey**, **Ms. Malmen** stated the challenges of serving on the Personnel Commission were matters that were generally complex, including long-standing appeals that had already been heard by a hearing officer, which tended not to be straightforward and could be difficult to resolve. **Ms. Malmen** remarked the most rewarding aspect was learning outside of her long-standing natural resources practice, gaining exposure to other areas of state government, and the camaraderie with other Commissioners. She described her law practice as primarily a counseling practice with some litigation when necessary, representing industry clients in permitting and related matters, such as mining companies, timber interests, developers, and others.

Chairman Foreman stated the Committee would vote on her appointment at the next meeting.

GUBERNATORIAL REAPPOINTMENT: **Committee Consideration of the Gubernatorial Reappointment of Brett Thomas of Twin Falls, Idaho, to the Idaho Health Insurance Exchange Board (IHIEB), to serve a term commencing April 10, 2025 and expiring April 10, 2029. Mr. Thomas** gave a brief overview of his background. He noted he grew up in the Magic Valley, attended Utah State, met his wife, and returned to the Magic Valley to raise his family. **Mr. Thomas** indicated he had worked in the health insurance industry for approximately 12 years, including most recently three years in a role he only partially completed, but within the health insurance sector. He stated he had served on the Your Health Idaho (YHI) Board for the previous five years and described it as a great experience.

DISCUSSION: **Chairman Foreman** stated the Committee would vote on his appointment at the next meeting.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Dr. Karen Cabell of Post Falls, Idaho, to the Idaho Health Insurance Exchange Board (IHIEB), to serve a term commencing September 11, 2025 and expiring April 10, 2029.** Dr. Cabell testified virtually. She gave a brief overview of her background. She noted she was a practicing internal medicine physician and served as the Chief Physician Executive at Kootenai Health in Coeur d'Alene. Dr. Cabell stated she was honored to be considered for the appointment to the IHIEB and looked forward to learning more about how the IHIEB Exchange supported access to healthcare resources for Idaho patients.

DISCUSSION: **Chairman Foreman** stated the Committee would vote on her appointment at the next meeting.

PASSED THE GAVEL: Chairman Foreman passed the gavel to Vice Chairman Lenney.

DOCKET NO. 24-3201-2501 **Rules of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors.** **Ryan Bernard**, Legislative and Regulatory Affairs Chief, Division of Occupational and Professional Licenses (DOPL), stated the rule formalized an existing 60 percent reduction in fees for all licensees and certificate holders under the DOPL Board. Intern-related fees were removed to reduce barriers to entry into the profession. He noted the fee reduction was intended to help move the DOPL Board toward compliance with Idaho Code § 67-2608, which required boards to maintain a cash balance of 30 to 150 percent of their five-year rolling average expenditures.

MOTION: **Senator Guthrie** moved to approve **Docket No. 24-3201-2501**. **Senator Lakey** seconded the motion. The motion carried by **voice vote** .

DOCKET NO. 24-3950-2501 **Rules of the Public Works Contractors License Board.** **Ryan Bernard**, Legislative and Regulatory Affairs Chief, Division of Occupational and Professional Licenses (DOPL), explained the Rule made final amendments that had been applied temporarily to the fee table for temporary licenses and fees in prior rulemaking. The changes added not to exceed "fee language," allowing the DOPL Board flexibility to temporarily reduce fees to address excess cash balances without imposing new or increased fees. **Mr. Bernard** stated the DOPL Board had voted to decrease fees across all license classes by 16 to 20 percent. The fee decreases were part of an effort to comply with Idaho Code § 67-2608 (the 30 to 150 percent cash balance requirement). He noted there were no new or increased fees in the docket, and industry comments supported the reductions. **Mr. Bernard** asked that this rule become effective upon sine die.

DISCUSSION: In response to a question from **Senator Lakey**, **Mr. Bernard** clarified that these fees applied broadly (not exclusively to cities or counties) but to all who fell under the Public Works Contractors Board's licensing jurisdiction.

Vice Chairman Lenney commented that it was encouraging to see an occupational licensing board moving fees downward, and expressed hope that more boards would follow that direction.

MOTION: **Chairman Foreman** moved to approve **Docket No. 24-3950-2501** upon sine die. **Vice Chairman Lenney** seconded the motion. The motion carried by **voice vote** .

PASSED THE GAVEL: Vice Chairman Lenney passed the gavel back to Chairman Foreman.

S 1221

PERSI (Public Employee Retirement System of Idaho)- Amends existing law to revise a definition regarding who is not considered an employee. **Paul Arrington**, Idaho Water Users, explained his association represented entities such as irrigation districts, canal companies, groundwater districts, and water districts, which delivered water for agriculture and increasingly for urban uses (yards, parks, and some potable water in North Idaho). He noted many of these entities participated in the Public Employees Retirement System of Idaho (PERSI) as employers. **Mr. Arrington** explained that work in these districts was often highly seasonal, and districts sometimes needed to hire PERSI retirees for part of the irrigation season.

Mr. Arrington summarized current law and noted that under the general PERSI rule, a PERSI retiree could work for a PERSI employer for up to five months without triggering new employer/employee contributions or other penalties. If the retiree worked longer than five months, contributions and other consequences were triggered.

Mr. Arrington stated the Legislature had already recognized special cases and created exceptions in Idaho Code § 59-1302, allowing certain entities (for example, cemetery districts, cities, counties, soil and water conservation districts, mosquito abatement districts, and so on) to employ retirees for up to eight months, instead of five, due to seasonal needs. He outlined the problem and the proposed solution. He noted the statute referred specifically to "irrigation district," which in water law had a very specific legal meaning, but in the PERSI administration the term was not clearly defined and had been interpreted more broadly to cover a variety of irrigation-related entities. He remarked that to align working with both legislative intent and actual PERSI practice, the bill proposed to change the reference from "irrigation district" to "irrigation or drainage entity." He stated this change was meant to clarify that all similar situation irrigation and drainage organizations could rely on the eight-month allowance for employing PERSI retirees, rather than only those that fit the narrow statutory definition of an irrigation district.

Mr. Arrington noted that he had worked with the PERSI administrator and staff on the language before bringing the bill forward, and that they agreed the wording was appropriate to achieve the intended result.

TESTIMONY:

Neil Shippy, Watermaster, Water District 65 Basin, stated he had requested this legislation. He explained his water district, organized around 1989 and had been expanding its administrative responsibilities into tributary systems. He noted the district needed additional seasonal help, but hiring a full-time employee would increase costs for ratepayers more than necessary. The ability to employ PERSI retirees for a longer seasonal window under the 8-month rule would allow the district to meet operational needs more cost-effectively, at least until a full-time position was justified.

Mr. Arrington reiterated that **S 1221** was a clarifying, narrow fix, and requested a do pass recommendation.

MOTION:

Senator Guthrie moved to send **S 1221** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **National Council on Compensation Insurance (NCCI) Workers' Compensation Rates in Idaho.** **Sarah Bettweiser**, representing NCCI, introduced Todd Johnson, Senior State Relations Executive with NCCI, who explained the NCCI's role and structure. **Mr. Johnson** noted NCCI was the rating bureau for workers' compensation insurance in Idaho and in over 40 states. Its mission for over 100 years had been to foster a healthy workers' compensation system. They collected and validated extensive policy, premium, exposure, and claims data from all licensed workers' compensation carriers in Idaho. They also provided actuarial and economic services. He outlined all of the services provided and NCCI's broader footprint. He also provided Idaho-specific data and trends. He praised the working relationship with Director Cameron of the Idaho Department of Insurance (DOI). The DOI reviewed and approved NCCI's rate and item filings (classification changes, rating algorithm updates, and other items. (Attachment 1).

DISCUSSION: **Senator Ruchti** queried how NCCI defined "high-risk" employers in the assigned risk plan. **Mr. Johnson** replied that examples included certain construction trades with significant physical hazard, mining, and other classes where injuries tended to be more severe or frequent. These employers sometimes ended up in the assigned risk pool.

Senator Lakey questioned whether NCCI was rating employers or insurance providers. **Mr. Johnson** explained NCCI developed loss costs/rate recommendations for each class code (over 600 job classifications in Idaho). Those proposed rates were filed with and reviewed by the DOI. Once approved, carriers used those approved rates but could request deviations with DOI approval.

Senator Ruchti asked if NCCI had any role in compensability decisions or claims adjusting. **Mr. Johnson** stated NCCI did not make compensability decisions and did not adjust claims. The closest involvement with employer operations was through classification inspections, where NCCI visited employers to confirm workers were placed in the correct job classification codes, for example, drywall installers properly classified as drywall, not office clerical, to ensure fair and accurate premiums.

Chairman Foreman thanked Mr. Johnson for traveling to Idaho and for the detailed presentation.

ADJOURNED: There being no further business at this time, **Chairman Foreman** adjourned the meeting at 2:13 p.m.

Senator Foreman
Chair

Linda Kambeitz
Secretary