

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Tuesday, January 12, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:
<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
	NOTE NEW MEETING TIME FOR THE SESSION IS 1:15 P.M.	
WELCOME	Opening Remarks	Chairman Jim Patrick
INTRODUCTIONS	New Member: Senator Peter Riggs; Page	Chairman Jim Patrick
RULES REVIEW	Assignments	Vice Chair Mary Souza

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, January 12, 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 (Committee) to order at 1:16 p.m.

WELCOME: **Chairman Patrick** welcomed everyone to the first meeting.

INTRODUCTIONS: **Chairman Patrick** introduced Page Olivia Jones and asked her to tell the Committee about herself. **Ms. Jones** remarked she lives in Rupert and attends Burley High School. She reported a friend and former page recommended she apply. She indicated she was sponsored by Senator Anthon. Her interests are in graphic design and business. **Chairman Patrick** thanked her for being at the Senate.

Chairman Patrick introduced Senator Peter Riggs, District 3. **Senator Riggs** stated he looked forward to being on the Committee. **Chairman Patrick** asked all members to introduce themselves.

Chairman Patrick outlined all the agencies that report to the Committee. He remarked public testimony could be given in person or online.

RULES REVIEW: **Vice Chair Souza** gave a brief overview of the rule assignments and indicated a spreadsheet would be emailed to the Committee. She remarked there were many omnibus rules with no significant changes.

Chairman Patrick asked if there were any comments or questions from the Committee.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 1:26 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Thursday, January 14, 2021

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SUBJECT	DESCRIPTION	PRESENTER
GUBERNATORIAL APPOINTMENT:	Committee Consideration of the Gubernatorial Appointment of Tara Malek, Idaho Health Insurance Exchange Board	Tara Malek
GUBERNATORIAL APPOINTMENT:	Committee Consideration of the Gubernatorial Appointment of Karan Tucker, Idaho Health Insurance Exchange Board - Virtual Testimony	Karan Tucker
DOCKET NO.: <u>12-0000-2000F</u>	Rules of the Idaho Department of Finance, Omnibus Rulemaking, p. 5; 12.01.08 Rules Pursuant to the Uniform Securities Act (2004), p. 8	Anthony Polidori, Consumer Finance Bureau Chief
<u>18-0000-2000F</u>	Rules of the Idaho Department of Insurance, Omnibus Rulemaking, p. 73; 08.01.02 - Rules of the Department of Insurance, Schedule of Fees, Licenses, and Miscellaneous Charges, p. 75; 08.02.02 -Rules of the Fire Protection Sprinkler Contractors, p. 79	Dean Cameron, Director, Idaho Department of Insurance
<u>24-0101-2000F</u>	Rules of the Division of Occupational Professional Licensing, Omnibus Rulemaking, p. 85; 24.01.01 - Rules of the Board of Architectural Examiners, p. 88	Dawn Hall, Section Chief, Occupational Licenses
<u>24-0401-2000F</u>	Rules of the board of Registration for Professional Geologists, Omnibus Rule, p. 94; 24.01.01 - Rules of the Board of Registration for Professional Geologists, p. 97	
<u>24-0701-2000F</u>	Rules of the Idaho State Board of Landscape Architects, Omnibus Rulemaking, p. 103; 24.01.01 - Rules of the Idaho State Board of Landscape Architects, p. 106	

- [24-0801-2000F](#) Rules of the State Board of Morticians, Omnibus Rulemaking, p. 109;
24.08.01 - Rules of the State Board of Morticians, p. 112
- [24-1801-2000F](#) Rules of the Real Estate Appraiser Board, Omnibus Rulemaking, p. 119;
24.15.01 - Rules of the Real Estate Appraiser Board, p. 122
- [24-2101-2000F](#) Rules of the Idaho State Contractors Board, Omnibus Rulemaking, p. 134;
24.21.01 - Rules of the Idaho State Contractors Board, p. 137
- [24-2201-2000F](#) Rules of the Idaho State Liquefied Petroleum Gas Safety Board, Omnibus Rulemaking, p. 139;
24.22.01 - Rules of the Idaho State Liquefied Petroleum Gas Safety Board, p. 142
- [24-2501-2000F](#) Rules of the Idaho Driving Business Licensure Board, Omnibus Rulemaking, p. 145;
24.25.01 - Rules of the Idaho Driving Business Licensure Board, p. 148
- [24-2801-2000F](#) Rules of the Barber and Cosmetology Services Licensure Board, Omnibus Rule, p. 157;
24.28.01 Rules of the Barber and Cosmetology Services Licensure Board, p. 160
- [24-2901-2000F](#) Rules of Procedure of the Idaho Certified Shorthand Reporters Board, Omnibus Rulemaking, p. 180;
24.29.01 - Rules of Procedure of the Idaho Certified Shorthand Reporters Board, p. 183

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

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MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 14, 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 (Committee) to order at 1:16 p.m.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Tara Malek, Idaho Health Insurance Exchange Board (IHIEB)**, of Coeur d'Alene, Idaho, term commencing August 5, 2020, and expiring April 10, 2024. **Ms. Malek** gave a brief overview of her background and job history. **Ms. Malek** noted that with her experience, including as a Your Health Idaho (YHI) Finance Committee Member and as an attorney currently at Smith and Malek, she would bring a perspective to the IHIEB from the legal and business-owner point of view.

DISCUSSION: **Senator Agenbroad** asked what short- and long-term impact would Ms. Malek have on the IHIEB. **Ms. Malek** stated because of her background in civil and criminal law, and as a business owner, she would bring that experience to the IHIEB.

Senator Lakey remarked YHI was a solution to the federal requirements. He questioned how Ms. Malek would maintain YHI. **Ms. Malek** related YHI has been a huge benefit to the State, with low medical insurance rates and over a 90 percent approval rate.

Senator Burgoyne indicated he was interested in the nature of her legal practice and if conflicts of interest ever arose while serving on the IHIEB. **Ms. Malek** responded she would recuse herself if there was a conflict. She reported she represented the public on the IHIEB, due to her diverse background.

Vice Chair Souza asked Ms. Malek how COVID-19 had impacted the IHIEB. **Ms. Malek** asserted Executive Director Pat Kelly of YHI had done an exemplary job of navigating and using technology to update IHIEB members on the impact of COVID-19.

Chairman Patrick announced the Committee would vote after the next Gubernatorial Appointment hearing on the agenda.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Karan Tucker, IHIEB**, of Boise, Idaho, term commencing May 27, 2020, and expiring April 4, 2021. **Ms. Tucker** gave a brief overview of her background and job history. **Ms. Tucker** opined every Idahoan needs access to health care. Her experience as a Certified Public Accountant (CPA) in the past and as Executive Director of Jannus, Incorporated, a nonprofit health and human services organization allows her to fill the position on the IHIEB that represents consumer interests.

DISCUSSION: **Senator Burgoyne** queried how Ms. Tucker would handle any potential conflicts of interest. **Ms. Tucker** responded that in the early years of YHI, her company had contracts to serve as consumer outreach. She has stopped contracting with YHI even though she continues to serve on its Governance Committee and would acknowledge any conflict of interest.

Senator Martin asked if Ms. Tucker had seen any effect on YHI with Medicaid expansion. **Ms. Tucker** stated that access for all Idahoans is significant and positive for all. **Senator Martin** asked Mr. Kelly to testify.

TESTIMONY: **Pat Kelly**, Executive Director, Idaho Health Insurance Exchange (IHIE), addressed Medicaid expansion and indicated there was an expectation of approximately 18,000 people moving from the IHIE to Medicaid in 2020. He reported a year ago there were 13,000. People stayed on the IHIE based on income or moved to Medicaid he said, if there was a decline in income. These programs continue to stay at a low cost for consumers, he said.

MOTION: **Vice Chair Souza** moved to send the Gubernatorial appointment of Tara Malek to the IHIEB to the floor with the recommendation that she be confirmed. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

MOTION: **Senator Burgoyne** moved to send the Gubernatorial appointment of Karan Tucker to the IHIEB to the floor with the recommendation that she be confirmed by the Senate. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chair Souza to introduce the rules.

Vice Chair Souza gave a brief synopsis of the rules that were approved last year. She stated she wanted a quick overview from presenters and asked them to note if there were any substantive changes from last year. She remarked a couple of rules would be held and heard in detail next week.

DOCKET NO. 12-0000-2000F **Rules of the Idaho Department of Finance (IDOF), Omnibus Rulemaking**, p. 5. **Anthony Polidori**, Deputy Director, IDOF, reported the rules were previously approved and there were no substantive changes.

MOTION: **Senator Agenbroad** moved to approve **Docket No. 12-0000-2000F**. **Senator Ward-Engelking** seconded the motion. **Senator Martin** asked for clarification that this motion approved all the omnibus rules under this docket. **Vice Chair Souza** said it did.

DISCUSSION: **Vice Chair Souza** indicated this docket also had a second component, which should be included in the motion. She asked Senator Agenbroad to restate the motion.

MOTION: **Senator Agenbroad** moved to approve **Docket Nos. 12-0000-2000F** and **12-0108-2000F**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 18-0000-2000F **Rules of the Idaho Department of Insurance (DOI), Omnibus Rulemaking**, p. 73. **Dean Cameron**, Director, DOI, reported there were no changes. He stated the three fee rules referring to Omnibus, Schedule of Fees, Licenses, and Miscellaneous Charges, and the Rules of the Fire Protection Sprinkler Contractors, were tied together.

MOTION: **Senator Lakey** moved to approve **Docket Nos. 18-0000-2000F, 18-0102-2000F, and 18-0802-2000F**. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

DISCUSSION: **Vice Chair Souza** announced some of the ensuing dockets would be grouped and a motion would be made to approve all those dockets as a block. Some would be held.

Dawn Hall, Section Chief, Idaho Division of Occupational and Professional Licenses (IDOPL), indicated there were some small changes to the dockets

Senator Lakey and **Ms. Hall** discussed legislation passed last year in the House and some changes that addressed deadlines for the various boards.

DOCKET NO. 24-0101-2000F **Rules of the Division of Occupational Professional Licensing, Omnibus Rulemaking**, p. 85. **Ms. Hall** reported there were no substantive changes. She noted these rules encompassed landscape architects, morticians, and real estate appraisers.

MOTION: **Senator Martin** moved to approve **Docket Nos. 24-1801-2000F, 24-0101-2000F, 24-0401-2000F, 24-0701-2000F, and 24-0801-2000F**. **Senator Riggs** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-2101-2000F **Rules of the Idaho State Contractors Board, Omnibus Rulemaking**, p. 134. **Vice Chair Souza** stated because this is a new fee, it will be held until next week.

DOCKET NO. 24-2201-2000F **Rules of the Idaho State Liquefied Petroleum Gas Safety Board, Omnibus Rulemaking**, p. 139. **Ms. Hall** reported there were no changes.

DOCKET NO. 24-2901-2000F **Rules of Procedure of the Idaho Certified Shorthand Reporters Board, Omnibus Rulemaking**, p. 180. **Ms. Hall** indicated there were no substantive changes.

MOTION: **Senator Lakey** moved to approve **Docket Nos. 24-2201-2000F and 24-2901-2000F**. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-2501-2000F **Rules of the Idaho Driving Business Licensure Board, Omnibus Rulemaking**, p. 145. **Ms. Hall** stated this was a cleanup rule. She stated the hours were reduced for apprentices.

DISCUSSION: **Vice Chair Souza** announced the Committee may want to discuss and approve this docket. **Senator Martin** and **Ms. Hall** discussed the reduction of hours for apprentices and that there was no negative feedback.

MOTION: **Chairman Patrick** moved to approve **Docket No. 24-2501-2000F**. **Senator Riggs** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-2801-2000F **Rules of the Barber and Cosmetology Services Licensure Board, Omnibus Rule**, p. 157. **Vice Chair Souza** indicated this docket may be held. She asked **Ms. Hall** to describe the changes. **Ms. Hall** stated an application and a renewal fee were added and some fees were removed. **Vice Chair Souza** stated because fees were being added and removed, this docket would be held until next week.

**PASSED THE
GAVEL:**

Vice Chair Souza passed the gavel back to Chairman Patrick.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:01 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Tuesday, January 19, 2021

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SUBJECT	DESCRIPTION	PRESENTER
GUBERNATORIAL REAPPOINTMENT:	Committee Consideration of the Gubernatorial Reappointment of Jeff Cilek, Public Employee Retirement System of Idaho (PERSI) Board	Jeff Cilek
GUBERNATORIAL APPOINTMENT:	Committee Consideration of the Gubernatorial Appointment of Steve Landon, State Insurance Fund Board	Steve Landon
MINUTES APPROVAL:	Minutes of January 12, 2021	Senator Jeff Agenbroad
DOCKET NO: <u>24-3001-2000F</u>	Rules of the Idaho Accountancy Board, Omnibus Rulemaking, Fee Rule, p. 187	Dawn Hall, Section Chief, Idaho Division of Occupational and Professional Licensing
<u>24-3201-2000F</u>	Rules of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors, Omnibus Rules, Fee Rule, p. 203	MiChell Bird, Section Chief, Idaho Division of Occupational and Professional Licensing Keith Simila, Executive Director
<u>24-3940-2000F</u>	Safety Rules for Elevators, Escalators, and Moving Walks, Fee Rule, p. 306	MiChell Bird Patrick Grace, Regional Manager
<u>48-0101-2000F</u>	Rules of the Idaho Grape Growers and Wine Producers Commission, Omnibus Rulemaking, Fee Rule, p. 341	Brenna Christison Smith, Operations and Finance Manager
<u>59-0101-2001</u>	Pending Rules for the Public Employee Retirement System of Idaho (PERSI), p. 19	Don Drum, Executive Director, PERSI
<u>17-0000-2000F</u>	Rules of the Idaho Industrial Commission, Omnibus Rulemaking, Fee Rule, p. 41	Sonnet Robinson, Referee, Idaho Industrial Commission Kamerron Slay, Secretary Idaho Industrial Commission

<u>18-0801-2001</u>	Pending Rules of Adoption of the International Fire Code, p. 15	Dean Cameron, Director, Idaho Department of Insurance
<u>RS28112</u>	Relating to the State Fire Marshal	Dean Cameron
<u>RS28069</u>	Relating to Workers' Compensation	Sonnet Robinson Kamerron Slay
<u>RS28126</u>	Relating to Coordinate System of Land Description	MiChell Bird Tom Judge, Deputy Director, Surveying Keith Simila
<u>RS28127</u>	Relating to Dentists	Susan Miller, Executive Director, Idaho Division of Occupational and Professional Licensing
<u>RS28136</u>	Relating to Commercial Transactions	Anthony Polidori, Consumer Finance Bureau Chief
<u>RS28117</u>	Relating to Collection Agencies	Anthony Polidori

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

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DATE: Tuesday, January 19, 2021

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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 (Committee) to order at 1:15 p.m.

GUBERNATORIAL REAPPOINTMENT: **Committee Consideration of the Gubernatorial Reappointment of Jeff Cilek, Public Employee Retirement System of Idaho (PERSI) Board.**, of Chubbuck, Idaho, term commencing July 1, 2020, and expiring July 1, 2025. **Mr. Cilek** gave a brief overview of his background and job history, including his position as Vice President of External Relations for St. Luke's Health System. **Mr. Cilek** noted this was his fourth appearance before the Committee. He remarked PERSI is strong and well-funded, which is important for recruiting employees. Currently, he is serving as Chairman of the PERSI Board.

DISCUSSION: **Senator Agenbroad** queried what challenges Mr. Cilek saw on the horizon. **Mr. Cilek** remarked the hardest challenge was to maintain stability for the PERSI Board.

MOTION: **Senator Lakey** moved to send the Gubernatorial reappointment of Mr. Cilek to the PERSI Board to the floor with the recommendation that he be confirmed. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL REAPPOINTMENT: **Committee Consideration of the Gubernatorial Reappointment of Steve Landon, State Insurance Fund Board (SIFB)**, of Boise, Idaho, term commencing April 30, 2020, and expiring April 30, 2024. **Mr. Landon** gave a brief overview of his background and job history. He noted he retired in 2013 from the J.R. Simplot Don Plant in Pocatello. **Mr. Landon** noted this was his fourth appointment to the SIFB, where he currently serves as Representative of Labor. He remarked the State Insurance Fund (SIF) competes in Idaho and across states for business.

DISCUSSION: **Senator Lakey** stated he has had the pleasure of serving with Mr. Landon on the SIFB. Mr. Landon has a good common sense approach. He asked Mr. Landon what challenges were on the horizon and how would he handle those demands. **Mr. Landon** answered that by participating in virtual meetings, the SIF has expanded, becoming more efficient when serving customers and agents.

MOTION: **Senator Guthrie** moved to send the Gubernatorial reappointment of **Steve Landon** to the SIFB to the floor with the recommendation that he be confirmed. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Minutes of January 12, 2021.** **Senator Agenbroad** moved to approve the Minutes of January 12, 2021. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chair Souza to introduce presenters for the rules review.

DOCKET NO. 24-3001-2000F **Rules of the Idaho Accountancy Board, Omnibus Rulemaking**, p. 187. **Dawn Hall**, Section Chief, Idaho Division of Occupational and Professional Licenses (IDOPL), reported the rules were previously approved and there were no substantive changes. She introduced Kent Absec, Executive Director, Idaho State Board of Accountancy, noting he would be available to answer any questions.

MOTION: **Senator Martin** moved to approve **Docket No. 24-3001-2000F**. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-3201-2000F **Rules of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors (IPELS), Omnibus Rules, Fee Rule**, p. 203. **Michelle Bird**, Section Chief, IDOPL, reported the rules were previously approved and there were a few changes. She introduced Keith Simila, Executive Director, IPELS, who would be available to answer any questions. **Ms. Bird** reported some of the changes would amend the continuing professional development rule by reducing words, simplifying the requirements, and adding a provision that allows the IPELS to waive the Continuing Professional Development (CPD) rule during times of emergency. In addition, the definition of misconduct was modified to correct an oversight from last year when four chapters were consolidated into one. The change relates to a licensee's obligation to comply with the rules and statutes of the IDOPL Board.

MOTION: **Chairman Patrick** moved to approve **Docket No. 24-3201-2000F**. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-3940-2000F **Safety Rules for Elevators, Escalators, and Moving Walks, Fee Rule**, p. 306. **Ms. Bird** reported the rules were previously approved and there were no changes. She introduced Patrick Grace, Regional Manager, IDOPL, who would be available to answer any questions. **Ms. Bird** gave a brief summary and noted the rule mirrors codes previously adopted.

MOTION: **Senator Guthrie** moved to approve **Docket No. 24-3940-2000F**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 48-0101-2000F **Rules of the Idaho Grape Growers and Wine Producers Commission, Omnibus Rulemaking, Fee Rule**, p. 341. **Brenna Christison Smith**, Operations and Finance Manager, Idaho Grape Growers and Wine Producers Commission, reported there were no substantive changes to these rules.

MOTION: **Senator Guthrie** moved to approve **Docket No. 48-0101-2000F**. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 59-0101-2001 **Pending Rules for the Public Employee Retirement System of Idaho (PERSI)**, p. 19. **Don Drum**, Executive Director, PERSI, reported on an extensive change last year regarding public safety officers. He also said a number of rules were no longer needed. Legislators removed terms from the statute due to federal changes, which are now reflected in this rule.

DISCUSSION: **Vice Chair Souza** asked if this rule was the same that was approved last year in this Committee. **Mr. Drum** replied in the affirmative.

MOTION : **Senator Lakey** moved to approve **Docket No. 59-0101-2001**. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 17-0000-2000F **Rules of the Idaho Industrial Commission (IIC), Omnibus Rulemaking, Fee Rule**, p. 41. **Sonnet Robinson, Referee, IIC**, indicated there were no changes to the rules approved in 2020.

MOTION: **Senator Martin** moved to approve **Docket No. 17-0000–2000F**. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 18-0801-2001 **Pending Rules of Adoption of the International Fire Code**, p. 15. **Dean Cameron**, Director, Idaho Department of Insurance (IDOI), reported certain rules can be exempt that are not applicable to the IDOI. **Mr. Cameron** noted this rule relates to the regulation of food trucks, which are already regulated by the Idaho Department of Health and Welfare. **Mr. Cameron** reported the IDOI will not inspect these trucks and is exempt from regulating or overseeing the food trucks. The purpose of this rule is to amend a previous pending rule and add it to the exemption list.

MOTION: **Senator Martin** moved to approve **Docket No. 18-0801–2001**. **Chairman Patrick** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Vice Chair Souza passed the gavel back to Chairman Patrick.

RS 28112 **Relating to the State Fire Marshal (SFM)**. **Mr. Cameron** indicated this bill would include the SFM and SFM deputies in the same definition as firefighters. He noted the SFM and deputies are exposed to the same horrific events as others who already fit the definition. In many cases they are on the scene at the same time as firefighters and have the duty to determine the cause of an explosion or fire that led to the fatalities. They can often be exposed to the same difficult and emotionally distressing situations for a longer period of time than other fire personnel.

Mr. Cameron advised including the SFM and deputies in the definition of firefighter. Uniformity and a potential career path would be provided for firefighters. The current standard would require a firefighter to reduce employment benefits to become a SFM or a SFM deputy.

Mr. Cameron said there is no fiscal impact to the General Fund or any other fund. Projections originally estimated for a cost to workers' compensation due to adding Post-Traumatic Stress Disorder (PTSD) for firefighters were much less than expected and there has been no additional cost to date.

DISCUSSION: **Senator Ward-Engelking** asked if coroners would be included in this legislation or if a separate bill be needed, **Mr. Cameron** remarked there should be a separate bill. **Mr. Cameron** pointed out there was a concern about what costs would be incurred if PTSD was added to workers' compensation insurance for coroners. He cited there was no increase.

Senator Martin queried if there would be any effect on retirement for coroners. **Mr. Cameron** cited by changing a definition there would be a retirement effect on all of these individuals. One of the main reasons the SFM cannot hire a firefighter as an SFM is due to the retirement Rule of 80, which would decrease retirement for these individuals to the Rule of 90. This is the reason why this legislation is being brought to the Legislature so firefighters would be encouraged to apply to become a SFM.

Senator Burgoyne remarked he liked this legislation because the former law was poorly written.

Senator Guthrie noted he wanted to know more about the Rule of 80 when Director Cameron came back before the Committee.

MOTION: **Senator Guthrie** moved to send **RS 28112** to print. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

RS 28069 **Relating to Workers' Compensation.** **Kamerron Slay**, Commission Secretary, IIC, indicated consistent with the Governor's Red Tape Reduction Act, this bill seeks to eliminate inactive provisions of law. This legislation consolidates duplicative definitions for "burial expenses" from Idaho Code §§ 72-102(4) and 72-436. The elimination will remove obsolete language and make the statute easier to interpret.

Ms. Slay indicated there is no fiscal impact to any fund sources. Although there is a fiscal amount listed as part of the definition, the amount is moving from one section of the statute to another. This amount is paid by workers' compensation sureties in the event of work-related death, and are not State funds.

MOTION: **Senator Burgoyne** moved to send **RS 28069** to print. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

RS 28126 **Relating to Coordinate System of Land Description.** **Ms. Bird** introduced Tom Judge, Deputy Director, IPELS. **Mr. Judge** noted the purpose of this legislation is to improve the way Idaho adopts new datums and mapping projections defining Idaho State plane coordinates and to align with modern uses of measurements and geographic data. It also will remove the requirement for an annual report. The performance report required of all agencies is in lieu of the annual report.

Mr. Judge said there is no fiscal impact to the amended requirement for an annual report, as this legislation replaces the prior state plane coordinate legislation.

MOTION: **Senator Martin** moved to send **RS 28126** to print. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

RS 28127 **Relating to Dentists.** **Susan Miller**, Executive Director, IDOPL, reported this bill removes obsolete and outdated sections. This bill also ensures a dentist cannot limit a patient's right to file a complaint with the Idaho State Board of Dentistry. **Ms. Miller** said this is a housekeeping rule that removes a requirement to report, that is already in statute.

This legislation will have no fiscal impact on the General Fund or the Idaho State Board of Dentistry's dedicated fund.

MOTION: **Senator Burgoyne** moved to send **RS 28127** to print. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

RS 28136 **Relating to Commercial Transactions.** **Anthony Polidori**, Deputy Director, Consumer Finance, Idaho Department of Finance (IDOF), stated this legislation creates efficiencies in licensing processes and reduces licensing requirements for regulated lenders and payday lenders by requiring the use of an electronic system of licensing. Additionally, the legislation modifies provisions related to administrative and civil remedies applicable to persons offering consumer credit in Idaho.

Mr. Polidori remarked the legislation does not alter license application fees collected by the IDOF from licensees or license applicants and it does not alter the application of the Idaho Credit Code licensing requirements to entities conducting covered activities in Idaho. There is no estimated fiscal impact to the IDOF State Regulatory Fund (Finance Administrative Account) (FIAA).

DISCUSSION: **Senator Agenbroad** asked Mr. Polidori, when he comes back before the Committee, why some liquidity requirements were removed.

MOTION: **Senator Agenbroad** moved to send **RS 28136** to print. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

RS 28117 **Relating to Collection Agencies.** **Mr. Polidori** stated this proposed legislation adds a provision to allow collection agencies to collect incidental charges included in the contract between the creditor and the debtor. Additionally, the legislation creates licensing efficiencies by requiring the use of an electronic system of licensing and allowing for reinstatement of an expired license. Further, the legislation revises license, registration, and renewal application fees, while also eliminating a licensing requirement regarding a licensee. This measure is intended to also limit a consumer's exposure to attorney's fees and legal costs prior to an account being reduced to a judgment to only those actual attorney or litigation costs incurred as authorized through a future negotiated rulemaking. Finally, the legislation changes quarterly agent reporting requirements to an annual requirement, thereby eliminating the fees for quarterly reporting.

. The fiscal impact to the IDOF FIAA is an estimated reduction of \$250,000 in fiscal year (FY) 2021.

DISCUSSION: **Vice Chair Souza** queried if there was a similar bill last year before the Committee. **Mr. Polidori** answered in the affirmative, but remarked some changes were made relating to electronic licensing and the reduction of licensing requirements. **Vice Chair Souza** indicated one of the sticking points was the collection of fees. **Mr. Polidori** stated he recalled allowable fees and specific sideboards were implemented not allowing overcharges of legal costs. **Vice Chair Souza** asked if during negotiations if there was anyone on the opposite side of the issue, which would provide a balance in the information that is sent to the Committee. **Mr. Polidori** reported that discussions with the members of the Idaho Collectors Association and with the IDOF Board were favorable.

Senator Guthrie asked for clarification on the fiscal note as to whether there were savings, an impact for one year, or ongoing. **Mr. Polidori** indicated there was a one-time reduction over the next FY.

Senator Lakey advised he would have some questions regarding attorney's fees and what is considered reasonable.

MOTION: **Senator Guthrie** moved to send **RS 28117** to print. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:22 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Thursday, January 21, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of January 14, 2021	Vice Chair Souza
GUBERNATORIAL APPOINTMENT:	Committee Consideration of the Gubernatorial Appointment of Russell Barron, Division Administrator, Idaho Division of Occupational and Professional Licensing	Russell Barron
DOCKET NO.: <u>24-2801-2000F</u>	Rules of the Barber and Cosmetology Services Licensing Board, Omnibus Rulemaking, Fee Rule, p. 157	Dawn Hall, Section Chief, Idaho Division of Occupational and Professional Licenses
<u>24-3701-2000F</u>	Rules of the Idaho Real Estate Commission, Omnibus Rulemaking, Fee Rule, p. 223	Michelle Bird, Section Chief, Idaho Division of Occupational and Professional Licenses
<u>24-3900-2000F</u>	Rules of the Division of Occupational and Professional Licenses, Division of Building Safety and Its Constituency Boards, Omnibus Rulemaking, Fee Rule, p. 230 With the Exception of Docket Nos. 24-3930-2000F, 24-3950-2000F and 24-3910-2000F (Held 1/12/21)	Michelle Bird Patrick Grace, Regional Manager
<u>RS28146</u>	Relating to the Division of Occupational and Professional Licensing - Centralize Hiring Authority	Russell Barron, Executive Director of Idaho Board of Nursing, Idaho Division of Occupational and Professional Licenses Tim Frost, Regulatory Affairs Liaison
<u>RS28161</u>	Relating to the Division of Occupational and Professional Licensing - Reorganization	Russell Barron Tim Frost
<u>RS28150</u>	Relating to the Division of Occupational and Professional Licensing - Assignment of Boards	Russell Barron Tim Frost

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 21, 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.

MINUTES APPROVAL: **Chairman Patrick** announced the approval of the Minutes would be moved to later on the agenda.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Russell Barron, Division Administrator, Division of Occupational and Professional Licenses (DOPL)**, of Emmett, Idaho, term commencing September 1, 2020, and serving at the pleasure of the Governor. **Mr. Barron** gave a brief overview of his background and job history. **Mr. Barron** noted that he is Executive Director, Idaho Board of Nursing, Idaho Department of Health and Welfare and Division Administrator, DOPL. He related that with his education and experience working with state agencies and boards, he believes he can help successfully transition 11 agencies into one organization. The missions of the Idaho boards are important to the State of Idaho citizens and businesses. He would like the opportunity to help boards become more efficient and effective in serving customers, collaborating with stakeholders, and reducing red tape where needed.

DISCUSSION: **Senator Martin** and **Mr. Barron** discussed positive and deficit budget balances, and how to maintain functionality.

Chairman Patrick commented he hoped the boards would stay within budget. **Mr. Barron** indicated there was a lot to examine. He noted the former bureau had 28 boards with 4 in the red. One division could cover those costs, he said. His goal is to have all of them in the black.

Senator Lakey remarked there has been a significant effort in the last three years to scrutinize licensing requirements and regulations. He asked how **Mr. Barron** fit into that process and what role would he take. **Mr. Barron** responded his role was important. He would try to maintain a balance and keep the public safe. He would continue to look at regulations and if they are good for Idaho. He will be working with the boards and wants more consistency.

MOTION: **Senator Martin** moved to send the gubernatorial appointment of Russell Barron to the floor with the recommendation that he be confirmed. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Vice Chair Souza** moved to approve the Minutes of January 14, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chair Souza.

DOCKET NO. 24-2801-2000F **Rules of the Barber and Cosmetology Services Licensing Board, Omnibus Rulemaking, Fee Rule**, p. 157. **Dawn Hall**, Section Chief, DOPL, reported the rules were previously approved and there were no substantive changes. She pointed out an application fee of \$25 was added, which was overlooked in the past. A renewal fee for makeup artists was added, which aligned with legislation from last year. Some wording was eliminated in order to streamline the rule.

MOTION: **Senator Martin** moved to approve **Docket No. 24-2801-2000F**. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-3701-2000F **Rules of the Idaho Real Estate Commission, Omnibus Rulemaking, Fee Rule**, p. 223. **Michelle Bird**, Section Chief, DOPL, reported the rules were previously approved and there were no substantive changes. She noted two chapters were eliminated.

MOTION: **Senator Lakey** moved to approve **Docket No. 24-3701-2000F**. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-3900-2000F **Rules of the Division of Occupational and Professional Licenses, Division of Building Safety and Its Constituency Boards, Omnibus Rulemaking, Fee Rule**, p. 230, **With the Exception of Docket Nos. 24-3930-2000F, 24-3950-2000F, and 29-3910-2000F** (held 1/12/21). **Ms. Bird** introduced Patrick Grace, Regional Manager, Division of Building Safety, who would be available to answer questions. **Ms. Bird** reported the rules were previously approved and there were no substantive changes. She stated all the small changes aligned with statute.

DISCUSSION: **Vice Chair Souza** explained the Committee held three of the dockets under the omnibus rule and will hear those at a later date.

MOTION: **Chairman Patrick** moved to approve **Docket No. 24-3900-2000F**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

Chairman Patrick remarked it would be helpful if the changes for next year were redlined.

PASSED THE GAVEL: Vice Chair Souza passed the gavel to Chairman Patrick.

RS 28146 **Relating to the Division of Occupational and Professional Licenses - Centralize Hiring Authority**. **Mr. Barron** introduced Tim Frost, Regulatory Affairs Liaison, DOPL, who would be available to answer questions. He indicated this proposed legislation will centralize the hiring authority for certain management positions of the boards consolidated as a result of Executive Order No. 2020-10, with the DOPL.

Mr. Barron noted there is no impact to the General Fund nor the DOPL dedicated fund. The previously existing hiring authority and associated financial obligations are reassigned from the previously existing freestanding boards to the DOPL administrator.

DISCUSSION: **Senator Guthrie** expressed a concern about removing some staffing and decision-making from boards and queried if there was some opposition. **Mr. Barron** remarked there were no concerns. The administrator will take over Human Resources from the boards, which will save time and be in line with other agencies. **Senator Guthrie** remarked staffing needs may be compromised and asked for more information when this legislation was brought back as a bill.

Senator Burgoyne stated he was skeptical about what was happening in the marketplace for health care professionals. Licensing boards have more independence and he wanted to be assured the independence was not being undermined. He noted there are a number of licensing boards in the area of health care where professionals were having trouble finding people to serve. The boards will not be able to choose who they hire, which will make people feel the job will be easier or not have a lot of substance, which may be devalued. **Chairman Patrick** remarked he agreed.

MOTION: **Senator Martin** moved to send **RS 28146** to print. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

RS 28161 **Relating to the Division of Occupational and Professional Licenses - Reorganization.** **Mr. Barron** indicated this proposed legislation will continue the reorganization of the DOPL. The proposal will merge the Division of Building Safety (DBS) into DOPL and assign duties of the DBS Administrator to the DOPL Administrator. The proposed legislation amends the licensing renewal and reinstatement provisions, to account for differences between licensing boards. Additionally, the proposed legislation will combine the accounts of the various boards consolidated in DOPL. The accounts will be combined with the existing dedicated fund account of DOPL.

Mr. Barron remarked there is no impact to the General Fund nor the DOPL dedicated fund. The centralization of the board funds will aid in accounting for the consolidated boards and the DOPL accounts. There will be more transparency and budgets will be viewable to the public through the Transparent Idaho Luma Project.

MOTION: **Senator Burgoyne** moved to send **RS 28161** to print. **Senator Ward-Engelking** seconded the motion.

DISCUSSION: **Vice Chair Souza** opined this RS seems to be the least controversial and asked if there were any concerns expressed about these changes. In the past the bureaus had separate funds but shared monies, which could be pooled. She remarked these changes keep the boards separate but allow for more accountability.

Senator Guthrie clarified it was his understanding boards were tracked separately. If a board fails, the pool could fill the gap. The sharing of revenues were tracked on their own merits because the pool bridges the gap.

Mr. Barron, in answer to questions from Vice Chair Souza and Senator Guthrie, explained expenses must be paid and everything is tracked separately. He would bring back more information for the bill hearing.

VOICE VOTE: The motion to send **RS 28161** to print carried by **voice vote**.

RS 28150

Relating to the Division of Occupational and Professional Licenses - Assignment of Boards. **Mr. Barron** indicated this proposed legislation will assign the listed boards outlined in the RS into the DOPL. Prior to Executive Order No. 2020-10, the boards were freestanding, part of the DOPL, contracting with the Idaho Bureau of Occupational Licenses (IBOL) or part of the DBS.

Mr. Barron stated there is no impact to the General Fund nor the DOPL dedicated fund. This legislation furthers the execution of the Executive Order by moving the previously freestanding boards, DBS, and IBOL under the authority of the DOPL.

MOTION:

Senator Guthrie moved to send **RS 28150** to print. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:01 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Tuesday, January 26, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of January 19, 2021	Senator Guthrie
DOCKET NO.: <u>09-0101-2001</u>	Pending Rules of Administrative Procedure of the Idaho Department of Labor, p. 4	Amy Hohnstein, Appeals Bureau Chief, Idaho Department of Labor
<u>09-0160-2001</u> (Chapter Repeal)	Pending Rules of Complaint Procedures Under the Workforce Innovation and Opportunity Act (WIOA), Idaho Department of Labor, p. 13	Amy Hohnstein
<u>09-0130-2002</u>	Pending Rules of Unemployment Insurance Benefits Administration Rules, Idaho Department of Labor, p. 8	Josh McKenna, Unemployment Insurance Benefits Bureau Chief, Idaho Department of Labor
<u>RS28291</u>	Relating to Public Contracts	Senator Woodward Jeremy Chou, American Council of Engineering Companies
<u>RS28303</u>	Relating to Consumer Protection	Senator Guthrie Ken McClure, Idaho Petroleum Marketers
<u>S 1012</u>	Relating to Dentistry	Susan Miller, Executive Director, Idaho State Board of Dentistry

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, January 26, 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 (Committee) to order at 1:16 p.m.

MINUTES APPROVAL: **Senator Guthrie** moved to approve the Minutes of January 19, 2021. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chair Souza.

DOCKET NO. 09-0101-2001 **Pending Rules of Administrative Procedure of the Idaho Department of Labor (IDOL), p. 4. Amy Hohnstein**, Appeals Bureau Chief, IDOL, reported Docket 09.01.01, Subsections 27, 35, 36, and 37, "Appeals to Appeals Examiner," that the proposed changes clean up and update the rules to reflect: 1) Electronic transmission (email) is an acceptable method for transmitting a protest or appeal; 2) The date the IDOL receives a protest for a decision on an appeal for unemployment insurance benefits or a wage and hour claim will be the date deemed filed, or if the protest is received on a holiday, the next business day; and, 3) The date of mailing or service indicated on the determination shall be deemed the date of service.

Ms. Hohnstein noted there are no changes to the pending rule and it is being adopted as originally proposed. She stated there is no fiscal impact to the State of Idaho for any part of this rule change. This rule change will not increase costs to any state agency or the General Fund because the proposed changes align the rule with current, acceptable practices and time frames for electronic transmission of a protest or appeal.

DISCUSSION: **Vice Chair Souza** stated there was no mention of negotiated rulemaking and queried whether there was any pro or con feedback on the change. **Ms. Hohnstein** indicated there was none. **Chairman Patrick** commented it is not always feasible to conduct negotiated rulemaking. He pointed out when negotiated rulemaking is conducted for complicated rules, the process is easier with fewer questions being asked.

MOTION: **Senator Ward-Engelking** moved to approve **Docket No. 09-0101-2001**. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

**DOCKET NO.
09-0160-2001
(CHAPTER
REPEAL)**

Pending Rules of Complaint Procedures Under the Workforce Innovation and Opportunity Act (WIOA), IDOL, p. 8. **Ms. Hohnstein** stated the IDOL proposes to repeal this chapter in an attempt to eliminate unnecessary red tape. She noted all provisions are duplicated in IDOL procedures and federal law (Title 29, Subtitle Part A, Part 38, Code of Federal Regulations - Implementation of the Non-Discrimination and Equal Opportunity Provisions of the WIOA).

MOTION:

Senator Martin moved to approve the repeal of **Docket No. 09-0160-2001 (Chapter Repeal)**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

**DOCKET NO.
09-0130-2002**

Pending Rules of Unemployment Insurance Benefits Administration Rules, IDOL, p. 8. **Josh McKenna**, Unemployment Insurance Benefits Bureau Chief, IDOL, explained the changes and the reasons for adopting the pending rule. He advised this rule updates existing rules and eliminates unnecessary words. **Mr. McKenna** noted that in Docket 09.01.30.125, "Alien Eligibility," replaces outdated references to the federal Immigration and Naturalization Service with the federal department's current title, "U. S. Department of Homeland Security." **Mr. McKenna** stated Docket 09.01.30.425, "New Claims," replaces outdated references to "Idaho Works" with "American Job Centers."

Mr. McKenna reported there are no changes to the pending rule and it is being adopted as originally proposed. There is no fiscal impact to the State of Idaho for any of these changes. The rule change will not increase costs to any state agency or the General Fund because the rule change relates to simple wording updates.

DISCUSSION:

Chairman Patrick commented the State of California lost billions of dollars in unemployment benefits fraud last year. He asked if these changes to the Idaho rules would help. **Mr. McKenna** noted these changes had no impact on those situations. It has always been the practice of the IDOL to verify whether someone was a citizen. If a noncitizen applies for unemployment benefits and is not authorized to work, the claim will be denied. **Mr. McKenna** said this rule was not related to the pandemic.

MOTION:

Senator Ward-Engelking moved to approve **Docket No. 09-0130-2002**. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

**PASSED THE
GAVEL:**

Vice Chair Souza passed the gavel to Chairman Patrick.

RS 28291

Relating to Public Contracts. **Jeremy Chou**, American Council of Engineering Companies, explained this legislation involves clarifications of Idaho's Qualifications-Based Selection (QBS) process. **Mr. Chou** noted QBS is a selection process for the procurement of professional services such as engineering, construction management, architecture, landscape architecture, and land surveying. QBS has been the law in Idaho for over 35 years. QBS focuses on retaining knowledgeable and skilled professionals with specific experience for complex projects like schools, bridges, roads, municipal water, and wastewater facilities. Nearly all these projects involve public health, safety, or welfare concerns where the involvement of a qualified professional are paramount. **Mr. Chou** indicated the legislation helps make QBS more transparent and provides more guidance in maneuvering through the QBS process.

Mr. Chou noted there is no fiscal impact to the General Fund because Idaho already has a QBS process in place.

DISCUSSION: **Senator Martin** and **Mr. Chou** discussed how this legislation would make the QBS selection process more consistent and understandable with Idaho Code.

MOTION: **Senator Burgoyne** moved to send **RS 28291** to print. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

RS 28303 **Relating to Consumer Protection.** **Ken McClure**, Idaho Petroleum Marketers, testified this legislation specifies that the statute prohibiting excessive pricing during a declared emergency applies to exorbitant or excessive increased prices to the consumer, rather than to the margin between wholesale and retail prices. He explained that the Consumer Protection Act (CPA) addressed the sale of fuel, food, pharmaceutical, or water consumption during times of emergency. Price gouging or taking advantage of a disaster or emergency is prohibited. **Mr. McClure** defined price gouging as charging high prices and taking advantage of supplies and an increase in demand. **Mr. McClure** said in Idaho Code, any time there is a declared emergency, if during that emergency a retailer is selling one of those four resources previously mentioned, that the CPA can control retailer margins. If a retailer is charging a low price and not increasing the price and if there is a gasoline glut on the market, it is difficult to understand why the State would say margins are too high and the retailer is making too much money. Yet, that is what happens.

Mr. McClure opined the statute deserved attention and that an appropriate change could be made.

Mr. McClure noted there is no fiscal impact to the General Fund because no additional personnel or administrative costs are required by this clarification to Idaho Code.

DISCUSSION: **Senator Agenbroad** stated he supported the idea of clarifying emergencies and that margin may be the crux of the problem.

MOTION: **Vice Chair Souza** moved to send **RS 28303** to print. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

S 1012 **Relating to Dentistry.** **Susan Miller**, Executive Director, Idaho State Board of Dentistry (ISBD), reported this bill removes obsolete and outdated sections. She noted this bill also ensures a dentist cannot limit a patient's right to file a complaint with the ISBD. **Ms. Miller** said this is a housekeeping bill that removes a requirement to report that is already in statute. **Ms. Miller** remarked this legislation will have no fiscal impact on the General Fund or the ISBD's dedicated fund.

Ms. Miller outlined the history of this legislation. She noted there was a bill brought forth last year in relation to teledentistry. The Governor acknowledged there were components in the bill that could enhance the safety of teledentistry services, and he directed the ISBD to consider the necessity of these safeguards as rules were re-promulgated. The ISBD reviewed the language and made a change which mirrors language from previous legislation (S 1295). This is an important consumer protection provision and it is supported by all stakeholders.

A letter of support from the ISDA was submitted for the record (Attachment 1).

MOTION: **Vice Chair Souza** moved to send **S 1012** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 1:42 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary



IDAHO STATE DENTAL ASSOCIATION

January 22, 2021

Senate Commerce and Human Resources Committee

Dear Senator Patrick and Committee Members,

On behalf of the over 800 members of the Idaho State Dental Association, we write in support of S1012 amending the Dental Practice Act, Section 54-924. Simply stated, this amendment preserves a patient's right to file a complaint with the Idaho State Board of Dentistry.

We support this amendment due to the unfortunate fact that there are Idaho licensed dentists aligning with companies providing dental services to Idaho citizens, who require patients waive their right to file a complaint should they have issues with their treatment. Without the change included in S1012, these companies and the dentists aligned with them, are blocking the patient's right to communicate concerns with our State Board of Dentistry. The patient is then left to deal with the resulting costs to correct the damage, and the dentist who harmed the patient has no accountability for their actions. Clearly this current practice goes against the best interest of the patient and violates a basic consumer right.

We respectfully ask for your yes vote on S1012.

Sincerely,

Steven Bruce, DMD
ISDA Legislative Committee Chair

Linda Swanstrom
ISDA Executive Director

*attachment 1
1/26/21
51012*

Board Members

- Kevin Hamblin, DDS
Twin Falls
President
- Steven Nielsen, DDS
Shelley
President Elect
- Kim Keller, DDS
Nampa
Vice President
- Scott Alexander, DMD
Boise
Secretary/Treasurer
- Jill Shelton-Wagers, DMD
Boise
Immediate Past President
- Shaun Whitney, DDS
Coeur d'Alene
Trustee, Idaho Panhandle
- Bret Christensen, DDS, MS
Lewiston
Trustee, Lewis-Clark
- Jonathan Bauter, DDS
Boise
Trustee, Southwest
- John Staley, DDS
Boise
Trustee, Southwest
- N. Tyler Elison, DDS
Jerome
Trustee, South Central
- Mark Baker, DDS
Pocatello
Trustee, Southeast
- Justin Frandsen, DDS
Idaho Falls
Trustee, Upper Snake River
- Shaun Christensen, DMD
Nampa
Trustee, Western Treasure Valley

ADA Delegates

- Timothy Penberthy, DDS
Post Falls
- Brooke Fukuoka, DMD
Twin Falls
- John Hisel Jr., DDS
Boise

Executive Director

Linda Swanstrom

ISDA Vision Statement:

Empowering the dental profession to achieve optimal health for all Idahoans.

ISDA Mission Statement:

Help Idaho dentists succeed and support the advancement of

AMENDED AGENDA #2
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Thursday, January 28, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
DOCKET NO.: <u>24-3900-2000F</u>	Division of Building Safety Omnibus Rulemaking	Dawn Hall, Section Chief, Idaho Division of Occupational and Professional Licenses
	24.39.10 Rules of the Idaho Electrical Board, Fee Rule, p. 234	MiChell Bird, Section Chief, Idaho Division of Occupational and Professional Licenses
	24.39.30 Rules of Building Safety (Idaho Building Code Rules), p. 272	MiChell Bird
	24.39.50 Rules of the Public Works Contractors Licensing Board, Fee Rule, p. 308	MiChell Bird
PRESENTATION:	Your Health Idaho	Pat Kelly, Executive Director, Your Health Idaho
<u>S 1009</u>	Relating to the State Fire Marshal	Dean Cameron, Director, Idaho Department of Insurance
<u>S 1013</u>	Relating to Commercial Transactions	Anthony Polidori, Deputy Director, Idaho Department of Finance
<u>S 1014</u>	Relating to Collection Agencies	Anthony Polidori

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick	Sen Agenbroad
Vice Chairman Souza	Sen Riggs
Sen Martin	Sen Ward-Engelking
Sen Lakey	Sen Burgoyne
Sen Guthrie	

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 28, 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 (Committee) to order at 1:15 p.m.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chair Souza.

INTRODUCTION: **Vice Chair Souza** introduced Dawn Hall, Section Chief, Division of Occupational and Professional Licenses (DOPL).

DOCKET NO. 24-3900-2000F **Chapter 24.39.10.2000F, Rules of the Idaho Electrical Board (IEB), Fee Rule**, p. 234. **Michelle Bird**, Section Chief, DOPL, stated this rule in part was rejected by both the House and Senate committees last year - namely, subsections 9a, dealing with direct supervision and training; and 9b, addressing any violations of the direct supervision requirement.

Ms. Bird noted the IEB changed language in subsection 9a from supervising not more than two apprentices to not more than four apprentices. **Ms. Bird** introduced Patrick Grace, Regional Manager, Division of Building Safety (DBS).

DISCUSSION: **Senator Martin** and **Mr. Grace** discussed the change in the ratio of journeymen to apprentices.

TESTIMONY: **Andrew Bick**, Chairman, Idaho State Building Board, testified in support of the changes. **Marty Durand**, Idaho Building Trades Council, testified in support of the changes and stated she was opposed to any further changes.

DOCKET NO. 24-3900-2000F **Chapter 24.3930.2000F, Rules of Building Safety (Idaho Building Code Rules)**, p. 272. **Ms. Bird** indicated there were several sections of the International Building Code (IBC) that were deleted. The International Residential Code (IRC) also had several sections that were deleted. **Ms. Bird** explained there were sections of the International Energy Conservation Code (IECC) with additions and deletions.

DOCKET NO. 24-3900-2000F **Chapter 24.3950.2000F, Rules of the Public Works Contractors Licensing Board (PWCLB), Fee Rule**, p. 308. **Ms. Bird** advised this rule outlines license renewal, filing deadlines, petitions for extension of time to file, and lapsed licenses. She noted there were no changes.

MOTION: **Senator Martin** moved to approve **Docket No. 24-3900-2000F, Chapters 24.39.10.2000F, 24.39.30.2000F, and Chapter 24.39.50.2000F**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Pat Kelly**, Executive Director, Your Health Idaho (YHI), highlighted the changes and outlined the year for YHI (Attachment 1). He gave an extensive summary of the key accomplishments including 2020 by the numbers, the year in review, open enrollment 2021, and looking ahead to the organization's future.

DISCUSSION: A discussion ensued with **Senator Martin** and **Mr. Kelly** about tax credits. **Mr. Kelly** stated tax credits are based on income and enrollees must buy their insurance through YHI in order to qualify.

Senator Agenbroad remarked the current administration in Washington, D.C., has proposed a new enrollment period. He queried how Mr. Kelly was going to handle the situation and what impact it would have on YHI. **Mr. Kelly** noted YHI is still working through the details with the Department of Insurance (DOI) and is closely monitoring the enrollment situation.

Senator Riggs remarked the U.S. is in a period of transition between two philosophically different administrations and questioned if there would be a severe impact on the operation of YHI. **Mr. Kelly** affirmed there will be an impact, but YHI could make a relatively simple change. **Mr. Kelly** said there is a proposal for enhanced subsidies, which will expand tax credits. He stated there is the potential to allow people who are not currently eligible but making more money to apply for insurance through YHI. **Mr. Kelly** indicated some marketing efforts would be opened up.

S 1009

Relating to the State Fire Marshal (SFM). **Dean Cameron**, Director, DOI, reported the purpose of this legislation is to include the SFM and SFM deputies in the same definition as firefighters. **Mr. Cameron** said by including the SFM and deputies in the definition of firefighter, uniformity and a potential career path would be provided for them all.

Mr. Cameron stated this bill clarifies the intent of the original bill, which is to protect those who are impacted by horrific fires in the line of duty. This legislation addresses the issue of fairness and equity. Fire marshals see approximately 10 fatalities a year. **Mr. Cameron** noted it is a challenge to attract and retain the best talent. The distinction between the benefits of a firefighter and an SFM deputy is contributing to that challenge.

Mr. Cameron reported he had carefully analyzed the fiscal impact of workers' compensation insurance and retirement benefits and found none. He consulted with the National Council on Compensation Insurance (NCCI), which rates Idaho's workers' compensation insurance plans. NCCI determines workers' compensation rates in Idaho, and the DOI has the responsibility to approve or reject the rates annually. After evaluation, NCCI said the passage of the post-traumatic stress disorder (PTSD) addition would have little or no effect on the rates. **Mr. Cameron** stated there is no impact to adding PTSD and retirement benefits in the fireman's retirement fund. He remarked there was a rate decrease this year.

Mr. Cameron reported the Firefighter's Retirement Fund, which is well-run by the Public Employee Retirement System of Idaho (PERSI), has just under 8,000 firefighters in the fund. Adding the six SFMs to the fund would have little or no impact. **Mr. Cameron** explained the Rule of 80 is not automatic. The SFM would not receive any benefit for the Rule of 80. Instead, the SFM would get a pro-rata adjustment based on the amount of time spent under each rule. If this bill were passed and the SFM retired the day after it became law, there would be no impact on retirement. If a SFM retires 10 years later, there is a slight adjustment.

Mr. Cameron indicated the primary reason the SFM definition change is being proposed is so that the firefighter does not go backwards if they come to work for the SFM. Importantly, the firefighters are paying for their extra benefit. **Mr. Cameron** stated while other employees in PERSI contribute 7.16 percent of their income towards their retirement, firefighters contribute 8.81 percent of their income for that enhancement to pay for the Rule of 80. Adding the SFMs will increase the SFMs' contribution, but they will not immediately benefit. **Mr. Cameron** noted in consulting with Don Drum, Executive Director, PERSI, adding the six SFMs will not create an impact because of the small number, the pro-rata nature, the delayed benefit, and the costs already paid by the firefighters.

TESTIMONY:

Knute Sandahl, Idaho SFM, shared a story about a tragic fire. He said it was very difficult to see the despair and emotion the SFM deputies and firefighters experienced. He remarked none of the SFM deputies were included in any PTSD benefit or covered under those circumstances. He noted it is difficult to find qualified people for SFM positions in Idaho.

Pro-Tempore Winder testified in support of this bill. He noted the SFMs deserve these benefits.

Rob Shoplock, Vice President, Professional Fire Fighters of Idaho, testified in support of the bill. He explained he has interacted with the SFM's office for the past 23 years. He related a story of a mobile home fire where all four victims lost their lives. One of the victims was pregnant. He noted one of the tasks the firefighters have to do in their investigation is to put monitors on the fire area to test for chemicals. It took several days for the SFM's office to investigate and bring closure to the family.

Mr. Drum testified in support of the bill. He pointed out that PERSI recognizes the career-ladder approach needed for the Rule of 80. It is in the State's best interest to have skilled people in the SFMs office.

MOTION:

Vice Chair Souza moved to send **S 1009** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1013

Relating to Commercial Transactions. **Anthony Polidori**, Deputy Director, Department of Finance (DOF), stated this legislation is to bring efficiencies to licensing new businesses seeking to offer financial services in Idaho, to reduce the burden of licensing and of other restrictions for existing licensees, to update the Credit Code's (CC) administrative enforcement provisions, and both administrative and civil remedies applicable to covered entities, and to reduce administrative costs to the DOF.

Mr. Polidori noted these proposals revise the CC's administrative enforcement process, and the administrative and civil remedies applicable to consumer finance service providers by updating the CC's administrative enforcement and remedies sections to bring them in line with current standards applicable under the Administrative Procedures Act (APA). He reported this bill updates penalties allowed in the case of civil actions brought by the DOF to align with those provided for under the Idaho Mortgage Practices Act and the Idaho Collection Agency Act. The proposal also includes a limitation on the amount of penalty that may apply to a series of violations that are unintentional or a result of computational error.

Mr. Polidori reported these proposals also adopt the use of an electronic system of licensing for license applications and the renewal of a license, thereby eliminating paper application processes. The DOF and its licensees would

utilize the electronic licensing system for completing and reviewing license applications, for the submission and retention of historic records required by the DOF, and for streamlined communications specific to a company's application.

Mr. Polidori remarked the bill would reduce burdens on licensees and license applicants through the removal of liquidity requirements that must be continuously maintained by licensees. **Mr. Polidori** advised that currently, the existing requirement is not directly associated with the activity or size of a company and is not meaningful in determining whether a company is operating safely. **Mr. Polidori** said the DOF already obtains substantial information regarding licensees through the licensing process, such as business history, management, and corporate structure. All of that provides the DOF with a basis for determining the fitness of a company to engage in consumer lending in Idaho. The liquidity requirement represents an unnecessary obstacle to obtaining and maintaining a license, he said.

Mr. Polidori said the proposed amendments specific to an electronic licensing system are modeled after existing Idaho provisions applicable to the DOF's mortgage licensees. This bill will promote standardization of licensing processes utilized by the DOF and the licensees it serves.

DISCUSSION:

Senator Agenbroad queried when the code was last updated. **Mr. Polidori** recalled it was in 2008. **Mr. Polidori** stated there may have been a more recent update that brought in the use of electronic licensing that had not been mandated for all.

Vice Chair Souza remarked it appeared the new language inserted references violating provisions of the Idaho CC. The change seems to be from a judicial review that could occur if someone does not appear to be following the rules of the Idaho CC with respect to agreements or fraudulent or unconscionable conduct. **Mr. Polidori** replied the administrator may issue a cease and desist order and bring civil action. **Vice Chair Souza** asked for clarification about changing to some sort of court-based judicial review.

Vice Chair Souza and **Mr. Polidori** had a lengthy discussion about unconscionable persons involved in what would or would not be considered criminal acts. **Mr. Polidori** clarified the policy was not moving from a court-based review process to a civil-based process. The DOF will be moving to a standard that follows with the APA rather than holding a separate standard, he said. He explained the code has provisions related to unconscionable activity by an unlicensed person that requires the DOF to seek civil remedies related to that type of act. This is in line with what already exists in code. If someone is engaged in fraudulent or unconscionable activity, the director of the DOF would seek civil action.

Vice Chair Souza queried if these changes made it safer for the average consumer who may not understand what they are getting themselves into with someone who is unconscionable or fraudulent. **Mr. Polidori** replied the changes make it better because it allows the DOF to take administrative action under the Idaho Administrative Procedures Act. He said it does not remove any remedies available to the DOF if someone who is unlicensed engages in fraudulent or unconscionable activities. The DOF can ask the court to have this individual cease and desist. **Chairman Patrick** and **Mr. Polidori** discussed the definition of "unconscionable" as described in Idaho Code.

Senator Burgoyne explained the idea of unconscionability, remarking that it has

received intensive attention from the courts. He noted that is not a problematic term for lawyers or judges.

MOTION: **Senator Agenbrood** moved to send **S 1013** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

S 1014 **Relating to Collection Agencies.** **Mr. Polidori** stated this legislation adds a provision to allow collection agencies to collect incidental charges included in the contract between the creditor and the debtor. **Mr. Polidori** noted the purpose of the bill is to incorporate several measures the DOF believes will reduce regulatory burdens on licensees, while also resulting in the reduction of administrative costs.

Mr. Polidori stated these measures will also allow for a reinstatement period that will apply to licensees who have failed to complete a renewal of a license within a specified period. The reinstatement provision would reduce the clerical and administrative work required of both licensees and the DOF when reissuing a license that has lapsed due to a failure to timely renew.

Mr. Polidori indicated the law would also eliminate certain unnecessary license requirements, and reduce reporting requirements and the costs associated with them by providing that current quarterly reporting of a licensee's agents be reduced to an annual reporting requirement. **Mr. Polidori** noted to offset a portion of the reduction in fee revenue associated with this change, fees would be added for a company's branch registration and the fees would be increased for license applications and renewals. He said these fee increases would compensate the DOF for work performed in registering branch locations and aligning licensing and registration fees with the charges applicable to other non-depository entities supervised by the DOF.

Mr. Polidori reported the bill addresses what the DOF perceives as an unintended restriction on debt collection activities and the ability of collection agencies to serve their clients. He pointed out the provisions found in Section 5 of the bill are the result of considerable negotiations between the DOF, the Idaho Collectors Association, and other advocates for responsible restrictions on permissible fees. **Mr. Polidori** said this proposal would allow for collection agencies to collect fees that are provided for within a contract between a consumer and creditor, with limitations on the collection of attorney's fees and litigation costs.

DISCUSSION: **Senator Lakey** expressed a concern that a fee increase is a regulatory burden. This bill is more restrictive than the federal act, he said. He noted another concern was that fees cannot be collected prior to judgement. A debtor can be advised they owe attorney's fees and that are determined by the court. **Senator Lakey** noted this seems to be a little out of order. **Mr. Polidori** remarked the bill exempted attorneys. He said it was an attempt to balance a possible activity where companies could set an amount for collection and attorney's fees that are not related to the debt itself.

Senator Lakey remarked he was concerned about establishing a fee by rule with the government telling collection agencies how much they can charge for a fee. **Mr. Polidori** said that reasonableness would be defined when negotiating language for a rule. **Senator Lakey** noted his preference was to amend the language and make the wording simpler.

Senator Burgoyne stated he shared Senator Lakey's desire for simpler language. For every debtor who cannot pay, on the other side of the equation

is a small-business owner who cannot collect money, which can put them into bankruptcy.

Senator Lakey remarked he is still concerned about the government establishing fees.

Senator Agenbroad commented it was important to look at collection agencies that deal with unsophisticated consumers.

MOTION: **Senator Agenbroad** moved to send **S 1014** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion.

SUBSTITUTE MOTION: **Senator Lakey** moved to send **S 1014** to the 14th Order of Business for possible amendment. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:53 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

Your Health Idaho 2020 Legislative Update

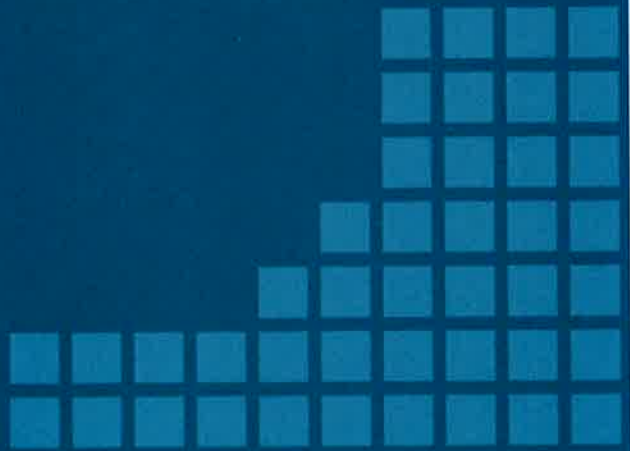
Pat Kelly
Executive Director

January 2021

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Attachment 1
1/28/2021

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Shop. Compare. Choose.

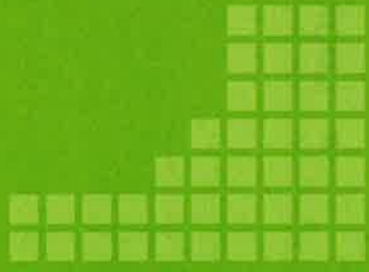


Executive Summary

- Key accomplishments
- 2020 by the Numbers
- Year in Review
- Open Enrollment 2021
- Looking Ahead

OUR MISSION

Maintain maximum control of Idaho's health insurance marketplace at minimal cost to its citizens.



Key Accomplishments



2020 Key Accomplishments

2020 AVERAGE ENROLLMENT:

77,000 IDAHOANS

ONE IN THREE ENROLLED IDAHOANS:

PAID \$0/MONTH

- Successfully navigated the implementation of Medicaid Expansion in early 2020
 - Expected loss of 18,000 enrollments, instead saw a decrease of 13,000, due to Idahoans increasing income to maintain exchange coverage
- Highest per-capita enrollment and lowest operating costs of all state-based exchanges (at least 60% lower cost per enrollment)
- Certified nearly 800 Consumer Connectors to assist Idahoans through the enrollment process
- Enhanced technology capabilities for agents and brokers
- Research shows 90% satisfaction rate among 2020 enrollees



Your Health Idaho by the Numbers

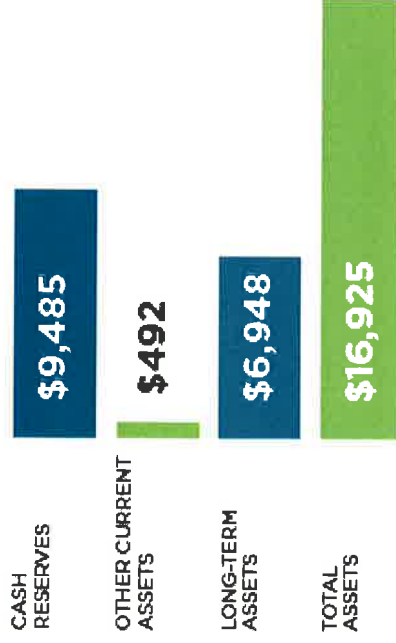
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Your Health Idaho by the Numbers



2020 Financials

ASSETS (IN THOUSANDS):



NET POSITION (IN THOUSANDS):



Your Health Idaho by the Numbers



2020 Enrollment Highlights

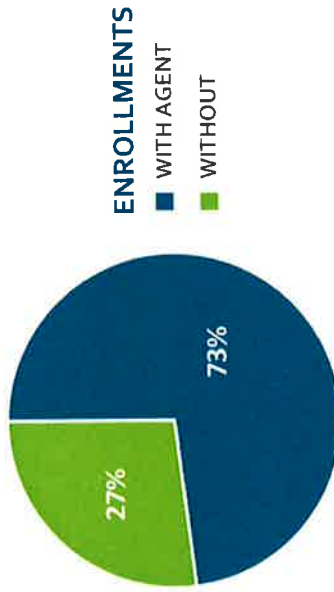
AGE



GENDER



IN 2020, AN
AVERAGE OF
77,000
IDAHOANS
HAD
COVERAGE
WITH YOUR
HEALTH
IDAHO





Year in Review



Serving Idahoans Through the Pandemic

- Your Health Idaho moved to a fully remote workforce with Governor Little's Stay at Home Order
 - Contingency planning ensured the team was safely working from home the same day the order was issued
- Initially, customer support was limited to email only, but phone support was enabled within a few weeks and service levels returned to normal
- In partnership with the Governor's office, the Idaho Department of Insurance, and Idaho insurance carriers, Your Health Idaho relaxed requirements for eligible Idahoans to enroll in coverage
 - Provided an expedited path for Idahoans who lost employer-sponsored coverage due to termination, layoff, or furlough during the pandemic
- To effectively serve customers and meet demand during Open Enrollment 2021, Your Health Idaho deployed a hybrid workforce with a small group on site and the rest of the team working remotely

Improving the Customer Experience

**YOUR HEALTH IDAHO
OVERALL GOAL:**

**A FLAWLESS
CUSTOMER
EXPERIENCE**

- Your Health Idaho is one of the only states with an in-house customer support center
- Maturation of organization indicated it was time to revisit support structure
 - New team members hired at manager and supervisor level to allow for more 1:1 coaching and skill development
 - Outside knowledge of support center best practices helped drive process improvement
- Your Health Idaho maintained an average Net Promoter Score (NPS) of 37, well above industry standards
 - Average NPS during Open Enrollment 2021 was up 44% from the previous year

Connecting with Idahoans

- As a result of the pandemic, nearly all in-person events were cancelled or moved to virtual format
- Unable to travel, the Your Health Idaho team had to adopt new outreach practices
 - Community education programming moved to virtual platform; Your Health Idaho hosted several workshops with organizations around the state
 - Increased print collateral partnerships with non-profits and community resource centers
 - Four-week sponsorship with Idaho Public Television helped reach rural audiences
- Social media presence expanded; new initiatives aimed at increased engagement

OPEN ENROLLMENT
FOR 2021 HEALTH INSURANCE
IS NOVEMBER 1 - DECEMBER 15

to learn more, scan this code using your smartphone camera or visit our website at YourHealthIdaho.org

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Enhancing Technology

- 2020 technology improvements focused heavily on upgrading the experience for agents and brokers
- Agency Portal was deployed in fall of 2020
 - Agents and brokers are now able to service multiple clients within their agency
 - Consumers are supported by multiple individuals working on their behalf
 - More than 50% of consumers enrolled are supported by agents and brokers leveraging this technology
- New videoconferencing software purchased to support a fully remote workforce and encourage engagement
 - Your Health Idaho team has been able to leverage for external trainings, outreach efforts, and stakeholder communications

Supporting Our Partners

- Nearly 800 Consumer Connectors completed certification training in 2020
 - Approximately 75% of all enrollments are completed with help from a Consumer Connector
- Annual fall training was moved to a virtual format
 - Still able to answer questions in real-time and provide relevant updates
 - Easily accessible for Consumer Connectors in rural areas
 - Feedback was very positive, Your Health Idaho exploring virtual options for future certification training
- As part of the Agency Portal initiative, agency support staff were able to complete certification training for the first time





Open Enrollment 2021

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Open Enrollment 2021

September

- Regence joins the Idaho exchange, bringing total number of carriers to 7
- Your Health Idaho Board of Directors certifies a record number of plans; 136 medical and 13 dental

October

- Anonymous shopping begins, 2021 plans and prices available for preview
- Renewal process begins, 99.9% completed by Nov. 1
- Nearly 800 agents, brokers, and enrollment counselors complete 2020 certification

November/December

- Open Enrollment for 2021 coverage begins and runs Nov. 1 – Dec. 15, 2020
- Your Health Idaho Board of Directors votes to extend Open Enrollment through Dec. 31, 2020

Open Enrollment 2021: Results

- Over 79,000 Idahoans enrolled through Your Health Idaho
 - Renewals: 85% , New customers: 15%
- Decrease of approximately 10,000 enrollments compared to same time last year
- Record high percentage of customers had paid for coverage by the end of open enrollment, indicating stronger likelihood of maintaining coverage
- Approximately 24% of enrollments have had a plan since 2014 when Idaho transitioned from federal platform

ENROLLMENT SNAPSHOT: JAN 2021

69,000: Medical Enrollments

10,000: Dental Enrollments

79,000: Total Enrollments



Looking Ahead

Looking Ahead

- Continue to evaluate and plan for continued impacts of COVID-19
 - Understand ongoing economic impacts to Idahoans and how that affects eligibility
 - Work with state partners to ensure Idahoans under protected coverage are aware of all their options
 - Plan for a safe return to the office for the Your Health Idaho team this spring
- We remain hopeful for a return to in-person outreach; interacting with stakeholders and potential consumers
- Work with state and federal partners to understand potential policy changes from the Biden administration and how they could potentially impact Idahoans, remaining nimble and ready to adapt
- **Continue to maintain control of Idaho's health insurance marketplace at minimal cost to its citizens**



Delivering for Idahoans

OUR COMMITMENT

Your Health
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Delivering for Idahoans

Local control of the Idaho marketplace place delivers on the original vision of the legislature to establish a state exchange.



Your Health Idaho maintains the **lowest operating costs** of all state-based exchanges while achieving the **highest per-capita enrollment** and a **90% satisfaction rate** among customers



Stability in the Idaho marketplace continues to ensure **choice for Idahoans** with a **record number of plans** offered in 2020



Lower assessment fee than the federal marketplace has **saved Idahoans \$38M** through 2020

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AMENDED AGENDA #2
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Tuesday, February 02, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES	Minutes of January 21, 2021	Senator Lakey
APPROVAL:	Minutes of January 26, 2021	Senator Martin
<u>RS28297</u>	Relating to Banks	Trent Wright, Idaho Banker's Association
DOCKET NO.	Division of Occupational and Professional Licenses Omnibus Rulemaking	
<u>24-2101-2000F</u>	24.2101.2000F - Rules of the Idaho State Contractors Board, p. 137	Dawn Hall, Section Chief, Idaho Division of Occupational and Professional Licenses
<u>S 1011</u>	Relating to Land Surveying	Michelle Bird, Section Chief, Idaho Division of Occupational and Professional Licenses
<u>S 1041</u>	Relating to Consumer Protection	Ken McClure, Idaho Petroleum Marketers
<u>RS28377</u>	Relating to Insurance	Senator Wintrow
<u>RS28379</u>	Relating to the Personnel System	Senator Guthrie

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick	Sen Agenbroad
Vice Chairman Souza	Sen Riggs
Sen Martin	Sen Ward-Engelking
Sen Lakey	Sen Burgoyne
Sen Guthrie	

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 02, 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 (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Senator Lakey** moved to approve the Minutes of January 21, 2021. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

Senator Martin moved to approve the Minutes of January 26, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

RS 28297 **Relating to Banks. Trent Wright**, Idaho Bankers Association, reported the purpose of this legislation is to focus on three main areas: to provide regulatory relief for state-chartered banks; to bring bank management concerns into today's reality of remote meetings and distancing; and to update fees owed to banks over \$10 billion in asset size.

Mr. Wright said the amendments update the requirement to conduct regular or special meetings of stakeholders, boards of directors, board committees, or the executive committee by remote. The residency requirements are eliminated for a bank's board of directors, he said. **Mr. Wright** said the number of annual required bank board meetings are decreased from 10 to 6. The 20 percent write-down on bank-owned real estate during the Department of Finance (DOF) director-approved second five-year period is eliminated. Finally, he said, banks' fees for institutions with an excess of \$10 billion in total assets is updated.

Mr. Wright said this legislation will not impact the General Fund because it is administrative in nature. Idaho does not have any banks that are over the \$10 billion asset threshold. There will not be a positive or negative financial impact to the adjustments on the fees in either category.

MOTION: **Senator Guthrie** moved to send **RS 28297** to print. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chair Souza.

DOCKET NO. 24-2101-2000F **Division of Occupational and Professional Licenses (DOPL) Omnibus Rulemaking. Dawn Hall**, Section Chief, DOPL, reported Chapter 24.2101.2000F - Rules of the Idaho State Contractors Board (ISCB), p. 137, were existing rules that were previously reviewed. She pointed out the only change was a fee for an inactive license in compliance with H 420. The inactive fee is \$25, which is half the regular fee of \$50.

DISCUSSION: **Senator Martin** asked if this was a new fee. **Ms. Hall** replied the fee was new but was allowed in H 420 last year.

Chairman Patrick queried if a licensee would have to reapply there was not an inactive fee in place. **Ms. Hall** pointed out a contractor can choose to be inactive, not carry insurance, but cannot work. Once a contractor decides to become active again, they will have to pay to activate their license and reinstate their insurance.

MOTION: **Senator Martin** moved to approve **Docket No. 24-2101-2000F, Chapter 24.2101.2000F**. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Vice Chair Souza passed the gavel to Chairman Patrick.

S 1011

Relating to Land Surveying. **Michelle Bird**, Section Chief, DOPL, stated the purpose of this legislation is to improve the way Idaho adopts new datums and mapping projections defining State Plane Coordinates (SPC) and to align with modern uses of measurements and geographic data. She said the bill removes the requirement for an annual report as the performance report required of all agencies replaces the annual report. **Ms. Bird** remarked there is no fiscal impact to the amendment as this legislation replaces the prior SPC legislation.

Ms. Bird introduced Tom Judge, Deputy Director, Idaho Board of Professional Engineers and Professional Land Surveyors. **Mr. Judge** said the bill primarily addresses standards used to complete mapping with the latest technology and datums provided by the National Geodetic Survey. He explained mapping large portions of the round earth on flat pieces of paper is an age-old problem. He noted as the problem is studied and more is learned about the earth, the standard methods of mapping large areas improve. **Mr. Judge** explained one tool to come from these efforts is the system of SPC. These coordinates are a standardized way to describe and map specific points on the surface of the earth. **Mr. Judge** noted this proposal will incorporate the most recent advances in SPC systems and simplify adopting them in the future. Consistent units of measure will be established and the current related protections for buyers and lessees of real property will be retained.

DISCUSSION: **Senator Burgoyne** remarked whenever there is a new system, things change, and he asked for clarification. **Mr. Judge** noted that is part of what the bill is saying. The bill will not change what land someone owns. He said this legislation will give surveyors another tool.

Senator Agenbroad and **Mr. Judge** discussed the role of the landowner with respect to leasing land for a cell tower, for example.

MOTION: **Vice Chair Souza** moved to send **S 1011** to the floor with a **do pass** recommendation. **Senator Riggs** seconded the motion. The motion carried by **voice vote**.

Relating to Consumer Protection. Ken McClure, Idaho Petroleum Marketers, reported this legislation specifies that the statute prohibiting excessive pricing during a declared emergency applies to exorbitant or excessive increased prices to the consumer for food, water, fuel, and pharmaceuticals, rather than to the margin between wholesale and retail prices. **Mr. McClure** noted there is no fiscal impact to the General Fund because no additional personnel or administrative costs are required by this clarification to Idaho Code.

Mr. McClure pointed out that when supply is high and demand low, a price could not be considered exorbitant when it has not been increased. Price gouging is taking advantage of a supply or demand imbalance. In his opinion, he did not believe anyone was taking advantage of the consumer or an emergency. **Mr. McClure** noted last year the price of and the demand for gas was at historic lows. He explained the petroleum marketer or convenience store owner has to stay open whether or not they are selling any gas. If sales drop so does income. In order to keep a business operating, prices have to be adjusted. He explained demand was such the business owner could not make up in margin what was lost in volume, even when prices did not increase. Gasoline retailers were told they were taking advantage of the consumer. **Mr. McClure** stated that was not the case. If prices are exorbitant, something could be done. He noted today's prices are not exorbitant even though they are higher. If prices increase to an exorbitant amount, a business can be found liable for violating the Idaho Consumer Protection Act.

DISCUSSION:

Senator Martin and **Mr. McClure** discussed the proceeding against the three companies involved in the complaint and that were charged by the Attorney General's (AG)'s Office for exorbitant pricing and margins that were too high. They discussed the idea that because wholesale prices fell, prices did not fall or decrease as quickly as wholesale prices fell.

Senator Lakey mentioned this bill is making a change from scrutiny of margin to an increase in price analysis. He queried how the line was drawn in that process or if 21 cents on the dollar was appropriate. **Mr. McClure** stated he was not involved in the three complaints against those companies.

Senator Burgoyne commented facts and situations appear to be taken into consideration in existing law arriving as to what is exorbitant. The difference between the wholesale price and retail price may not be a good way to measure margin. **Mr. McClure** noted this bill was brought forward because there was something in the statute that should not be there and it would be appropriate to seek clarification.

Vice Chair Souza remarked it was her understanding that in the initial weeks of the pandemic, gas stations had a low volume and sold extremely lower amounts of gas than on an average day. She queried how many gallons a gas station sold at the beginning of the pandemic and how many they typically sell. **Mr. McClure** remarked there is one station that sold 29 gallons of gas on one day, which does not cover wages and the additional costs of operation. A gas station owner could not drop the margin far enough and still pay bills.

Senator Agenbroad queried why would there be a need to introduce something about price gouging. **Mr. McClure** explained the price paid by the seller and what the consumer is charged is taken into account. This is not about price gouging. It is about not dropping prices as fast as the business owner should.

TESTIMONY: **Charley Jones**, Owner and President, Stinker Stores, testified in support of this legislation. He gave a brief background of Stinker Stores. He noted he employs 650 workers in Idaho. There is a profit-sharing plan for employees who have been employed six months or more. He spoke about gas margins and that they were fair. **Mr. Jones** said the government should not regulate margins. His losses were in the 50 percent category. He explained he was required to respond to the AG's Office, which accused his company of price gouging. The AG's Office was aggressive. He incurred significant legal fees. Stinker Stores agreed to a settlement with the AG's Office, which was a business agreement to avoid a legal battle.

DISCUSSION: **Senator Burgoyne** remarked he was interested in what gas was selling for and how expensive it became, whether Mr. Jones made money, and if Stinker Stores suffered a loss despite pricing. **Mr. Jones** related gas prices in January were approximately \$2.70 to \$2.80 a gallon and at the low point gas was less than \$2 a gallon. He reported wholesale gas prices change routinely. He buys 10,000 gallons at a time. He noted the AG wanted them to lower their prices. He said the fuel industry did not lose money, but during the pandemic wholesale prices dropped quickly and gallons sold dropped by 50 percent. However, now Stinker Stores is selling as much fuel today as they did a year ago.

Senator Burgoyne queried if there were periods or days that there was not enough fuel being sold to cover the overhead. **Mr. Jones** remarked he was scared in March and April about the future of his company due to the pandemic and low sales.

Senator Lakey asked what Mr. Jones was told to be excessive or exorbitant. **Mr. Jones** said the AG is going to make a presentation with inaccurate data. He said the AG determined Stinker Stores' margins, and when he disclosed his margins, the AG's Office said the margins were exorbitant.

TESTIMONY: **Pam Eaton**, President and Chief Executive Officer, Idaho Retailers Association, testified in support of the bill. She stated the Stinker Stores were accused of engaging in price gouging. Some fuel retailers purchased fuel and stored it. During the beginning of the pandemic, prices were low across the state.

Brett DeLange, Deputy AG and Chief, Idaho AG's Consumer Protection Division, testified in opposition to the bill. He had a PowerPoint presentation which consisted of charts and graphs and other information about the three retailers charged by the AG's Office. He defined price gouging according to Idaho Code § 48-603(19), which prohibits "taking advantage of a disaster or emergency declared by the Governor, by selling or offering to sell to the ultimate consumer fuel, or food, pharmaceuticals, or water for human consumption at an exorbitant or excessive price; provided this subsection shall apply only to the location and for the duration of the declaration of emergency." He noted if this legislation is enacted, price gouging would be made easier and Idaho's consumers more vulnerable to price gouging during an emergency.

Mr. DeLange gave an overview of what the AG's Office considered price gouging. He indicated the AG's Office investigated Maverik, Jacksons, and Stinker Stores, the three largest retailers of gasoline. He noted the purpose in investigating was to obtain and review evidence relating to these companies' fuel pricing during the emergency declaration and to more fully analyze the prices being charged both before and after the emergency declaration. The AG's Office determined the prices being charged were exorbitant or excessive in violation of Idaho's price gouging law.

Mr. DeLange noted that while wholesale prices were plummeting, what did not change significantly was a corresponding drop in retail fuel prices. As a result the margins grew, and by April, they were more than six times the historic Idaho average. After presenting analysis and results to Maverik, Jacksons, and Stinker

Stores, they were ultimately able to reach a settlement. Included in the settlement is \$1.5 million in credits that will go back to Idaho consumers over the course of this year.

Mr. DeLange reported the AG thinks the legislation is a bad policy for the State, citizens, and businesses. Putting aside the challenge of determining whether a price increase is due to a loss of sales or volume, a more central issue is that this amendment would turn the law of economics on its head. Prices do not generally go up when volume goes down. He said this legislation suggests that reduced sales volume, including those related to an emergency, are a justification for price increases. The result of that would be to emasculate the law, even for price gouging.

DISCUSSION:

Chairman Patrick queried about national companies that sell gas in Idaho and were not investigated. **Mr. DeLange** said the AG's Office examined the largest companies that sell gas in Idaho. Since the investigation, margins have stabilized.

Senator Agenbroad remarked he found it curious that the AG's Office only looked at half the income. One of the largest expenses is the real estate where the gas station is located, which is not factored into the margins. **Mr. DeLange** stated the statute tells the AG's Office to look at what the gas retailer paid for gas and sold the gas before or after the emergency declaration. He said the statute is directing the AG's Office.

Senator Agenbroad remarked, the statute says, "to include, but not limited to." He noted the AG's Office was only looking at half the figures of the difference between wholesale and retail prices. **Mr. DeLange** reported the AG's Office looked at prices every day and at every single wholesale purchase and costs attributable to the COVID-19 emergency to try to determine whether prices were excessive or exorbitant. **Senator Agenbroad** said he disagreed with the approach because the AG's Office was not looking at the whole picture. **Mr. DeLange** explained what the proposed language does in part is to state that a price increase is not price gouging.

Senator Riggs asked how many complaints were received about gas prices. **Mr. DeLange** reported most complaints were phone calls from around the state, and he did not have the information. **Senator Riggs** queried if, when looking at something dealing with numbers as complicated as this, did the AG's Office use large retailers or economists to help analyze whether there was malfeasance. **Mr. DeLange** said there was no malfeasance. The AG's Office did not consult with outside economists because the data received from the companies provided the necessary information.

Senator Riggs noted the current statute did not analyze whether a margin was too high. **Mr. DeLange** stated there was no lawsuit filed as they were able to settle this case pre-litigation. **Senator Riggs** asked how small of a margin would trigger an investigation. **Mr. DeLange** stated the statute does not say an exact number and what the AG's Office looked at was what was considered "normal."

Senator Burgoyne and **Mr. DeLange** discussed the analysis of margins for each gallon of gas by taking the retail price and matching it with the wholesale price.

Senator Guthrie commented he found it interesting there are gas stations all over the State and only three companies were targeted. Stations were charging approximately the same amount for gas and there was no consideration for inside sales. He noted that when the pandemic began, the gas retailers may have purchased gas at \$2.50, but market conditions dictated the retailers have to sell at or near a loss. He remarked he was in support of this legislation. **Mr. DeLange** reiterated when some businesses were called, they lowered their prices.

TESTIMONY: **Jeremy Chou**, Idaho Petroleum Marketers, remarked Stinker, Jacksons, and Maverik were not caught violating the price gouging law. He noted this was not the place to litigate the facts. The margins presented by the AG's Office were incorrect. He remarked the margin did not matter if the retailer was not making any money. There was too much supply and not enough demand. The AG's Office failed to consider there was no price increase. **Mr. Chou** pointed out the legislative intent of this law when it was created in 2002 was to address retailers taking unfair advantage of consumers by greatly increasing prices. He said this law should never be used to go after retailers that are lowering prices during an emergency.

DISCUSSION: **Vice Chair Souza** stated she was quizzical as to how the AG's Office could use what they did to determine what was "normal." She noted the pandemic was not normal and to compare this situation with normal expectations was wrong. Many factors have to be taken into consideration. She said these three companies had to pay fees for lawyers and give \$1.5 million back to consumers. That was a very bad intervention by the government. She pointed out this investigation has cost these businesses a great deal of money in the midst of a pandemic when those businesses were losing money.

Mr. Chou stated the law needs to be changed. No one has filed a complaint against Stinker Stores. Stinker Stores was chosen anyway by the AG's Office.

MOTION: **Senator Riggs** moved to send **S 1041** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

RS 28377 **Relating to Insurance.**

RS 28379 **Relating to the Personnel System.**

MOTION: **Senator Martin** moved to send **RS 28377** and **RS 28379** to print. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:32 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:15 P.M.
Room WW54
Thursday, February 04, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
GUBERNATORIAL APPOINTMENT:	Committee Consideration of the Gubernatorial Appointment of Brett Thomas, Idaho Health Insurance Exchange Board	Brett Thomas
<u>S 1010</u>	Relating to Workers' Compensation	Kamerron Slay, Secretary, Industrial Commission
<u>S 1042</u>	Relating to Public Contracts	Jeremy Chou, American Council of Engineering Companies
PRESENTATION:	Overview of the Division of Occupational and Professional Licenses (DOPL)	Russ Barron, Division Administrator, DOPL Tim Frost, Regulatory Affairs Liaison, DOPL
<u>RS28402</u>	Relating to the Division of Occupational and Professional Licenses (DOPL) Reorganization	Russ Barron, Administrator, DOPL
<u>RS28385</u>	Relating to the Insured Homeowner Protection Act	Michael Kane, American Property and Casualty Insurance Association

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

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

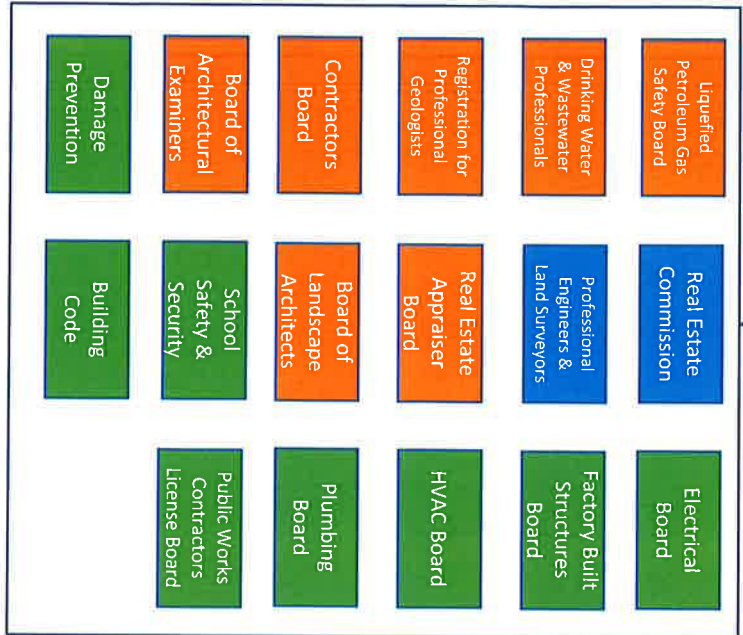
Linda Kambeitz
Secretary

Former BOE Boards
 Previous Self Governing
 Former Div. of Building Safety

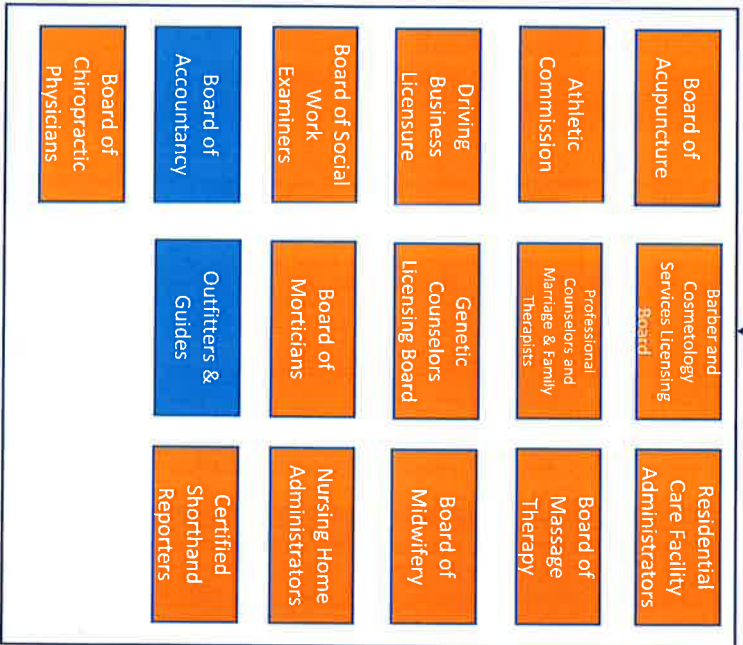
Board Reporting Structure 9/18/2020

Division Administrator

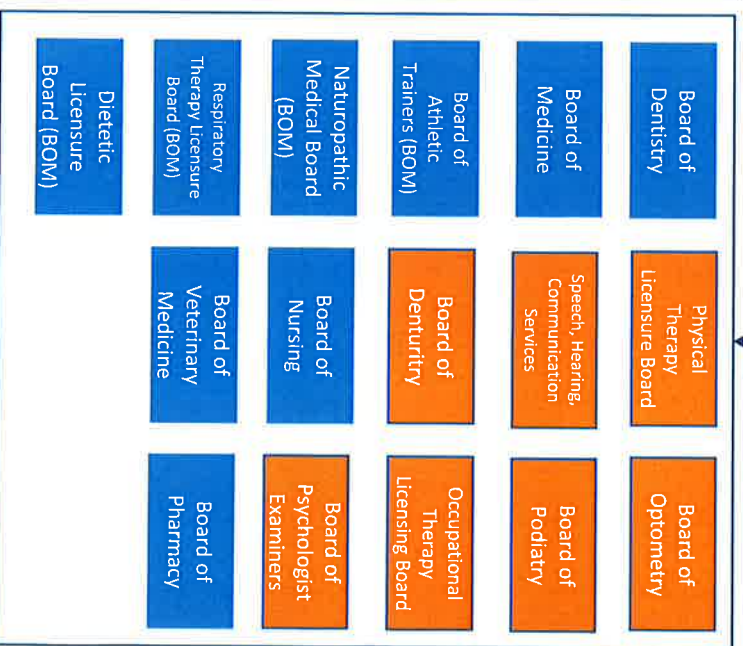
Building, Construction & Real Estate



Occupational Licenses



Health Professions

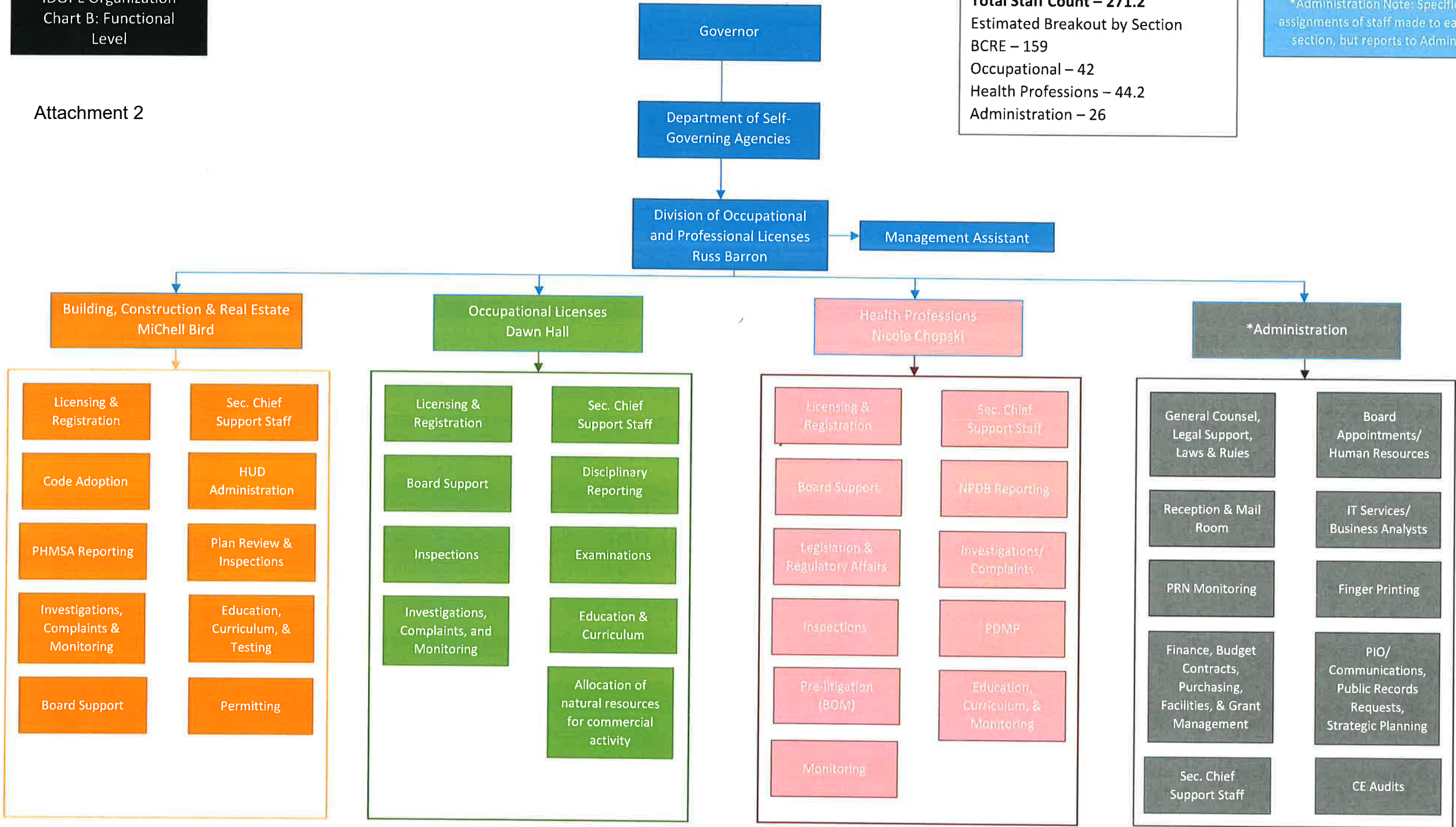


**IDOPL Organization
Chart B: Functional
Level**

Attachment 2

Total Staff Count – 271.2
 Estimated Breakout by Section
 BCRE – 159
 Occupational – 42
 Health Professions – 44.2
 Administration – 26

*Administration Note: Specific assignments of staff made to each section, but reports to Admin



SUBJECT TO CHANGE

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Tuesday, February 09, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of January 28, 2021 Minutes of February 2, 2021	Senator Riggs Senator Ward-Engelking
<u>S 1024</u>	Relating to the Division of Occupational Licenses and Professional Licenses (DOPL) - Hiring Authority	Russ Barron, Division Administrator, DOPL Tim Frost, Legislative & Regulatory Affairs Manager, DOPL
<u>S 1026</u>	Relating to DOPL - Assignment of Boards	Russ Barron Tim Frost
<u>S 1056</u>	Relating to DOPL - Reorganization	Russ Barron Tim Frost
<u>RS28211</u>	Relating to the Idaho State Insurance Fund	Rick Ferguson, Chief Executive Officer, Idaho State Insurance Fund
<u>RS28260</u>	Relating to Occupational Licensing Reform - Military	Senator Lakey
<u>RS28262</u>	Relating to Occupational Licensing Reform - Sunset Review	Senator Den Hartog

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
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MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 09, 2021

TIME: 1:30 P.M.

PLACE: Room WW54

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

ABSENT/ EXCUSED: Senators Lakey and Martin

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 Riggs** moved to approve the Minutes of January 28, 2021. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

Chairman Patrick announced the approval of the Minutes of February 2, 2021, would be moved to later on the agenda.

S 1024

Relating to the Division of Occupational and Professional Licenses (DOPL) - Hiring Authority. **Russ Barron**, Division Administrator, DOPL, said Tim Frost, Legislative and Regulatory Affairs Manager, DOPL, would be explaining this legislation.

Mr. Frost described the bill provisions. He said the legislation revises powers and duties of the DOPL Board, removes provisions regarding an Executive Director, employees of the DOPL Board, hiring or appointing of employees; and also provides a correct code reference.

Mr. Frost outlined the nine previously self-governing agencies that are impacted. He noted DOPL is being structured to include support at every level, including board meeting support, investigations, inspections, and licensing. He said each of DOPL's three sections will have staff employed to continue providing individualized support to that particular section and their respective boards.

DISCUSSION: **Vice Chair Souza** and **Mr. Frost** discussed the additions and deletions of sections of the bill, and the possibility of adjusting legislation in an effort to transition appropriately.

Senator Burgoyne remarked it is important that licensing boards continue to feel there is direct access to the Legislature. **Mr. Frost** noted that DOPL is committed to collaboration between the boards. He said there will be rules and agency legislation that will come before this Committee in the future.

Senator Guthrie inquired about the projections of potential savings with this transition. **Mr. Frost** commented that by moving several of the boards to the Chinden campus, there was a projected savings of \$600,000. **Senator Guthrie** asked for more clarification and detail on the savings.

TESTIMONY: **Mr. Barron** reported that in general, agencies would pay less per square foot by moving to the Chinden campus because they would not have to pay to lease at another facility. He explained the Chinden campus has four board rooms with one serving as a training room. In the past, board meetings were held at a hotel, which was costly.

Misty Lawrence, Financial Management Analyst, Sr., Division of Financial Management, testified that on average, 11 agencies pay leasing costs of \$18 per square foot. She said by being at the Chinden campus the savings amounts to approximately \$600,000. She disclosed the ongoing appropriation in base budgets is approximately \$1.5 million. She noted 50,000 square feet at the Chinden campus multiplied by \$13.50 per square foot amounts to \$810,000 annually. **Ms. Lawrence** stated the difference is what is in the current base budget and what each board should be charged, amounting to \$673,000. She said, however, the savings will not be realized until the following fiscal year, when all of the boards have moved to the Chinden campus.

DISCUSSION: **Senator Riggs** queried what sort of feedback mechanisms were in place for the different boards. **Mr. Frost** remarked that currently Mr. Barron meets with section chiefs and communicates with boards and employees on an ongoing basis. **Mr. Frost** said feedback from board members was elicited and there is a shared vision.

MOTION: **Vice Chair Souza** moved to send **S 1024** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

S 1026 **Relating to DOPL - Assignment of Boards.** **Mr. Frost** indicated this legislation has one goal: to update the statute reference of all boards transitioned under DOPL to the new agency name, DOPL. He noted that prior to Executive Order No. 2020-10, the boards were freestanding, part of DOPL, contracting with DOPL, or a part of the Division of Building Safety (DBS). **Mr. Frost** outlined the 11 agencies that are impacted.

MOTION: **Senator Agenbroad** moved to send **S 1026** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1056 **Relating to DOPL - Reorganization.** **Mr. Frost** reported this legislation will continue the reorganization of DOPL. **Mr. Frost** said one of the DOPL goals is to simplify the occupational licenses fund for budgeting and transparency. He remarked the other goal is to merge the DBS into the DOPL and assign duties of the DBS Administrator to the DOPL Administrator.

Mr. Frost stated the legislation amends the licensing renewal and reinstatement provisions to account for differences between licensing boards. He said that additionally, this legislation will combine the accounts of the various boards consolidated into DOPL. **Mr. Frost** said the accounts will be combined with the existing dedicated fund account of DOPL. He said the new Luma cost accounting structure will be used to track the funds. He indicated that through Transparent Idaho, Idahoans will be able to clearly view budget and expenditure reports at every level of DOPL.

MOTION: **Vice Chair Souza** moved to send **S 1056** to the floor with a **do pass** recommendation. **Senator Riggs** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Ward-Engelking** moved to approve the Minutes of February 2, 2021. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

RS 28211

Relating to the Idaho State Insurance Fund. Rick Ferguson, Chief Executive Officer, Idaho State Insurance Fund (SIF), reported SIF provides only workers' compensation insurance and only offers insurance to Idaho employers. He explained SIF is governed by a five-member board appointed by the Governor. **Mr. Ferguson** noted SIF operates exclusively on policyholder premiums and investment income and receives no federal or state tax dollars.

Mr. Ferguson advised this legislation will allow SIF to provide policyholders and injured workers with electronic banking options, such as digital fund exchanges similar to PayPal and Venmo. With this change, he said, this will allow SIF to more easily issue pay cards to injured workers, to manage stop payments, check cancellations, and to perform a variety of other banking procedures without the duplicity of banking through the Treasurer's Office.

Mr. Ferguson remarked this legislation will allow the SIF to manage banking and payroll, and will provide the opportunity to work on some state holidays, offer new employees a paid time off policy, and manage banking needs more efficiently.

MOTION:

Senator Guthrie moved to print **RS 28211**. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

RS 28260

Relating to Occupational Licensing Reform - Military. Senator Den Hartog reported on this RS for Senator Lakey, who was absent due to his attendance at a memorial. She noted this legislation relates to occupational licensing reform, improves the clarity of the license by endorsement process for military members, veterans, and spouses. **Senator Den Hartog** remarked that included is a deadline for processing applications for licensure. She said basic requirements for proof of military or veteran status and licensure in another jurisdiction is provided in this bill, which allows for a limited scope of practice rather than outright denial. **Senator Den Hartog** noted this legislation also maintains the ability to benefit from existing interstate compacts for licensure.

Senator Den Hartog indicated these changes will clarify and simplify the process and do not require additional staff. She explained there is no fiscal impact to the State budget.

MOTION:

Senator Burgoyne moved to send **RS 28260** to print. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

RS 28262

Relating to Occupational Licensing Reform - Sunset Review. Senator Den Hartog stated this legislation relates to occupational licensing reform and provides for the regular review of existing licensure requirements and regulations also known as a "sunset" review. She noted the sunset process is intended to determine the appropriateness and necessity of existing regulation and provides a regular opportunity to reduce or eliminate unnecessary regulation. **Senator Den Hartog** noted the framework is provided for the sunset review process but the criteria to be evaluated when determining whether existing regulations are still necessary and appropriate. She stated this responsibility will be incorporated into the duties of the existing Sunrise Committee (SC).

Senator Den Hartog reported these regular sunset reviews will require one additional administrative staff person in the Legislative Services Office (LSO). She said it is estimated that this position would have a fiscal impact of \$70,000, which includes salary, benefits, and some one-time expenses for office items. She said the position would then be subject to the ongoing budget and appropriation process for LSO. The meetings of the SC will require some expenses associated with travel and other items, which is anticipated to be less than \$10,000 annually.

MOTION: **Senator Ward-Engelking** moved to send **RS 28262** to print. **Senator Burgoyne** seconded the motion.

DISCUSSION: **Vice Chair Souza** queried if the rotating sunset review process was standard or different for sectors of licensing. **Senator Den Hartog** remarked the process was the same for all on a rotating basis with no automatic expiration for licenses.

VOTE ON MOTION: The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:14 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Thursday, February 11, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of February 4, 2021	Senator Burgoyne
<u>S 1049</u>	Relating to Banking	Representative Rod Furniss Trent Wright, Idaho Bankers Association
<u>RS28525</u>	Relating to Public Employee Retirement System of Idaho (PERSI) - Board Member Compensation	Don Drum, Executive Director, PERSI
<u>RS28534</u>	Relating to PERSI - Catastrophic Line of Duty Benefits	Senator Lakey
<u>RS28470</u>	Relating to Trust Deeds	Senator Wintrow
<u>RS28529</u>	Relating to Insurance - Contraception	Senator Wintrow
<u>S 1057</u>	Relating to the Insured Homeowner Protection Act	Michael Kane, American Property and Casualty Insurance Association
<u>H 42</u>	Relating to the Idaho Patient Act	Senator Anthon Brian Whitlock, Idaho Hospital Association

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 11, 2021

TIME: 1:30 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 (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Senator Burgoyne** moved to approve the Minutes of February 4, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1049 **Relating to Banking. Representative Furniss** reported this legislation focuses on three main areas: to provide regulatory relief for state-chartered banks; to bring bank management concerns into today's reality of remote meetings and distancing; and to update fees owed to banks over \$10 billion in asset size.

Representative Furniss noted one of the changes in the bill was to strike the residency requirement for a bank's board of directors. He reported the annual requirement for a bank's board of directors to hold 10 meetings was decreased to 6 meetings. **Representative Furniss** pointed out it is anticipated that many of Idaho's state-chartered bank boards will meet more frequently than the newly proposed requirement of six meetings.

Representative Furniss said an amendment of the other real estate owned (OREO) statute is included in this bill. He reported when a community bank must foreclose on a home or property, the property is acquired and put on the bank's balance sheet as a non-earning asset. He stated the community bank is required to sell the property at market value within a five-year period. He said if the community bank is unsuccessful, a petition can be filed with the Department of Finance (DOF) for an additional five-year period to keep the property in an attempt to resell. He noted that if the request is granted by the DOF, the community bank will be required to write-down the property by 20 percent. He stated that changes in this bill would eliminate the 20 percent write-down. **Representative Furniss** indicated this amendment brings Idaho's OREO language up to industry standards.

Representative Furniss reported the final amendment, which was included at the request of the DOF, makes a correction, not an increase, to the amount of fees state-chartered banks with \$10 billion to over \$20 billion in total assets can be assessed. He said no banks in Idaho will be impacted by this change because none have assets over \$10 billion.

DISCUSSION: **Vice Chair Souza** questioned if a house in foreclosure that has not sold in 10 years would be of the same value. **Representative Furniss** agreed if the house was vacant and not lived in for 10 years, it would not have the same value.

TESTIMONY: **Anthony Polidori**, Deputy Director, DOF, testified in support of the bill. He noted the DOF has worked with Idaho bankers associations over several years to arrive at these changes.

Trent Wright, President and Chief Executive Officer, Idaho Bankers Association, testified in support of the bill. He indicated he met with bankers and the DOF to negotiate items in this bill.

MOTION: **Senator Agenbroad** moved to send **S 1049** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

RS 28525 **Relating to Public Employee Retirement System of Idaho (PERSI) - Board Member Compensation.** **Don Drum**, Executive Director, PERSI, reported this legislation amends Idaho Code § 59-1304 to exempt PERSI Board members from accruing PERSI service and provides an honorarium in accordance with Idaho Code § 59-509(p). **Mr. Drum** noted all boards in the State have had issues finding qualified and willing candidates for board appointments. He stated one minor obstacle is the fact that participation in PERSI (mandated for state boards that offer a wage) can affect retirement options for potential Board members or applicants. **Mr. Drum** advised many boards have opted for an honorarium rather than a wage. PERSI has not previously made this move as it could and would have the same impact on potential PERSI Board applicants.

Mr. Drum remarked accrual of PERSI service for Board members is de minimis and may impact the ability of the Board member to retire and maintain Board member status. If a Board member wishes to retire and start drawing PERSI, the member must first become inactive (no longer drawing a wage in a PERSI-eligible position). He indicated members of state boards who draw a wage are considered active PERSI-eligible employees. **Mr. Drum** stated drawing an honorarium does not qualify a Board member for PERSI service and allows a smooth transition into retirement.

Mr. Drum explained the legislation would have no impact to the General Fund. He said annual compensation from dedicated funds would increase between \$3,500 and \$7,000 annually, depending upon the number of Board meetings. He reported annual cost increases would be offset by eliminating future PERSI benefits earned and paid in retirement.

MOTION: **Senator Martin** moved to send **RS 28525** to print. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

RS 28534 **Relating to PERSI - Catastrophic Line of Duty Benefits.** **Senator Lakey** reported this legislation provides for a new classification of catastrophic disability benefit under PERSI. He noted this will apply to police officers and firefighters who are catastrophically injured in the line of duty. He said it provides for disability enhancements, specific conditions for payments, and periodic cost-of-living adjustments (COLA). **Senator Lakey** stated this bill also clarifies that a member receiving the catastrophic disability benefit may return to work under certain conditions.

Senator Lakey said this legislation is not anticipated to have any fiscal impact to the General Fund, nor to any other state or local budgets. He added it also would not affect others participating in PERSI because the costs associated with this benefit will be borne by police officers and firefighters who are eligible to receive the benefit. He noted a public safety officer who sustains a catastrophic injury as set forth in this section is eligible for a one-time permanent catastrophic injury benefit in the amount of \$500,000. In addition, he said there would be an ongoing annual

benefit in an amount not less than \$75,000 per year, to be adjusted every four years pursuant to an actuarial study, to determine the change in average public safety officer benefits over the previous four years. **Senator Lakey** reported in the event a public safety officer receiving the catastrophic line of duty benefit dies and leaves a surviving spouse to whom the member was married at the time of the catastrophic injury, the spouse shall receive the catastrophic line of duty benefit for the duration of the spouse's life to which the public safety officer would have been entitled.

In addition, **Senator Lakey** said a public safety officer who seeks to obtain benefits shall apply to the retirement board within 12 months of the date of the incident resulting in the public safety officer's catastrophic injury. He indicated no benefit shall be payable unless the retirement board determines eligibility.

DISCUSSION: **Vice Chair Souza** remarked the definition of catastrophic injury is a concern and \$500,000 is a great deal of money, along with the income. She noted she wanted to know more details and what was being done to curtail any misuse of funds.

Senator Guthrie said he was interested in receiving more information about PERSI and how much the fund would increase, depending on the contribution.

Senator Lakey reported he would address Vice Chair Souza and Senator Guthrie's concerns at the full hearing.

MOTION: **Senator Ward-Engelking** moved to send **RS 28534** to print. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

RS 28470 **Relating to Trust Deeds.** **Senator Wintrow** noted this legislation clarifies the duration of time in which a junior lienholder may bring an action for deficiency resulting from the sale of a secured property. She yielded her time to Barkley Smith, attorney.

Mr. Smith explained Idaho Code does not specify the time period in which action may be brought. He noted the results are extremely inequitable situations where junior lienholders are able to bring actions at any point during the duration of an installment contract. He noted this legislation merely requires the junior lienholder to commence action within the same time period as senior lienholders to provide equity and predictability for consumers and lienholders alike. He noted Idaho Code § 45-1512 requires a money judgment to be sought within three months of a property being sold under a deed of trust due to foreclosure.

Mr. Smith said Idaho Code is intended to allow citizens who have lost their homes to make a fair and honest assessment of their financial situation and have the ability to manage debt quickly after suffering financial disaster. He noted for many, bankruptcy will be the only option. **Mr. Smith** stated the legislation specifies the time period during which lienholders may bring an action. He stated this legislation does not mandate any appropriations and does not mandate any future increase in appropriations.

Mr. Smith explained a loophole exists in multiple situations specifically when either a county forecloses on the property instead of a deed of trust or when a senior and junior deed of trust exist and the senior deed of trust forces the foreclosure and not the junior. He noted because the existing or junior deed of trust did not cause the foreclosure, the deed of trust or security interest is extinguished and the note continues unsecured.

MOTION: **Senator Martin** moved to send **RS 28470** to print. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

RS 28529

Relating to Insurance - Contraception. **Senator Wintrow** noted this legislation allows enrollees up to a 12-month supply of prescribed contraceptives. **Senator Wintrow** indicated that currently, many insurance plans reimburse for only a one-to three-month supply of contraceptive supplies. She said this legislation will require any health benefit plan issued or renewed on or after January 1, 2022, that covers contraceptives approved by the federal Food and Drug Administration (FDA) to provide reimbursement for up to a 12-month refill supply obtained at one time by the enrollee. **Senator Wintrow** remarked the enrollee or prescribing provider may request a smaller contraceptive supply.

Senator Wintrow reported there is no foreseeable fiscal impact to the General Fund because this legislation deals with a policy change for insurance companies.

DISCUSSION: **Vice Chair Souza** asked what changes were made. **Senator Wintrow** remarked the concern was a prescription for abortion, which was omitted. She noted this bill is for prescriptions for contraceptives only.

MOTION: **Senator Ward-Engelking** moved to send **RS 28529** to print. **Senator Burgoyne** seconded the motion.

DISCUSSION: **Senator Ward-Engelking** remarked birth control is a critical issue and it would benefit students and military personnel by being able to receive a 12-month supply of birth control pills.

Senator Lakey said he supported the bill but still had concerns of a mandate to providers.

VOICE VOTE: The motion to send **RS 28529** to print carried by **voice vote**.

S 1057

Relating to the Insured Homeowner Protection Act. **Michael Kane**, American Property Casualty Insurance Association (APCIA), explained the purpose of this bill is to protect Idaho homeowners from the predatory practice involving the assignment of insurance benefits to third parties after the homeowner has suffered a loss; provide notice to homeowners of options as to the repair of their home; and protect homeowners from undue pressure and misleading information.

Mr. Kane gave an example of a homeowner who suffers a loss from a storm. He said the claims adjuster indicates to the homeowner that half the roof is damaged and needs to be replaced, but the contractor replaces the entire roof. The insurance company pays for half the roof, even though the contractor has replaced the whole roof. He said the contractor then pursues the homeowner for the additional amount owed. The homeowner is thus liable with thousands of dollars owed to the roofing contractor for repairs that were never needed. **Mr. Kane** said this bill fixes that unscrupulous practice.

Matthew Jacob, Regional Vice President - Midwest and Rocky Mountains, National Association of Mutual Insurance Companies (Attachment 1), provided a letter of support.

DISCUSSION: **Senator Riggs** queried what kind of safeguards were in place to make sure there was something in the contract designed to help the homeowner, but actually started working in the favor of the insurance company and against the contractor, with the homeowner caught in the middle. He noted that in the attempt to protect homeowners from unscrupulous practices, sometimes the law becomes so complicated that it causes more harm than good. **Mr. Kane** said the DOI has very strict regulations for insurance companies and how they adjust claims. He said this bill speaks to the relationship between the homeowner and the contractor.

TESTIMONY: **Randy Pipal**, Bureau Chief of Consumer Services, Department of Insurance (DOI), spoke in support of the bill. He noted that at the beginning of the pandemic, Director Dean Cameron and he began meeting with the APCIA carriers on a weekly basis to discuss a variety of issues facing the industry.

DISCUSSION: **Senator Lakey** remarked insurance providers are tightly regulated, and he wondered why a contractor who supplies repairs cannot offer an incentive or discount for repairs. **Mr. Pipal** remarked consumers share a portion of the risk and take on a portion in the form of a deductible.

Senator Burgoyne and **Mr. Pipal** discussed that a rebate could be considered fraudulent.

MOTION: **Senator Burgoyne** moved to send **S 1057** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

Senators Lakey and **Vice Chair Souza** noted they wanted to reserve their vote until the bill is debated on the floor.

H 42 **Relating to the Idaho Patient Act.** **Senator Anthon** explained this bill provides a time extension for the requirements for extraordinary collection actions on medical debts for all goods and services provided to a patient. He said he would yield his time to Brian Whitlock to continue the presentation.

Brian Whitlock, President and Chief Executive Officer, Idaho Hospital Association, gave an overview of the Idaho Patient Act that became law in 2020 to provide more transparency and timely notices to patients, and to protect those patients if unpaid debts ended up in collections. He noted one of the recommendations was to recognize extra time was needed to implement technology for a myriad of electronic health record systems in provider practices across the State to produce the necessary documents. He said, however, the time was lost when COVID-19 occurred.

Mr. Whitlock noted that in the legislation, the negotiated language still protects patients and gives providers the extra six months lost for implementation due to COVID-19. This language has the support of the Idaho Hospital Association, Idaho Medical Association, and Melaleuca.

MOTION: **Vice Chair Souza** moved to send **H 42** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion.

TESTIMONY: **Susie Pouliot Keller**, Chief Executive Officer, Idaho Medical Association, testified in support of the bill.

DISCUSSION: **Senator Agenbroad** commented he supported the bill as it was reasonable to give hospitals extra time to implement technology.

VOICE VOTE: The motion to send **H 42** to the floor with a **do pass** recommendation carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:32 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary



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February 11, 2021

The Honorable Jim Patrick
Chair, Senate Commerce and Human Resources Committee
State Capitol
Boise, Idaho 83720

Re: Letter in Support of SB 1057 - February 11, 2021 Hearing

Dear Chairman Patrick and Committee Members:

The National Association of Mutual Insurance Companies (NAMIC)¹ writes to urge the Senate Commerce and Human Resources Committee favorably report SB 1057, which will enhance protections for consumers during the stressful period after a disaster. The bill does this by providing a fair and balanced framework for the allocation of rights and obligations between consumers and contractors when a decision is made for the consumer to assign its rights under a policy to a third-party.

It needs to be stressed that NAMIC member companies work on a daily basis with residential contractors. The work they do is absolutely essential for the homeowner and insurers. Idaho is fortunate to have so many quality contractors in communities across the state.

We are seeing that after a storm hits, some contractors, particularly those from other states and not from the local community, flock to the state and misuse what are called "assignment of benefits" contracts. Some of these contracts go far beyond what is necessary to guarantee that the contractor will be paid its rightful amount from the proceeds. The contractor mandates homeowners sign them in the critical hours after disaster. They also completely transfer control of the homeowner's claim to the contractor. Homeowners can be prohibited from working with companies to achieve a reasonable settlement of the claim.

SB 1057 addresses this by requiring minimum standards for the assignment contract. They include:

¹ The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of more than 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. In Idaho, we have 179 member companies, including five domiciled companies, which underwrite 53% of the state's insurance coverage.



- Giving the homeowner the right to cancel the contract;
- Allowing the assignment to be used as a way to assure payment of the insurance proceeds to the contractor while avoiding the wholesale transfer of the homeowner's rights under the policy;
- Requiring that the assignment be provided in a timely manner to the insurer so to reduce claims processing problems; and
- Mandating that the assignment include an itemized description of the work to be done.

The enactment of SB 1057 will save citizens from many of the problems that have been seen elsewhere. It is a good faith bill that allows well-regarded contractors to get to work while protecting the insurance purchasing public from the harm.

NAMIC appreciates your attention to this issue. If you have any questions or comments, please do not hesitate to contact me. In the meantime, I remain,

Sincerely

Regional Vice President – Midwest and Rocky Mountains

AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Tuesday, February 16, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of February 9, 2021	Vice Chair Souza
<u>S 1051</u>	Relating to the Personnel System - Division of Human Resources	Senator Guthrie
<u>S 1083</u>	Relating to Occupational Licenses - Military	Senator Lakey
<u>S 1084</u>	Relating to Occupational Licenses - Sunset Review	Senator Den Hartog
<u>S 1095</u>	Relating to Public Employee Retirement System of Idaho (PERSI) - Board Member Compensation	Don Drum, Executive Director, PERSI

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 16, 2021

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Agenbroad, Riggs, and Burgoyne

ABSENT/ EXCUSED: Senator Ward-Engelking

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 1:36 p.m.

MINUTES APPROVAL: **Vice Chair Souza** moved to approve the Minutes of February 9, 2021. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

S 1051

Relating to the Personnel System - Division of Human Resources (DHR). **Senator Guthrie** noted each year the DHR compiles a report to show how the compensation for the State of Idaho employees compares to relevant markets. He stated the compensation package offered to employees is in part driven by using salary savings. **Senator Guthrie** reported this legislation will require the annual report to depict the amount of salary savings Idaho has each year and the final dispensation of that resource.

Senator Guthrie indicated the fiscal impact would be negligible or non-existent because this legislation would only require reporting of data that the various departments already have. He said the data will be centralized and clearer to decision-makers.

Senator Guthrie referred to an article from the Office of Performance Evaluations (Attachment 1) and pointed out the average estimated salary savings for fiscal years 2006-2014 was 10.5 percent of the total personnel appropriation. He noted for fiscal year 2014, agencies had \$105 million in salary savings.

DISCUSSION: **Vice Chair Souza** commented this type of transparency and accountability is necessary to track money allocated for each department or agency.

Senator Burgoyne and **Senator Guthrie** discussed the analysis of agency salary savings, noting the data was already available.

Senator Riggs queried what would happen if there was no salary savings in light of the amended language's implication there would always be a salary savings every year. **Senator Guthrie** indicated it would be noted there was none.

TESTIMONY: **Susan Buxton**, Administrator, Division of Human Resources (DHR), explained the process of obtaining salary savings information from agencies. She reported some of the data is already available for the Change in Employee Compensation Committee (CECC) and the Joint-Finance Appropriations Committee (JFAC). **Ms. Buxton** indicated the existing system may not be able to generate details by agency; however, the new Luna system may. She said her biggest concern would be to add another day or two to allow each agency time to give a report before the CECC.

DISCUSSION: In answer to a question from Senator Burgoyne, **Ms. Buxton** stated she did not know how easy it would be to incorporate the information into a report format across all agencies.

Senator Agenbroad remarked he saw reporting as a global number and not agency by agency. **Ms. Buxton** remarked that a report with a broader perspective would be easier and more transparent.

Vice Chair Souza remarked the Legislature needed to know where the money went and how it was spent Statewide. She noted she appreciated Ms. Buxton taking the broader view. She said language could be changed and updated, and this is a good starting point. **Vice Chair Souza** noted the Committee is asking for a basic report. **Ms. Buxton** reiterated her Division wants to do the best job possible.

Senator Agenbroad stated there were four components to address the compensation philosophy described in Idaho Code § 67-5309A, including specific funding recommendations for each component. He noted those recommendations for market-related changes necessary to address system-wide structure adjustments include: 1) to stay competitive with relevant labor markets; 2) to address specific occupational inequities; 3) a merit increase component to recognize and reward state employees in the performance of public service to the citizens of Idaho; 4) and any changes to the employee benefit package, including any adjustments to the overall design of the benefit package and/or employee contributions.

Senator Guthrie clarified this legislation does not ask for information by agency and is intended to only ask for an aggregate number. He commented that if he called an agency today they should be able to report what salary savings was used for and where the money went.

MOTION: **Vice Chair Souza** moved to send **S 1051** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

S 1083 **Relating to Occupational Licenses - Military.** **Senator Lakey** noted this legislation relates to occupational licensing reform, and improves the clarity of the license by endorsement process for military members, veterans, and spouses. **Senator Lakey** remarked this bill provides a deadline for processing applications for licensure is included. He said basic requirements for proof of military or veteran status and licensure in another jurisdiction is provided in this bill, which allows for a limited scope of practice rather than outright denial.

Senator Lakey outlined the provisions in the bill, which included specific criteria and limits to validate eligibility.

DISCUSSION: **Senator Martin** stated he supported this legislation. He asked for a clarification of the scope of practice. He queried if there was an area where a person could not perform because they were not trained in that area. **Senator Lakey** remarked the idea was that if another state had a narrower scope of practice and the scope of practice in Idaho was broader, a narrow scope of practice could be authorized with expansion at a later time.

MOTION: **Senator Martin** moved to send **S 1083** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

S 1084 **Relating to Occupational Licenses - Sunset Review.** **Senator Den Hartog** stated this legislation relates to occupational licensing reform and provides for the regular review of existing licensure requirements and regulation also known as a "sunset" review. She noted the sunset process is intended to determine the appropriateness and necessity of existing regulation and provides a regular opportunity to reduce or eliminate unnecessary regulation. **Senator Den Hartog** noted the legislation provides framework for the sunset review process, but the criteria to be evaluated when determining whether existing regulations are still necessary and appropriate. She stated this responsibility will be incorporated into the duties of the existing Sunrise Committee.

Senator Den Hartog stated the Occupational and Professional Licensure Review Committee (OPLRC) was established to provide oversight of occupational and professional licensure and related issues. She noted the OPLRC will conduct sunrise reviews for two years and will make a report to the first regular session of the 68th Idaho Legislature in 2023. She said in 2022, the OPLRC will conduct a sunset review of each licensing authority on a rotating basis. **Senator Den Hartog** reported the review will include the existing laws and regulations related to a licensing authority. She went into detail about how the review process will be conducted.

Senator Den Hartog reported these regular sunset reviews will require one additional administrative staff person in the Legislative Services Office (LSO). She said it is estimated that this position would have a fiscal impact of \$70,000, which includes salary, benefits, and some one-time expenses for office items. She said the position would then be subject to the ongoing budget and appropriation process for LSO. The meetings of the Sunset Committee will require some expenses associated with travel and other items, which is anticipated to be less than \$10,000 annually.

DISCUSSION: **Senator Martin** noted he was in support of the bill. He asked for clarification of the power of the OPLRC to draft legislation and to review new applications for licensure. **Senator Den Hartog** stated the ultimate authority rests with the germane committee.

MOTION: **Senator Burgoyne** moved to send **S 1084** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion.

DISCUSSION: **Senator Martin** stated he strongly supported the sunset act. He objected to the sunrise section because upon completion of the review process, the OPLRC shall deliver its report to the Legislature for subsequent delivery to the appropriate germane committee chairs. Even though a germane committee shall not be bound by a recommendation of the OPLRC, he said he is not in support of going through one committee in order to have legislation heard by another committee. He stated he was concerned about the process and would not vote for the bill.

VOICE VOTE: The motion to send **S 1084** to the floor with a **do pass** recommendation carried by **voice vote**. **Senator Martin** requested he be recorded as voting **nay**.

S 1095

Relating to Public Employee Retirement System of Idaho (PERSI) - Board Member Compensation. Don Drum, Executive Director, PERSI, reported this legislation amends Idaho Code § 59-1304 to exempt PERSI Board members from accruing PERSI service and provides an honorarium in accordance with Idaho Code § 59-509(p). Mr. Drum noted all boards in the State have had issues finding qualified and willing candidates for Board appointments. He stated one minor obstacle is that participation in PERSI (mandated for state boards that offer a wage) can affect retirement options for potential Board members or applicants. Mr. Drum advised many boards have opted for an honorarium rather than a wage. PERSI has not previously made this move as it could and would have the same impact on potential PERSI Board applicants.

Mr. Drum remarked accrual of PERSI service for Board members is de minimis and may impact the ability of the Board member to retire and maintain Board member status. He explained if a Board member wished to retire and start drawing PERSI, the member must first become inactive (no longer drawing a wage in a PERSI-eligible position). He indicated members of state boards who draw a wage are considered active PERSI-eligible employees. Mr. Drum stated drawing an honorarium does not qualify a Board member for PERSI service and allows a smooth transition into retirement.

Mr. Drum explained the legislation would have no impact on the General Fund. He said annual compensation from dedicated funds would increase between \$3,500 and \$7,000 annually, depending upon the number of Board meetings. He reported annual cost increases would be offset by eliminating future PERSI benefits earned and paid in retirement.

MOTION: Senator Guthrie moved to send **S 1095** to the floor with a **do pass** recommendation. Senator Martin seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, Chairman Patrick adjourned the meeting at 2:36 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary



Sen. Suthren Dist. 28



We estimated agencies had **\$105 million** in salary savings in FY 2014.

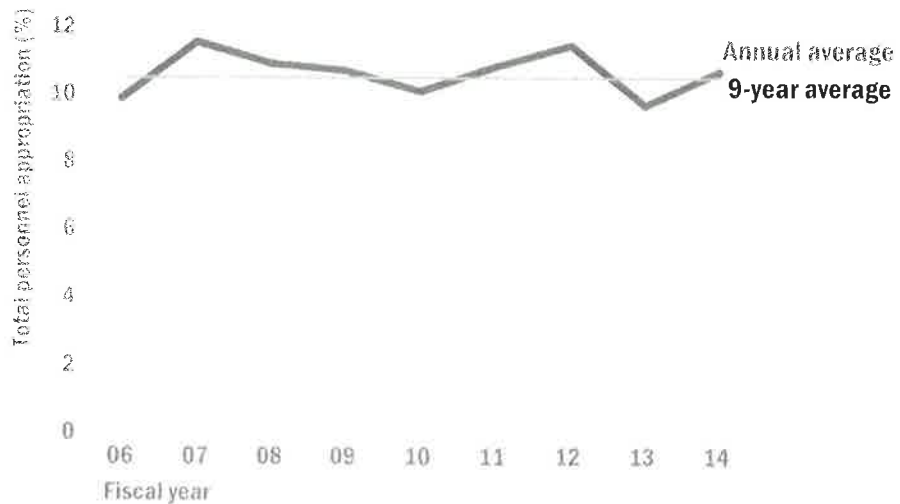
How much salary savings has been generated?

As shown in exhibit 2, the average estimated salary savings for fiscal years 2006–2014 was 10.5 percent of the total personnel appropriation.¹ For fiscal year 2014, we estimated agencies had \$105 million (11.7 percent of total personnel appropriations) in salary savings.

Exhibit 2

Estimated salary savings was 10.5% of the total personnel appropriation for fiscal years 2006–2014.

We found little variation between the annual average and the nine-year average.



Note: Total estimated salary savings average calculated only for agencies in our study sample.

1. When referring to average numbers in the report, we calculated the median or middle value of a distribution of data because of the presence of outliers.

AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Thursday, February 18, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1124</u>	Relating to Insurance - Providers of Dental Services	Elizabeth Criner, Idaho State Dental Association
MINUTES APPROVAL:	Minutes of February 11, 2021	Senator Agenbroad
HONORING OF PAGE:	Olivia Jones	Chairman Patrick
<u>S 1082</u>	Relating to Insurance - State Insurance Fund	Rick Ferguson, Chief Executive Officer, Idaho State Insurance Fund Senator Lakey
<u>S 1096</u>	Relating to Public Employee Retirement System of Idaho (PERSI) - Catastrophic Line of Duty Benefits	Senator Lakey
<u>H 78</u>	Relating to Insurance - Omnibus Repeal	Dean Cameron, Director, Department of Insurance
<u>S 1098</u>	Relating to Insurance - Contraception	Senator Wintrow

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick	Sen Agenbroad
Vice Chairman Souza	Sen Riggs
Sen Martin	Sen Ward-Engelking
Sen Lakey	Sen Burgoyne
Sen Guthrie	

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 18, 2021

TIME: 1:30 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 (Committee) to order at 1:30 p.m.

S 1124 **Relating to Insurance - Providers of Dental Services.** **Elizabeth Criner**, Idaho State Dental Association, stated this legislation adds to current language in Idaho Code regarding dental plans contracting with dentists. She noted the language ensures a plan provides a dentist with a payment option that does not impose a fee to obtain payment for a contracted service. She said this bill also ensures that when a dental plan leases a provider network, contracting dentists have an opportunity to confirm or decline participation. **Ms. Criner** stated the changes will apply to any dental plan or contract that is issued or renewed after December 31, 2021.

Ms. Criner said this legislation does not impact public health programs. She reported there is no fiscal impact to the General Fund or local government funds.

DISCUSSION: **Senator Burgoyne** asked for an explanation of two sections of the bill that are repeated. **Ms. Criner** noted the second section was in reference to service corporations.

TESTIMONY: **Dr. Steve Bruce**, Idaho State Dental Association and an instructor at Idaho State University, testified in support of the bill. He said the language in this bill provides dentists with a payment option that does not impose a fee.

MOTION: **Senator Guthrie** moved to send **S 1124** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Agenbroad** moved to approve the Minutes of February 11, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

HONORING OF PAGE: **Chairman Patrick** honored Page Olivia Jones. He asked her to tell the Committee about her experience as a page. **Ms. Jones** stated she learned how government works and she noted she learned the Senate was polite and professional. She thanked the Committee for the opportunity to serve as a page.

S 1082

Relating to Insurance - State Insurance Fund (SIF). **Rick Ferguson**, Chief Executive Officer, Idaho SIF, reported SIF provides only workers' compensation insurance and insurance to Idaho employers. He explained SIF is governed by a five-member board appointed by the Governor. **Mr. Ferguson** noted SIF operates exclusively on policyholder premiums and investment income and receives no federal or state tax dollars.

Mr. Ferguson advised banking directly with US Bank, rather than through the Treasurer's office, allows SIF to provide policyholders and injured workers with electronic banking options, such as digital fund exchanges similar to PayPal and Venmo. This change, he said, will allow SIF to more easily issue pay cards to injured workers, to manage stop payments and check cancellations, and to perform a variety of other banking procedures without the duplicity of banking through the Treasurer's Office.

Mr. Ferguson remarked this legislation will allow SIF to manage banking and payroll, and will provide the opportunity to work on some state holidays, offer new employees a paid time off policy, and manage banking needs more efficiently. He noted the Department of Insurance (DOI) and the Industrial Commission regulate all insurance companies providing workers' compensation insurance in Idaho, including SIF. He indicated this bill will not change oversight and regulation of SIF.

Mr. Ferguson stated existing employees would be grandfathered into the Public Employee Retirement System of Idaho (PERSI) sick leave trust. SIF would administer its own paid time off policy for new hires. He noted this bill would put SIF on a path toward implementing best practices similar to the insurance industry. He said no change would be made to SIF's participation in the PERSI pension trust. He noted the rules of the pension trust do not allow a "grandfathering" option.

DISCUSSION:

In response to a question by Chairman Patrick, **Mr. Ferguson** noted the SIF uses the services of US Bank because they are required to use whatever contractor the Treasurer's Office uses.

Senator Burgoyne said the State of Idaho has a public mission to supply a stable and reliable force for its citizens. **Mr. Ferguson** said the SIF plays an important role for small business, particularly for companies who have few claims.

Chairman Patrick and **Mr. Ferguson** discussed the relationship between SIF and the State Treasurer's and State Controller's offices. **Mr. Ferguson** noted banking goes through the Treasurer's Office, and the Controller's Office watches over the transactions, but SIF is not a regulatory body, nor does it have an oversight function. He said SIF has to comply with the State Controller's Office for payroll. **Mr. Ferguson** indicated SIF is the exclusive insurer for the State of Idaho and local government.

Senator Agenbroad remarked it appeared SIF has to put money into an interest-bearing account, which could cost money rather than earn money. **Mr. Ferguson** reported much of what SIF does is required by the DOI. **Mr. Ferguson** stated interest-bearing accounts are required to be held in trust. He said the amount SIF can invest in fixed assets is a function of the regulatory environment. **Senator Agenbroad** queried whether those regulations allow non-interest-bearing deposits. **Mr. Ferguson** said he would look up the regulations. **Senator Agenbroad** stated he would support broader language that would not cost SIF any money.

MOTION:

Senator Martin moved to send **S 1082** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

Relating to Public Employee Retirement System of Idaho (PERSI) - Catastrophic Line of Duty Benefits. **Senator Lakey** reported this legislation provides for a new classification of catastrophic disability benefit under PERSI. He noted this will apply to police officers and firefighters who are catastrophically injured in the line of duty. He said this bill provides for disability enhancements, specific conditions for payments, and periodic cost-of-living adjustments (COLA). **Senator Lakey** stated this bill also clarifies that a member receiving the catastrophic disability benefit may return to work under certain conditions.

Senator Lakey said this legislation is not anticipated to have any fiscal impact to the General Fund or to any other state or local budgets. He added this legislation would not affect others participating in PERSI because the costs associated with this benefit will be borne by the police officers and firefighters who are eligible to receive the benefit. He noted a public safety officer who sustains a catastrophic injury is eligible for a one-time permanent catastrophic injury benefit in the amount of \$500,000. In addition, he said, there would be an ongoing annual benefit in an amount not less than \$75,000 per year, to be adjusted every four years pursuant to an actuarial study (Attachment 1), to determine the change in average public safety officer benefits over the previous four years. **Senator Lakey** reported in the event a public safety officer receiving the benefit dies and leaves a surviving spouse to whom the member was married at the time of the catastrophic injury, the spouse shall receive the catastrophic line of duty benefit for the duration of the spouse's life, to which the public safety officer would have been entitled.

In addition, **Senator Lakey** said a public safety officer who seeks to obtain benefits must apply to the retirement board within 12 months of the date of the incident resulting in the public safety officer's catastrophic injury. He indicated no benefit would be payable unless the retirement board determines eligibility.

TESTIMONY: **Rick Allen**, Chief of Police, Garden City, and President, Idaho Chiefs of Police Association (ICOPA), talked about the dangers of being in the line of duty for both police and firefighters. He noted this bill will help secure the financial future of those injured. He said this legislation is a solution and does not impact state taxpayers.

DISCUSSION: **Vice Chair Souza** stated she was in full support of the bill. She reported law enforcement in her area did a marvelous job of handling a very delicate situation during protests in neighboring states and towns.

TESTIMONY: **Kevin Holtry**, Corporal, Boise Police Department, testified in support of the bill. He shared his story of how he was permanently and catastrophically injured while pursuing an armed criminal. He said he was shot five times. He reported he is paralyzed, lost a leg, and has a lot of nerve pain. He and his family have struggled personally and financially since the incident.

John Evans, Mayor, Garden City, testified in support of the bill.

Paul Jagosh, Idaho Fraternal Order of Police, testified in support of the bill. He noted the first question he hears when a police officer or firefighter is injured, is "When can they return to work?" He stated the enormous cost of a catastrophic injury should be the last concern for a police officer or firefighter.

Rob Shoplock, Battalion Chief, Eagle Fire Department, and representing the Professional Fire Fighters of Idaho, testified in support of this bill. He noted he hoped the firefighters and police officers would feel safer because of this bill.

Kieran Donahue, Sheriff, Canyon County, and representing the Idaho Sheriffs Association, testified in support of this bill. He pointed out individuals are allowed to obtain other jobs in addition to regular duties to help make ends meet. He

said he felt strongly that individuals should be able to do additional work and not be penalized.

DISCUSSION: **Senator Guthrie** and **Don Drum**, Executive Director, PERSI, discussed how the funds and any fees associated for contributions would be tracked.

Senator Burgoyne remarked he was in support of this bill. He and Mr. Drum discussed the effect of benefits on any disability or regular retirement. They also discussed how PERSI was careful to make sure the person who was injured qualified for this benefit. **Mr. Drum** stated if someone does not qualify for this benefit, they can still receive \$100,000 and disability. **Mr. Drum** noted this benefit is related to a specific event occurring in the line of duty.

MOTION: **Senator Guthrie** moved to send **S 1096** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

H 78 **Relating to Insurance - Omnibus Repeal.** **Dean Cameron**, Director, DOI, reported this legislation repeals several outdated or otherwise unnecessary provisions of Idaho Code, Title 41. He noted this includes repealing Idaho Code Chapter 35, Title 41, to move authority over certain bonds from the DOI to the Department of Administration by adding limited wording to Idaho Code § 67-5773.

Mr. Cameron stated there is no fiscal impact to the General Fund or any other state fund or expenditure as the provisions of this bill can be reviewed and monitored with the DOI's current and requested appropriation.

Mr. Cameron outlined the provisions of the bill noting what was eliminated and added.

MOTION: **Senator Burgoyne** moved to send **H 78** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

S 1098 **Relating to Insurance - Contraception.** **Senator Wintrow** noted this legislation allows enrollees up to a 12-month supply of prescribed contraceptives. **Senator Wintrow** indicated that currently, many insurance plans reimburse for only a one- to three-month supply of contraceptive supplies. She said this legislation will require any health benefit plan issued or renewed on or after January 1, 2022, that covers contraceptives approved by the federal Food and Drug Administration (FDA) to provide reimbursement for up to a 12-month refill supply obtained at one time by the enrollee. **Senator Wintrow** remarked the enrollee or prescribing provider may request a smaller contraceptive supply.

Senator Wintrow reported there is no foreseeable fiscal impact to the General Fund because this legislation deals with a policy change for insurance companies.

TESTIMONY: **Julie Duncan**, family medicine physician training at the Family Medicine Residency of Idaho, representing herself, testified in support of the bill. She noted this bill will have a direct impact on a patient population who often struggles with transportation issues, busy lives, and jobs that create barriers to medication adherence. Some patients, she said, travel from places such as Horseshoe Bend and Garden Valley, making frequent return trips to the pharmacy or clinic impossible. **Dr. Duncan** stated that daily adherence is essential for birth control pills to be effective, and as few as two missed days can result in an unintended pregnancy. She cited several instances where a patient stopped taking the medication because they ran out.

Dr. Duncan cited studies in states where similar bills have been approved and have shown significant cost savings. She noted one Department of Veteran's

Affairs study estimated that supplying 12 months of contraception pills at a time saved the health care system \$87 per patient or more than \$2 million annually systemwide. She said this bill empowers physicians and patients to have options.

CONTINUATION OF TESTIMONY: **Chairman Patrick** announced due to the lack of time, testimony would be continued to the next meeting.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:00 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

51096

Attachment 1, February 18, 2021



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Suite 430
Boise, ID 83702
USA
Tel +1 208 342 3485
milliman.com

February 10, 2021

Don Drum
Executive Director
Public Employee Retirement System of Idaho
PO Box 83720
Boise, ID 83720

Re: PERSI – Fire and Police Line of Duty Disability Benefits – Part 2

Dear Don:

As requested, we have performed an analysis of the cost of additional disability benefits for a new classification of disabilities, catastrophic disabilities. Per direction from PERSI we have assumed that 50% of safety members who become disabled in the line of duty will fall under this new classification and thus be eligible for the enhanced benefits. Our understanding of the proposed benefit enhancements for catastrophic disabilities are as follows:

- Members would have their benefit calculated to be no less than \$75,000 per year.
 - The benefit would apply to both the disability benefit until age 62, and the retirement benefit commencing at age 62.
 - The benefit floor would be updated every four years (starting fiscal year 2025), based on changes in average retiree benefits of all safety members (assumed to be 3.75% per year).
 - Members receiving the benefit floor would not be eligible for PERSI Cost of Living Adjustments (COLAs). Instead, their benefit would increase as the benefit floor increases.
 - When a catastrophically disabled member (who was married at the time of their disability) dies, if their spouse is still alive, then the spouse will continue to receive an unreduced pension amount for the remainder of their life.
- Members would receive a \$500,000 lump sum benefit (rather than the \$100,000 that line of duty disablements currently receive).

These benefit enhancements would apply to all fire and police members, regardless of hire date, who become catastrophically disabled after the benefit enhancement is passed into law.

The following table summarizes the results of our analysis, showing the cost (as a percent of safety members' pay) of each of the different benefit provisions.

Scenario	Current line of duty lump sum	Cat. disability benefit floor	Cat. disability increased lump sum	Total cost of line of duty + cat. disability benefits	Current line of duty contrib. rate	Increase in contrib. rate
No new benefits	0.05%	N/A	N/A	0.05%	0.04%	0.01%
\$75k floor + \$500k LS	0.05%	0.22%	0.09%	0.36%	0.04%	0.32%

This work product was prepared solely for PERSI for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

2/18/21

Cost of the enhanced line of duty disability pension benefit

If the \$75,000 benefit floor enhancement were implemented effective July 1, 2020, we estimate that the July 1, 2020 Normal Cost Rate (NCR) for safety members would increase by 0.203% of payroll. In addition, the July 1, 2020, safety members' UAAL amortization payment would increase by 0.015% of payroll. **This gives an estimated total ongoing cost of 0.218% of safety members' pay for the this proposed new \$75,000 benefit floor**, which rounds to a 0.22% contribution for safety members.

Note that this cost analysis is based on the assumption discussed in our December 4, 2020 letter, that 25% of safety member disablements are fire/police members becoming disabled in the line of duty, as well as the PERSI chosen assumption that 50% of line of duty disablements would meet the proposed criteria for catastrophic disabilities and thus would be eligible for this enhancement.

Note that this means that we are assuming that catastrophic disabilities will follow the same age distribution as total disabilities amongst the safety population (see our December 4, 2020 letter for more discussion on this). If catastrophic disabilities don't follow this distribution, then the cost will vary from what we've calculated here. For example, if catastrophic disabilities are more spread amongst members of all ages then the cost would likely be higher as this benefit enhancement is more expensive for catastrophic disabilities of younger members.

Cost of increased lump sum benefit

In our December 4, 2020 letter we stated that, as of our July 1, 2020 valuation, the existing \$100,000 lump sum benefit paid to fire/police members who become disabled in the line of duty had a Normal Cost Rate (NCR) of about 0.040% of safety members' pay and an Unfunded Actuarial Accrued Liability (UAAL) amortization payment of about 0.005% of safety members' pay. This gives an estimated total ongoing cost of 0.045% of safety members' pay for the \$100,000 lump sum benefit, which rounds to a 0.05% contribution for safety members.

This cost scales proportionally with the size of the lump sum benefit as well as the incidence rate. Therefore, if half of the recipients of the \$100,000 lump sum are instead getting a \$500,000 lump sum due to the new catastrophic disability benefit, the cost would increase by $50\% \times (\$500,000 - \$100,000) \div \$100,000 = 2.00$. **That gives us an estimated additional ongoing cost for a \$500,000 catastrophic disability lump sum benefit of 0.090% of safety members' pay**, which rounds to a 0.09% contribution for safety members.

Data, Assumptions, Methods, and Plan Provisions

This cost analysis is based on the assumption discussed in our December 4, 2020 letter, that 25% of safety member disablements are fire/police members becoming disabled in the line of duty, as well as the PERSI chosen assumption that 50% of line of duty disablements would meet the proposed criteria for catastrophic disabilities and thus would be eligible for this enhancement. If catastrophic disabilities are more common than assumed, then the costs will be higher than stated in this analysis.

For calculating the UAAL amortization payments, we have amortized the UAAL over the 21-year amortization period from the July 1, 2020 valuation.

We are assuming that any changes to disability benefits will not alter participant behavior. If more participants claim line of duty disablement as a result of these benefit increases, then the costs may be higher than estimated above.

We have assumed that the March 1, 2021 and all future Cost of Living Adjustments (COLAs) are 1.00% per year.

Other than described above, all assumptions, methods, and data used in this analysis are those described in the July 1, 2020 Actuarial Valuation Report.

Certification

Milliman has developed certain models to estimate the values included in this letter. The intent of the models was to estimate pension liabilities and costs. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

In preparing this letter and using our models, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, statutory provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with data used for other purposes. The analysis results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to identify significant risks inherent in pension actuarial calculations or communications. Probably the most notable risk in pension funding is investment risk – the potential for plan assets to grow at a rate lower than assumed in the actuarial valuation. If investment performance is worse than expected, then additional funding may be required. Another risk is demographic risk – the potential for members experience to differ from our actuarial assumptions, including (but not limited to) line of duty disability rates. If member experience is different than anticipated by the actuarial assumptions, additional System funding may be required.

Milliman's work is prepared solely for the internal business use of the Public Employee Retirement System of Idaho ("System"). To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product.

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- a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsor. I am not aware of any relationship that would impair the objectivity of my work.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States of the American Academy of Actuaries. I am a member

This work product was prepared solely for PERSI for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Mr. Don Drum
February 10, 2021
Page 4

of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Schmidt". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert L. Schmidt, F.S.A., M.A.A.A.
Principal and Consulting Actuary

RLS/bl/gb/rc

cc: Mike Hampton

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AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Tuesday, February 23, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
INTRODUCTION OF NEW PAGE:	Joshua Nelson	Chairman Patrick
<u>RS28650</u>	Relating to Insurance - Medicare Supplement Policies and Certificates Unanimous Consent for Referral to a Privileged Committee for Printing	Mike Reynoldson, Senior Vice President, Government Affairs and Public Relations, Blue Cross
<u>S 1098</u>	Relating to Insurance - Contraception - Continued - Testimony Only	Senator Wintrow
<u>H 79</u>	Relating to Annuity Consumer Protections Act	Dean Cameron, Director, Department of Insurance
<u>HCR 6</u>	Relating to Insurance - Medically Necessary Prescription Formula	Representative Rubel

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 23, 2021

TIME: 1:30 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 (Committee) to order at 1:30 p.m.

PAGE INTRODUCTION: **Chairman Patrick** introduced Page Joshua Nelson. He asked Mr. Nelson to tell the Committee about himself. **Mr. Nelson** said he has been home-schooled all his life. He said he always wanted to be a page. He enjoys skiing and likes to play chess.

DISCUSSION: **Vice Chair Souza** asked Mr. Nelson to tell the Committee where he lives and what he wants to do after graduation. **Mr. Nelson** replied he lives in Eagle and after high school he plans on attending Northwest Nazarene University to study engineering. **Senator Martin** asked Mr. Nelson what area of engineering interested him. **Mr. Nelson** said he wanted to explore several engineering classes before making a decision.

RS 28650 **Relating to Insurance - Medicare Supplement Policies and Certificates - Unanimous Consent for Referral to a Privileged Committee for Printing.**

MOTION: **Chairman Patrick** asked for unanimous consent to send **RS 28650** to the Senate State Affairs Committee for a print hearing. There were no objections.

S 1098 **Relating to Insurance - Contraception.** **Chairman Patrick** announced the Committee would be hearing testimony only on this bill.

TESTIMONY: The following testified in support of the bill: **Yarit Rodriguez, Mone Miller, Cameron Needham, Dr. Christopher Bullard, Paige McMahon, Tess Wallace,** and **Rachel Chisausky** all representing themselves. **Chelsey Gaona-Lincoln**, Litigation Support Coordinator, Legal Voice, testified in support of the bill. **Lauren Bramwell**, Political Strategist, American Civil Liberties Union (ACLU) of Idaho, stated she emailed written testimony and was in support of the bill (Attachment 1). Comments from testifiers were: to help those who needed the pills to prevent pregnancy, control hormonal issues, improve people's lives, and to provide access to those who live in rural areas.

The following testified in opposition to the bill: **Jacqueline Wakefield**, representing herself, said she wondered why someone who is insured is asking providers to reimburse them for a 12-month supply of birth control pills. She noted the proposed statute is confusing and ambiguous. **Ms. Wakefield** said the State should not be supporting or promoting substances that are harmful to children.

DISCUSSION: **Vice Chair Souza** expressed concern because in order to be effective, pills must be taken at the same time each day and yet it has been suggested in prior testimony women who need a one-year prescription cannot organize their lives. She remarked, however, she did not have a big problem with this bill, but women were being depicted as unorganized. **Vice Chair Souza** asked Ms. Wakefield if it was her understanding the pill has to be taken every day at the same time. **Ms. Wakefield** replied it was her understanding, but 9 out of 100 women who take birth control pills will become pregnant. She pointed out there are many who show up for an abortion who were on the pill, missed a dose or two, and became pregnant. **Ms. Wakefield** outlined all the risks in taking birth control pills.

Senator Lakey stated some insurers provide 12 months of birth control and some do not. **Senator Wintrow** stated insurance coverage limits a supply of birth control pills to 3 months, while in other states, insurance companies cover 12 months.

Senator Guthrie queried if a doctor's appointment was required if someone receives 12 months of birth control pills but decides in 6 months they want to start a family. **Senator Wintrow** remarked a physician would have to answer that question. **Senator Ward-Engelking** noted a physician would normally have a conversation at the time the prescription is written about stopping the pills.

MOTION: **Senator Ward-Engelking** moved to send **S 1098** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion.

DISCUSSION: **Senator Burgoyne** remarked he had problems in the past when he traveled in obtaining some of his prescriptions. He said many families have similar issues and unintentionally run out of medications. He noted no insurance company has come forward to oppose this bill.

Vice Chair Souza, Senators Agenbroad, and Riggs commented they were in support of the bill, but noted they wanted to reserve their vote until the bill is debated on the floor.

VOICE VOTE: The motion to send **S 1098** to the floor with a **do pass** recommendation carried by **voice vote**. **Senator Lakey** requested he be recorded as voting nay.

H 79 **Relating to Annuity Consumer Protections Act.** **Dean Cameron**, Director, Department of Insurance (DOI), stated the purpose of this legislation is to adopt a recent National Association of Insurance Commissioners (NAIC) model regulation in statute rather than rule. That would clarify the obligations for insurance producers and insurers to act in the best interest of the consumer when making a recommendation of an annuity, to establish producer training expectations, and to require insurers to establish and maintain a system to supervise recommendations. He noted this is so the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed.

Mr. Cameron said annuities are a product a consumer can buy from an insurance company to set money aside to plan for retirement, education for their children, savings, or the development of a monthly guaranteed stream of income. He cited several examples stating suitability is a determination that the product meets the goals and desires of the customer. **Mr. Cameron** reported the legislation also clarifies and simplifies the applicability of the annuity statutes in Idaho Code Chapter 19, Title 41. He stated several of the provisions of the bill are currently in IDAPA.

Mr. Cameron indicated this bill combines the rule and current statute with additional clarification and duties of the insurance agent and the carrier, some of which are in existing law. He said the reason for the additional clarification and duties is due to attempts at the federal level to impose unreasonable requirements that would have harmed rural communities and citizens. He noted several of the requirements, and said carriers and agents sued the US Department of Labor (USDOL) and won, indicating the DOL overstepped its authority and the standards were unreasonable. **Mr. Cameron** stated most agents and insurers already act in the best interest of the consumer. Because there was an anticipation of additional federal attempts for a new rule, he said the DOI worked with NAIC to draft a model act that defines "best interest" and puts in place reasonable standards and documentation. **Mr. Cameron** outlined the standards that are required of an agent.

Mr. Cameron stated there is no fiscal impact to the General Fund or any other state fund or expenditure as the provisions of the bill can be reviewed and monitored with the DOI's current and requested appropriation. He noted the insurance industry strongly supports this bill.

DISCUSSION: **Vice Chair Souza** and **Mr. Cameron** had a conversation about why the federal government became involved in annuities. They discussed how complicated annuities have become.

Senator Riggs asked for clarification from Mr. Cameron about combining rules into code and the appropriate place for adding definitions in code. **Senator Riggs** expressed a concern about moving some of the complexity out of rule and into statute. **Mr. Cameron** explained the duties of the agent and the carrier, which put client's needs first and are better served in statute.

Senator Burgoyne and **Mr. Cameron** discussed how the NAIC model regulations are being adopted across the country.

TESTIMONY: **Jeff Neumeyer**, Executive Vice President, Chief Administrative Officer, General Counsel, and Corporate Secretary, United Heritage Insurance, testified in support of this bill and noted that annuities are one of the primary products for his company. He stated only fixed annuities can be purchased through independent agents. He said the American Council of Life Insurers (ACLI) companies represent 95 percent of life insurers in the US.

DISCUSSION: **Senator Martin** stated there was a close vote in the Idaho House on **H 79** and wondered why there was opposition. **Mr. Neumeyer** remarked the bill is broadly supported by the life insurance companies.

Senator Burgoyne queried if this bill helps assure the Committee that smaller companies have a more equal playing field. **Mr. Neumeyer** noted the bill is good for United Heritage, independent agents, and policyholders.

MOTION: **Senator Guthrie** moved to send **H 79** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion.

DISCUSSION: **Senator Riggs** remarked he agreed with the intent of the bill. He commented he was in support of the bill, but noted he wanted to reserve his vote until the bill is debated on the floor.

VOICE VOTE: The motion to send **H 79** to the floor with a **do pass** recommendation carried by **voice vote**.

HCR 6

Relating to Insurance - Medically Necessary Prescription Formula.

Representative Ilana Rubel said insurers in Idaho typically do not cover prescription formula for infants and children. She noted this resolution calls for the DOI to consult with leaders in the insurance industry to determine how to make medically necessary prescription formula available for infants and children suffering from certain serious conditions, notably eosinophilic esophagitis, Crohn's disease, malnutrition or failure to thrive, seizure disorders requiring a ketogenic diet, conditions requiring tube feeding, and other conditions in which medically necessary prescription treatment is recommended. **Representative Rubel** reported the DOI is requested to collect data, ascertain the costs of such coverage, and report findings and recommendations to the Legislature.

Representative Rubel said there is no cost to the General Fund or any other government fund. She said it is anticipated that the DOI can conduct this consultation and analysis using current staff.

TESTIMONY:

Dr. Cass Smith, representing himself, cited a few examples of sick children who were put on a medical specialty formula due to suffering from serious conditions. He stated the formula can cost two to four times more per ounce and up to \$2,000 to \$3,000 per month. **Dr. Smith** noted those types of formulas are not covered by insurance.

MOTION:

Vice Chair Souza moved to send **HCR 6** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:12 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary



Testimony of Lauren Bramwell
SUPPORT: SB 1098 12- Months of Birth Control
Before the Senate Commerce and Human Resources Committee
February 23, 2021

The American Civil Liberties Union (ACLU) of Idaho stands before you in support of SB 1098, which requires Idaho health benefit plans to provide twelve months of hormonal birth control pills at a time, dispensed on-site at the provider's office if available. Meaningful access to contraception offers individuals the tools to decide whether and when to become a parent, which is critical to equal participation in society. SB 1098 ensures access to a twelve-month supply of birth control all at once, which is vital in ensuring Idahoans are able to continue birth control use without interruption.

Idahoans deserve affordable and accessible birth control that works for them, regardless of income or insurance carrier. Today, most Idahoans have to refill their birth control every month, which can pose as a barrier to consistent medication adherence. With perfect use, hormonal birth control has a failure rate of less than 1%.¹ However, when an individual misses one or more daily pills per cycle, the pregnancy rate can become much higher.² In a study by the American College of Obstetricians and Gynecologists, people who received multi-month supplies of birth control were associated with a 30% reduction in the odds of conceiving an unplanned pregnancy compared with dispensing just one or three packs.³ SB 1098 will help ensure birth control is used properly and is continually effective.

Whether to help avoid an unwanted pregnancy or to reduce menstrual cramps, control acne, regulate periods, or control endometriosis,⁴ access to oral contraceptives is crucial. SB 1098 is especially important for rural Idahoans, who often must travel considerable distances to a pharmacy to access birth control on a monthly basis. For people who lack access to transportation, travel for work, attend school away from home, move frequently, or struggle to balance work and family, a twelve-month supply of birth control can make the difference in consistent and effective use.

For these reasons, we strongly urge the committee to vote "yes" on SB 1098.

¹ Options for Sexual Health, "Relative Effectiveness of Birth Control Methods." Updated 2009, adapted from Contraceptive Technology, 19th Revised Edition, Hatcher, et al. (New York: 2007).

² Greene Foster, D. et al, "Number of Oral Contraceptive Pill Packages Dispensed and Subsequent Unintended Pregnancies," 2011, *Obstet Gynecol*, 177(3):566-72. doi: 10.1097/AOG.0b013e3182056309.

³ *Id.*

⁴ Jones RK, *Beyond Birth Control: The Overlooked Benefits of Oral Contraceptive Pills*, New York: Guttmacher Institute, 2011.

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Thursday, February 25, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES	Minutes of February 16, 2021	Senator Guthrie
APPROVAL:	Minutes of February 18, 2021	Senator Lakey
<u>H 80</u>	Relating to Insurance - Reciprocal Jurisdictions	Dean Cameron, Director Department of Insurance
<u>H 75</u>	Relating to Wage Claims	Jani Revier, Director Department of Labor
PRESENTATION:	Workforce Development Council (WDC)	Wendi Secrist, Executive Director, WDC

Public Testimony Will Be Taken by Registering Through the Following Link:
[*Registry to Testify*](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

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

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Tuesday, March 02, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
<u>RS28702</u>	Relating to Electrical Contractors and Journeymen - Unanimous Consent Request for Referral to a Privileged Committee for Printing	Senator Guthrie
<u>S 1118</u>	Relating to Insurance - Limitations on Coverage	Senator Riggs Representative Monks
<u>S 1129</u>	Relating to Motor Vehicle Insurance	Senator Guthrie

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick

Vice Chairman Souza

Sen Martin

Sen Lakey

Sen Guthrie

Sen Agenbroad

Sen Riggs

Sen Ward-Engelking

Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz

Room: WW46

Phone: 332-1333

Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 02, 2021

TIME: 1:30 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 (Committee) to order at 1:32 p.m.

RS 28702 **Relating to Electrical Contractors and Journeymen - Unanimous Consent Request for Referral to a Privileged Committee for Printing.** **Chairman Patrick** asked for unanimous consent to send **RS 28702** to the Senate State Affairs Committee for a print hearing. There were no objections.

S 1118 **Relating to Insurance - Limitations on Coverage.** This legislation, sponsored by Senator Riggs and Representative Jason Monks, eliminates the problem of "phantom insurance" and reduces payments for benefits paid by other insurance companies. This legislation further limits the benefits recoverable to the purchaser's actual losses or the amount of coverage purchased, whichever is less.

S 1129 **Relating to Motor Vehicle Insurance.** This legislation, sponsored by Senator Guthrie, addresses the concern of phantom insurance. Any underinsured motor vehicle coverage with limits of liability less than two times the Idaho minimum limits for bodily injury or death, shall be construed to provide coverage in excess of the liability coverage of any underinsured motor vehicle involved in an accident.

DISCUSSION: **Senator Lakey** stated the two bills before the Committee are competing bills. He remarked he thought the Committee should direct all bill sponsors to find common ground and consult with the Department of Insurance. He recommended the Committee hold both bills.

MOTION: **Senator Lakey** moved to hold **S 1118** and **S 1129** in Committee and recommended the sponsors of both bills find common ground. **Senator Agenbroad** seconded the motion.

DISCUSSION: **Chairman Patrick** encouraged sponsors to meet and draft one bill.

Senator Burgoyne stated it was his understanding the sponsors of **S 1118** tried to reach common ground and were unsuccessful. He thought **S 1118** should have a hearing.

Senator Souza indicated she agreed with Senator Lakey's motion. She noted the Committee members are not experts in these matters and the Committee's place is not to mediate. She reiterated the two sides have to come together to reach an understanding.

VOICE VOTE: The motion to hold **S 1118** and **S 1129** in Committee carried by **voice vote**. **Senator Burgoyne** requested he be recorded as voting nay.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 1:37 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AMENDED AGENDA #3
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Thursday, March 04, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES	Minutes of February 23, 2021	Senator Martin
APPROVAL:	Minutes of February 25, 2021	Senator Riggs
	Minutes of March 2, 2021	Senator Riggs
<u>S 1128</u>	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
<u>S 1143</u>	Relating to Medicare	Mike Reynoldson, Senior Vice President, Government Affairs and Public Relations, Blue Cross of Idaho
<u>S 1120</u>	Relating to Police Officers - Collective Bargaining	Mike Miraglia, Legislative Chair, Fraternal Order of Police Rob Shoplock, Vice President, Professional Firefighters of Idaho
<u>H 81</u>	Relating to Insurance - Revise Maximum Number on Board of Directors	Representative Matthew Bundy

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick	Sen Agenbroad
Vice Chairman Souza	Sen Riggs
Sen Martin	Sen Ward-Engelking
Sen Lakey	Sen Burgoyne
Sen Guthrie	

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
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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

AMENDED AGENDA #1
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Tuesday, March 09, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
<u>H 81</u>	Relating to Insurance to Revise Maximum Number on Board of Directors	Representative Bundy
<u>S 1120</u>	Relating to Police Officers - Collective Bargaining - Discussion and Vote Only	Mike Miraglia, Legislative Chair, Fraternal Order of Police
<u>RS28755</u>	Relating to Employment Security Law - Unanimous Consent Request for Referral to a Privileged Committee for Printing	Senator Zito
<u>S 1161</u>	Relating to Occupational Licensing - Electrical Contractors and Journeymen	Senator Guthrie
<u>S 1057</u>	Reconsideration of the Insured Homeowner Protection Act	Michael Kane, American Property and Casualty Insurance Association
PRESENTATION:	Overview of the Idaho Department of Commerce and Broadband	Tom Kealey, Director, Idaho Department of Commerce

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 09, 2021

TIME: 1:30 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 (Committee) to order at 1:30 p.m.

Chairman Patrick noted a change in the meeting agenda. The RS would be heard first before the Committee discusses other items.

RS 28755 **Relating to Employment Security Law - Unanimous Consent Request for Referral to a Privileged Committee for Printing. Senator Zito** gave a very brief overview of the RS noting it protects the Unemployment Trust Fund.

MOTION: **Chairman Patrick** asked for unanimous consent to send **RS 28755** to the Judiciary and Rules Committee for a print hearing. There were no objections.

H 81 **Relating to Insurance - Revise Maximum Number of Board of Directors. Representative Matthew Bundy (District 23)**, remarked this bill corrects a historical anomaly in Idaho Code § 41, Chapter 28, concerning insurance companies and the maximum number of directors allowed by law to sit on certain insurance companies' boards of directors. He noted this bill expands from 15 to 25 the maximum number of directors who may sit on the board of a domestic insurance company under Idaho Code § 41-2835(1). He said this change would create a consistent rule by matching the 25 maximum number of directors currently allowed to sit on the board of a service corporation that converted to a mutual insurer, under existing Idaho Code § 41-2835(5).

Representative Bundy noted this change in statute would not impact the General Fund, any dedicated fund, federal grants, or impacts to local funds because no expenditure from these accounts is required.

Representative Bundy added there was no opposition from stakeholders on this bill.

TESTIMONY: **Stephen Thomas**, Farm Bureau Mutual Insurance Company, stated he supported the bill.

Jeff Neumeyer, United Heritage Financial Group, testified in support of the bill on behalf of the Farm Bureau.

MOTION: **Senator Agenbroad** moved to send **H 81** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

S 1120

Relating to Police Officers - Collective Bargaining - Discussion and Vote Only. **Rob Shoplock**, Vice President, Professional Firefighters of Idaho, said in closing it is important to hear from employees and to work collaboratively. **Mr. Shoplock** stated that in the last 50 years of collective bargaining in the State, a city has never filed for bankruptcy. He noted he could spend time studying a contract and make decisions.

Mike Miraglia, Legislative Chair, Fraternal Order of Police, addressed some of the concerns expressed by Committee members from its meeting on March 4, 2021. He explained the definition of police officers includes city, county, and state officers and originates from the Public Employee Retirement System of Idaho (PERSI). He pointed out collective bargaining is about open communication and transparency. **Mr. Miraglia** clarified that union funds could not be used for a political situation. He stated many police departments have tried to institute collective bargaining with cities and counties on the local level and failed. He stated many officers were asked by the Fraternal Order of Police if they would be willing to testify in support of this bill but said they feared repercussions. He noted that this bill was brought forward because officers want to be part of the solution and want a voice in collective bargaining.

DISCUSSION: In response to a question from Senator Riggs, **Mr. Miraglia** stated if an agreement could not be reached, an independent perspective would be sought by the parties involved. He said the agreements are non binding and he hoped the good faith effort of communicating would help in negotiations.

Senator Agenbroad asked Susan Buxton, Administrator, Division of Human Resources (DHR), to answer some of his questions. **Senator Agenbroad** queried if the State is engaged in any collective bargaining. **Ms. Buxton** remarked she was not aware and that issue was never brought to DHR for review. She explained the structure of collective bargaining will address any law enforcement officers under PERSI. She declined to take a position on this bill.

MOTION: **Senator Ward-Engelking** moved to send **S 1120** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion.

DISCUSSION: **Senator Ward-Engelking** remarked all of her collective bargaining experiences as an educator were positive. Employees do not always see what the administration must deal with but could always find agreement on some issues and move forward.

Vice Chair Souza remarked she appreciated this bill but it is not the answer Idaho needs at this time. She advised it was not the place of the State to mandate that collective bargaining is a process every community has to undergo. **Vice Chair Souza** explained that in Coeur d'Alene collective bargaining was instituted by public vote and had community support. She said Coeur d'Alene's approach is better for law enforcement and the community because it ensures mutual respect.

SUBSTITUTE MOTION: **Vice Chair Souza** moved that **S 1120** be held in Committee. **Senator Agenbroad** seconded the motion.

DISCUSSION: **Senator Burgoyne** expressed his concerns about the substitute motion. He noted when involved in arbitration he never found the hearings to be contentious. He said testimony from both sides was characterized by candor and honesty. He remarked there are all kinds of reasons to have collective bargaining for balance. **Senator Burgoyne** stated law enforcement should be heard and this bill is a solid step in that direction.

Committee members discussed the process of collective bargaining and expressed their appreciation and support for law enforcement. Several members expressed a concern about the State mandating local government to engage in the collective bargaining process and supported the substitute motion.

Senators Ward-Engelking and **Senator Burgoyne** expressed support for the original motion.

ROLL CALL VOTE: **Chairman Patrick** asked for a roll call vote on the substitute motion that **S 1120** be held in Committee. **Senators Lakey, Guthrie, Agenbroad, Riggs, Vice Chair Souza,** and **Chairman Patrick** voted aye. **Senators Martin, Ward-Engelking,** and **Burgoyne** voted nay. The motion carried.

S 1161 **Relating to Occupational Licensing - Electrical Contractors and Journeymen.** **Senator Guthrie** stated apprenticeships are an integral part of workforce development. He said electrical apprenticeships provide critical on-the-job training to the apprentice and ensure the quality of the next generation of journeymen electricians. He said proper supervision of apprentices is key to on-the-job safety.

Senator Guthrie remarked the Idaho Electrical Board, after considering input from the electrical industry, established journeymen-to-apprentice ratios of 1:2 in commercial and industrial work and 1:4 in residential work. He noted in order to meet the needs of the electrical industry and protect public safety, this bill adopts the journeyman-to- apprentice ratio of IDAPA 24.39.10.09(a). **Senator Guthrie** reported there is no fiscal impact to the General Fund, any dedicated fund, federal grants, or to local funds because no expenditure from those accounts is required.

TESTIMONY: **Jeff Fitzloff**, master electrician and inspector, representing himself, testified in support of the bill. He emphasized it was important for apprentices to be supervised.

MOTION: **Senator Martin** moved to send **S 1161** to the 14th Order of Business for possible amendment. **Senator Burgoyne** seconded the motion.

DISCUSSION: **Senator Ward-Engelking** and **Senator Guthrie** discussed whether this bill is an effort to place supervision of apprentices in statute rather than rule.

VOICE VOTE: The motion to send **S 1161** to the 14th Order of Business for possible amendment carried by **voice vote**.

S 1057 **Reconsideration of Insured Homeowner Protection Act.** **Michael Kane**, American Property Casualty Insurance Association, noted this bill was returned to Committee because legislators raised enough concerns to warrant amendment..

TESTIMONY: **Mark Pasculli**, President and Chief Executive Officer, Cleanup and Total Restoration, testified in support of the bill. He said the industry is highly unregulated and what they do is unique. He said this bill is a good road map to protect homeowners from predatory practices in the cleanup and restoration business.

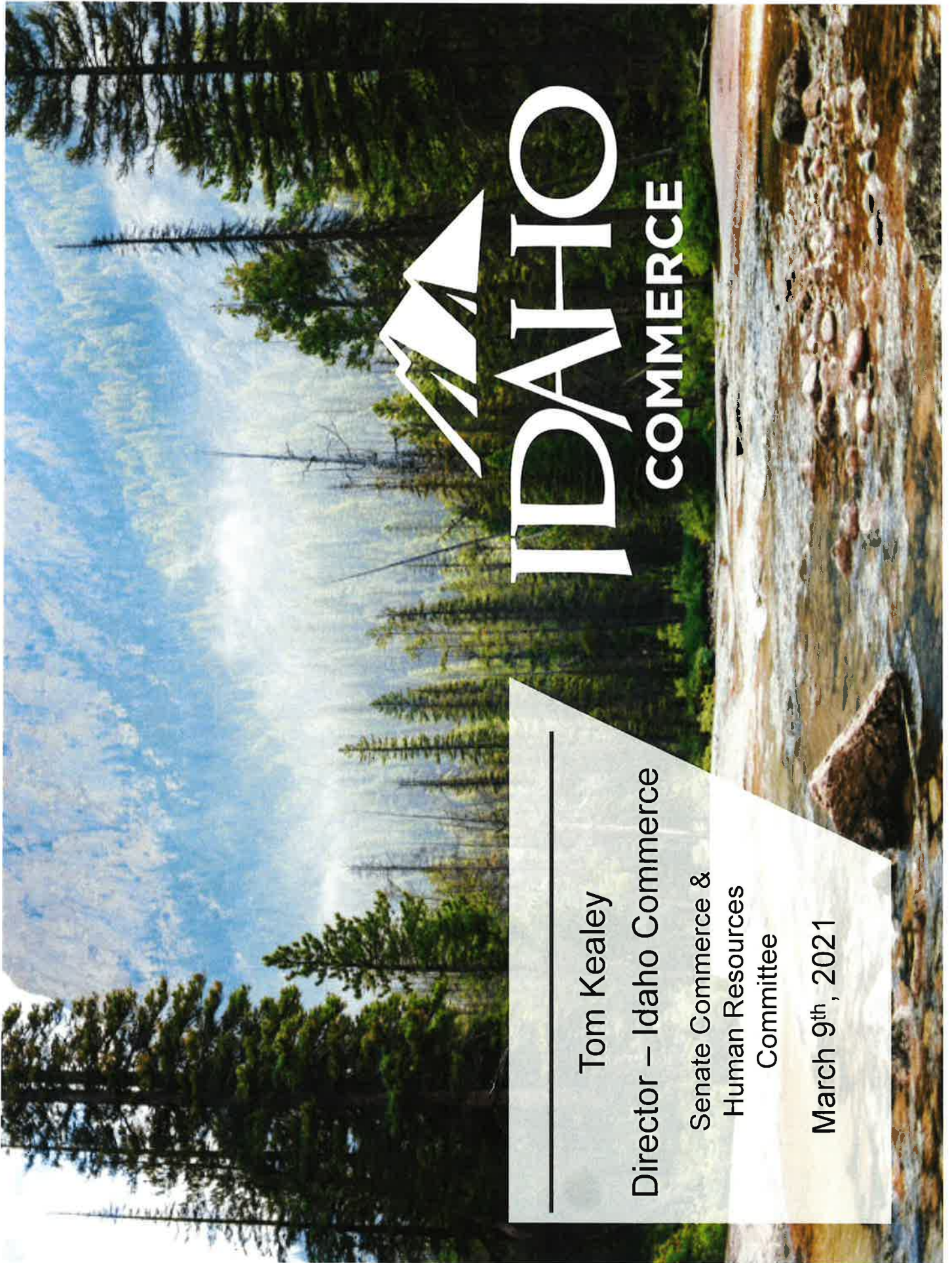
MOTION: **Senator Burgoyne** asked for unanimous consent to send **S 1057** to the 14th Order of Business for possible amendment. There were no objections.

PRESENTATION: Overview of the Idaho Department of Commerce (IDOC) and Broadband. Tom Kealey, Director, IDOC, outlined the department's responsibilities, the mission and vision, and its economic development priorities. He reported on building Idaho's future with broadband (Attachment 1). He reported the IDOC has spent a significant amount of time on core values and guiding principles. He indicated COVID-19 had a big effect on Idaho's economy, but the State is rebounding.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:03 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary



IDAHO COMMERCE

Tom Kealey
Director – Idaho Commerce
Senate Commerce &
Human Resources
Committee

March 9th, 2021

Idaho Commerce Responsibilities

- Survey and investigate the social, economic and physical resources.
- Prepare a comprehensive economic development strategy.
- Develop and promote a comprehensive international marketing plan
- Promote Idaho tourism, travel and convention industry
- **Promote innovation and technological improvements for commerce**
- Contract with universities, consultants and other private and public agencies
- Assist councils, commissions, and other partnerships for economic growth
- Enter into agreements with other agencies in developing economic and community plans and programs.
- Seek funds and incentives to accomplish Commerce Department's mission
- Compile and disseminate reliable data to attract people and capital
- Keep records, report and present L-T plans to Governor and Legislature
- Coordinate with local, state, federal and private agencies to promote Idaho

Mission

Mission: As the lead economic development agency for the State of Idaho, the mission of the Idaho Department of Commerce is to foster a business-friendly environment to aid in quality job creation, support existing companies, strengthen communities, promote innovation and market Idaho domestically and internationally.

Vision

Vision: The vision of Idaho Commerce is to support the growth of the state's economy with a thriving business environment. Our standard is to **"Move at the Speed of Business"** to accelerate the growth of the state's economy and ensure we are proactively anticipating the needs of businesses.

IDAHO the "Brand"

Economic Development Priorities



Core Values and Guiding Principles



Advance Governor Little's Economic Development Priorities

Support Existing Businesses	Promote Idaho
Strategic Business Attraction	Advance Technology Ecosystem & Increase Broadband Connectivity
Support Rural Idaho	Utilize Responsible Incentives
Promote Good Trade Policy	Support "Idaho Rebounds" Recommendations



Core Values and Guiding Principles



Advance Governor Little's Economic Development Priorities

Support Existing Businesses

- 63K employers (250 w/ > 250 employees
- Econ. Development statewide network
- 80% econ. growth from existing businesses
- Approaching 1000 annual business visits
- CARES Act support, PPP, EIDL - \$3B, 30k
- CFAC member: \$1.25B CARES Act funds

Promote Idaho

- Marketing Idaho:
 - One Idaho, PPP/PPE
 - Commerce, International
 - Recreate Responsibly
- Tourism - 3rd largest industry: \$1.6B GSP
 - 46K jobs in Idaho
- Assist Idaho communities with Marketing

Strategic Business Attraction

- Idaho is "Top State" to consider for expansion
- Large/small businesses. Rural & Urban
- Business formations leading the nation
- Few incentives: TRI, Bus Advantage, Data Ctr.
- Major announcements in 2020 during COVID

Advance Technology Ecosystem & Increase Broadband Connectivity

- Ag Tech, Adv Mfg., Energy, Nuclear, Fin Tech, etc.
- Broadband infrastructure expansion: \$100M
- Cybersecurity Initiative:
 - High demand, strong economic attributes
 - Future Federal Funds
- IGEM: Mission & History for innovation

Core Values and Guiding Principles



Advance Governor Little's Economic Development Priorities

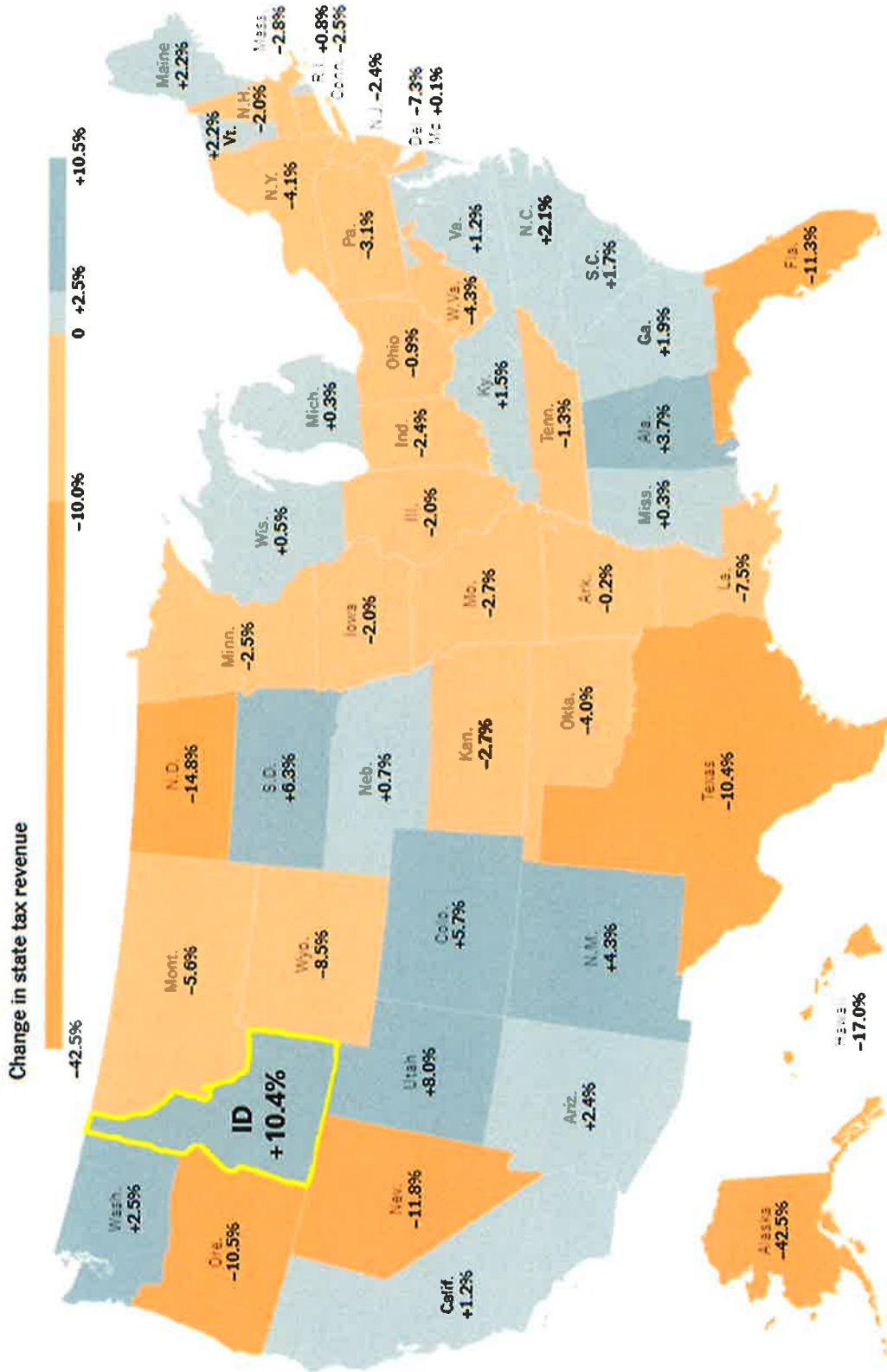
<p>Support Rural Idaho</p> <ul style="list-style-type: none"> • Rural infrastructure Grants <ul style="list-style-type: none"> • (\$8M/year + CARES) • Rural economic development network <ul style="list-style-type: none"> • Assist with strategic marketing • Business visits (approx. 70% of total visits) 	<p>Utilize Responsible Incentives</p> <ul style="list-style-type: none"> • Tax Reimbursement Incentive <ul style="list-style-type: none"> • 76 approved, 12,800 jobs, \$2.85B cap ex • Opportunity Fund • Business Advantage • Data Center Bill (2020) • Coordinate with local government incentives
<p>Promote Good Trade Policy</p> <ul style="list-style-type: none"> • Trade Missions – Mexico (virtual) • Trade shows and industry roundtables (virtual) • Trade Manager visits (3) – (virtual) • STEP Grants • Foreign Direct Investment inquiries 	<p>Support “Idaho Rebounds” Recommendations</p> <ul style="list-style-type: none"> • Rebuilding of employee & consumer confidence • Business stability and growth • Business promotion and attraction

Idaho is Flying High

- 1st** in growth in travel \$\$ and jobs
- 1st** least regulated state in U.S
- 1st** lowest unemployment level (WSJ 1/28/2021)
- 3rd** in community well being
- 3rd** broadband Investment (+\$85 million)
- 4th** in the nation for job growth
- 4th** lowest energy costs
- 8th** most tax-friendly state



Idaho Top State for Revenue Growth



Source: Urban-Brookings Tax Policy Center

Changes in revenue during the “pandemic period,” April - December 2020, compared with the same period in 2019.



Growth Opportunities

Increased momentum for current and upcoming Idaho industries:

- Agriculture, food processing, timber and mining,
- Advanced manufacturing
- Tourism & Outdoor Recreation
- Technology, Innovation, and Best Practices
- Energy and nuclear industry
- Cybersecurity

Infrastructure:

- High speed internet & broadband options
- Capital funding sources
- Opportunity zones
- Surface and air transportation
- Data Centers
- Healthcare Industry

- Future industries?



BUILDING IDAHO'S FUTURE

"Building Idaho's Future" is Governor Brad Little's plan to invest Idaho's one-time surplus in critical infrastructure projects that will:

- Help develop a diverse workforce.
- Further our state economic rebound.
- Create a long-lasting benefit for all Idahoans



CATEGORY	BRIEF DESCRIPTION	TARGETED AMOUNT	
		ONE TIME	ONGOING
Tax Relief	<ul style="list-style-type: none"> • Leverage the one-time build up in the Tax Relief Fund for one-time tax relief (e.g., double grocery tax credit one time, increase circuit breaker for one year) • Leverage the ongoing portion of the Tax Relief Fund and excess ongoing revenue to ongoing tax relief (e.g., income tax reduction) • Cover the costs of tax conformity to support business liquidity 	(\$295 M)	(\$160 M)
Spending Cuts	<ul style="list-style-type: none"> • Reinvest the one-time reductions in agency spending in one-time projects with long-lasting value • Reductions came from holdback in FY20/21, agency reversions, and reimbursement offsets 	(\$390 M)	
Transportation	<ul style="list-style-type: none"> • Invest in state and local highway infrastructure projects through a 60-40 split <ul style="list-style-type: none"> ◦ Create ongoing source of funding to stimulate long-term investment offset by ongoing tax reductions (above) • Make targeted investments in safe routes to schools, rail infrastructure, and community airports. 	\$126 M	\$80 M
Water and Agriculture	<ul style="list-style-type: none"> • Support major water infrastructure projects prioritized by the Idaho Water Resources Board. • Make investments in agricultural best management practices, and support drinking water and wastewater projects in rural communities. 	\$60 M	



BUILDING IDAHO'S FUTURE



	TARGETED AMOUNT	
	ONE TIME	ONGOING
Broadband & Economic Development <ul style="list-style-type: none"> • Bring broadband access to rural unserved or underserved households. • Invest in outdoor recreation projects that can catalyze tourism in rural communities. • Provide resources for business attraction and expansion. • Provide grants to small businesses and Idahoans who have been disproportionately impacted by the COVID-19 pandemic 	\$54 M	
Education <ul style="list-style-type: none"> • Make investments to enhance literacy for students who had unique education circumstances during COVID-19. • Spark new opportunities for Career Technical Education linked to the workforce needs of local communities. • Invest in central support for higher education to provide cost savings over time. 	\$30 M	
Public Safety <ul style="list-style-type: none"> • Make investments to defend our state police and provide them with the tools and resources they need to be effective in keeping our communities safe. 	\$1 M	
Capital Construction <ul style="list-style-type: none"> • Catch up on the backlog of deferred maintenance in state buildings. • Invest in capital projects that are needed. • Enhance the Youth Challenge dormitories. • Upgrade the University of Idaho's Parma Research and Extension Center, and invest in College of Eastern Idaho's Future Tech facility. • Create more in-state prison capacity and upgrade the juvenile correction facilities. 	\$66 M	
Additional Prioritized Projects <ul style="list-style-type: none"> • Ensure other priorities identified during session can be prioritized 	\$30 M	
	(\$318 M)	(\$80 M)



WHAT IS BROADBAND?

In its simplest form, the term broadband refers to high-speed internet access that is always on and faster than dial-up. However, as demand for faster and faster internet speeds has increased, so too has the speed definition of broadband. Currently, the Federal Communications Commission defines broadband as an internet connection with a download speed of 25 Megabits per second and an upload speed of 3 Megabits per second. Fixed, terrestrial broadband is high-speed data transmission to homes and businesses that is designed for permanent, stationary use and includes fiber, cable, DSL, and fixed wireless technologies.

Mobile Broadband

High-speed internet designed for use on-the-go with seamless connectivity from one location to another.

Fixed Wireless

Broadband service provided between towers and customers using radio waves. Primarily found in rural areas.

Satellite

Broadband service provided by satellites orbiting the earth. Satellite service can be impacted by line-of-sight and latency.

Cable

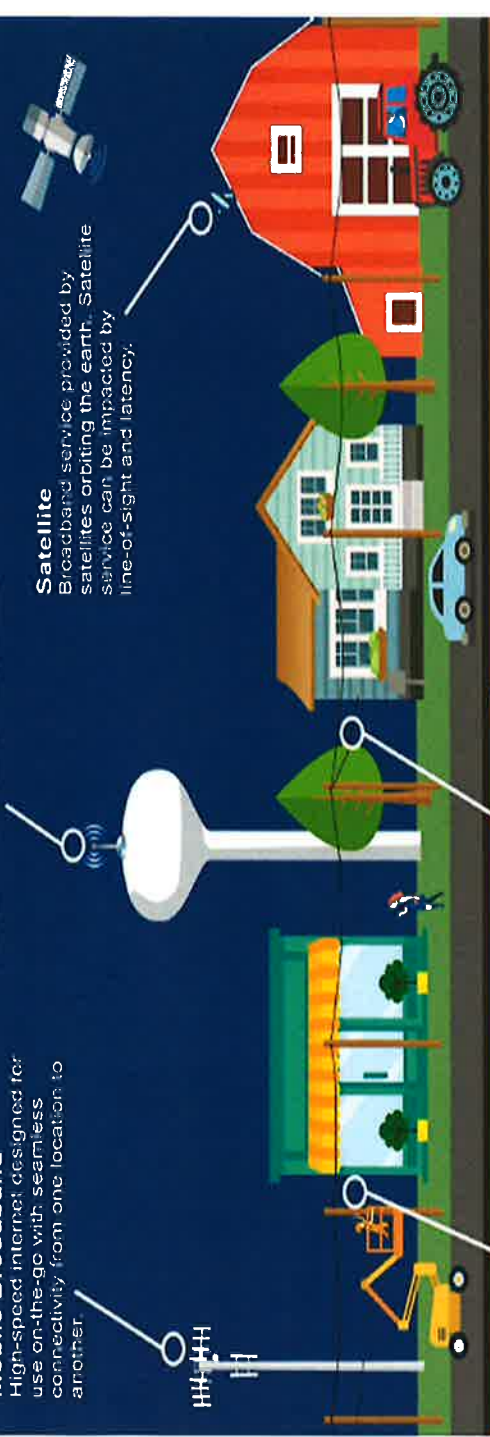
Internet provided by a cable television company over a mixed coaxial and fiber-optic network.

DSL

Digital-subscriber line (DSL) is broadband delivered over a mixed network of fiber and traditional copper phone lines.

Fiber

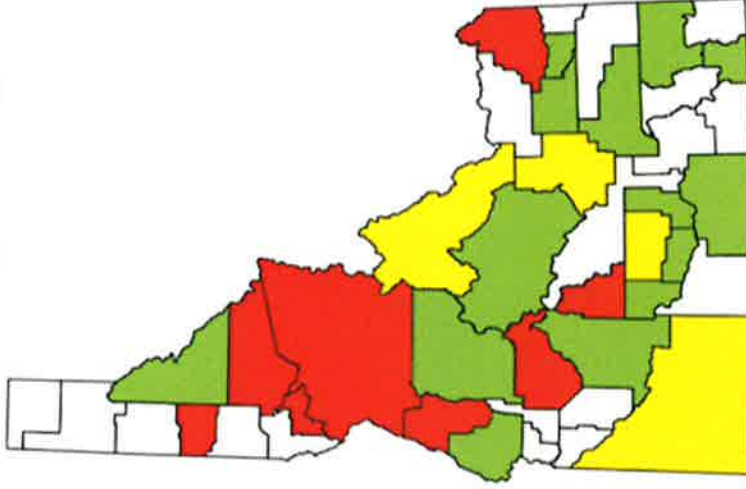
Fiber-optic service uses transparent glass fibers to carry data across distances. Some customers can receive fiber connections directly to their home, but fiber is also used to transport data from communities to the



Idaho Broadband

Percent of Housing Units with
Fixed Terrestrial Broadband by Idaho County

□ More than 75% ■ 50 - 75% of all houses ■ 25 - 50% of all houses ■ 0 - 25% of all houses



Effective: 2019

Broadband Task Force Recommendations: November 2019

Call for Action #1: Update State Broadband Plan

Call for Action #2: Establish a State Broadband Office

Call for Action #3: Consider State Funding Options

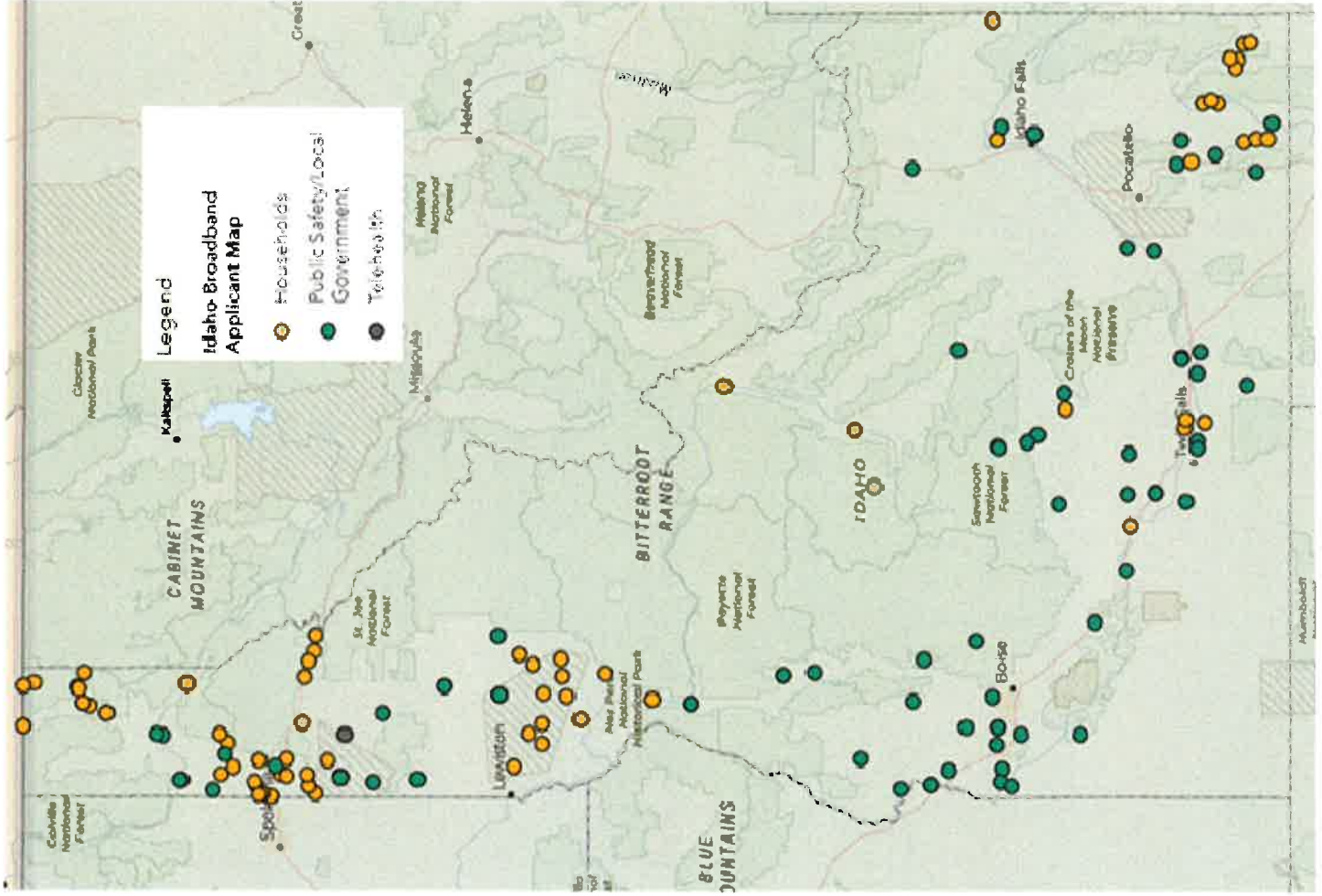
Call for Action #4: Formalize Dig Once and Hang Once Policies

Call for Action #5: Engage on Near Term Projects

Idaho Broadband

Success of the CARES Idaho Broadband Grant 2020

- \$38.3M paid out by December 30th deadline
- 83 grants funded
- 30,000 “rural” households now have broadband connectivity in 125 communities
- 90 new public Wi-Fi Hotspots including libraries to ensure citizens have access to broadband for distance learning, telehealth, and remote work

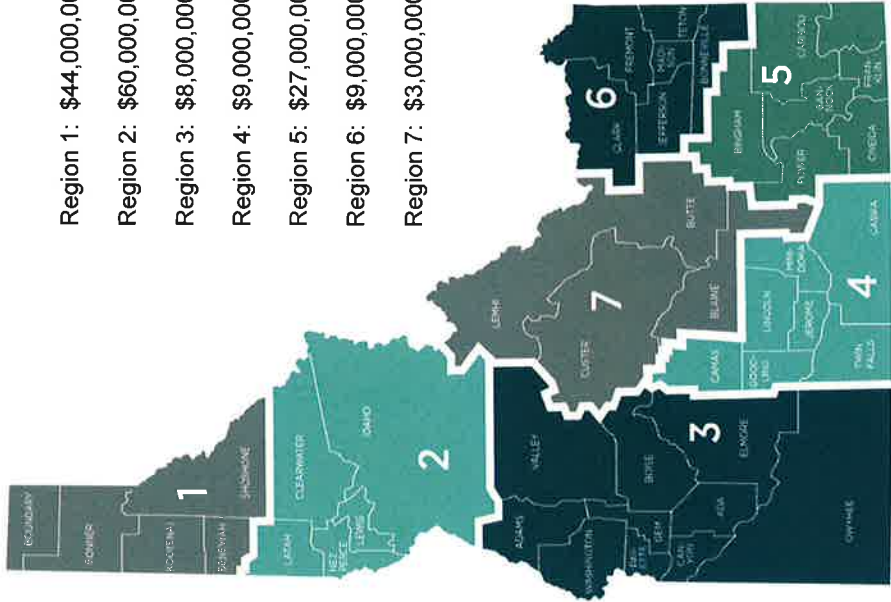


Idaho Broadband

Building Idaho's Future: Broadband

- Proposed \$35,000,000 for additional Broadband support:
 - 90% towards "Rural" Households
 - 4% towards Strategic Planning and Federal grant matching
 - 3% towards Telehealth
 - 3% towards Statewide Mapping and Administration
- Over \$160,000,000 in shovel ready projects
- Uses of funds will be subject to the proposed new Broadband Advisory Board's review and approval, and any updated Idaho Broadband Plan.

- Region 1: \$44,000,000
- Region 2: \$60,000,000
- Region 3: \$8,000,000
- Region 4: \$9,000,000
- Region 5: \$27,000,000
- Region 6: \$9,000,000
- Region 7: \$3,000,000



Effective: 12/2020



Let's Connect



commerce.idaho.gov



Idaho Commerce



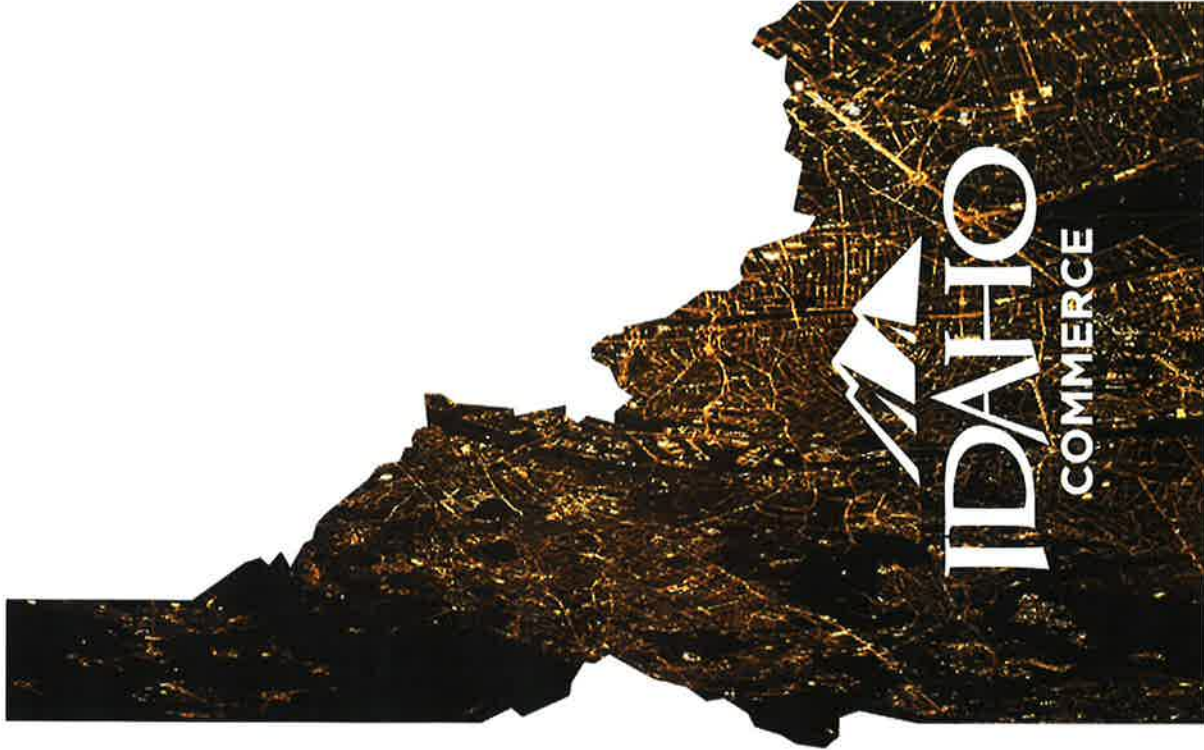
@idahocommerce



Idaho Commerce



Visit Idaho



APPENDIX

Nuclear Industry in Idaho



ADVANCED REACTOR TYPES

- Molten salt reactor
- Small modular reactor
- Microreactor
- Lead-cooled reactor
- Sodium-cooled reactor
- Very high temperature reactor
- Gas-cooled reactor

UNIQUE SUPPLY CHAIN NEEDS

- Special materials that can operate at elevated temperatures and in corrosive environments
- Fabrication and welding procedures for these materials
- Qualified workforce in working with these materials

Advanced Reactor Types	Maturity	Market	Deployment in Idaho
Molten salt reactor	Late 2020s ¹		
Light water reactor	Mid 2020s		
Microreactor	Mid 2020s		
Lead-cooled fast reactor			
Sodium-cooled fast reactor	Mid 2020s ²		
Very high temperature reactor	Late 2020s		
Gas-cooled fast reactor			

¹ Idaho is currently in the advanced development phase for a molten salt reactor. ² Idaho is currently in the advanced development phase for a sodium-cooled fast reactor.

● ID ○ OR ▲ UT

APPENDIX

Idaho Innovation and Growth

- Education/ Research: Idaho National Laboratory, Idaho Universities, EMSI
- Cybersecurity/AI: All Businesses, FBI, INL, Universities/ Colleges, Government Entities
- Broadband/ISPs: Sparklight, Syringa, Ziplly, Ting, TDS, Small ISPs, Ericsson/Cradlepoint, 5G
- Mining: Simplot, Itafos, Midas Gold, Hecla, Jervois, Bayer
- Forest Products: Idaho Forest Group, Boise Cascade, Clearwater Paper Corporation
- Distribution/Supply Chain: Amazon, FedEx, WOW Logistics
- Start ups: Entrepreneurs and Investors

APPENDIX

Idaho Innovation and Growth

- Ag Tech: Simplot, McCain, Syngenta, New Cold, Agri Beef, Lamb Weston, Scoular, CAFÉ
- Adv. Mfg.: Micron, Schweitzer (SEL), Outdoor and Ammo, Daher, Premier Technology, AMET
- Food Tech: Chobani, Glanbia, Albertsons, Clifbar, Spirits, Incubators
- Fin Tech: Clearwater Analytics, T-Sheets, Kount, ICCU
- Energy: CAES, Small and Micro Reactors, Solar, Wind, Bio-mass, Hydro
- Ecommerce, Consumer and B2B: Cybersecurity, Cradle Point, Rural Broadband, Truckstop, Amazon

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Thursday, March 11, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of March 4, 2021	Senator Ward-Engelking
<u>H 138</u>	Relating to the Department of Administration - Permanent Building Fund	Steven Bailey, Deputy Director and Chief Financial Officer, Department of Administration
<u>H 139</u>	Relating to the State Personnel System - Sick and Vacation Leave	Susan Buxton, Administrator, Division of Human Resources
<u>H 142</u>	Relating to Employment Security Law	Representative Scott Syme
<u>H 102</u>	Relating to Real Estate License Law	Michelle Bird, Section Chief, Division of Occupational and Professional Licenses
<u>H 103</u>	Relating to the Idaho Nonprofit Corporation Act	Representative Charlie Shepherd Will Hart, Idaho Consumer Owned Utilities Association

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 11, 2021

TIME: 1:30 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 (Committee) to order at 1:30 p.m.

H 138 **Relating to the Department of Administration - Permanent Building Fund.** **Steven Bailey**, Deputy Director and Chief Financial Officer, Department of Administration (DOA), stated that, consistent with the Governor's Red Tape Reduction Act, this bill eliminates inactive provisions of law originally enacted in 1947. He said because no change will occur in DOA procedures, there is no fiscal impact from this legislation.

Mr. Bailey outlined the three sections of code that transfer unexpended appropriations to the Permanent Building Fund. He noted those were Idaho Code § 57-1102 - transferred from projects that remodeled schools; § 57-1103 - transferred from projects that remodeled hospital buildings; and § 57-1104 - transferred unexpended balances in certain bond accounts.

MOTION: **Senator Martin** moved to send **H 138** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 139 **Relating to the State Personnel System - Sick and Vacation Leave.** **Susan Buxton**, Administrator, Division of Human Resources, stated the purpose of this legislation is to add the ability for State employees to donate sick leave, in addition to vacation leave, to other State employees who have exhausted their sick leave balances.

Ms. Buxton said this legislation will have no fiscal impact to any fund sources of the State or unit(s) of local government because the funding is already appropriated based on an employee receiving full pay during the fiscal year.

DISCUSSION: **Senator Agenbroad** queried if vacation leave could be donated for sick leave or if vacation or sick leave could be used for vacation. **Ms. Buxton** stated vacation leave could be donated to those who have exhausted sick leave, but sick leave cannot be used for vacation.

MOTION: **Senator Ward-Engelking** moved to send **H 139** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

Relating to Employment Security Law. Representative Scott Syme (District 11) stated this bill amends five sections of Idaho Code, namely, Chapter 13, Title 72, to define custom farming as "agricultural employment;" to reduce the time frame new employers need to pay taxes before qualifying for a reduced unemployment insurance tax rate; to separate a reference to a "cafeteria plan" and an "annuity plan;" to establish a four-week cap on the weeks a claimant can receive benefits after becoming ill; to eliminate the need for training instructors to sign off on continued claim reports; and to correct and reinstate the Director of the Idaho State Department of Agriculture (ISDA) as having authority to waive all or part of fraud or civil penalties and benefit disqualification for overpayments when the Director deems the waiver in the best interest of the ISDA.

Representative Syme noted there is no fiscal impact to the General Fund, but the Idaho Department of Labor (IDOL) will save approximately \$75,000 a year.

DISCUSSION: **Senator Burgoyne** commented that agricultural labor is exempt from coverage for unemployment insurance and this bill blocks unemployment insurance access to those employed by custom farming organizations. He queried why the employees of custom farming organizations should be exempt and asked if the Advisory Committee (AC) approved the proposed changes. **Representative Syme** deferred to Jani Revier, Director, IDOL. **Ms. Revier** stated farming is defined as agricultural employment rather than general employment. She advised considering custom farmers as agriculture employees raises the bar necessary for paying unemployment taxes to \$20,000 or more in wages paid in one calendar quarter and changes the employment criteria to hiring 10 or more workers. This lessens the tax burden on small custom farmers, **Ms. Revier** said.

Senator Burgoyne asserted if the tax burden is decreasing, these workers will no longer be eligible for unemployment benefits and asked if these workers will only be eligible for reduced benefits. **Ms. Revier** noted this does not have an impact on eligibility but impacts taxes paid. Eligibility is based on each individual's hours worked and the wage base to determine eligibility.

Senator Burgoyne stated rates will be driven by claims. He remarked if an employer sees a tax decrease, then either employees are going to collect less unemployment insurance or there will be a subsidy from the other employers who are paying tax for the benefits. **Ms. Revier** reiterated there is not any impact on the benefits but would potentially affect those who are paying into the fund. **Ms. Revier** reported the fiscal impact is neutral; there will be some loss in revenue, but it will be made up by a decrease in administrative costs.

Senator Burgoyne remarked there will be no loss in unemployment benefits for employees and there will be no subsidy going from other employers who are paying employment security taxes to the custom farmers to make up for the difference in the taxation premium. **Ms. Revier** clarified there will be no impact to benefits and there will be a neutral revenue tax.

Senator Burgoyne inquired about the four-week cap for illness and injury. He affirmed if someone is receiving unemployment and becomes ill or injured, the person remains eligible until or unless they are unable to accept employment. He asked again if the AC commented on these changes. **Ms. Revier** noted that under current law, an individual is no longer seeking work if they fall ill. She said there are many circumstances where individuals can run out of benefits. She pointed out there are situations where an individual should more likely be on Social Security Disability as opposed to being on unemployment insurance. **Ms. Revier** reported this bill is an attempt to prevent someone from being on both programs and to have this benefit focused on the workforce or individuals who are engaged in the

workforce. **Ms. Revier** indicated several states do not have an illness provision to allow claimants to be eligible once they become ill. **Ms. Revier** stated the IDOL is proposing to limit the amount of time an individual could be eligible for benefits and to bring the law more in line with other states' similar laws.

Senator Burgoyne asked if the AC was consulted. **Ms. Revier** stated the IDOL did not consult with the it.

MOTION: **Senator Guthrie** moved to send **H 142** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion.

DISCUSSION: **Senator Burgoyne** stated he could not support the motion. He remarked he did not like the four-week cap. He said the AC plays an important role and should have been consulted on the legislation. He noted many employees receive illness-related benefits, but when laid off, benefits are lost. Unemployment insurance helps partially compensate employees.

VOICE VOTE: The motion to send **H 142** to the floor with a **do pass** recommendation carried by **voice vote**. **Senator Burgoyne** requested he be recorded as voting nay.

H 102 **Relating to Real Estate License Law.** **Michelle Bird**, Section Chief, Division of Occupational and Professional Licenses, and Executive Director, Idaho Real Estate Commission (IREC), stated consistent with the Governor's Red Tape Reduction Act, this bill eliminates inactive provisions of law. The IREC seeks to remove a portion of a definition that requires a real estate license for a "business opportunity" where a transfer of an interest in land by assignment of a lease is involved. She noted leasing is not regulated in Idaho. **Ms. Bird** indicated this small section in the definition of "business opportunity" is contradictory to the absence of regulating leasing in Idaho. She stated leasing should not be regulated in the specific circumstances where it is part of a business opportunity. She remarked business opportunities where the sale of real property is involved will continue to be regulated under license law.

Ms. Bird reported the IREC also seeks to remove language requiring a consumer confirm in writing a review of the brokerage's office agency policy. She stated 2020 legislation was passed to remove the requirement for the brokerage to have a written agency policy.

Ms. Bird said this legislation will have no fiscal impact on the General Fund or the agency's Special Real Estate Account because deleting requirements does not compel additional agency action or create any new programs.

DISCUSSION: **Vice Chair Souza** asked for a definition of "agency" and queried how a consumer knows what agency policies are in place. **Ms. Bird** clarified that real estate agents are still required to follow agency law within license law. **Vice Chair Souza** and **Ms. Bird** discussed that agents are still required to present a client with agency policy.

Vice Chair Souza and **Ms. Bird** discussed the sale of an interest in land and real property regulations.

Senator Lakey remarked the intent was to describe an interest in land but not limited to a lease, which is still an interest in real property. **Ms. Bird** noted it is a struggle to differentiate between the assignment of a lease that is not regulated and the sale or transfer of real property, which is regulated.

MOTION: **Senator Lakey** moved to send **H 102** to the 14th Order of Business for possible amendment. **Senator Burgoyne** seconded the motion.

DISCUSSION: Committee members discussed striking the words "interest in," (page 2, line 11), in the bill and leaving all the other language the same or excluding leases. **Ms. Bird** remarked the intent of the legislation is to remove the assignment of a lease.

VOICE VOTE: The motion to send **H 102** to the 14th Order of Business for possible amendment carried by **voice vote**.

H 103 **Relating to the Idaho Nonprofit Corporation Act.** **Will Hart**, Idaho Consumer Owned Utilities Association, noted Idaho Code updated in 2015 and 2019 allowed remote participation in for profit corporation shareholders and directors and for nonprofit corporation directors. He said this proposed legislation updates current law to allow for members of a nonprofit corporation to participate in meetings by remote communication as authorized by the board of directors.

Mr. Hart indicated there is no fiscal impact to the General Fund. He explained nonprofit corporation boards of directors that voluntarily authorize the use of remote communication may choose to purchase hardware or additional technology to facilitate remote communication for members.

MOTION: **Senator Burgoyne** moved to send **H 103** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:16 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Tuesday, March 16, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
MINUTES APPROVAL:	Minutes of March 9, 2021	Senator Burgoyne
<u>H 178</u>	Relating to Apprenticeship Programs	Senator Lakey Representative Gayann DeMordaunt
<u>H 143</u>	Relating to the Building Code Act, International Building Code, Mass Timber	Senator Woodward Representative Caroline Nilsson
PRESENTATION:	Preparedness of Idahoans to Retire: Deciding the State's Role	Rakesh Mohan, Director, Office of Performance Evaluation (OPE) Ryan Langrill, Principal Evaluator, OPE
PRESENTATION:	Overview of Unemployment Insurance Identity Theft Fraud	Jani Revier, Director Idaho Department of Labor

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 16, 2021

TIME: 1:30 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: **Vice Chair Souza** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:31 p.m.

MINUTES APPROVAL: **Senator Burgoyne** moved to approve the Minutes of March 9, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 178 **Relating to Apprenticeship Programs.** **Senator Lakey** said this legislation expands the concept of allowing those who want to be licensed barbers and cosmetologists to serve an apprenticeship instead of attending barber or cosmetology school for most licensed professions in Idaho. He noted this bill requires State licensing authorities to issue a license if a person serves an apprenticeship, pays the required fees, and passes a certification exam if one is required. **Senator Lakey** stated if the licensure authority denies a license or deems an apprenticeship not up to standards, an explanation must be made in writing. He remarked licensure authorities cannot create requirements for apprenticeship applicants that are more onerous or restrictive than those for applicants who attend a school.

Senator Lakey reported licensure boards are able to recognize existing apprenticeship programs in lieu of classroom instruction. No new process or staff is required, resulting in no impact to the General Fund, he said.

MOTION: **Senator Burgoyne** moved to send **H 178** to the floor with a **do pass** recommendation. **Senator Riggs** seconded the motion. The motion carried by **voice vote**.

H 143 **Relating to the Building Code Act, International Building Code (IBC), Mass Timber.** **Senator Woodward** stated this bill adopts a specific section of the IBC to allow Idaho to use mass timber in commercial and residential construction, and declares an emergency to allow prompt review by the Idaho Building Code Board in response to current market conditions.

Senator Woodward noted the 2021 IBC provides for three new types of mass timber construction that correspond to allowable building heights. He said at the core of these new methods is a timber product called cross-laminated timber. He reported cross-laminated timber is made from trees grown in Idaho. **Senator Woodward** indicated the intent of this bill is to support the timber and building construction industries by allowing construction of these wood-framed buildings in Idaho. He stated what is different about cross-laminated timber is that it allows for construction of taller buildings than in the past when using wood products. He said with cross-laminated timbers,

the physical properties are much more consistent and can be designed into products based on the expected loading.

Senator Woodward remarked wood products traditionally have required a higher safety factor because of the variation of physical properties in a natural product. He noted the result is a limitation in what can be constructed. He advised when designing a building, most components are analyzed as a beam or column. He said to determine the component size, engineers calculate structural loading based on design assumptions. An adequate size can be determined based on the physical properties of the material, the yield, strength, and the modulus of elasticity, he said.

DISCUSSION: **Senators Martin** and **Woodward** discussed the intent of **H 143** is to add this section of the IBC because of the timber industry located in Idaho. They also discussed the difference between wood, steel, and cross-laminate wood loads and the level of use of cross-laminate wood for taller buildings.

Senator Riggs pointed out the reason cross-laminate wood needed its own unique category is because it is a new type of building construction.

TESTIMONY: **Heather Stegner**, Director, Communications, American Wood Council, testified in support of the bill. She highlighted the positive qualities of mass timber buildings, noting they are not a new concept. She noted mass timber buildings are constructed with large panels that are high-strength and lightweight.

MOTION: **Senator Riggs** moved to send **H 143** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Preparedness of Idahoans to Retire: Deciding the State's Role.** **Rakesh Mohan**, Director, Office of Performance Evaluation (OPE), introduced Ryan Langrill, Principal Evaluator, OPE. **Mr. Langrill** remarked that before evaluating specific options, Idaho policymakers must first decide on the State's role in expanding workplace retirement. He noted Idaho could establish a formal group of policymakers and stakeholders to articulate the State's role and general directions for studying policy options. **Mr. Langrill** stated workers who do not save for retirement see decreases in their standard of living. He went over the statistics for other states that have pursued a variety of policies, noting outcomes are still uncertain (Attachments 1, 2 and 3).

Mr. Langrill reported one-third to two-thirds of workers will not have enough savings to maintain a pre-retirement standard of living. He said 25 percent of elderly households rely almost exclusively on Social Security.

DISCUSSION: **Vice Chair Souza** and **Mr. Langrill** discussed that one-fourth of the agriculture industry, one-fourth of the hospitality industry, and most who work in the service industry do not have access to a retirement plan.

PRESENTATION:

Mr. Langrill reported when the American Association of Retired Persons (AARP) conducted a Statewide survey, small employers said they are less likely to have automatic payrolls. He said there is a large cost to set up a plan for employees, but it is less expensive for larger employers to offer retirement plans than smaller employers.

Mr. Langrill outlined the two approaches of saving for retirement: mandated and voluntary. He went over the problems of a mandated retirement plan. He said an employer is prohibited from matching funds because these plans are Individual Retirement Accounts (IRA), fairly costly, and it is harder for people to accumulate much savings when they arrive at retirement.

Mr. Langrill noted a state-operated automatic IRA in Idaho would be revenue neutral in year 12. He said after year 6, the State plan would have more revenue than costs per year.

Mr. Langrill reported there are also voluntary retirement programs that are multi-employer plans sponsored by the State. He said voluntary approaches have more flexibility, but it is not clear that they are effective to expand to workplace retirement. He remarked the Legislature may wish to assign a formal group to discuss options.

**PASSED THE
GAVEL:**

Vice Chair Souza passed the gavel to Chairman Patrick.

PRESENTATION:

Overview of Unemployment Insurance Identity Theft Fraud. **Jani Revier**, Director, Idaho Department of Labor (IDOL), reported the unemployment system has always had some level of fraud, such as claimants not reporting additional income while receiving benefits, claiming benefits after going back to work, or claiming benefits while on vacation.

She noted monthly and weekly identity theft claims were flagged, with the months of February, March, and April having the highest rates. **Ms. Revier** stated with more unemployment aid coming, states are being inundated with new waves of fraud as they scramble to update security systems.

Ms. Revier reported the IDOL has dealt with traditional unemployment fraud for years. She said the IDOL works to prevent fraud in order to ensure integrity in the system, and to protect the trust fund and employers who pay into the system. **Ms. Revier** outlined the steps the IDOL has put in place to help prevent suspicious and fraudulent claims (Attachment 4).

DISCUSSION:

Senator Lakey and **Ms. Revier** discussed individuals who engage in fraudulent activities and who keep trying to work the system. **Ms. Revier** noted some individuals use fake identification and documents.

Senator Agenbroad and **Ms. Revier** discussed the verification process, and if an individual is struggling to navigate the IDOL site, verification can take much longer. **Ms. Revier** said there is an off-line process in place for those who do not have access to technology.

Senator Riggs asked for an explanation of the personal security process. **Ms. Revier** deferred to Kevin Wauhob, Operations Manager, IDOL. **Mr. Wauhob** remarked fraud is seen across the board and an individual may have all the victim's information. He said sometimes an individual will make up a Social Security number but the work history does not match.

Senator Lakey, Vice Chair Souza, and Mr. Wauhob discussed identifying those who commit fraud, cost prevention, and criminal penalties.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:37 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary



Preparedness of Idahoans to Retire: Deciding the State's Role

Report highlights

August 2020

Before evaluating specific options, Idaho policymakers must first decide on the state's role in expanding workplace retirement.

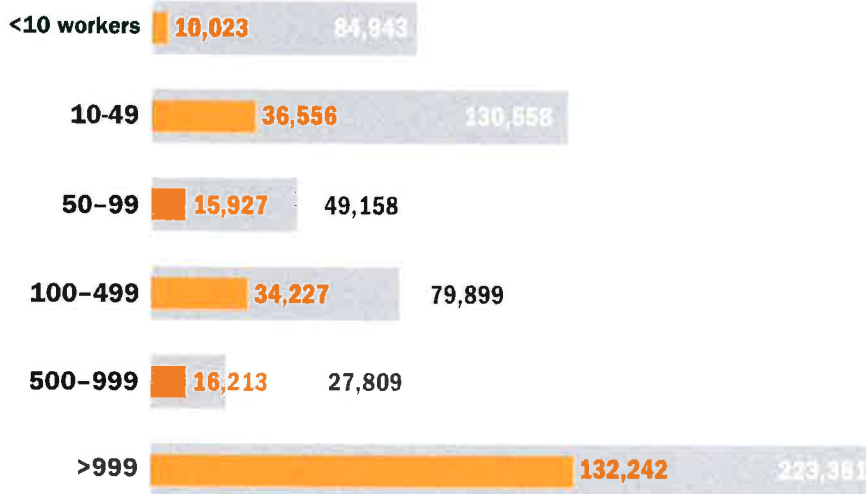
Idaho could establish a formal group of policymakers and stakeholders to articulate the state's role and general directions for studying policy options.

Smaller groups in other states have typically included constitutional officer, legislators, subject-matter experts, workers, and business owners. In 2019 the Idaho State Treasurer led an informal group to discuss retirement-related issues in Idaho and other states.

Workers who don't save for retirement see decreases in their standard of living and use the safety net more in retirement.

Idaho workers are less likely to have a **workplace retirement plan** when employed by a small business.

Total workers by business size



In addition, Idaho workers who are younger or Hispanic are least likely to have a workplace retirement plan than other workers.

Other states have pursued a variety of policies, but outcomes are still uncertain.

6 states operate a state-facilitated IRA where workers would be automatically enrolled and mandate that certain businesses offer retirement plans.

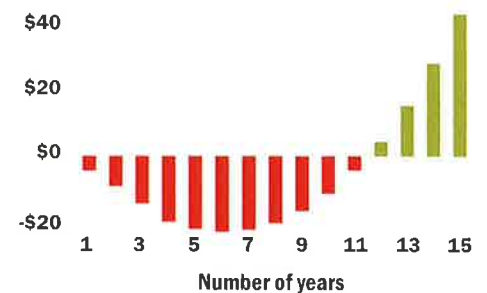
These programs successfully expand worker access to retirement plans but are not very flexible and are costly compared with private plans.

5 states seek to increase access to workplace retirement plans through a marketplace or through voluntary state-facilitated plans.

Voluntary programs are more flexible and allow employer matches, but have yet done little to expand access to workplace retirement plans.

12 years is when we estimate that an Idaho-facilitated retirement plan, paired with a mandate, would become revenue neutral.

Cumulative debt or surplus by year in millions of dollars.



View the report:
www.legislature.idaho.gov/ope/

Preparedness of Idahoans to Retire:

Deciding the State's Role

Presented by Ryan Langrill

3/16/2021





The concern

The policy landscape

Idaho's next steps



1/3 to 2/3 of workers won't have savings
to maintain pre-retirement standard of living.

25% of elderly households rely almost
exclusively on Social Security.

How people save

Most people who save, save through work.

Automatic enrollment leads people to save more.



Workplace retirement in Idaho



40% of private sector workers



60% with more than 1,000 workers



22% with less than 50 workers

Workplace retirement in Idaho



Workplace retirement in Idaho



<25% of workers in agriculture, hospitality, and most services



<30% total enrolled in their employer's plan



Barriers for businesses

Lack of connection to financial professionals

Complexity

Regulations and costs



Two state approaches:

Mandatory

Voluntary

Programs with a mandate

Implemented



Enacted



Programs with a mandate

Employers must offer private or state plan

Plan costly to participants, prohibits employer match

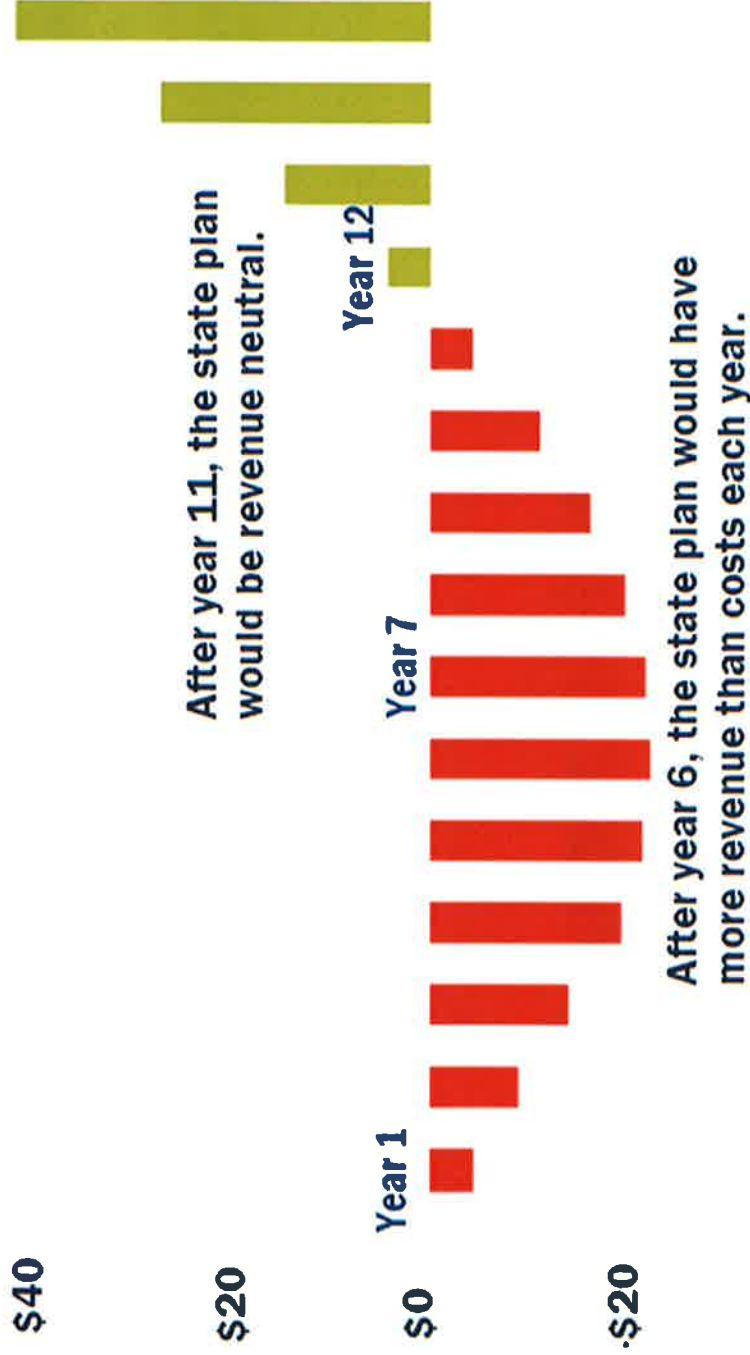
State plans are all similar, facilitating shared administration



Fiscal feasibility of a program in Idaho

A state-operated automatic IRA in Idaho would be revenue neutral in year 12.

Cumulative **debt** or **surplus** by year. Millions of dollars.



Voluntary programs

Implemented



Enacted





Voluntary programs

**Multi-employer plans sponsored by
the state**

Retirement marketplaces



**The Legislature may wish to
assign a formal group to discuss
options.**

Preparedness of Idahoans to Retire:

Deciding the State's Role

Presented by Ryan Langrill



Overview of Unemployment Insurance Identity Theft Fraud

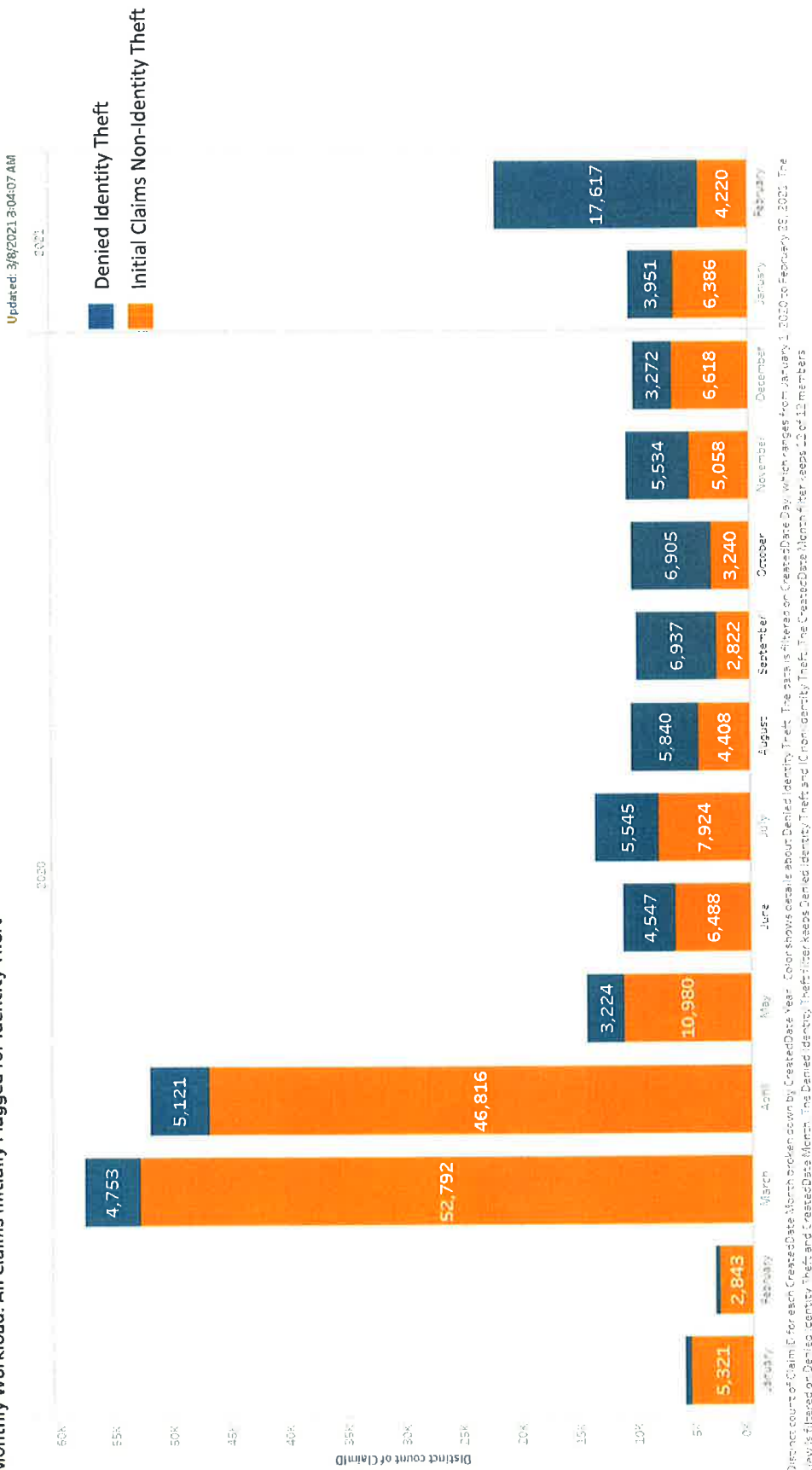
Jani Revier, Director

Senate Commerce and Human Resources Committee – March 16, 2021

IDAHO
DEPT. OF LABOR

Claims Flagged for Identity Theft (by month)

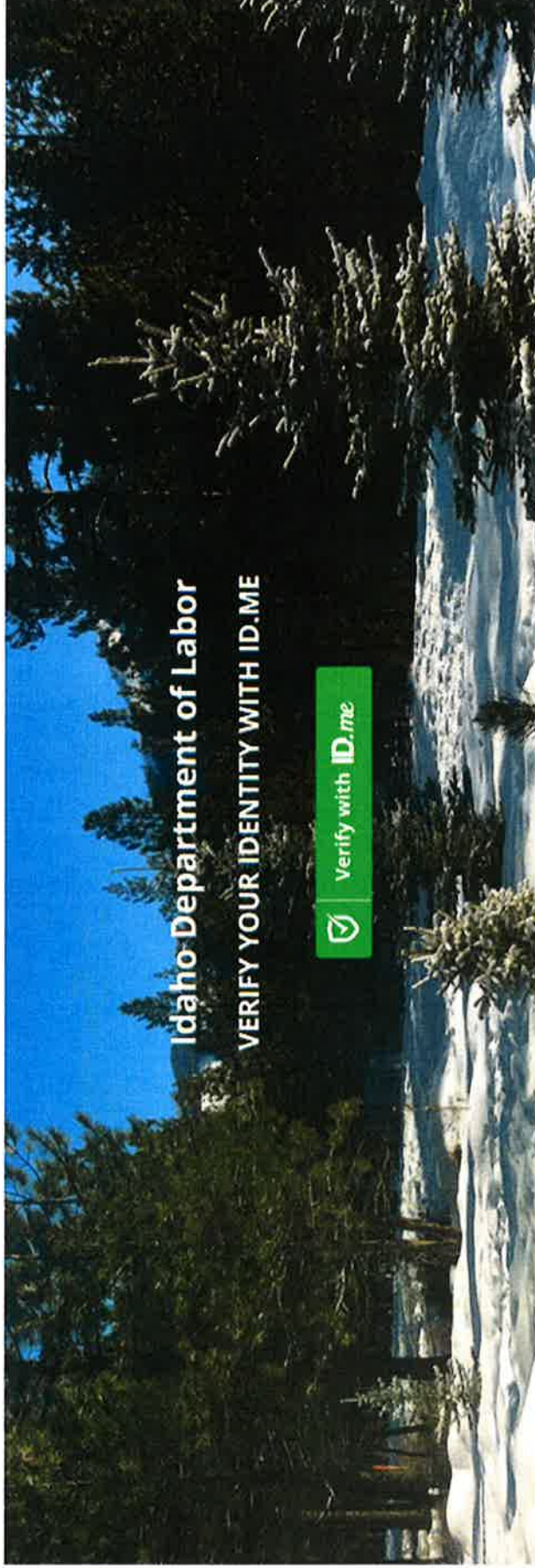
Monthly Workload: All Claims Initially Flagged for Identity Theft



ID.me Website



Verification by **ID.me**

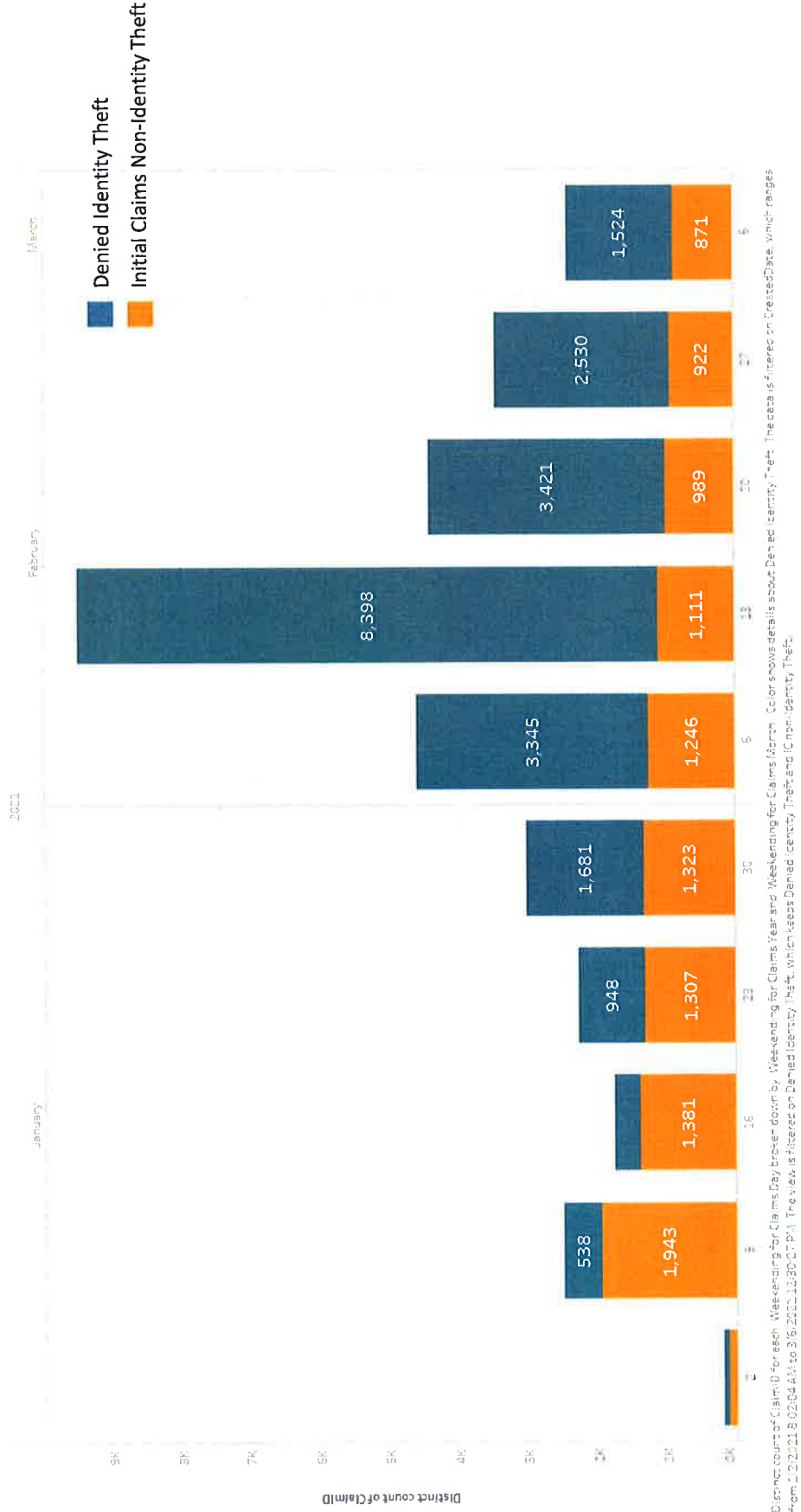


[Verify Your Identity Online](#)

Claims Flagged for Identity Theft (by week)

Weekly Workload: All Claims Initially Flagged for Identity Theft

Updated: 3/8/2021 8:04:07 AM



Distinct count of Claim ID for each Week ending for Claims Day broken down by Week ending for Claims Month. Color shows details about Denied Identity Theft. The data is filtered on Created Date, which ranges from 1/2/2021 8:03:04 AM to 3/8/2021 1:39:07 PM. The view is filtered on Denied Identity Theft, which keeps Denied Identity Theft and Initial Non-Identity Theft.

Report Identity Theft Online Form



Report Identity Theft

To report identity theft, please fill out the form below. If someone has applied for benefits using your personal information, it may have been stolen and misused by fraudsters for unemployment benefits. The Idaho Department of Labor unemployment insurance system has not been hacked, nor have we been subject to a data breach. After you submit the form, we will call you if we need more information; there is no need to call us.

If you have additional questions, please read our FAQs on identity theft.

• First Name:

• Last Name:

• Phone Number:

No Phone Number

CAPTCHA Challenge

Eps70 vector

Idaho Department of Labor

“With more unemployment aid coming, states are being hammered with new wave of fraud as they scramble to update security systems” - Feb. 28, 2021,

Associated Press



“1 Million Sketchy Claims But No Arrests (Yet) As Colorado Launches New Fight Against Unemployment Fraud” - March 4, 2021, Colorado Public Radio

“More than 40% of RI unemployment claims flagged as fraudulent during pandemic” - March 5, 2021, WPRI.com

Other Steps – Working Partners

- National Association of State Workforce Agencies (NASWA) Integrity Center
- U.S. Department of Labor, Office of Unemployment Insurance
- NASWA Centralized Identity Verification in cooperation with Experian's Precise ID Solution
- U.S. Department of Labor, Office of Inspector General

Questions?

The logo for the Idaho Department of Labor is a green banner with a white arrow pointing to the right. The text "IDAHO" is written in large, white, serif capital letters, and "DEPT. OF LABOR" is written in smaller, white, sans-serif capital letters below it.

IDAHO
DEPT. OF LABOR

Attachment 3
March 16, 2021

Preparedness of Idahoans to Retire: Deciding the State's Role



Presented by Ryan Langrill
3/16/2021



The concern

The policy landscape

Idaho's next steps



1/3 to **2/3** of workers won't have savings to maintain pre-retirement standard of living.

25% of elderly households rely almost exclusively on Social Security.



How people save

Most people who save, save through work.

Automatic enrollment leads people to save more.

Workplace retirement in Idaho



40% of private sector workers



60% with more than 1,000 workers



22% with less than 50 workers

Workplace retirement in Idaho



28% of workers 18-24



39% of workers 25-34



32% of Hispanic workers

Workplace retirement in Idaho



<25% of workers in agriculture, hospitality, and most services



<30% total enrolled in their employer's plan



Barriers for businesses

Lack of connection to financial professionals

Complexity

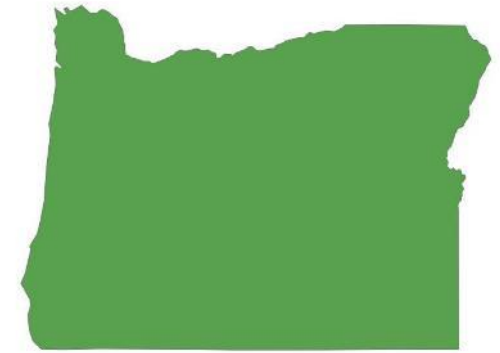
Regulations and costs



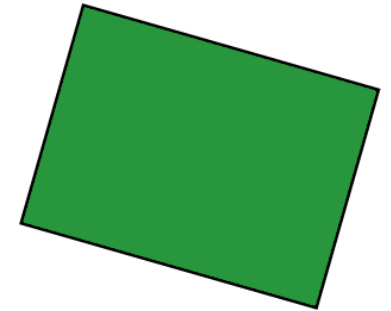
Two state approaches: Mandatory Voluntary

Programs with a mandate

Implemented



Enacted





Programs with a mandate

Employers must offer private or state plan

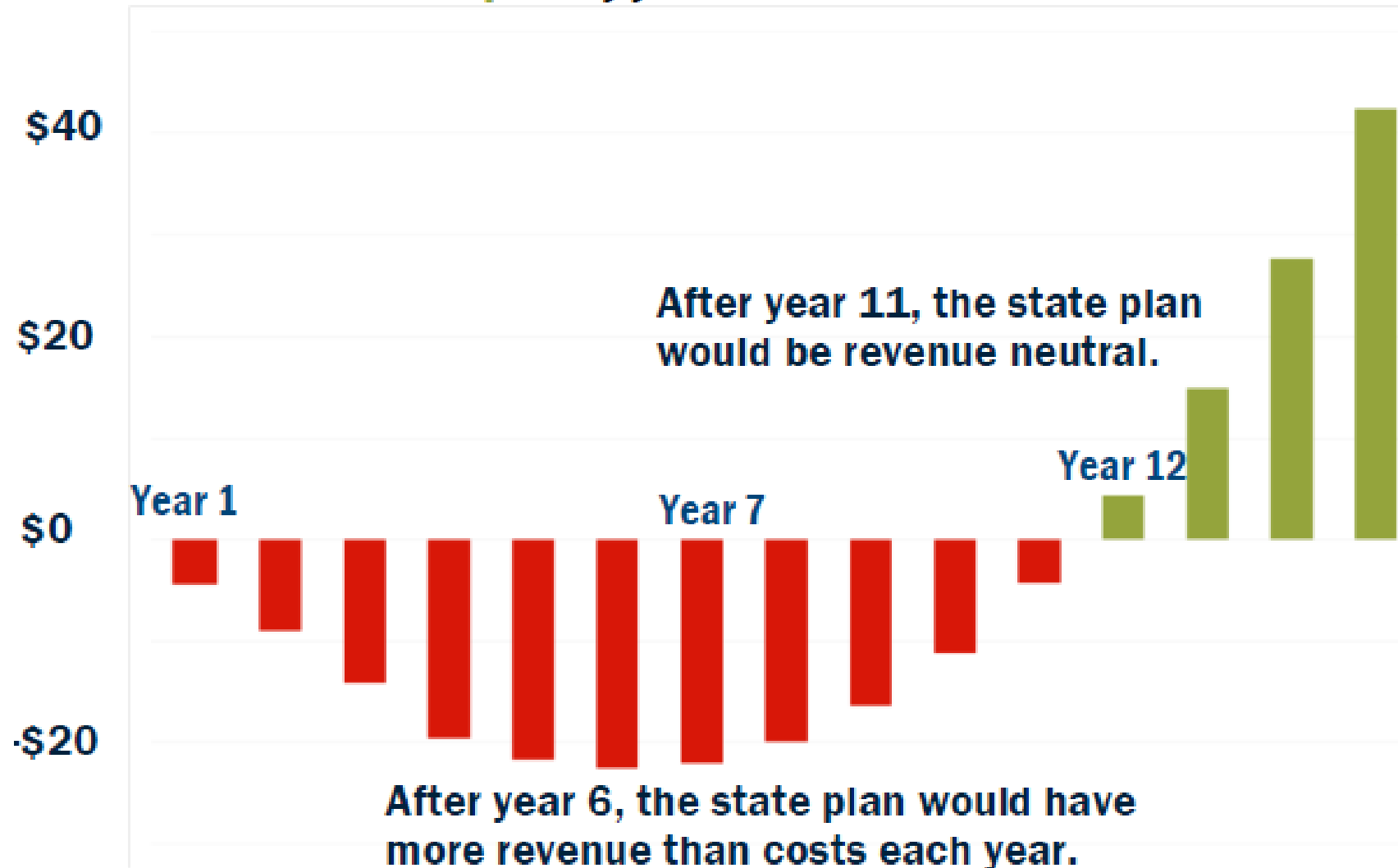
Plan costly to participants, prohibits employer match

State plans are all similar, facilitating shared administration

Fiscal feasibility of a program in Idaho

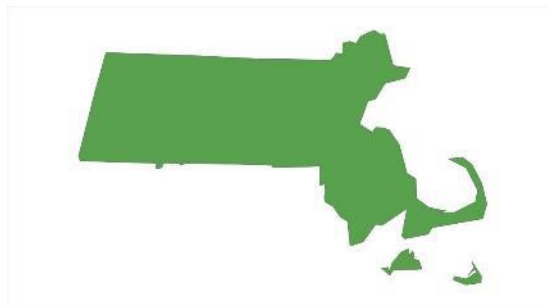
A state-operated automatic IRA in Idaho would be revenue neutral in year 12.

Cumulative **debt** or **surplus** by year. Millions of dollars.

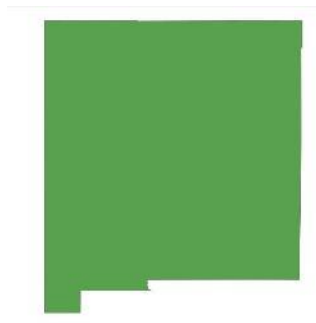


Voluntary programs

Implemented



Enacted





Voluntary programs

Multi-employer plans sponsored by the state

Retirement marketplaces



The Legislature may wish to assign a formal group to discuss options.

Preparedness of Idahoans to Retire: Deciding the State's Role



Presented by Ryan Langrill

AGENDA
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE
1:30 P.M.
Room WW54
Thursday, March 18, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:

<https://www.idahoptv.org/shows/idahoinsession/>

SUBJECT	DESCRIPTION	PRESENTER
HONORING OF PAGE:	Joshua Nelson	Chairman Patrick
MINUTES APPROVAL:	Minutes of March 11, 2021	Vice Chair Souza
<u>H 292</u>	Relating to Electrical Contractors and Journeymen - To Provide Certain Exemptions	Representative Brent Crane

Public Testimony Will Be Taken by Registering Through the Following Link:
[Registry to Testify](#)

If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS

Chairman Patrick
Vice Chairman Souza
Sen Martin
Sen Lakey
Sen Guthrie

Sen Agenbroad
Sen Riggs
Sen Ward-Engelking
Sen Burgoyne

COMMITTEE SECRETARY

Linda Kambeitz
Room: WW46
Phone: 332-1333
Email: scom@senate.idaho.gov

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 18, 2021

TIME: 1:30 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 (Committee) to order at 1:32 p.m.

HONORING OF PAGE: **Chairman Patrick** honored Page Joshua Nelson. He asked him to tell the Committee about his experience while at the Senate. **Mr. Nelson** stated he attained a better understanding of how the Legislature functions and how much work it takes to pass a law. He said he learned Senators and Representatives have work to do behind-the-scenes and all are regular people who choose to serve the people of the community.

DISCUSSION: **Senator Martin** asked Mr. Nelson to tell the Committee about his future plans. **Mr. Nelson** indicated he plans to go to Northwest Nazarene University to study either mechanical or electrical engineering. He noted he will graduate from high school this year after being homeschooled his entire life. He introduced his mother, Jennie Nelson.

Vice Chair Souza asked what is the one lesson he learned at the Senate that surprised him the most. **Mr. Nelson** remarked what surprised him was how much must be done to draft legislation. He noted Legislators have other work to do besides attending committee meetings and floor sessions.

Vice Chair Souza and **Chairman Patrick** asked Mr. Nelson to spread the word about the positive aspects of the page program.

MINUTES APPROVAL: **Vice Chair Souza** moved to approve the Minutes of March 11, 2021. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

H 292 **Relating to Electrical Contractors and Journeymen - To Provide Certain Exemptions. Representative Brent Crane (District 13)**, reported this legislation will allow firefighters to replace, maintain, or repair a hard wired smoke or carbon monoxide alarm at the request of a homeowner in one- and two-family dwellings, provided the fire department employee receive annual training regarding electrical safety and installation. He reported this legislation will provide an exemption for the installation or replacement of a fire Digital Alarm Communicator Transmitter (DACT).

Representative Crane noted firefighters provide a service to replace batteries and carbon monoxide detectors. He said if a firefighter finds a hard-wired device that is not working, a battery-operated detector is installed. **Representative Crane** stated he had a conflict of interest pursuant to House Rule 80. He indicated that on page 2, lines 24 to 32 directly affect the business he operates

and all fire alarm contractors.

Representative Crane explained many fire alarms are now monitored through cellular dialers. He said a different technology is replacing what is currently in use. He outlined the approval process for replacing a device. He was able to have fees reduced and the requirement for a set of electrically designed plans eliminated to save the customer money. He explained there was an emergency clause because of a February deadline to replace alarms monitored by cellular dialers. He noted the fire chiefs, firefighters, and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) are in support of this bill.

DISCUSSION:

Senator Martin queried if a homeowner needed to replace a hard wired smoke alarm and if a firefighter could not replace the alarm, whether the homeowner have to hire someone. **Representative Crane** indicated the purpose of this legislation is to allow a firefighter with the proper training to replace the alarm. He noted senior citizens utilize this service the most. **Senator Martin** and **Representative Crane** discussed the process for replacing various types of fire and carbon monoxide alarms, including DACTs.

Vice Chair Souza asked for an explanation of Section 7 of the **H 292**. **Representative Crane** explained this bill ensures consistency in the law for the State of Idaho with one policy for the replacement of smoke and carbon monoxide detectors.

Senator Lakey asked for an explanation of the definition of employee in subsection (h) of the bill. **Representative Crane** explained training for replacement of these alarms can take less than 30 minutes and anyone can be trained to connect the wires. He stated other individuals who have the proper training but do not hold a license could be employed to install the devices. He said if the device is not working, the panel defaults and will not power up.

Senator Guthrie asked for a comparison of sections (g) and (h) on which application is potentially the most dangerous. **Representative Crane** stated section (g) addresses 120 volts and section (h) addresses 12 volts; therefore, section (g) is more dangerous. He said he trusts the firefighters. He noted all units will be powered by a fire alarm panel. **Representative Crane** and **Senator Guthrie** discussed DACT's and that power is converted to 24 volts.

TESTIMONY:

Jeff Fitzloff, electrical inspector and representing himself, testified in opposition to the bill. He stated he did not want tax dollars to be spent on paying firefighters to install smoke alarms, thus taking away work from the electrical industry.

Ron Johnson, Deputy Fire Chief, Nampa Fire Department, testified in support of the **H 292**. He noted he worked with Representative Crane to draft this bill. He said there has been a smoke detector program in place for over 20 years. When this issue came to the attention of the Idaho Electrical Board (IEB) and the State Fire Marshal, the program was cancelled last year, he said. In the past 20 years there have been no instances of malfunction or injuries. **Mr. Johnson** stated all funding comes from grants and donations. He said there is no charge to individuals who receive new alarms, including to senior citizens and the disabled. He remarked firefighters understand electricity and have training.

DISCUSSION: **Senator Agenbroad** asked for an explanation of the training process. **Mr. Johnson** indicated the IEB, Mr. Fitzloff, who is an electrical inspector, and the AFL-CIO have all offered to help train.

Senator Martin asked for information on the average number of detectors installed per year. **Mr. Johnson** stated on average over 600 detectors in 100 to 200 homes have been installed annually.

Senator Burgoyne asked for information on how many man-hours and how much compensation was involved for those who are installing the detectors. **Mr. Johnson** reported three firefighters take approximately half an hour per house total. **Mr. Johnson** stated firefighter salaries range from \$40,000 to the low \$70,000 figures annually. In response to a question by Senator Burgoyne, **Mr. Johnson** said some companies donate the detectors and a local group contributes to the fund. He noted no funds are received by the firefighters that compensate for man-hours. The firefighters are trying to make use of taxpayer dollars to make the community a safer place.

MOTION: **Vice Chair Souza** moved to send **H 292** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**. **Senator Burgoyne** requested he be recorded as voting nay.

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

Senator Patrick
Chair

Linda Kambeitz
Secretary