

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1296

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1296

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-19-99

Tape Number	Side A	Side B	Meter #
2		x	1298 - end
3	x		0 - 1060
3		x	2069 - 3700
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes: **HB 1296**

Rep. Al Carlson introduced HB 1296 relating to Protecting the health of employees through workplace safety programs and to Workers Compensation Bureau programs; expenditures by the Workers Compensation Bureau extraterritorial coverage and other state's insurance.

Rep. Boucher testified in support of HB 1296. (See written testimony)

Chuck Pederson, Chairman of the Board of Directors for WCB testified in support of HB 1296.

Patrick Traynor, Executive Director and CEO of WCB testified in support of HB 1296. (See written testimony)

End of tape 2, side B. Start tape 3, side A.

Rep. Klein: Do you expect some negative feedback from some of these employers on this?

Patrick Traynor: We have already received some.

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number Hb 1296

Hearing Date 1-19-99

Rep. Klein: Do you expect the investment is going to payback in gains to the fund and help in the welfare of the workers?

Patrick Traynor: Yes. There are three fundamental principals behind having a safe operating work place. One is the legal reasons, because we all have a legal obligation to keep a safe work place.

Two is the economical reason, and three is the moral reason.

David Kemnitz President of ND AFL-CIO testified in support of HB 1296.

Renea Pfenning of the NDPEA testified in support of HB 1296.

Chairman Berg closed the hearing.

Tape 3, side B. Meter No. 2069

Action on Bill

Chairman Berg opened the discussion of HB 1296.

Pat Traynor handed out and explained the amendments to the committee.

Rep. Keiser made a motion to adopt the amendments.

Vice Chairman Kempenich second the motion

The voice vote was 15 yea, 0 nay. The motion carries.

Rep. Klein made a motion for a Do Pass as Amended.

Rep. Keiser second the motion.

The roll call vote was 15 yea, 0 nay. the motion carries.

Rep. Severson will carry the bill.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: Engrossed HB 1296

Requested by Legislative Council _____ Date of Request: 2-11-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See attached.

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____
- c. For the 2001-03 biennium: _____

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Department Workers Compensation Bureau

Phone Number 328-3856

Date Prepared: 02-11-99

***NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION***

BILL DESCRIPTION: **Workplace Safety; Premium Programs; Other States Coverage**

BILL NO: **Engrossed HB 1296**

SUMMARY OF ACTUARIAL INFORMATION: The Workers Compensation Bureau, with the assistance of its Actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation would allow the Bureau to create and operate pro-active safety programs, including a grant program for industry safety initiatives; authorizes funding and additional staffing for the safety programs; requires the biennial Independent Performance Audit of the Bureau to evaluate and report on the effectiveness of these programs; gives the Board of Directors authority to approve new premium options for employers providing incentives for workplace safety and opportunities for premium savings; requires new premium programs to include incentives for early reporting; requires the annual financial audit of the Bureau to report on expenditures for reinsurance; provides a continuing appropriation for the expense of acquiring other states coverage; and removes the pilot program language from the retrospective rating statute. The bill declares the Act to be an emergency measure.

FISCAL IMPACT:

Rate Level Impact: The proposed legislation will increase the funding for the Bureau's Safety and Loss Prevention Program by \$2,044,763 per biennium. It has been demonstrated by North Dakota employers and the workers compensation industry that effective loss prevention programs can help contain or reduce workers compensation claims costs. To the extent that loss prevention and loss control efforts prove to be successful, the size of future inflationary increases could be reduced. Thus, the long term effect of this change is expected to be favorable.

Reserve Level Impact: The proposed legislation is designed to apply prospectively to reduce the severity and prevention of future claims so no reserve level impact is anticipated. However, to the extent that new loss prevention programs result in cost savings on existing claims, a downward adjustment to reserve levels may result.

AMENDMENT: The proposed amendment reduces the additional funding for the Bureau's Safety and Loss Prevention Program from \$2,044,763 per biennium to \$1,856,603 per biennium; allows the Bureau to employ up to seven additional full-time equivalent positions for the workplace safety and loss prevention programs; and allows the Bureau to contract for risk management services.

The amendment reduces the appropriation by \$188,160 but results in no significant change to the fiscal impact for the bill as introduced.

DATE: 2-11-99

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: HB 1296

Requested by Legislative Council _____ Date of Request: 1-22-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See attached.

2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

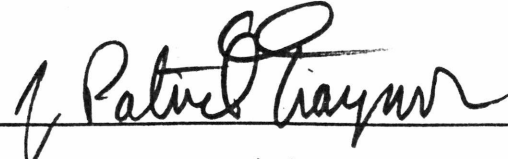
Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:
 - a. For rest of 1997-99 biennium: _____
 - b. For the 1999-2001 biennium: _____
 - c. For the 2001-03 biennium: _____

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name J. Patrick Traynor

Department Workers Compensation Bureau

Phone Number 328-3856

Date Prepared: 01-25-99

***NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION***

BILL DESCRIPTION: **Workplace Safety; Premium Programs; Other States Coverage**

BILL NO: HB 1296

SUMMARY OF ACTUARIAL INFORMATION: The Workers Compensation Bureau, with the assistance of its Actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation would allow the Bureau to create and operate pro-active safety programs, including a grant program for industry safety initiatives; authorizes funding and additional staffing for the safety programs; requires the biennial Independent Performance Audit of the Bureau to evaluate and report on the effectiveness of these programs; gives the Board of Directors authority to approve new premium options for employers providing incentives for workplace safety and opportunities for premium savings; provides a continuing appropriation for the expense of acquiring other states coverage; and removes the pilot program language from the retrospective rating statute. The bill declares the Act to be an emergency measure.

SCAL IMPACT:

Rate Level Impact: The proposed legislation will increase the funding for the Bureau's Safety and Loss Prevention Program by \$2,044,763 per biennium. It has been demonstrated by North Dakota employers and the workers compensation industry that effective loss prevention programs can help contain or reduce workers compensation claims costs. To the extent that loss prevention and loss control efforts prove to be successful, the size of future inflationary increases could be reduced. Thus, the long term effect of this change is expected to be favorable.

Reserve Level Impact: The proposed legislation is designed to apply prospectively to reduce the severity and prevention of future claims so no reserve level impact is anticipated. However, to the extent that new loss prevention programs result in cost savings on existing claims, a downward adjustment to reserve levels may result.

AMENDMENT: The proposed amendment requires the Bureau to report any expenditures for reinsurance in its annual financial audit instead of the budget section. The proposed amendment also requires the Bureau to include requirements or incentives for the early reporting of injuries in any new premium calculation program.

The amendment will result in no change to the fiscal impact for the bill as introduced.

DATE: 1-17-99

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1296 Amendment to: _____

Requested by Legislative Council Date of Request: 1-13-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See attached.

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____
- c. For the 2001-03 biennium: _____

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Date Prepared: 01-18-99

Department Workers Compensation Bureau

Phone Number 328-3856

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: **Workplace Safety; Premium Programs; Other States Coverage**

BILL NO: **HB 1296**

SUMMARY OF ACTUARIAL INFORMATION: The Workers Compensation Bureau, with the assistance of its Actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation would allow the Bureau to create and operate pro-active safety programs, including a grant program for industry safety initiatives; authorizes funding and additional staffing for the safety programs; requires the biennial Independent Performance Audit of the Bureau to evaluate and report on the effectiveness of these programs; gives the Board of Directors authority to approve new premium options for employers providing incentives for workplace safety and opportunities for premium savings; provides a continuing appropriation for the expense of acquiring other states coverage; and removes the pilot program language from the retrospective rating statute. The bill declares the Act to be an emergency measure.

FISCAL IMPACT:

Rate Level Impact: The proposed legislation will increase the funding for the Bureau's Safety and Loss Prevention Program by \$2,044,763 per biennium. It has been demonstrated by North Dakota employers and the workers compensation industry that effective loss prevention programming results in reductions in workers compensation losses. The rate level impact is not quantifiable, however, to the extent that proposed loss prevention programming results in loss cost reductions, a downward effect on rates is anticipated.

Reserve Level Impact: The proposed legislation is designed to apply prospectively to reduce the severity and prevention of future claims so no reserve level impact is anticipated. However, to the extent that new loss prevention programming results in reduced workers compensation losses on existing claims, a downward effect on reserve levels is anticipated.

DATE: **1-17-99**

Date: 1-19-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1296

House Industry, Business and Labor Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass as amended rerefer to appropriations

Motion Made By Klein Seconded By Keiser

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe	/	
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 15 No 0

Absent ~~Severson~~

Floor Assignment Severson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1296: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1296 was placed on the Sixth order on the calendar.

Page 1, line 12, overstrike "**to budget section**" and insert immediately thereafter "**in annual financial audit**"

Page 2, line 12, after "rulemaking" insert "and must include requirements or incentives for the early reporting of injuries"

Renumber accordingly

1999 HOUSE APPROPRIATIONS

HB 1296


1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1296

House Appropriations Committee

Conference Committee

Hearing Date 2/1/99

Tape Number	Side A	Side B	Meter #
1	x		2.6-60.0
2	x		0.0-3.2
Committee Clerk Signature 			

Minutes:

SUMMARY OF THE BILL: A BILL for an Act to create and enact a new section to chapter 65-03 and a new section to chapter 65-04 of the North Dakota Century Code, relating to protecting the health of employees through workplace safety programs and to workers' compensation premium calculation programs; to amend and reenact sections 65-02-13.1 and 65-04-17.1 of the North Dakota Century Code, relating to expenditures by the workers compensation bureau for extraterritorial coverage and other states' insurance and to retrospective rating; to provide an appropriation; and to declare an emergency.

Chairman Dalrymple called the hearing on HB 1296 into order in the Roughrider Room. All members were present: Chairman Dalrymple, Representatives Aarsvold, Bernstein, Boehm, Byerly, Carlson, Carlisle, Delzer, Gulleeson, Hoffner, Huether, Kerzman, Lloyd, Monson, Nichols, Poolman, Svedjan, Timm, Tollefson, and Wentz.

(2.6)Patrick Traynor appeared in support of HB 1296. (see attached testimony)

(tape 2a--4.4) Chairman Dalrymple made a comment to Reps. Monson and Carlson, to work with Rep. Wald to review the bill.

The hearing on HB 1296 was adjourned without the committee taking action on this day.


1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1296

House Appropriations Committee

Conference Committee

Hearing Date 2/9/99

Tape Number	Side A	Side B	Meter #
1	x		2.6-9.3
Committee Clerk Signature 			

Minutes:

Chairman Dalrymple opened the hearing on HB 1296 in the Roughrider Room.

(2.7) Chairman Dalrymple introduced an amendment .0201 to HB 1296 and briefly described the bill.

(4.6) Rep. Monson moved to pass the amendments, seconded by Rep. Timm.

The amendment was passed.

(5.0) Rep. Monson moved for a DO PASS AS AMENDED, which was seconded by Rep. Byerly.

HB 1296 was moved as a DO PASS, with a vote of 18 yes, 2 no, and 0 absent and not voting.

Date: 2/9/99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1296

House _____ Committee _____

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Monson Seconded By Byerly

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz	X	
Carlisle	X				
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether	X				
Kerzman	X				
Lloyd	X				
Monson	X				

Total (Yes) 18 *Click here to type Yes Vote* No 2 *Click here to type No Vote*

Absent 0

Floor Assignment Click here to type Floor Assignment Monson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1296, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1296 was placed on the Sixth order on the calendar.

Page 3, line 12, replace "\$2,044,763" with "\$1,856,603"

Page 3, line 14, after the period insert "The bureau may employ no more than seven additional full-time equivalent positions for the workplace safety and loss prevention programs and may contract for the provision of risk management services."

Renumber accordingly

1999 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1296


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HOUSE BILL 1296

Senate Industry, Business and Labor

Conference Committee

Hearing Date MARCH 3, 1999

Tape Number	Side A	Side B	Meter #
1	X		3870 to end
Committee Clerk Signature 			

Minutes:

SENATOR MUTCH: open hearing on HOUSE BILL 1296

REPRESENTATIVE BOUCHER: introduce HOUSE BILL 1296, see testimony

sections two and three of the bill, to prevent safety and rewards for doing things such as that employer and employee relationships and to encourage a safe relationship with these workers Promotion of initiative of safety and the offering of safety programs to encourage employees to work safe. Safety meetings with Bell system and the benefits of doing this. Recourses available to commit to a safety program. This bill will allow grants for the employer to commit to safety initiatives

SENATOR MUTCH: any questions

PAT TRAYNOR: introduction of Wally Krembach, safety officer with the State of North

Dakota. Testimony is included. Summarizes sections of the bill and how safety has involved

over time. 1993 Legislature that authorized a 5% discount for employers with a good safety record. Covering employees who travel outside the state for a period of 30 consecutive working days. Injuries that occur in Minnesota and South Dakota and how the workers compensation work's to cover these workers. Example: Sherwood oil fire and reinsurance of workers compensation

SENATOR KREBSBACH: what type of dollar amount are we taking about for reinsurance

PAT TRAYNOR: about 1.2 million for the reinsurance and this carrier would also provide the "other state coverage" because they are licensed to do business in all 50 states

SENATOR KREBSBACH: is that an annual figure

PAT TRAYNOR: yes, we had a cost analysis done on this and the cost savings is phenomenal.

SENATOR MUTCH: we have had a reinsurance program in effect, does that cover out of state workers

PAT TRAYNOR: ability to purchase reinsurance, but we never have purchased reinsurance. Another state programs in place but there are some flaws with this program. Don't currently contract with private insurance companies that are licensed in all the states. We will cover out of state employees for incidental operations for up to 30 days. Other states don't recognize state policy but would recognize this private coverage

SENATOR MUTCH: as an employer I would have to notify this insurance company that I have employees that go out of the state or would this be automatic

PAT TRAYNOR: right now we are covered, when we implement the program, part of the program will be to educate the employer about out of state workers so they are not assuming they

are covered for more than they actually are in other states. Educational campaign with this new program.

SENATOR MUTCH: proper authorities

PAT TRAYNOR: yes

SENATOR KREBSBACH: on 1.2 million do we have unlimited coverage or is there a limit

PAT TRAYNOR: current contract has two separate pieces, the reinsurance portion would cover us for all occurrences beyond 500,000 with no limit on the coverage. On the "other states" portion, leasing their rights to do business for up to 30 days. We pay dollar for dollar on those claims. Devastating claims, we are covered beyond 500,000.

SENATOR MUTCH: any further questions

PAT TRAYNOR: summarize section two on training programs and fiscal integrity of the fund, performance audit. Getting best deal as far as worker coverage, effects on taxpayers. University of North Dakota receives a 61% discount. This adds up to 613,000 savings to the taxpayer of ND. Total yearly premium is 390,000 as opposed to a little over 1 million. NDSU has a 33% discount for the workers. 570,000 and discount adds up to 190,000 in premium savings for the state of ND. Total premium is around 385,000. Minot state is at 39% discount, 126,000 base premium so they get about 50,000 of their premium. Legislature passed a law in 1995 that required all employers with over 25 employees be in the safety program.

END OF SIDE A

PAT TRAYNOR: UND LAKE Region has reached the maximum discount that they can achieve because they are under 25,000. 3,400 savings for them each year. Financial commitment of the dollars spent and the way we save these dollars. 41% reduction in claims. Getting people back to work as soon as possible and as safe as possible. More staffing. Field reps needed, example. Employer visits, 1997 work related deaths. Critical component to getting audits done in the workplace. Pages four and five and examples, Page 6 examples of industries that have the most accidents on the job, offering grants to certain groups of employers. Page seven, premium and dividends given back or reductions in premiums. Page 8 deals with the dollars that we are requesting, see handout.

SENATOR HEITKAMP: second engrossment and need for a fiscal note on the second engrossment.

PAT TRAYNOR: Fiscal note will remain the same as the first fiscal note

SENATOR THOMPSON: amendment to the engrossed bill and current fiscal note

SENATOR MUTCH: cost of this proposal and adding more workers and adding to the program so everyone can participate

PAT TRAYNOR: Overall estimate of savings that can be generated are illustrated on the bottom of page eight. Serious injuries can be reduced by 2% or 8 million per year. greatest benefit is the prevention of injury. 1000 dollars per month in wage loss benefits

SENATOR MUTCH: adding on to the fiscal note on page 8, 140,000 for addition operating grants

PAT TRAYNOR: added more because they want us to do more grants, other than staff they wanted us to do more with outreach staff whether than internal staff. Auditing and the external staff and internal staff

SENATOR MUTCH: 1 million 8 what % will effect the proposed legislation. Page 1 53, is that the cost of the reinsurance

PAT TRAYNOR: reinsurance is on a continuing appropriation and will be a separate item, this is just for the safety part of this bill. What we are adding is the additional states for reinsurance

SENATOR MUTCH: that is not in the fiscal impact

SENATOR KLEIN: annual financial audit report and how it ties in with the audit report that were done last biennium.

PAT TRAYNOR: Audits in workers comp include independent financial audit and performance audits. 1 of five left that are a monopoly. That is where the independent audit comes in. Best practices for the industry to keep the industry on the best financial grounds and to report any money.

SENATOR KLEIN: Does this last report address employers who are not paying in on workers compensation

PAT TRAYNOR: This was mentioned in both Audits, there is some overlap in audit services

SENATOR MUTCH: any further questions

PAT TRAYNOR: Redo the fiscal note, REPRESENTATIVE CARLSON, the prime sponsor could not make it

SENATOR MUTCH: any others to speak on this bill

RENEE PHENNING: support of this bill and safety in the work place

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Senate Industry, Business and Labor Committee

Bill/Resolution Number HB1296ib1

Hearing Date March 3, 1999

CHRIS RUNDE: AFLCIO is in support of this bill and working with the workers compensation on safety issues.

SENATOR MUTCH: anyone else? any opposition

MOTION: conclude the hearing on this bill.

Senator Heitkamp motioned for a do pass committee recommendation on HB1296. Senator

Mathern seconded his motion. The motion carried with a 7-0-0 vote.

Senator Mathern will carry the bill.

Date: 3/03 SR401101
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
HOUSE BILL/RESOLUTION NO. 1296

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By HEITKAMP Seconded By MATERN

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment MATERN

REPORT OF STANDING COMMITTEE (410)
March 5, 1999 10:23 a.m.

Module No: SR-40-4101
Carrier: D. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1296, as reengrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1296 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1296

TESTIMONY FOR HB 1296

PREPARED BY REPRESENTATIVE MERLE BOUCHER

TUESDAY - JANUARY 19, 1999

Chairman Berg and members of the Industry, Business and Labor Committee for the record I am Merle Boucher, a member of the House of Representatives representing District 9, which is Rolette County.

I appear before you in support of HB 1296. Particularly, I am interested in Section 2 lines 1 through 5 and Section 3, lines 8 - 12 of the bill. This legislation would have the bureau create and operate work safety and loss prevention programs. Efforts and funds invested to education, train, and help employers and employees be more safety conscious is time and money well spent. This is a win situation for employers, employees, and the bureau.

To accomplish what we want to do in the previous paragraph it is important the we provide incentives to employers who through their safety education initiatives and their safety record are rewarded for having a safe workplace. I am committed to a position that we should make safety, and the incentives and rewards that are offered for good safety records, available and equal for all employers regardless of their size.

Committee HB 1296 is good legislation, it is responsible legislation. I urge you to support this bill and would appreciate your DO PASS recommendation.

**OTHER STATES COVERAGE, PREMIUM PROGRAMS,
AND WORKPLACE SAFETY OF
THE WORKERS COMPENSATION BUREAU**

Testimony
Before the House Industry, Business, and Labor Committee

January 19, 1999

J. Patrick Traynor, Executive Director & CEO
North Dakota Workers Compensation Bureau

Summary of Main Components of HB 1296

SECTION 1: Adds **extraterritorial coverage and other states' insurance** to an existing statute that authorizes a continuing appropriation for the purchase of reinsurance. The bill also requires the independent annual financial audit to report on any contract executed pursuant to this section.

SECTION 2: Requires the Bureau to create and operate workplace safety and loss prevention programs, including education, training, consultation, grants, and other incentives to protect the health of covered employees and the fiscal integrity of the Fund. This section also requires that the biennial independent performance audit report on the effectiveness of these programs.

SECTION 3: Allows the Board of Directors to approve actuarially-sound premium calculation programs, including dividends, premium deductibles, group insurance and reimbursements of medical expense assessments. These programs will provide opportunities for employers to reduce premium costs with incentives for better workplace safety.

SECTION 4: This amendment to the Bureau's retrospective rating program changes it from a pilot program into an ongoing coverage option and removes the \$250,000 minimum premium threshold for participation.

SECTION 5--Appropriation: This section includes the dollars necessary for operating the proactive workplace safety and loss prevention programs created in Section 2 for the 1999-2001 biennium.

1. Other States' and Extraterritorial Coverage

This bill amends the existing code section pertaining to reinsurance. The amendment to this section allows the Bureau to purchase extraterritorial coverage through a continuing appropriation. Extraterritorial coverage situations arise when North Dakota covered employees travel outside the state in the course of their work. Examples could include employees attending an out-of-state conference or working on a short-term out-of-state construction project. If the

employee is injured and files for benefits in that other state, the employer is at risk. The other state could decide the employer should have purchased workers' compensation coverage in that state, even though the work done in that state was incidental and short term. As a consequence, the employer could face very large fines and penalties for being uninsured. This bill protects the worker and the employer by providing funding to purchase an "other states' endorsement" with a private carrier licensed to operate in all states. North Dakota employers would then be "named insureds" under that policy in other states. The bill also requires the independent annual financial audit to report on any contracts executed pursuant to this section.

2. Safety and Loss Prevention Programs

The most important aspect of this bill relates to safety. It will enable the Bureau to develop and implement new safety programs and increase Loss Prevention services. It will provide the flexibility to change our Loss Prevention strategies and the resources necessary to deliver the services our customers are demanding.

From Compliance to Partnership—a Historical Perspective

The Bureau was established in 1919. At that time, the Bureau was granted jurisdiction over the safety of all covered employees along with statutory authority to "enforce all necessary and proper rules and safety regulations" by conducting compliance inspections. This often contentious and relatively ineffective system was the dominant strategy employed by our Safety/Loss Prevention Department for many decades.

The safety profession has come a long way since the old "compliance" days. More effective strategies for promoting safer workplaces center around educating and motivating both employers and employees. There are many avenues available to pursue these goals and it is the challenge of the Bureau to determine how to get the most favorable results from limited resources. Our main efforts currently focus on consultation services to teach employers how to control their risk exposure and also the administration of our incentive program.

a. The 5% Discount Program

In 1993, the Legislature passed a bill allowing a 5% discount on an employer's premium after that employer implemented an approved Risk Management Program. This incentive program became the catalyst for a new and more effective way of promoting workplace safety. This 5% Risk Management Program or "RMP" has achieved impressive results. It has reduced the frequency and severity of injuries and provided employers with effective tools to care better for workers who get injured. It has saved literally millions of dollars from an economic standpoint, while **the human impact in the reduction of injuries is incalculable.**

Currently, over **1,000** North Dakota employers, representing over **150,000** employees, are participating in the Risk Management Program. It first became available in January 1994 and, in just five years, has helped achieve many positive outcomes.

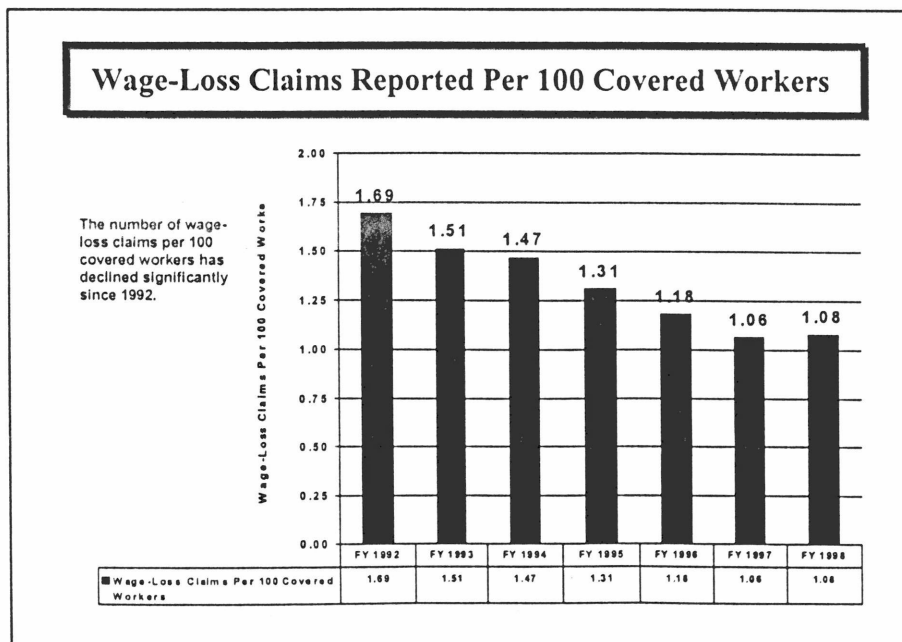
- Workers' compensation **rates in North Dakota increased 328%** between **1988** and **1994**. From **1994** until the present, **rates have declined 26.4%**. There are numerous reasons for this dramatic turnaround, but the success of the RMP has been a significant factor.

- **Sixty-seven** employers who have been in the RMP the longest (since January of 1994) have achieved a **41% reduction in wage-loss claims** (claims with more than 5 days off work) from **1993 to 1997**.
- Employers in the RMP prior to July 1, 1996, **have reduced their number of time-loss claims over 25%** from 1993 to 1997.
- In all of North Dakota, the ratio of time-loss claims per 100 covered workers has decreased from **1.51 in 1993 to 1.06 in 1997—a 30% decrease**.
- The total number of time-loss claims has declined from **3,744 in FY 1993 to 2,966 in FY 1997**. This **778** time-loss claims reduction, at an average cost of over **\$28,000** each, has saved the Fund millions of dollars.
- In North Dakota, the number of total claims, (time-loss and medical-only) per 100 covered workers has decreased **4.5% from 1993 to 1997**.

b. Staffing

A primary reason for the success of the RMP has been our ability to consult extensively with these employers and provide them information they need to prevent and manage losses when they occur. Another reason has been our capacity to review their individual programs yearly to ensure that they continue to comply with basic requirements of the plan.

Our resources are stretched thinner as participation in the program grows and demand for additional types of loss-control services increases. Our 8 field representatives made over 2,700 visits with employers last year. The danger is not just in slowing the continued improvement trend that we have enjoyed for five years, but in actually backsliding. We have already noticed this in the number of wage-loss claims per 100 workers in FY 1998. After five straight years of reductions, this rate went up a slight amount last year. (See graph below.) This bill proposal will help ensure that this small increase does not become a trend.



c. Other States' Staffing Comparison

In order to help assess our growing needs in the area of loss control, we did a survey of the operations and staffing levels at other state-operated workers' compensation funds. Of the 23 state funds surveyed, North Dakota ranks 19th with .38 field representatives for every 1,000 employer accounts. (See graph below.) Our proposal to add seven additional field representatives will move North Dakota to 15th on the list.

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d. Loss Prevention Services Offered in Other States

In terms of services offered, many state funds offer services that far exceed what we currently provide for loss prevention. These services include maintaining their own industrial hygiene staff and laboratory, training centers, video production facilities, and developing professional publications for distribution.

e. **Operational Overview of Proposal**

I. **Additional Staff.**

- A. **Add seven Loss Prevention field representatives.** This staff increase will allow Loss Prevention Specialists to be located in more regions around the state, thus increasing their availability to our smaller communities and smaller employers. We anticipate making approximately 5,400 employer visits per year as compared to the 2,700 contacts made last year. We currently have 8 field representatives to serve over 2,600 employer accounts each. This staffing increase would lower the number of firms for each field representative to 1,600. The smaller geographical regions will also improve efficiency by reducing unproductive travel time.
- B. **Add two staff for Loss Prevention education.** These people would coordinate a variety of educational services for employers and employees including:
- expanded resource and video library;
 - web site development;
 - publications;
 - training programs;
 - coordination of workplace safety education in college and vocational school curriculums;
 - contracting with private industry experts for specialized training services.
- C. **Add two staff for Loss Prevention statistical analysis.** Because of its importance to any loss control function, there is a tremendous demand for comprehensive statistical information about injuries occurring within individual firms, rate classes, and specific industries. These added staff persons will allow the Bureau to effectively track and measure the effectiveness and impact of the loss prevention programs created in section 2 of the bill. We believe that measurement is the fundamental catalyst that leads to control and eventually to improvement. The Bureau currently has only two staff members-one director and one assistant- dedicated to research, statistical analysis, and performance measurement. These persons fulfill essential information compilation and analysis related functions including:
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 - analysis of medical cost containment programs to ensure that they are meeting industry standards;
 - fulfilling requests for information from private citizens, governmental agencies, legislative groups, and national research organizations;

- providing performance monitoring data to the Bureau's Board of Directors;
- coordinating the development and implementation of new premium products such as dividends and deductibles;
- generating loss-cost analysis for individual firms, industries, and rate classes to identify trends and target loss control resources; and
- coordinating the Biennial Independent Performance Audit.

II. Additional Programs.

A. **Partnership Grants.** This section would provide funding for a limited number of groups, associations, or organizations to employ or contract with their own safety specialist. These grants would target excessive loss industries including (but not limited to) construction, trucking, restaurants and lounges, auto and implement dealers, and hospitals. For illustration, in 1996, these industries experienced the following number of claims:

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This focused industry effort serves as a basic pilot model for our proposed grant program for other industries in the state which generate significant losses.

B. **Industrial Hygiene Services.** This section would provide a small amount of funding for the Bureau to **contract** for industrial hygiene services. These services include air monitoring and sampling.

3. Premium Calculation Programs

This safety proposal incorporates new premium products utilized by private workers' compensation carriers designed to provide additional incentives for employers to prevent injuries and manage losses. These premium products, which must first be approved by the Bureau's Board of Directors, include:

- A. **Dividends.** A dividend program will provide a formal mechanism for the Bureau to redistribute unused premiums to employers generating positive loss prevention results. These dividends could be distributed to carefully targeted groups as part of an incentive program designed to reward employers with favorable loss histories.
- B. **Deductibles.** Deductible programs offer employers the opportunity to save premium dollars by increasing the incentive for accident prevention. A deductible program for workers' compensation would work much like an automobile insurance deductible program. The insured assumes more of the risk of loss in return for lower premiums. The Bureau would still pay all of the claim to protect the interests of the injured worker but would assess the deductible amount back to the employer, up to a pre-selected limit.
- C. **Group Insurance.** A group insurance plan would offer benefits to smaller employers of the "group" that would normally only be available to larger employers. These benefits include an opportunity to qualify for a much larger experience rate discount. In a "group" situation, the Bureau saves administrative costs handling one account rather than several. The group setting also allows the Bureau to provide a more coordinated and efficient approach to Safety/Loss Prevention for the benefit of group members and their employees.
- D. **County Employers Group – An Example Of The "Group" Concept.** The Bureau began a pilot project with the Association of Counties in 1995, which combines all 53 counties into one account with the requirement of an approved safety program at each location. The Bureau provides one experienced claims analyst to handle all county employee claims. It has been successful in providing better safety protection and claims service to about 5,300 covered county employees and in delivering substantial premium savings for county taxpayers.

4. **Retrospective Rating**

This bill makes the retrospective rating a permanent premium product to be offered to employers. The bill also removes the \$250,000 employer premium size entrance threshold.

Retrospective rating plans are similar to self insurance programs where employers pay a predetermined amount to issue the policy and subsequently pay dollar for dollar for claims losses up to a defined limit (typically exceeding 2 to 3 times yearly standard premium).

The employers in retrospective plans are assuming more risk in return for a reduction in premium, which provides a strong incentive to prevent injury and control losses.

5. **Fiscal Impact**

The proposed legislation will increase the funding for the Bureau's Safety and Loss Prevention Program by \$2,044,763 for the 1999-2001 biennium. This includes added **operating expenses** of \$979,665, **salaries and benefits** of \$970,098, and **equipment purchases** of \$95,000 for the entire two-year period.

SAFETY PAYS

It has been demonstrated by N.D. employers and the workers compensation industry that effective loss prevention programming results in reductions in workers compensation losses. If we can prevent just 2% of the wage-loss claims next year due to our increased loss prevention efforts, the Fund should realize a savings of nearly \$2 million in loss costs.

The cost of this proposal for the biennium is certainly not insignificant, but what price can we attach to reducing human suffering and even death? Over the past five years, our state has averaged more than one compensable worker fatality every month. The majority of these fatal accidents have occurred in construction, government, and agriculture. The most recent involved the electrocution of a 24-year-old man with a wife and two children.

Employers need what this bill can provide and workers deserve it. This is an opportunity to demonstrate our commitment to making North Dakota a safer place to live and work, while protecting the long-term health of the Fund. Our Board unanimously supports this bill and respectfully asks for your approval.

Thank you.

Success Stories in the Risk Management Program

Trinity Medical Center – Minot, North Dakota.

- ✓ Began participation in Risk Management Program (RMP) in January 1995.
- ✓ In 1994, they had 1,421 lost-time days due to work injuries. This total has come down each year and, in 1998, they recorded 0 lost-time days.
- ✓ Their Experience Modification Rate (EMR) has declined from a 40% surcharge in past years. In 1994, it was a 5.3% surcharge and has steadily dropped to its 1998 level of a 42% discount.

Industrial Builders, Inc. – Fargo Construction Contractor.

- ✓ One of “original 67” participants that began in the RMP in January 1994 when it first became available.
- ✓ In 1995, they had a 46% surcharge EMR, 24 total claims, and 2,650 lost-time days.
- ✓ In 1998, their EMR was down to a 2.3% discount, 9 total claims and 84 lost-time days.

Dakota Fence Co. – Statewide fencing contractor headquartered in Fargo.

- ✓ One of “original 67” participants that began in the RMP in January 1994 when it first became available.
- ✓ Their EMR has steadily declined from a 40% surcharge before 1994 to their 1998 level of 19.7% discount. This is nearly a 60% reduction.

Loss Prevention Department Budget Summary

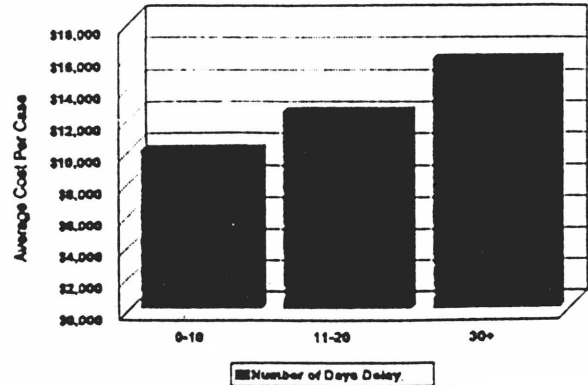
	1997-99	1999-01		
		<i>(Proposed)</i>	<i>(Additional Safety Initiative)</i>	<i>(Total)</i>
Salary and Benefits	841,990	926,292	970,098	1,896,390
Operating Expenses	177,211	153,128	979,665	1,132,793
Equipment	—	17,000	95,000	112,000
Totals	1,019,201	1,096,420	2,044,763	3,141,183

DELAYS COST MONEY

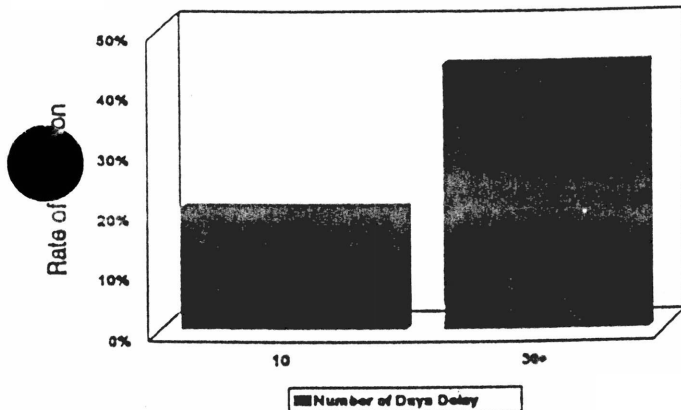
Early Intervention: Delay in Reporting Injuries Translates into Increased Costs

A study of 71,249 lost-time workers' compensation claims by Kemper National Insurance Companies found that delays in reporting injuries and increased costs have a positive correlation. It cited that the average cost for work-related injuries that were reported within 10 days was \$10,172. In comparison, those injuries that went unreported for 11-20 days resulted in an average cost of \$12,190 - a 21% increase in cost! And this upward trend continued - injuries reported after more than 30 days resulted in a 55% increase in costs as compared with early reporting.

Delay in Reporting Injuries Results in Increased Cost



Delay In Reporting Injuries Linked to Increased Litigation



Increased Litigation

The study also found that intervening early in the injury episode would decrease the likelihood of litigation. It found that if the injury is reported within 10 days only 20 percent of workers' comp cases resulted in litigation. Furthermore, if reporting went longer than 30 days, litigation rates more than doubled to 45%.

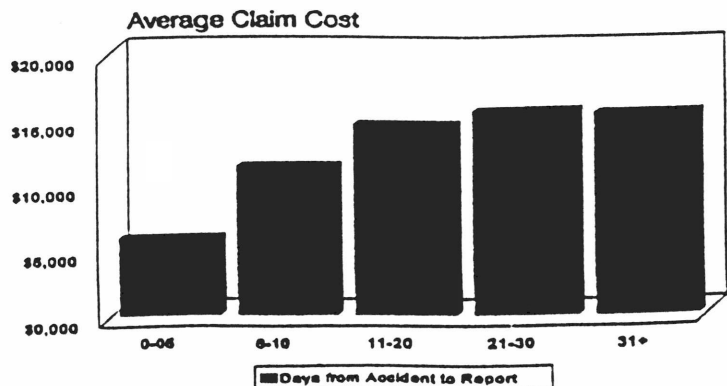
How to Succeed in Lowering Workers' Compensation Costs

What Travelers did in the workers' compensation arena with its 1-800 telephone reporting system is making a real difference for customers. By April 1993, 85% of Travelers' commercial customers were using the system.

Reporting Accidents Faster Lowers the Cost

A significant cost driver for workers' compensation claims is the delay in reporting the accident. Six or more days of delay can more than double the cost.

Reporting Delays Increase Claim Cost



TESTIMONY FOR HB 1296

PREPARED BY REPRESENTATIVE MERLE BOUCHER

Wednesday, March 3, 1999

Chairman Mutch and members of the Industry, Business and Labor Committee for the record I am Merle Boucher, a member of the House of Representatives representing District 9, which is Rolette County.

I appear before you in support of HB 1296. Particularly, I am interested in Section 2 lines 1 through 5 and Section 3, lines 8 - 12 of the bill. This legislation would have the bureau create and operate work safety and loss prevention programs. Efforts and funds invested to education, train, and help employers and employees be more safety conscious is time and money well spent. This is a win situation for employers, employees, and the bureau.

To accomplish what we want to do in the previous paragraph it is important the we provide incentives to employers who through their safety education initiatives and their safety record are rewarded for having a safe workplace. I am committed to a position that we should make safety, and the incentives and rewards that are offered for good safety records, available and equal for all employers regardless of their size.

Committee HB 1296 is good legislation, it is responsible legislation. I urge you to support this bill and would appreciate your DO PASS recommendation.

**OTHER STATES COVERAGE, PREMIUM PROGRAMS,
AND WORKPLACE SAFETY OF
THE WORKERS COMPENSATION BUREAU**

Testimony
Before the Senate Industry, Business, and Labor Committee

March 3, 1999

J. Patrick Traynor, Executive Director & CEO
North Dakota Workers Compensation Bureau

Summary of Main Components of HB 1296

This bill was unanimously approved by the Workers Compensation Board of Directors and passed the House with a 91 – 3 vote.

SECTION 1: Adds **extraterritorial coverage and other states' insurance** to an existing statute that authorizes a continuing appropriation for the purchase of reinsurance. The bill also requires the independent annual financial audit to report on any contract executed pursuant to this section.

SECTION 2: Requires the Bureau to create and operate workplace safety and loss prevention programs, including education, training, consultation, grants, and other incentives to protect the health of covered employees and the fiscal integrity of the Fund. This section also requires that the biennial independent performance audit report on the effectiveness of these programs.

SECTION 3: Allows the Board of Directors to approve actuarially-sound premium calculation programs, including dividends, premium deductibles, group insurance and reimbursements of medical expense assessments. These programs will provide opportunities for employers to reduce premium costs with incentives for better workplace safety.

SECTION 4: This amendment to the Bureau's retrospective rating program changes it from a pilot program into an ongoing coverage option and removes the \$250,000 minimum premium threshold for participation.

SECTION 5—Appropriation: This section includes the dollars necessary for operating the proactive workplace safety and loss prevention programs created in Section 2 for the 1999-2001 biennium.

1. Other States' and Extraterritorial Coverage

This bill amends the existing code section pertaining to reinsurance. The amendment to this section allows the Bureau to purchase extraterritorial coverage through a continuing

appropriation. Extraterritorial coverage situations arise when North Dakota covered employees travel outside the state in the course of their work. Examples could include employees attending an out-of-state conference or working on a short-term out-of-state construction project. If the employee is injured and files for benefits in that other state, the employer is at risk. The other state could decide the employer should have purchased workers' compensation coverage in that state, even though the work done in that state was incidental and short term. As a consequence, the employer could face very large fines and penalties for being uninsured. This bill protects the worker and the employer by providing funding to purchase an "other states' endorsement" with a private carrier licensed to operate in all states. North Dakota employers would then be "named insureds" under that policy in other states. The bill also requires the independent annual financial audit to report on any contracts executed pursuant to this section.

2. Safety and Loss Prevention Programs

The most important aspect of this bill relates to safety. It will enable the Bureau to develop and implement new safety programs and increase Loss Prevention services. It will provide the flexibility to change our Loss Prevention strategies and the resources necessary to deliver the services our customers are demanding.

From Compliance to Partnership—a Historical Perspective

The Bureau was established in 1919. At that time, the Bureau was granted jurisdiction over the safety of all covered employees along with statutory authority to "enforce all necessary and proper rules and safety regulations" by conducting compliance inspections. This often contentious and relatively ineffective system was the dominant strategy employed by our Safety/Loss Prevention Department for many decades.

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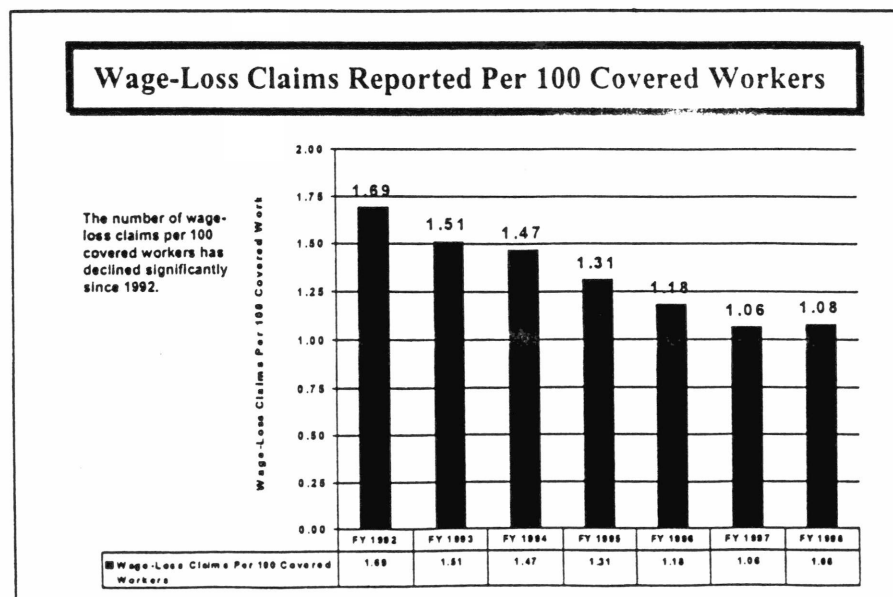
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This safety proposal incorporates new premium products utilized by private workers' compensation carriers designed to provide additional incentives for employers to prevent injuries

and manage losses. These premium products, which must first be approved by the Bureau's Board of Directors, include:

- A. **Dividends.** A dividend program will provide a formal mechanism for the Bureau to redistribute unused premiums to employers generating positive loss prevention results. These dividends could be distributed to carefully targeted groups as part of an incentive program designed to reward employers with favorable loss histories.
- B. **Deductibles.** Deductible programs offer employers the opportunity to save premium dollars by increasing the incentive for accident prevention. A deductible program for workers' compensation would work much like an automobile insurance deductible program. The insured assumes more of the risk of loss in return for lower premiums. The Bureau would still pay all of the claim to protect the interests of the injured worker but would assess the deductible amount back to the employer, up to a pre-selected limit.
- C. **Group Insurance.** A group insurance plan would offer benefits to smaller employers of the "group" that would normally only be available to larger employers. These benefits include an opportunity to qualify for a much larger experience rate discount. In a "group" situation, the Bureau saves administrative costs handling one account rather than several. The group setting also allows the Bureau to provide a more coordinated and efficient approach to Safety/Loss Prevention for the benefit of group members and their employees.
- D. **County Employers Group – An Example Of The "Group" Concept.** The Bureau began a pilot project with the Association of Counties in 1995, which combines all 53 counties into one account with the requirement of an approved safety program at each location. The Bureau provides one experienced claims analyst to handle all county employee claims. It has been successful in providing better safety protection and claims service to about 5,300 covered county employees and in delivering substantial premium savings for county taxpayers.

4. **Retrospective Rating**

This bill makes the retrospective rating a permanent premium product to be offered to employers. The bill also removes the \$250,000 employer premium size entrance threshold.

Retrospective rating plans are similar to self insurance programs where employers pay a predetermined amount to issue the policy and subsequently pay dollar for dollar for claims losses up to a defined limit (typically exceeding 2 to 3 times yearly standard premium).

The employers in retrospective plans are assuming more risk in return for a reduction in premium, which provides a strong incentive to prevent injury and control losses.

5. Fiscal Impact

The proposed legislation will increase the funding for the Bureau's Safety and Loss Prevention Program by \$1,856,603 for the 1999-2001 biennium. This includes added **operating expenses** of \$1,153,251, **salaries and benefits** of \$640,352, and **equipment purchases** of \$63,000 for the entire two-year period.

SAFETY PAYS

It has been demonstrated by N.D. employers and the workers compensation industry that effective loss prevention programming results in reductions in workers compensation losses. If we can achieve a reduction of just 2% of the wage-loss claims next year due to our increased loss prevention efforts, the Fund should realize a savings of nearly \$2 million in loss costs.

The cost of this proposal for the biennium is certainly not insignificant, but what price can we attach to reducing human suffering and even death? Over the past five years, our state has averaged more than one compensable worker fatality every month. The majority of these fatal accidents have occurred in construction, government, and agriculture. The most recent involved the electrocution of a 24-year-old man with a wife and two children.

Employers need what this bill can provide and workers deserve it. This is an opportunity to demonstrate our commitment to making North Dakota a safer place to live and work, while protecting the long-term health of the Fund. Our Board unanimously supports this bill and respectfully asks for your approval.

Thank you.

**Workers Compensation Bureau
Loss Prevention Department
1999 - 2001 Budget**

	A	+	B	=	C
	Regular Department Budget		HB 1296		Total 1999 - 2001 Budget
SALARIES	\$ 720,482	\$	502,848	\$	1,223,330
TEMPORARY	\$ -	\$	-	\$	-
BENEFITS	\$ 205,810	\$	137,504	\$	343,314
TOTAL	\$ 926,292	\$	640,352	\$	1,566,644
DATA PROCESSING - ISD	\$ -	\$	-	\$	-
TELEPHONE - ISD	\$ 17,242	\$	18,346	\$	35,588
TRAVEL	\$ 76,000	\$	134,586	\$	210,586
UTILITIES	\$ 960	\$	1,200	\$	2,160
POSTAGE	\$ -	\$	5,840	\$	5,840
LEASE/RENT - EQUIP	\$ -	\$	-	\$	-
LEASE/RENT - BLDG	\$ 19,810	\$	54,763	\$	74,573
DUES AND PROF DEV	\$ 15,300	\$	106,200	\$	121,500
INTGOV'TL SERVICES	\$ -	\$	-	\$	-
OPERATING FEES & SVCS	\$ 720	\$	54,720	\$	55,440
REPAIRS	\$ -	\$	-	\$	-
PROFESSIONAL SVC	\$ -	\$	724,000	\$	724,000
INSURANCE	\$ -	\$	-	\$	-
OFFICE SUPPLIES	\$ 1,920	\$	6,920	\$	8,840
SOFTWARE	\$ -	\$	-	\$	-
PRINTING	\$ -	\$	8,000	\$	8,000
PROF SUPPLIES & MAT	\$ 20,000	\$	32,000	\$	52,000
MISC SUPPLIES	\$ 1,176	\$	6,678	\$	7,852
TOTAL OPERATING EXPENSES	\$ 153,128	\$	1,153,251	\$	1,306,379
OFFICE EQUIPMENT	\$ 17,000	\$	35,000	\$	52,000
COMPUTER EQUIPMENT	\$ -	\$	28,000	\$	28,000
TOTAL EQUIPMENT	\$ 17,000	\$	63,000	\$	80,000
TOTAL DEPT REQUEST	\$ 1,096,420	\$	1,856,603	\$	2,953,023

Full-Time Equivalents (FTE)

10.0

7.0

17.0

¹ Professional Services contains the following items:

WCB Sponsored Training Seminars	\$ 100,000
Industrial Hygiene Services	\$ 24,000
Industry Liaison Grant Program	
\$50,000 x 6 liaisons x 2 years	\$ 600,000
Total Professional Services	\$ 724,000

**Workers Compensation Bureau
Loss Prevention Department
1999 - 2001 Budget**

	A	+	B	=	C
	Regular Department Budget		HB 1296		Total 1999 - 2001 Budget
SALARIES	\$ 720,482		\$ 759,312		\$ 1,479,794
TEMPORARY	\$ -		\$ -		\$ -
BENEFITS	\$ 205,810		\$ 210,786		\$ 416,596
TOTAL	\$ 926,292		\$ 970,098		\$ 1,896,390
DATA PROCESSING - ISD	\$ -		\$ -		\$ -
TELEPHONE - ISD	\$ 17,242		\$ 18,346		\$ 35,588
TRAVEL	\$ 76,000		\$ 176,700		\$ 252,700
UTILITIES	\$ 960		\$ 1,200		\$ 2,160
POSTAGE	\$ -		\$ 5,840		\$ 5,840
LEASE/RENT - EQUIP	\$ -		\$ -		\$ -
LEASE/RENT - BLDG	\$ 19,810		\$ 24,763		\$ 44,573
DUES AND PROF DEV	\$ 15,300		\$ 130,500		\$ 145,800
INTGOVT'L SERVICES	\$ -		\$ -		\$ -
OPERATING FEES & SVCS	\$ 720		\$ 54,720		\$ 55,440
REPAIRS	\$ -		\$ -		\$ -
PROFESSIONAL SVC ¹	\$ -		\$ 544,000		\$ 544,000
INSURANCE	\$ -		\$ -		\$ -
OFFICE SUPPLIES	\$ 1,920		\$ 6,920		\$ 8,840
SOFTWARE	\$ -		\$ -		\$ -
PRINTING	\$ -		\$ 8,000		\$ 8,000
PROF SUPPLIES & MAT	\$ 20,000		\$ 2,000		\$ 22,000
MISC SUPPLIES	\$ 1,176		\$ 6,676		\$ 7,852
TOTAL OPERATING EXPENSES	\$ 153,128		\$ 979,665		\$ 1,132,793
OFFICE EQUIPMENT	\$ 17,000		\$ 55,000		\$ 72,000
COMPUTER EQUIPMENT	\$ -		\$ 40,000		\$ 40,000
TOTAL EQUIPMENT	\$ 17,000		\$ 95,000		\$ 112,000
TOTAL DEPT REQUEST	\$ 1,096,420		\$ 2,044,763		\$ 3,141,183

Full-Time Equivalents (FTE)

10.0

11.0

21.0

¹ Professional Services contains the following items:

WCB Sponsored Training Seminars	\$ 20,000
Industrial Hygiene Services	\$ 24,000
Industry Liaison Grant Program	
\$50,000 x 5 liaisons x 2 years	\$ 500,000
Total Professional Services	\$ 544,000

**Workers Compensation Bureau
Loss Prevention Department
1997 - 1999 Budget**

1997 - 1999 Budget	
SALARIES	\$ 663,390
TEMPORARY	\$ -
BENEFITS	\$ 183,600
TOTAL	\$ 846,990
DATA PROCESSING - ISD	\$ -
TELEPHONE - ISD	\$ 26,109
TRAVEL	\$ 89,000
UTILITIES	\$ 495
POSTAGE	\$ -
LEASE/RENT - EQUIP	\$ -
LEASE/RENT - BLDG	\$ 18,867
DUES AND PROF DEV	\$ 15,300
INTGOVT'L SERVICES	\$ 810
OPERATING FEES & SVCS	\$ -
REPAIRS	\$ -
PROFESSIONAL SVC	\$ -
INSURANCE	\$ -
OFFICE SUPPLIES	\$ 2,009
SOFTWARE	\$ -
PRINTING	\$ -
PROF SUPPLIES & MAT	\$ 22,500
MISC SUPPLIES	\$ 2,121
TOTAL OPERATING EXPENSES	\$ 177,211
OFFICE EQUIPMENT	\$ -
COMPUTER EQUIPMENT	\$ -
TOTAL EQUIPMENT	\$ -
TOTAL DEPT REQUEST	\$ 1,024,201

Full-Time Equivalent (FTE)

10.0