

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

11999

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1199

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1199

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-17-05

Tape Number	Side A	Side B	Meter #
4	xx		20.3---end
4		xx	0.0--7.4

Committee Clerk Signature

*Pam Dever*

Minutes:**Chair Keiser:** Let's open HB 1199. Any in support of this bill?

**Dave McGiver, ND Chamber of Commerce:** Support of bill. I am here today representing 17 different chamber of commerce's representing over 7000 businesses. I will take you back to 1997 with the creation of the board of directors of WSI. The testimony that was given during that time showed the intent for that creation. We believe that the board was one of best things that has happened to WSI. We have a lot of things under control now Vs before 1997. The intent of that legislation has been lost in the shuffle. We would like clarification in the language. We are concerned with the six members from the business community. The intent of the legislation in 1997 was to have check writers. The people who actually sign checks to be the people who represent those six positions for the business community. We would like to see HB1199 that adds on line 16, each employer representative must be the principle owner, chief executive officer, or chief financial officer of the employer . These are the people who we look at when we have a rate increase for workers comp because they will first look at the bottom line immediately

and say where do I find this money for this rate increase. That's the person we want on there. We need this language on this bill.

**Rep. Ekstrom:** 24.9 How do find the right people to make the time commitment?

**Dave:** No problem. Just recently we had a couple of positions open for that board and there were a number of people who came forward and wanted to serve on WSI.

**Rep Ekstrom:** You have a member at large. How does that person get there?

**Dave:** Put on by the governor.

**Chair Keiser:** Have you had a chance to look at the amendment that will be proposed?

**Dave:** Yes, I have. We feel it does not clarify as to who this is, and it is still up in the air.

**Rep. Thorpe:** Why is this bill here. What problem is there. I thought the board was doing great. If it's not broke, why fix it.

**Dave:** A year and half ago there was a premium increase of 20%, proposed and passed. Many different associations around the state wanted things reconsidered.

**Dick Johnson, Fargo - Johnson Trailer Sales:** Here in support of HB1199. I previously sat on the WSI Board. There has been some concern about the composition of the board. The result is what is before you today. The interview process is very important in picking a board.

**Chuck Peterson, Jobbers Moving & Storage, Bismarck, ND:** 31.1 Here to support HB1199. I was a member of the original advisory committee in 1993. There were 14 members who shared their insight with the staff and administration of Workers Comp. We lost sight of a few things and this bill gets us back on track. This bill makes a clear definition. Please look closely at the amendment before passing.

**Bob Indvik, Board of Directors-Chair, WSI:** 36.5 Support of HB1199 (SEE ATTACHED)

You will see the amendment is attached to my testimony.

**Michael Wolf, County Employer Group:** Support HB1199. While we agree with the intent that the board must be made up highly qualified people, we have some concerns that an organization like ours, which is the second largest employer group in ND, would not get to have any representation on this board because we don't have any that go by CEO or CFO title. Any of our elected officials would qualify or some of our supervisors. We have started training some of our risk managers to be expert in WSI issues and would be qualified, I believe.

**Chair Keiser:** Any here to testify in opposition to HB1199? Hearing none, we're closed. Let's have discussion.

**Rep. Froseth:** 47.4 I was looking for a possible compromise of the six board members.

**Rep. Ekstrom:** 48.8 I like the suggestion of putting a comma after the word *principle* at the very end of line 16. That creates more flexibility that go under the employer category.

**Chair Keiser:** I would like to find a compromise, like Rep. Froseth talked about, when we have some slots for people who can come from the public sector but who represents budgets and financial responsibility. I appreciate Mike Wolf's comments. If you are not the department head who has to be accountable for a budget, you don't care as much about a premium as a risk manager.

**Rep. Ruby:** 51.0 I feel the amendments are watering this bill down.

**Rep. N. Johnson:** 53.0 I like the concept that Rep. Froseth brought forward. Allows for flexibility. (end side A, Tape 4) (Begin Tape 4, side B)

**Chair Keiser:** This bill has gone through a lot of different options. When it came down to just putting in the definitions changes, the discussion turned to how often are we interviewing or

looking at more than just resumes. I can do an awful lot with a resume and look very good. An interview is very important. It is an active board and important board.

**Rep. Vigessa:** 1.5 When I think of a compromise, I'm wondering if something could be put in to this bill to include the board of directors of a corporation.

**Rep. Clark:** I think board of directors would be fine.

**Rep. Dosch:** 2.2 I agree. I like the way it is with the amendment. The decision made here translate to the bottom line. I remember in the mid 1990's when Worker Comp rates were out of sight. As an employer, if we did not have multiple properties, we would have had to shut down one, because we could not afford the premiums. Then you have to deal with the loss of jobs. Once the premiums came down to a reasonable level, we used the money savings and started company 4-1 K plans and benefits our employees. Good bill.

**Rep. Kasper:** 3.2 I like the bill the way it is.

**Rep. Nottestad:** No comment.

**Chair Keiser:** Rep. Clark, if you would meet with the interested parties and talk. See if there is room for compromise.

Closed.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1199

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-19-05

Tape Number

3

Side A

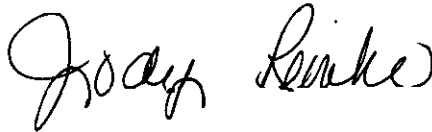
Side B

x

Meter #

25.2-29.

Committee Clerk Signature



Minutes:

**Chairman Keiser:** Reconvened on HB 1199. All committee members were present.

**Representative Clark:** Provided an amendment on HB 1199. Basically there was some controversy about the employer makeup of the committee, the amendment here on page 1 line 16 changes make at least one employer representative an at large member rather than a chief executive officer or a chief financial officer.

**Representative Clark:** I move to adopt my amendments.

**Representative Dietrich:** Second the adoption of the amendments.

All were in favor of amendments.

**Representative Clark:** I move a **DO PASS AS AMENDED** on HB 1199.

**Representative Froseth:** SECOND the DO PASS motion on HB 1199.

Motion carried. **VOTE: 12-YES 2-NO 0-Absent.**

**Representative Clark will carry bill on the floor.**

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1199

Page 1, line 2, after "directors" insert "; and to provide an application"

Page 1, line 14, overstrike "and"

Page 1, line 16, after "dollars" insert ", and at least one employer at large representative."  
and replace "and" with "Except for the employer at large representative,"

Page 2, after line 24, insert:

**SECTION 2. APPLICATION.** This Act only applies to new members appointed or reappointed to the board after the effective date of this Act.

Renumber accordingly



January 19, 2005

VR  
1/20/05

HOUSE AMENDMENTS TO HOUSE BILL NO. 1199 IBL 1-20-05

Page 1, line 2, after "directors" insert "; and to provide for application"

Page 1, line 14, overstrike "and"

Page 1, line 16, replace "and" with ", and at least one employer at large representative.  
Except for the employer at large representative."

HOUSE AMENDMENTS TO HOUSE BILL NO. 1199 IBL 1-20-05

Page 2, after line 24, insert:

**"SECTION 2. APPLICATION.** This Act applies only to members appointed or  
reappointed to the board after the effective date of this Act."

Re-number accordingly

Date: H905

Roll Call Vote #: |

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1199

House

INDUSTRY, BUSINESS AND LABOR

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Adopt Amendments

Motion Made By

Rep. Clark.

Seconded By

Rep Dietrich

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	X		Rep. B. Amerman	X	
N. Johnson-Vice Chairman	X		Rep. T. Boe	X	
Rep. D. Clark	X		Rep. M. Ekstrom	X	
Rep. D. Dietrich	X		Rep. E. Thorpe	X	
Rep. M. Dosch	X				
Rep. G. Froseth	X				
Rep. J. Kasper	X				
Rep. D. Nottestad	X				
Rep. D. Ruby	X				
Rep. D. Vigesaa	X				

Total (Yes)

14

No

0

Absent

Floor Assignment

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

Date: 1-19-05

Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1199

House

INDUSTRY, BUSINESS AND LABOR

Committee

Check here for Conference Committee

Legislative Council Amendment Number

50241.0301

Action Taken

Do Pass As Amended

Motion Made By

Rep. Clark

Seconded By

Rep. Froseth

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	X		Rep. B. Amerman		X
N. Johnson-Vice Chairman	X		Rep. T. Boe	X	
Rep. D. Clark	X		Rep. M. Ekstrom		X
Rep. D. Dietrich	X		Rep. E. Thorpe	X	
Rep. M. Dosch	X				
Rep. G. Froseth	X				
Rep. J. Kasper	X				
Rep. D. Nottestad	X				
Rep. D. Ruby	X				
Rep. D. Vigesaa	X				

Total (Yes)

12

No

2

Absent

0

Floor Assignment

Rep. Clark

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

**REPORT OF STANDING COMMITTEE**

**HB 1199: Industry, Business and Labor Committee (Rep. Keiser, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1199 was placed  
on the Sixth order on the calendar.

Page 1, line 2, after "directors" insert "; and to provide for application"

Page 1, line 14, overstrike "and"

Page 1, line 16, replace "and" with ". and at least one employer at large representative.  
Except for the employer at large representative."

Page 2, after line 24, insert:

**"SECTION 2. APPLICATION.** This Act applies only to members appointed or  
reappointed to the board after the effective date of this Act."

Renumber accordingly

2005 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1199

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1199

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 3-01-05

Tape Number

1

Side A

xxx

Side B

Meter #

0-900

Committee Clerk Signature

*Lisa VanBerkom*

Minutes: **Chairman Mutch opened the hearing on HB 1199. Senator Espgaard was absent for the hearing.**

**HB 1199 relates to appointment of the workforce safety and insurance board of directors.**

**Rep. Keiser** introduced the bill.

**Rep. Keiser:** This bill relates to the board at WSI. They have the authority to determine rate structure and all of the other important decisions that the board deals with. What we recognized was how specific we are. We talk about three members represent employees. At least one member must have received WSI benefits, at least one member must represent organized labor. In the initial legislation, we said specifically, "must represent organized labor". One member must be a member of the North Dakota Medical Association. When we identify the membership, we didn't get too specific with the member that would represent business. The purpose of this bill is to bring some specific details on the business membership.

**Senator Nething:** I noticed that we do say NDMA, at least one member must represent organized labor. Is there a reason you don't select an organization there?

**Rep. Keiser:** To my knowledge, it has never come up in the past. Organized labor pretty much makes their nomination of who they want on the board.

**Sandy Blunt,** WSI CEO, spoke in support of the bill. He also submitted testimony from Robert Indvik. See attached.

There were no questions from the committee.

**David Straley,** Greater North Dakota Chamber of Commerce, spoke in support. See written testimony.

**Senator Krebsbach:** On page 2, lines 15,16, and 17, if the board did not find that person acceptable, would that not be forwarded on to the governor?

**David:** I believe that the board, there is no other language in there saying what they would do in place of it, if they didn't find a qualified applicant.

**Senator Heitkamp:** On page 2, line 15, 16, and 17, are we starting something new here where the board is interviewing the people, or has that been happening already?

**Sandy:** It's a formalizing of something other boards do, which is currently, the names come to them, they go through the names, they read the letters of support for them, but don't have a chance to talk to them. This is an opportunity for them to talk to these people.

The hearing was closed.

**Senator Heitkamp moved a DO PASS. Senator Klein seconded.**

**Roll Call Vote: 6 yes. 0 no. 1 absent.**

**Carrier: Senator Heitkamp.**

Date: 3-1-05  
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1199

Senate Industry, Business, and Labor

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass  
Motion Made By Heitkamp

Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Chairman Mutch	X		Senator Fairfield	X	
Senator Klein	X		Senator Heitkamp	X	
Senator Krebsbach	X				
Senator Espegard					
Senator Nething	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Heitkamp

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



**REPORT OF STANDING COMMITTEE (410)**  
March 1, 2005 1:43 p.m.

**Module No: SR-37-3854**  
**Carrier: Heitkamp**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1199, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1199 was placed on the Fourteenth order on the calendar.**

**2005 TESTIMONY**

HB 1199

**2005 House Bill No. 1199**  
**Testimony before the House Industry, Business, and Labor Committee**  
**Presented by: Robert Indvik**  
**Chairman, Board of Directors**  
**Workforce Safety and Insurance**  
**January 17th, 2005**

Mr. Chairman, Members of the Committee:

I'm Bob Indvik , Chair of the Board of Directors of Workforce Safety and Insurance. On behalf of the board I am here today to testify in support of House Bill No. 1199, as amended. This bill proposes changes as to who would be qualified as nominees for WSI's Board of Directors. The WSI Board generally supports this bill, but believes an amendment is necessary. We are prepared to present that amendment today.

The current language of HB 1199 requires that any new WSI board member be a "chief executive officer or chief financial officer." While we believe that the Board of Directors is best served with individuals qualified at that level, we are concerned that a disproportionate number of equally qualified candidates, who are large premium payers with an equal number or more employees, will not be considered because they go by the title of "Vice President, Chief of Operations, Director," or a number of other titles. We propose an amendment which includes a broader pool of candidates while maintaining the level of representation intended by HB 1199.

Thank you for your consideration. I am happy to answer any questions that you have.

Amendment to House Bill No. 1199

Page 1, Line 17, replace "chief executive officer, or chief financial officer of the employer" with "hold an executive level position, or possess other suitable industry expertise."

## **HOUSE BILL 1199**

**Chairman Keiser and members of the House Industry, Business, and Labor Committee.**

**My name is Chuck Peterson. I am chairman of the board of directors of Jobbers Moving and Storage Company. We have locations in Bismarck, Fargo, and Minot, North Dakota and Aberdeen, South Dakota.**

**Employer representative**

**I was a member of the Advisory Council formed in 1993. There were 14 members who shared their insights with the administrative staff of the then Workmen's Compensation Bureau. We were instrumental in working with the 55th Legislative Assembly in developing and passing HB 1440 which created a Board of Directors. I had the privilege of serving on the first board. It has been my impression that the intent of this legislation was for the board to consist of 10 members as follows, six employers, three employees, and one nonvoting medical representative.**

**HB 1199 reaffirms the original intent of that legislation. It is important that WSI receives the insight and input of those members of our business community who have the obligation and unique responsibility that comes from running a business.**

**Qualification Process.**

**Three nominees are presented to the governor for each open position on the board. The nominating committee selects those nominees from recommendation from various North Dakota organizations. Each applicant is asked to provide a resume. There is not a face-to-face interview for selecting the nominees for this important position. I have been asked how the Board's nominating committee can select the best candidate from a resume. There has been concern, particularly on the part of those not having**

been accepted, that a reasonable effort has not been put forth in selecting the best candidate. This legislation appropriately deals with that concern.

Thank you for the opportunity to address these concerns. I urge your support of HB 1199. I will be available for questions.