

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1491

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1491

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1491

HOUSE INDUSTRY, BUSINESS AND LABOR

Conference Committee

Hearing Date 1-25-05

Tape Number	Side A	Side B	Meter #
3		x	21.6-end

Committee Clerk Signature *Gody Reinke*

Minutes:

Rep. Keiser: Called the meeting to order on HB 1491. All committee members were present.

Representative Merle Boucher: Appeared in support of HB 1491 and also was a sponsor.

This is a very straight forward upfront bill, that has a lot of support in agreement upon. As we look at the perspective as far as training, and providing educational services to injured workers that one of the things that I have heard in feed back, is often times that under our current law, limits training specifically to one or two years of training. There are people out there that would like to take their education and training to the next level. We have an opportunity for some one who may have been injured such as a trades person, return to earning to lively hood and under our current structure they are limited to one or 2 year types of programs, what this bill would do create loan pool for those individuals who would like to seek that training, to train above and beyond that. Basically what we are looking at is creating an opportunity for people under a system who acquire a baccalaureate type of degree or education, after we talked about this the

decision was made to move forward create a loan pool of 2 and 1/2 million dollars created by the WSI organization and that people would access this money to pursue any education then they would be allowed a 20 year repayment period. This is not a grant, not a gift, but a loan program. The end result is a person who is trained and have a degree and move into the working world.

Renee Pfenning, ND, Building Construction Trades Council: Appeared in support of HB 1491 . This gives an injured worker the opportunity to develop more marketable skills, improve their earning capacity, have a greater feeling of self worth, and get back to being a productive member in their local community.

Jodi Bjornson, Legal Council, WSI: Appeared in support of HB 1491. The money will flow as directed by the board to determine moneys that should flow into the loan fund, a liquidation of sorts of surplus reserve, transferred to the BND into this special fund, to be used for loan purposes, as the board determines necessary.

David Straley, ND Chamber of Commerce: Appeared in support of bill and provided a written statement (SEE ATTACHED TESTIMONY).

Bob Humann, VP Lending Bank of North Dakota: Appeared on behalf of bank and will answer any questions. We would put parameters in place, WSI would approve who is eligible for the program from the workforce. We would work to put in place parameters in place for collection of those loans. We would probably end up just servicing the loans. There is a lot of flexibility and a lot of rules to be determined yet.

Dan Finamann, Dickinson, ND: Appeared in support of HB 1491. I am an injured worker, the question I have is if an individual didn't meet the criteria to go to school, is that individual able

Page 3
House Industry, Business and Labor Committee
Bill/Resolution Number HB1491
Hearing Date 1-25-05

to go out. try again and obtain a loan through this plan and do you have to maintain a grade average?

Representative Keiser: The rules need to be developed yet. You ask some very good questions, but they have not been developed yet.

Dave Kemnitz, President, AFL-CIO: Appeared in support of HB 1491.

Hearing closed.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1491

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-26-05

Tape Number	Side A	Side B	Meter #
3		xx	5.4-9.0
Committee Clerk Signature <i>Pam Dewe</i>			

Minutes: **Chair Keiser:** Look at HB 1491. Did we get any amendments?

Rep. Dosch: I am not aware of any.

Rep. Kasper: I was concerned about lines 10, 11, and 12 that we give ND institutions of higher learning and technical education preference. I asked about this and the accountability on the loans and the rules and regulations. I asked about default and my concern. I did not get any feedback from my questions.

Rep. Dosch: I think it's a good bill we should support.

Rep. N. Johnson: I move a DO PASS on HB 1491. **Rep. Ekstrom:** I second.

VOTE: 14 - Yes, 0 - NO, 0 - Absent. **PASSED.** **Rep. Dosch will carry the bill.**

FISCAL NOTE
Requested by Legislative Council
01/18/2005

Bill/Resolution No.: HB 1491

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

WORKFORCE SAFETY & INSURANCE
2005 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Revolving Loan Fund

BILL NO: HB 1491

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with 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 dedicates \$15 million of WSI's reserve surplus to establish an educational revolving loan fund for injured workers that were not otherwise eligible for retraining benefits and have exhausted other education and training opportunities. The total amount loaned annually may not exceed \$2.5 million. The maximum amount payable on behalf of an applicant may not exceed fifty thousand dollars and must be payable within 5 years.

FISCAL IMPACT: No material impact is anticipated. The investment and interest income generated by the revolving loan fund will help offset the fees for loan services and potential future payment default issues.

DATE: January 23, 2005

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line*

item, and fund affected and the number of FTE positions affected.

- C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	John Halvorson	Agency:	WSI
Phone Number:	328-3760	Date Prepared:	01/24/2005

Date: 1-26-05

Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1491

House INDUSTRY, BUSINESS AND LABOR

Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

DO PASS

Motion Made By

Johnson

Seconded By

EKstrom

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 0

Floor Assignment Dosch

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

REPORT OF STANDING COMMITTEE (410)
January 27, 2005 7:44 a.m.

Module No: HR-18-1156
Carrier: Dosch
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1491: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1491 was placed on the Eleventh order on the calendar.

2005 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1491

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1491

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 2-28-05

Tape Number	Side A	Side B	Meter #
1	XXXX		0-1613
Committee Clerk Signature <i>Lisa Van Berkorn</i>			

Minutes: **Chairman Mutch** opened the hearing on **HB 1491**. **Senator Fairfield** was absent.

HB 1491 relates to establishment of a workforce safety and insurance educational revolving loan fund.

Representative Keiser introduced the bill.

Keiser: What this bill does is it gives the authority to WSI. What we are trying to do is give WSI the authority to establish a college or technical training loan program, similar to what we offer young people through the Bank of North Dakota and other banks. The access to a loan program for their educational programs at low interest to encourage them. It can be higher education or technical training. It has a significant fiscal note with it. It sets aside fifteen million of WSI's reserve surplus, no more than 2.5 million of that can be accessed per year. And the loans are expected to be paid back by the participants, so there isn't a significant negative fiscal impact on the fund. It does set up a continuing appropriation. It has to be a compensable injury. They have to have used the available services, up to that point, so that it doesn't make everyone in the

system eligible. But once they get to that point and have not found satisfactory employment, they then become eligible for this program.

Rep. Merle Boucher: I am here to support this bill. This is an issue I have had frustration with educational and retraining opportunities. The limits we have had in the past limits them to what would be a nine to eighteen month rehab process. I believe that if someone is injured and is looking to improve themselves, or find a different kind of employment from what they were previously employed at and looking to make their lives better.

Senator Espgaard: Do you understand it to be \$50,000 total per applicant and they have five years in which to draw that out from every year?

Boucher: I would say \$50,000 total. If they have two years already behind them and they are going into some advanced level, if they need \$15,000 in a particular year, they could draw fifteen. If they draw it out in three years, they do. Five years to draw, at \$50,000, max.

Senator Krebsbach: The fiscal note states that fifteen million would be set aside and yet the total annually may not be 2.5 million.

Senator O'Connell, stated support for the bill.

Sandy Blunt, Workforce Safety and Insurance, CEO, stated their support for the bill.

Chairman Mutch: Who will you appoint for the lending committee?

Sandy: We will have a panel with in the organization, we will rely on the Bank of North Dakota to have experts in this. They will work with us on each application.

Senator Krebsbach: On page 2 of the bill, it states "at the board's discretion", I'm interested in what procedures would be done to maintain?

Sandy: There is fifteen million set aside, with the amount of money carrying over, it is going to be invested by the state investment board and retirement investment office. We believe that any necessary costs should be born out of the investment of that money and covered. That language is there if the reserve fund goes to a negative balance. Uncommitted money only.

Dave Kemnitz, AFL-CIO, stated support for the bill.

Dave MacIver, Chamber of Commerce, submitted testimony. See written testimony.

Cebald Vetter, C.A.R.E, spoke in support of the bill.

Vetter: I think it's a good bill. It took 'em a long time to come up with something since 1920, so you can see how far North Dakota is behind.

Senator Nething: How many states have this kind of program?

Vetter: I wouldn't know. You will have to ask someone from WSI.

Senator Nething: I thought you meant we were behind other states.

Vetter: As far as gettin' somethin' goin', real good. I don't care about other states.

Opposition was heard at this time.

Glenn Baltrusch, private citizen from Harvey, spoke in opposition.

Glenn: I oppose this thing because it is also a liability to be uncapped at a one hundred and four week limit. Voc Rehab already does help people who are disabled or injured. My experience, when I tried to do those things, I can tell you at WSI wouldn't step forward to do anything. Another thing, it fails to address, what happens after that one hundred and four weeks. There are questions that need to be answered on this, before it is passed. That is all I have to say.

Senator Heitkamp moved a DO PASS.

Senator Espegard seconded.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1491

Hearing Date 2-28-05

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

Carrier: Senator Heitkamp.

REPORT OF STANDING COMMITTEE (410)
March 1, 2005 4:46 p.m.

Module No: SR-37-3916
Carrier: Heitkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1491: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1491 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

HB 1491



**Testimony of David Straley
Greater North Dakota Chamber of Commerce
Presented to the
House Industry, Business and Labor Committee
January 25, 2005**

HB 1491

Mr. Chairman and members of the House Industry, Business and Labor Committee, my name is David Straley. I am here today representing a coalition which includes area chambers of commerce in North Dakota with over 7,400 member businesses and other associations to urge you to **support** House Bill 1491.

The business community believes this is an excellent idea and opportunity for WSI to help out with injured workers and getting them back to work. We agree with the idea of setting up a revolving loan for the education of injured workers.

Thank you, Chairman Keiser and members of the House Industry Business and Labor Committee, for this opportunity to discuss the business community's position on HB 1491. We urge a **DO PASS** for HB 1491. Thank you and I would be happy to answer any questions at this time.

The following chambers are members of a coalition that support our policy statements:

Beulah
Bismarck-Mandan
Bottineau
Cando
Crosby
Devils Lake
Dickinson
Fargo
Grand Forks
Greater North Dakota Chamber of Commerce
Hettinger
Jamestown
Langdon
Minot
Wahpeton
Watford City
West Fargo
Williston

Total Businesses Represented= 7429

**Testimony of Dave MacIver
Greater North Dakota Chamber of Commerce
Presented to the Senate IBL Committee
February 28, 2005**



HB 1491

Mr. Chairman and members of the Senate Industry, Business and Labor Committee, my name is David Straley. I am here today representing a coalition of a number of associations, many of which are in this room together with 17 chambers of commerce that speak for over 7,400 member businesses. I am here today to urge you to **support** House Bill 1491.

The business community believes this is an excellent idea and opportunity for WSI to help out with injured workers and getting them back to work. We agree with the idea of setting up a revolving loan for the education of injured workers.

Thank you, Chairman Mutch and members of the Senate Industry Business and Labor Committee, for this opportunity to discuss the business community's position on HB 1491. We urge a **DO PASS** for HB 1491. Thank you and I would be happy to answer any questions at this time.