

2009 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2419

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2419

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: February 2, 2009

Recorder Job Number: 8338

Committee Clerk Signature

Eric Lubelt

Minutes:

Chairman Klein: We will call our committee back to order.

Senator O'Connell: Senate Bill 2419 is a bill that is designed to make it easier for injured workers traveling to their education rehab program. This bill came out of a request of a constituent who was an injured worker. He said it is becoming financially difficult for him to travel to his rehab program. He lives twenty seven miles from the school he is attending. Under the current program there is not reimbursement. He is traveling approximately two hundred and seven miles a week. Under the current system the person is required to live thirty miles away from the rehab center in order to receive compensation. This bill would change the formula from a twenty five percent increase to injured workers benefit to reimburse the injured worker at the states employee reimbursement travel rate. We decided this is the best system because it ensures rehab is attainable to all injured workers regardless of the level of compensation. That means the injured worker receiving five hundred dollars will have the same access that an injured worker receiving a hundred dollars. It is also designed to eliminate the unfair part that requires an injured worker who is single and renting to move to a new city and home in order to be closer to the rehab program. I feel it is unfair to require someone to leave their current support and structure and friends and family and community, give up their

home and move. This bill is aimed at making the rehab program more accessible and productive for workers. In an effort to get them back to being a member of society. There are amendments, I worked with WSI and they can do a better job of explaining the program.

Anne Green, Staff Counsel for Workforce Safety and Insurance: Written Testimony Attached with a proposed amendment.

Chairman Klein: Did you see the O'Connell amendment?

Anne: No, I have not.

Chairman Klein: What your amendment does is an attempt to address what Senator O'Connell alluded to but it would make it easier to administer for both parties.

Anne: Yes, as I am reading Senator O'Connell's proposed amendment now. He proposes establishing documentation prodigal and a periodic payment schedule. One of the things we identified when we saw this bill in its original form is this. In its original form the bill requires the injured worker to calculate the miles to meet the threshold, to save receipts, submit them to the agency and let the agency that processed them verify them, turn around, have a check cut and send it to the injured worker. That isn't efficient and it doesn't provide any certainty to the injured worker in terms of getting the check for the reimbursement. What we proposed as an alternative is second domicile which is the twenty five percent we propose thirty percent. It proposes that same structure that is paying that thirty percent and rolling it into the disability benefit. That regular benefits that goes out every fourteen days or twenty eight days. We proposed doing the same thing with the individual that opts not to leave their home to go to school but rather chooses to drive.

Senator Andrist: At what point does it become more costly to WSI. As the average payment if they choose the second domicile at thirty percent. Where would that equate on the miles they are driving if they chose that option?

Anne: I am not sure that I can answer that for you.

Senator Andrist: If we adopt your amendment does that also cover the territory that Senator O'Connell proposed in his amendment?

Anne: We met with Senator O'Connell late last week and based on our conversations and based on his review of the amendment, I understand it does.

Senator Potter: It seems that making it twenty five to thirty percent is a good step but it is a different amount of mileage for one person and another person. Based on what their payment would be normally. Does Senator O'Connell's amendment doesn't that provide you with flexibility to do exactly what you want to do but also you can have an alternative for those people who have very low payments but still have mileage expenses?

Anne: Yes it does. What we came up with is if you're driving a vehicle and doing it two or three times a week it's going to cause wear and tear on that vehicle. We weren't so concern that the benefit would be to high but rather we would provide an opportunity for additional expenses.

Dave Kemnitz, President of AFL-CIO: We are in support of 2419 and the amendment is fine with us either way.

Chairman Klein: As we deal with the mileage reimbursement it will be administrative work.

Senator Wanzek: As Dave expressed I was a little confused of what that bill dealt with this one is rehab the other is medical.

Sebald Vetter: I am in support of this bill.

Sylvan Loegering, Volunteer Coordinator of the ND Injured Workers Support Group: Written Testimony Attached.

Leroy Volk: Injured worker. I feel this bill will get us on the right track. In support of the bill.

Chairman Klein: Committee we are going to close the hearing.

Senator Andrist: I move the amendment.

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Senate Industry, Business and Labor Committee

Bill/Resolution No. 2419

Hearing Date: February 2, 2009

Senator Wanzek: I will second it.

Senator Andrist: The one that came from workforce safety.

Roll Call Vote: Yes: 6 No: 0 Absent: 1

This bill will be re-referred to appropriations.

Motion made by Senator Wanzek to move a do pass as amended.

Seconded by Senator Nodland.

Roll Call Vote: Yes: 6 No: 0 Absent: 1

Floor Assignment: Senator Wanzek

FISCAL NOTE
Requested by Legislative Council
03/06/2009

Amendment to: Engrossed
 SB 2419

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation provides an allowance for expenses associated with maintaining a second domicile or for travel associated with attendance at a school program.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE
2009 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed SB 2419 with House Amendments

BILL DESCRIPTION: Rehabilitation—Housing and Travel Expense

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 provides an additional 30% of the rehabilitation allowance for expenses associated with maintaining a second domicile or for travel associated with attendance at a school program and the commute is more than 25 miles one way. The legislation also provides a sliding scale mileage allowance for those commuting less than 50 miles round trip while attending a school program.

FISCAL IMPACT: The proposal will serve to increase benefit costs in the state, however, we don't anticipate that the increased costs will be material to statewide reserve and premium rate levels.

DATE: March 5, 2009

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

Name:	John Halvorson	Agency:	WSI
Phone Number:	328-6016	Date Prepared:	03/06/2009

FISCAL NOTE
Requested by Legislative Council
02/06/2009

Amendment to: SB 2419

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation provides an additional 30% of the rehabilitation allowance for expenses associated with maintaining a second domicile or for travel associated with attendance at a school program and the commute is more than 25 miles one way.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE
2009 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed SB 2419

BILL DESCRIPTION: Rehabilitation—Housing and Travel Expense

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 provides an additional 30% of the rehabilitation allowance for expenses associated with maintaining a second domicile or for travel associated with attendance at a school program and the commute is more than 25 miles one way.

FISCAL IMPACT: The proposal will serve to increase benefit costs in the state, however, we don't anticipate that the increased costs will be material to statewide reserve and premium rate levels.

DATE: February 7, 2009

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

Name:	John Halvorson	Agency:	WSI
Phone Number:	328-6016	Date Prepared:	02/07/2009

FISCAL NOTE
Requested by Legislative Council
01/28/2009

Bill/Resolution No.: SB 2419

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation allows an injured worker to choose between a second household allowance or mileage when attending a school program and the commute is more than 25 miles one way or the total mileage is more than 200 miles in a calendar month.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE
2009 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2419

BILL DESCRIPTION: Rehabilitation—Housing and Mileage Expense

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 allows an injured worker to choose between a second household allowance or mileage when attending a school program and the commute is more than 25 miles one way or the total mileage is more than 200 miles in a calendar month.

FISCAL IMPACT: The proposal will serve to increase benefit costs in the state, however, we don't anticipate that the increased costs will be material to statewide reserve and premium rate levels.

DATE: January 31, 2009

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

Name:	John Halvorson	Agency:	WSI
Phone Number:	328-6016	Date Prepared:	02/01/2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2419

Page 1, line 21, after "mileage" insert ". The organization shall establish a mileage documentation protocol and periodic payment schedule to implement mileage reimbursement under this paragraph"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2419: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2419 was placed on the Sixth order on the calendar.

Page 1, line 7, replace the underscored colon with an underscored comma

Page 1, line 8, replace "(1) An" with "an", overstrike "twenty-five" and insert immediately thereafter "thirty", and after "percent" insert "of the rehabilitation allowance for expenses associated with maintaining a second domicile or for travel associated with attendance at a school or training institution"

Page 1, line 9, overstrike "maintain two households"

Page 1, line 13, overstrike "or when the employee meets"

Page 1, line 14, overstrike "other criteria established by the organization by rule" and replace "; or" with "travel at least twenty-five miles [40.23 kilometers] one way. Travel must be calculated from the employee's residence to the school or training institution"

Page 1, remove lines 15 through 20

Page 1, line 21, remove "are paid for mileage"

Renumber accordingly

2009 SENATE APPROPRIATIONS

SB 2419

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2419

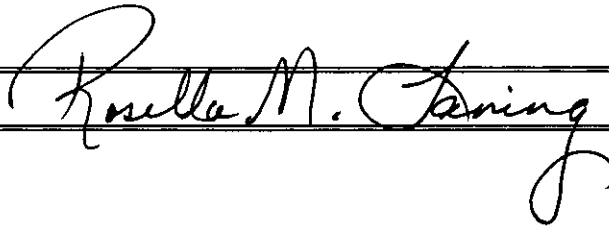
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: February 12, 2009

Recorder Job Number: 9371

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order at 11:15 AM in regards to SB 2419 relating to workers' compensation vocational rehabilitation awards.

Anne Green, Staff Council, Workforce Safety and Insurance (WSI)

(Written attached testimony # 1) She testified stating that the WSI Board of Directors

unanimously supports the engrossed Senate Bill 2419. Under current law, an injured worker enrolled in a retraining program is entitled to a benefit called a "second domicile." A second domicile provides an additional 25% of an injured worker's rehabilitation allowance if an injured worker elects to relocate or establish temporary living arrangements while attending a retraining program.

The engrossed version of the bill permits an injured worker to receive this benefit to either establish a second domicile or use these funds for the gasoline or maintenance of the vehicle which transports the injured worker to his program of retraining. Additionally, this engrossed bill increases this benefit from twenty five to thirty percent.

Senator Mathern asked about the origin of the bill and Anne Green stated that this bill was a result of a constituent request.

Sebald Vetter, Retiree

Testified in favor of SB 2419. (No written testimony)

Leroy Volk, Injured worker

Testified in favor of SB 2419. (No written testimony)

Chairman Holmberg closed the hearing on SB 2419

Senator Robinson moved Do Pass on SB 2419.

Senator Krauter seconded.

A Roll Call vote was taken. Yea: 14 Nay: 0 Absent: 0

The bill goes back to the Industry, Business and Labor committee with **Senator Wanzek** as the carrier.

Date: 2-12-09

Roll Call Vote # 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2419

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Sen Robinson Seconded By Sen. Krauter

Senators	Yes	No	Senators	Yes	No
Sen. Ray Holmberg, Ch	✓		Sen. Tim Mathern	✓	
Sen. Tony S. Grindberg, VCh	✓		Sen. Aaron Krauter	✓	
Sen. Bill Bowman, VCh	✓		Sen. Larry J. Robinson	✓	
Sen. Randel Christmann	✓		Sen. John Warner	✓	
Sen. Rich Wardner	✓		Sen. Elroy N. Lindaas	✓	
Sen. Ralph L. Kilzer	✓		Sen. Tom Seymour	✓	
Sen. Tom Fischer	✓				
Sen. Karen K. Krebsbach	✓				

Total Yes 14 No 0

Absent 0

Floor Assignment 1BL

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

Wanzel

REPORT OF STANDING COMMITTEE (410)
February 12, 2009 11:59 a.m.

Module No: SR-28-2509
Carrier: Wanzek
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2419, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2419 was placed on the Eleventh order on the calendar.

2009 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2419

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2419

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: March 3, 2009

Recorder Job Number: 10012

Committee Clerk Signature

Ellen LeTang

Chairman Keiser: Opened the hearing on SB 2419 relating to workers' compensation vocational rehabilitation awards.

Sylvan Loegering: North Dakota Injured Workers Support Group. SB 2419 introduced by Senator O'Connell deals with what happens with injured workers who have been put into a rehabilitation program and the distance from where the training is to take place. Current law says that if that injured worker lives more than 30 miles from the rehabilitation training institution and maintaining a second domicile, household, he/she gets 25% increase in the rehabilitation allowance. The original bill called for a choice by the injured worker that they get to pick the parameters, do I get the 30% for second household or do I get mileage driving back and forth. Then WSI recommended an amendment for a fear of a total administrative nightmare on the mileage thing, suggested two things, to decrease the miles from 30 to 25 and increase the percentage from 25 to 30 and pay that 30% whether they open a second domicile or not. That gets us to the bill as it exists today which provides for an additional 30% of the rehabilitation allowance if the injured worker lives more than 25 miles from that point of training.

Chairman Keiser: This bill has two components its mileage/ reimbursement and/or rehab allowance for whether you have a second home or not.

Loeering: What end up happening is it was originally considered two compensations? At the present time you could do one compensation and the injured worker would decide how to use it that.

Chairman Keiser: So it eliminated covering travel.

Loeering: It eliminated keeping track of miles and the money is there to reimburse for travel if the employee chooses to do that or he can open a second domicile and get the same 30% additional expenses.

Representative N Johnson: What this bill does is it just basically gives the injured employee when they are going for rehabilitation service, 30% allowance and they can use that for travel or a second domicile.

Loeering: That is right. You said it better that I did.

Vice Chairman Kasper: What is the rehabilitation allowance for allowance for expenses?

Loeering: When an injured worker has been on disability and receiving a disability check. When they are put into rehabilitation program, they keep getting the same size check, but its rehabilitation allowance not disability.

Vice Chairman Kasper: While they are going through rehab, they are getting a weekly check. Is that equivalent to the average wage they are under, how is that calculated.

Loeering: When the average goes on disability, they look at his pre injured earnings, take the percentage, look at the caps and dependency allowances as a disability weekly pay check. Whatever that number turns out to be, is what his rehabilitation allowance gets.

Vice Chairman Kasper: If that injured worker is receiving \$600 a week, this would pay him/her 30 % of \$600 or \$180 per week for that second housing expense.

Loeering: That's correct.

Vice Chairman Kasper: Then that injured worker must obtain a second domicile.

Loeering: Under current law, he must obtain a second domicile. Under the proposed bill, he/she could have a choice, he just gets the money and he can either open a second domicile or drive back and forth.

Vice Chairman Kasper: Let's say this injured worker is traveling 30 miles at 50 cents a mile that would be \$15 of travel one way or \$30 round trip for the rehab. Is the rehab sometimes every day?

Loeering: Quite often that exactly what happens. That person probably sign up for a schooling of some sort and probably a five day a week program, so we are looking at a 30 mile distance, 300 miles a week to drive back and forth or live someplace else. The thought I deemed from the WSI remarks was that it was more efficient from the administrative standpoint, to not try to deal with so many miles this day, receipts, proof of attendance and whatever else is involved in collecting mileage and just say here's an allowance. You decide what to do with it now.

Vice Chairman Kasper: I get it now.

Sylan Loeering~North Dakota Injured Workers Support Group. See testimony attachment. I would like to compliment WSI for the generous amended to the bill.

Dave Kemnitz~North Dakota President of AFL-CIO. I think Sylvan Loeering did a tremendous job. There isn't anything to add from our perspective except that we trust and believe in him and what he does.

Sebald Vetter~C.A.R.E. I support SB 2419.

LeRoy Volk~Self. If you drive on a budget every day like we have to for training, including maintenance and we don't drive new cars, I would like to see them get their money back somehow.

Jodi Bjornson~Staff Council for WSI. See testimony attachment.

Chairman Keiser: I think Sylvan and I basically are on the same page, I just don't like his solution. The bill as its written isn't going to work. I can see someone living 24 miles away and saying, wait, one mile difference arbitrarily, based on this bill, you're out and you don't get anything. I can also see people say I only live 15 miles away but I'm attending BSC and I have children or work in-between and I'm having to go to school and home, to school and home, three time in one day, so now I have one way 15 miles, but one day I'm doing 90 miles, which certainly exceeds the 25. I just know that if it's passed the way it is, the claims analysis's are lot of fun because they are going to tell people that the law says 25 miles one way or we come up with an alternative that approaches it. It strikes me, is the real issue is how many miles do you put on your car. If it's for vocational rehab, how many times you traveling and what is the accumulative effect of the miles. So, it just seems to me that travel at least 500 miles per month or some other number that still needs to be quantified, defined and documented, which isn't as simple as 25 miles one way which can be done once. It's a problem and there is no flexibility the way it's written and the impact we want is somebody who gets a lot of mileage on that can in a time period. This is my statement/question. Sylvan saw the same thing.

Bjornson: I see the point, we have the opportunity to put on our thinking caps and maybe we can work something out. We took it to the extent to make the bill workable, but if there is other ways to look at this, we'll try.

Chairman Keiser: We don't have to vote on this bill today, we can have WSI and Sylvan look at it and get together and discuss it.

Chairman Keiser: Anyone to testify on SB 2419 in opposition, neutral.

Kemnitz: I want to thank House Industry, Business and Labor committee for looking at this.

LeRoy Volk: Speaks about cost of travel.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2419

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: March 3, 2009

Recorder Job Number: 10084

Committee Clerk Signature

Ellen Letang

Chairman Keiser: Opened the committee work session on SB 2419. Committee members, could you pull out SB 2419 which is a bill we heard this morning and Jodi Bjornson, do you have an amendment ready and did Sylvan work with you on this?

Jodi Bjornson~Staff Council for WSI. Passes out amendment (see attachment). I did speak with Mr. Loegering prior to leaving today and gathered his thoughts and when we went back to the office to craft it we changed it a little bit. You will see the concept is the same. We just used round trip mileage rather than accumulative mileage. Goes over amendments (see attachment).

Representative N Johnson: All of the first part (inaudible) percent above (inaudible).

Bjornson: That's correct.

Chairman Keiser: This does accommodate people who actually travel shorter distances; they will be able to participate. Why did you go to round trip versus total miles?

Bjornson: Easier to administer and document.

Chairman Keiser: What are the wishes of the committee?

Representative Nottestad: Moves to adopt the amendment.

Representative N Johnson: Seconded.

Representative N Johnson: It does accommodate the shorter trip.

Chairman Keiser: Further discussion.

Voice roll call was taken with all ayes, 0 nays.

Chairman Keiser: What are the wishes of the committee?

Representative N Johnson: Moves a Do Pass as Amended.

Representative Thorpe: Second.

Voting rolling was taken on SB 2419 for a Do Pass as Amended with 12 ayes, 0 nays, 1 absent and Representative N Johnson is the carrier.

March 3, 2009

V/R
3/4/09

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2419

Page 1, line 3, after "awards" insert "; and to provide for application"

Page 1, line 18, after "institution" insert ". If it is necessary for an employee to travel less than twenty-five miles one way to a school or training institution, the employee may qualify for an additional rehabilitation allowance as determined in accordance with the following schedule:

<u>Round-trip mileage</u>	<u>Percentage increase in rehabilitation allowance</u>
<u>Under 10 miles</u>	<u>0</u>
<u>10 to 30 miles</u>	<u>10</u>
<u>31 to 50 miles</u>	<u>20</u>

Travel must be calculated from the employee's residence to the school or training institution.

SECTION 2. APPLICATION. This Act applies to new retraining programs beginning on or after the effective date of this Act and to existing retraining programs from the date of the first new semester following the effective date of this Act."

Renumber accordingly

Date: Mar 3-2009

Roll Call Vote # 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2419

House House, Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass As Amended

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	}		Representative Amerman	}	
Vice Chairman Kasper		Representative Boe			
Representative Clark		Representative Gruchalla			
Representative N Johnson		Representative Schneider			
Representative Nottestad		Representative Thorpe			
Representative Ruby					
Representative Sukut					
Representative Vigesaa					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

all ayes .

Date: Mar 3-2009

Roll Call Vote # 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2419

House House, Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass As Amended

Motion Made By Johnson Seconded By Thorpe

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	7		Representative Amerman	7	
Vice Chairman Kasper	7		Representative Boe		
Representative Clark	7		Representative Gruchalla	7	
Representative N Johnson	7		Representative Schneider	7	
Representative Nottestad	7		Representative Thorpe	7	
Representative Ruby	7				
Representative Sukut	7				
Representative Vigesaa	7				

Total (Yes) 12 No 0

Absent 1

Floor Assignment N Johnson

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

REPORT OF STANDING COMMITTEE

SB 2419, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2419 was placed on the Sixth order on the calendar.

Page 1, line 3, after "awards" insert "; and to provide for application"

Page 1, line 18, after "institution" insert ". If it is necessary for an employee to travel less than twenty-five miles one way to a school or training institution, the employee may qualify for an additional rehabilitation allowance as determined in accordance with the following schedule:

<u>Round-trip mileage</u>	<u>Percentage increase in rehabilitation allowance</u>
<u>Under 10 miles</u>	<u>0</u>
<u>10 to 30 miles</u>	<u>10</u>
<u>31 to 50 miles</u>	<u>20</u>

Travel must be calculated from the employee's residence to the school or training institution.

SECTION 2. APPLICATION. This Act applies to new retraining programs beginning on or after the effective date of this Act and to existing retraining programs from the date of the first new semester following the effective date of this Act."

Renumber accordingly

2009 TESTIMONY

SB 2419

2009 Senate Bill No. 2419
Testimony before the Senate Industry, Business, and Labor Committee
Anne Jorgenson Green, Staff Counsel
Workforce Safety and Insurance
February 2nd, 2009

Mr. Chairman, Members of the Committee:

My name is Anne Green. I am staff counsel for Workforce Safety and Insurance (WSI). I am here to testify on Senate Bill 2419 and offer an amendment which is attached to this testimony. The WSI Board of Directors supports this bill with the proposed amendment.

Under current law, an injured worker enrolled in a retraining program is entitled to a benefit called a "second domicile." A second domicile provides an additional 25% of an injured worker's rehabilitation allowance if an injured worker elects to relocate or establish temporary living arrangements while attending a retraining program. The purpose of this benefit is to acknowledge the distance that some workers might have to travel to attend school.

Some injured workers carry a mortgage, have children enrolled in a school system or have a spouse who also holds a job in their community. Some simply do not wish to move, or set up a temporary apartment. Their preference is to commute to and from school. Senator O'Connell, the prime sponsor of the bill, proposed a mechanism by which to accomplish this. In reviewing the proposal and applying our knowledge of the system, we respectfully offer an amendment which we believe mirrors the intent of the bill, but provides a more streamlined administrative process and permits an injured worker the freedom to apply the allowance in whatever way the worker sees fit.

In reviewing this proposal, WSI identified that this benefit has not been adjusted recently. Consequently, we propose to increase the second domicile allowance from 25% to 30%. Next, WSI proposes to provide the same benefit to an injured

worker who chooses to commute to a school program as we offer to a worker who opts for a second domicile. Rather than submitting receipts and issuing checks, the benefit is included in the disability check, providing flexibility to use the benefit for gas or for a repair on a vehicle that transports the injured worker to their retraining program. This lets the worker apply the funds in the way the worker believes best and reduces the administrative burden for both the injured worker and for WSI.

The bill with the proposed amendment should not have a material impact on statewide reserve and premium rate levels. Based on historical data, the proposal will increase benefit costs by approximately \$60,000 per year.

WSI supports this bill in concept and recommends a "do pass as amended" on SB 2419. That concludes my testimony. I am happy to answer any questions that you might have.

Proposed Amendment to Senate Bill No. 2419

Page 1, line 8, overstrike "twenty-five" and insert immediately thereafter "thirty percent of the rehabilitation allowance for expenses associated with maintaining a second domicile or for travel associated with attendance at a school or training institution when it is necessary for the employee to travel at least twenty five miles (40.23 kilometers) one way. Travel is calculated from the employee's residence to the school or training institution." and overstrike "when it is necessary for the employee"

Page 1, line 9, overstrike "to maintain two households,"

Page 1, line 13, overstrike "or when the employee meets"

Page 1, line 14, overstrike "other criteria established by the organization by rule;" and remove "or"

Page 1, remove lines 15 through 21

Re-number accordingly

REMARKS FOR IBL COMMITTEE re SB 2419

Sylvan Loegering, Volunteer Coordinator, ND Injured Workers Support Group
February 2, 2009

I wish to testify on behalf of SB 2419 and I'd like to offer an idea for amendment. Given the geography of North Dakota, many injured workers find themselves living far from where their prescribed training is available. In that case the injured worker has three options that come to mind: move, set up a second household or do a lot of driving. Moving is typically not an option. The wording of the current statute that would be amended confuses me. I believe the current statute requires the employee to set up a second household in order to receive the additional 25% of his rehabilitation award.

Secondary to the important purpose of this bill, I believe the law as it exists has an internal error that would be corrected if this bill passes. Lines 8 through 11 including the overstruck section contain a duplication of wording and seems to add a condition along with the repetition of the wording. {See the bill}

Since individual circumstances vary it may be more practical for some injured workers to set up a second household and receive the additional benefit currently in the law while others may find it better to stay in their present households and drive the required miles. A 25% additional allowance may not be adequate to cover the cost of driving, especially if the injured worker is on the low end of the benefit scale. I believe having the option would make it easier for those injured workers who wish to keep their family life intact and while they complete training. I strongly support this bill as it exists.

Regarding the amendment idea, the rehabilitation allowances could last 104 weeks, possibly 20 additional weeks if other proposed legislation passes. Two years is a long time to plan ahead and make an irrevocable decision. An employee could develop serious car problems, especially when you consider the type of car one can afford on disability pay. An injured worker's home or family situation could change. Considering the potential duration of rehabilitative training it is very conceivable that a decision made at the offset of training could easily be the wrong one some time later.

I recommend an amendment that would allow an injured worker who is participating satisfactorily in the prescribed training to change from the additional 25% to the mileage allowance or vice versa within limits that make it practical to administer.

I commend whoever originated this option and urge you to vote "do pass" whether you amend this bill or not.

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2009 Engrossed Senate Bill No. 2419
Testimony before the Senate Appropriations Committee
Anne Jorgenson Green, Staff Counsel
Workforce Safety and Insurance
February 12, 2009

Mr. Chairman, Members of the Committee:

My name is Anne Green. I am staff counsel for Workforce Safety and Insurance (WSI). I am here to testify on Engrossed Senate Bill 2419. The WSI Board of Directors unanimously supports this bill.

Under current law, an injured worker enrolled in a retraining program is entitled to a benefit called a "second domicile." A second domicile provides an additional 25% of an injured worker's rehabilitation allowance if an injured worker elects to relocate or establish temporary living arrangements while attending a retraining program.

The engrossed version of this bill permits an injured worker to receive this benefit to either establish a second domicile or use these funds for the gasoline or maintenance of the vehicle which transports the injured worker to his program of retraining. Additionally, this engrossed bill increases this benefit from twenty five to thirty percent.

Engrossed Senate bill 2419 should not have a material impact on statewide reserve and premium rate levels. Based on historical data, the proposal will increase benefit costs by approximately \$60,000 per year. As a benefit bill, these costs have no impact on WSI's administrative budget.

That concludes my testimony. I am happy to answer any questions that you might have.

REMARKS FOR IBL COMMITTEE re SB2419

Sylvan Loegering March 3, 2009

I appreciate the additional rehabilitation benefit being paid regardless whether the injured worker chooses to drive to training or set up a second domicile. I support this bill.

I do have one problem with the bill in its present form. An individual who lives 24 miles from training who goes to school daily will drive over 1,000 miles per month just for training. The expense of driving will be huge on a budget that is already tight. Financial inability to buy gas or maintain a vehicle could lead to dropping out of training and lead to a noncompliant status. For comparative purposes injured workers typically get reimbursed if their travel for medical care exceeds 200 miles per month.

Possible amendments to address that problem:

Option 1:

On line 17 after "one way" add or anticipated travel exceeds 500 miles per month

Option 2:

If injured worker lives less than 25 miles from the school or training institution the additional percent of rehabilitation allowance will be as follows:

Required <u>miles/month</u>	Percent
over 1,000	25
800 to 999	20
600 to 799	15
400 to 599	10
201 to 399	5
under 200	0

The advantage of this plan over reimbursing for miles traveled is that there would be no receipts to collect and turn in and no calculations for each bill submitted. The required miles could be easily calculated ahead of time by multiplying the days per month by the distance each day.

2009 Engrossed Senate Bill No. 2419
Testimony before the House Industry, Business, and Labor Committee
Jodi Bjornson, Staff Counsel
Workforce Safety and Insurance
March 3rd, 2009

Mr. Chairman, Members of the Committee:

My name is Jodi Bjornson. I am General Counsel for Workforce Safety and Insurance (WSI). I am here to testify in support of Engrossed Senate Bill 2419. The WSI Board of Directors supports this version of the bill.

Under current law, an injured worker enrolled in a retraining program is entitled to a benefit called a "second domicile." A second domicile provides an additional 25% of an injured worker's rehabilitation allowance if an injured worker elects to relocate or establish temporary living arrangements while attending a retraining program. The purpose of this benefit is to acknowledge the distance that some workers might have to travel to attend school.

Some injured workers carry a mortgage, have children enrolled in a school system or have a spouse who also holds a job in their community. Some simply do not wish to move, or set up a temporary apartment. Their preference is to commute to and from school. The prime sponsor of the bill proposed a mechanism by which to accomplish this. In reviewing the proposal and working with the sponsor, we offered an amendment which we believe mirrors the intent of the bill, but provides a more streamlined administrative process and permits an injured worker the freedom to apply the allowance in whatever way the worker sees fit.

In reviewing this proposal, WSI also identified that this benefit has not been formally adjusted recently. Consequently, we proposed to increase the second domicile allowance from 25% to 30%.

Next, WSI proposed to provide the same benefit to an injured worker who chooses to commute to a school program as we offer to a worker who opts for a second domicile. Rather than submitting receipts and issuing checks for mileage reimbursement, the benefit is included in the disability check, providing flexibility to use the benefit for gas or for a repair on a vehicle that transports the injured worker to their retraining program. This lets the worker apply the funds in the way the worker believes best and reduces the administrative burden for both the injured worker and for WSI.

The engrossed bill should not have a material impact on statewide reserves and premium rate levels. Based on historical data, the proposal will increase benefit costs by approximately \$60,000 per year.

WSI supports the engrossed version of this bill recommends a "do pass". That concludes my testimony. I am happy to answer any questions that you might have.