

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1372

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1372

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1372**

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date **26 January 05**

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|-------------|
| | | | 1390 - 2538 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Jan Prindle</i> | | | |

Minutes:

Chairman Keiser opened discussion of HB 1372. Before the end of the day we are going to discuss and take action on Worker Comp bill that we can take action on. This is a bill introduced by Rep. Kaldor that would create and enact a new section dealing with rehab services and job search and placement assistance. It has a fiscal note. The impact was unknown and not quantifiable. This would extend the time a person remains eligible for benefits.

Rep. Johnson: As long as it would take Workforce Safety has to find a job. If they don't find a job acceptable, just a job? Could this go on forever?

Rep. Froseth: The thing I question about it is are we requiring Workforce Safety to be job placement function. Maybe they do to some extent, but this pretty much requires them to search for jobs.

Chairman Keiser: I can answer part of that question. They currently are not involved in job placement but in their new location across the street from each other they directly work with Job

Service. They are referring their people who go through voc rehab over to Job Service for job placement. They themselves do not it. That's Job Services' function.

Rep. Boe: Do they pay for the services or does Job Service pick up the tab on that.

Chairman Keiser: When they go to Job Services the job search and all of that part Job Services pays for. What this bill does is extend their eligibility for benefits if they don't find a job after going job placement. So if you are injured and you go through rehab or you don't go through rehab, but you come back off of your injury and Job Service looks for a job for you, can't find a job for you, your disability even though the doctor says you are able to go back to work now your disability payments stop. This bill would extend those disability payments when you cannot find a job after your rehab.

Rep. Boe: Had they had a job before they would have collected unemployment benefits.

Chairman Keiser: Correct.

Rep. Dosch: I guess the problem I have with the bill is line 10 where it says that if the good faith work trial or work effort. That is so broad. I think some people come into our place and ask for a job to take care of the requirements of their job seeking and it looks like they have just crawled out of bed and haven't showered or shaved for days. Is that a good faith effort to find a job. It's just so vague. I think we are really opening ourselves up. The fact that Workforce Safety is already working with Job Service to try to place these individuals for those reasons I would have to oppose the bill.

Rep. Amerman: Rep Dosch makes a good point but it also reads good faith in search efforts of the injured employee and the organization. If you have the organization such as contractors that have been working with these claimants for x amount of time and should and do know their

restrictions and what they can do and cannot do. I think it would be a lot quicker to find something and working with them they would know if it's a good faith try or a just a work search. I think it's a good bill.

Rep. Thorpe: I move a do pass on this bill.

Rep. Ekstrom: I second.

Rep. Thorpe: There may be some things in here we question but I also have visited with people that have been through this training and at end of the training worker's insurance is done with and you're on your own. I don't really see that as the kind of protection that the working people of ND feel is fair and equitable.

Chairman Keiser: As an employer who works with a lot of employees with back issues because we lift a lot of weight as some of the testimony suggested if you are an injured employee that in my case has a severely injured back they go through rehab and the doctor find out that they are better I'm nervous as can be when they come back and want to be re-employed because we all know about back injuries there's a probability that you are going to injure it again more easily then you did the first time. So what's my risk of exposure? The doctor has signed off and said they are 100% and I'm caught between a rock and hard place. I understand the issues. The one is that what they are asking for is to change the mission of WSI into Job Service. What if we were to go the other direction and say to Job Service that now you're going to have to supply something over in rehab. The worker comes to Job Service and they say we need to rehab you. We would automatically say that doesn't sound like a good idea. This is a tough issue.

Rep. Kasper: In the case of a back injury when you are retraining the worker would you not retrain them to something where they would not be lifting?

Rep. Keiser: No, this is a vocational rehab. You train them to lift correctly so they don't hurt their back again. I understand what you are saying. That's what we try and do is move them to a different situation where the exposure won't be as great. If a person requested it they would be trained to a different vocation.

Rep. Ekstrom: I'm going to support a do pass on this. In opposition Rob Forward says this duplicates existing law and they are already doing it. This just tightens legislative intent which is to say we really want to make sure the worker goes back to work at an appropriate spot and doing appropriate things given whatever injury they had. I also spend a lot a time learning about rehiring someone who has gone out with carpal tunnel syndrome. Those folks are never really quite the same.

Rep. Ruby: I agree. I think that some of the things they use to try to find work if someone goes back to former employer and retrain in to another area they do look for placement under the situation. I think that what it does change that is significant is the extension of the benefits. As Rep. Dosch said you have people who are on benefits and don't really care to be off of them there is not much incentive to present yourself in a way that you may have to go back to work. There are people that do that and this allows more of that.

A roll call vote was taken.

Yes: 4 No: 10 Absent: 0

The do pass motion failed.

Chairman Keiser: What are the wishes of the Committee?

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House Industry, Business and Labor Committee

Bill/Resolution Number **HB 1372**

Hearing Date **26 Jan 05**

Rep. Ruby: I move **Do Not Pass**.

Rep. Dosch: I second

A roll call vote was taken.

Yes: 10 No: 4 Absent: 0

The Do Not Pass motion Passed.

Rep. Ruby will carry the bill.

FISCAL NOTE
Requested by Legislative Council
01/14/2005

Bill/Resolution No.: HB 1372

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: Job search and placement services

BILL NO: HB 1372

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 creates a new section relating to workers' compensation rehabilitation services for job search and placement.

FISCAL IMPACT: Unknown and not quantifiable. If the intent of the legislation is to ensure ongoing disability payments until actual job placement occurs upon completion of vocational rehabilitation program, the proposed legislation could have a significant impact on premium levels. Currently, injured workers completing rehabilitation programs other than retraining are eligible for up to 5 year partial benefits based on their earnings potential. Injured workers completing retraining programs are eligible for up to 1 year partial benefits, including up to two months of job search benefits, based on their earnings potential at the completion of retraining. To the extent the proposed legislation is aimed at removing these expectations, there will exist less of an incentive for a successful return to work.

DATE: January 24, 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 |

Roll Call Vote #: 1-26-05

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1372

House INDUSTRY, BUSINESS AND LABOR Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Thorpe 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 | | | |
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Total (Yes) 40 No 10

Absent _____

Floor Assignment _____

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

Roll Call Vote #: 2 Date: 1-25-05

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1312

House INDUSTRY, BUSINESS AND LABOR Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Ruby

Seconded By Dosch

| 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. Vigasaa | X | | | | |
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Total (Yes) 10 No 4

Absent _____

Floor Assignment Rep Ruby

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

REPORT OF STANDING COMMITTEE (410)
January 26, 2005 1:44 p.m.

Module No: HR-17-1114
Carrier: Ruby
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1372: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING).
HB 1372 was placed on the Eleventh order on the calendar.

2005 TESTIMONY

HB 1372

Testimony
HB 1372

Chairman Keiser and members of the committee, I am Representative Lee Kaldor representing District 20, representing all of Traill and parts of Steele, Cass, and Barnes Counties.

I am here today to introduce House Bill 1372, a straight-forward bill that seeks to bring meaningful solutions for injured workers who need hope that their training will provide meaningful and rewarding employment when completed.

This bill is a fairness bill. It asks nothing that we shouldn't expect from WSI. Rehabilitation is a process that, at the end, should lead to a job that will pay the bills and help keep the injured employee whole.

WSI would be required to assist in the job search and placement assistance of an injured employee who has undertaken their approved training programs. This is similar to what is provided by our institutions of higher learning in our state presently. In fact, our campuses actually market their success in placement as it is a reflection on their effectiveness. WSI needs motivation to do the same.

The mechanism for good faith effort is the requirement that at the end of the day, if they have done what is required through retraining, job search and placement assistance but are still unsuccessful, the injured employee remains eligible for benefits while WSI reevaluates the employee's vocational rehabilitation claim.

Mr. Chairman and members of the committee I hope that you will give this bill your careful and favorable consideration and support a DO PASS recommendation.

2005 House Bill No. 1372
Testimony before the House Industry, Business, and Labor Committee
Presented by: Rob Forward, Staff Counsel
Workforce Safety and Insurance
January 25, 2005

Mr. Chairman and members of the Committee:

Good Morning. My name is Rob Forward. I am staff counsel for Workforce Safety & Insurance (WSI), and I am here to testify in opposition to House Bill 1372. The WSI Board of Directors voted unanimously to oppose this bill.

WSI is opposed to HB 1372 because it duplicates existing law found in North Dakota Century Code Section 65-05.1-04(4). Under this provision, when an injured worker is not eligible for retraining, WSI is "already" required to re-evaluate and formulate a vocational plan for an injured worker. This occurs if they made a good-faith work trial or work search but were unsuccessful in securing a job due to their injury.

During the time it takes for WSI's re-evaluation, the injured worker receives wage replacement payments until a suitable plan is formulated. Further, under current law, while a new vocational plan is finalized, WSI must provide job search and placement assistance for all injured workers. The job search program includes matching injured workers with suitable job leads and enrolling them in classes that assist them in better developing job seeking skills. During these classes, WSI's consultants provide tips on appropriate dress, interviewing techniques, resume writing, and help develop a focused and meaningful plan for finding a job.

For those injured workers who cooperate in this program and actively work to make the outcome successful, WSI's current job search and placement assistance is already an outstanding benefit.

I would be glad to answer any questions you might have.

House Bill 1372
Industry Business and Labor Committee
January 25, 2005

Chairman Kaiser and Members of the House IBL Committee,

My name is Tim Mathern. I am the Senator from District 11 in Fargo. I speak in support of HB 1372.

Keeping eligibility open while job search and placement services are used helps motivate the injured worker to begin the services as soon as possible and motivates the organization to make the services as positive as possible.

I urge a do pass recommendation for HB 1372. Thank you.