

2009 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1062

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1062

House Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: January 26, 2009

Recorder Job Number: 7691

Committee Clerk Signature

Ellen LeTang

Chairman Keiser: Opened the hearing on HB relating to the worker's compensation rehabilitation services pilot programs & provide a report to legislative council.

Jennifer Clark~Legislative Council. Introduces HB 1062.

Representative Thorpe: Are we having a lot more groups (inaudible).

JClark: When you say these folks, who do you mean?

Representative Thorpe: Injured, supplying for.

JClark: I don't think so. We are giving them that opportunity in that section one of the bill for the rehab services. You are giving them more opportunity to receive more ranges of benefits for a longer period of time than they are currently eligible for. Now it's up to WSI at their discretion to determine when that individual needs qualifications for education period. Maybe they need to take an additional semester of school. Allow them to receive additional training. The second one will allow work search activities and receive benefits during work search. That not currently allowed.

Anne Green~Staff Counsel with WSI. See testimony attachment.

Representative Clark: The fiscal note says that there is a cost to this program but there seems to be a big potential for a long term payback. Is there any saving this program might

accomplish?

Green: Clear point. Absolutely there is a possibility if the rehab program on the front end were more aggressive is assist injured workers in providing skills to get back to work sooner, that could possibly save money. Of course that is in the future, it's impossible to provide a fiscal note.

Robin Halverson~Incharge of rehab program for WSI.

Chairman Keiser: Compliments Robin. This is one of the biggest complaint area. Could you share with us about job search?

Halverson: The additional for job search allows us to provide more one on one assistance. We are working aggressively to try to place individuals within positions that are available in North Dakota. We have a job developer that would work very closely with. Once, we complete vocational consultant's report, and we approve the plan, they receive a 21 day notice that discontinues their benefits. Essentially those individuals have 21 days to find a job. While our consultants are working aggressively, it usually comes down to that last 60 days when the physician has released them, when we have the marketing available to us, and when we identified all the transferable skills. We don't have much of an opportunity to work aggressively with them. We can have a consultant work directly with them and attempt to return them to a position if possible.

Representative Nottestad: As you know the individuals are reaching their completion dates, how close do you work with employers notifying them that individuals may fit the picture?

Halverson: Three to four months before they complete their program, what we do is bring that job developer to work individually to work with each one. We network around the state and we try to connect those employers with those graduates coming out of that program. Most of our training programs also have placement program services. Retraining programs do get the additional two months job search.

Representative Nottestad: At any time when one is coming to the end, the anticipation of getting a job, the insensitive is greater. When you start looking that is when the doldrums begins.

Halverson: We do try to do and we do get criticism for, we start to try to build that mentality up. We help them with job applications, job leads, how to interview, where to go, how to use the internet and etc. We help them with any additional training they might need. We do have the preferred worker program where the employers that do hire these individuals, they get three years of premium exemption. During that first three years, if that individual is injured, than WSI adjusts the cost of that claim. We also look at providing a \$250 voucher for that individual to purchase clothing, pay for certification, relocation expenses, travel expenses or whatever deem necessary during their job search.

Chairman Keiser: One important part of this bill, despite the wonderful thing has said, we still have a lot of complainants. One of the key parts of this bill is the flexibility that we are providing to do studies and provide reports on different approaches. They have great ideas but are limited under the current law and hopefully do some creative things to report.

Bill Shalhoob~North Dakota Chamber of Commerce. See testimony attachment. We support HB 1062.

Dave Kimmetz~President of the AFL-CIO. We agree with the chamber. Thanks the committee for working hard for the changes. It's a move in the right direction. I would like to focus on page four on line 26 section two, the social rehab service, to look at a more holistic view. A social worker has three determinants are they to help to be self determinant, respected dignity & confidentiality. Explains the three determinants. My next focus is page five, lines 24-29, a,b,c, I would like you to consider a d. The effectiveness of social

rehabilitation services and the approaches utilized. I don't think it will be any more costly because no one can afford the rehabilitation.

Sebald Vetter~C.A.R.E. I support this bill but I would like to see you amend it. I would like the amendment to say to go out with these workers and help them sign up.

Sylvan Loegering~North Dakota Injury Support Group. I'm in total support of this bill. I would like to see the accountability, requirement to lose benefits, & social skill to look for a job.

Leroy Volk~Self. I support this bill.

Anyone here to testify in opposition, neutral?

Committee, what are your wishes?

Representative Gruchalla: Move a Do Pass on HB 1062.

Representative Ruby: Second.

Representative Amerman: I would like some discussion on Dave's amendment.\

Representative Ruby: I was looking at that too. If you look over in section two, under the rehabilitation services pilot program, on line 28 says may but on line 24 says shall. I think line 27 subsection B, kind of addresses it about social aspect.

Chairman Keiser: If you look at page five lines 24-29 that Mr. Kimmentz referred to, one of the major complaints can't get jobs. We ask "where is the data that has had success"? Now what we did and looks at the three items are required reporting. Vocational rehab should have been in the performance audit six, eight, ten years ago. Why wasn't it? This is the problem. Auditor has failed. If we start amending all the specific areas that somebody wants studied, it's going to become impossible.

Voting roll call was taken with a Do Pass on HB 1062 with 12 yea's, 0 nay's, 1 absent and

Representative Ruby is the carrier.

FISCAL NOTE
Requested by Legislative Council
12/08/2008

Bill/Resolution No.: HB 1062

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 the organization to extend retraining programs; expands job search benefits; and establishes a pilot program to assess new methods of providing rehabilitation services.

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: HB 1062

BILL DESCRIPTION: Vocational Rehabilitation

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 the organization to extend a retraining program an additional 20 weeks from the 104 week limit that currently exists; expands the categories within the rehabilitation hierarchy that would be eligible for up to two months of job search benefits; and establishes a pilot program to assess new methods of providing rehabilitation services.

Reserve Level Impact: The proposed legislation should not have a material impact on statewide reserve levels.

Rate Level Impact: Based on historical data it is anticipated that the proposed legislation will increase benefit costs in the State by up to \$435,000 per year or less than 0.5 percent of statewide premium rate levels. To the extent that costs increase, future rate levels will be adjusted accordingly.

DATE: December 26, 2008

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:	12/26/2008

Date: Jan 26-2009
Roll Call Vote # 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1062

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 Gruchalla Seconded By Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Representative Amerman	✓	
Vice Chairman <u>Kasper</u>	✓		Representative Boe		
Representative Clark	✓		Representative Gruchalla	✓	
Representative N Johnson	✓		Representative Schneider	✓	
Representative Nottestad	✓		Representative Thorpe	✓	
Representative Ruby	✓				
Representative Sukut	✓				
Representative Vigasaa	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment ~~Boe~~ Ruby

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

REPORT OF STANDING COMMITTEE

HB 1062: Industry, Business and Labor Committee (Rep. Kelser, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1062 was placed on the Eleventh order on the calendar.

2009 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1062

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1062

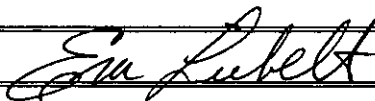
Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: March 3, 2009

Recorder Job Number: 10037

Committee Clerk Signature



Minutes:

Jennifer Clark, Workers Compensation Review Committee: This bill does three things; the first thing it does is allow WSI to extend the length of the retraining allowance. When you have somebody you look at their rehab options their appropriate short term and long term training.

Right now WSI is limited to providing that allowance for 104 weeks or 2 years. This change would allow them to have another 20 weeks of rehab allowance. The second item addressed in this bill is to allow WSI to provide an additional reward to allow that injured worker some benefits during job search. The third item here is to create brand new law which addresses three main areas, One, directs WSI to implement pilot programs to access alternative methods for providing rehab services. Two, there is a data collection as part of this, the organization shall collect data regarding the status of claims that receive rehab services. Three, requires that WSI to make an annual report to the work comp review committee.

Anne Green, WSI staff counsel: Written testimony in support of the bill.

Senator Andrist: As we look at the market today I am beginning to move into batten down the hatches mode. So I questioning expenditures that I wouldn't have questioned in the first half of this session. A hundred and four weeks is about, give me an idea of what kind of retraining program that would require more than one hundred four weeks, that's about three years of

college. It is a pretty lengthy retraining program if you are in the skills market. I don't know of any non academic training program.

Anne: The best example I can give is that you have an injured worker who has done manual labor their entire life. And they are injured at a point in their career where they have not been back to school in a long time. In those situations we find that the transition to a retraining program is simply difficult. Sometimes it might be set up for a two year program but that injured worker might have a struggle making the transition back to school.

Chairman Klein: This issue that the committee has seen a time or two. And this is an away to help those folks. We must have a variety of them falling through the cracks.

Anne: Yes this gives the agency flexibility to give that added time.

Discussion was on the training.

Robin Halverson, Manager of Return to Work Program for WSI: In support of the bill. We have about sixty two students in our retraining program right now we are asking for the additional twenty weeks. When an individual enters a retraining program that are often times tested first before they are allowed into that program and they may be required to take prerequisite classes that do not count towards their school program. The college wants to know that they are ready for that program. It would help them not to have to carry a heavy credit load.

Senator Horne: What are some examples of training programs these students are involved in?

Robin: A lot of the programs are business management and drafting, accounting, energy and administrative.

Senator Horne: These injured workers that are retrained are finding jobs in other employment?

Robin: Yes this is their ability to financially support themselves and family.

Leroy Volk: In support of the bill.

Sylvan Loegering, ND Injured Worker Support Group: These people we are talking about have already been through evaluations. You can keep paying them disability or change them into productive individuals..

Jeb Oehlke, ND Chamber of Commerce: Written testimony in support of the bill.

Dave Kemnitz, President of the ND AFL-CIO: In support of the bill. I would like to see a few changes. Doesn't feel vocation rehab had reached as far as it could. Shares stories of individuals. Considers this a very valuable piece of legislation.

Seibald Vetter, President of CARE: In support of the bill. Shares about individuals he knew that weren't given enough time.

Chairman Klein: Closed the hearing.

Senator Horne: Motioned a do pass.

Senator Behm: Seconded.

Row Call Vote: Yes: 6 No:0 Absent: 0

Floor Assignment: Senator Horne

Bill is referred.

Date: 3/3/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1062

Senate

Committee

Industry, Business and Labor

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

☒ **Pass**

☐ **Do Not Pass**

☐ Amended

Motion Made By Senator Horne Seconded By Senator Behm.

[illegible]

Total (Yes) 6 No 0

Absent 1

Floor Assignment Senator Horne

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

Bill is rereferred!

REPORT OF STANDING COMMITTEE (410)
March 3, 2009 1:20 p.m.

Module No: SR-38-3942
Carrier: Horne
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1062: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends
DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1062 was placed
on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1062

2009 House Bill No. 1062
Testimony before the House Industry, Business, and Labor Committee
Presented by: Anne Jorgenson Green, Staff Counsel
Workforce Safety & Insurance
January 26, 2009

Mr. Chairman, Members of the Committee:

Same given to Senate

My name is Anne Green, Staff Counsel, with WSI. I am here today to testify in support of this bill and to provide information to the Committee to assist in making its determination. WSI's Board of Directors unanimously supports this bill.

Section 1 of HB 1062 allows WSI to provide an additional 20 weeks of rehabilitation benefits for an injured worker enrolled in a school program. Our experience is that some retraining candidates need more than 104 weeks (approximately two years) to complete a retraining program. Providing this cushion increases the likelihood of success for an injured worker.

Injured workers who complete a retraining program may continue to receive benefits for an additional 2 months in the form of "job search" benefits. These two extra months of payments permit an injured worker financial breathing room to focus on the task of finding a job. HB 1062 expands this benefit to other rehabilitation participants who, rather than having attended a retraining program, have transferable skills in the job market.

Section 2 proposes pilot programs for WSI's return to work services division. This concept was generated from the Interim Workers' Compensation Review Committee. WSI can offer technical support on this portion of the bill if the committee is in need of additional information. WSI may face staffing and resource challenges as the full impact of these pilot programs are explored.

Based on historical data, it is anticipated the benefit proposals outlined in Section 1 of this bill will increase benefit costs in the state by up to \$435,000 per year, or less than 0.5% of statewide premium levels.

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



Testimony of Bill Shalhoob
North Dakota Chamber of Commerce
HB 1062
January 26, 2009

Mr. Chairman and members of the committee, my name is Bill Shalhoob and am here today representing the ND Chamber of Commerce, the principle business advocacy group in North Dakota. Our organization is an economic and geographical cross section of North Dakota's private sector and also includes state associations, local chambers of commerce development organizations, convention and visitors bureaus and public sector organizations. For purposes of this hearing we are also representing seven local chambers with total membership over 7,000 members and ten employer associations. A list of those associations is attached. As a group we stand in support of HB 1062 and urge a do pass from the committee on this bill.

We believe extending the retraining period by 20 weeks will allow claimants the time necessary to complete retraining programs. Those of us who have experience in educating our children understand how the time period has been lengthened at all levels. We also support the pilot program that could help WSI deliver better service to injured workers and the effort to gather meaningful data to determine the effectiveness of current programs.

Thank you for the opportunity to appear before you today in support of HB 1062. I would be happy to answer any questions.

THE VOICE of NORTH DAKOTA BUSINESS



Testimony of Jeb Oehlke
North Dakota Chamber of Commerce
HB 1062
March 3, 2009

Mr. Chairman and committee members my name is Jeb Oehlke. I represent the North Dakota Chamber of Commerce, the voice of North Dakota business. Our organization is an economic and geographical cross section of the state's private sector and also includes state associations, local chambers of commerce, development organizations, convention and visitors bureaus and public sector organizations. For the purposes of this hearing we are also representing sixteen local chambers with total membership over 7,000 members and ten employer associations. As a group we stand in support of HB 1062 and urge a do pass from the committee.

We believe extending the retraining period by 20 weeks will allow claimants the time necessary to complete retraining programs. It is no secret that obtaining an education or retraining using a different set of skills takes longer, on average, than it used to. Though the reasons for this can be debated the facts are the facts. This extension will give those individuals receiving this benefit the time required to finish their retraining so they can begin again in a new career.

We also support the pilot program which will allow WSI to gather meaningful data to determine the effectiveness of current programs and, if needed, develop better, more efficient methods of delivering rehabilitation services to injured workers.

Thank you for the opportunity to appear before you today in support of HB 1062. I am happy to answer any questions.

THE VOICE OF NORTH DAKOTA BUSINESS