

# MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1127

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1127

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1127

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 01-24-01

Tape Number	Side A	Side B	Meter #
1	X		18.5 - 39.1
2	X		13.8 - 18.7
Committee Clerk Signature <i>Lisa Hoover</i>			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

**HB 1127**

Chairman Berg, opened the hearing.

Rep. Keiser testified in favor of and explained the history of bill.

Rep. Jensen, The idea that the fund be self supportive, how does that work?

Rep. Keiser, They were required to set up and establish a safety net that supported a separate category so that if they have claims against their category, the rates increase, then the rates increase primarily for them. The rates won't be spread throughout the entire fund.

Dennis Fracassi, Director of Rough Rider Industries, gave written testimony in favor of the bill.

Chairman Berg, One of our primary concerns now on this is what has your experience been.

Dennis Fracassi, Since we started this program there has been one injury. That was an inmate who, when bringing equipment in, dropped a table on his foot. It was settled for under \$400, paid internally through the penitentiary. The risk manager from Workers Comp came out to audit us has asked if we could use our operation as a show case to show other employers the things that can be done with safety records.

Chairman Berg, Do you know off hand what your premiums are on an annual basis?

Dennis Fracassi, Right now our premiums are about \$125 per year for all employees.

Rep. Froseth, Do you do follow up work on prisoners that are released to see if they use in the private sector any of the skills they learn while they are employed with Rough Rider Ind.

Dennis Fracassi, No not now. However we are working with a couple of business now in trying to see if there are any skills that we have in our industry program that we can put into different business throughout the state. Last year we had 616 inmates released from prison. There are employers all over the state looking for people.

Julie Leer, General counsel for ND Workers Comp, testified in favor of the bill. See written testimony.

Chairman Berg, Give us some background on how this fits in with Workers Comp, and do they have a reinsurance program?

Julie Leer, The way this was originally set up was basically, Workers Comp has become a third party administrator for the Rough Rider Industries modified coverage program. They first went to the risk management fund to get the coverage and then they were looking at some type of umbrella policy beyond that. Then any obligations that are not covered by any insurance that they get other sources are in obligation of the states general funds. The premium that they are paying Workers Comp, that minimum premium is to cover the cost of administering programs.

Chairman Berg, The issue here is that we want to insure that the sure and certain relief that's covered through Workers Comp, rather than having litigation directly to the state for these claims.

Julie Leer, That's correct. I think that according to Workers Compensation reimbursement schedule most of the medical paid through the penitentiary with their contracts from medical services, most of that is taken care of if any of the inmates require medical treatment.

Rep Koppang, When we were introduced to this bill, there was some talk about to qualify for federal funding programs we had to be covered by Workman's Comp. What are those federal funding programs? Have we received any dollars specifically for this kind of activity, or is this going to be self supportive?

Ken Sorenson, Assistant Attorney General, spoke on behalf of the ND Dept. of Corrections and Rehabilitation's Prison Industries Dept., Rough Rider Ind. See written testimony.  
To answer your question, there is actually no federal funding here, but Workers Comp program is a requirement under a federal law.

Chairman Berg, closed the hearing.

**Tape 2, side A, No. 13.8.**

Chairman Berg reopened the hearing.

Rep. Klein made a motion for a Do Pass.

Rep. Kasper second the motion.

Rep. Koppang, Are there other work areas that are self insured in work programs?

Page 4  
House Industry, Business and Labor Committee  
Bill/Resolution Number HB 1127  
Hearing Date 01-24-01

Julie Leer, The only entity in ND that is self insured is Rough Rider Industries program. The \$125 premium that they pay is a minimum premium. As far as work study and other programs, there is a law that deals with volunteer coverage's.

**Roll call vote: 12 yes, 0 no, 3 absent.**

**The motion carries.**

Rep. Klein will carry the bill.

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/18/2000

Bill/Resolution No.: HB 1127

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 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.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 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.*

NORTH DAKOTA WORKERS COMPENSATION  
 2001 LEGISLATION  
 SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Inmate Coverage—Remove Expiration Date

BILL NO: HB 1127

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, 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 repeals the expiration date relating to workers' compensation coverage for inmates engaged in work programs through roughrider industries.

FISCAL IMPACT: Anticipate no change to existing rate and reserve levels.

DATE: December 27, 2000

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.*

<b>Name:</b>	Paul R. Kramer	<b>Agency:</b>	North Dakota Workers Compensation
<b>Phone Number:</b>	328-3856	<b>Date Prepared:</b>	01/04/2001



Date: 01-24-01

Roll Call Vote #: 1

HB 1127

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. Click here to type Bill/Resolution No.

House Industry, Business and Labor Committee

- Subcommittee on \_\_\_\_\_
- or
- Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Rep Klein Seconded By Rep Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	/		Rep. Jim Kasper	/	
Vice-Chairman George Keiser			Rep. Matthew M. Klein	/	
Rep. Mary Ekstorm	/		Rep. Myron Koppang	/	
Rep. Rod Froelich	/		Rep. Doug Lemieux	/	
Rep. Glen Froseth	/		Rep. Bill Pietsch	/	
Rep. Roxanne Jensen	/		Rep. Dan Ruby	/	
Rep. Nancy Johnson	/		Rep. Dale C. Severson		
			Rep. Elwood Thorpe	/	

Total (Yes) 13 No 0

Absent 3

Floor Assignment Rep K Klein

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

**REPORT OF STANDING COMMITTEE (410)**  
January 25, 2001 8:04 a.m.

Module No: HR-13-1562  
Carrier: M. Klein  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1127: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1127 was placed on the Eleventh order on the calendar.**

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1127

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1127

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 14, 2001

Tape Number	Side A	Side B	Meter #
1	x		0 to 9.4
Committee Clerk Signature <i>Doree Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1127 relating to elimination of the expiration date of laws relating to workers' compensation coverage for inmates engaged in work programs through roughrider industries.

**Rep George Kelsner**, District 47. Sponsor.: This program works well, prisoners go to work and part of the money they make comes back to the state as room and board payments. With a sunset clause it is hard to negotiate and continue contracts. Urge do pass.

**Ken Sorenson**, Assistant Attorney General. Written testimony attached.

Senator Klein: We have to maintain this program so the federal program kicks in?

K Sorenson: Yes.

**Julie Leer**, General Counsel for ND Workers' Compensation Bureau, in favor. Written testimony attached.

**Dennis Fracassi**, Director, Rough Rider Industries, in favor. Written testimony attached.

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1127

Hearing Date February 14, 2001.

**Senator Mathern:** Why did it take from 1979 to 1997 to enact this?

**K Sorenson:** Loss of sovereign immunity.

No opposing testimony. Hearing closed. Discussion held.

**Senator Every:** Motion do pass. **Senator Tollefson:** Second. Roll call vote: 7 yes; 0 no. Floor assignment: **Senator Every.**

Date: 2/14/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1127

Senate Industry, Business and Labor Committee

- Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Sen Every Seconded By Sen Tollefson

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Every

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

**REPORT OF STANDING COMMITTEE (410)**  
February 14, 2001 10:49 a.m.

**Module No: SR-27-3294**  
**Carrier: Every**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1127: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1127 was placed on the Fourteenth order on the calendar.**

2001 TESTIMONY

HB 1127



