

MAINE STATE LEGISLATURE

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Minority

L.D. 35

DATE: 4/16/03

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LABOR

Reported by: Minority

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 21, L.D. 35, Bill, "An Act To Increase the Assessment on Workers' Compensation Insurance To Fund the Workers' Compensation Board Administrative Fund"

Amend the bill in section 1 in subsection 6 in the 7th to 9th lines (page 1, lines 12 to 14 in L.D.) by striking out the following: "more than \$8,350,000 beginning in the 2003-04 fiscal year or more than \$8,525,000 beginning in the 2004-05 fiscal year" and inserting in its place the following: 'or more than \$7,546,000 beginning in the 2003-04 fiscal year'

Further amend the bill in section 1 in subsection 6 in the 13th to 15th lines (page 1, lines 18 to 20 in L.D.) by striking out the following: "\$8,350,000 beginning in the 2003-04 fiscal year or \$8,525,000 beginning in the 2004-05 fiscal year" and inserting in its place the following: 'or more than \$7,546,000 beginning in the 2003-04 fiscal year'

Further amend the bill by inserting after section 1 and before the summary the following:

'Sec. 2. Review. A commission is established to review the budget process of the Workers' Compensation Board.

1. Members. The commission consists of 2 members of the Joint Standing Committee on Labor, one representing each of the 2 political parties in the Legislature with the greatest number of members, appointed by the chairs of the Joint Standing Committee on Labor, and 2 members of the Workers' Compensation Board, one representing and appointed by the labor members of the board and one representing and appointed by the management members of the board.

COMMITTEE AMENDMENT

2 **2. Chairs.** The members from the Joint Standing Committee
on Labor are the chairs of the commission.

4
6 **3. Appointments; convening of commission.** All appointments
must be made no later than 30 days following the effective date
of this Act. The appointing authorities shall notify the
8 Executive Director of the Legislative Council once all
appointments have been completed. Within 15 days after
10 appointment of all members, the chairs shall call and convene the
first meeting of the commission.

12
14 **4. Duties.** The commission shall review the process used by
the Workers' Compensation Board to establish, approve and monitor
its budget and determine whether improvements are needed. The
16 commission shall determine whether recommendations regarding the
budget process contained in the 1997 Coopers and Lybrand report
and the 2001 Berry, Dunn, McNeil and Parker report have been
18 implemented and, if not, whether and how they should be
20 implemented.

22 **5. Report.** The commission shall report its findings and
recommendations, along with any recommended legislation, to the
24 Joint Standing Committee on Labor not later than December 3,
2003. The Joint Standing Committee on Labor is authorized to
26 submit legislation to the Second Regular Session of the 121st
Legislature in response to the report.

28
30 **6. Expenses and per diem.** Commission members who are
Legislators are entitled to receive legislative per diem, as
defined in the Maine Revised Statutes, Title 3, section 2, and
32 reimbursement for travel and other necessary expenses related to
their attendance at meetings of the commission. Commission
34 members who are members of the Workers' Compensation Board are
entitled to per diem and expenses as provided in Title 39-A,
36 section 151, subsection 6. The Workers' Compensation Board shall
transfer sufficient funds from its reserve fund to the
38 Legislature to cover the costs of legislative per diem and
expenses for commission meetings.

40
42 **7. Staff.** The Workers' Compensation Board shall provide
staffing to the commission. Upon approval by the Legislative
Council, the Office of Policy and Legal Analysis and the Office
44 of Fiscal and Program Review shall also provide staff assistance
to the commission.

46
48 **8. Extension.** If the commission requires a limited
extension of time to complete its study and make its report, it
may apply to the Legislative Council, which may grant an
50 extension.

2 **9. Commission budget.** The chairs of the commission, with
 4 assistance from the commission staff, shall administer the
 6 commission's budget. Within 10 days after its first meeting, the
 8 commission shall present a work plan and proposed budget to the
 10 Legislative Council for its approval. The commission may not
 12 incur expenses that would result in the commission's exceeding
 its approved budget. Upon request from the commission, the
 Executive Director of the Legislative Council shall promptly
 provide the commission chairs and staff with a status report on
 the commission budget, expenditures incurred and paid and
 available funds.

14 **Sec. 3. Appropriations and Allocations.** The following
 16 appropriations and allocations are made.

18 **WORKERS' COMPENSATION BOARD**

20 **Administration - Workers' Compensation Board 0183**

22 Initiative: Allocates funds to reflect an increase in the
 assessment cap.

24	Other Special Revenue Funds	2003-04	2004-05
26	All Other	\$686,000	\$686,000
28	Other Special Revenue Funds Total	<u>\$686,000</u>	<u>\$686,000</u>

30 **WORKERS' COMPENSATION BOARD**

32	DEPARTMENT TOTALS	2003-04	2004-05
34	OTHER SPECIAL REVENUE FUNDS	\$686,000	\$686,000
	DEPARTMENT TOTAL - ALL FUNDS	<u>\$686,000</u>	<u>\$686,000</u>

36 **LEGISLATURE**

38 **Commission to Review the Budget**
 40 **Process of the Workers' Compensation Board**

42 Initiative: Allocates funds to reflect the reimbursement to be
 44 received from the Workers' Compensation Board reserve fund to
 cover the costs of legislative per diem and expenses.

46	Other Special Revenue Funds	2003-04	2004-05
48	Personal Services	\$440	\$0
	All Other	\$415	\$0
50	Other Special Revenue Funds Total	<u>\$855</u>	<u>\$0</u>

2	LEGISLATURE		
	DEPARTMENT TOTALS	2003-04	2004-05
4			
	OTHER SPECIAL REVENUE FUNDS	\$855	\$0
6			
	DEPARTMENT TOTAL - ALL FUNDS	\$855	\$0
8			
10	SECTION TOTALS	2003-04	2004-05
12			
	OTHER SPECIAL REVENUE FUNDS	\$686,855	\$686,000
14			
	SECTION TOTAL - ALL FUNDS	\$686,855	\$686,000'

SUMMARY

18
 20 This amendment is the minority report of the Joint Standing
 22 Committee on Labor. It changes the assessment limit provided for
 in the bill to \$7,546,000 beginning in fiscal year 2003-04. The
 24 bill called for a limit of \$8,350,000 in fiscal year 2003-04 and
 \$8,525,000 in fiscal year 2004-05.

26 The amendment also creates a 4-member commission to review
 the Workers' Compensation Board's process for establishing,
 approving and monitoring its budget, with 2 Legislators and 2
 28 members of the Workers' Compensation Board. The commission will
 report its findings and recommendations to the Joint Standing
 30 Committee on Labor by December 3, 2003.

32
 34 **FISCAL NOTE REQUIRED**
 (See attached)

**121st Maine Legislature
Office of Fiscal and Program Review**

**LD 35**

**An Act to Increase the Assessment on Workers' Compensation Insurance
To Fund the Workers' Compensation Board Administrative Fund**

LR 0283(03)

Fiscal Note for Bill as Amended by Committee Amendment " "

Fiscal Note Required: Yes

Minority Report

Fiscal Note

Undetermined current biennium cost increase - All Funds

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Appropriations/Allocations				
Other Special Revenue Funds	\$686,855	\$686,000	\$686,000	\$686,000
Revenue				
Other Special Revenue Funds	\$686,000	\$686,000	\$686,000	\$686,000

Fiscal Detail and Notes

This bill as amended includes Other Special Revenue Funds allocations of \$686,000 and \$686,000 in fiscal years 2003 04 and 2004-05, respectively, to increase the authorized level of spending of the Workers' Compensation Board as a result of increasing the assessment cap. Increasing the workers' compensation assessment will increase the cost to all State agencies for the workers' compensation portion of personal services expense. The fiscal impact on the State's self-insured program can not be determined at this time and will depend on the actual amount assessed.

An allocation of \$855 is included in fiscal year 2003-04 for the additional costs of the legislative per diem and expenses for the two legislators who will serve on the Commission to Review the Budget Process of the Workers' Compensation Board. The total cost to the Workers' Compensation Board for the per diem and expenses of all the Commission members can not be determined at this time. It is expected that there will be sufficient funds available in the reserve fund to cover these costs. The additional costs associated with providing staffing assistance to the commission during the interim between legislative sessions can be absorbed by the Legislature utilizing existing budgeted resources.