



STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY
444 LAFAYETTE ROAD
SAINT PAUL 55101

IN REPLY REFER TO

November 21, 1980

PHONE 296-2342

The Honorable Albert H. Quie
Governor
State of Minnesota
130 State Capitol Building
St. Paul, Minnesota 55155

Dear Governor Quie:

I am pleased to submit to you on behalf of (the Advisory Council on Workers' Compensation) this report of council studies and activities during the last biennium. The report is required under Minnesota Statutes 175.007. Similar reports are being made to Edward A. Burdick, Chief Clerk, House of Representatives, and Patrick E. Flahaven, Secretary of the Senate.

*Report to the
activities of*

A specific charge to the council is to study and make recommendations to the Governor and legislative bodies on the costs, methods of financing and formula used to provide supplementary workers' compensation to eligible individuals. In this report period, the council has been kept informed of the operations of the Workers' Compensation Division with regard to payments of supplementary benefits and reimbursement of insurers and self-insured employers, as appropriate. At this time it does not make recommendations for change in the benefit provisions dealing with supplementary compensation as those have recently been addressed by legislation.

The council is, however, making strong recommendations for legislative action on the methods of financing the special compensation fund from which supplementary benefits are paid. These recommendations are in line with 1979 and 1980 reports of the Legislative Auditor who has found that the current provisions of law regarding assessments on employers/insurers to maintain the fund are too inflexible to provide adequate revenue to finance special compensation fund expenditures, including the payment of supplementary benefits. The council urges strong gubernatorial and legislative support for amendments which will settle this problem. A bill carrying the specifics for change in the assessment mechanism is now being prepared by the Revisor of Statutes.

Another statutory charge to the advisory council is to consider alteration to the schedule of benefits to the permanent partially disabled individuals. The council has discussed these benefit schedules but does not find need at this time to recommend changes.

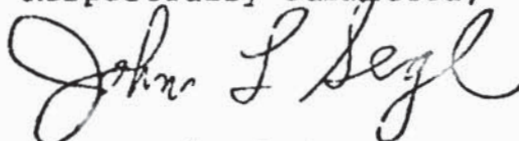
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During the last two years the advisory council has held 18 meetings with a majority of members attending each session. During the course of these meetings we have received extensive reports by staff members of the workers' compensation division on procedures and performances of the agency in handling the compensation program. As a result of the extensive discussions carried on, the council is recommending a number of pieces of legislation for serious consideration. An attachment carries a very brief description of each of the legislative proposals being advanced. We urge serious consideration of each, feeling that if the changes recommended are implemented, there will be substantial general improvement of the overall administration of the workers' compensation law.

A second attachment contains the roster of members of the Advisory Council which holds regular meetings on the first Thursday of each month at the offices of the Workers' Compensation Division, 5th Floor, Space Center Building, 444 Lafayette Road, St. Paul, Minnesota.

Respectfully submitted,



John Segl, Chairman
Workers' Compensation Advisory Council

Also mailed to:

Edward A. Burdick
Chief Clerk
Minnesota House of Representatives
211 Capitol Building
St. Paul, MN 55155

Patrick E. Flahaven
Secretary of the Senate
State of Minnesota
231 Capitol Building
St. Paul, MN 55155