



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

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GOVERNOR

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January 14, 2015

Michigan State Senate
State Capitol
Lansing, MI 48909-7536

Ladies and Gentlemen:

Senate Bill No. 211 seeks to amend section 405 of the Worker's Disability Compensation Act (Act) to allow firefighters who meet certain conditions to enjoy a presumption against the First Responders Presumed Coverage Reimbursement Fund (First Responders Fund) that cancers of the respiratory tract, bladder, skin, brain, kidney, blood, thyroid, testicular, prostate, and lymphatic system are work-related injuries.

The First Responders Fund created by the bill will be maintained and invested by the Department of Treasury. The Director of the Workers' Compensation Agency is responsible for the payment of claims and the administration of the First Responders Fund. The bill authorizes the State Treasurer to deposit money and other assets into the fund.

The presumption that a cancer is work-related can be rebutted through "scientific evidence" that the firefighter was a "substantial and consistent user of cigarettes or other tobacco products within the 10 years immediately preceding the date of injury, and that this use was a significant factor in the cause, aggravation, or progression of the cancer."

We all value the important work our firefighters do each and every day. Firefighters who suffer workplace injuries, including cancer, are entitled to all of the benefits offered by our workers compensation system. Given the dangerous work our firefighters do I think a workplace cancer presumption is reasonable, and that the method for paying benefits in this bill is workable.

I am concerned, however, that the bill is incomplete. The legislature did not identify a mechanism to finance the program. As a result this bill creates a system where an important benefit would be available first-come-first-serve, and only when funds are available. The appearance of workplace cancers doesn't respect fiscal years or appropriations cycles. The presumption should apply to all qualifying full-time firefighters, not just those whose cancers appear first and when funding is available. Our first responders deserve better.

That is why I am requesting that the legislature take up the identification of a stable, long-term funding source for the First Responders Fund in the current legislative session, preferably in 2015. Since the benefits will be expended through the Workers' Compensation Agency, it makes sense that the legislature work with the agency to develop a funding process within the Workers Compensation Program. An example of a design that could be used is the Silicosis, Dust Disease and Logging Industry Compensation Funds established under MCL 418.501(2).

The Dust Fund is funded through assessments on all workers' compensation carriers. The assessment rate is 175% of the prior year disbursements less net assets in excess of \$200,000. Self-insured employers, both public and private, are assessed against paid indemnity and insurance companies are assessed against their premium as reported by the Compensation Advisory Organization of Michigan (CAOM). The Dust Fund reimburses all wage loss benefits to carriers that are in excess of \$25,000 or 104 weeks of benefits, whichever is greater.

If additional funding is required, the legislature could look to dedicate a portion of the funding stream from the sale of fireworks found at Section 11 of the Michigan Fireworks Safety Act, being Act 256 of 2011.

With a deep respect for our state's firefighters, gratitude to the legislature for addressing this important issue and for the work I know the legislature will do on identifying funding, I sign this bill.

Respectfully,



Rick Snyder
Governor

cc: Michigan House of Representatives
The Honorable Ruth Johnson, Secretary of State