

# HOUSE BILL REPORT

## HB 1470

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### As Reported by House Committee On: Labor & Workforce Development

**Title:** An act relating to recommendations of the vocational rehabilitation subcommittee for workers' compensation.

**Brief Description:** Addressing the recommendations of the vocational rehabilitation subcommittee for workers' compensation.

**Sponsors:** Representatives Ormsby, Manweller, Sells, Reykdal, Fagan, Green, Van De Wege and Condotta; by request of Department of Labor & Industries.

#### **Brief History:**

##### **Committee Activity:**

Labor & Workforce Development: 2/6/13 [DP].

#### **Brief Summary of Bill**

- Extends the vocational rehabilitation pilot program an additional three years, until June 20, 2016.

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### HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass. Signed by 9 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller, Ormsby and Short.

**Staff:** Trudes Tango (786-7384).

#### **Background:**

One of the primary purposes of the Industrial Insurance Act is to enable injured workers to become employable at gainful employment. The Department of Labor and Industries (Department) pays, or directs self-insurers to pay, the costs of vocational rehabilitation services when these services are necessary and likely to enable the injured worker to become employable at gainful employment.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

In 2007 the Legislature enacted Engrossed Substitute Senate Bill 5920, which created a vocational rehabilitation pilot program for vocational rehabilitation plans approved between January 1, 2008 and June 30, 2013. The pilot program is scheduled to end June 30, 2013. Some of the significant provisions of the pilot program include:

- A vocational rehabilitation plan must be developed and submitted to the Department within 90 days of the day the worker is notified of his or her eligibility for vocational services.
- The benefits for training and other costs, such as books, tuition, and tools, were increased from \$4,000 to \$12,000. This amount is adjusted based on changes in tuition at the state community colleges.
- The vocational rehabilitation plan may last up to two years.
- Eligible workers have two options once a vocational rehabilitation plan is developed: (Option 1) the worker may participate in the plan; or (Option 2) the worker may decline to participate and receive an award equal to six months of time-loss benefits. Under the Option 2 choice, the claim is closed and the worker has access, for a limited time and under certain conditions, to vocational benefits to pursue self-directed vocational training.
- The employer may make a return-to-work offer to the injured worker within 15 days of the worker commencing development of the vocational plan. The employer may have more than 15 days under certain circumstances. The offer must be for bona fide employment, consistent with the worker's physical and mental restrictions. When a valid offer is made, the worker's plan development and temporary total disability compensation is terminated effective the starting date for the job, without regard to whether the worker accepts the offer.
- The Department must place vocational professionals at pilot WorkSource locations.
- A vocational rehabilitation subcommittee is created to provide recommendations to the Department and the Legislature.
- An independent evaluation of the pilot program must be done. The University of Washington was chosen as the independent evaluator and issued its report in December 2012.
- The Department, in collaboration with the subcommittee, must submit an annual report to the Legislature, which must include the number of workers who have participated in more than one vocational training plan, beginning with plans approved under the pilot program, and in which industries those workers were employed.

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### **Summary of Bill:**

The vocational rehabilitation pilot program is extended through June 30, 2016. The provision requiring the independent review of the program, due in December 2012, is removed.

The Department must submit to the Legislature a final report in December 2015. The requirement that the annual report include the number of workers who have participated in more than one vocational training plan, beginning with plans approved in 2008, is removed.

The sections establishing the program expire June 30, 2016.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) When the original bill passed in 2007, the Legislature's goals were to increase accountability and efficiencies. Since 2007, there have been improvements in those areas. There has been a decrease in the number of workers who have to go through the vocational training process. However, what is not yet known is whether there has been a positive outcome on employment. After the bill passed, the economy took a turn and we experienced the great recession. The next step is to extend this program longer to see if the original bill is doing what it was intended to do. The subcommittee was involved early on in this bill and continues to advise the Department. There is no dissent among the members of the subcommittee. Business members support the bill. There has been a lot of unity and collaboration between business and labor regarding this program. If the program were allowed to sunset, the vocational training amounts would revert back to \$4,000, which is inadequate. The program has helped speed the development of vocational plans and that has saved money.

(Opposed) None.

**Persons Testifying:** Joel Sacks and Vickie Kennedy, Department of Labor and Industries; and Lori Daigle, Sellen Construction, Washington Self-Insurers Association, and Association of Washington Business.

**Persons Signed In To Testify But Not Testifying:** None.