

HOUSE BILL REPORT

EHB 2232

As Passed House:

March 15, 1999

Title: An act relating to occupational safety and health impact grants.

Brief Description: Addressing occupational safety and health impact grants.

Sponsors: Representatives Conway and Clements.

Brief History:

Committee Activity:

Commerce & Labor: 3/1/99 [DP].

Floor Activity:

Passed House: 3/15/99, 97-0.

Brief Summary of Bill

- Creates a program to award grants for workplace safety education and training, developing technical solutions to worker injury problems, the application of hazard controls, and innovative programs to address workplace safety priorities.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk; McIntire and McMorris.

Staff: Douglas Ruth (786-7134).

Background:

The Medical Aid Fund is one of the five funds that pays for workers' compensation benefits. It pays benefits to providers of medical and vocational services to injured workers. The fund earns income from premiums paid by both the employer and employee as well as investment earnings. The fund contains both appropriated and non-appropriated moneys.

As a result of excellent returns on stock market investments during fiscal year 1998 and lower than expected claims costs, both the medical aid fund and the accident fund, another workers' compensation fund, have accumulated large reserves. In January, 1999, employers received \$200 million in dividends out of the accident fund's reserves.

Summary of Bill:

A program is established in the Department of Labor and Industries to provide safety and health grants until July, 2005. The purpose of the grants is to prevent injuries and illnesses, protect lives, and provide workplace safety education to employers and employees. The grant program will be funded by appropriations from the reserves of the medical aid fund.

Applicants for grants may be trade associations, business associations, employers, employees, employee organizations, and labor unions. Applicants may join with educational institutions, organizations, or self-insured employers. There are four categories of grants: education and training, technical innovation, application of hazard controls, and innovative statewide programs to address safety and health priorities established by the Washington Industrial Safety and Health Act (WISHA) Advisory Committee. Grants may not be used for lobbying.

The nine member Safety and Health Impact Grant Committee is created to prepare requests for proposals, develop application procedures and approval criteria, and review and process grant applications. The membership is appointed by the director and includes four employee representatives, four employer representatives, and one non-voting department representative.

The grant review committee, by a two-thirds vote, recommends applicants to the director of the department. The director approves recommended grant applications unless the director has a compelling and substantive reason to reject an application. If the director does not follow a grant review committee recommendation, the director must provide a written explanation to the committee. The committee may refer a rejected application to the WISHA Advisory Committee which may advise the director to reconsider. The director may reject the application a second time only for compelling and substantive reasons.

The director may suspend or revoke a grant because the recipient is not complying with grant criteria or procedures if the grant review committee, by a two-thirds vote, recommends such action.

The grant review committee must annually report to the WISHA Advisory Committee and the Workers' Compensation Advisory Committee concerning the grant program.

The Workers' Compensation Advisory Committee will make a biennial program budget recommendation to the director. The director and the WISHA Advisory Committee will review and report on the program to the Legislature by December 31, 2004.

Material developed using grant money is public record and must be provided to the department at no charge.

All applications for grants are reviewed by the grant review committee. By a two-thirds vote, the committee may recommend an application to the director of the department. The director must approve a recommended application unless he or she has a compelling and substantive reason not to follow the recommendation. If the director rejects an application, the director must provide a written explanation to the grant review committee who may advise the director to reconsider. The director may reject the application a second time for compelling and substantive reasons. Upon a second rejection, the grant review committee may refer the application to the WISHA advisory committee who may also advise the director to reconsider.

The director may suspend or revoke a grant because the recipient is not complying with grant criteria or procedures if either the grant review committee recommends such action by a two-thirds vote, or the director has compelling and substantive reasons. If the director acts without a recommendation of the grant review committee, he or she must first allow the committee to consider the suspension.

The department and the grant review committee must annually report to the Legislature and the WISHA and workers' compensation advisory committees concerning the grant program. The Workers' Compensation Advisory Committee will make a biennial program budget recommendation to the director based on a recommendation by the WISHA Advisory Committee. The director and the WISHA Advisory Committee will review and report on the program to the Legislature by December 31, 2004.

Material developed using grant money is public record and must be provided to the department at no charge. Information contained in applications may not be used for inspections or as a basis for citations.

The bill is null and void if not funded in the enacted budget.

Appropriation: None.

Fiscal Note: Requested February 23, 1999.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The program was developed by both business and labor representatives of the WISHA and Workers' Compensation Advisory Committees. This bill represents efforts by both the business and labor communities to serve contractors and workers by increasing workplace safety. The idea of having a cooperative, business-labor supported program for promoting practical approaches to increasing workplace safety that is administered by the department is a good one. Since employee premiums make up half of the income of The Medical Aid Fund, it is appropriate that employees receive the benefit of the large reserve. The department cannot practically provide a dividend to employees, as they did with the reserve of the accident fund, so increasing workplace safety is the best way to allow them to benefit from the investment windfall. The program is structured so that the business and labor community will need to cooperate to increase worker safety. It is also structured to provide grants to priority needs. The WISHA sets those priorities and then grants may be given to applicants who have programs addressing them.

(Concerns) The concept behind the bill is a good one, however, the process the bill creates needs some perfection.

Testimony Against: None.

Testified: Michael Silverstein, Department of Labor and Industries; Robert Dilger, Washington State Building Trades Council; and Randy Loomans, Washington State Labor Council.

(Concerns) Amber Balch, Association of Washington Business; and Rick Slunaker, Associated General Contractors of Washington.