

SENATE BILL REPORT

SB 5468

As Reported by Senate Committee On:
Commerce & Labor, February 16, 2015

Title: An act relating to authorizing the use of nonappropriated funds on certain administrative costs and expenses of the stay-at-work and self-insured employer programs.

Brief Description: Authorizing the use of nonappropriated funds on certain administrative costs and expenses of the stay-at-work and self-insured employer programs.

Sponsors: Senators King, Keiser, Kohl-Welles and Conway; by request of Department of Labor & Industries.

Brief History:

Committee Activity: Commerce & Labor: 2/11/15, 2/16/15 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

Staff: Mac Nicholson (786-7445)

Background: Under the state's industrial insurance laws, employers must insure through the State Fund administered by the Department of Labor and Industries (L&I) or, if qualified, may self-insure. Self-insurance is a program in which the employer provides any and all appropriate benefits to the injured worker and manages the claims of its employees. Self-insured employers pay an assessment to fund administrative expenses of L&I.

The Stay-at-Work program was created through legislation in 2011. Under the Stay-at-Work program, an employer insured through the State Fund may receive a wage subsidy and other reimbursements under certain circumstances for employing an injured worker at light duty or transitional work. The Stay-at-Work program is funded through an assessment on employers, which is earmarked to pay benefits and administrative expenses of the program. An appropriation is not needed to pay Stay-at-Work benefits, however an appropriation is needed for administrative costs.

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.

The Workers' Compensation Advisory Committee (WCAC) is a ten-member committee tasked with studying aspects of the workers' compensation system. Workers and employers are represented on WCAC.

Summary of Bill: An appropriation is not required for administrative expenses to assist employers with developing a Stay-at-Work program and other related services that respond to employer or employee needs. L&I must seek the advice of WCAC prior to using the funds.

A Stay-at-Work Advisory Committee (SWAC) is created, with six members, three representing employers, and three representing labor. Members serve without compensation, but are entitled to travel expenses, which must be paid by L&I. SWAC must review L&I proposals to spend non-appropriated Stay-at-Work program funds for administrative expenses and make recommendations to WCAC for their consideration.

An appropriation is not required for administrative costs for one-time projects requested by self-insured employers that support the self-insured employer program. L&I must seek support from self-insured employers prior to accessing the funds.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill allows L&I to be more responsive to customer requests.

Persons Testifying: PRO: Christine Brewer, WA Self Insurers Assn.; Tammy Fellin, L&I.