

# HOUSE BILL ANALYSIS

## HB 2232

**Brief Description:** Addressing occupational safety and health impact grants.

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**Sponsors:** Representatives Conway and Clements

**Hearing:** March 1, 1999

### 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.

### BACKGROUND:

Workers' compensation benefits are paid from five different funds. These are the accident fund, the second injury fund, the pension reserve fund, the supplemental pension fund, and the medical aid fund.

The medical aid fund pays for 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 have 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, 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, insure grant monitoring, review and process grant applications, recommend applications to the director, and recommend suspension or revocation of grants. 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 if the grant review committee, by a two-thirds vote, recommends such action because the recipient is not complying with grant criteria or procedures.

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.

**RULES AUTHORITY:** The bill does not contain provisions addressing the rule making powers of an agency.

**FISCAL NOTE:** Requested February 23, 1999.

**EFFECTIVE DATE:** Ninety days after adjournment of a session in which bill is passed.