

SENATE BILL REPORT

SB 6579

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, January 29, 2002
Ways & Means, February 12, 2002

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

Brief Description: Establishing occupational safety and health impact grants.

Sponsors: Senators Prentice, Winsley and Keiser; by request of Department of Labor & Industries.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/24/02, 1/29/02 [DP].
Ways & Means: 2/6/02, 2/12/02 [DPS, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Fairley, Franklin, Gardner, Rasmussen, Regala and Winsley.

Staff: Matthew Adams (786-7784)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6579 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fairley, Vice Chair; Fraser, Kline, Poulsen, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau and Winsley.

Minority Report: Do not pass.

Signed by Senators Hewitt, Honeyford, Parlette, Rossi and Zarelli.

Staff: Brian Sims (786-7431)

Background: In 1999, the Legislature enacted a bill that authorized the Department of Labor and Industries to establish an occupational safety and health impact grants program. The bill became null and void, however, when the biennial budget did not provide specific funding for the grants program.

Believing it operated under existing statutory authority, the Department of Labor and Industries implemented an occupational safety and health impact grants program for fiscal year 2000. In the 2001 session, the Legislature rejected the Governor's budget request for \$10 million to continue the grants program during the 2001-2003 biennium.

The State Industrial Insurance Fund includes the Medical Aid Account, which is financed by employees and employers. The Medical Aid Account is projected to have sufficient funds in excess of actuarial needs through fiscal year 2003.

Summary of Substitute Bill: A program is established in the Department of Labor and Industries to provide occupational safety and health impact grants until July 1, 2008. The grants program is funded from Medical Aid Account reserves that exceed actuarial needs.

Grant recipients receive awards to prevent injuries and illnesses, save lives, and educate Washington employees and employers about workplace hazards and safe workplace practices. A goal is established to award 20 percent or more of available grant funds to small businesses. Educational institutions and self-insured employers may not receive grants unless they join with an eligible employer or employee group.

To qualify for a grant, an applicant must show that the work can be completed during the current application period. During the biennium ending June 30, 2003, grant awards are limited to \$250,000 per fiscal year. Grant recipients may not apply the award to ongoing business operations and no more than 10 percent of funds may be applied to administrative expenses.

The Department of Labor and Industries is prohibited from using grant applications or results for enforcement, regulatory, or legislative purposes.

The Director of the Department of Labor and Industries, in cooperation with the nine-member Safety and Health Impact Grant Review Committee, develops and implements the occupational health and safety impact grants program. The director appoints four employee representatives, four employer representatives, and one nonvoting department representative to serve three-year terms. The committee members' duties include preparing requests for proposals, developing application procedures and approval criteria, and reviewing and processing grant applications.

The Department of Labor and Industries and the Health Impact Grant Review Committee must annually report to the Legislature and the Washington Industrial Safety and Health Act (WISHA) and Workers' Compensation Advisory Committees concerning the occupational health and safety impact grants program. The director and the WISHA advisory committee must perform a comprehensive review of reported outcomes, injury reduction, and safety awareness. A report for the Legislature must be issued by December 31, 2007.

The occupational health and safety impact grants program expires on July 1, 2008.

Substitute Bill Compared to Original Bill: The substitute bill does not include an appropriation of \$5 million.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Health and safety grants help to lower work-related injuries and fatalities. As a result of education and training, the state and businesses will spend less money in the long term.

Testimony Against: The grant program will not satisfy the goals of the proposed legislation. Better alternatives exist for occupational health and safety funding, including reducing state industrial insurance premiums.

Testified: PRO: Mark Loomans, WSLC; Sharon Ness, UFCW; Rick Slunaker, AGC; Michael Silverstein, Steve Cant, L&I; CON: Tom Kwieciak, BIAW; Amber Balch, AWB; Gary Smith, IBA; Mark Johnson, NFIB.