

# SENATE BILL REPORT

## SB 5430

---

---

As Reported By Senate Committee On:  
Human Services & Corrections, February 21, 2005

**Title:** An act relating to transfers from the accident fund to the public safety and education account for purposes of the crime victims' compensation program.

**Brief Description:** Providing funds for the crime victims' compensation program.

**Sponsors:** Senators Hargrove and Rasmussen.

**Brief History:**

**Committee Activity:** Human Services & Corrections: 2/15/05, 2/21/05 [DP-WM, DNP].

---

### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** Do pass and be referred to Committee on Ways & Means.  
Signed by Senators Hargrove, Chair; Regala, Vice Chair; McAuliffe and Thibaudeau.

**Minority Report:** Do not pass.  
Signed by Senators Brandland and Carrell.

**Staff:** Jennifer Strus (786-7316)

**Background:** Washington's workers' compensation system is divided into three funds. The Accident Fund is the largest and pays partial wage (time-loss) benefits when a worker is injured on the job and cannot work. The Medical Aid Fund pays for the treatment of job-related injuries and illnesses, and for vocational rehabilitation. The Supplemental Pension Fund is the source of cost-of-living increases for workers receiving long-term disability payments.

The Accident Fund is funded through industrial insurance premiums paid by employers. The premium rates are based upon the types of jobs in which employees are employed. The Medical Aid fund is funded equally through payments made by both employees and employers. Both of these funds are required by statute to be actuarially sound. The Supplemental Pension Fund is funded through assessments by both employers, including self-insurers, and employees.

**Summary of Bill:** During the 2005-2007 biennium, the state treasurer is to transfer a total of \$8 million from the accident fund to the public safety and education account (PSEA) for purposes of the crime victims' compensation program.

**Appropriation:** \$ 4 million on July 1, 2005 from accident fund to PSEA.  
\$ 4 million on July 1, 2006 from accident fund to PSEA.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The crime victims' fund is a payer of last resort and is critical to keeping health care providers available to assist crime victims. Providence Health Systems provides forensic exams on crime victims. Without the crime victims' funding which has paid for these costs in many cases, Providence is concerned they will lose many of their skilled forensic health professionals. Without these professionals, the state may lose the ability to collect forensic evidence, particularly in sexual assault cases. Without this funding, costs then shift to the hospital or other programs to pay for various services to victims.

**Testimony Against:** The use of workers' compensation funds for anything other than workers' compensation programs is very controversial. It is tempting to look at the size of the fund and think there is a lot of money in it but the money is all spoken for. L&I is responsible to hold the money in trust for injured workers and this is the linchpin of the system and what employers expected when they transferred their risk to L&I. This bill asks for one segment of the employer community to pay for an entire social tax. Diversion of workers' compensation funds on a one-time basis is not possible - once it happens it will be ongoing.

**Who Testified:** PRO: Lonnie Johns-Brown, Washington Coalition of Sexual Assault Programs; Jo Isgrigg, Providence Health Systems; Grace Call, Office of Crime Victims' Advocacy; Joan Guenther, Washington Coalition of Crime Victim Advocates.

CON: Robert Malooly, Department of Labor & Industries; Amber Carter, Association of Washington Business.