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## Appropriations Committee

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### HB 1395

**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:** Representatives Springer, Chandler and Sells; by request of Department of Labor & Industries.

#### Brief Summary of Bill

- Allows the Department of Labor and Industries (Department) to make administrative expenditures related to the self-insured employer and Stay at Work programs without an appropriation.
- Requires the Director of the Department to appoint a Stay at Work advisory committee to make recommendations on Department proposals to spend non-appropriated funds.

**Hearing Date:** 2/4/15

**Staff:** Derek Rutter (786-7157).

#### **Background:**

##### Self-insured Employers.

Under the state's industrial insurance laws, employers must insure through the state workers' compensation system administered by the Department of Labor and Industries (Department) or, if qualified, they may self-insure. Self-insured employers pay for benefits out of their own funds and manage most aspects of the claims of their employees. Self-insured employers also pay certain assessments to the Department. To qualify as a self-insurer, an employer must demonstrate sufficient financial ability to make prompt payment of all benefits and assessments that may become due.

##### Stay at Work Program.

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*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 Stay at Work Program (Program) was created through legislation in 2011. Under the Program, an employer insured through the state may receive a wage subsidy and other reimbursements under certain circumstances for employing an injured worker at light duty or transitional work. State workers' compensation moneys are used to administer the program, but the Department internally tracks Stay at Work Program expenditures separately from those for other state workers' compensation programs.

Workers' Compensation Advisory Committee.

The Workers' Compensation Advisory Committee (WCAC) is a 10-member committee tasked with studying aspects of the workers' compensation system. Workers and employers are represented on the WCAC.

**Summary of Bill:**

Administrative expenditures for one-time projects requested by self-insured employers and supporting the self-insured employer program are subject to allotment procedures but do not require an appropriation. The Department must use self-insured employer administrative assessments to cover these costs and seek support from self-insured employers before accessing these funds.

Administrative expenditures supporting employers in developing Stay at Work-related programs are subject to allotment procedures but no longer require an appropriation. The Department must use Stay at Work Program premiums to cover these costs and seek the advice of the WCAC before accessing these funds.

The Director of the Department must also appoint a six-member Stay-at-Work advisory committee (committee), representing workers and employers, to review Department proposals to spend non-appropriated Stay at Work premiums. The committee must make recommendations on these proposals to the WCAC for their consideration.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.