

HOUSE BILL REPORT

HB 2416

As Reported by House Committee On:
Public Safety

Title: An act relating to correctional industries' insurance costs.

Brief Description: Concerning correctional industries' insurance costs.

Sponsors: Representatives Pike, Manweller, Klippert, Vick, Wilson and Buys.

Brief History:

Committee Activity:

Public Safety: 1/27/16, 2/3/16 [DPS].

Brief Summary of Substitute Bill

- Requires the Department of Corrections to directly pay workers' compensation insurance premiums for inmates participating in class IV and class V correctional industries instead of reimbursing local government agencies and nonprofit agencies for such costs.
- Requires that any workers' compensation premiums or assessments due for any adult or juvenile offender under the state's custody must be paid for by the state agency that has custody of that offender.

HOUSE COMMITTEE ON PUBLIC SAFETY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Goodman, Chair; Orwall, Vice Chair; Klippert, Ranking Minority Member; Hayes, Assistant Ranking Minority Member; Appleton, Griffey, Moscoso, Pettigrew and Wilson.

Staff: Yvonne Walker (786-7841).

Background:

The Department of Corrections (DOC) provides inmate work programs through the Correctional Industries Board (Board). The Board develops and implements programs that offer inmates employment, work experience, and training, and that reduce the cost of housing

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inmates. To achieve these goals, the Board operates five classes of correctional industry work programs. All inmates working in class I–IV employment receive financial compensation for their work. Class V jobs are court ordered community work that is performed for the benefit of the community without financial compensation.

Class IV Industries.

Class IV ("community work") industries are operated by the DOC and are designed to provide services in the inmate's resident community. Inmates working in class IV industries provide services at a reduced cost to other public agencies, to persons who are poor or infirm, and to nonprofit organizations. Local governments that hire inmates must provide work supervision service without charge to the state and must pay the inmate's wage.

Janitorial services, groundskeeping, litter control, institutional kitchen support, special event seating set up, wheelchair cleaning, tree planting, forest maintenance, and fire suppression are examples of jobs found in the class IV industries work program.

The DOC must reimburse participating units of local government for liability and workers compensation insurance costs.

Class V Industries.

Class V ("community service") jobs are court ordered community restitution that is performed for the benefit of the community without financial compensation.

The DOC must reimburse nonprofit agencies for workers compensation insurance costs, to the extent that funds are specifically made available for such purposes.

Offenders performing community restitution pursuant to a court order are considered employees. Any premiums or assessments due for community restitution work is the obligation of the state agency, county, city, town, or nonprofit for which the offender performed the community restitution. Coverage commences when the state agency, county, city, town, or nonprofit organization has given notice to the Department of Labor and Industries (L&I) that it wishes to cover offenders performing community restitution before the occurrence of an injury or contraction of an occupational disease.

Summary of Substitute Bill:

Any workers' compensation premiums or assessments due for any adult or juvenile offender under the state's custody is the obligation of the state and must be paid by the state agency that has custody of that offender.

The DOC will no longer reimburse local governments and nonprofit agencies for workers compensation insurance costs. Although the DOC must elect workers' compensation and pay any workers' compensation, offenders under the DOC custody who are working or performing services on behalf of a local government or nonprofit agency are not employees of the DOC. The DOC is not responsible for supervising work, training offenders, or ensuring that the worksite is in compliance with the L&I safety standards.

Substitute Bill Compared to Original Bill:

A provision is added that specifies that although the DOC is responsible for paying for workers' compensation premiums, inmates working on behalf of a nonprofit or local government are not employees of the DOC. The DOC is not responsible for supervising work, training offenders, or ensuring that the worksite is in compliance with the L&I safety standards.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The work release programs that come out of Larch Correctional Facility are very helpful not only to the inmates who get to leave the facility for a short time but also for the community receiving the services. It is also a wonderful opportunity for the inmates to give back to the community and it reduces recidivism. However, localities and nonprofits are suffering budget constraints and the rule promulgated by the DOC that requires the cities and nonprofits to pay for the L&I costs will put them in a position where they will not be able to afford to use inmate labor. The other issue is that there is an implied employer status. Now that cities and nonprofits will be paying for industrial insurance there is a perception that they are now the employers.

(Opposed) This bill is being opposed due to the appropriation and cost to the DOC. Currently, the DOC has over 200 service contracts and to be responsible for all the L&I costs at a state-level would have a significant fiscal impact. There are also operational and policy concerns. The DOC currently provides security for community projects. Under this bill, the DOC would now become the employer for these projects and would be required to directly supervise the work that offenders do since they will now have to pay the L&I costs. Currently offenders under the DOC custody are not employees of the DOC.

Persons Testifying: (In support) Representative Pike, prime sponsor.

(Opposed) Scott Russell, Department of Corrections.

Persons Signed In To Testify But Not Testifying: None.