

# HOUSE BILL REPORT

## SSB 5362

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**As Reported by House Committee On:**  
Labor & Workforce Development  
Appropriations Subcommittee on Health & Human Services

**Title:** An act relating to recommendations of the vocational rehabilitation subcommittee for workers' compensation.

**Brief Description:** Addressing the recommendations of the vocational rehabilitation subcommittee for workers' compensation.

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Conway, Holmquist Newbry, Keiser and Kohl-Welles; by request of Department of Labor & Industries).

**Brief History:**

**Committee Activity:**

Labor & Workforce Development: 3/20/13, 3/26/13 [DP];  
Appropriations Subcommittee on Health & Human Services: 4/4/13 [DP].

**Brief Summary of Substitute Bill**

- Extends the vocational rehabilitation pilot program an additional three years, until June 30, 2016.

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### HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass. Signed by 8 members: Representatives Sells, Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller, Ormsby and Short.

**Staff:** Trudes Tango (786-7384).

**Background:**

One of the primary purposes of the Industrial Insurance Act is to enable injured workers to become employable at gainful employment. The Department of Labor and Industries (Department) pays, or directs self-insurers to pay, the costs of vocational rehabilitation

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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.*

services when these services are necessary and likely to enable the injured worker to become employable at gainful employment.

In 2007 the Legislature enacted Engrossed Substitute Senate Bill 5920, which created a vocational rehabilitation pilot program for vocational rehabilitation plans approved between January 1, 2008, and June 30, 2013.

The pilot program made numerous changes to the vocational rehabilitation system, including: requiring plans to be developed and approved by the Department within a certain amount of time; increasing the benefits for vocational rehabilitation plans; extending the length of time for vocational rehabilitation; and giving injured workers a choice of either participating in an approved plan or declining to participate and receiving six months' worth of time-loss benefits plus access to vocational benefits for a limited time.

The legislation creating the pilot program required an independent evaluation of the program, which was concluded by the University of Washington in December 2012. The legislation also created the Vocational Rehabilitation Subcommittee, which must submit an annual report to the Legislature. The report must include the number of workers who have participated in more than one vocational training plan and in which industries those workers were employed.

The pilot program is scheduled to end June 30, 2013.

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**Summary of Bill:**

The vocational rehabilitation pilot program is extended through June 30, 2016. The provision requiring the independent review of the program, due in December 2012, is removed.

The Vocational Rehabilitation Subcommittee and the Department must develop an annual report, with the final report due to the Legislature by December 2015. The requirement that the annual report include the number of workers who have participated in more than one vocational training plan, beginning with plans approved in 2008, is removed.

The sections establishing the program expire June 30, 2016.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This is agency request legislation. The original legislation required an independent study to be made, which was done by the University of Washington. That study struggled to show outcomes for injured workers because of the timing of the recession. The Vocational Rehabilitation Subcommittee agreed unanimously to extend the program. They recognize the numerous efficiencies gained by the program and would like the chance to see the outcomes of the pilot program.

(Opposed) None.

**Persons Testifying:** Vickie Kennedy, Department of Labor and Industries.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

**Majority Report:** Do pass. Signed by 10 members: Representatives Morrell, Chair; Harris, Ranking Minority Member; Cody, Green, Jinkins, Kagi, Ormsby, Pike, Ross and Schmick.

**Staff:** Mary Mulholland (786-7391).

### **Summary of Recommendation of Committee On Appropriations Subcommittee on Health & Human Services Compared to Recommendation of Committee On Labor & Workforce Development:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

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

### **Staff Summary of Public Testimony:**

(In support) The vocational rehabilitation pilot program is supported by business, labor, and the Department of Labor and Industries (Department). There is a subcommittee with representatives from these groups that recommends extending the vocational rehabilitation pilot program.

The recession impacted data that the Department hoped to see as a result of the vocational rehabilitation pilot program, and extending the program will provide the Department with more data outside of the recession.

The Association of Washington Business supports the use of workers compensation funds because the program is related to workers compensation. The Medical Aid Account is jointly funded by employers and employees, and the program is of mutual interest to employers and employees.

The sooner that injured workers return to work, the shorter the time-loss and the lower the chance of workers going on disability.

(Opposed) None.

**Persons Testifying:** Kris Tefft, Association of Washington Business; and Cody Arledge, Sheet Metal Workers Local 66.

**Persons Signed In To Testify But Not Testifying:** None.