

HB 2788 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 02/18/19

Action: Do pass and be referred to Ways and Means by prior reference

Vote: 9-0-2-0

Yeas: 9 - Barker, Bonham, Boshart Davis, Bynum, Clem, Doherty, Evans, Fahey, Holvey

Exc: 2 - Barreto, Boles

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/18

WHAT THE MEASURE DOES:

Requires Department of Consumer and Business Services to maintain a balance in the Workers' Benefit Fund that is adequate to cover 12 months of projected expenditures.

ISSUES DISCUSSED:

- How fund balance will be increased to meet 12-month projected expenditures
- Requirement of agency to prepare corrective plan if balance drops below 12-month target

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Workers' Benefit Fund supports return-to-work programs and cost-of-living adjustments to permanently and totally disabled workers and to the spouses and children of workers who died from an occupational injury or disease. The Fund revenue comes from an assessment of 2.4 cents per hour worked that is shared equally by employers and workers. In 2014, the Legislative Assembly reduced the required balance of the Workers' Benefit Fund from 12 months to six months of projected expenditures in response to issues with the solvency of several self-insured employer groups. The legislation, Senate Bill 1558, required the Management-Labor Advisory Committee (MLAC) to review the change and recommend to the Legislative Assembly whether to retain or change the Fund balance requirements. MLAC studied the issue and concluded that the Fund balance should be an amount that covers 12 months of projected expenditures.

House Bill 2788 requires the Department of Consumer and Business Services to maintain a balance in the Workers' Benefit Fund that is adequate to cover 12 months of projected expenditures. The Department must also develop a plan to increase the Fund if it falls below the required amount.