

Labor and Workforce Development Committee

House of Representatives State of Washington

Final Report for 2011

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House of Representatives
State of Washington

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2011 FINAL REPORT
House Labor and Workforce Development Committee

Summary of Major Legislation*

BUILDING AND CONSTRUCTION

ESHB 1055, which was enacted, extends the time to appeal Contractor Registration Act infractions from 20 to 30 days and simplifies the appeal process.

The operating budget, **2ESHB 1087**, Sec. 218(7), appropriates funds from the General Fund-State, Public Works Administration Account, and Accident and Medical Aid Accounts for purposes of underground economy enforcement activity. The proviso directs the Department of Labor and Industries to aggressively combat the underground economy in construction.

The Committee passed **2ESHB 1701**, which addressed misclassification of construction workers as exempt independent contractors. The bill would have created a Contractor Registration Act violation for a contractor to engage three or more independent contractors to work on or in the same building on the same task under certain circumstances. Some residential construction would have been exempt. This bill passed the House and Senate in different forms and ultimately died in the Senate Rules Committee during the first special session.

ESHB 1708 would have addressed the form of mechanics' and materialmen's liens. The Washington Court of Appeals recently held that a lien was invalid because the attestation clause in the statutory form did not comply with the corporate acknowledgment requirement. The Washington Supreme Court subsequently granted a petition for review of the Court of Appeals decision, and heard oral argument on June 14, 2011. The bill would have expressed the Legislature's intent to clarify that the use of the statutory form is sufficient to state a lien claim, and also would have changed the requirements for signing a lien claim. The bill was passed by the House, but died on second reading in the Senate.

COLLECTIVE BARGAINING

Ferry Employees

The Legislature enacted **E2SSB 5742**, which was not considered by the Committee, but changes collective bargaining laws for ferry employees. In addition to several other provisions, this bill defines certain management rights and prohibits them from being subject to collective bargaining. This bill prohibits captains from being included in existing bargaining units, but allows them to form captain-only bargaining units. This bill also moves the Marine Employees' Commission (MEC) into the Public Employment Relations Commission (PERC) and eliminates the MEC in 2013.

The Committee considered related bills. **SHB 1511** would have merged the MEC with the PERC and established the MEC as an independent division within the PERC. The bill

as introduced would have modified the scope of bargaining for ferry employees, abolished the MEC, and prohibited captains from being in a bargaining unit. The bill died in the House Transportation Committee. The Committee heard, but did not take action on **HB 1512**, which also would have abolished the MEC. In addition, this bill would have increased the threshold from \$2 million to \$6 million for ferry projects with apprenticeship utilization requirements, and would have transferred coverage of ferry employees under the federal Jones Act to coverage under the state Industrial Insurance Act.

Other Public Employees

The Legislature enacted **SHB 1127**, which requires the Public Employment Relations Commission to intervene if a covered employer and a bargaining representative disagree as to the merger of two or more bargaining units represented by the same bargaining representative. In addition, an unfair labor practice is modified to prohibit a covered employer from refusing to bargain with the certified bargaining representative.

The Legislature also enacted **SSB 5614**, which created a narrow exception to the Personnel System Reform Act's general rule that collective bargaining agreements be certified as feasible financially before requests for funds to implement agreements are submitted by the Governor to the Legislature. The exception applies only in the case of an agreement between the University of Washington and representatives of classified employees, and only if appropriations of less than \$10,000 are necessary to implement the agreement. The Legislature's authority to approve or reject the request is unchanged.

The Committee heard, but did not take action on **HB 1377**. The bill would have required arbitration panels to consider the employer's financial ability to pay for the compensation and fringe benefit provisions of a collective bargaining agreement. Arbitration panels would have been required to consider the unit of government's other services and priorities, and not any operating reserve against future contingencies.

The Committee also heard several bills that would have extended binding interest arbitration rights to certain public employees. **SHB 1291** would have applied to all employees of the state Department of Corrections as well as certain employees of King County Juvenile Detention Services. This bill died in the House Ways and Means Committee. **EHB 2011** would have applied only to employees of the state Department of Corrections. This bill died in the Senate Labor, Commerce and Consumer Protection Committee. **SHB 1736** would have applied to campus police officers employed by state universities, regional universities, and The Evergreen State College. This bill also died in the House Ways and Means Committee.

EMPLOYMENT

The Legislature enacted **HB 1432**, which allows private employers to establish preferences in employment for veterans, widows or widowers of veterans, and spouses of certain veterans. These preferences are not considered violations of any state or local equal employment opportunity law, including the Washington Law Against Discrimination.

FAMILY LEAVE INSURANCE

Past legislation created a framework for a family leave insurance program and provided for benefit payments to begin October 1, 2009. Subsequent legislation delayed benefit payments until October 1, 2012. A bill enacted in the special session, **ESSB 5091**, further delays benefit payments until October 1, 2015. (A companion bill, **HB 1120**, died in the House Ways and Means Committee.)

SAFETY AND HEALTH

Legislation was enacted changing the general rule that an appeal of a workplace safety violation citation stays the citation. Under **ESSB 5068**, the appeal of a serious violation and certain other violations does not stay abatement dates and requirements unless a stay is requested by an employer and granted by the Department of Labor and Industries (Department) or the Board of Industrial Insurance Appeals (Board). The bill sets forth standards for the Department and the Board to apply in determining whether to grant a stay. A companion bill, **ESHB 1676**, died in the Senate Labor, Commerce and Consumer Protection Committee.

WAGE AND HOUR

Legislation enacted in 2002 prohibits covered health care facilities from requiring overtime by certain nurses, except in limited circumstances. **HB 1290** was enacted by the Legislature and adds correctional facilities to the health care facilities prohibited from requiring overtime from their nursing staff.

HB 1824 would have exempted certain employees who work in armored vehicles from meal and rest period requirements. The bill passed out of the Committee, but died in the House Rules Committee.

The Legislature also enacted a couple of prevailing wage bills. **SSB 5070** prohibits a contractor from using records requested by the Department of Labor and Industries to challenge a prevailing wage determination if the records are not provided within 60 days of the request. **SSB 5538** exempts certain participants in conservation corps programs from provisions related to rates of compensation while performing environmental and trail maintenance work.

UNEMPLOYMENT COMPENSATION

The Legislature enacted a pair of bills modifying the unemployment insurance program. Key factors contributing to their passage included: stakeholder concerns about rising tax rates and continuing high jobless rates; federal legislation authorizing extended benefits and modernization incentive payments; and Washington's trust fund, which had the highest balance in the nation.

SB 5135 made changes to the social tax rate for 2011, which reduced the overall tax rates for 90 percent of Washington employers and the overall tax burden by \$300 million. These changes included a cap of 1.22 percent on the flat social rate and reductions in the

multipliers used for certain graduated social rates. This bill also made changes to the extended benefits program consistent with federal law so that extended benefits would be available for eligible individuals through 2011.

Parts of **EHB 1091** made the same changes to the social tax rate and the extended benefits program as SB 5135. The changes to the social tax rate, however, are for rate year 2011 and continue thereafter. Part of the bill temporarily increased benefits by adding \$25 to an individual's weekly benefit amount. The \$25 increases are not charged to the experience rating accounts of employers. Another part of the bill made changes to the training benefits program to qualify Washington to receive a \$98 million modernization incentive payment under the federal American Recovery and Reinvestment Act of 2009. The changes to the training benefits program included expanding the definition of "dislocated worker," eliminating certain deadlines and requirements for dislocated workers, and modifying the funding cap for training benefits.

The Legislature also passed **SJM 8008**, which expresses concerns about providing relief to states with insolvent trust funds. The memorial states that more than 30 other states had failed to adequately fund their trust funds and had borrowed from the federal Unemployment Account to pay benefits. It further states that providing relief to these states penalizes Washington and taxpaying employers. The memorial requests that the U.S. Department of Labor provide federal unemployment tax relief to Washington employers and a financial benefit to Washington's trust fund equal to any benefit provided to states that borrowed.

WORKERS' COMPENSATION

The Legislature enacted multiple changes to workers' compensation. Elements in a number of bills considered by the Committee were ultimately enacted in the same or similar form in **EHB 2123**, a bill introduced at the end of the special session. EHB 2123, among other changes:

- allows structured settlement agreements;
- creates the Stay-at-Work program, which authorizes wage subsidies and reimbursements for State Fund employers who employ injured workers at light duty or transitional work;
- eliminates the FY 2012 cost-of-living adjustment for injured workers and certain survivors and delays the first adjustment;
- requires that any prior permanent partial disability (PPD) awards be offset if an injured worker subsequently receives a pension; and
- creates an Industrial Insurance Rainy Day Fund.

Settlement agreements may be entered into by workers age 55 and older regarding benefits other than medical benefits. (The age threshold drops to 53 in 2015 and 50 in 2016.) The first payment may not exceed about \$24,000, and the other payments must be between about \$1,000 and \$6,000. (These minimum and maximum amounts will be adjusted based on the average monthly wage.) All agreements must be approved by the Board of Industrial Insurance Appeals (Board), and if a worker is not represented by an attorney, an

industrial insurance judge with the Board must find that an agreement is in the best interest of the worker.

EHB 2123 also requires a number of studies and reports. These include a study by the Joint Legislative Audit and Review Committee of the claims management system and a study by an independent expert under contract with the Department of Labor and Industries (Department) of occupational disease claims.

Under **SSB 5801**, the Department will be creating a health care provider network of providers meeting minimum standards. Once the network is established in an injured worker's geographic area, the worker may receive care from a non-network provider only for the initial visit. In addition, the Department will be establishing additional standards and incentives for second tier providers. The Department will also be setting up additional Centers for Occupation Health and Education (COHEs), with the goal of extending access to COHEs for all injured workers by December 2015. A similar bill, **ESHB 1869**, died in the Senate Labor, Commerce and Consumer Protection Committee.

The Governor also signed **ESHB 1367**, which requires workers' compensation coverage for taxi and other for hire vehicle operators.

Other workers' compensation bills passed by the Committee include **SHB 1444**, which would have continued benefits for certain law enforcement and firefighter spouses regardless of remarriage, and **SHB 1445**, which would have created a presumption that a law enforcement officer's death from a heart problem under certain circumstance was an industrial injury and made other changes. Both of these bills died in the House Ways and Means Committee. **ESHB 1487** would have given certain retrospective rating plan (retro) employers and groups some claims management authority, placed certain requirements on retro employers and groups regarding records and medical provider communications, and made other changes with respect to retro employers and groups. The bill died in the Senate Labor, Commerce and Consumer Protection Committee.

WORKFORCE DEVELOPMENT

The federal Department of Labor made changes to apprenticeship regulations in December 2008. States were required to be in compliance with these changes by December 29, 2010. **SSB 5548**, which was enacted by the Legislature, amends state apprenticeship law to conform to federal regulations by transferring rule-making authority for apprenticeship from the Washington State Apprenticeship and Training Council to the Department of Labor and Industries.

ESHB 1846, which also was enacted, creates a loan program for eligible students enrolled in training programs offered by the Washington Aerospace Training and Research Center and the Spokane Aerospace Technology Center. The loan program will be administered by the Higher Education Coordinating Board, and designed in consultation with representatives of aerospace employers, aerospace workers, and the training programs.

* This summary includes selected major bills which address subject areas typically dealt with by the Committee but for reasons of timing or otherwise did not go through the Committee.

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Enacted*

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>BUILDING AND CONSTRUCTION</i>			
ESHB 1055	Hudgins	Contractor Appeals - Changes the time period to appeal contractor infractions from 20 to 30 days. Eliminates the separate appeal period for the penalty.	C 15 L 11
<i>COLLECTIVE BARGAINING</i>			
SHB 1127	Moeller	Public Employees - Requires the Public Employment Relations Commission to intervene if a covered employer and a bargaining representative disagree as to the merger of two or more bargaining units that are represented by the same bargaining representative. Establishes as an unfair labor practice for a covered employer to refuse to bargain with the certified bargaining representative.	C 222 L 11
SSB 5614	White	Classified Employees of University of Washington - Changes the process for requests for funds to implement the compensation and fringe benefit provisions of collective bargaining agreements between the University of Washington and representatives of classified employees.	C 344 L 11
<i>EMPLOYMENT</i>			
HB 1432	Rodne	Veterans' Preference - Allows private employers to establish preferences in employment for veterans, widows or widowers of veterans, and spouses of certain veterans.	C 144 L 11
<i>PREVAILING WAGE</i>			
SSB 5070	Conway	Prevailing Wage Records - Prohibits a contractor or subcontractor from using records requested by the Department of Labor and Industries to challenge a prevailing wage determination if the records are not provided within 60 days of a request.	C 92 L 11
SSB 5538	White	Conservation Corps/Nonprofit - Exempts participants in conservation corps programs offered by nonprofit organizations from provisions related to rates of compensation while performing environmental and trail maintenance work.	C 56 L 11
<i>SAFETY AND HEALTH</i>			
ESSB 5068	Conway	Abatement of Safety Violations during an Appeal - Provides that an appeal of certain Washington Industrial Health and Safety Act violations does not stay abatement dates or requirements. Allows an employer to file a motion for a stay of abatement with the Board of Industrial Insurance Appeals and sets standards for granting or denying motions.	C 91 L 11

ESSB 5594	Kohl-Welles	Hazardous Drugs - Requires the Director of the Department of Labor and Industries to adopt rules for handling certain hazardous drugs in health care facilities.	C 39 L 11
<i>UNEMPLOYMENT COMPENSATION</i>			
EHB 1091	Sells	Social Tax Rates, Training Benefits, Extended Benefits, and Temporary Benefit Increases - Establishes caps on the flat social rate and reduces the multipliers used for certain graduated social rates. Provides for a temporary benefit increase by adding \$25 to the weekly benefit amount, and noncharging the additional \$25. Makes changes to training benefits, including expanding the definition of "dislocated worker," eliminating certain deadlines and requirements for dislocated workers, and modifying the funding cap for training benefits. Makes changes to extended benefits, including a three-year look-back period.	C 4 L 11
ESHB 1636	Upthegrove	Amateur Sports Officials - Excludes services performed by amateur sports officials from employment for unemployment compensation purposes.	C 264 L 11
SJM 8008	Brown	Federal Tax Relief - Requests that the U.S. Department of Labor provide federal unemployment tax relief to Washington taxpaying employers and a financial benefit to Washington's trust fund equal to any benefit provided to states that borrowed from the federal Unemployment Account.	Filed Sec of State
<i>WAGE AND HOUR</i>			
HB 1290	Green	Health Care Employee Overtime - Adds correctional facilities to the health care facilities prohibited from requiring overtime from their nursing staff.	C 251 L 11
<i>WORKERS' COMPENSATION</i>			
ESHB 1367	Green	For Hire Vehicle Operators - Requires mandatory industrial insurance coverage for certain for hire vehicle operators, and creates penalties for failure to pay premiums.	C 190 L 11
ESHB 1725	Sells	Administrative Efficiencies - Allows the Department of Labor and Industries to send notices electronically when requested by the worker, employer, or other person affected. Provides for direct practice providers to provide treatment to injured workers. Makes other changes regarding the administration of workers' compensation.	C 290 L 11
HB 1726	Sells	Vocational Rehabilitation Subcommittee Recommendations - Allows the Department of Labor and Industries to extend the time for a worker to select Option 2 vocational rehabilitation benefits and for an employer to make a valid return-to-work offer. Makes other changes in vocational rehabilitation services.	C 291 L 11
SB 5278	Holmquist Newbry	Information in Rate Notices - Requires industrial insurance rate notices to identify all programs and services that are funded by State Fund premiums or self-insured employer administrative assessments.	C 175 L 11

SSB 5801	Kohl-Welles	Medical Provider Networks and Centers for Occupational Health and Education - Requires the Department of Labor and Industries (Department) to establish an industrial insurance health care provider network, and requires providers to meet network standards. Requires workers to receive care from a network provider once a network is established in the worker's geographic area, except for the first visit. Requires the Department to establish additional best practice standards, and financial and nonfinancial incentives, for second tier providers. Requires the Department to establish additional Centers for Occupational Health and Education.	C 6 L 11
<i>WORKFORCE DEVELOPMENT</i>			
ESHB 1846	Eddy	Aerospace Training Student Loan Program - Establishes a loan program for eligible students at certain aerospace training or educational programs.	C 8 L 11
SB 5584	Harper	Apprenticeship Standards - Changes state apprenticeship law to conform to federal apprenticeship regulations by transferring rule-making authority for apprenticeship from the Washington State Apprenticeship and Training Council to the Department of Labor and Industries.	C 308 L 11
<i>OTHER</i>			
SSB 5067	Keiser	Department of Labor and Industries and Employment Security Department - Mailing Requirements - Changes specified mailing methods, including certified and registered mail, for various notices sent by the Department of Labor and Industries and the Employment Security Department to a method by which the mailing can be tracked or delivery confirmed.	C 301 L 11

* This chart includes enacted bills dealt with by the Committee. Other enacted bills of interest to the Committee are listed in the chart on pages 18 and 19.

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Other Bills Passed Out of Committee

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>BUILDING AND CONSTRUCTION</i>			
2ESHB 1701	Ormsby	Contractor Misclassification - Provides that it is a contractor registration violation for a contractor to engage more than two independent contractors with no covered workers to work on or in a single building on the same task involving a similar material.	S Rules
ESHB 1708	Moeller	Lien Claims - Changes the requirements for signing and acknowledging a lien claim, and adds a paragraph consistent with the changes to the statutory form. Makes certain court rules applicable to civil actions to foreclose lien claims. Specifies that "all aspects" of certain provisions of the lien law are liberally construed.	S 2nd Reading
<i>COLLECTIVE BARGAINING</i>			
SHB 1291	Green	Employees of Juvenile Detention Facilities; Classified Employees of the Department of Corrections - Adds certain juvenile detention employees to the employees covered by binding interest arbitration under the Public Employees' Collective Bargaining Act (PECBA). Adds employees working for the Department of Corrections to the employees covered by collective bargaining and binding interest arbitration under the PECBA.	H W&M
HB 1503	Sells	Academic Employees of Community and Technical Colleges - Authorizes the boards of community and technical colleges to provide additional compensation to academic employees.	H W&M
SHB 1511	Clibborn	Marine Employees - Merges the Marine Employees' Commission (MEC) with the Public Employment Relations Commission (PERC) by December 31, 2011, and establishes the MEC as an independent division within the PERC. Similar bill (E2SHB 5742) enacted that merges the MEC with the PERC in 2011 and abolishes the MEC completely in 2013. This bill also prohibits specified management rights from being subject to collective bargaining and prohibits captains from being in existing bargaining units.	H Trans
SHB 1665	Fitzgibbon	Classified Employees of University of Washington - Changes the process for requests for funds to implement the compensation and fringe benefit provisions of collective bargaining agreements between the University of Washington and representatives of classified employees. Similar bill (SSB 5614) enacted.	H W&M
SHB 1736	Ormsby	Campus Police Officers of Universities - Provides binding interest arbitration for uniformed personnel under the Personnel System Reform Act. Defines uniformed personnel as duly sworn police officers employed as members of a police force established by state universities, regional universities, or The Evergreen State College.	H W&M

<i>LEAVE</i>			
SHB 1164	Liias	Children's Educational Activities - Provides that employees are entitled to four hours of unpaid leave during any 12-month period to participate in a child's educational activities.	H Rules C
SHB 1828	Dickerson	Family Care - Requires the Department of Labor and Industries (Department) to investigate and authorizes the Department to impose monetary penalties for violations of the Family Care Law's anti-retaliation provision, but not the poster requirement. Increases the monetary penalty for violations.	H Rules R
<i>PREVAILING WAGE</i>			
SHB 1058	Hudgins	Prevailing Wage Records - Prohibits a contractor or subcontractor from using records requested by the Department of Labor and Industries to challenge a prevailing wage determination if the records are not provided within 60 days of a request. Companion bill (SSB 5070) enacted.	H Rules R
<i>SAFETY AND HEALTH</i>			
ESHB 1676	Reykdal	Industrial Safety & Health Act - Provides that an appeal of certain Washington Industrial Health and Safety Act violations does not stay abatement dates or requirements. Allows an employer to file a motion for a stay of abatement with the Board of Industrial Insurance Appeals and sets standards for granting or denying motions. Companion bill (ESSB 5068) enacted.	S LCCP
<i>WAGE AND HOUR</i>			
HB 1597	Miloscia	Minimum Wage - Specifies that, if per capita personal income for Washington satisfies two conditions, the state minimum wage rate is adjusted using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) plus 3 percent.	H GG App
HB 1824	Condotta	Armored Vehicle Employees - Exempts certain employees who work in armored vehicles from meal and rest period requirements.	H Rules R
<i>WORKERS' COMPENSATION</i>			
SHB 1444	Kirby	Law Enforcement Officers and Firefighters Spousal Benefits - Provides that surviving spouses of members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 and the Washington State Patrol Retirement System receive monthly benefits regardless of remarriage.	H W&M
SHB 1445	Van De Wage	Occupational Disease for Law Enforcement Officers and Firefighters - Adds strokes that occur under certain conditions to the diseases that are presumptive occupational diseases for most firefighters. Creates a presumption that death from a heart problem or stroke that occurs under certain conditions is an occupational injury for most law enforcement officers.	H W&M

ESHB 1487	Springer	Retrospective Rating Plan Claims - Gives retrospective rating (retro) employers and groups who administer their plans with an approved claims administrator authority to schedule medical examinations and vocational assessments and close certain claims. Requires retro employers and groups to provide to workers and the Department of Labor and Industries: (1) information about their communications with medical providers; and (2) complete records upon request. Makes other changes with respect to retro employers and groups.	S LCCP
ESHB 1869	Sells	Medical Provider Networks and Centers for Occupational Health and Education - Requires the Department of Labor and Industries (Department) to establish an industrial insurance health care provider network, and requires providers to meet network standards. Requires workers to receive care from a network provider once a network is established in the worker's geographic area, except for the first visit. Requires the Department to establish additional best practice standards, and financial and nonfinancial incentives, for second tier providers. Requires the Department to establish additional Centers for Occupational Health and Education. Similar bill (SSB 5801) enacted.	S LCCP
ESHB 2002	Sells	Stay-at-Work Program - Authorizes, until July 1, 2016, State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Similar provisions incorporated in EHB 2123, which was enacted.	S Rules 2G
HB 2025	Springer	Cost of Living Adjustment - Eliminates industrial insurance cost-of-living adjustments for fiscal year 2012. Similar provisions incorporated in EHB 2123, which was enacted.	H Rules
ESHB 2026	Sells	Rainy Day Account - Creates an industrial insurance Rainy Day Account for Accident Fund and Medical Aid Fund surpluses. Provides that if the Director of the Department of Labor and Industries determines to increase rates for the Accident Fund or Medical Aid Fund, the State Treasurer must first transfer the amount needed to fund the increase from the Rainy Day Account. Provides that premium dividends may not be distributed and average rates may not be reduced. Similar provisions incorporated in EHB 2123, which was enacted.	S W&M
WORKFORCE DEVELOPMENT			
SHB 1059	Hudgins	Apprenticeship Standards - Changes state apprenticeship law to conform to federal apprenticeship regulations by transferring rule-making authority for apprenticeship from the Washington State Apprenticeship and Training Council to the Department of Labor and Industries. Companion bill (SB 5584) enacted.	H Rules R
SHB 1608	Billig	Opportunity Internship Program - Modifies eligibility criteria for the Opportunity Internship Program. Requires a report on whether the program's performance warrants expanding participation to include students from middle-income families.	S HEWD
SHB 1760	Probst	Internship Opportunities - Requires a web application for matching prospective interns with internship opportunities.	H Rules C

<i>OTHER</i>			
SHB 1057	Hudgins	Farm Labor Contractor Account - Creates the Farm Labor Contractor Account for the farm labor contractor licensing program. Similar provision incorporated in the state omnibus operating appropriations act (section 923 of 2ESHB 1087), as passed Legislature.	S 2nd Reading
HB 1677	Reykdal	Department of Labor and Industries and Employment Security Department - Mailing Requirements - Changes specified mailing methods, including certified and registered mail, for various notices sent by the Department of Labor and Industries and the Employment Security Department to a method by which the mailing can be tracked or delivery confirmed. Similar bill (SSB 5067) enacted.	S LCCP
SHB 1832	Upthegrove	Employee Rights at Airports - Establishes various notice, employment, and labor peace agreement requirements. Makes these requirements applicable to certain service contracts at airports in counties with a population of one million or more.	S LCCP
SSB 5069	Prentice	Farm Labor Contractor Account - Creates the Farm Labor Contractor Account for the farm labor contractor licensing program. Similar provision incorporated in the state omnibus operating appropriations act (section 923 of 2ESHB 1087), as passed Legislature.	H Rules R

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Bills Removed from Committee

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>LEAVE</i>			
HB 1120	Sells	Family Leave Insurance - Delays implementation of the family leave insurance program. Companion bill (ESSB 5091) enacted.	H W&M

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Bills Referred to Committee

BILL NO.	PRIME SPONSOR	SUMMARY
<i>BUILDING AND CONSTRUCTION</i>		
HB 1475	Moeller	Lien Claims - Changes the requirements for signing and acknowledging lien claims.
<i>COLLECTIVE BARGAINING</i>		
HB 1377	Eddy	Public Employees - Defines qualifications for neutral chairs of arbitration panels under the Public Employees' Collective Bargaining Act. Requires arbitration panels to consider the employer's financial ability to pay.
HB 1512	Armstrong	Marine Employees - Abolishes the Marine Employees Commission (MEC) and transfers responsibilities associated with the MEC to the Public Employment Relations Commission. Increases the threshold from \$2 million to \$6 million for ferry projects with apprenticeship utilization requirements. Transfers coverage of ferry employees under the federal Jones Act to coverage under the state Industrial Insurance Act. Similar bill (E2SHB 5742) enacted that merges the MEC with the PERC in 2011 and abolishes the MEC completely in 2013. This bill also prohibits specified management rights from being subject to collective bargaining and prohibits captains from being in existing bargaining units.
HB 2041	Fitzgibbon	Legislative Employees - Extends collective bargaining rights to legislative employees.
<i>EMPLOYMENT</i>		
HB 2103	Green	Employer Communications - Prohibits an employer from requiring an employee to attend a meeting, or listen to, respond to, or participate in any communication relating to political or religious matters.
<i>LEAVE</i>		
HB 1189	Condotta	Family Leave Insurance - Repeals laws relating to the family leave insurance program.
<i>PREVAILING WAGE</i>		
HB 1433	Short	Prevailing Rate of Wage - Changes the time in which a complaint concerning nonpayment of the prevailing rate of wage must be filed with the Department of Labor and Industries.
<i>UNEMPLOYMENT COMPENSATION</i>		
HB 1090	Sells	Social Tax Rates and Extended Benefits - Establishes a cap of 1.22 percent on the flat social rate and reduces the multipliers used for certain graduated social rates. Makes changes to the extended benefits program, including a three-year look-back period, for 2011. Companion bill (SB 5135) enacted.

<i>WAGE AND HOUR</i>		
HB 1258	Condotta	Training Wages - Allows employers to pay a training wage for a specified period of time.
HB 1531	Condotta	Minimum Wage Rate Adjustments - Removes the requirement that the Department of Labor and Industries calculate the minimum wage rate based on the rate of inflation during a 12-month period. Requires that beginning on September 30, 2011, calculations of the adjusted minimum wage rate reflect the actual change in consumer prices since September 1, 2000.
HB 1532	Condotta	Minimum Wage & Overtime Complaints - Limits the liability of employers for failing to pay minimum wages or overtime compensation when the employer acted in good faith and in conformity with a rule, policy, or practice of the Department of Labor and Industries.
<i>WORKERS' COMPENSATION</i>		
HB 1317	Kirby	Social Security Retirement - Eliminates the industrial insurance offset for social security retirement benefits.
HB 1686	Sells	Medical Provider Networks, Pension Earnings, Pension Termination, Permanent Partial Disability Awards, Stay-at-Work Program, Age 55 and Older Settlement Option, and other changes - Requires the Department of Labor and Industries (Department) to establish an industrial insurance health care provider network, and requires providers to meet network standards. Requires workers to receive care from a network provider once a network is established in the worker's geographic area, except for the first visit. Requires the Department to establish additional best practice standards, and financial and nonfinancial incentives, for second tier providers. Requires the Department to establish additional Centers for Occupational Health and Education. Allows a worker awarded a pension to earn wages, with certain deductions from pension payments. Provides that a pension ends at federal retirement age when the residuals of the workplace injury are not the predominant factor causing the worker's inability to work or be retrained. Increases permanent partial disability (PPD) awards by 30 percent, except for hearing loss awards. Requires deduction of PPD awards from pension awards. Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Allows workers age 55 or older eligible for vocational retraining to select a settlement of one-third the value of the pension annuity. Establishes the Safety and Health Investment Projects program in statute. Some provisions incorporated in EHB 2123, which was enacted.
HB 1831	Kirby	Employer Requirements - Establishes record-keeping and disclosure requirements for self-insured employers. Requires employers to provide workers information regarding communications with medical providers. Increases penalties on self-insured employers for failure to pay benefits. Makes other changes with respect to employer requirements, payments, and penalties.

HB 1868	Sells	Pension Earnings, Pension Termination, Permanent Partial Disability Awards, Stay-at-Work Program, Age 55 and Over Settlement Option, and Other Changes - Allows a worker awarded a pension to earn wages, with certain deductions from pension payments. Provides that a pension ends at federal retirement age when the residuals of the workplace injury are not the predominant factor causing the worker's inability to work or be retrained. Increases permanent partial disability (PPD) awards by 30 percent, except for hearing loss awards. Requires deduction of PPD awards from pension awards. Authorizes, until 2016, State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Allows workers age 55 or older eligible for vocational retraining to select a settlement of one-third the value of the pension annuity. Establishes the Safety and Health Investment Projects program in statute. Some provisions incorporated in EHB 2123, which was enacted.
HB 1872	Springer	Voluntary Settlement and Agreements Occupational Disease Claims - Authorizes voluntary settlement agreements regarding any or all aspects of industrial insurance claims under certain conditions. Modifies the definition of occupational disease to require that the disease arise out of and in the course of the particular employment and meet other criteria. Limits the time for filing occupational disease claims. Authorizes voluntary settlement agreements regarding any or all aspects of industrial insurance claims under certain conditions.
HB 1878	Ormsby	Cause of Action Against Self-Insurers and Third-Party Administrators - Allows workers to sue self-insured employers and third-party administrators for failure to comply with an order or refusal to pay for treatment or vocational services. Allows treble damages and attorneys' fees.
HB 1910	Sells	Pension Earnings, Pension Termination, Permanent Partial Disability Awards, Stay-at-Work Program, and Other Changes - Allows a worker awarded a pension to earn wages, with certain deductions from pension payments. Provides that a pension ends at federal retirement age when the residuals of the workplace injury are not the predominant factor causing the worker's inability to work or be retrained. Increases permanent partial disability (PPD) awards by 30 percent, except for hearing loss awards. Requires deduction of PPD awards from pension awards. Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Establishes the Safety and Health Investment Projects program in statute. Some provisions incorporated in EHB 2123, which was enacted.
HB 1964	Condotta	Benefit Calculation - Changes time-loss and pension benefit from 60 to 75 percent of wages to 66 2/3 percent of wages and modifies loss of earning power benefits.
HB 1993	Sells	Stay-at-Work Program - Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Similar provisions incorporated in EHB 2123, which was enacted.
HB 1994	Parker	Information in Rate Notices - Requires the Department of Labor and Industries to include in all rate notices sent to State Fund and self-insured employers an accounting that clearly identifies all programs and services that are financed by State Fund premiums or self-insurers' administrative assessments. Companion bill (SB 5278) enacted.
HB 2023	Springer	Permanent Partial Disability Offset - Requires permanent total disability awards to be offset by any prior permanent partial disability awards for the claim or claims. Similar provision incorporated in EHB 2123, which was enacted.
HB 2104	Ormsby	Worker Deductions - Prohibits the deduction of workers' compensation premiums and other costs from wages and earnings.

HB 2105	Appleton	Cause of Action - Allows workers to sue employers for damages in addition to receiving workers' compensation benefits.
HB 2107	Miloscia	Performance Measures - Requires the Department of Labor and Industries (Department) to implement an improvement plan for the workers' compensation system, including the occupational safety and health program. Requires the Department to apply to the Quality Award or a similar Baldrige assessment organization. Sets forth measures. Requires the State Auditor to audit the performance measures and other major processes and for the Department to recognize employers with the Governor's workplace safety award.
HB 2108	Condotta	Voluntary Settlement Agreements and Stay-at-Work Program - Authorizes voluntary settlement agreements. Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Some provisions incorporated in EHB 2123, which was enacted.
HB 2109	Eddy	Voluntary Settlement Agreements and Stay-at-Work Program - Authorizes voluntary settlement agreements. Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Some provisions incorporated in EHB 2123, which was enacted.
HB 2114	Kirby	Good Faith and Fair Dealing - Creates a duty to injured workers by the Department of Labor and Industries, employers, and employer representatives of good faith and fair dealing and creates civil penalties for violation of the duty.
HB 2116	McCoy	Claims Administration - Requires the Joint Legislative Audit and Review Committee to conduct a performance audit of the workers' compensation claims management system. Provisions incorporated in EHB 2123, which was enacted.
ESSB 5566	Kohl-Welles	Voluntary Settlement Agreements, Stay-at Work Program, and Occupational Disease - Authorizes voluntary settlement agreements. Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Requires a study of occupational disease. Some provisions incorporated in EHB 2123, which was enacted.
WORKFORCE DEVELOPMENT		
SB 5674	Eide	Aerospace Training Student Loan Program - Establishes a loan program for eligible students at certain aerospace training or educational programs. Similar bill (ESHB 1846) enacted.
OTHER		
HB 1056	Hudgins	Department of Labor and Industries - Mailing Requirements - Changes specified mailing methods, including certified and registered mail, for various notices sent by the Department of Labor and Industries to a method by which the mailing can be tracked or delivery confirmed. Related bill (SSB 5067) enacted.
HB 1272	Chandler	Employment Referrals - Requires the Employment Security Department (Department) to refer for employment only those individuals that the Department has verified are legally authorized to work in the United States.

2011 FINAL REPORT
House Labor and Workforce Development Committee

Selected Bills of Interest to the Committee

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>COLLECTIVE BARGAINING</i>			
EHB 2011	Sells	Classified Employees of the Department of Corrections - Applies the Public Employees' Collective Bargaining Act (PECBA), instead of the Personnel System Reform Act (PSRA), to employees working for the Department of Corrections (Department). Provides that the scope of mandatory bargaining: (1) includes terms and conditions of employment relevant to employee safety, such as staffing levels with a direct relationship to employee workload and safety; (2) excludes matters pertaining to management rights, such as the employer's budget, the size of the agency's workforce, and the right to direct and supervise employees; and (3) is otherwise the same as described in the PSRA, and includes wages, hours, and other terms and conditions of employment. Extends the binding interest arbitration provisions of the PECBA to Department employees, but only for terms and conditions of employment relevant to employee safety.	S LCCP
<i>LEAVE</i>			
ESSB 5091	Keiser	Family Leave Insurance - Delays implementation of the family leave insurance program for three years (from October 1, 2012, to October 1, 2015).	C 25 L 11 E 1
<i>UNEMPLOYMENT COMPENSATION</i>			
SB 5135	Kohl-Welles	Social Tax Rates and Extended Benefits - Establishes a cap of 1.22 percent on the flat social rate and reduces the multipliers used for certain graduated social rates for rate year 2011. Makes changes to the extended benefits program, including a three-year look-back period, for 2011.	C 3 L 11

WORKERS' COMPENSATION

EHB 2123	Green	Stay-at-Work Program, Cost-of-Living Adjustment, Structured Settlements, Permanent Partial Disability Offset, Rainy Day Fund, and Other Changes - Creates the Stay-at-Work program, authorizing State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work. Eliminates the fiscal year 2012 cost-of-living adjustment with no catch-up, and delays the first cost-of-living adjustment. Authorizes claim resolution structured settlement agreements initially for workers age 55 or older, then age 53 or older beginning in 2015, and age 50 or older beginning in 2016; and establishes minimum and maximum periodic payments. Requires permanent total disability awards to be offset by prior permanent partial disability (PPD) awards and eliminates interest on unpaid PPD awards. Establishes the Safety and Health Investment Project program in statute. Creates a Rainy Day Fund. Requires the Department of Labor and Industries (Department) to apply certain best practices to address employer, worker, and provider fraud. Requires the Joint Legislative Audit and Review Committee to conduct a performance audit of the workers' compensation claims management system. Requires the Department to contract for a study of occupational disease.	C 37 L 11 E 1
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