

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 168 (Delegate W. Baker. *et al.*)

Economic Matters

Workers' Compensation - Students in Unpaid Work-Based Learning Experiences

This bill provides that Students in Unpaid Work-Based Learning Experiences are covered employees for the purposes of workers' compensation. An unpaid work-based learning experience is defined as one that: (1) occurs in the workplace; (2) links with classroom instruction; (3) is coordinated by a county board of education; and (4) is conducted in accordance with the terms of an individual written work-based learning agreement. The bill requires a county board of education that places a student with an employer in an unpaid work-based learning experience to secure workers' compensation coverage for that student. A participating employer is required to reimburse the board by the lesser of the cost of the workers' compensation premium or a \$250 fee. For purposes of the Maryland Workers' Compensation Act, the employer for whom the student works in the unpaid work-based learning experience is the employer of the student.

The bill is applicable to students in unpaid work-based learning experiences beginning with the 2000-2001 school year.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Minimal increase in expenditures by State agencies for workers' compensation costs if students in unpaid work-based learning experiences are placed in these agencies, limited to \$250 per student.

Local Effect: Minimal increase in expenditures by local boards of education for workers' compensation costs for students placed in unpaid work-based learning experiences to the

extent that workers' compensation premiums exceed \$250.

Small Business Effect: Meaningful.

Analysis

Current Law: With certain exceptions, the liability of an employer under the Maryland Workers' Compensation Act is exclusive, and the compensation provided to a covered employee under the Act is in place of any right of action against any person. When a person other than an employer is liable for a compensable injury, the covered employee may either file a workers' compensation claim against the employer or bring an action for damages against the person liable for the injury.

A handicapped student is a covered employee while working for an employer without wages in a work assignment as part of an individualized education program. For purposes of the Maryland Workers' Compensation Act, the local board of education is the employer of the handicapped student working as part of an individualized education program. A local school system that places a child with a disability with an employer in an unpaid work assignment may secure workers' compensation coverage for that child.

Local Expenditures: The bill requires a county board of education that places a student with an employer in an unpaid work-based learning experience to secure workers' compensation coverage for that student. The cost of providing workers' compensation coverage for students under this bill cannot be accurately estimated at this time. Any cost per student to a county board of education is assumed to be minimal because it would be offset by the lesser of the cost of the premium or a \$250 fee.

Small Business Effect: Small businesses where students in unpaid work-based learning experiences work would be protected from tort liability for injuries suffered by the students. These small businesses would instead be required to pay the cost of the premium or the \$250 fee.

Additional Information

Prior Introductions: A substantially similar bill was introduced in the 1998 session as HB 177 and received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Department of Budget and Management; Injured Workers'

Insurance Fund; Subsequent Injury Fund; Uninsured Employers' Fund; Workers' Compensation Commission; National Council on Compensation Insurance, Inc.; Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2000

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