

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1128
Economic Matters

(Delegate Taylor, *et al.*)

Finance

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. The bill is applicable to students in unpaid work-based learning experiences beginning with the 2003-2004 school year.

The bill takes effect July 1, 2003.

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

Bill Summary: 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.

This bill requires an employer of a student in a work-based learning experience to secure workers' compensation coverage for the student. It also permits a county board of education that places a student with an employer in an unpaid work-based learning experience to provide workers' compensation coverage for that student. If a county board of education provides coverage for a 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 workers' compensation, the employer for whom the student works in the unpaid work-based learning experience is the employer of the student.

Current Law: With certain exceptions, the liability of an employer under the workers' compensation law is exclusive, and the compensation provided to a covered employee under the law 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 (IEP). The handicapped student's employer as a part of the IEP is the employer for the purposes of workers' compensation.

Local Fiscal Effect: The bill authorizes 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 lesser of the cost of the premium or the \$250 fee.

Additional Information

Prior Introductions: In 2000, HB 168, a similar bill, received an unfavorable report in Economic Matters.

Cross File: None.

Information Source(s): Uninsured Employers' Fund, Workers' Compensation Commission, Injured Workers' Insurance Fund, Subsequent Injury Fund, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2003
ncs/jr Revised - Enrolled Bill - April 10, 2003

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