

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1175
Economic Matters

(Howard County Delegation)

Finance

Howard County - Workers' Compensation - Students in Unpaid Work-Based
Learning Experiences
Ho. Co. 9-12

This bill authorizes the board of education in Howard County to waive the requirement that a participating employer reimburse the county for the cost of workers' compensation insurance coverage provided to students placed in unpaid work-based learning experiences.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None. The bill does not affect State operations or finances.

Local Effect: The bill authorizes, rather than requires, Howard County to waive the requirement that an employer reimburse the county for the cost of workers' compensation insurance coverage provided to students placed in unpaid work-based learning experiences. The bill's impact on Howard County cannot be reliably determined at this time. It depends on the extent to which the county exercises its authority under the bill and the number of participating students in the county.

Small Business Effect: Potential minimal savings for participating small businesses that are no longer required to provide workers' compensation insurance coverage to students placed in unpaid work-based learning experiences.

Analysis

Current Law: In general, an employer must secure workers' compensation insurance for covered employees of the employer. An employer is required to secure workers' compensation coverage for a student that is placed in an unpaid work-based learning experience with the employer unless the county board of education elects to provide coverage for the student, in which case the employer must reimburse the board in an amount equal to the lesser of the cost of the premium for the coverage or a \$250 fee.

An "unpaid work-based learning experience" is a program that provides a student with structured employer-supervised learning that occurs in the workplace, links with classroom instruction, and is coordinated by a county board of education or private noncollegiate institution.

The county boards of education in Allegany and Cecil counties are authorized to waive the requirement for reimbursement.

Background: Howard County advises that no workers' compensation claims have been submitted in the county in the past two school years by any student in an unpaid work-based learning experience, but that some employers have denied placements to students due to potential workers' compensation liability. The county further advises that more than 800 county students were placed in an unpaid work-based learning experience in the 2010-2011 school year.

The county advises that it is likely to exercise its authority under the bill.

Additional Information

Prior Introductions: None.

Cross File: Although not designated as a cross file, SB 388 (Senator Kittleman, *et al.* – Finance) is identical.

Information Source(s): Maryland State Department of Education, Howard County, Injured Workers' Insurance Fund, National Council on Compensation Insurance, Subsequent Injury Fund, Uninsured Employers' Fund, Workers' Compensation Commission, Department of Legislative Services

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Analysis by: Jennifer A. Ellick

Direct Inquiries to:
(410) 946-5510
(301) 970-5510