

SUBJECT: State employee annual leave option and workers' compensation benefits

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 9 ayes — Brimer, Dukes, Corte, George, Giddings, Ritter, Siebert, Solomons,
Woolley

0 nays

WITNESSES: None

BACKGROUND: The State of Texas is a self-insured workers' compensation provider. The State Office of Risk Management (SORM) administers the workers' compensation system for state employees.

State law allows an injured state employee to use accrued sick leave before receiving income benefits for workers' compensation. State law also allows a state employee to take annual leave while receiving workers' compensation benefits, with combined pay and comp benefits totaling up to 175 percent of the individual's actual salary.

DIGEST: CSHB 2509 would allow an injured state employee to elect to use any amount of accrued annual leave the employee chooses, after using up sick leave, and before receiving income benefits for workers' compensation. This option would be used after all accrued sick leave had been exhausted. The employee would not be entitled to income benefits until the chosen amount of annual leave had been exhausted.

The bill would exempt medical benefit and income benefit payments from payments state agencies are required to make within a time-limit of 30 days. The bill would allow a list of state employees receiving benefits, plus the cost and nature of the injuries, to be made available on request of the Legislature.

CSHB 2509 would abolish the program that allocated appropriated funds to state agencies for the coverage of workers' compensation claims.

The bill would take effect on September 1, 1999, and apply only to claims and benefit or income payments accrued on or after the effective date.

**SUPPORTERS
SAY:**

Injured state employees should be able to elect to use accrued annual leave before receiving income benefits. Currently, when a state employee goes on leave for an injury, the employee can elect to use sick leave, which pays 100 percent of the employee's salary, before receiving comp benefits, which pay only 75 percent of salary. Annual leave also pays 100 percent of an employee's wage.

CSHB 2509 would make clear that an injured state worker could elect to use a chosen amount of annual leave before receiving comp benefits. It would also clarify that the employee could not receive both annual leave and income benefits at the same time.

Current statutes conflict as to when SORM must pay medical and income benefits. The Government Code requires payments to be made within 30 days. The Labor Code deadline is not later than 45 days. CSHB 2509 would exempt workers' comp benefits from the 30-day rule, which would conform to SORM's current practice.

SORM is willing to provide at the Legislature's request a list of the details of all state employees' workplace injuries. However, the list is cumbersome, and SORM should not be required to distribute it every year unless the Legislature specifically requests it.

The risk-reward allocation program has been very problematic and is not reducing the workers' compensation losses of state agencies. An interim study should decide how to address this problem, but the allocation program need not continue in the meantime.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute would require SORM to provide a list of injured state workers to the Legislature only on request. It would abolish the allocation program for payment of workers' compensation claims. It would make conforming changes to the effective dates.