



Washington State Department of
Labor & Industries

Consideration of bachelor's degree retraining plans in Washington's Workers' Compensation Program

2013 Report to the Legislature

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Executive Summary

Engrossed House Bill 1887 was passed by the 2013 legislature and requires the existing business/labor vocational rehabilitation subcommittee to consider options that would allow injured workers in limited circumstances to attend baccalaureate institutions under their vocational training plans. It also requires the subcommittee to provide recommendations to the director and the legislature on statutory changes needed to develop those options.

The vocational rehabilitation subcommittee is made up of business and labor representatives with a high-level of interest and/or expertise in workers' compensation. It also serves in an oversight role in the implementation of the Vocational Improvement Project, a pilot effort initiated through legislation in 2007, aimed at reaching the legislature's goal of "creat[ing] improved vocational outcomes for Washington state injured workers and employers."

The subcommittee consists of four members appointed by the Director of Labor & Industries to provide the business and labor partnership called for in the 2007 legislation.

After careful review, the subcommittee found that the current system does allow an injured worker to pursue a bachelor's degree, if individual circumstances support it.

Furthermore, the committee found that it could be problematic, for a number of reasons described in this report, to allow some workers to pursue a bachelor's degree outside of the options currently available to them.

The subcommittee recommends that no changes be made to the statute under RCW 51.32.099.

Vocational Training Currently Available

BACKGROUND

Under current law, a worker is eligible for vocational services when the Department of Labor & Industries (L&I) determines that:

1. He or she is not employable due to the effects of the industrial injury or occupational disease,
2. The worker is physically able to participate in training, and
3. Training is both necessary and likely to make the worker employable.

About 2% of all injured workers or 6% of those entitled to time-loss benefits are found eligible for vocational services annually. In fiscal year 2013, this included nearly 1,800 workers covered by L&I and just over 200 workers covered by self-insured employers.

Although this is a very small proportion of all workers who filed claims, these claims are generally among the most complex with significant incidence for long-term disability. Building the knowledge and skill of these workers through formal vocational training is critical to restoring them to the workforce.

Private vocational rehabilitation counselors (VRCs) assist the department in determining whether a worker is eligible for vocational services. They work directly with eligible workers to develop a formal training plan that is submitted to the department for approval.

Developing a plan is a complex challenge. The plan must address the worker's medical conditions and restrictions, both those caused by the injury and those that are unrelated or pre-existing. It also must resolve all barriers to returning to work, including lack of education, experience and skills, plus language difficulties and availability of employment in the worker's labor market.

As part of current services available to workers, L&I will assist an eligible worker with obtaining a bachelor's degree if the individual's circumstances support it, such as if:

- The worker has previously acquired sufficient relevant coursework that would allow completion of the degree within the statutory retraining timeframe of two years.
- The retraining plan can be accomplished without requiring the worker to contribute funds (personal or financial aid).
- The retraining plan provides a clear basis for employability upon completion.

However, L&I rarely assists workers with obtaining a bachelor's degree because most workers lack the relevant prior coursework.

Further, if a worker has the relevant coursework, the cost of a bachelor’s level education may exceed the available funds for retraining, which is currently a maximum of \$17,500 for up to two years.

Another feature of the 2007 vocational improvement legislation is “Option 2”, which allows a worker the choice of pursuing self-directed training.

Once chosen, the worker’s claim is closed and they are given a vocational award equivalent to six months of time loss. They have access to the full retraining benefit for up to five years to spend on the education of their choice.

About 27% of workers choose Option 2. This option may be the best alternative for a worker who wants to pursue a bachelor’s degree, but is unable to do so within the current system because of their individual circumstances.

Below are the education levels of eligible workers prior to beginning their retraining plan from 2008 to 2013.

Of the nearly 8,800 workers who entered into a training plan during this period, about 23%, or 2,011, had attained a level of education greater than high school.

Table 1: Education levels of eligible workers prior to retraining plan.

	Claims	Percent of Total
High School	4,398	50%
Less than High School	2,385	27%
Greater than High School	2,011	23%
	8,794	

Source: Washington State Department of Labor & Industries (2008-2013 data)

Table 2 shows that 87% of all workers with greater than a high school education had completed one-or-two years in a post-secondary institution.

Table 2: Eligible workers with post high-school education prior to retraining plan.

Years Beyond High School	Claims	Percent of Total
1	1,080	54%
2	665	33%
3	169	8%
4	72	4%
5+	25	1%
Total	2,011	

Source: Washington State Department of Labor & Industries (2008-2013 data)

Most workers who become eligible for retraining lack the baseline education and college credits that would allow them to pursue a bachelor’s degree for their retraining within the timeframe allowed.

In order to allow more eligible injured workers to pursue a bachelor’s degree, changes in the workers’ compensation system would be required to address one or both of the following:

- Raise the time and/or cost benefit limits (currently at two years and \$17,500 maximum).
- Allow workers to contribute financially to the cost of their retraining plan.

In addition to the changes noted above, the subcommittee also considered:

- The implications of building a “two-class system” where an injured worker with previous college credits is given preference for a more robust retraining plan over a worker who does not have the credits
- The consequences and costs of delays associated with workers waiting for financial aid determination.
- Changes in worker access to financial aid and other sources after a plan has begun could cause cost-shortfalls or threaten the successful completion of the plan.

ANALYSIS

The subcommittee considered each of the potential changes and determined none improved vocational outcomes for Washington state injured workers and employers.

One of the changes associated with the vocational improvement legislation passed in 2007 was an increase in both the time and money available for worker retraining. The benefit was increased to allow workers broader access to quality retraining programs.

Current law now allows a total educational benefit of \$17,500 over two years, or up to \$8,750 annually. The benefit cost is indexed to the state college tuition rate, allowing the system to keep pace with retraining program costs at the state's community and technical colleges.

In contrast, average tuition, books, fees and related costs for Washington's four-year colleges is \$9,000 annually and \$13,000 annually at research universities.

The deficit between those costs and the current retraining benefit is between \$250 and \$4,250 annually, per individual.

To help more injured workers finish a bachelor's degree, additional financial assistance for the worker would need to be provided through a statutory increase in the retraining benefit.

Additionally, bachelor programs typically operate on a three-quarter year, with summer quarter being optional and often not offering courses applicable to the degree.

This would present two potential challenges:

- Delays and additional time-loss compensation costs while waiting for the next quarter, and
- The possibility of having to extend the retraining plan beyond the two year statutory limit (available only upon discretion of the director).

Conclusion

L&I currently will assist an injured worker with obtaining a bachelor's degree if the individual circumstances support it. This is rare however, because most workers lack the relevant prior coursework.

The implications of changing the statute to allow more workers to obtain a bachelor's degree could create additional costs and delays.

Giving some workers preferential treatment because of their educational background is not consistent with the system intent to treat all workers fairly and equitably.

The vocational rehabilitation subcommittee recommends that no change be made to the statute.