

## **FISCAL UPDATE Article**

Fiscal Services Division June 7, 2017



## END OF SESSION – HF 518 – WORKERS' COMPENSATION

**Description:** House File 518 makes various changes to lowa Code chapter 85 related to workers' compensation by reducing benefits, limiting benefits, changing the qualifications for benefits, and reducing the interest rate calculation. This Act provides for training, at an lowa community college, that at a minimum will result in the awarding of an associate degree, or completion of a certificate program, that will enable a worker who has sustained a shoulder injury, as specified in lowa Code section 85.34(2), to return to the workforce. The lowa Department of Workforce Development (IWD) is required to evaluate those workers for career and training opportunities. The lowa community colleges are required to establish a new Career Vocational Training and Education Program to address the needs of those workers. Each of those injured workers will be entitled to up to \$15,000 for the payment of tuition, fees, and required equipment, to be paid for by the injured worker's employer or employer's insurer. The community college may be required to report each semester on the status of the employee's training. An annual report on the Program is due to the General Assembly beginning December 1, 2018. The report is to be provided by the IWD, in cooperation with the Department of Education, the Insurance Division of the Department of Commerce, and all community colleges.

**Fiscal Impact:** This Act will decrease workers' compensation payments from the Workers' Compensation Fund by an estimated \$920,000 annually beginning in FY 2018, and will increase the cost to the IWD by an estimated \$144,000 and 2.0 full-time equivalent (FTE) positions annually beginning in FY 2018.

**Enactment Date:** This Act was approved by the General Assembly on March 27, 2017, and signed by the Governor on March 30, 2017.

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