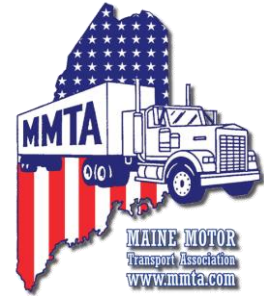


## **WORKERS' COMPENSATION LEGISLATION UPDATE – 5/22/19**



Today's legislative schedule included what was supposed to be the final workers' compensation work session to discuss the Chamber/MEMIC compromise highlighted below, sent in the 5/17/19 update. Since last week, we have worked with other associations and business groups on an effort to be able to support some benefit increases by coming up with a list of system improvements that would bring this compromise closer to cost neutral. We were buoyed by the Republican members of the Labor & Housing Committee and leadership who agreed with our position that the system is not broken. They worked closely with us to develop something that was reasonable, including many of the benefit increases proposed in the compromise, plus the added component of directing these benefit increases solely to injured workers instead of attorneys.

We met with the Governor's Chief-of-Staff to lay out our proposal as an alternative to the Chamber/MEMIC compromise and we were met with a sincere appreciation for our views and for our position that we didn't feel a major segment of the business community was adequately represented during the secret negotiations. In the end, we understand the Governor was not in favor of our system improvement suggestions to keep the WC system changes closer to cost neutral and we further understand the committee Democrats were not inclined to support our proposal.

So for a work session that was supposed to start at 10am, the committee got underway at around 4:30pm and took up the Chamber/MEMIC compromise language. However, a twist was added by House Chair Sylvester to also recommend an amendment that would further increase benefits and employer costs. It became clear that the Democrats only added this last-minute threat because the Republicans were going to vote against the Chamber/MEMIC compromise – the Chairs wanted bipartisan support or they were going to go for more. The fact remains, however, that the Democrats could have passed anything they wanted out of committee without a single Republican supporting it. They didn't need to use the threat of Rep. Sylvester's amendment, but did it anyways.

Obviously, this update is given with our slant on things, but nobody can deny that the Chamber/MEMIC compromise would have increased costs going forward. The Sylvester amendment supported by the committee democrats will increase costs even more, compounding the bad deal of the Chamber/MEMIC compromise. Tomorrow we will reach out to our counterparts that we have partnered with and who all agree with our no-compromise without offsetting system improvements. We will work together to develop a strategy keeping in mind the political realities. Once the plan has been developed, supported by our allies in the legislature, we will reach back out to you to organize our mobilization efforts – likely to include making calls, sending letters and maybe schedule a day to overwhelm the Statehouse with business supporters to bolster our efforts. We will let you know when the time comes, but it looks like the time may be coming soon.