

HOUSE BILL REPORT

SSB 6420

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to application for initial determination for unemployment insurance benefits.

Brief Description: Allowing an application for initial determination to be in writing or in another form determined by the commissioner of the employment security department.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Heavey and Winsley; by request of Employment Security Department).

Brief History:

Committee Activity:

Commerce & Labor: 2/25/98, 2/26/98 [DPA].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 5 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Boldt; Clements and Lisk.

Minority Report: Do not pass. Signed by 3 members: Representatives Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; and Hatfield.

Staff: Pam Madson (786-7166)

Background: An individual must make his or her initial application for unemployment insurance benefits in writing. As the Employment Security Department moves toward implementing call centers for taking initial applications for benefits and other services that use telephone or other electronic media, the ability to make application in a form other than in writing must be authorized.

In order to remain eligible for unemployment insurance benefits, an unemployed individual must be actively seeking work. The Employment Security Department is responsible for monitoring claimants who are receiving benefits to verify that the claimant is conducting an active search for work. The claimant must be able to provide details of work search activity when requested. A claimant who does not meet this

requirement is subject to loss of benefits, typically for the week during which the work search requirement is not met.

Summary of Amended Bill: The Commissioner of Employment Security is authorized to allow an initial application for unemployment insurance benefits to be made in a form other than in writing as determined by the commissioner.

The Employment Security Department must ensure that unemployment insurance claimants register with a job bank to which employers have access. Claimants with employer attachment or union referral, individuals in commissioner-approved training, and claimants who are the subject of anti harassment orders are excluded from this registration requirement.

To ensure that a claimant actively engages in searching for work after their initial application, the department must implement a job search monitoring program. An individual who has received five or more weeks of benefits must provide evidence of seeking work. Such evidence must show at least three different employer contacts or documented in-person job search activity at a reemployment center. Individuals with employer attachment or union referral or individuals in commissioner-approved training are excluded from the requirement to provide evidence of their search for work for the sixth week and beyond in which they claim benefits.

The Joint Legislative Audit and Review Committee (JLARC) must evaluate the new call center system. Issues to evaluate include promptness of payments, errors, fraud and incorrect payments. JLARC will consult with members of the Commerce & Labor Committees of the Senate and House of Representatives and the Unemployment Insurance Advisory Committee, and must contract with a private entity to conduct the performance evaluation. JLARC will report to the appropriate committees by September 1, 2001. Funding is authorized through a special program account.

Amended Bill Compared to Original Bill: Beginning July 1, 1999, the Employment Security Department must implement a job search monitoring program. With some exceptions, individuals who have received five or more weeks of benefits must provide evidence of seeking work. Evidence includes contacts with three employers per week or job search activity at a local reemployment center. In developing the program, the department must use an advisory committee having an equal number of employers and workers. An intent statement is provided indicating the Legislature intends that if the department moves away from an in-person initial application for unemployment insurance benefits, the department must ensure that claimants remain actively involved in searching for work and that the call center approach be evaluated.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Employment Security Department intends to move to a call center approach to unemployment insurance by removing the requirement that the initial application for benefits be in writing. This removes the last face-to-face contact in the unemployment insurance system. This raises concerns within the employer community regarding the potential for abuse and mistakes. It also eliminates the link with the reemployment centers. These concerns have been addressed by including a study of this approach by an outside, non-executive branch third party to determine that mistakes, fraud and abuse do not increase from current level. Evidence from other states indicates that there is no increase but these studies have been done in-house by the agency having a vested interest in supporting this approach. If face-to-face contact is eliminated by moving to call centers, assurance must be provided that claimants are required to register in an electronic job bank. The call center approach has been examined as a way to function more efficiently as workloads increase and federal funding does not. The call center approach will be tested in King County. There is also a pilot project being tested in Moses Lake that automatically does a cross match of claimants against available jobs and notifies them of the job. A study of the call center approach goes along with the department having the opportunity to do the pilot testing and then report back. There will continue to be face-to-face contact for the employment services.

Testimony Against: None.

Testified: (In favor) Clif Finch, Association of Washington Business; and Graeme Sackrison, Employment Security Department.