

HOUSE BILL REPORT

HB 1279

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to revising unemployment compensation during labor disputes.

Brief Description: Revising provisions for unemployment compensation during labor disputes.

Sponsor(s): Representatives Heavey, Cole, R. King, Prentice, O'Brien, Jones, Leonard, Riley, Brekke and Basich.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 15, 1991, DP.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass.* Signed by 7 members:
Representatives Heavey, Chair; Cole, Vice Chair; Franklin;
Jones; R. King; O'Brien; and Prentice.

Minority Report: *Do not pass.* Signed by 4 members:
Representatives Fuhrman, Ranking Minority Member; Lisk,
Assistant Ranking Minority Member; Vance; and Wilson.

Staff: Chris Cordes (786-7117).

Background: Before 1987, employees engaged in a labor dispute with their employer, whether on strike or locked out by the employer, were disqualified from receiving unemployment benefits if the unemployment was due to a "stoppage of work" at the workplace. A 1987 law allowing locked out employees to receive benefits under certain conditions expired in December 1987.

During the 1987 interim, the Joint Select Committee on Labor-Management Relations reviewed the unemployment insurance labor dispute disqualification and recommended that only striking employees be disqualified from benefits. Locked out employees, except certain employees locked out in a multi-employer bargaining unit, were not to be disqualified. The committee's recommendation was enacted in 1988. Locked out employees are now qualified for unemployment compensation benefits unless the lockout occurs

in a multi-employer bargaining unit after one of the employers in the bargaining unit has been struck by its employees.

Summary of Bill: The provision is deleted that disqualifies employees in a multi-employer bargaining unit from unemployment compensation benefits when the employees have been locked out following a strike against one of the employers in the bargaining unit.

Fiscal Note: Requested February 8, 1991.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The current law discriminates against employees in multi-employer bargaining units. These employees are not voluntarily unemployed when they are locked out in a labor dispute. The law also has administrative difficulties because it requires the Employment Security Department to make determinations about whether multi-employer bargaining is taking place. This law has strengthened the employer's bargaining position and made labor disputes longer and more costly to both employees and employers. Employers are able to precipitate a strike by making unreasonable demands in bargaining.

Testimony Against: The bill was the result of long negotiations and final compromise during the deliberations of the Joint Select Committee on Labor-Management Relations. There was give and take by both sides. If a multi-employer exception is not allowed, there may be no multi-employer bargaining in Washington. The employees can already choose not to bargain in a multi-employer unit, because both sides must voluntarily agree to that bargaining arrangement. The labor dispute disqualification does not apply unless the employees begin a strike against one employer member of the unit.

Witnesses: (no position) Graeme Sackrison, Employment Security Department. (in favor) Steve Conway, Mike Young, Shirley Nichols, David Wagner, Dave Gibson, and Helen Reader, United Food and Commercial Workers; Jeff Johnson, Washington State Labor Council. (opposed) Clif Finch, Association of Washington Business; Richard King, Allied Employers; Larry Stevens, National Electrical Contractors Association; Duke Schaub, Associated General Contractors; Jan Gee, Washington Retail Association; Jim Boldt, Washington Food Dealers; and Mike Matson, Associated Grocers.