

2 **ESHB 1988** - S COMM AMD TO TED COMM AMD (1988-S.E AMS TED S3086.1)
3 By Committee on Ways & Means

4 NOT ADOPTED 4/19/93

5 On page 1, after line 6 of the amendment, strike everything through
6 "1994." on page 20, line 16 and insert the following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) The economy of the state depends on a well-trained work force
9 and a strong employment and unemployment system. A well-trained work
10 force generates the productivity employers need in order to compete in
11 the global economy and to pay workers good wages. A strong employment
12 and unemployment system ameliorates the negative impacts of
13 unemployment and matches the needs of employers with individuals
14 seeking employment.

15 (2) The legislature further finds that too many Washington workers
16 are unemployed, many of whom need new or enhanced work force skills in
17 order to meet current demand in the labor market. With the increasing
18 pace of economic change, employees must become life-long learners who
19 periodically obtain additional education and training. The state
20 should provide unemployed workers a variety of effective services,
21 including timely payment of unemployment benefits, job and career
22 counseling, job referral services, and training.

23 (3) At the same time, too many employers report problems finding
24 workers with the right skills. The state should provide employers with
25 an effective training system and an efficient method for locating well-
26 qualified workers.

27 Therefore, the legislature finds it necessary and in the public
28 interest to create an employment and training trust fund in order to
29 provide state funding for employment and training services.

30 NEW SECTION. **Sec. 2.** A new section is added to chapter 50.24 RCW
31 to read as follows:

32 Employment and training trust fund contributions to the employment
33 and training trust fund shall accrue and become payable by each
34 employer, except employers as described in RCW 50.44.010 and 50.44.030
35 who have properly elected to make payments in lieu of contributions,

1 taxable local government employers as described in RCW 50.44.035, those
2 employers who are required to make payments in lieu of contributions,
3 and those qualified employers assigned rate class 20 under RCW
4 50.29.025 at the rate of twelve one-hundredths of one percent for rate
5 years 1994, 1995, 1996, and 1997. The amount of wages subject to tax
6 shall be determined under RCW 50.24.010.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.16 RCW
8 to read as follows:

9 There is hereby established the employment and training trust fund.
10 All moneys in this fund are irrevocably vested for the administration
11 of this title. The employment and training trust fund shall consist of
12 all moneys from employment and training trust fund contributions as
13 established in section 2 of this act. The treasurer of the employment
14 security department shall deposit, administer, and disburse all moneys
15 in the fund under rules adopted by the commissioner and RCW 43.01.050
16 and 43.84.092 are not applicable to this fund. The treasurer of the
17 employment security department shall be the treasurer of the employment
18 and training trust fund as described in RCW 50.16.020 and shall give a
19 bond conditioned upon the faithful performance of his or her duties in
20 connection with the fund. All sums recovered on the official bond for
21 losses sustained by the employment and training trust fund must be
22 deposited in the fund. Notwithstanding any provision of this section,
23 all moneys received and deposited in the fund under chapter . . . , Laws
24 of 1993 (this act), remain part of the employment and training trust
25 fund and may be used solely for the following purposes:

26 (1) Providing training and related support services, including
27 financial aid, to individuals who have been terminated or have received
28 a notice of termination from employment, and who are eligible for or
29 have exhausted their entitlement to unemployment compensation benefits
30 within the previous twenty-four months;

31 (2) Assisting workers in finding employment through job referral,
32 job development, counseling, and referral to training resources;

33 (3) Obtaining labor market information necessary for the
34 administration of the unemployment insurance program and to assist
35 unemployed workers in finding employment;

36 (4) Performing research by an independent state auditing agency or
37 an independent contractor to determine effectiveness of unemployment

1 insurance programs and to determine whether program changes would
2 benefit workers and employers;

3 (5) Collecting contributions for and administration of the
4 employment and training trust fund;

5 (6) Improving service through improved use of information
6 technology; and

7 (7) Establishing collocation employment security and job service
8 outstations at seven community and technical college campuses across
9 the state.

10 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.16 RCW
11 to read as follows:

12 An individual may be eligible for applicable employment security
13 benefits while participating in work force training. Eligibility is at
14 the discretion of the commissioner of employment security after
15 submitting a commissioner-approved training waiver and developing a
16 detailed individualized training plan.

17 Benefits paid under this section may not be charged to the
18 experience rating accounts of individual employers.

19 The commissioner shall adopt rules as necessary to implement this
20 section.

21 NEW SECTION. **Sec. 5.** Aerospace workers unemployed as the result
22 of downsizing and restructuring of the aerospace industry will be
23 deemed to be dislocated workers for the purpose of commissioner
24 approval of training under RCW 50.20.043.

25 NEW SECTION. **Sec. 6.** (1) The employment security department shall
26 disburse the amounts appropriated by the legislature for the purposes
27 of chapter . . . , Laws of 1993 (this act) to the state board for
28 community and technical colleges. The community and technical college
29 system may contract or otherwise work in partnership with other public
30 and private providers of training services to serve the individuals
31 eligible for training under chapter . . . , Laws of 1993 (this act).
32 These funds shall be allotted for, and only for, training programs and
33 related support services, including financial aid, in the community and
34 technical college system that:

35 (a) Are consistent with work force training priorities and based
36 upon the comprehensive plan for work force training developed by the

1 work force training and education coordinating board. The state board
2 for community and technical colleges shall develop a plan for use and
3 evaluation of these funds which is to be approved by the work force
4 training and education coordinating board for consistency with their
5 work force priorities. Further, the state board for community and
6 technical colleges shall report to the work force training and
7 education coordinating board and the legislature annually on the
8 progress and results of the training and support services provided to
9 eligible participants;

10 (b) Provide increased enrollments for individuals who have been
11 terminated or have received a notice of termination from employment,
12 and who are eligible for or have exhausted their entitlement to
13 unemployment compensation benefits within the previous twenty-four
14 months, with first priority given to individuals who are unlikely to
15 return to employment in the individuals' principal occupation or
16 previous industry because of a diminishing demand for their skills in
17 that occupation or industry; and

18 (c) Provide increased enrollments and support services, including
19 financial aid, that do not replace or supplant any existing
20 enrollments, programs, support services, or funding sources. For
21 fiscal year 1994, the state board for community and technical colleges
22 may borrow from the general fund to initiate the programs authorized
23 under this act. However, the board shall repay the borrowed amount by
24 the end of the fiscal biennium from funds appropriated to it from the
25 employment and training trust fund.

26 (2) For purposes of chapter . . . , Laws of 1993 (this act),
27 training provided by the community and technical colleges shall only
28 consist of basic skills and literacy, occupational skills, vocational
29 education, and related or supplemental instruction for apprentices who
30 are enrolled in a registered, state-approved apprenticeship program.
31 Community and technical colleges may contract with skill centers to
32 provide training authorized in this section. Upon the request of an
33 eligible recipient, a community and technical college may contract with
34 a private technical school for specialized vocational training.
35 Available tuition for the training is limited to the amount that would
36 otherwise be obtained per enrolled quarter to a public institution.
37 Furthermore, the funding is only available to students who seek
38 training in a course of study not available at a public institution
39 within an eligible recipient's congressional district.

1 **Sec. 7.** RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to
2 read as follows:

3 There shall be maintained as special funds, separate and apart from
4 all public moneys or funds of this state an unemployment compensation
5 fund, an administrative contingency fund, an employment and training
6 trust fund, and a federal interest payment fund, which shall be
7 administered by the commissioner exclusively for the purposes of this
8 title, and to which RCW 43.01.050 and 43.84.092 shall not be
9 applicable.

- 10 (1) The unemployment compensation fund shall consist of
11 ~~((+1))~~ (a) all contributions and payments in lieu of contributions
12 collected pursuant to the provisions of this title,
13 ~~((+2))~~ (b) any property or securities acquired through the use of
14 moneys belonging to the fund,
15 ~~((+3))~~ (c) all earnings of such property or securities,
16 ~~((+4))~~ (d) any moneys received from the federal unemployment
17 account in the unemployment trust fund in accordance with Title XII of
18 the social security act, as amended,
19 ~~((+5))~~ (e) all money recovered on official bonds for losses
20 sustained by the fund,
21 ~~((+6))~~ (f) all money credited to this state's account in the
22 unemployment trust fund pursuant to section 903 of the social security
23 act, as amended,
24 ~~((+7))~~ (g) all money received from the federal government as
25 reimbursement pursuant to section 204 of the federal-state extended
26 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and
27 ~~((+8))~~ (h) all moneys received for the fund from any other source.
28 All moneys in the unemployment compensation fund shall be
29 commingled and undivided.

- 30 (2)(a) The administrative contingency fund shall consist of:
31 (i) All interest on delinquent contributions collected pursuant to
32 this title~~((7))~~i
33 (ii) All fines and penalties collected pursuant to the provisions
34 of this title~~((7))~~i
35 (iii) All sums recovered on official bonds for losses sustained by
36 the fund~~((7))~~i and
37 (iv) Revenue received under RCW 50.24.014:
38 PROVIDED, That all fees, fines, forfeitures and penalties collected
39 or assessed by a district court because of the violation of a state law

1 shall be remitted as provided in chapter 3.62 RCW as now exists or is
2 later amended.

3 (b) Moneys available in the administrative contingency fund, other
4 than money in the special account created under RCW 50.24.014, shall be
5 expended upon the direction of the commissioner, with the approval of
6 the governor, whenever it appears to him or her that such expenditure
7 is necessary for:

8 ~~((a))~~ (i) The proper administration of this title and no federal
9 funds are available for the specific purpose to which such expenditure
10 is to be made, provided, the moneys are not substituted for
11 appropriations from federal funds which, in the absence of such moneys,
12 would be made available.

13 ~~((b))~~ (ii) The proper administration of this title for which
14 purpose appropriations from federal funds have been requested but not
15 yet received, provided, the administrative contingency fund will be
16 reimbursed upon receipt of the requested federal appropriation.

17 Money in the special account created under RCW 50.24.014 may only
18 be expended, after appropriation, for the purposes specified in RCW
19 ~~((74.09.035, 74.09.510, 74.09.520, and 74.09.700))~~ 50.62.010,
20 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025,
21 50.24.014, 50.44.053, and 50.22.010.

22 (3) The employment and training trust fund shall consist of all
23 contributions received from the employment and training trust fund
24 contributions in accordance with section 2 of this act.

25 **Sec. 8.** RCW 50.16.010 and 1993 c s 7 (section 7 of this act)
26 are each amended to read as follows:

27 There shall be maintained as special funds, separate and apart from
28 all public moneys or funds of this state an unemployment compensation
29 fund, an administrative contingency fund, ~~((an employment and training~~
30 ~~trust fund,))~~ and a federal interest payment fund, which shall be
31 administered by the commissioner exclusively for the purposes of this
32 title, and to which RCW 43.01.050 ~~((and 43.84.092))~~ shall not be
33 applicable.

34 ~~((1))~~ The unemployment compensation fund shall consist of

35 ~~((a))~~ (1) all contributions and payments in lieu of contributions
36 collected pursuant to the provisions of this title,

37 ~~((b))~~ (2) any property or securities acquired through the use of
38 moneys belonging to the fund,

1 ~~((e))~~ (3) all earnings of such property or securities,
2 ~~((d))~~ (4) any moneys received from the federal unemployment
3 account in the unemployment trust fund in accordance with Title XII of
4 the social security act, as amended,

5 ~~((e))~~ (5) all money recovered on official bonds for losses
6 sustained by the fund,

7 ~~((f))~~ (6) all money credited to this state's account in the
8 unemployment trust fund pursuant to section 903 of the social security
9 act, as amended,

10 ~~((g))~~ (7) all money received from the federal government as
11 reimbursement pursuant to section 204 of the federal-state extended
12 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

13 ~~((h))~~ (8) all moneys received for the fund from any other source.
14 All moneys in the unemployment compensation fund shall be
15 commingled and undivided.

16 ~~((2)(a))~~ The administrative contingency fund shall consist of~~((i))~~
17 ~~((i))~~ all interest on delinquent contributions collected pursuant
18 to this title~~((i))~~

19 ~~((ii))~~, all fines and penalties collected pursuant to the
20 provisions of this title~~((i))~~

21 ~~((iii))~~, all sums recovered on official bonds for losses sustained
22 by the fund~~((i))~~, and

23 ~~((iv))~~ revenue received under RCW 50.24.014:

24 PROVIDED, That all fees, fines, forfeitures and penalties collected
25 or assessed by a district court because of the violation of a state law
26 shall be remitted as provided in chapter 3.62 RCW as now exists or is
27 later amended.

28 ~~((b))~~ Moneys available in the administrative contingency fund,
29 other than money in the special account created under RCW 50.24.014,
30 shall be expended upon the direction of the commissioner, with the
31 approval of the governor, whenever it appears to him or her that such
32 expenditure is necessary for:

33 ~~((i))~~ (a) The proper administration of this title and no federal
34 funds are available for the specific purpose to which such expenditure
35 is to be made, provided, the moneys are not substituted for
36 appropriations from federal funds which, in the absence of such moneys,
37 would be made available.

38 ~~((ii))~~ (b) The proper administration of this title for which
39 purpose appropriations from federal funds have been requested but not

1 yet received, provided, the administrative contingency fund will be
2 reimbursed upon receipt of the requested federal appropriation.

3 Money in the special account created under RCW 50.24.014 may only
4 be expended, after appropriation, for the purposes specified in RCW
5 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
6 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

7 ~~((3) The employment and training trust fund shall consist of all
8 contributions received from the employment and training trust fund
9 contributions in accordance with section 2 of this act.))~~

10 **Sec. 9.** RCW 50.16.020 and 1983 1st ex.s. c 23 s 10 are each
11 amended to read as follows:

12 The commissioner shall designate a treasurer and custodian of the
13 unemployment compensation fund, the employment and training trust fund,
14 and ~~((ef))~~ the administrative contingency fund, who shall administer
15 such funds in accordance with the directions of the commissioner and
16 shall issue his or her warrants upon them in accordance with such
17 regulations as the commissioner shall prescribe. ~~((He))~~ The treasurer
18 and custodian shall maintain within the unemployment compensation fund
19 three separate accounts as follows:

- 20 (1) a clearing account,
- 21 (2) an unemployment trust fund account, and
- 22 (3) a benefit account.

23 All moneys payable to the unemployment compensation fund, upon
24 receipt thereof by the commissioner, shall be forwarded to the
25 treasurer, who shall immediately deposit them in the clearing account.
26 Refunds payable pursuant to the provisions of this title from the
27 unemployment compensation fund may be paid from the clearing account
28 upon warrants issued by the treasurer under the direction of the
29 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties
30 on delinquent contributions shall be paid from the administrative
31 contingency fund upon warrants issued by the treasurer under the
32 direction of the commissioner.

33 After clearance thereof, all other moneys in the clearing account
34 shall be immediately deposited with the Secretary of the Treasury of
35 the United States to the credit of the account of this state in the
36 unemployment trust fund, established and maintained pursuant to section
37 904 of the social security act, as amended, any provisions of law in
38 this state relating to the deposit, administration, release, or

1 disbursement of moneys in the possession or custody of this state to
2 the contrary notwithstanding.

3 The benefit account shall consist of all moneys requisitioned from
4 this state's account in the unemployment trust fund. Moneys in the
5 clearing and benefit accounts and in the administrative contingency
6 fund shall not be commingled with other state funds, but shall be
7 deposited by the treasurer, under the direction of the commissioner, in
8 any bank or public depository in which general funds of the state may
9 be deposited, but no public deposit insurance charge or premium shall
10 be paid out of the fund.

11 Such moneys shall be secured by said bank or public depository to
12 the same extent and in the same manner as required by the general
13 depository law of the state and collateral pledged shall be maintained
14 in a separate custody account.

15 The treasurer shall give a bond conditioned upon the faithful
16 performance of his or her duties as a custodian of the funds in an
17 amount fixed by the director of the department of general
18 administration and in a form prescribed by law or approved by the
19 attorney general. Premiums for said bond shall be paid from the
20 administration fund. All sums recovered on official bonds for losses
21 sustained by the unemployment compensation fund shall be deposited in
22 such fund. All sums recovered on official bonds for losses sustained
23 by the administrative contingency fund shall be deposited in such fund.

24 **Sec. 10.** RCW 50.16.020 and 1993 c s 9 (section 9 of this act)
25 are each amended to read as follows:

26 The commissioner shall designate a treasurer and custodian of the
27 unemployment compensation fund(~~(, the employment and training trust~~
28 ~~fund,)) and of the administrative contingency fund, who shall
29 administer such funds in accordance with the directions of the
30 commissioner and shall issue his or her warrants upon them in
31 accordance with such regulations as the commissioner shall prescribe.
32 The treasurer and custodian shall maintain within the unemployment
33 compensation fund three separate accounts as follows:~~

- 34 (1) a clearing account,
- 35 (2) an unemployment trust fund account, and
- 36 (3) a benefit account.

37 All moneys payable to the unemployment compensation fund, upon
38 receipt thereof by the commissioner, shall be forwarded to the

1 treasurer, who shall immediately deposit them in the clearing account.
2 Refunds payable pursuant to the provisions of this title from the
3 unemployment compensation fund may be paid from the clearing account
4 upon warrants issued by the treasurer under the direction of the
5 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties
6 on delinquent contributions shall be paid from the administrative
7 contingency fund upon warrants issued by the treasurer under the
8 direction of the commissioner.

9 After clearance thereof, all other moneys in the clearing account
10 shall be immediately deposited with the Secretary of the Treasury of
11 the United States to the credit of the account of this state in the
12 unemployment trust fund, established and maintained pursuant to section
13 904 of the social security act, as amended, any provisions of law in
14 this state relating to the deposit, administration, release, or
15 disbursement of moneys in the possession or custody of this state to
16 the contrary notwithstanding.

17 The benefit account shall consist of all moneys requisitioned from
18 this state's account in the unemployment trust fund. Moneys in the
19 clearing and benefit accounts and in the administrative contingency
20 fund shall not be commingled with other state funds, but shall be
21 deposited by the treasurer, under the direction of the commissioner, in
22 any bank or public depository in which general funds of the state may
23 be deposited, but no public deposit insurance charge or premium shall
24 be paid out of the fund.

25 Such moneys shall be secured by said bank or public depository to
26 the same extent and in the same manner as required by the general
27 depository law of the state and collateral pledged shall be maintained
28 in a separate custody account.

29 The treasurer shall give a bond conditioned upon the faithful
30 performance of his or her duties as a custodian of the funds in an
31 amount fixed by the director of the department of general
32 administration and in a form prescribed by law or approved by the
33 attorney general. Premiums for said bond shall be paid from the
34 administration fund. All sums recovered on official bonds for losses
35 sustained by the unemployment compensation fund shall be deposited in
36 such fund. All sums recovered on official bonds for losses sustained
37 by the administrative contingency fund shall be deposited in such fund.

1 **Sec. 11.** RCW 50.29.025 and 1990 c 245 s 7 are each amended to read
2 as follows:

3 The contribution rate for each employer shall be determined under
4 this section.

5 (1) A fund balance ratio shall be determined by dividing the
6 balance in the unemployment compensation fund as of the June 30th
7 immediately preceding the rate year by the total remuneration paid by
8 all employers subject to contributions during the second calendar year
9 preceding the rate year and reported to the department by the following
10 March 31st. The division shall be carried to the fourth decimal place
11 with the remaining fraction, if any, disregarded. The fund balance
12 ratio shall be expressed as a percentage.

13 (2) The interval of the fund balance ratio, expressed as a
14 percentage, shall determine which tax schedule in subsection (5) of
15 this section shall be in effect for assigning tax rates for the rate
16 year. The intervals for determining the effective tax schedule shall
17 be:

18	Interval of the	
19	Fund Balance Ratio	Effective
20	Expressed as a Percentage	Tax Schedule
21	3.40 and above	A
22	2.90 to 3.39	B
23	2.40 to 2.89	C
24	1.90 to 2.39	D
25	1.40 to 1.89	E
26	Less than 1.40	F

27 (3) An array shall be prepared, listing all qualified employers in
28 ascending order of their benefit ratios. The array shall show for each
29 qualified employer: (a) Identification number; (b) benefit ratio; (c)
30 taxable payrolls for the four calendar quarters immediately preceding
31 the computation date and reported to the department by the cut-off
32 date; (d) a cumulative total of taxable payrolls consisting of the
33 employer's taxable payroll plus the taxable payrolls of all other
34 employers preceding him or her in the array; and (e) the percentage
35 equivalent of the cumulative total of taxable payrolls.

1 (4) Each employer in the array shall be assigned to one of twenty
 2 rate classes according to the percentage intervals of cumulative
 3 taxable payrolls set forth in subsection (5) of this section:
 4 PROVIDED, That if an employer's taxable payroll falls within two or
 5 more rate classes, the employer and any other employer with the same
 6 benefit ratio shall be assigned to the lowest rate class which includes
 7 any portion of the employer's taxable payroll.

8 (5) The contribution rate for each employer in the array shall be
 9 the rate specified in the following tables for the rate class to which
 10 he or she has been assigned, as determined under subsection (4) of this
 11 section, within the tax schedule which is to be in effect during the
 12 rate year:

Percent of		Schedule((s)) of Contribution((s)) Rates							
Cumulative		for Effective Tax Schedule							
Taxable Payrolls		Rate							
From	To	Class	A	B	C	D	E	F	
0.00	5.00	1	0.48	0.58	0.98	1.48	1.88	2.48	
5.01	10.00	2	0.48	0.78	1.18	1.68	2.08	2.68	
10.01	15.00	3	0.58	0.98	1.38	1.78	2.28	2.88	
15.01	20.00	4	0.78	1.18	1.58	1.98	2.48	3.08	
20.01	25.00	5	0.98	1.38	1.78	2.18	2.68	3.18	
25.01	30.00	6	1.18	1.58	1.98	2.38	2.78	3.28	
30.01	35.00	7	1.38	1.78	2.18	2.58	2.98	3.38	
35.01	40.00	8	1.58	1.98	2.38	2.78	3.18	3.58	
40.01	45.00	9	1.78	2.18	2.58	2.98	3.38	3.78	
45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98	
50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08	
55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28	
60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48	
65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68	
70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78	
75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88	
80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98	
85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18	
90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38	
95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	

1	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.36</u>	<u>0.46</u>	<u>0.86</u>	<u>1.36</u>	<u>1.76</u>	<u>2.36</u>
2	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.36</u>	<u>0.66</u>	<u>1.06</u>	<u>1.56</u>	<u>1.96</u>	<u>2.56</u>
3	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.46</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.16</u>	<u>2.76</u>
4	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.66</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.36</u>	<u>2.96</u>
5	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.56</u>	<u>3.06</u>
6	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.16</u>
7	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>
8	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>
9	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>
10	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>
11	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>2.16</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>3.96</u>
12	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>2.36</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.16</u>
13	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.56</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.36</u>
14	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.76</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>
15	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.96</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.66</u>
16	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>3.16</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>	<u>4.76</u>
17	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.36</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>
18	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.76</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>	<u>5.06</u>
19	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.16</u>	<u>4.46</u>	<u>4.86</u>	<u>4.96</u>	<u>5.06</u>	<u>5.26</u>
20	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>

21 (6) The contribution rate for each employer not qualified to be in
22 the array shall be as follows:

23 (a) Employers who do not meet the definition of "qualified
24 employer" by reason of failure to pay contributions when due shall be
25 assigned the contribution rate of five and four-tenths percent, except
26 employers who have an approved agency-deferred payment contract by
27 September 30 of the previous rate year. If any employer with an
28 approved agency-deferred payment contract fails to make any one of the
29 succeeding deferred payments or fails to submit any succeeding tax
30 report and payment in a timely manner, the employer's tax rate shall
31 immediately revert to five and four-tenths percent for the current rate
32 year;

33 (b) The contribution rate for employers exempt as of December 31,
34 1989, who are newly covered under the section 78, chapter 380, Laws of
35 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
36 array shall be 2.5 percent for employers whose standard industrial code
37 is "013", "016", "017", "018", "019", "021", or "081"; and

1 (c) For all other employers not qualified to be in the array, the
2 contribution rate shall be a rate equal to the average industry rate as
3 determined by the commissioner; however, the rate may not be less than
4 one percent. Assignment of employers by the commissioner to industrial
5 classification, for purposes of this subsection, shall be in accordance
6 with established classification practices found in the "Standard
7 Industrial Classification Manual" issued by the federal office of
8 management and budget to the third digit provided in the Standard
9 Industrial Classification code.

10 **Sec. 12.** RCW 50.29.025 and 1993 c s 11 (section 11 of this
11 act) are each amended to read as follows:

12 The contribution rate for each employer shall be determined under
13 this section.

14 (1) A fund balance ratio shall be determined by dividing the
15 balance in the unemployment compensation fund as of the June 30th
16 immediately preceding the rate year by the total remuneration paid by
17 all employers subject to contributions during the second calendar year
18 preceding the rate year and reported to the department by the following
19 March 31st. The division shall be carried to the fourth decimal place
20 with the remaining fraction, if any, disregarded. The fund balance
21 ratio shall be expressed as a percentage.

22 (2) The interval of the fund balance ratio, expressed as a
23 percentage, shall determine which tax schedule in subsection (5) of
24 this section shall be in effect for assigning tax rates for the rate
25 year. The intervals for determining the effective tax schedule shall
26 be:

27	Interval of the	
28	Fund Balance Ratio	Effective
29	Expressed as a Percentage	Tax Schedule
30	3.40 and above	A
31	2.90 to 3.39	B
32	2.40 to 2.89	C
33	1.90 to 2.39	D
34	1.40 to 1.89	E
35	Less than 1.40	F

1 (3) An array shall be prepared, listing all qualified employers in
 2 ascending order of their benefit ratios. The array shall show for each
 3 qualified employer: (a) Identification number; (b) benefit ratio; (c)
 4 taxable payrolls for the four calendar quarters immediately preceding
 5 the computation date and reported to the department by the cut-off
 6 date; (d) a cumulative total of taxable payrolls consisting of the
 7 employer's taxable payroll plus the taxable payrolls of all other
 8 employers preceding him or her in the array; and (e) the percentage
 9 equivalent of the cumulative total of taxable payrolls.

10 (4) Each employer in the array shall be assigned to one of twenty
 11 rate classes according to the percentage intervals of cumulative
 12 taxable payrolls set forth in subsection (5) of this section:
 13 PROVIDED, That if an employer's taxable payroll falls within two or
 14 more rate classes, the employer and any other employer with the same
 15 benefit ratio shall be assigned to the lowest rate class which includes
 16 any portion of the employer's taxable payroll.

17 (5) The contribution rate for each employer in the array shall be
 18 the rate specified in the following tables for the rate class to which
 19 he or she has been assigned, as determined under subsection (4) of this
 20 section, within the tax schedule which is to be in effect during the
 21 rate year:

Percent of			Schedules of Contributions Rates						
Cumulative			for Effective Tax Schedule						
Taxable Payrolls			Rate						
From	To	Class	A	B	C	D	E	F	
0.00	5.00	1	0.36	0.46	0.86	1.36	1.78	2.36	
5.01	10.00	2	0.36	0.66	1.06	1.56	1.96	2.56	
10.01	15.00	3	0.46	0.86	1.26	1.66	2.16	2.76	
15.01	20.00	4	0.66	1.06	1.46	1.86	2.36	2.96	
20.01	25.00	5	0.86	1.26	1.66	2.06	2.56	3.06	
25.01	30.00	6	1.06	1.46	1.86	2.26	2.66	3.16	
30.01	35.00	7	1.26	1.66	2.06	2.46	2.86	3.26	
35.01	40.00	8	1.46	1.86	2.26	2.66	3.06	3.46	
40.01	45.00	9	1.66	2.06	2.46	2.86	3.26	3.66	
45.01	50.00	10	1.86	2.26	2.66	3.06	3.46	3.86	
50.01	55.00	11	2.16	2.46	2.86	3.26	3.66	3.96	

1	55.01	60.00	12	2.36	2.66	3.06	3.46	3.86	4.16
2	60.01	65.00	13	2.56	2.86	3.26	3.66	4.06	4.36
3	65.01	70.00	14	2.76	3.06	3.46	3.86	4.26	4.56
4	70.01	75.00	15	2.96	3.26	3.66	4.06	4.46	4.66
5	75.01	80.00	16	3.16	3.46	3.86	4.26	4.56	4.76
6	80.01	85.00	17	3.36	3.66	4.06	4.46	4.76	4.86
7	85.01	90.00	18	3.76	4.06	4.46	4.76	4.86	5.06
8	90.01	95.00	19	4.16	4.46	4.86	4.96	5.06	5.26
9	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))

10	0.00	5.00	1	0.48	0.58	0.98	1.48	1.88	2.48
11	5.01	10.00	2	0.48	0.78	1.18	1.68	2.08	2.68
12	10.01	15.00	3	0.58	0.98	1.38	1.78	2.28	2.88
13	15.01	20.00	4	0.78	1.18	1.58	1.98	2.48	3.08
14	20.01	25.00	5	0.98	1.38	1.78	2.18	2.68	3.18
15	25.01	30.00	6	1.18	1.58	1.98	2.38	2.78	3.28
16	30.01	35.00	7	1.38	1.78	2.18	2.58	2.98	3.38
17	35.01	40.00	8	1.58	1.98	2.38	2.78	3.18	3.58
18	40.01	45.00	9	1.78	2.18	2.58	2.98	3.38	3.78
19	45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98
20	50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08
21	55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28
22	60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48
23	65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68
24	70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78
25	75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88
26	80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98
27	85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18
28	90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38
29	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40

30 (6) The contribution rate for each employer not qualified to be in
31 the array shall be as follows:

32 (a) Employers who do not meet the definition of "qualified
33 employer" by reason of failure to pay contributions when due shall be
34 assigned the contribution rate of five and four-tenths percent, except
35 employers who have an approved agency-deferred payment contract by
36 September 30 of the previous rate year. If any employer with an
37 approved agency-deferred payment contract fails to make any one of the
38 succeeding deferred payments or fails to submit any succeeding tax

1 report and payment in a timely manner, the employer's tax rate shall
2 immediately revert to five and four-tenths percent for the current rate
3 year;

4 (b) The contribution rate for employers exempt as of December 31,
5 1989, who are newly covered under the section 78, chapter 380, Laws of
6 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
7 array shall be 2.5 percent for employers whose standard industrial code
8 is "013", "016", "017", "018", "019", "021", or "081"; and

9 (c) For all other employers not qualified to be in the array, the
10 contribution rate shall be a rate equal to the average industry rate as
11 determined by the commissioner; however, the rate may not be less than
12 one percent. Assignment of employers by the commissioner to industrial
13 classification, for purposes of this subsection, shall be in accordance
14 with established classification practices found in the "Standard
15 Industrial Classification Manual" issued by the federal office of
16 management and budget to the third digit provided in the Standard
17 Industrial Classification code.

18 NEW SECTION. **Sec. 13.** A new section is added to chapter 50.29
19 RCW to read as follows:

20 For the purpose of simplification of employer reports, the
21 "combined contribution rate" shall be used in the calculation of
22 employer taxes. The combined contribution rate shall include the
23 regular contribution rate as determined under RCW 50.29.025, employment
24 and training trust fund contributions as determined under section 2 of
25 this act, and special contributions required under RCW 50.24.014. A
26 mention of the "combined contribution rate" may not be made on a tax
27 form or publication unless the form or publication specifically
28 identifies the specific contributions. The combined contribution rate
29 may not be quoted on a form unless the specific component rates are
30 also quoted. The sole purpose of the combined contribution rate is to
31 allow an employer to perform a single calculation on a tax return
32 rather than four separate calculations.

33 NEW SECTION. **Sec. 14.** Prior to any increase in the employer tax
34 schedule as provided in section 11 of this act, the commissioner shall
35 provide a report to the appropriate committees of the legislature
36 specifying to what extent the work force training expenditures in

1 chapter . . . , Laws of 1993 (this act) elevated employer contribution
2 rates for the effective tax schedule.

3 NEW SECTION. **Sec. 15.** (1) The employment security department
4 shall report to the appropriate committees of the legislature by
5 December 1, 1994, and every year thereafter, on the status of the
6 programs provided in this act and the resulting outcomes. The
7 department shall include in its report quantitative and demographic
8 information on the increase in job orders, placement referrals,
9 individualized training plans, skill assessments, and other
10 interventions achieved. The department also shall include in its
11 report the number of repeat clients as a percentage of all clients
12 served by programs provided in chapter . . . , Laws of 1993 (this act).

13 (2) The state board for community and technical colleges shall
14 report to the appropriate standing committees of the legislature by
15 December 1, 1994, and every year thereafter, the number of certified
16 student full-time equivalents receiving training as provided in this
17 act. In addition, the report must include information on the outcomes
18 of the provided training. The report also must include indices of
19 placement rates, student demographics, training plan completion rates,
20 and comparisons of preprogram and postprogram wage levels.

21 (3) Each community and technical college shall confer and consult
22 with its respective labor-management advisory board concerning the
23 college's efforts to provide the training and services rendered in
24 chapter . . . , Laws of 1993 (this act) and meet the completion and
25 placement goals of the work force training and education coordinating
26 board.

27 NEW SECTION. **Sec. 16.** A new section is added to chapter 43.131
28 RCW to read as follows:

29 The work force employment and training program created in chapter
30 . . . , Laws of 1993 (this act) shall expire June 30, 1998.

31 NEW SECTION. **Sec. 17.** A new section is added to chapter 43.131
32 RCW to read as follows:

33 The following acts or parts of acts are each repealed, effective
34 June 30, 1999:

35 (1) Section 1 of this act;

36 (2) Section 2 of this act;

- 1 (3) Section 3 of this act;
- 2 (4) Section 4 of this act;
- 3 (5) Section 6 of this act;
- 4 (6) Section 13 of this act; and
- 5 (7) Section 15 of this act.

6 NEW SECTION. Sec. 18. (1) Sections 8 and 10 of this act shall
7 take effect June 30, 1999;

8 (2) Section 12 of this act shall take effect January 1, 1998.

9 NEW SECTION. Sec. 19. If any part of this act is found to be in
10 conflict with federal requirements that are a prescribed condition to
11 the allocation of federal funds to the state or the eligibility of
12 employers in this state for federal unemployment tax credits, the
13 conflicting part of this act is hereby declared to be inoperative
14 solely to the extent of the conflict, and such finding or determination
15 shall not affect the operation of the remainder of this act. The rules
16 under this act shall meet federal requirements that are a necessary
17 condition to the receipt of federal funds by the state or the granting
18 of federal unemployment tax credits to employers in this state.

19 NEW SECTION. Sec. 20. If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

23 NEW SECTION. Sec. 21. This act applies to tax rate years
24 beginning with tax rate year 1994."

25 **ESHB 1988** - S COMM AMD TO TED COMM AMD (1988-S.E AMS TED S3086.1)
26 By Committee on Ways & Means

27

28 On page 20, beginning on line 21 of the title amendment, after
29 "insert" strike the remainder of the title amendment and insert
30 "amending RCW 50.16.010, 50.16.010, 50.16.020, 50.16.020, 50.29.025,
31 and 50.29.025; adding a new section to chapter 50.24 RCW; adding new
32 sections to chapter 50.16 RCW; adding a new section to chapter 50.29

1 RCW; adding new sections to chapter 43.131 RCW; creating new sections;
2 and providing effective dates."

--- **END** ---