

SENATE BILL REPORT

SB 5463

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 16, 1993

**Brief Description:** Prescribing unemployment compensation maximum benefits.

**SPONSORS:** Senators Moore, Prentice, Fraser and Pelz

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, McAuliffe, Pelz, Vognild, and Wojahn.

**Minority Report:** Do not pass.

Signed by Senators Amondson, Cantu, Newhouse, and Prince.

**Staff:** Jonathan Seib (786-7427)

**Hearing Dates:** February 8, 1993; February 16, 1993

**BACKGROUND:**

Under current law, the maximum total unemployment insurance benefits an individual may receive is set at 30 times the individual's weekly benefit amount or one-third of the individual's base year wages, whichever is lower. The maximum weekly benefit amount is set at 55 percent of the state average weekly wage, or, in certain circumstances, 60 percent. The current maximum is 60 percent.

**SUMMARY:**

The maximum weekly unemployment insurance benefit amount is increased to 100 percent of the state average weekly wage.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested February 4, 1993

**TESTIMONY FOR:**

The current maximum weekly benefit amount, around \$270, is insufficient, particularly with regard to the many high wage jobs in jeopardy in this state. Increasing benefit levels will help cushion the blow to the general state economy of any mass layoffs. The UI trust fund is better able to accommodate higher benefit levels than is the state economy able to handle the shock of what amount to very low wages.

**TESTIMONY AGAINST:**

This will amount to a \$152 million increase in unemployment insurance costs in the state which will hurt both employers and workers. The business climate in Washington is not good, and this will only exacerbate the problem. Washington already has a very high UI tax, and this bill would place the maximum weekly benefit level well above any other state in the country. This would place Washington businesses at a significant competitive disadvantage.

**TESTIFIED:** Robbie Stern, King County Labor Council (pro); Jeff Johnson, Washington State Labor Council (pro); Clif Finch, Association of Washington Business (con)